

BOROUGH OF WOODCLIFF LAKE
BERGEN COUNTY, NEW JERSEY
REPORT OF AUDIT
FOR THE YEAR ENDED DECEMBER 31, 2023

BOROUGH OF WOODCLIFF LAKE

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BOROUGH OF WOODCLIFF LAKE

BERGEN COUNTY, NEW JERSEY

PART I

REPORT ON AUDIT OF FINANCIAL STATEMENTS

AND SUPPLEMENTARY SCHEDULES

FOR THE YEAR ENDED DECEMBER 31, 2023



LERCH, VINCI & BLISS, LLP

CERTIFIED PUBLIC ACCOUNTANTS
REGISTERED MUNICIPAL ACCOUNTANTS

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JOHN CUIFFO, CPA, PSA

INDEPENDENT AUDITOR'S REPORT

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

Report on the Audit of the Financial Statements

Opinions

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, 2023 and 2022, 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, 2023, and the related notes to the financial statements.

Qualified Opinion on Regulatory Basis of Accounting

In our opinion, except for the possible effects of the matters discussed in the Basis for Qualified Opinion on Regulatory Basis of Accounting section of our report, the financial statements – regulatory basis referred to above 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, 2023 and 2022, and the results of operations and changes in fund balance – regulatory basis of such funds for the years then ended and the respective revenues – regulatory basis and expenditures – regulatory basis of the various funds for the year ended December 31, 2023 in accordance with the financial accounting and reporting provisions and practices prescribed by the Division of Local Government Services, Department of Community Affairs, State of New Jersey as described in Note 1.

Adverse Opinion on U.S. Generally Accepted Accounting Principles

In our opinion, because of the significance of the matter discussed in the Basis for Adverse Opinion on U.S. Generally Accepted Accounting Principles section of our report, the financial statements referred to above do not present fairly, in accordance with accounting principles generally accepted in the United States of America, the financial position of each fund of the Borough of Woodcliff Lake as of December 31, 2023 and 2022, or changes in financial position for the years then ended.

Basis for Opinions

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 the audit requirements prescribed by the Division of Local Government Services, Department of Community Affairs, State of New Jersey. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the Borough of Woodcliff Lake and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audits. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Basis for Qualified Opinion on Regulatory Basis of Accounting

As discussed in Note 17 of the financial statements, the financial statements – regulatory basis of the Length of Service Awards Program (LOSAP) Trust 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 Trust Fund financial statements as part of our audit of the Borough’s financial statements as of and for the years ended December 31, 2023 and 2022. The LOSAP Trust Fund financial activities are included in the Borough’s Trust Funds, and represent 42 percent and 41 percent of the assets and liabilities of the Borough’s Trust Funds as of December 31, 2023 and 2022, respectively.

Basis for Adverse Opinion on U.S. Generally Accepted Accounting Principles

As described in Note 1 of the financial statements, the financial statements are prepared by the Borough of Woodcliff Lake on the basis of the financial accounting and reporting provisions and practices that demonstrate compliance with the regulatory basis of accounting and budget laws prescribed by the Division of Local Government Services, Department of Community Affairs, State of New Jersey, which is a basis of accounting other than accounting principles generally accepted in the United States of America, to meet the financial reporting requirements of the State of New Jersey for municipal government entities.

The effects on the financial statements of the variances between the regulatory basis of accounting described in Note 1 and accounting principles generally accepted in the United States of America, although not reasonably determinable, are presumed to be material and pervasive.

Responsibilities of Management for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with the financial accounting and reporting provisions and practices that demonstrate compliance with the regulatory basis of accounting and budget laws prescribed by the Division of Local Government Services, Department of Community Affairs, State of New Jersey as described in Note 1. Management is also responsible for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatements, whether due to fraud or error.

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the Borough of Woodcliff Lake’s ability to continue as a going concern for twelve months beyond the financial statement date, including any currently known information that may raise substantial doubt shortly thereafter.

Auditor’s Responsibilities for the Audit of Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor’s report that includes our opinions. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with generally accepted auditing standards, Government Auditing Standards and audit requirements prescribed by the Division of Local Government Services, Department of Community Affairs, State of New Jersey, will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with generally accepted auditing standards, Government Auditing Standards and audit requirements prescribed by the Division of Local Government Services, Department of Community Affairs, State of New Jersey, we:

- Exercise professional judgement and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design 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. Accordingly, no such opinion is expressed.

- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the Borough of Woodcliff Lake's ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control-related matters that we identified during the audit.

Supplementary Information

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, schedule of expenditures of federal awards and schedule of expenditures of state financial assistance as required by NJ OMB Circular 15-08, Single Audit Policy for Recipients of Federal Grants, State Grants and State Aid are presented for purposes of additional analysis and are not a required part of the financial statements of the Borough of Woodcliff Lake. Such information has been subjected to the auditing procedures applied in the audit of the financial statements and 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 supplementary schedules listed in the table of contents, schedule of expenditures of federal awards and schedule of expenditures of state financial assistance are fairly stated, in all material respects, in relation to the financial statements as a whole on the basis of accounting described in Note 1.

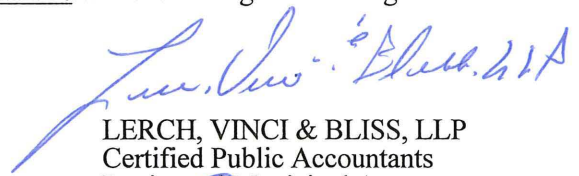
Other Information

Management is responsible for the other information included in the report of audit. The other information comprises the supplementary data and letter of comments and recommendation section but does not include the financial statements and our auditor's report thereon. Our opinions on the financial statements do not cover the other information, and we do not express an opinion or any form of assurance thereon.

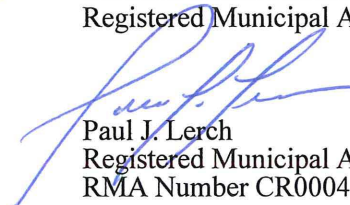
In connection with our audit of the financial statements, our responsibility is to read the other information and consider whether a material inconsistency exists between the other information and the financial statements, or the other information otherwise appears to be materially misstated. If, based on the work performed, we conclude that an uncorrected material misstatement of the other information exists, we are required to describe it in our report.

Other Reporting Required by Government Auditing Standards

In accordance with Government Auditing Standards, we have also issued our report dated June 26, 2024 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 solely 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 effectiveness of the Borough of Woodcliff Lake's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with Government Auditing Standards in considering the Borough of Woodcliff Lake's internal control over financial reporting and compliance.



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



Paul J. Lerch
 Registered Municipal Accountant
 RMA Number CR000457

BOROUGH OF WOODCLIFF LAKE
COMPARATIVE BALANCE SHEETS - REGULATORY BASIS
AS OF DECEMBER 31, 2023 AND 2022
CURRENT FUND

ASSETS	<u>Reference</u>	<u>2023</u>	<u>2022</u>
Cash and Cash Equivalents	A-4	\$ 7,832,064	\$ 7,879,213
Cash - Change Fund	A-6	250	250
Federal and State Grants Receivable	A-23	<u>168,648</u>	<u>134,831</u>
		<u>8,000,962</u>	<u>8,014,294</u>
Receivables and Other Assets With Full Reserves			
Delinquent Property Taxes Receivable	A-8	200,579	223,427
Tax Title Liens Receivable	A-30	476	-
Due from General Capital Fund	C-10	159,434	108,354
Due from Public Assistance Trust Fund	D-4	342	154
Due from Community Development Block Grant Trust Fund	B-15	1	1
Due from Other Trust Fund	B-8	31,145	11,245
Due from Animal Control Trust Fund	B-5	<u>1,746</u>	<u>5,188</u>
		<u>393,723</u>	<u>348,369</u>
Deferred Charge			
Emergency Authorization	A-28	1,020,000	
Special Emergency Authorization	A-28	<u>42,000</u>	<u>56,000</u>
Total Assets		<u>\$ 9,456,685</u>	<u>\$ 8,418,663</u>
LIABILITIES, RESERVES AND FUND BALANCE			
Liabilities			
Appropriation Reserves	A-3, A-10	\$ 1,241,796	\$ 1,509,687
Encumbrances Payable	A-19	497,879	358,263
Accounts Payable	A-11	8,067	5,154
Due to State of New Jersey			
Senior Citizens' and Veterans' Deductions	A-7	9,296	9,296
Construction Training Fees/Marriage Fees Payable	A-12, A-13	25,356	7,383
Due to Other Trust Fund	B-8	25,104	9,345
Due to Municipal Open Space Preservation Trust Fund	B-16	-	216,376
Tax Overpayments	A-16	10,222	3,122
Reserve for Tax Appeals	A-14	1,009,748	1,601,489
Reserve for Terminal Leave	A-25	200,000	40,479
Prepaid Taxes	A-15	291,863	564,497
Reserve for Prepaid Revenue	A-26	-	2,514
Reserve for Aid in Lieu of Taxes	A-24	26,613	26,613
Reserve for Tax Sale Premium	A-27	42,500	258,100
Reserve for Municipal Relief Fund	A-29	53,132	26,572
Local School Tax Payable	A-20	2	1
Regional High School Tax Payable	A-17	261,238	253,578
Due County for Added and Omitted Taxes	A-18	5,608	7,701
Emergency Notes Payable	A-31	1,020,000	-
Appropriated Reserves	A-22	296,008	252,778
Unappropriated Reserves	A-21	<u>7,587</u>	<u>101,332</u>
		5,032,019	5,254,280
Reserve for Receivables and Other Assets	A	393,723	348,369
Fund Balance	A-1	<u>4,030,943</u>	<u>2,816,014</u>
Total Liabilities, Reserves and Fund Balance		<u>\$ 9,456,685</u>	<u>\$ 8,418,663</u>

See Accompanying Notes are an Integral Part of these Financial Statements

BOROUGH OF WOODCLIFF LAKE
COMPARATIVE STATEMENTS OF OPERATIONS AND CHANGES IN FUND BALANCE-
REGULATORY BASIS
FOR THE YEARS ENDED DECEMBER 31, 2023 AND 2022
CURRENT FUND

	<u>Reference</u>	<u>2023</u>	<u>2022</u>
REVENUE AND OTHER INCOME REALIZED			
Fund Balance Utilized	A-2	\$ 1,800,000	\$ 1,614,000
Miscellaneous Revenues Anticipated	A-2	2,217,655	2,372,008
Receipts from Delinquent Taxes	A-2	219,183	145,245
Receipts from Current Taxes	A-2	49,556,334	46,542,424
Non-Budget Revenues	A-2	1,063,853	545,408
Other Credits to Income			
Unexpended Balance of Appropriation Reserves	A-10	958,497	809,474
Statutory Excess Animal Control Fund	B-4	1,399	1,880
Prior Year Receivable Collected	A-1	-	71,051
Prior Year Interfund Liquidated	A	<u>124,942</u>	<u>90,052</u>
Total Revenues		<u>55,941,863</u>	<u>52,191,542</u>
EXPENDITURES			
Budget and Emergency Appropriations			
Operations			
Salaries and Wages	A-3	5,330,600	5,070,580
Other Expenses	A-3	7,851,888	6,536,749
Capital Improvement Fund	A-3	150,000	146,000
Municipal Debt Service	A-3	1,245,431	1,097,600
Deferred Charges and Statutory Expenditures	A-3	1,216,456	1,324,095
County Taxes	A-18	5,723,141	4,809,622
Due County for Added and Omitted Taxes	A-18	5,608	7,701
Municipal Open Space Preservation Trust Fund	B-1	229,882	216,348
Local District School Taxes	A-20	18,020,000	17,244,374
Regional High School Taxes	A-17	13,981,260	13,594,091
Refund Prior Year Revenue	A-1	-	2,235
Interfund Advance Originating	A	<u>192,668</u>	<u>124,942</u>
Total Expenditures		<u>53,946,934</u>	<u>50,174,337</u>
Excess in Revenue		1,994,929	2,017,205
Adjustments to Income before Surplus:			
Expenditures included above which are by Statute Deferred Charges to Budget of Succeeding Year	A-28	<u>1,020,000</u>	<u>-</u>
Statutory Excess to Surplus		3,014,929	2,017,205
Fund Balance, January 1	A	<u>2,816,014</u>	<u>2,412,809</u>
		5,830,943	4,430,014
Decreased by:			
Utilization as Anticipated Revenue	A-1,A-2	<u>1,800,000</u>	<u>1,614,000</u>
Fund Balance, December 31	A	<u>\$ 4,030,943</u>	<u>\$ 2,816,014</u>

See Accompanying Notes are an Integral Part of these Financial Statements

BOROUGH OF WOODCLIFF LAKE
STATEMENT OF REVENUES - STATUTORY BASIS
FOR THE YEAR ENDED DECEMBER 31, 2023
CURRENT FUND

	<u>Reference</u>	<u>Budget</u>	Added by N.J.S.A <u>40A:4-87</u>	<u>Realized</u>	<u>Excess or (Deficit)</u>
Surplus Anticipated	A-1	\$ 1,800,000	-	\$ 1,800,000	-
Miscellaneous Revenues					
Licenses					
Alcoholic Beverages	A-9	2,000		2,261	\$ 261
Other	A-9	100		524	424
Fees and Permits					
Other	A-2	87,110		120,200	33,090
Fines and Costs					
Municipal Court	A-9	32,000		37,453	5,453
Interest and Costs on Taxes	A-9	60,000		86,022	26,022
Uniform Fire Safety Act - Local	A-9	10,000		11,131	1,131
Park Receipts	A-9	370,000		335,245	(34,755)
Upper Saddle River Sewer Charges	A-9	15,000		19,308	4,308
Cablevision Fees	A-9	50,000		50,428	428
Dept. of Public Works - Recyclables	A-9	13,000		15,405	2,405
Hotel Tax	A-9	80,000		223,642	143,642
Verizon Franchise Fees	A-9	43,000		43,095	95
Energy Receipts Tax	A-9	512,910		512,910	-
Watershed Moratorium Aid	A-9	11,186		11,186	-
Uniform Construction Code Fees	A-9	426,000		505,297	79,297
Alcohol Education	A-21	158		158	-
Clean Communities Program	A-23,21	15,811	\$ 17,734	33,545	-
Municipal Alliance Grant	A-23	3,863		3,863	-
Bulletproof Vest Grant	A-21	5,354		5,354	-
NJ Distracted Driving Grant	A-23	7,000		7,000	-
Recycling Tonnage	A-23	15,657		15,657	-
Body Armor Grant	A-21	1,574		1,574	-
American Rescue Plan Firefighter Grant	A-23	24,000		24,000	-
Drive Sober or Get Pulled Over	A-23		7,000	7,000	-
American Rescue Plan	A-21	79,580		79,580	-
Municipal Relief Fund	A-29	26,572		26,572	-
General Capital Fund Balance	C-1	22,467		22,467	-
Reserve for Aid in Lieu of Taxes	A-24	17,000	-	16,778	(222)
Total Miscellaneous Revenues	A-1	<u>1,931,342</u>	<u>24,734</u>	<u>2,217,655</u>	<u>261,579</u>
Receipts from Delinquent Taxes	A-8,A-1	<u>200,000</u>	-	<u>219,183</u>	<u>19,183</u>
Amount to be Raised by Taxes for Support of Municipal Budget	A-2	<u>11,764,819</u>	-	<u>12,539,443</u>	<u>774,624</u>
Total General Revenues	A-3	<u>\$ 15,696,161</u>	<u>\$ 24,734</u>	16,776,281	<u>\$ 1,055,386</u>
Non-Budget Revenue	A-1,A-2			<u>1,063,853</u>	
				<u>\$ 17,840,134</u>	

See Accompanying Notes are an Integral Part of these Financial Statements

BOROUGH OF WOODCLIFF LAKE
STATEMENT OF REVENUES - REGULATORY BASIS
FOR THE YEAR ENDED DECEMBER 31, 2023
CURRENT FUND
(Continued)

	<u>Reference</u>	<u>Realized</u>
ANALYSIS OF REALIZED REVENUES		
Allocation of Current Tax Collections		
Revenue from Collections	A-2,A-8	\$ 49,556,334
Less: Allocation to School and County Taxes and Municipal Open Space Preservation Trust Fund	A-18,A-20,A-17 B-13	<u>37,959,891</u>
		11,596,443
Add Appropriation - "Reserve for Uncollected Taxes"	A-3	<u>943,000</u>
Amount for Support of Municipal Budget Appropriations	A-2	<u>\$ 12,539,443</u>
Fees and Permits		
Other		
Collector/Treasurer (Parking)	A-9	\$ 18,460
Police	A-9	3,627
Board of Health	A-9	15,764
Planning & Zoning	A-9	20,210
Fire Prevention- Miscellaneous Fees	A-9	61,572
Borough Clerk	A-9	<u>567</u>
	A-2	<u>\$ 120,200</u>
Analysis of Non-Budget Revenue		
Administrative Fee - Private Duty Account		\$ 175,886
Interest on Investments		718,096
Miscellaneous		107,379
FEMA - Ida & Isaias		60,747
Soil Removal		1,350
Administrative Fee on Senior and Veterans Discounts		<u>395</u>
	A-2	<u>\$ 1,063,853</u>

BOROUGH OF WOODCLIFF LAKE
STATEMENT OF EXPENDITURES - REGULATORY BASIS
FOR THE YEAR ENDED DECEMBER 31, 2023
CURRENT FUND

	<u>Appropriated</u>		<u>Expended</u>		<u>Unexpended Balances Cancelled</u>
	<u>Budget</u>	<u>Budget After Modification</u>	<u>Paid or Charged</u>	<u>Reserves</u>	
OPERATIONS WITHIN "CAPS"					
GENERAL GOVERNMENT					
General Administration					
Salaries and Wages	\$ 205,000	\$ 205,000	\$ 190,939	\$ 14,061	
Other Expenses	125,400	125,400	122,806	2,594	
Mayor and Council					
Salaries and Wages	37,500	37,500	37,500	-	
Other Expenses	6,700	6,700	6,415	285	
Municipal Clerk					
Salaries and Wages	113,500	113,500	109,053	4,447	
Other Expenses	32,000	32,000	19,671	12,329	
Financial Administration					
Salaries and Wages	212,000	192,000	187,490	4,510	
Other Expenses	51,200	51,200	36,501	14,699	
Audit Services					
Other Expenses	81,000	81,000	78,690	2,310	
Information Technology					
Other Expenses	18,000	33,000	27,303	5,697	
Revenue Administration (Tax Collection)					
Salaries and Wages	32,000	32,000	26,265	5,735	
Other Expenses	17,600	17,600	10,084	7,516	
Tax Assessment Administration					
Salaries and Wages	27,000	27,000	26,265	735	
Other Expenses	132,130	132,130	131,676	454	
Legal Services and Costs					
Other Expenses	147,000	132,000	107,571	24,429	
Engineering Services and Costs					
Other Expenses	80,000	55,000	19,619	35,381	
MUNICIPAL LAND USE LAW (NJSA 40:55D-1)					
Planning Board					
Salaries and Wages	41,000	41,000	31,156	9,844	
Other Expenses	30,750	30,750	6,537	24,213	
Zoning Board of Adjustment					
Salaries and Wages	41,000	41,000	31,156	9,844	
Other Expenses	32,700	32,700	8,259	24,441	
INSURANCE					
Unemployment Insurance					
Other Expenses	2,000	2,000	2,000	-	
Insurance (N.J.S.A. 40A:4-45.3(00))					
General Liability	247,000	247,000	222,133	24,867	
Workers Compensation	178,000	178,000	162,929	15,071	
Employee Group Health	1,397,000	1,397,000	1,175,870	221,130	
Health Benefit Waiver	20,000	20,000	6,382	13,618	
PUBLIC SAFETY FUNCTIONS					
Police					
Salaries and Wages	2,864,920	2,914,920	2,867,108	47,812	
Salaries and Wages - ARPA	79,580	79,580	79,580	-	
Other Expenses	215,800	215,800	215,301	499	
Police Dispatch/911					
Other Expenses	260,000	260,000	228,191	31,809	

See Accompanying Notes are an Integral Part of these Financial Statements

BOROUGH OF WOODCLIFF LAKE
STATEMENT OF EXPENDITURES - REGULATORY BASIS
FOR THE YEAR ENDED DECEMBER 31, 2023
CURRENT FUND

	<u>Appropriated</u>		<u>Expended</u>		<u>Unexpended Balances Cancelled</u>
	<u>Budget</u>	<u>Budget After Modification</u>	<u>Paid or Charged</u>	<u>Reserves</u>	
OPERATIONS WITHIN "CAPS" (Continued)					
PUBLIC SAFETY FUNCTIONS (Continued)					
Emergency Management Services					
Salaries and Wages	\$ 20,000	\$ 20,000	\$ 17,222	\$ 2,778	
Other Expenses	22,300	22,300	18,688	3,612	
Aid to Volunteer Fire Companies					
Salaries and Wages	3,000	3,000	-	3,000	
Other Expenses	172,750	172,750	165,600	7,150	
Aid to Volunteer Ambulance Companies					
Contribution	57,500	57,500	41,727	15,773	
Fire Prevention Bureau					
Salaries and Wages	71,000	71,000	66,286	4,714	
Other Expenses	11,150	11,150	6,762	4,388	
Fire Hydrant Services					
Other Expenses	31,000	31,000	25,319	5,681	
PUBLIC WORKS FUNCTION					
Road Repairs and Maintenance					
Salaries and Wages	806,000	806,000	698,028	107,972	
Other Expenses	186,900	186,900	152,497	34,403	
Shade Tree Commission					
Other Expenses	25,500	25,500	21,678	3,822	
Solid Waste Collection					
Salaries and Wages	205,000	210,000	207,533	2,467	
Other Expenses	236,600	236,600	225,424	11,176	
Public Buildings and Grounds					
Salaries and Wages	104,000	104,000	103,323	677	
Other Expenses	189,600	189,600	165,392	24,208	
Vehicle Maintenance					
Other Expenses	117,700	117,700	93,599	24,101	
HEALTH AND HUMAN SERVICES					
Board of Health					
Other Expenses	44,080	44,080	41,123	2,957	
Animal Control Services					
Other Expenses	4,000	4,000	-	4,000	
PARKS AND EDUCATION FUNCTIONS					
Recreation Services and Programs					
Salaries and Wages	135,000	135,000	101,523	33,477	
Other Expenses	410,469	410,469	366,329	44,140	
Maintenance of Parks					
Other Expenses	46,000	46,000	43,673	2,327	

**BOROUGH OF WOODCLIFF LAKE
STATEMENT OF EXPENDITURES - REGULATORY BASIS
FOR THE YEAR ENDED DECEMBER 31, 2023
CURRENT FUND**

	<u>Appropriated</u>		<u>Expended</u>		Unexpended Balances <u>Cancelled</u>
	<u>Budget</u>	Budget After <u>Modification</u>	Paid or <u>Charged</u>	<u>Reserves</u>	
OPERATIONS WITHIN "CAPS" (Continued)					
EDUCATIONAL FUNCTIONS					
Municipal/County Library					
Library Membership	\$ 20,000	\$ 25,000	\$ 22,300	\$ 2,700	
OTHER COMMON OPERATING FUNCTIONS					
Celebration of Public Events					
Other Expenses	13,500	13,500	13,500	-	
UNIFORM CONSTRUCTION CODE APPRO- PRIATIONS OFFSET BY DEDICATED REVENUES (N.J.A.C 5:23-4-17)					
State Uniform Construction Code					
Salaries and Wages	205,100	185,100	174,739	10,361	
Other Expenses	13,900	18,900	14,747	4,153	
UTILITY EXPENSE AND BULK PURCHASES					
Electricity	170,000	170,000	162,968	7,032	
Street Lighting	110,000	110,000	105,011	4,989	
Telephone	33,500	33,500	27,905	5,595	
Water	14,500	14,500	10,752	3,748	
Gasoline	192,500	182,500	130,764	51,736	
Sewer Processing and Disposal					
Salaries and Wages	103,000	113,000	107,558	5,442	
Other Expenses	100,000	100,000	61,822	38,178	
LANDFILL/SOLID WASTE DISPOSAL COSTS					
Sanitary Landfill Dump Fees					
Other Expenses	<u>234,000</u>	<u>234,000</u>	<u>180,382</u>	<u>53,618</u>	-
Total Operations Within "CAPS"					
	<u>10,837,329</u>	<u>10,837,329</u>	<u>9,748,624</u>	<u>1,088,705</u>	-
Detail:					
Salaries and Wages	5,305,600	5,330,600	5,062,724	267,876	-
Other Expenses (Including Contingent)	<u>5,531,729</u>	<u>5,506,729</u>	<u>4,685,900</u>	<u>820,829</u>	-
DEFERRED CHARGES AND STATUTORY EXPENDITURES					
- Municipal within "CAPS"					
Statutory Charges					
Public Employees Retirement System of N.J.	210,000	210,000	209,543	457	
Social Security System (O.A.S.I.)	235,000	235,000	214,459	20,541	
Police and Firemen's Retirement System of N.J.	746,000	746,000	745,580	420	
Defined Contribution Retirement Program	<u>9,000</u>	<u>9,000</u>	<u>6,520</u>	<u>2,480</u>	-
Total Deferred Charges & Statutory Expenditures					
- Municipal within "CAPS"	<u>1,200,000</u>	<u>1,200,000</u>	<u>1,176,102</u>	<u>23,898</u>	-
Total General Appropriations for Municipal Purposes within "CAPS"					
	<u>12,037,329</u>	<u>12,037,329</u>	<u>10,924,726</u>	<u>1,112,603</u>	-

See Accompanying Notes are an Integral Part of these Financial Statements

BOROUGH OF WOODCLIFF LAKE
STATEMENT OF EXPENDITURES - REGULATORY BASIS
FOR THE YEAR ENDED DECEMBER 31, 2023
CURRENT FUND

	<u>Appropriated</u>		<u>Expended</u>		<u>Unexpended Balances Cancelled</u>
	<u>Budget</u>	<u>Budget After Modification</u>	<u>Paid or Charged</u>	<u>Reserves</u>	
OPERATIONS - EXCLUDED FROM "CAPS"					
UTILITY EXPENSE AND BULK PURCHASE					
Bergen County Utilities Authority					
Share Costs Sewer Charges	\$ 667,000	\$ 667,000	\$ 666,212	\$ 788	
Borough of Montvale - Sewer Charges	65,000	65,000	61,298	3,702	
Borough of Hillsdale - Sewer Charges	29,000	29,000	25,141	3,859	
PUBLIC SAFETY FUNCTION					
Aid to Volunteer Ambulance					
Other Expense - LOSAP Contribution	16,000	16,000	-	16,000	
Aid to Volunteer Fire Companies					
Other Expense - LOSAP Contribution	50,000	50,000	-	50,000	
RESERVE FOR TAX APPEALS	200,000	1,220,000	1,220,000	-	
INTERLOCAL MUNICIPAL SERVICE AGREEMENTS					
Municipal Court (Tri-Boro)					
Other Expenses (Contractual)	75,000	75,000	49,911	25,089	
PUBLIC AND PRIVATE PROGRAMS OFFSET					
BY REVENUES					
Municipal Alliance-State	3,863	3,863	3,863	-	
Municipal Alliance-Local Matching Funds	959	959	959	-	
Clean Communities Grant	15,811	33,545	16,022	17,523	
NJ Highway-Drive Sober		7,000	2,346	4,654	
Body Armor Replacement Fund	1,574	1,574	-	1,574	
State of NJ Recycling Tonnage - Reserve	15,657	15,657	15,657	-	
NJ Highway - Distracted Driver	7,000	7,000	6,508	492	
Federal Bullet Proof Vest	5,354	5,354	-	5,354	-
American Rescue Plan Firefighters Grant	24,000	24,000	24,000	-	
Alcohol Education Rehabilitation	158	158	-	158	-
Total Operations - Excluded from "CAPS"	<u>1,176,376</u>	<u>2,221,110</u>	<u>2,091,917</u>	<u>129,193</u>	<u>-</u>
Detail:					
Other Expenses (Including Contingent)	<u>1,176,376</u>	<u>2,221,110</u>	<u>2,091,917</u>	<u>129,193</u>	<u>-</u>
CAPITAL IMPROVEMENTS EXCLUDED FROM "CAPS"					
Capital Improvement Fund	<u>150,000</u>	<u>150,000</u>	<u>150,000</u>	<u>-</u>	<u>-</u>
Total Capital Improvements Excluded from "CAPS"	<u>150,000</u>	<u>150,000</u>	<u>150,000</u>	<u>-</u>	<u>-</u>

BOROUGH OF WOODCLIFF LAKE
STATEMENT OF EXPENDITURES - REGULATORY BASIS
FOR THE YEAR ENDED DECEMBER 31, 2023
CURRENT FUND

	<u>Appropriated</u>		<u>Expended</u>		<u>Unexpended</u>
	<u>Budget</u>	<u>Budget After</u> <u>Modification</u>	<u>Paid or</u> <u>Charged</u>	<u>Reserves</u>	<u>Balances</u> <u>Cancelled</u>
MUNICIPAL DEBT SERVICE EXCLUDED FROM "CAPS"					
Payment of Bond Principal	\$ 960,000	\$ 960,000	\$ 960,000	-	
Interest on Bonds	144,000	144,000	143,500	-	\$ 500
Interest on Notes	142,000	142,000	141,931	-	69
Total Municipal Debt Service - Excluded from "CAPS"	1,246,000	1,246,000	1,245,431	-	569
Deferred Charges					
Special Emergency Authorizations - Master Plan	14,000	14,000	14,000	-	
Deferred Charges - Unfunded Capital Ordinance #17-06	2,456	2,456	2,456	-	-
	16,456	16,456	16,456	-	-
Judgements	127,000	127,000	124,049	-	2,951
Total General Appropriations for Municipal Purposes Excluded from "CAPS"	2,715,832	3,760,566	3,627,853	129,193	3,520
Subtotal General Appropriations	14,753,161	15,797,895	14,552,579	1,241,796	3,520
RESERVE FOR UNCOLLECTED TAXES	943,000	943,000	943,000	-	-
Total General Appropriations	\$ 15,696,161	\$ 16,740,895	\$ 15,495,579	\$ 1,241,796	\$ 3,520
	<u>Reference</u>		<u>Reference</u>		
	A-2		A,A-1	A,A-1	
	<u>Reference</u>	<u>Budget After</u> <u>Modification</u>			
Budget as Adopted	A-2	\$ 15,696,161			
Added by N.J.S. 40A:4-87	A-2	24,734			
Emergency Authorization	A-28	1,020,000			
		\$ 16,740,895			
Cash Disbursed	A-4		\$ 13,799,445		
Encumbrances Payable	A-19		497,879		
Deferred Charges	A-28		14,000		
Reserve for Tax Appeals	A-14		241,255		
Reserve for Uncollected Taxes	A-2		943,000		
			\$ 15,495,579		

See Accompanying Notes are an Integral Part of these Financial Statements

BOROUGH OF WOODCLIFF LAKE
COMPARATIVE BALANCE SHEETS - REGULATORY BASIS
AS OF DECEMBER 31, 2023 AND 2022
TRUST FUNDS

	<u>Reference</u>	<u>2023</u>	<u>2022</u>
ASSETS			
Animal Control Trust Fund			
Cash	B-3	\$ <u>6,755</u>	\$ <u>11,484</u>
		<u>6,755</u>	<u>11,484</u>
Other Trust Fund			
Cash	B-3	1,350,432	1,322,704
Due from Current Fund - Escrow	B-8	<u>22,989</u>	<u>9,345</u>
		<u>1,373,421</u>	<u>1,332,049</u>
Unemployment Insurance Trust Fund			
Cash	B-3	<u>51,123</u>	<u>43,087</u>
Municipal Open Space Preservation Trust Fund			
Cash	B-3	1,282,614	828,006
Due From Current Fund	B-16	<u>-</u>	<u>216,376</u>
		<u>1,282,614</u>	<u>1,044,382</u>
Community Development Block Grant Trust Fund			
Cash	B-3	<u>1</u>	<u>1</u>
Length of Service Award Program Fund - LOSAP (UNAUDITED)			
Investments	B	1,886,517	1,650,848
Contribution Receivable	B	<u>55,061</u>	<u>44,032</u>
		<u>1,941,578</u>	<u>1,694,880</u>
Total Assets		<u>\$ 4,655,492</u>	<u>\$ 4,125,883</u>

See Accompanying Notes are an Integral Part of these Financial Statements

BOROUGH OF WOODCLIFF LAKE
COMPARATIVE BALANCE SHEETS - REGULATORY BASIS
AS OF DECEMBER 31, 2023 AND 2022
TRUST FUNDS

	<u>Reference</u>	<u>2023</u>	<u>2022</u>
LIABILITIES, RESERVES AND FUND BALANCE			
Animal Control Trust Fund			
Due to Current Fund	B-5	\$ 1,746	\$ 5,188
Due to State of NJ	B-6	24	843
Reserve for Animal Control Expenditures	B-4	<u>4,985</u>	<u>5,453</u>
		<u>6,755</u>	<u>11,484</u>
Other Trust Fund			
Due to Current Fund - Payroll	B-8	3,910	3,219
Due to Current Fund - Police Outside Duty	B-8	5,402	3,015
Due to Current Fund - Other Miscellaneous Trust	B-8	19,718	5,011
Escrow Deposits Payable	B-7	379,524	391,765
Payroll Deductions Payable	B-10	42,924	42,707
Miscellaneous Reserves	B-9	<u>921,943</u>	<u>886,332</u>
		<u>1,373,421</u>	<u>1,332,049</u>
Unemployment Insurance Trust Fund			
Due to State of New Jersey	B-11	10,514	2,779
Reserve for Unemployment Claims	B-12	<u>40,609</u>	<u>40,308</u>
		<u>51,123</u>	<u>43,087</u>
Municipal Open Space Preservation Trust Fund			
Reserve for Community Garden	B-14	1,800	1,800
Reserve for Municipal Open Space Expenditures	B-13	<u>1,280,814</u>	<u>1,042,582</u>
		<u>1,282,614</u>	<u>1,044,382</u>
Community Development Block Grant Trust Fund			
Due to Current fund	B-15	<u>1</u>	<u>1</u>
Length of Service Award Program Fund - LOSAP (UNAUDITED)			
Reserve for LOSAP Benefits	B	<u>1,941,578</u>	<u>1,694,880</u>
Total Liabilities, Reserves and Fund Balance		<u>\$ 4,655,492</u>	<u>\$ 4,125,883</u>

See Accompanying Notes are an Integral Part of these Financial Statements

**BOROUGH OF WOODCLIFF LAKE
STATEMENT OF REVENUES-REGULATORY BASIS
MUNICIPAL OPEN SPACE PRESERVATION TRUST FUND
FOR THE YEAR ENDED DECEMBER 31, 2023**

	<u>Reference</u>	Anticipated <u>Budget</u> (Memo)	Realized in <u>2023</u>	<u>Variance</u>
Amount to be Raised by Taxation	B-13	\$ 229,658	\$ 229,882	\$ 224
Miscellaneous	B-13	-	88,766	88,766
		<u>\$ 229,658</u>	<u>\$ 318,648</u>	<u>\$ 88,990</u>
	Reference	B-2	B-13	

**STATEMENT OF APPROPRIATIONS-REGULATORY BASIS
MUNICIPAL OPEN SPACE PRESERVATION TRUST FUND
FOR THE YEAR ENDED DECEMBER 31, 2023**

		Anticipated <u>Budget</u> (Memo)	Paid or <u>Charged</u>	<u>Variance</u>
Reserve for Future Use		<u>\$ 229,658</u>	<u>\$ 80,416</u>	<u>\$ 149,242</u>
	Reference	B-1	B-13	

BOROUGH OF WOODCLIFF LAKE
COMPARATIVE BALANCE SHEETS - REGULATORY BASIS
AS OF DECEMBER 31, 2023 AND 2022
GENERAL CAPITAL FUND

	<u>Reference</u>	<u>2023</u>	<u>2022</u>
ASSETS			
Cash and Cash Equivalents	C-2, C-3	\$ 6,224,849	\$ 5,123,679
Deferred Charges to Future Taxation			
Funded	C-4	6,215,000	7,175,000
Unfunded	C-6	10,277,490	5,563,056
Grants Receivable	C-5	<u>618,331</u>	<u>603,889</u>
 Total Assets		 <u>\$ 23,335,670</u>	 <u>\$ 18,465,624</u>
 LIABILITIES, RESERVES AND FUND BALANCE			
General Serial Bonds Payable	C-7	\$ 6,215,000	\$ 7,175,000
Bond Anticipation Notes Payable	C-9	6,221,000	4,221,000
Improvement Authorizations			
Funded	C-8	154,365	1,757,516
Unfunded	C-8	5,637,002	2,654,063
Due to Current Fund	C-10	159,434	108,354
Reserve for Grants Receivable	C-5	-	159,607
Reserve for Payment of Debt	C-11	450,000	-
Contracts Payable	C-12	4,416,867	2,275,782
Capital Improvement Fund	C-13	24,835	91,835
Fund Balance	C-1	<u>57,167</u>	<u>22,467</u>
 Total Liabilities, Reserves and Fund Balance		 <u>\$ 23,335,670</u>	 <u>\$ 18,465,624</u>

There were bonds and notes authorized but not issued at December 31, 2023 and 2022 of \$4,056,490 and \$1,342,056 (Exhibit C-14).

BOROUGH OF WOODCLIFF LAKE
COMPARATIVE STATEMENTS OF CHANGE IN FUND BALANCE - REGULATORY BASIS
FOR THE YEARS ENDED DECEMBER 31, 2023 AND 2022
GENERAL CAPITAL FUND

	<u>Reference</u>	<u>2023</u>	<u>2022</u>
Balance, January 1, 2023	C	\$ 22,467	\$ 77,572
Increased by:			
Premium on Notes Issued	C-2	25,506	22,467
Cancelled Authorizations	C-8	<u>31,661</u>	<u>-</u>
		79,634	100,039
Decreased by:			
Appropriated to Budget Revenue	A-2, C-2	<u>22,467</u>	<u>77,572</u>
Balance, December 31, 2023	C	<u>\$ 57,167</u>	<u>\$ 22,467</u>

**BOROUGH OF WOODCLIFF LAKE
COMPARATIVE BALANCE SHEETS - REGULATORY BASIS
AS OF DECEMBER 31, 2023 AND 2022
PUBLIC ASSISTANCE FUND**

	<u>Reference</u>	<u>2023</u>	<u>2022</u>
ASSETS			
Cash	D-1	\$ 5,739	\$ 10,127
Total Assets		<u>\$ 5,739</u>	<u>\$ 10,127</u>
 LIABILITIES AND RESERVES			
Due to the State of New Jersey	D-3	\$ 2,201	\$ 2,201
Due to Current Fund	D-4	342	154
Reserve for Public Assistance Expenditures	D-2	<u>3,196</u>	<u>7,772</u>
Total Liabilities and Reserves		<u>\$ 5,739</u>	<u>\$ 10,127</u>

BOROUGH OF WOODCLIFF LAKE
COMPARATIVE BALANCE SHEETS - REGULATORY BASIS
AS OF DECEMBER 31, 2023 AND 2022
GENERAL FIXED ASSETS ACCOUNT GROUP

	<u>2023</u>	<u>2022</u>
ASSETS		
Land	\$ 9,592,686	\$ 9,592,686
Land Improvements	234,817	163,816
Construction in Progress	-	57,422
Building and Building Improvements	6,079,409	5,879,823
Machinery and Equipment	<u>11,397,082</u>	<u>10,582,995</u>
	<u>\$ 27,303,994</u>	<u>\$ 26,276,742</u>
 FUND BALANCE		
Investment in General Fixed Assets	<u>\$ 27,303,994</u>	<u>\$ 26,276,742</u>

NOTES TO FINANCIAL STATEMENTS

**BOROUGH OF WOODCLIFF LAKE
NOTES TO FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2023 AND 2022**

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

A. Reporting Entity

The Borough of Woodcliff Lake (the "Borough") was incorporated in 1896 and operates under an elected Mayor and Council form of government. The Mayor is elected to a four-year term and the six council members are elected at-large, two each year for terms of three years. The Mayor is the Chief Executive Officer of the Borough and as such presides over all public meetings and makes appointments to various boards. The Borough Council exercises all legislative powers including final adoption of the municipal budget and bond ordinances and confirmation of the Mayor's appointments, and all executive authority which is not specifically provided to the Mayor, by state law. A Borough Administrator is appointed by the Borough Council and is responsible for the implementation of the policies of the Mayor and Council, for the administration of all Borough affairs and for the day to day operations of the Borough. The Borough Administrator is the Chief Administrative Officer for the Borough. The Borough's major operations include public safety, road repair and maintenance, sanitation, fire protection, recreation and parks, health services, and general administrative services.

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

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

B. Description of Regulatory Basis of Accounting

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.

**BOROUGH OF WOODCLIFF LAKE
NOTES TO FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2023 AND 2022**

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

C. Basis of Presentation – Financial Statements

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 Trust 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 Trust 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.

Community Development Block Grant Trust Fund - This fund is used to account for grant proceeds, program income and related expenditures for Federal Block grant entitlements.

Length of Service Award 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, 2023 AND 2022**

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

C. Basis of Presentation – Financial Statements (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.

Reclassifications - Certain reclassifications may have been made to the December 31, 2022 balances to conform to the December 31, 2023 presentation.

Financial Statements – Regulatory Basis

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 regulatory basis financial statements listed in the table of contents which are required by the Division and which differ from the basic financial statements required by GAAP. In addition, the Division requires the regulatory basis financial statements listed in the table of contents to be referenced to the supplementary schedules. This practice differs from reporting requirements under GAAP.

D. Measurement Focus and Basis of Accounting

The accounting and financial reporting treatment is determined by the accounting principles and practices prescribed by the Division in accordance with the regulatory basis of accounting. Measurement focus indicates the type of resources being measured. The basis of accounting indicates the timing of transactions or events for recognition in the financial statements.

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:

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.

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

**BOROUGH OF WOODCLIFF LAKE
NOTES TO FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2023 AND 2022**

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

D. Measurement Focus and Basis of Accounting (Continued)

Property Tax Revenues/Receivables - 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 December 31, of each fiscal year. County taxes are paid quarterly on February 15, May 15, August 15 and November 15, to the County by the Borough. When unpaid taxes or any municipal lien, or part thereof, on real property, remains in arrears on April first in the year following the calendar year levy when the same became in arrears, the collector in the municipality shall, subject to the provisions of the New Jersey Statutes, enforce the lien by placing the property on a standard tax sale. The Borough also has the option when unpaid taxes or any municipal lien, or part thereof, on real property remains in arrears on the 11th day of the eleventh month in the fiscal year when the taxes or lien became in arrears, the collector in the municipality shall, subject to the provisions of the New Jersey Statutes, enforce the lien by placing property on an accelerated tax sale, provided that the sale is conducted and completed no earlier than in the last month of the fiscal year. The Borough may institute annual in rem tax foreclosure proceedings to enforce the tax collection or acquisition of title to the property. In accordance with the accounting principles prescribed by the State of New Jersey, current and delinquent taxes are realized as revenue when collected. Since delinquent taxes and liens are fully reserved, no provision has been made to estimate that portion of the tax receivable and tax title liens that are uncollectible. GAAP requires property tax revenues to be recognized in the accounting period when they become susceptible to accrual (i.e., when they are both levied and available), reduced by an allowance for doubtful accounts.

Miscellaneous Revenues/Receivables - 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/Receivables - 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.

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.

Deferred Charges - Certain expenditures, operating deficits and other items are required to be deferred to budgets of succeeding years. GAAP requires expenditures, operating deficits and certain other items generally to be recognized when incurred, if measurable. Funded and unfunded debt authorizations for general capital projects are also recorded as deferred charges and represent permanent long-term debt issues outstanding (funded) and temporary debt issues outstanding or unissued debt authorizations (unfunded), respectively. GAAP does not permit the recording of deferred charges for funded and unfunded debt authorizations.

**BOROUGH OF WOODCLIFF LAKE
NOTES TO FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2023 AND 2022**

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

D. Measurement Focus and Basis of Accounting (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.

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.

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 proprietary funds and government-wide financial statements.

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.

Reserve for Uncollected Taxes – Reserve for Uncollected Taxes is a non-spending budget appropriation account required to provide assurance that cash collected for property taxes levied in the current year will provide sufficient cash flow to meet expected budgetary obligations. The minimum amount required to be budgeted in Reserve for Uncollected Taxes is determined utilizing the actual percentage of property taxes collected in the immediate preceding budget year, unless allowable alternative methods are utilized with the approval of the Division. A Reserve for Uncollected Taxes is not established or required under GAAP.

Pensions – The Borough appropriates in its annual budget the amount required to be paid for pension contributions as determined by the State administered pension systems. Under the regulatory basis of accounting the Borough is only required to disclose in the Notes to the Financial Statements its share of the actuarially determined net pension liabilities, deferred outflow of resources, deferred inflow of resources and pension expense (benefit) related to the State administered pension system. GAAP requires these actuarially determined amounts to be reported in the proprietary funds and government-wide financial statements.

Other Post-Employment Benefits (OPEB) – The Borough funds its employer paid post-retirement medical benefits on a pay-as-you-go basis. Under the regulatory basis of accounting the Borough is only required to disclose in the Notes to the Financial Statements its actuarially determined net OPEB liability, deferred outflow of resources, deferred inflow of resources and OPEB expense (benefit). GAAP requires these actuarially determined amounts to be reported in the proprietary funds and government-wide financial statements.

**BOROUGH OF WOODCLIFF LAKE
 NOTES TO FINANCIAL STATEMENTS
 YEARS ENDED DECEMBER 31, 2023 AND 2022**

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

D. Measurement Focus and Basis of Accounting (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 \$3,000 and an estimated useful life in excess of two years.

Fixed assets used in governmental operations (general fixed assets) are accounted for in the General Fixed Assets Account Group. Public domain ("infrastructure") general fixed assets consisting of certain improvements other than buildings, such as roads, bridges, curbs and gutters, streets and sidewalks and sewerage and drainage systems are not capitalized. General fixed assets acquired under capital financing agreements are capitalized at their acquisition cost. Intangible right-to-use leased assets and intangible right-to-use IT software (SBITAs) are not capitalized.

General Fixed Assets purchased after December 31, 1986 are stated at cost. Donated fixed assets are recorded at acquisition value at the date of donation.

General 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, including intangible right-to-use leased assets and intangible right-to-use IT software (SBITAs), be recorded in 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 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.

NOTE 2 STEWARDSHIP, COMPLIANCE AND ACCOUNTABILITY

A. 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 as per N.J.S.A. 40A:4 et seq.

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

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

**BOROUGH OF WOODCLIFF LAKE
NOTES TO FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2023 AND 2022**

NOTE 2 STEWARDSHIP, COMPLIANCE AND ACCOUNTABILITY (Continued)

A. Budgets and Budgetary Accounting (Continued)

The Borough must prepare its budget in compliance with applicable laws limiting or capping the amounts by which both the budget appropriations and the municipal tax levy can increase in the annual budget.

1977 Appropriation "CAP": The 1977 Appropriation Cap is calculated using the formulas and provisions of N.J.S.A. 40A:4-45.1 through 4-45.43a. The law was originally adopted in 1976 and was most recently amended in 2003. Under this law, the Borough is permitted to increase its overall Current Fund appropriations (with certain exceptions) by 2.5% or the "cost of living adjustment" (COLA), whichever is less. The COLA is calculated based on the Implicit Price Deflator for Local Governments computed by the U.S. Department of Commerce. The Borough can, when the COLA is less than or equal to 2.5%, increase its allowable inside-the-cap appropriations to 3.5%, upon adoption of a COLA Rate Ordinance by the governing body and beyond 3.5% upon voter passage of a referendum.

2010 Levy "CAP": The 2010 Levy Cap is calculated using the formulas and provisions of N.J.S.A. 40A:4-45.44 through 45.47. It established limits on the increase in the total amount to be raised by taxation for municipal purposes (municipal tax levy). The core of the levy cap formula is a 2% increase to the previous year's amount to be raised by taxation for municipal purposes, exclusive of certain appropriations and allowable adjustments and extraordinary costs related to a declared emergency. Voter approval may be requested to increase the municipal tax levy by more than the allowable adjusted tax levy.

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 2023 and 2022 the Borough Council increased the original budget by \$1,044,734 and \$132,348. The increases were funded by additional aid allotted to the Borough in 2023 and 2022 and an approved Emergency Authorization in 2023. In addition, the governing body approved several budget transfers during 2023 and 2022.

NOTE 3 CASH 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.

A. Cash Deposits

The Borough's deposits are insured through either the Federal Deposit Insurance Corporation (FDIC), National Credit Union Share Insurance Fund (NCUSIF), 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 deposits in excess of the FDIC or NCUSIF insured amounts. GUDPA does not protect intermingled trust funds, bail funds, withholdings from an employee's salary or funds which may pass to the local government upon the happening of a future condition.

BOROUGH OF WOODCLIFF LAKE
NOTES TO FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2023 AND 2022

NOTE 3 CASH DEPOSITS AND INVESTMENTS (Continued)

A. Cash Deposits (Continued)

Bank balances are insured up to \$250,000 in the aggregate by the FDIC for each bank. NCUSIF insures credit union accounts up to \$250,000 in the aggregate for each financial institution. SIPC replaces cash claims up to a maximum of \$250,000 for each failed brokerage firm. At December 31, 2023 and 2022, the book value of the Borough's deposits were \$16,753,827 and \$15,218,552 and bank and brokerage firm balances of the Borough's deposits amounted to \$16,632,105 and \$15,314,442, respectively. The Borough's deposits which are displayed on the various fund balance sheets as "cash and cash equivalents" are categorized as:

<u>Depository Account</u>	<u>Bank Balance</u>	
	<u>2023</u>	<u>2022</u>
Insured	\$ 16,167,408	\$ 14,767,744
Uninsured and Collateralized	<u>464,697</u>	<u>546,698</u>
	<u>\$ 16,632,105</u>	<u>\$ 15,314,442</u>

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, 2023 and 2022, the Borough's bank balances of \$464,697 and \$546,698 were exposed to custodial credit risk.

<u>Depository Account</u>	<u>2023</u>	<u>2022</u>
Uninsured and Collateralized		
Collateral held by pledging financial institution's trust department but not in the Borough's name	<u>\$ 464,697</u>	<u>\$ 546,698</u>

B. 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, any obligation that a federal agency or a federal instrumentality has issued in accordance with an act of Congress, which security has a maturity date not greater than 397 days from the date of purchase, provided that such obligations bear a fixed rate of interest not dependent on any index or other external factor; 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, Bonds or other obligations, having a maturity date of not more than 397 days from the date of purchase, issued by New Jersey school district, municipalities, counties, and entities subject to the "Local Authorities Fiscal Control Law, " (C.40A:5A-1 et seq.); Other bonds or obligations having a maturity date not more than 397 days from the date of purchase may be approved by the Division of Local Government Services in the Department of Community Affairs for investment by local units; Local Government investment pools, deposits with the State of New Jersey Cash Management Fund established pursuant to section 1 of P.L. 1977, c.281 (C.52:18A-90.4); 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.

**BOROUGH OF WOODCLIFF LAKE
NOTES TO FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2023 AND 2022**

NOTE 3 CASH DEPOSITS AND INVESTMENTS (Continued)

B. Investments (Continued)

As of December 31, 2023 and 2022, the Borough had the following investments:

	<u>Fair Value</u>
<u>2023</u>	
Investment:	
Lincoln Financial - Length of Service Award Program (LOSAP)	\$ <u>1,886,517</u>
<u>2022</u>	
Investment:	
Lincoln Financial - Length of Service Award Program (LOSAP)	\$ <u>1,650,848</u>

Custodial Credit Risk – Investments – For an investment, this is the risk, that in the event of the failure of the counterparty, the Borough will not be able to recover the value of its investments or collateral securities that are held by an outside party. The Borough does not have a policy for custodial risk. As of December 31, 2023 and 2022, \$1,886,517 and \$1,650,848 of the Borough’s investments was exposed to custodial credit risk as follows:

	<u>Fair Value</u>
<u>2023</u>	
Uninsured and Collateralized	
Collateral held by pledging bank's trust department, but not in the Borough's name	\$ <u>1,886,517</u>
<u>2022</u>	
Uninsured and Collateralized	
Collateral held by pledging bank's trust department, but not in the Borough's name	\$ <u>1,650,848</u>

**BOROUGH OF WOODCLIFF LAKE
NOTES TO FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2023 AND 2022**

NOTE 3 CASH DEPOSITS AND INVESTMENTS (Continued)

B. Investments (Continued)

Interest Rate Risk – Interest rate risk is the risk that changes in the market interest rate will adversely affect the fair value of an investment. 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 – Generally, credit risk is the risk that an issuer of an investment will not fulfill its obligation to the holder of the investment. State law limits investments as noted above (N.J.S.A. 40A:5-15.1 and NJAC 5:30-14.19). The Borough does not have an investment policy that would further limit its investment choices. As of December 31, 2023 and 2022, the Borough’s investment in Lincoln Financial Group was rated Baa1 by Moody’s Investor Services.

Concentration of Credit Risk – The concentration of credit risk is the risk of loss that may be caused by the Borough’s investment in a single issuer. 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 100% of the Borough’s total investments.

Fair Value of Investments. The Borough of Woodcliff Lake measures and records its investments using fair value measurement guidelines established by generally accepted accounting principles (GAAP). These guidelines recognize a three-tiered fair value hierarchy as follows:

- *Level 1:* Quoted prices for identical investments in active markets;
- *Level 2:* Observable inputs other than those in Level 1; and
- *Level 3:* Unobservable inputs.

Investments are valued based on price data obtained from observed transactions and market price quotations provided by Lincoln Financial Group. Since the value is not obtained from a quoted price in an active market the investments held by the Borough at December 31, 2023 and 2022 are categorized as Level 2.

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

NOTE 4 TAXES RECEIVABLE

Receivables at December 31, 2023 and 2022 consisted of the following:

	<u>2023</u>	<u>2022</u>
<u>Current</u>		
Property Taxes	\$ 200,579	\$ 223,427
Tax Title Liens	476	-
	<u>\$ 201,055</u>	<u>\$ 223,427</u>

In 2023 and 2022, the Borough collected \$219,183 and \$145,245 from delinquent taxes, which represented 98% and 100%, respectively of the prior year delinquent taxes receivable balance.

**BOROUGH OF WOODCLIFF LAKE
NOTES TO FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2023 AND 2022**

NOTE 5 DUE TO/FROM OTHER FUNDS

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

	<u>2023</u>		<u>2022</u>	
	Due from <u>Other Funds</u>	Due to <u>Other Funds</u>	Due from <u>Other Funds</u>	Due to <u>Other Funds</u>
Current Fund	\$ 192,668	\$ 25,104	\$ 124,942	\$ 225,721
Animal Control Trust Fund		1,746		5,188
Community Development Trust Fund		1		1
Other Trust Fund	22,989	29,030	9,345	11,245
Municipal Open Space Trust Fund			216,376	
Public Assistance Fund		342		154
General Capital Fund	-	159,434	-	108,354
Total	<u>\$ 215,657</u>	<u>\$ 215,657</u>	<u>\$ 350,663</u>	<u>\$ 350,663</u>

The above balances are the result of revenues earned in one fund that are due to another fund.

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

NOTE 6 DEFERRED CHARGES TO BE RAISED IN SUCCEEDING BUDGETS

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

	Balance, <u>December 31,</u>	Subsequent Year Budget <u>Appropriation</u>	Balance to Succeeding <u>Budgets</u>
<u>2023</u>			
Current Fund			
Special Emergency Authorizations (40A:4-55)	\$ 42,000	\$ 14,000	\$ 28,000
Emergency Appropriation *	<u>1,020,000</u>	<u>-</u>	<u>1,020,000</u>
	<u>\$ 1,062,000</u>	<u>\$ 14,000</u>	<u>\$ 1,048,000</u>
<u>2022</u>			
Current Fund			
Special Emergency Authorizations (40A:4-55)	\$ 56,000	\$ 14,000	\$ 42,000
	<u>\$ 56,000</u>	<u>\$ 14,000</u>	<u>\$ 42,000</u>

* Note – The emergency will be funded by a Capital Fund ordinance.

**BOROUGH OF WOODCLIFF LAKE
NOTES TO FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2023 AND 2022**

NOTE 7 FUND BALANCES APPROPRIATED

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

	2023		2022	
	Fund Balance December 31,	Utilized in Subsequent Year's Budget	Fund Balance December 31,	Utilized in Subsequent Year's Budget
Current Fund				
Cash Surplus	\$ 3,820,295	\$ 2,230,000	\$ 2,625,183	\$ 1,800,000
Non-Cash Surplus	<u>210,648</u>	<u>-</u>	<u>190,831</u>	<u>-</u>
	<u>\$ 4,030,943</u>	<u>\$ 2,230,000</u>	<u>\$ 2,816,014</u>	<u>\$ 1,800,000</u>

NOTE 8 FIXED ASSETS

General Fixed Assets

The following is a summary of changes in the general fixed assets account group for the years ended December 31, 2023 and 2022.

	Balance December 31, <u>2022</u>	Increase	Decrease	Balance, December 31, <u>2023</u>
	<u>2023</u>			
Land	\$ 9,592,676			\$ 9,592,676
Land Improvements	163,816	\$ 71,001		234,817
Construction in Progress	57,422		\$ 57,422	-
Buildings and Building Improvement	5,879,833	199,586		6,079,419
Machinery and Equipment	<u>10,582,995</u>	<u>814,087</u>	<u>-</u>	<u>11,397,082</u>
	<u>\$ 26,276,742</u>	<u>\$ 1,084,674</u>	<u>\$ 57,422</u>	<u>\$ 27,303,994</u>
	Balance December 31, <u>2021</u>	Increase	Decrease	Balance, December 31, <u>2022</u>
<u>2022</u>				
Land	\$ 9,592,676			\$ 9,592,676
Land Improvements	163,816			163,816
Construction in Progress	57,422			57,422
Buildings and Building Improvement	5,699,238	\$ 180,595		5,879,833
Machinery and Equipment	<u>9,398,941</u>	<u>1,184,054</u>	<u>-</u>	<u>10,582,995</u>
	<u>\$ 24,912,093</u>	<u>\$ 1,364,649</u>	<u>\$ -</u>	<u>\$ 26,276,742</u>

**BOROUGH OF WOODCLIFF LAKE
NOTES TO FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2023 AND 2022**

NOTE 9 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 general capital fund projects. 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>2023</u>	<u>2022</u>
Issued		
General		
Bonds and Notes	\$ 12,436,000	\$ 11,396,000
Less Funds Temporarily Held to Pay Bonds	<u>450,000</u>	<u>-</u>
Net Debt Issued	11,986,000	11,396,000
Authorized But Not Issued		
General		
Bonds and Notes	<u>4,056,490</u>	<u>1,342,056</u>
Net Bonds and Notes Issued and Authorized But Not Issued	<u>\$ 16,042,490</u>	<u>\$ 12,738,056</u>

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 0.658% and 0.557% at December 31, 2023 and 2022, respectively.

	<u>Gross Debt</u>	<u>Deductions</u>	<u>Net Debt</u>
<u>2023</u>			
General Debt	\$ 16,492,490	\$ 450,000	\$ 16,042,490
School Debt	<u>5,274,073</u>	<u>5,274,073</u>	<u>-</u>
Total	<u>\$ 21,766,563</u>	<u>\$ 5,724,073</u>	<u>\$ 16,042,490</u>
	<u>Gross Debt</u>	<u>Deductions</u>	<u>Net Debt</u>
<u>2022</u>			
General Debt	\$ 12,738,056		\$ 12,738,056
School Debt	<u>6,166,035</u>	<u>\$ 6,166,035</u>	<u>-</u>
Total	<u>\$ 18,904,091</u>	<u>\$ 6,166,035</u>	<u>\$ 12,738,056</u>

**BOROUGH OF WOODCLIFF LAKE
NOTES TO FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2023 AND 2022**

NOTE 9 MUNICIPAL DEBT (Continued)

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>2023</u>	<u>2022</u>
3-1/2% of Equalized Valuation Basis (Municipal)	\$ 85,381,382	\$ 80,009,239
Less: Net Debt	<u>16,042,490</u>	<u>12,738,056</u>
Remaining Borrowing Power	<u>\$ 69,338,892</u>	<u>\$ 67,271,183</u>

A. 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>2023</u>	<u>2022</u>
\$9,935,000, 2019 Bonds, due in annual installments of \$980,000 to 1,095,000 through October 2029, interest at 2.00%	<u>\$ 6,215,000</u>	<u>\$ 7,175,000</u>
	<u>\$ 6,215,000</u>	<u>\$ 7,175,000</u>

The Borough's principal and interest for long-term debt issued and outstanding as of December 31, 2023 is as follows:

Calendar Year	General		Total
	Principal	Interest	
2024	\$ 980,000	\$ 124,300	\$ 1,104,300
2025	1,000,000	104,700	1,104,700
2026	1,025,000	84,700	1,109,700
2027	1,045,000	64,200	1,109,200
2028	1,070,000	43,300	1,113,300
2029	<u>1,095,000</u>	<u>21,900</u>	<u>1,116,900</u>
Total	<u>\$ 6,215,000</u>	<u>\$ 443,100</u>	<u>\$ 6,658,100</u>

**BOROUGH OF WOODCLIFF LAKE
NOTES TO FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2023 AND 2022**

NOTE 9 MUNICIPAL DEBT (Continued)

A. Long-Term Debt (Continued)

Changes in Long-Term Municipal Debt

The Borough's long-term capital debt activity for the years ended December 31, 2023 and 2022 were as follows:

	Balance, December 31, <u>2022</u>	<u>Additions</u>	<u>Reductions</u>	Balance, December 31, <u>2023</u>	Due Within <u>One Year</u>
<u>2023</u>					
General Capital Fund Bonds Payable	\$ 7,175,000	\$ -	\$ 960,000	\$ 6,215,000	\$ 980,000
	Balance, December 31, <u>2021</u>	<u>Additions</u>	<u>Reductions</u>	Balance, December 31, <u>2022</u>	Due Within <u>One Year</u>
<u>2022</u>					
General Capital Fund Bonds Payable	\$ 8,115,000	\$ -	\$ 940,000	\$ 7,175,000	\$ 960,000

B. Short-Term Debt

The Borough's short-term debt activity for the years ended December 31, 2023 and 2022 was as follows:

Bond Anticipation Notes

<u>Purpose</u>	Rate (%)	Maturity <u>Date</u>	Balance December 31, <u>2022</u>	Renewed/ <u>Issued</u>	Retired/ <u>Redeemed</u>	Balance, December 31, <u>2023</u>
<u>2023</u>						
<u>General Capital Fund</u>						
Ord. 19-12 Acq. Parking Lot	4.50%	9/21/2023	\$ 217,000		\$ 217,000	
	4.50%	9/20/2024		\$ 217,000		\$ 217,000
Ord. 21-09 Various Improvements	4.50%	9/21/2023	2,689,000	-	2,689,000	-
	4.50%	9/20/2024		2,689,000		2,689,000
Ord. 22-08 Various Improvements	4.50%	9/21/2023	1,315,000	-	1,315,000	-
	4.50%	9/20/2024	-	1,315,000	-	1,315,000
Ord. 22-08 Various Improvements for Storm	4.50%	9/20/2024	-	2,000,000	-	2,000,000
Total General Capital Fund			\$ 4,221,000	\$ 6,221,000	\$ 4,221,000	\$ 6,221,000

**BOROUGH OF WOODCLIFF LAKE
NOTES TO FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2023 AND 2022**

NOTE 9 MUNICIPAL DEBT (Continued)

B. Short-Term Debt (Continued)

Bond Anticipation Notes (Continued)

<u>Purpose</u>	<u>Rate (%)</u>	<u>Maturity Date</u>	Balance	<u>Renewed/ Issued</u>	<u>Retired/ Redeemed</u>	Balance,
			December 31, 2021			December 31, 2022
2022						
<u>General Capital Fund</u>						
Ord. 19-12 Acq. Parking Lot	4.50%	9/21/2023		\$ 217,000		\$ 217,000
Ord. 21-09 Various Improvements	4.50%	9/21/2023		2,689,000		2,689,000
Ord. 22-08 Various Improvements	4.50%	9/21/2023	-	1,315,000	-	1,315,000
Total General Capital Fund			\$ -	\$ 4,221,000	\$ -	\$ 4,221,000

The purpose of these short-term borrowings was to provide resources for improvement projects and other purposes permitted by the Local Bond Law NJSA 40A:2 et. seq. The amounts issued for general governmental activities are accounted for in the General Capital Fund.

State law requires that notes are to be issued for a period not exceeding one year and may be renewed from time to time for additional periods, none of which shall exceed one year. All bond anticipation notes, including renewals, shall mature and be paid not later than the first day of the fifth month following the close of the tenth fiscal year following the date of the original notes. In addition any note renewed beyond the third anniversary date of the original note, requires one legally payable installment to be paid.

In addition to the debt shown in the above schedule, municipalities may issue debt to finance emergency or special emergency appropriations or to meet cash flow needs (Tax Anticipation Notes) to temporarily finance operating expenditures. This debt which is not included in the Borough’s statutory debt limit calculation is reported in the Current Fund for the years 2023 and 2022 as follows:

Emergency Notes

Any local unit may borrow money and issue its negotiable notes to meet an emergency appropriation. All emergency notes, and any renewals thereof, shall mature not later than the last day of the fiscal year following the fiscal year in which the notes were issued and the emergency appropriation authorized.

2023

<u>Emergency Notes</u>	<u>Rate (%)</u>	<u>Maturity Date</u>	Balance,	<u>Renewed/ Issued</u>	<u>Retired/ Redeemed</u>	Balance,
<u>Purpose</u>			December 31, 2022			December 31, 2023
Tax Appeal	4.25%	9/20/24	-	\$ 1,020,000	-	\$ 1,020,000
Total Emergency Notes			\$ -	\$ 1,020,000	\$ -	\$ 1,020,000

2022

None

**BOROUGH OF WOODCLIFF LAKE
NOTES TO FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2023 AND 2022**

NOTE 10 CONSTRUCTION AND OTHER SIGNIFICANT COMMITMENTS

As of December 31, the Borough had the following commitments with respect to unfinished capital projects:

<u>Capital Project</u>	<u>Construction Commitment</u>	<u>Estimated Date of Completion</u>
<u>2023</u>		
Fire Pumper	\$1,121,572	2024
Glen Road Culvert Improvements	1,038,644	2024
<u>2022</u>		
Road Program	\$809,567	2023
Woodcrest Road Pump Station	92,877	2023

NOTE 11 OTHER LONG-TERM LIABILITIES

A. 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 \$620,131 and \$668,353 at December 31, 2023 and 2022, 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, 2023 and 2022, the Borough has reserved in the Current Fund and Trust Fund \$540,104 and \$363,377, respectively to fund compensated absences in accordance with NJSA 40A:4-39.

**BOROUGH OF WOODCLIFF LAKE
NOTES TO FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2023 AND 2022**

NOTE 11 OTHER LONG-TERM LIABILITIES (Continued)

Changes in Other Long-Term Liabilities

Under the regulatory basis of accounting, certain other long-term liabilities which may be considered material to the financial statements are not reported either as an expenditure or a liability. However, under the regulatory basis of accounting, these other long-term liabilities and related information are required to be disclosed in the notes to the financial statements in conformity with the disclosure requirements of the Governmental Accounting Standards Board.

The Borough's changes in other long-term liabilities for the years ended December 31, 2023 and 2022 were as follows:

	Balance, December 31, <u>2022</u>	<u>Additions</u>	<u>Reductions</u>	Balance, December 31, <u>2023</u>	Due Within <u>One Year</u>
<u>2023</u>					
Compensated Absences	\$ 668,353		\$ 48,222	\$ 620,131	
Net Pension Liability - PERS (1)	2,512,289			2,512,289	
Net Pension Liability - PFRS (1)	6,560,566			6,560,566	-
Net OPEB Liability (1)	<u>9,575,418</u>	<u>-</u>	<u>-</u>	<u>9,575,418</u>	<u>-</u>
Total Other Long-Term Liabilities	<u>\$ 19,316,626</u>	<u>\$ -</u>	<u>\$ 48,222</u>	<u>\$ 19,268,404</u>	<u>\$ -</u>

(1) GASB Statement number 68 Pension PFRS and 75 OPEB financial information was not provided by the State's Division of Pensions and Benefits as of the date of audit.

	Balance, December 31, <u>2021</u>	<u>Additions</u>	<u>Reductions</u>	Balance, December 31, <u>2022</u>	Due Within <u>One Year</u>
<u>2022</u>					
Compensated Absences	\$ 601,245	\$ 67,108		\$ 668,353	
Net Pension Liability - PERS	2,150,255	574,603	\$ 212,569	2,512,289	
Net Pension Liability - PFRS	4,850,578	2,483,426	773,438	6,560,566	-
Net OPEB Liability	<u>10,743,709</u>	<u>-</u>	<u>1,168,291</u>	<u>9,575,418</u>	<u>-</u>
Total Other Long-Term Liabilities	<u>\$ 18,345,787</u>	<u>\$ 3,125,137</u>	<u>\$ 2,154,298</u>	<u>\$ 19,316,626</u>	<u>\$ -</u>

**BOROUGH OF WOODCLIFF LAKE
NOTES TO FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2023 AND 2022**

NOTE 12 EMPLOYEE RETIREMENT SYSTEMS

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

Police and Firemen’s Retirement System (PFRS) – established in July 1944, under the provisions of N.J.S.A. 43:16A to provide coverage to substantially all full time county and municipal police or firemen and State firemen appointed after December 31, 1944. Membership is mandatory for such employees. PFRS is a cost-sharing multi-employer defined benefit pension plan with a special funding situation. For additional information about PFRS, please refer to the State Division of Pension and Benefits (Division’s) Annual Comprehensive Financial Report (ACFR) which can be found at www.state.nj.us/treasury/pensions.

The vesting and benefit provisions are set by N.J.S.A. 43:16A. PFRS provides retirement benefits as well as death and disability benefits. All benefits vest after ten years of service, except disability benefits which vest after four years of service.

The following represents the membership tiers for PFRS:

Tier	Definition
1	Members who were enrolled prior to May 22, 2010
2	Members who were eligible to enroll on or after May 22, 2010 and prior to June 28, 2011
3	Members who were eligible to enroll on or after June 28, 2011

Service retirement benefits are available at age 55 and are generally determined to be 2% of final compensation for each year of creditable service, as defined, up to 30 years plus 1% for each year of service in excess of 30 years. Members may seek special retirement after achieving 25 years of creditable service, in which benefits would equal 65% (tier 1 and 2 members) and 60% (tier 3 members) of final compensation plus 1% for each year of creditable service over 25 years, but not to exceed 30 years. Members may elect deferred retirement benefits after achieving ten years of service, in which case, benefits would begin at age 55 equal to 2% of final compensation for each year of service.

Public Employees’ Retirement System (PERS) – established in January 1955, under the provisions of N.J.S.A. 43:15A to provide coverage 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. PERS is a cost-sharing multi-employer defined benefit pension plan. For additional information about PERS, please refer to the State Division of Pension and Benefits (Division’s) Annual Comprehensive Financial Report (ACFR) which can be found at www.state.nj.us/treasury/pensions.

The vesting and benefit provisions are set by N.J.S.A. 43:15A. PERS provides retirement, death, and disability benefits. All benefits vest after ten years of service.

The following represents the membership tiers for PERS:

Tier	Definition
1	Members who were enrolled prior to July 1, 2007
2	Members who were eligible to enroll on or after July 1, 2007 and prior to November 2, 2008
3	Members who were eligible to enroll on or after November 2, 2008 and prior to May 22, 2010
4	Members who were eligible to enroll on or after May 22, 2010 and prior to June 28, 2011
5	Members who were eligible to enroll on or after June 28, 2011

**BOROUGH OF WOODCLIFF LAKE
NOTES TO FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2023 AND 2022**

NOTE 12 EMPLOYEE RETIREMENT SYSTEMS (Continued)

Public Employees' Retirement System (PERS) (Continued)

Service retirement benefits of 1/55th of final average salary for each year of service credit is available to tier 1 and 2 members upon reaching age 60 and to tier 3 members upon reaching age 62. Service retirement benefits of 1/60th of final average salary for each year of service credit is available to tier 4 members upon reaching age 62 and tier 5 members upon reaching age 65. Early retirement benefits are available to tier 1 and 2 members before reaching age 60, tier 3 and 4 members with 25 or more years of service credit before age 62, and tier 5 members with 30 or more years of service credit before age 65. Benefits are reduced by a fraction of a percent for each month that a member retires prior to the age at which member can receive full early retirement benefits in accordance with their respective tier. Tier 1 members can receive an unreduced benefit from age 55 to age 60 if they have a least 25 years of service. Deferred retirement is available to members who have at least ten years of service credit and have not reached the service retirement age for the respective tier.

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.

Defined Contribution Retirement Program (DCRP) – established under the provisions of Chapter 92, P.L. 2007 and Chapter 103, P.L. 2008 to provide coverage to elected and certain appointed officials, effective July 1, 2007 and employees enrolled in PERS on or after July 1, 2007 who earn in excess of established annual maximum compensation limits (equivalent to annual maximum wage for social security deductions). This provision was extended by Chapter 1, P.L. 2010, effective May 21, 2010, to new employees (Tier 2) of the PFRS and new employees who would otherwise be eligible to participate in PERS on or after November 2, 2008 and do not earn the minimum salary required for tier 3 enrollment or do not work the minimum required hours for tier 4 and tier 5 enrollment but earn a base salary of at least \$5,000 are eligible for participation in the DCRP. Membership is mandatory for such individuals with vesting occurring after one (1) year of membership. DCRP is a defined contribution pension plan.

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, but are currently suspended as a result of reform legislation.

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/pensions.

Measurement Focus and Basis of Accounting

The financial statements of the retirement systems are prepared in accordance with U.S. generally accepted accounting principles as applicable to governmental organizations. In doing so, the Division adheres to reporting requirements established by the Governmental Accounting Standards Board (GASB).

The accrual basis of accounting is used for measuring financial position and changes in net position of the pension trust funds. Under this method, contributions are recorded in the accounting period in which they are legally due from the employer or plan member, and deductions are recorded at the time the liabilities are due and payable in accordance with the terms of each plan. The accounts of the Division are organized and operated on the basis of funds. All funds are accounted for using an economic resources measurement focus.

**BOROUGH OF WOODCLIFF LAKE
NOTES TO FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2023 AND 2022**

NOTE 12 EMPLOYEE RETIREMENT SYSTEMS (Continued)

Investment Valuation

The Division of Investment, Department of the Treasury, State of New Jersey (Division of Investment) manages and invests certain assets of the retirement systems. Prudential retirement is the third-party administrator for the DCRP and provides record keeping, administrative services and investment options. Investment transactions are accounted for on a trade or investment date basis. Interest and dividend income is recorded on the accrual basis, with dividends accruing on the ex-dividend date. The net increase or decrease in the fair value of investments includes the net realized and unrealized gains or losses on investments.

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. The financial report 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, or at www.state.nj/treasury/doinvest.

Collective Net Pension Liability

The collective net pension liability of the participating employers for local PERS at June 30, 2023 was not available and for June 30, 2022 is \$13.5 billion, and the plan fiduciary net position as a percentage of the total pension liability is 68.33% at June 30, 2022. The collective net pension liability of the participating employers for local PFRS at June 30, 2023 was not available and for June 30, 2022 is \$15.2 billion and the plan fiduciary net position as a percentage of total pension liability is 62.91% at June 30, 2022.

The total pension liabilities were determined based on actuarial valuations as of July 1, 2021 which were rolled forward to June 30, 2022.

Actuarial Methods and Assumptions

In the July 1, 2021 PERS and PFRS actuarial valuations, the actuarial assumptions and methods used in these valuations were described in the Actuarial Assumptions and Methods section of the Actuary's report and are included here in this note to the financial statements. The pension systems selected economic and demographic assumptions and prescribed them for use for purposes of compliance with GASB Statement No. 68. The Actuary provided guidance with respect to these assumptions, and it is their belief that the assumptions represent reasonable expectations of anticipated plan experience.

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 for 2023 and 2022 based on 10.0% for PFRS, 7.50% for PERS and 5.50% for DCRP of employee's annual compensation.

For PFRS and PERS, which are cost sharing multi-employer defined benefit pension plans, employers' contributions are based on an actuarially determined amount, which includes the normal cost and unfunded accrued liability. In the DCRP, which is a defined contribution plan, member contributions are matched by a 3% employer contribution. All contributions made by the Borough for 2023, 2022 and 2021 were equal to the required contributions.

**BOROUGH OF WOODCLIFF LAKE
NOTES TO FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2023 AND 2022**

NOTE 12 EMPLOYEE RETIREMENT SYSTEMS (Continued)

Employer and Employee Pension Contributions (Continued)

During the years ended December 31, 2023, 2022 and 2021, 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 respective year:

Year Ended December 31	<u>PFRS</u>	<u>PERS</u>	<u>DCRP</u>
2023	\$ 745,580	\$ 209,543	\$ 6,520
2022	773,438	212,569	5,043
2021	682,664	209,865	-

In addition for the years ended December 31, 2023, 2022 and 2021 the Borough contributed for long-term disability insurance premiums (LTDI) of \$0 for all three years for PERS and \$0 for all three years for PFRS.

Pension Liabilities, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions

The regulatory basis of accounting requires participating employers in PERS and PFRS to disclose in accordance with GASB Statement No. 68, *Accounting and Financial Reporting for Pensions*, (GASB No.68) their proportionate share of the collective net pension liability, collective deferred outflows of resources, collective deferred inflows of resources and collective pension expense excluding that attributable to employer-paid member contributions.

Under GASB Statement No. 68 local governmental employers are required to provide certain financial information based on a measurement date no earlier than the end of the employer’s prior fiscal year. The GASB No. 68 financial information from the State’s Division of Pensions and Benefits to be reported for the year ended December 31, 2023 for the measurement date of June 30, 2023 was not available as of the date of audit. Accordingly, N.J.A.C. 5:30-6.1(c)2 authorized and permits New Jersey municipalities to present the most recent available audited GASB No. 68 financial information to be incorporated into the audit and remain in compliance with the regulatory basis of accounting disclosure requirements for notes to the financial statements. As such the GASB No. 68 financial information for the year ended December 31, 2023 is not presented in the notes to the financial statements.

The employer allocation percentages presented are based on the ratio of the contributions made as an individual employer to the total contributions to the plan during the fiscal years ended June 30, 2022 and 2021. Employer allocation percentages have been rounded for presentation purposes.

Public Employees Retirement System (PERS)

At December 31, 2022, the Borough reported a liability of \$2,152,289, for its proportionate share of the PERS net pension liability. The net pension liability was measured as of June 30, 2022, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of July 1, 2021. The Borough’s proportionate share of the net pension liability was based on the ratio of the Borough’s contributions to the pension plan relative to the total contributions of all participating governmental entities during the measurement period. As of the measurement date of June 30, 2022, the Borough’s proportionate share was 0.01665 percent, which was a decrease of 0.00150 percent from its proportionate share measured as of June 30, 2021 of 0.01815 percent.

**BOROUGH OF WOODCLIFF LAKE
NOTES TO THE FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2023 AND 2022**

NOTE 12 EMPLOYEE RETIREMENT SYSTEMS (Continued)

Public Employees Retirement System (PERS) (Continued)

For the year ended December 31, 2022, the pension system has determined the Borough's pension (benefit) to be (\$163,897), for PERS based on the actuarial valuations which is less than the actual contributions reported in the Borough's financial statements of \$212,569. At December 31, 2022, the Borough's deferred outflows of resources and deferred inflows of resources related to PERS pension which are not reported on the Borough's financial statements are from the following sources:

	<u>2022</u>	
	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Difference Between Expected and Actual Experience	\$ 18,133	\$ 14,100
Changes of Assumptions	7,784	331,709
Net Difference Between Projected and Actual Earnings on Pension Plan Investments	103,981	
Changes in Proportion and Differences Between Borough Contributions and Proportionate Share of Contributions	<u>12,689</u>	<u>391,460</u>
Total	<u>\$ 142,587</u>	<u>\$ 737,269</u>

At December 31, 2022 the amounts reported as deferred outflows of resources and deferred inflows of resources related to PERS pension will be recognized in pension expense (benefit) as follows:

Year Ending <u>December 31,</u>	<u>Total</u>
2023	\$ (325,344)
2024	(207,050)
2025	(137,042)
2026	76,674
2027	(1,920)
Thereafter	<u>-</u>
	<u>\$ (594,682)</u>

**BOROUGH OF WOODCLIFF LAKE
NOTES TO THE FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2023 AND 2022**

NOTE 12 EMPLOYEE RETIREMENT SYSTEMS (Continued)

Public Employees Retirement System (PERS) (Continued)

Actuarial Assumptions

The Borough’s total pension liability reported for the year ended December 31, 2022 was based on the June 30, 2022 measurement date as determined by an actuarial valuation as of July 1, 2021, which was rolled forward to June 30, 2022. This actuarial valuation used the following actuarial assumptions, applied to all periods in the measurement date:

	<u>2022</u>
Inflation Rate:	
Price	2.75%
Wage	3.25%
Salary Increases:	
Rate for All Future Years	2.75%-6.55%
	Based on Years of Service
Investment Rate of Return	7.00%

Mortality Rates

Pre-retirement mortality rates were based on the Pub-2010 General Below-Median Income Employee mortality table with an 82.2% adjustment for males and 101.4% adjustment for females, and with future improvement from the base year of 2010 on a generational basis. Post-retirement mortality rates were based on the Pub-2010 General Below-Median Income Healthy Retiree mortality table with a 91.4% adjustment for males and 99.7% adjustment for females, and with future improvement from the base year of 2010 on a generational basis. Disability retirement rates used to value disabled retirees were based on the Pub-2010 Non-Safety Disabled Retiree mortality table with a 127.7% adjustment for males and 117.2% adjustment for females, and with future improvement from the base year of 2010 on generational basis. Mortality improvement is based on Scale MP-2021.

The actuarial assumptions used in the July 1, 2021 valuation were based on the results of an actuarial experience study for the period July 1, 2018 to June 30, 2021.

**BOROUGH OF WOODCLIFF LAKE
NOTES TO THE FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2023 AND 2022**

NOTE 12 EMPLOYEE RETIREMENT SYSTEMS (Continued)

Public Employees Retirement System (PERS) (Continued)

Long-Term Expected Rate of Return

In accordance with State statute, the long-term expected rate of return on plan investments (7% at June 30, 2022) is determined by the State Treasurer, after consultation with the Directors of the Division of Investment and Division of Pensions and Benefits, the board of trustees and actuaries. The long-term expected rate of return on pension plan investments was determined using a building-block method in which best-estimate ranges of expected future real rate of return (expected returns, net of pension plans investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. Best estimates of arithmetic real rates of return for each major asset class included in the pension plans' target asset allocation as of June 30, 2022, as reported for the year ended December 31, 2022, are summarized in the following table:

<u>Asset Class</u>	<u>2022</u>	
	<u>Target Allocation</u>	<u>Long-Term Expected Real Rate of Return</u>
Risk Mitigation Strategies	3.00%	4.91%
Cash Equivalents	4.00%	1.75%
U.S. Treasuries	4.00%	1.75%
Investment Grade Credit	7.00%	3.38%
US Equity	27.00%	8.12%
Non-US Developed Markets Equity	13.50%	8.38%
Emerging Markets Equity	5.50%	10.33%
High Yield	4.00%	4.95%
Real Assets	3.00%	7.60%
Private Credit	8.00%	8.10%
Real Estate	8.00%	11.19%
Private Equity	13.00%	11.80%

Discount Rate

The discount rate used to measure the total pension liability for PERS was 7.00% as of June 30, 2022. The projection of cash flows used to determine the discount rate assumed that contributions from plan members will be made at the current member contribution rates and that contributions from employers and the nonemployer contributing entity will be based on 100% of the actuarially determined contributions for the State employer and 100% of actuarially determined contributions for the local employers. Based on those assumptions, the plan's fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on plan investments was applied to all projected benefit payments in determining the total pension liability.

**BOROUGH OF WOODCLIFF LAKE
NOTES TO THE FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2023 AND 2022**

NOTE 12 EMPLOYEE RETIREMENT SYSTEMS (Continued)

Public Employees Retirement System (PERS) (Continued)

Sensitivity of Net Pension Liability

The following presents the Borough’s proportionate share of the PERS net pension liability as of December 31, 2022 calculated using the discount rate of 7.00%, as well as what the Borough’s proportionate share of the PERS net pension liability would be if it were calculated using a discount rate that is 1-percentage-point lower 6.00% or 1-percentage-point higher 8.00% than the current rate:

<u>2022</u>	1% Decrease (6.00%)	Current Discount Rate (7.00%)	1% Increase (8.00%)
Borough's Proportionate Share of the PERS Net Pension Liability	<u>\$ 3,227,555</u>	<u>\$ 2,512,289</u>	<u>\$ 1,903,568</u>

The sensitivity analysis was based on the proportionate share of the Borough’s net pension liability at December 31, 2022. A sensitivity analysis specific to the Borough’s net pension liability was not provided by the pension system.

Pension Plan Fiduciary Net Position

Detailed information about the PERS pension plan’s fiduciary net position is available in the separately issued financial report from the State of New Jersey, Department of the Treasury, Division of Pension and Benefits. The financial report may be accessed via the New Jersey, Division of Pensions and Benefits, website at www.state.nj.us/treasury/pensions.

Police and Firemen’s Retirement System (PFRS)

At December 31, 2022, the Borough reported a liability of \$6,560,566, for its proportionate share of the PFRS net pension liability. The net pension liability was measured as of June 30, 2022, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of July 1, 2021. The Borough’s proportionate share of the net pension liability was based on the ratio of the Borough’s contributions to the pension plan relative to the total contributions of all participating governmental entities during the measurement period. As of the measurement date of June 30, 2022, the Borough’s proportionate share was 0.05732 percent, which was a decrease of 0.00904 percent from its proportionate share measured as of June 30, 2021 of 0.06636 percent.

BOROUGH OF WOODCLIFF LAKE
NOTES TO THE FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2023 AND 2022

NOTE 12 EMPLOYEE RETIREMENT SYSTEMS (Continued)

Police and Firemen's Retirement System (PFRS) (Continued)

For the years ended December 31, 2022, the pension system has determined the Borough pension (benefit) to be (\$116,148), for PFRS based on the actuarial valuations which is less than the actual contributions reported in the Borough's financial statements of \$773,438. At December 31, 2022, the Borough's deferred outflows of resources and deferred inflows of resources related to PFRS pension which are not reported on the Borough's financial statements are from the following sources:

	<u>2022</u>	
	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Difference Between Expected and Actual Experience	\$ 296,949	\$ 401,924
Changes of Assumptions	17,980	825,846
Net Difference Between Projected and Actual Earnings on Pension Plan Investments	600,755	
Changes in Proportion and Differences Between Borough Contributions and Proportionate Share of Contributions	<u>736,097</u>	<u>1,053,853</u>
Total	<u>\$ 1,651,781</u>	<u>\$ 2,281,623</u>

At December 31, 2022 the amounts reported as deferred outflows of resources and deferred inflows of resources related to PFRS pension will be recognized in pension expense (benefit) as follows:

Year Ending <u>December 31,</u>	<u>Total</u>
2023	\$ (392,162)
2024	(215,279)
2025	(263,829)
2026	408,932
2027	(137,116)
Thereafter	<u>(30,388)</u>
	<u>\$ (629,842)</u>

**BOROUGH OF WOODCLIFF LAKE
NOTES TO THE FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2023 AND 2022**

NOTE 12 EMPLOYEE RETIREMENT SYSTEMS (Continued)

Police and Firemen’s Retirement System (PFRS) (Continued)

Actuarial Assumptions

The Borough’s total pension liability reported for the year ended December 31, 2022 was based on the June 30, 2022 measurement date as determined by an actuarial valuation as of July 1, 2021, which was rolled forward to June 30, 2022. This actuarial valuation used the following actuarial assumptions, applied to all periods in the measurement date:

	<u>2022</u>
Inflation Rate:	
Price	2.75%
Wage	3.25%
Salary Increases	
Rate for All Future Years	3.25%-16.25%
	Based on Years of Service
Investment Rate of Return	7.00%

Mortality Rates

Employee mortality rates were based on the PubS-2010 amount-weighted mortality table with a 105.6% adjustment for males and 102.5% adjustment for females. For healthy annuitants, mortality rates were based on the PubS-2010 amount-weighted mortality table with a 96.7% adjustment for males and 96.0% adjustment for females. Disability rates were based on the PubS-2010 amount-weighted mortality table with a 152.0% adjustment for males and 109.3% adjustment for females. Mortality improvement is based on Scale MP-2021.

The actuarial assumptions used in the July 1, 2021 valuation were based on the results of an actuarial experience study for the period July 1, 2018 to June 30, 2021.

**BOROUGH OF WOODCLIFF LAKE
NOTES TO THE FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2023 AND 2022**

NOTE 12 EMPLOYEE RETIREMENT SYSTEMS (Continued)

Police and Firemen’s Retirement System (PFRS) (Continued)

Long-Term Expected Rate of Return

In accordance with State statute, the long-term expected rate of return on plan investments (7% at June 30, 2022) is determined by the State Treasurer, after consultation with the Directors of the Division of Investment and Division of Pensions and Benefits, the board of trustees and actuaries. The long-term expected rate of return on pension plan investments was determined using a building-block method in which best-estimate ranges of expected future real rate of return (expected returns, net of pension plans investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. Best estimates of arithmetic real rates of return for each major asset class included in the pension plans’ target asset allocation as of June 30, 2022, as reported for the year ended December 31, 2022, are summarized in the following table:

<u>Asset Class</u>	<u>2022</u>	
	<u>Target Allocation</u>	<u>Long-Term Expected Real Rate of Return</u>
Risk Mitigation Strategies	3.00%	4.91%
Cash Equivalents	4.00%	1.75%
U.S. Treasuries	4.00%	1.75%
Investment Grade Credit	7.00%	3.38%
US Equity	27.00%	8.12%
Non-US Developed Markets Equity	13.50%	8.38%
Emerging Markets Equity	5.50%	10.33%
High Yield	4.00%	4.95%
Real Assets	3.00%	7.60%
Private Credit	8.00%	8.10%
Real Estate	8.00%	11.19%
Private Equity	13.00%	11.80%

Discount Rate

The discount rate used to measure the total pension liability for PFRS was 7.00% as of June 30, 2022. The projection of cash flows used to determine the discount rate assumed that contributions from plan members will be made at the current member contribution rates and that contributions from employers will be based on 100% of the actuarially determined contributions for the State. Based on those assumptions, the plan’s fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on plan investments was applied to all projected benefit payments in determining the total pension liability.

**BOROUGH OF WOODCLIFF LAKE
NOTES TO THE FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2023 AND 2022**

NOTE 12 EMPLOYEE RETIREMENT SYSTEMS (Continued)

Police and Firemen’s Retirement System (PFRS) (Continued)

Sensitivity of Net Pension Liability

The following presents the Borough’s proportionate share of the PFRS net pension liability as of December 31, 2022 calculated using the discount rate of 7.00%, as well as what the Borough’s proportionate share of the PFRS net pension liability would be if it were calculated using a discount rate that is 1-percentage-point lower 6.00% or 1-percentage-point higher 8.00% than the current rate:

<u>2022</u>	1% Decrease <u>(6.00%)</u>	Current Discount Rate <u>(7.00%)</u>	1% Increase <u>(8.00%)</u>
Borough's Proportionate Share of the PFRS Net Pension Liability	\$ <u>9,001,805</u>	\$ <u>6,560,566</u>	\$ <u>4,528,223</u>

The sensitivity analysis was based on the proportionate share of the Borough’s net pension liability at December 31, 2022. A sensitivity analysis specific to the Borough’s net pension liability was not provided by the pension system.

Special Funding Situation – PFRS

Under N.J.S.A. 43:16A-15, the Borough is responsible for their own PFRS contributions based on actuarially determined amounts, except where legislation was passed which legally obligated the State to make contributions if certain circumstances occurred. The legislation which legally obligates the State is as follows: Chapter 8, P.L. 2000, Chapter 318, P.L. 2001, Chapter 86, P.L. 2001, Chapter 511, P.L. 1991, Chapter 109, P.L. 1979, Chapter 247, P.L. 1993 and Chapter 201, P.L. 2001. The amounts contributed on behalf of the Borough by the State under this legislation is considered to be a special funding situation as defined by GASB Statement No. 68 and the State is treated as a nonemployer contributing entity. Accordingly, the Borough’s proportionate share percentage of the net pension liability, deferred outflows and inflows determined under GASB Statement No. 68 is zero percent and the State’s proportionate share is 100% for PFRS under this legislation.

At December 31, 2022, the State’s proportionate share of the net pension liability attributable to the Borough for the PFRS special funding situation is \$1,167,588. For the year ended December 31, 2022, the pension system has determined the State’s proportionate share of the pension expense attributable to the Borough for the PFRS special funding situation is \$134,709, which is less than the actual contributions the State made on behalf of the Borough of \$145,359. At December 31, 2021 (measurement date June 30, 2022) the State’s share of the PFRS net pension liability attributable to the Borough was 0.05732 percent, which was a decrease of 0.00904 percent from its proportionate share measured as of December 31, 2021 (measurement date June 30, 2021) of 0.06636 percent. The State’s proportionate share attributable to the Borough was developed based on actual contributions made to PFRS allocated to employers based upon covered payroll. These on-behalf contributions have not been reported on the Borough’s financial statements.

Pension Plan Fiduciary Net Position

Detailed information about the PFRS pension plan’s fiduciary net position is available in the separately issued financial report from the State of New Jersey, Department of the Treasury, Division of Pension and Benefits. The financial reports may be accessed via the New Jersey, Division of Pensions and Benefits, website at www.state.nj.us/treasury/pensions.

**BOROUGH OF WOODCLIFF LAKE
NOTES TO THE FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2023 AND 2022**

NOTE 13 POST-RETIREMENT MEDICAL BENEFITS

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

Plan Description and Benefits Provided

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

State Health Benefit Program Fund – Local Government Retired (the Plan) (including Prescription Drug Program Fund) – The Plan is a cost-sharing multiple-employer defined benefit other postemployment benefit (OPEB) plan with a special funding situation. It covers employees of local government employers that have adopted a resolution to participate in the Plan. The plan meets the definition of an equivalent arrangement as defined in paragraph 4 of GASB Statement No. 75, *Accounting and Financial Reporting for the Postemployment Benefits Other Than Pensions* (GASB Statement No. 75); therefore, assets are accumulated to pay associated benefits. For additional information about the Plan, please refer to the State of New Jersey (the State), Division of Pensions and Benefits' (the Division) Annual Comprehensive Financial Report (ACFR), which can be found at <https://www.state.nj.us/treasury/pensions/financial-reports.shtml>.

The Plan provides medical and prescription drug to retirees and their covered dependents of the participating employers. Under the provisions of Chapter 88, P.L. 1974 and Chapter 48, P.L. 1999, local government employers electing to provide postretirement medical coverage to their employees must file a resolution with the Division. Under Chapter 88, local employers elect to provide benefit coverage based on the eligibility rules and regulations promulgated by the State Health Benefits Commission. Chapter 48 allows local employers to establish their own age and service eligibility for employer paid health benefits coverage for retired employees. Under Chapter 48, the employer may assume the cost of postretirement medical coverage for employees and their dependents who: 1) retired on a disability pension; or 2) retires with 25 or more years of service credit in a State or locally administered retirement system and a period of service of up to 25 years with the employer at the time of retirement as established by the employer; or 3) retired and reached the age of 65 with 25 or more years of service credit in a State or locally administered retirement system and a period of service of up to 25 years with the employer at the time of retirement as established by the employer; or 4) retires and reached age 62 with at least 15 years of service with the employer. Further, the law provides that the employer paid obligations for retiree coverage may be determined by means of a collective negotiations agreement.

In accordance with Chapter 330, P.L. 1997, which is codified in N.J.S.A. 52:14-17.32i, the State provides medical and prescription coverage to local police officers and firefighters, who retire with 25 years of service or on a disability from an employer who does not provide postretirement medical coverage. Local employers were required to file a resolution with the Division in order for their employees to qualify for State-paid retiree health benefits coverage under Chapter 330. The State also provides funding for retiree health benefits to survivors of local police officers and firefighters who die in the line of duty under Chapter 271, P.L. 1989.

Pursuant to Chapter 78, P.L., 2011, future retirees eligible for postretirement medical coverage who have less than 20 years of creditable service on June 28, 2011 will be required to pay a percentage of the cost of their health care coverage in retirement provided they retire with 25 or more years of pension service credit. The percentage of the premium for which the retiree will be responsible will be determined based on the retiree's annual retirement benefit and level coverage.

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.

**BOROUGH OF WOODCLIFF LAKE
NOTES TO THE FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2023 AND 2022**

NOTE 13 POST-RETIREMENT MEDICAL BENEFITS (Continued)

Plan Membership and Contributing Employers

Membership and contributing employers/nonemployers of the defined benefit OPEB plan consisted of the following at June 30, 2022:

Active Plan Members	65,360
Inactive Plan Members or Beneficiaries Currently Receiving Benefits	<u>33,684</u>
Total	<u>99,044</u>
Contributing Employers	591
Contributing Nonemployers	1

Measurement Focus and Basis of Accounting

The financial statements of the OPEB plan are prepared in accordance with U.S. generally accepted accounting principles as applicable to government organizations. In doing so, the Division adheres to reporting requirements established by the Governmental Accounting Standards Board (GASB).

The accrual basis of accounting is used for measuring financial position and changes in net position of the other postemployment benefit plan. Under this method, contributions are recorded in the accounting period in which they are legally due from the employer or plan member, and deductions are recorded at the time the liabilities are due and payable in accordance with the terms of each plan. The accounts of the Division are organized and operated on the basis of funds. All funds are accounted for using an economic resources measurement focus.

Collective Net OPEB Liability

The collective net OPEB liability of the participating employers and the State, as the non-employer contributing entity, of the Plan at June 30, 2023 was not available and for 2022 is \$16.1 billion, and the plan fiduciary net position as a percentage of the total OPEB liability is -0.36% at June 30, 2022.

The total OPEB liabilities were determined based on actuarial valuations as of July 1, 2021 which was rolled forward to June 30, 2022.

Actuarial Methods and Assumptions

In the July 1, 2021 OPEB actuarial valuation, the actuarial assumptions and methods used in this valuation were described in the Actuarial Assumptions and Methods section of the Actuary’s report and are included here in this note to the financial statements. The Plan selected economic and demographic assumptions and prescribed them for use for purposes of compliance with GASB Statement No. 75. The Actuary provided guidance with respect to these assumptions, and it is their belief that the assumptions represent reasonable expectations of anticipated plan experience.

**BOROUGH OF WOODCLIFF LAKE
NOTES TO THE FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2023 AND 2022**

NOTE 13 POST-RETIREMENT MEDICAL BENEFITS (Continued)

Post-Retirement Medical Benefits Contribution

The funding policy for the OPEB plan is pay-as-you-go; therefore, there is no prefunding of the liability. However, due to premium rates being set prior to each calendar year, there is a minimal amount of net position available to cover benefits in future years. Contributions to pay for the health benefit premiums of participating employees in the OPEB plan are collected from the State of New Jersey, participating local employers, and retired members. The State of New Jersey makes contributions to cover those employees eligible under Chapter 330, P.L. 1967, as disclosed previously. Local employers remit employer contributions on a monthly basis. Retired member contributions are generally received on a monthly basis.

The employers participating in the OPEB plan made contributions of \$389.5 million and the State of New Jersey, as the non-employer contributing entity, contributed \$45.8 million for fiscal year 2022.

The State sets the employer contribution rate based on a pay-as-you-go basis rather than the actuarial determined contribution an amount actuarially determined in accordance with the parameters of GASB Statement No. 75. The actuarial determined contribution represents a level of funding that, if paid on an ongoing basis, is projected to cover normal cost each year and any unfunded actuarial liabilities (or funding excess) of the plan—using a systematic and rational method over a closed period equal to the average of the expected remaining service lives of all employees that are provided with OPEB through the Plan. The Borough's contributions to the State Health Benefits Program Fund-Local Government Retired Plan for post-retirement benefits for the years ended December 31, 2023, 2022 and 2021 were \$349,847, \$452,036 and \$358,660, respectively, which equaled the required contributions for each year. In addition, the Borough's reimbursements to eligible retired employees for Medicare Part B insurance coverage for the years ended December 31, 2023, 2022 and 2021 were \$43,671, \$44,671 and \$37,885, respectively.

OPEB Liabilities, OPEB Expenses and Deferred Outflows of Resources and Deferred Inflows of Resources Related to OPEB

The regulatory basis of accounting requires participating employers in the State Health Benefit Program Fund – Local Government Retired Plan to disclose in accordance with GASB Statement No. 75, *Accounting and Financial Reporting for Postemployment Benefits other than Pension (GASB No. 75)* their proportionate share of the collective net OPEB liability, collective deferred outflows of resources, collective deferred inflows of resources and collective OPEB expense excluding that attributable to retiree-paid member contributions.

Under GASB Statement No. 75 local governmental employers are required to provide certain financial information based on a measurement date no earlier than the end of the employer's prior fiscal year. The GASB No. 75 financial information from the State's Division of Pensions and Benefits to be reported for the year ended December 31, 2022 for the measurement date of June 30, 2022 was not available as of the date of audit. Accordingly, N.J.A.C. 5:30-6.1(c)2 authorizes and permits New Jersey municipalities to present the most recent available audited GASB No. 75 financial information to be incorporated into the audit and remain in compliance with the regulatory basis of accounting disclosure requirements for notes to the financial statements. As such the GASB No. 75 financial information for the year ended December 31, 2023 is not presented in the notes to the financial statements.

The employer allocation percentages presented are based on the ratio of the plan members as an individual employer to the total plan members to the plan during the fiscal years ended June 30, 2022 and 2021. Employer allocation percentages have been rounded for presentation purposes.

**BOROUGH OF WOODCLIFF LAKE
NOTES TO FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2023 AND 2022**

NOTE 13 POST-RETIREMENT MEDICAL BENEFITS (Continued)

OPEB Liabilities, OPEB Expenses and Deferred Outflows of Resources and Deferred Inflows of Resources Related to OPEB (Continued)

At December 31, 2022, the Borough reported a liability of \$9,575,418 for its proportionate share of the net OPEB liability. The net OPEB liability was measured as of June 30, 2022 and the total OPEB liability used to calculate the net OPEB liability was determined by an actuarial valuation as of July 1, 2021. The Borough's proportionate share of the net OPEB liability was based on the ratio of the Borough's proportionate share of the OPEB liability attributable to the Borough at June 30, 2022 to the total OPEB liability for the State Health Benefit Program Fund – Local Government Retired Plan at June 30, 2022. As of the measurement date of June 30, 2022 the Borough's proportionate share was 0.05929 percent, which was a decrease of 0.00040 percent from its proportionate share measured as of June 30, 2021 of 0.05969 percent.

For the years ended December 31, 2022 the Plan has determined the Borough's OPEB expense to be \$43,561, based on the actuarial valuations which are less than the actual contributions reported in the Borough's financial statements of \$452,036. At December 31, 2022, the Borough's deferred outflows of resources and deferred inflows of resources related to the OPEB plan which are not reported on the Borough's financial statements are from the following sources:

	<u>2022</u>	
	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Difference Between Expected and Actual Experience	\$ 494,485	\$ 1,774,876
Changes of Assumptions	1,277,879	3,267,906
Net Difference Between Projected and Actual Earnings on OPEB Plan Investments	2,521	
Changes in Proportion and Differences Between Borough Contributions and Proportionate Share of Contributions	890,517	871,373
Contributions made Subsequent to the Measurement Date	-	-
Total	<u>\$ 2,665,402</u>	<u>\$ 5,914,155</u>

At December 31, 2022 the amounts reported as deferred outflows of resources and deferred inflows of resources related to the OPEB plan will be recognized in OPEB expense (benefit) as follows:

Year Ending <u>December 31,</u>	<u>Total</u>
2023	\$ (905,451)
2024	(906,130)
2025	(628,890)
2026	(270,061)
2027	(18,572)
Thereafter	<u>(519,649)</u>
	<u>\$ (3,248,753)</u>

**BOROUGH OF WOODCLIFF LAKE
NOTES TO FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2023 AND 2022**

NOTE 13 POST-RETIREMENT MEDICAL BENEFITS (Continued)

Actuarial Assumptions

The Borough's total OPEB liability reported for the year ended December 31, 2022 was based on the June 30, 2022 measurement date as determined by an actuarial valuation as of July 1, 2021, which was rolled forward to June 30, 2022. The actuarial assumptions vary for each plan member depending on the pension plan the member is enrolled in. This actuarial valuation used the following actuarial assumptions, applied to all periods in the measurement date:

	<u>2022</u>
Inflation Rate	2.50%
Salary Increases*	
PERS:	
Rate For All Future Years	2.75% to 6.55%
	Based on Years of Service
PFRS:	
Rate For All Future Years	3.25% to 16.25%
	Based on Years of Service

*Salary increases are based on years of service within the respective pension plan.

Mortality Rates

Pre-retirement and post-retirement mortality rates were based on the Pub-2010 Healthy "Safety" for PFRS and Healthy "General" for PERS classification headcount-weighted mortality table with fully generational mortality improvement projections from the central year using Scale MP-2021. Disability mortality rates were based on the Pub-2010 Disabled "Safety" for PFRS and Disabled "General" for PERS classification headcount-weighted mortality table with fully generational mortality improvement projections from the central year using Scale MP-2021.

Health Care Trends

The trend rate for pre-Medicare medical benefits is initially 6.25 percent and decreases to a 4.50 percent long-term trend rate after seven years. For post-65 medical benefits, the actual fully-insured Medicare Advantage trend rates for fiscal year 2022 and 2023 are reflected. For post-65 medical benefits PPO, the trend is initially -1.89 percent in Fiscal Year 2023, increasing to 15.04 percent in Fiscal Year 2026 and decreasing to 4.50 percent in Fiscal Year 2033. The HMO trend is initially -1.99 percent in Fiscal Year 2023, increasing to 15.18 percent in Fiscal Year 2026 and decreasing to 4.50 percent in Fiscal Year 2033. For prescription drug benefits, the initial trend rate is 8.00% and decreases to 4.50% long-term trend rate in fiscal year 2030.

The actuarial assumptions used in the July 1, 2021 valuation were based on the results of the PFRS and PERS experience studies prepared for July 1, 2018 to June 30, 2021.

100% of active members are considered to participate in the plan upon retirement.

Discount Rate

The discount rate for June 30, 2022 measurement date was 3.54%. This represents the municipal bond return rate as chosen by the State. The source is the Bond Buyer Go 20-Bond Municipal Bond Index, which includes tax-exempt general obligation municipal bonds with an average rating of AA/Aa or higher. As the long-term rate of return is less than the municipal bond rate, it is not considered in the calculation of the discount rate, rather the discount rate is set at the municipal bond rate.

**BOROUGH OF WOODCLIFF LAKE
NOTES TO FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2023 AND 2022**

NOTE 13 POST-RETIREMENT MEDICAL BENEFITS (Continued)

Sensitivity of Net OPEB Liability to Changes in the Discounts Rate

The following presents the Borough's proportionate share of the net OPEB liability as of December 31, 2021 calculated using the discount rate of 3.54% as well as what the Borough's proportionate share of the net OPEB liability would be if it were calculated using a discount rate that is 1-percentage-point lower 2.54% or 1-percentage-point higher 4.54% than the current rate:

<u>2022</u>	1% Decrease (2.54%)	Current Discount Rate (3.54%)	1% Increase (4.54%)
Borough's Proportionate Share of the Net OPEB Liability	\$ <u>11,099,837</u>	\$ <u>9,575,418</u>	\$ <u>8,348,880</u>

The sensitivity analysis was based on the proportionate share of the Borough's net OPEB liability at December 31, 2022. A sensitivity analysis specific to the Borough's net OPEB liability was not provided by the Plan.

Sensitivity of Net OPEB Liability to Changes in the Healthcare Trend Rate

The following presents the Borough's proportionate share of the net OPEB liability as of December 31, 2022 calculated using the healthcare trend rates as disclosed above as well as what the Borough's proportionate share of the net OPEB liability would be if it were calculated using healthcare trend rates that are 1-percentage-point lower or 1-percentage-point higher than the current rate:

<u>2022</u>	1% Decrease	Healthcare Cost Trend Rates	1% Increase
Borough's Proportionate Share of the Net OPEB Liability	\$ <u>8,123,115</u>	\$ <u>9,575,418</u>	\$ <u>11,435,409</u>

The sensitivity analysis was based on the proportionate share of the Borough's net OPEB liability at December 31, 2022. A sensitivity analysis specific to the Borough's net OPEB liability was not provided by the pension system.

**BOROUGH OF WOODCLIFF LAKE
NOTES TO FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2023 AND 2022**

NOTE 14 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 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 relationship between the Borough and respective insurance funds is governed by a contract and by-laws that have been adopted by resolution of each unit's governing body. The Borough is contractually obligated to make all annual and supplementary contributions to the insurance funds, to report claims on a timely basis, to cooperate with the management of the funds, its claims administrator and attorneys in claims investigation and settlement, and to follow risk management procedures as outlined by the funds. Members have a contractual obligation to fund any deficit of the funds attributable to a membership year during which the municipality was a member.

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

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

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

<u>Year Ended December 31</u>	<u>Borough Contributions</u>	<u>Employee Contributions</u>	<u>Amount Reimbursed</u>	<u>Ending Balance</u>
2023	\$ 2,000	\$ 6,103	\$ 10,254	\$ 40,609
2022	4,000	5,704	9,753	40,308
2021	-	-	2,995	39,832

**BOROUGH OF WOODCLIFF LAKE
NOTES TO FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2023 AND 2022**

NOTE 15 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 except for those otherwise identified.

Pending Tax Appeals - Various tax appeal cases were pending in the New Jersey Tax Court at December 31, 2023 and 2022. Amounts claimed have not yet been determined. The Borough is vigorously defending its assessments in each case. Under the accounting principles prescribed by the Division of Local Government Services, Department of community Affairs, State of New Jersey, the Borough does not recognize a liability, if any, until these cases have been adjudicated. The Borough expects such amounts, if any, could be material. As of December 31, 2023 and 2022, the Borough reserved \$1,009,748 and \$1,601,489, respectively in the Current Fund for tax appeals pending in the New Jersey Tax Court. Funding of any ultimate liability would be provided for in succeeding years' budget or from fund balance.

Federal and State Awards - The Borough participates in a number of federal and state programs that are fully or partially funded by grants received from other governmental units. Expenditures financed by grants are subject to audit by the appropriate grantor government. If expenditures are disallowed due to noncompliance with grant program regulations, the Borough may be required to reimburse the grantor government. As of December 31, 2023 and 2022, significant amounts of grant expenditure have not been audited by the various grantor agencies but the Borough believes that disallowed expenditures, if any, based on subsequent audits will not have a material effect on the overall financial position of the Borough.

NOTE 16 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, 2023 and 2022, the Borough has not estimated its estimated arbitrage earnings due to the IRS, if any.

NOTE 17 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 and the First Aid Organization, 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.

**BOROUGH OF WOODCLIFF LAKE
NOTES TO FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2023 AND 2022**

NOTE 17 LENGTH OF SERVICE AWARD PROGRAM (LOSAP)-UNAUDITED (Continued)

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 \$1,899 and \$1,668 for 2023 and 2022, respectively, for each eligible volunteer fire department and volunteer ambulance corp. member into the Plan. The total borough contributions were \$55,061 and \$44,032 for 2023 and 2022, respectively.

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.

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.

NOTE 18 TAX ABATEMENTS

For the years ended December 31, 2023 and 2022, the Borough provided property tax abatements through certain programs authorized under State statutes. These programs include the New Jersey Housing and Mortgage Financing Act (NJHMFA).

- The New Jersey Housing and Mortgage Financing Act (NJSA 55:14K et. seq.) allows for property tax abatements for residential rental housing projects financed by the New Jersey Housing and Mortgage Finance Agency. These property tax abatements last for the term of the original mortgage financing so long as the residential rental housing project remains subject to the NJHMFA Law and regulations. The process begins when the municipality passes by ordinance or resolution, as appropriate, that such residential rental housing project shall be exempt from property tax provided that an agreement is entered into with the housing sponsor for payments in lieu of taxes (PILOTs) to the municipality. The agreement can require the housing sponsor to a PILOT payment to the municipality in an amount up to 20% of the annual gross revenue from each housing project. For the years ended December 31, 2023 and 2022 the Borough abated property taxes totaling \$75,350 and \$75,350, respectively, under the NJHMFA program. The Borough received \$16,778 and \$17,393 in PILOT payments under this program for the years ended December 31, 2023 and 2022, respectively.

**BOROUGH OF WOODCLIFF LAKE
NOTES TO FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2023 AND 2022**

NOTE 19 INFECTIOUS DISEASE OUTBREAK – COVID-19 PANDEMIC

The World Health Organization declared a pandemic following the global outbreak of COVID-19, a respiratory disease caused by a new strain of coronavirus. On March 13, 2020, the President of the United States declared a national emergency to unlock federal funds and assistance to help states and local governments fight the pandemic. Governor Phil Murphy, of the State of New Jersey, also declared a public health emergency on March 9, 2020 and instituted mandatory measures via various executive orders to contain the spread of the virus, including closing schools and nonessential businesses and limiting social gatherings. These measures, which altered the behaviors of businesses and people, had negative impacts on regional, state and local economies. The Governor, pursuant to various executive orders, then implemented a multi-stage approach to restarting New Jersey's economy. The declaration of the state of emergency and of a public health emergency was terminated by the Governor, by executive order, on June 4, 2021. Also, on June 4, 2021, the Governor signed into law Assembly Bill No. 5820 which terminates most of the Governor's pandemic-related executive orders on July 4, 2021. The remaining executive orders (dealing with coronavirus testing and vaccinations, moratoriums on evictions and utility shutoffs and various other matters) terminated on January 1, 2022.

On January 11, 2022, the Governor reinstated, via Executive Order No. 280, the state of emergency and declared a new public health emergency in response to a surge in cases tied to new variants of COVID-19, in particular the Omicron variant. Such public health emergency was set to expire 30 days from January 11, 2022, but was later extended, via Executive Order No. 288, for an additional 30 days on February 10, 2022. On March 4, 2022, the Governor declared, via Executive Order No. 292, an end to the reinstated public health emergency, effective March 7, 2022. In the event of substantial increases in COVID-19 hospitalizations, spot positivity or rates of transmission, the Governor is empowered to impose more restrictive measures than currently in place.

In order to provide additional means for local governmental units to address the financial impact of the COVID-19 outbreak, the Governor signed into law P.L. 2020 c. 74 ("Chapter 74") on August 31, 2020. Chapter 74, which took effect immediately, adds two new purposes to the list of special emergency appropriations which may be raised by municipalities or counties over a five year period (either through the issuance of special emergency notes or raised internally without borrowing): (1) direct COVID-19 response expenses; and (2) deficits in prior year's operations attributable to COVID-19 (the beginning of the five year repayment schedule is delayed by one year for these new purposes). Upon approval by the Director of the Division of Local Government Services, New Jersey Department of Community Affairs, in cases of significant fiscal distress, the five year period may be extended to up to ten years. In addition, the statute permits school districts and public authorities to issue debt with a maximum five year maturity schedule for direct COVID-19 expenses. Chapter 74 provides for State supervision of all local government unit borrowings. The statute also grants the Director the authority to modify municipal budgeting rules concerning anticipated revenues in order to lessen the impact of revenue reductions due to COVID-19.

The Borough of Woodcliff Lake's finances and operations may be materially and adversely affected as a result of the continued spread of COVID-19 through reduced or delayed revenue streams, which include the collection of property taxes, which are the Borough of Woodcliff Lake's primary revenue source for supporting its budget. The Borough of Woodcliff Lake cannot predict costs associated with a potential infectious disease outbreak like COVID-19 such as operational costs to clean, sanitize and maintain its facilities, or costs to operate remotely and support Borough functions and critical government actions during an outbreak or any resulting impact such costs could have on the operations of the Borough. However, as of the date of audit, even though the Borough finances and operations had certain reduced revenue streams due to the COVID-19 outbreak, the overall finances and operations of the Borough have not been materially and adversely affected due to the COVID-19 outbreak.

**BOROUGH OF WOODCLIFF LAKE
NOTES TO FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2023 AND 2022**

NOTE 19 INFECTIOUS DISEASE OUTBREAK – COVID-19 PANDEMIC (Continued)

The degree of any such impact on the operations and finances of the Borough cannot be predicted due to the dynamic nature of the COVID-19 outbreak, including uncertainties relating to its (i) duration, and (ii) severity, as well as with regard to what actions may be taken by governmental and other health care authorities to contain or mitigate its impact. The continued spread of the outbreak could have a material adverse effect on the Borough and its economy. The Borough is monitoring the situation and will take such proactive measures as may be required to maintain its functionality and meet its obligations.

The American Rescue Plan Act of 2021, H.R. 1319 (the “Plan”), signed into law by President Biden on March 11, 2021, comprises \$1.9 trillion in relief designed to provide funding to address the COVID-19 pandemic and alleviate the economic and health effects of the COVID-19 pandemic.

The Plan includes various forms of financial relief including up to a \$1,400 increase in direct stimulus payment to individuals and various other forms of economic relief, including extended unemployment benefits, continued eviction and foreclosure moratoriums, an increase in the child tax credit, an increase in food and housing aid, assistance grants to restaurants and bars, and other small business grants and loans. The Plan provides funding for state and local governments to offset costs to safely reopen schools during the COVID-19 pandemic and to subsidize COVID-19 testing and vaccination programs. In addition, the Plan includes \$350 billion in relief funds to public entities, such as the Borough.

Generally, according to the Plan and implementing regulations, the allowable use of the funds to be provided to the Borough include the following categories:

- Replacing lost public sector revenue;
- Investing in water, sewer, broadband and other infrastructure;
- Providing premium pay for essential workers;
- Supporting public health expenditures;
- Addressing COVID-19 related negative economic impacts; and
- Addressing the disproportionate public health and economic impacts of the crisis on the hardest-hit communities, populations, and households.

However, such funds may not be used to directly or indirectly offset a reduction in net tax revenue resulting from a change in law, regulation or administrative interpretation during the covered period reducing or delaying any tax or tax increase. Additionally, such funds may not be used for deposit in any pension fund. Such funds may be used to offset the amounts required to be raised in budgets for special emergency appropriations for COVID-19 deficits authorized by Chapter 74 discussed above. The Borough will be required to provide periodic reports detailing the accounting of the use of funds.

The Borough will receive \$611,160 from the Plan in two equal payments. The Borough has received the full amount of its relief funds. The Borough utilized \$19,580 of the funds in the 2022 budget to replace lost public sector revenue and \$226,000 appropriated to General Capital to fund capital improvements. The Borough utilized the remaining funds in the amount of \$79,580 in the 2023 budget to replace lost public sector revenue. The deadline to obligate the funds is December 31, 2024 and to spend them is December 31, 2026.

**BOROUGH OF WOODCLIFF LAKE
NOTES TO FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2023 AND 2022**

NOTE 20 SUBSEQUENT EVENTS

On April 15, 2024 the Borough adopted a bond ordinance authorizing the issuance \$3,500,000 of bond anticipation notes to fund the construction of a passive park at the intersection of Werimus Road and Woodcliff Ave. As of the date of this report the Borough has not issued nor awarded the sale of said bonds or notes.

On June 17, 2024 the Borough adopted multiple bond ordinances:

Ordinance 24-10 authorized a bond ordinance in the amount of \$1,357,000 for the making of various public improvements and the acquisition of new additional or replacement equipment and machinery, new additional furnishing, new communication and signal systems equipment, and new automotive vehicle.

Ordinance 24-12 authorized a refunding bond ordinance provided for the funding of (A) a \$1,020,000 emergency appropriation for tax appeals and (B) \$1,236,255 in tax appeal settlements and to appropriate the additional sum of \$1,245,000 to pay the cost thereof an to authorize the issuance of \$2,265,000 of bonds or notes to finance the funding of said emergency appropriation and additional appropriation.

On June 25, 2024 the Borough authorized a bond ordinance to amend ordinance 23-08. The amendment increases the amount appropriated by the ordinance from \$3,000,000 to \$5,700,000. Bonds and notes authorized increased from \$2,139,000 to \$4,710,000.

SUPPLEMENTARY SCHEDULES

CURRENT FUND

BOROUGH OF WOODCLIFF LAKE
STATEMENT OF CASH - COLLECTOR-TREASURER

Balance, January 1, 2023		\$ 7,879,213
Increased by Receipts:		
Current Taxes Receivable	\$ 48,972,087	
Receipts from Delinquent Taxes	219,183	
Tax Overpayments	25,445	
Non-Budget Revenue	780,275	
State of NJ - Senior Citizens' and Veterans' Deductions	19,750	
Revenue Accounts Receivable	1,971,593	
Construction Training Fees	37,788	
Prepaid Taxes	291,863	
Grants Receivable	41,437	
Aid in Lieu of Taxes	16,778	
Marriage License Fees	100	
Unappropriated Reserve	8,732	
Municipal Relief Aid	53,132	
Other Trust Fund/Receipts Deposit in Current Fund	25,104	
Receipts from General Capital Fund	221,463	
Receipts from Other Trust	13,067	
Receipts from Animal Control Trust Fund	5,188	
Emergency Note Payable	1,020,000	
Premiums Received on Tax Sale	42,500	
Petty Cash	1,000	
	53,766,485	
		61,645,698
Decreased by Disbursements:		
2023 Budget Appropriations	13,799,445	
2022 Appropriation Reserves	472,808	
Construction Training Fees	19,840	
Marriage License Fees	75	
Regional High School Tax	13,973,600	
County Tax	5,730,842	
Local District School Tax	18,019,999	
Tax Overpayments	18,345	
Reserve for Terminal Leave	40,479	
Appropriated Grants Reserve	23,498	
Reserve for Tax Appeals	1,000,000	
Reserve for Tax Sale Premiums	258,100	
Petty Cash	1,000	
Payments to Other Trust Fund	9,345	
Payments to Open Space Trust Fund	446,258	
	53,813,634	
Balance, December 31, 2023		\$ 7,832,064

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

Increased by:		
Cash Receipts		\$ <u>1,000</u>
Decreased by:		
Cash Disbursements		\$ <u>1,000</u>

EXHIBIT A-6

STATEMENT OF CHANGE FUNDS

Balance, January 1, 2023		\$ <u>250</u>
Balance, December 31, 2023		\$ <u>250</u>

EXHIBIT A-7

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

Balance, January 1, 2023			\$ 9,296
Increased by:			
Cash Received from State of New Jersey	\$ 19,750		
Senior Citizens' Deductions Disallowed	<u>500</u>		
			<u>20,250</u>
			29,546
Decreased by:			
Senior Citizens' Deductions Per Tax Billings		1,250	
Veterans' Deductions Per Tax Billings		18,500	
Veterans' Deductions Allowed by Tax Collector		<u>500</u>	
			<u>20,250</u>
Balance, December 31, 2023			\$ <u>9,296</u>

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

Year	Balance, January 1, 2023	2023 Levy	Added Taxes	Senior Citizens' and Veterans'	Collections		Senior Citizens' and Veterans'	Transferred to Tax Title Lien	Taxes Cancelled Remitted or Abated	Balance, December 31, 2023
				Deductions Disallowed	2022	2023	Deductions Allowed			
2022	\$ 223,427				\$ 219,183			\$ 160	\$ 4,084	
2023	-	\$ 49,720,899	\$ 74,706	\$ 500	\$ 564,497	48,972,087	\$ 20,250	316	38,376	\$ 200,579
	<u>\$ 223,427</u>	<u>\$ 49,720,899</u>	<u>\$ 74,706</u>	<u>\$ 500</u>	<u>\$ 564,497</u>	<u>\$ 49,191,270</u>	<u>\$ 20,250</u>	<u>\$ 476</u>	<u>\$ 42,460</u>	<u>\$ 200,579</u>

TAX YIELD

General Property Tax

Real Property Tax

Added Taxes (54:4-63.1 et seq.)

\$ 49,720,899

74,706

\$ 49,795,605

TAX LEVY

Local District School Tax (Abstract)

\$ 18,020,000

Regional School Tax (Abstract)

13,981,260

County Taxes (Abstract)

5,483,193

County Open Space Taxes

239,948

Municipal Open Space Taxes

229,658

Due County for Added Taxes (54:4-63.1)

5,608

Municipal Open Space Added Taxes (54:4-63.1)

224

\$ 37,959,891

Local Tax for Municipal Purposes

11,764,819

Add Additional Tax Levied

70,895

11,835,714

\$ 49,795,605

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

	Balance, January 1, <u>2023</u>	<u>Accrued</u>	<u>Collected</u>	Balance, December 31, <u>2023</u>
Borough Clerk				
Licenses				
Alcoholic Beverage Licenses		\$ 2,261	\$ 2,261	
Other Licenses		524	524	
Fees and Permits		567	567	
Collector-Treasurer				
Fees and Permits		18,460	18,460	
Construction Code Official				
Building Permits and Fees		505,297	505,297	
Planning and Zoning				
Fees and Permits		20,210	20,210	
Fire Prevention				
Miscellaneous Fees and Permits		61,572	61,572	
Police				
Fees and Permits		3,627	3,627	
Board of Health				
Fees and Permits		15,764	15,764	
Municipal Court				
Fines and Costs		37,453	37,453	
Uniform Fire Safety Act- LEA		11,131	11,131	
Interest and Cost on Taxes		86,022	86,022	
Watershed Moratorium Aid		11,186	11,186	
Energy Receipts Tax		512,910	512,910	
Verizon Franchise Fees		43,095	43,095	
Park Receipts		335,245	335,245	
Upper Saddle River Sewer Charges		19,308	19,308	
Cablevision Fees		50,428	50,428	
Hotel Tax		223,642	223,642	
Dept. of Public Works Recyclables	-	15,405	15,405	-
	<u>-</u>	<u>\$ 1,974,107</u>	<u>\$ 1,974,107</u>	<u>\$ -</u>
Prepaid Revenue		A-26	\$ 2,514	
Cash Receipts		A-4	<u>1,971,593</u>	
			<u>1,974,107</u>	

BOROUGH OF WOODCLIFF LAKE
STATEMENT OF 2022 APPROPRIATION RESERVES

	Balance, December 31, <u>2022</u>	Restored from <u>Encumbrances</u>	Balance After <u>Modification</u>	<u>Expended</u>	Transfers/ <u>Cancellations</u>	Balanced <u>Lapsed</u>
Salaries and Wages						
General Administration	\$ 17,851		\$ 17,851			\$ 17,851
Municipal Clerk	2,421		2,421			2,421
Financial Administration	14,482		14,482			14,482
Revenue Administration	500		500			500
Tax Assessment Administration	500		500			500
Planning Board	4,367		4,367			4,367
Zoning Board of Adjustment	4,367		4,367			4,367
Police	119,398		119,398	\$ 97,805		21,593
Emergency Management Services	2,205		2,205			2,205
Aid to Volunteer Fire Companies	3,000		3,000			3,000
Fire Prevention Bureau	51		51			51
Road Repairs and Maintenance	30,178		30,178			30,178
Solid Waste Collection	16,962		16,962			16,962
Public Buildings and Grounds	7,526		7,526			7,526
Welfare Administration	1,000		1,000			1,000
Recreation Services and Programs	33,029		33,029	5,000		28,029
Uniform Construction Code	5,293		5,293			5,293
Sewer Processing and Disposal	3,770	-	3,770	-	-	3,770
Total Salaries and Wages	<u>266,900</u>	<u>-</u>	<u>266,900</u>	<u>102,805</u>	<u>-</u>	<u>164,095</u>
Other Expenses						
General Administration	9,505	\$ 669	10,174	56		10,118
Mayor & Council	874	220	1,094	358		736
Municipal Clerk	8,407	720	9,127	1,065		8,062
Financial Administration	1,620	2,158	3,778	2,870		908
Audit Services	1,984	47,700	49,684	48,878		806
Information Technology	9,893	7,672	17,565	1,275		16,290
Revenue Administration	8,189	1,079	9,268	1,079		8,189
Assessment of Taxes	53,722	9,137	62,859	28,509		34,350
Reserve For Tax Appeals	200,000		200,000	200,000		-
Legal Services and Costs	32,452	187	32,639	3,556		29,083
Engineering Service and Costs	13,191	31,251	44,442	21,858		22,584
Planning Board	33,119	698	33,817	3,898		29,919
Zoning Board of Adjustment	29,517	540	30,057	2,283		27,774
General Liability	63,263	170	63,433	45,963		17,470
Workers Compensation	68,457	-	68,457	39,964		28,493
Employee Group Health	157,599	-	157,599	(6,574)		164,173
Health Benefit Waiver	13,985		13,985			13,985

BOROUGH OF WOODCLIFF LAKE
STATEMENT OF 2022 APPROPRIATION RESERVES

	Balance, December 31, <u>2022</u>	Restored from <u>Encumbrances</u>	Balance After <u>Modification</u>	<u>Expended</u>	Transfers/ <u>Cancellations</u>	Balanced <u>Lapsed</u>
Other Expenses (Continued)						
Police	\$ 9,952	\$ 8,787	\$ 18,739	\$ 9,232		\$ 9,507
Police Dispatch/911	17,033	2,212	19,245	2,212		17,033
Emergency Management Services	3,226	5,623	8,849	5,561		3,288
Aid to Volunteer Fire Companies	3,908	18,512	22,420	18,586		3,834
Aid to Volunteer Ambulance Companies	2,500		2,500	-		2,500
Fire Hydrant Services	5,698		5,698	-		5,698
Fire Prevention Bureau	7,181		7,181	641		6,540
Municipal Court	22,901		22,901	18,478		4,423
Road Repairs and Maintenance	10,740	54,611	65,351	40,712		24,639
Shade Tree Commission	2,177	350	2,527	-		2,527
Solid Waste Collection	22,524	40,042	62,566	20,444		42,122
Public Buildings and Grounds	6,912	28,480	35,392	29,970		5,422
Vehicle Maintenance	350	14,430	14,780	12,192		2,588
Board of Health	3,113	43	3,156	650		2,506
Animal Control	3,450		3,450	-		3,450
Welfare/Administration of Public Assist.	600		600			600
Recreation Services and Programs	30,302	1,292	31,594	4,278		27,316
Maintenance of Parks	22,703	36,075	58,778	32,250		26,528
Library Membership	4,859		4,859	-		4,859
Celebration of Public Events	3,711	-	3,711	-		3,711
Uniform Construction Code	2,001	1,079	3,080	1,579		1,501
Electricity	24,327	15,547	39,874	15,547		24,327
Street Lighting	14,082	9,472	23,554	9,731		13,823
Telephone	4,191	4,000	8,191	300		7,891
Water	4,579		4,579			4,579
Gasoline	38,651	4,270	42,921	10,378		32,543
Sewer Processing and Disposal	39,269	10,032	49,301	11,728		37,573
Sanitary Landfill Dump Fees	33,384	1,080	34,464	16,055		18,409
Borough of Montvale - Sewer Charges	5,952		5,952			5,952
Borough of Hillsdale - Sewer Charges	29,000		29,000	26,273		2,727
Social Security System (O.A.S.I)	18,049		18,049	2,563		15,486
Defined Contribution Retirement Program	6,957		6,957			6,957

**BOROUGH OF WOODCLIFF LAKE
STATEMENT OF 2022 APPROPRIATION RESERVES**

	Balance, December 31, <u>2022</u>	Restored from <u>Transfers</u>	Balance After <u>Modification</u>	<u>Expended</u>	<u>Transfers/ Cancellations</u>	<u>Balanced Lapsed</u>
Other Expenses (Continued)						
Drive Sober	\$ 127		\$ 127		\$ 127	
State of NJ Recycling Tonnage - Reserve	58	\$ 125	183	\$ 125	58	
NJ Distracted Driving Grant	393		393		393	
LOSAP- Ambulance Corp.	16,000		16,000	11,366		\$ 4,634
LOSAP- Fire Department	50,000	-	50,000	44,031		5,969
Bergen County ADA Ramp Replacement	<u>66,150</u>	<u>-</u>	<u>66,150</u>	<u>-</u>	<u>66,150</u>	<u>-</u>
 Total Other Expenses	 <u>1,242,787</u>	 <u>358,263</u>	 <u>1,601,050</u>	 <u>739,920</u>	 <u>66,728</u>	 <u>794,402</u>
 Grand Total	 <u>\$ 1,509,687</u>	 <u>\$ 358,263</u>	 <u>\$ 1,867,950</u>	 <u>\$ 842,725</u>	 <u>\$ 66,728</u>	 <u>\$ 958,497</u>
			Appropriation Reserves			\$ 1,509,687
			Encumbrances Payable Restored to Appropriation Reserves			<u>358,263</u>
						<u>\$ 1,867,950</u>
			Accounts Payable	\$ 2,913		
			Reserve for Tax Appeals	167,004		
			Reserve for Terminal Leave	200,000		
			Cash Disbursements	<u>472,808</u>		
				<u>\$ 842,725</u>		
			Transfer to Appropriated Reserves		\$ 66,728	
					<u>\$ 66,728</u>	

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

Balance, January 1, 2023	\$ 5,154
Increased by :	
Transfer from 2022 Appropriation Reserves	<u>2,913</u>
Balance, December 31, 2023	<u>\$ 8,067</u>

EXHIBIT A-12

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

Balance, January 1, 2023	\$ 7,433
Increased by:	
Collections	<u>37,788</u>
	45,221
Decreased by:	
Payments	<u>19,840</u>
Balance, December 31, 2023	<u>\$ 25,381</u>

EXHIBIT A-13

**STATEMENT OF DUE TO (FROM) STATE OF NEW JERSEY
MARRIAGE FEES**

Balance, January 1, 2023	\$ (50)
Increased by:	
Collections	<u>100</u>
	50
Decreased by:	
Payments	<u>75</u>
Balance, December 31, 2023	<u>\$ (25)</u>

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

Balance, January 1, 2023		\$ 1,601,489
Increased by:		
Transfer from Budget Appropriations	\$ 241,255	
Transfer from Appropriation Reserve	<u>167,004</u>	
		<u>408,259</u>
		2,009,748
Decreased by:		
Cash Paid to Appellants		<u>1,000,000</u>
Balance, December 31, 2023		<u>\$ 1,009,748</u>

STATEMENT OF PREPAID TAXES

Balance, January 1, 2023		\$ 564,497
Increased by:		
Collection of 2024 Taxes		<u>291,863</u>
		856,360
Decreased by:		
Applied to 2023 Taxes		<u>564,497</u>
Balance, December 31, 2023		<u>\$ 291,863</u>

**BOROUGH OF WOODCLIFF LAKE
STATEMENT OF TAX OVERPAYMENTS**

Balance, January 1, 2023	\$ 3,122
Increased by:	
Cash Receipts	<u>25,445</u>
	28,567
Decreased by:	
Cash Disbursements	<u>18,345</u>
Balance, December 31, 2023	<u>\$ 10,222</u>

STATEMENT OF REGIONAL HIGH SCHOOL TAX PAYABLE

Balance, December 31, 2023	\$ 253,578
Increased by:	
Levy - Calendar Year	<u>13,981,260</u>
	14,234,838
Decreased by:	
Payments	<u>13,973,600</u>
Balance, December 31, 2023	<u>\$ 261,238</u>

**BOROUGH OF WOODCLIFF LAKE
STATEMENT OF COUNTY TAXES PAYABLE**

Balance, January 1, 2023		\$ 7,701
Increased by:		
2023 Levy	\$ 5,483,193	
Open Space Preservation	239,948	
Added Taxes (54:4-63.1 et seq.)	<u>5,608</u>	
		<u>5,728,749</u>
		5,736,450
Decreased by:		
Payments		<u>5,730,842</u>
Balance, December 31, 2023		<u>\$ 5,608</u>

STATEMENT OF ENCUMBRANCES PAYABLE

Balance, January 1, 2023		\$ 358,263
Increased by:		
Charges to 2023 Appropriations		<u>497,879</u>
		856,142
Decreased by:		
Transferred to Appropriation Reserves		<u>358,263</u>
Balance, December 31, 2023		<u>\$ 497,879</u>

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

Balance, January 1, 2023	\$ 1
Increased by:	
Levy - Calendar Year	<u>18,020,000</u>
	18,020,001
Decreased by:	
Payments	<u>18,019,999</u>
Balance, December 31, 2023	<u>\$ 2</u>

STATEMENT OF UNAPPROPRIATED RESERVES

	Balance, January 1, <u>2023</u>	Cash <u>Receipts</u>	Anticipated in 2023 <u>Budget</u>	Balance, December 31, <u>2023</u>
American Rescue Plan	\$ 79,580	\$ 3,796	\$ 79,580	\$ 3,796
Federal Bulletproof Vest	4,209	3,156	5,354	2,011
Alcohol Education	158		158	-
Body Armor	1,574	1,780	1,574	1,780
Clean Communities	<u>15,811</u>	<u>-</u>	<u>15,811</u>	<u>-</u>
	<u>\$ 101,332</u>	<u>\$ 8,732</u>	<u>\$ 102,477</u>	<u>\$ 7,587</u>
		Cash Receipts \$ 4,936		
		Due from Capital Fund <u>3,796</u>		
		<u>\$ 8,732</u>		

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

	Balance, January 1, <u>2023</u>	Transferred from 2022 Appropriation <u>Reserves</u>	<u>Expended</u>	Balance, December 31, <u>2023</u>
Capital Improvements:				
Park & Recreation Sidewalk Imprvts.	\$ 40,312			\$ 40,312
Clean Communities	60,214		\$ 20,590	39,624
Body Armor Fund	14,815			14,815
Green Communities	6,000			6,000
Municipal Alliance	12,922			12,922
NJ Highway - Drive Sober	452	\$ 127		579
Drunk Driving Enforcement	5,825		2,908	2,917
Recycling Tonnage	-	58		58
NJ Highway - Distracted Driving	5,500	393		5,893
NJ Highway - Click It or Ticket	5,061			5,061
Recreation Development Plan - Local	25,000			25,000
Body Worn Camera Grant	42,969			42,969
NJDEP Recreational Trails Program	33,708			33,708
Bergen County ADA Ramp Replacement	-	66,150	-	66,150
	<u>\$ 252,778</u>	<u>\$ 66,728</u>	<u>\$ 23,498</u>	<u>\$ 296,008</u>

STATEMENT OF GRANTS RECEIVABLE

	Balance, January 1, <u>2023</u>	Accrued <u>2023</u>	Collected <u>2023</u>	Balance, December 31, <u>2023</u>
Body Worn Camera Grant	\$ 32,608			\$ 32,608
Municipal Alliance Program	11,494	\$ 3,863	\$ 1,538	13,819
NJ Highway - Distracted Driving	-	7,000	6,508	492
NJ Highway - Drive Sober Grant	579	7,000		7,579
NJDEP - Recreation Trails Grant	24,000			24,000
American Rescue Plan - Firefighters Grant	-	24,000	-	24,000
Clean Communities		17,734	17,734	-
Reycling Tonnage		15,657	15,657	-
Bergen County ADA Ramp Replacement	66,150	-	-	66,150
	<u>\$ 134,831</u>	<u>\$ 75,254</u>	<u>\$ 41,437</u>	<u>\$ 168,648</u>

**BOROUGH OF WOODCLIFF LAKE
STATEMENT OF RESERVE FOR AID IN LIEU OF TAXES**

Balance, January 1, 2023	\$	26,613
Increased by:		
Cash Receipts		16,778
		43,391
Decreased by:		
Realized as Current Fund Budgeted Revenue		16,778
Balance, December 31, 2023	\$	26,613

EXHIBIT A-25

STATEMENT OF RESERVE FOR TERMINAL LEAVE

Balance, January 1, 2023	\$	40,479
Increased by:		
Transfer from 2022 Appropriation Reserves		200,000
		240,479
Decreased by:		
Cash Disbursements		40,479
Balance, December 31, 2023	\$	200,000

EXHIBIT A-26

**STATEMENT OF RESERVE FOR PREPAID REVENUE
FIRE PREVENTION PERMITS/REGISTRATION**

Balance, January 1, 2023	\$	2,514
Decreased by:		
Revenue Realized		2,514
Balance, December 31, 2023	\$	-

**BOROUGH OF WOODCLIFF LAKE
STATEMENT OF RESERVE TAX SALE PREMIUMS**

Balance, January 1, 2023	\$ 258,100
Increased by:	
Premiums Received on Tax Sale	42,500
	300,600
Decreased by:	
Cash Disbursements	258,100
Balance, December 31, 2023	\$ 42,500

EXHIBIT A-28

STATEMENT OF DEFERRED CHARGES

	Balance, January 1, <u>2023</u>	Appropriated in Budget <u>2023</u>	Amount Resulting from 2023	Balance, December 31, <u>2023</u>
Special Emergency Authorization (40A:4-47)	\$ 56,000	\$ 14,000		\$ 42,000
Emergency Authorization	-	-	\$ 1,020,000	1,020,000
	\$ 56,000	\$ 14,000	\$ 1,020,000	\$ 1,062,000

EXHIBIT A-29

STATEMENT OF RESERVE FOR MUNICIPAL RELIEF FUND AID

Balance, January 1, 2023	\$ 26,572
Increased by:	
Cash Receipts	53,132
	79,704
Decreased by:	
Budgeted Revenue	26,572
Balance, December 31, 2023	\$ 53,132

EXHIBIT A-30

STATEMENT OF TAX TITLE LIENS RECEIVABLE

Increased by:	
Transfer from Taxes Receivable	\$ 476
Balance, December 31, 2023	\$ 476

STATEMENT OF EMERGENCY NOTE PAYABLE

<u>Purpose</u>	<u>Date of Original Issue</u>	<u>Date of Maturity</u>	<u>Interest Rate</u>	<u>Balance, January 1, 2023</u>	<u>Increased</u>	<u>Decreased</u>	<u>Balance, December 31, 2023</u>
Reserve for Tax Appeals	12/28/2023	9/20/2024	4.25 %	\$ <u>-</u>	\$ <u>1,020,000</u>	\$ <u>-</u>	\$ <u>1,020,000</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>	<u>Community Development Trust</u>
Balance, January 1, 2023	\$ 11,484	\$ 1,322,704	\$ 43,087	\$ 828,006	\$ 1
Increased by Receipts:					
State Dog License Fees	\$ 383				
Animal License Fees Collected	2,147				
Miscellaneous Reserves		\$ 870,021			
Interest on Deposits	347	33,547	\$ 2,452	\$ 56,167	
Payments from Other Trust Fund			6,103		
Payments from Current Fund		9,345	2,000	446,258	
Payments from General Capital Fund				32,599	
Escrow Deposits		114,198			
Net Payroll and Payroll Deductions	<u>-</u>	<u>5,814,542</u>	<u>-</u>	<u>-</u>	<u>-</u>
	<u>2,877</u>	<u>6,841,653</u>	<u>10,555</u>	<u>535,024</u>	<u>\$ -</u>
	14,361	8,164,357	53,642	1,363,030	1
Decreased by Disbursements:					
Net Payroll and Payroll Deductions		5,808,222			
Miscellaneous Reserves		849,014			
Payments to Unemployment Trust Fund		6,103			
Payments to Current Fund	5,188	13,067			
Cash Disbursements - Animal Control					
Expenditures Under R.S. 4:19-15.11	1,216				
Open Space Expenditures				80,416	
Other Trust Expenditures		71			
Escrow Deposits		137,448			
Payments to State of New Jersey	<u>1,202</u>	<u>-</u>	<u>2,519</u>	<u>-</u>	<u>-</u>
	<u>7,606</u>	<u>6,813,925</u>	<u>2,519</u>	<u>80,416</u>	<u>-</u>
Balance, December 31, 2023	<u>\$ 6,755</u>	<u>\$ 1,350,432</u>	<u>\$ 51,123</u>	<u>\$ 1,282,614</u>	<u>\$ 1</u>

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

Balance, January 1, 2023		\$ 5,453
Increased by:		
Animal License Fees Collected	\$ 1,957	
Cat Licenses Fees Collected	<u>190</u>	
		<u>2,147</u>
		7,600
Decreased by:		
Expenditures Under R.S. 4:19-15.11	1,216	
Statutory Excess - Due to Current Fund	<u>1,399</u>	
		<u>2,615</u>
Balance, December 31, 2023		<u>\$ 4,985</u>

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

Balance, January 1, 2023		\$ 5,188
Increased by:		
Statutory Excess	\$ 1,399	
Interest Earnings	<u>347</u>	
		<u>1,746</u>
		6,934
Decreased by:		
Payments to Current Fund		<u>5,188</u>
Balance, December 31, 2023		<u>\$ 1,746</u>

**STATEMENT OF DUE TO STATE OF NEW JERSEY
ANIMAL CONTROL FUND**

Balance, January 1, 2023		\$ 843
Increased by:		
State Fees Collected		<u>383</u>
		1,226
Decreased by:		
Payments to State of New Jersey		<u>1,202</u>
Balance, December 31, 2023		<u>\$ 24</u>

**BOROUGH OF WOODCLIFF LAKE
STATEMENT OF ESCROW DEPOSITS
OTHER TRUST FUND**

Balance, January 1, 2023		\$ 391,765
Increased by:		
Escrow Deposits Collected	\$ 114,198	
Other Trust Fund Deposited in Current Fund	10,500	
Interest Earnings - Developer Share	<u>509</u>	
		<u>125,207</u>
		516,972
Decreased by:		
Refund of Escrow Deposits		<u>137,448</u>
Balance, December 31, 2023		<u>\$ 379,524</u>

**STATEMENT OF DUE FROM (TO) CURRENT FUND
OTHER TRUST FUND**

Balance, January 1, 2023 (Due To)		\$ (1,900)
Decrease by:		
Cash Disbursement - Payroll Account Bank Fee	\$ 71	
Fire Prevention and Storm Recovery Receipts Received in Current Fund	14,604	
Construction Code Penalty Receipts Received in Current Fund	10,500	
Payments to Current Fund	<u>13,067</u>	
		<u>38,242</u>
		36,342
Increase by:		
Interest Earnings	33,038	
Payments from Current Fund	<u>9,345</u>	
		<u>42,383</u>
Balance, December 31, 2023 (Due To)		<u>\$ (6,041)</u>

Analysis of Balance

Due from Current Fund - Fire Prevention		\$ 14,604
Due from Current Fund - Construction Code Penalties		10,500
Due to Current Fund - Escrow		(2,115)
Due to Current Fund - Payroll		(3,910)
Due to Current Fund - Police Outside Duty		(5,402)
Due to Current Fund - Other Miscellaneous Trust		<u>(19,718)</u>
		<u>\$ (6,041)</u>

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

	Balance January 1, <u>2023</u>	<u>Increases</u>	<u>Decreases</u>	Balance December 31, <u>2023</u>
Police Outside Duty	\$ 79,876	\$ 683,080	\$ 683,080	\$ 79,876
Causeway Beautification-Clock	1,796			1,796
DARE Activities	12,959	11,196	14,846	9,309
Storm Recovery	29,193	59,847		89,040
Shade Tree	-	1,000		1,000
Recreation	-	15,629	4,530	11,099
Fire Prevention Penalty Fees	21,936	20,326	60	42,202
Renovation Westervelt Park	3,521			3,521
Affordable Housing Fees	414,152	53,068	123,225	343,995
Terminal Pay	322,898	40,479	23,273	340,104
Flex Spending	<u>1</u>	<u>-</u>	<u>-</u>	<u>1</u>
	<u>\$ 886,332</u>	<u>\$ 884,625</u>	<u>\$ 849,014</u>	<u>\$ 921,943</u>
		Cash Receipts \$ 870,021		
		Due from Current Fund <u>14,604</u>		
		<u>\$ 884,625</u>		

EXHIBIT B-10

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

Balance, January 1, 2023		\$ 42,707
Increased by:		
Cash Receipts - Net Payroll and Payroll Deductions		<u>5,814,542</u>
		5,857,249
Decreased by:		
Cash Disbursements - Net Payroll and Payroll Deductions	\$ 5,808,222	
Cash Disbursements - Unemployment Trust Fund		<u>6,103</u>
		<u>5,814,325</u>
Balance, December 31, 2023		<u>\$ 42,924</u>

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

Balance, January 1, 2023		\$ 2,779
Increased by:		
Unemployment Claims		<u>10,254</u>
		13,033
Decreased by:		
Cash Disbursements		<u>2,519</u>
Balance, December 31, 2023		<u><u>\$ 10,514</u></u>

**STATEMENT OF RESERVE FOR UNEMPLOYMENT CLAIMS
UNEMPLOYMENT INSURANCE TRUST FUND**

Balance, January 1, 2023		\$ 40,308
Increased by:		
Current Fund Budget Appropriations/Reserve	\$ 2,000	
Transfer from Other Trust Fund - Payroll	6,103	
Interest Earnings	<u>2,452</u>	
		<u>10,555</u>
		50,863
Decreased by:		
Unemployment Claims		<u>10,254</u>
Balance, December 31, 2023		<u><u>\$ 40,609</u></u>

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

Balance, January 1, 2023		\$ 1,042,582
Increased by:		
Open Space Tax	\$ 229,658	
Additional Open Space Tax	224	
Cancelled Authorization Ord 10-05 - Receipts from General Capital	32,599	
Interest on Deposits	56,167	
		318,648
		1,361,230
Decreased by:		
Cash Disbursements		80,416
Balance, December 31, 2023		\$ 1,280,814

**STATEMENT OF RESERVE FOR COMMUNITY GARDEN
MUNICIPAL OPEN SPACE PRESERVATION TRUST FUND**

Balance, January 1, 2023		\$ <u>1,800</u>
Balance, December 31, 2023		\$ <u>1,800</u>

**STATEMENT OF DUE TO CURRENT FUND
COMMUNITY DEVELOPMENT TRUST FUND**

Balance, January 1, 2023		\$ <u>1</u>
Balance, December 31, 2023		\$ <u>1</u>

**STATEMENT OF DUE FROM CURRENT FUND
MUNICIPAL OPEN SPACE PRESERVATION TRUST FUND**

Balance, January 1, 2023		\$	216,376
Increased by:			
Municipal Open Space Levy	\$	229,658	
Municipal Open Space Added Taxes		<u>224</u>	
			<u>229,882</u>
Decreased by:			
Cash Receipt			<u>446,258</u>
Balance, December 31, 2023		\$	<u><u>-</u></u>

GENERAL CAPITAL FUND

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

Balance, January 1, 2023		\$ 5,123,679
Increased by Receipts:		
Budget Appropriation- Capital Improvement Fund	\$ 150,000	
Budget Appropriation - Deferred Charge Unfunded	2,456	
Grant Receipts	736,061	
Premium on Sale of Notes	25,506	
Issuance of Notes	2,000,000	
Interest Earnings	<u>246,280</u>	
		<u>3,160,303</u>
		8,283,982
Decreased by:		
Budgeted Revenue - Current Fund	22,467	
Payments to Current Fund	198,996	
Payments to Municipal Open Space Trust	32,599	
Improvement Authorizations	<u>1,805,071</u>	
		<u>2,059,133</u>
Balance, December 31, 2023		<u>\$ 6,224,849</u>

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

		Balance, December 31, <u>2023</u>
Fund Balance		\$ 57,167
Capital Improvement Fund		24,835
Contract Payable		4,416,867
Due to Current Fund		159,434
Reserve for Payment of Notes		450,000
Grant Receivable		(618,331)
 Improvement Authorizations:		
<u>Ord. No.</u>	<u>Improvement Description</u>	
	General Improvements:	
16-14	Various Imp. & Acq. Of Vehicles	(8,389)
17-06	Various Imp. & Acq. Of Vehicles	298,112
18-04	Various Imp. & Acq. Of Vehicles	22,315
19-03	Various Imp. & Acq. Of Equipment	67,221
21-09	Various Improvements and Acq. Of Equipment	997,947
22-08	Various Improvements and Acq. Of Equipment	(360,314)
23-08	Various Public Improvements Relating to Storm Ida	961,913
23-09	Various Public Improvements	64,829
23-10	Various Public Improvements & Acq. Of Equipment	<u>(308,757)</u>
		 <u>\$ 6,224,849</u>

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

Balance, January 1, 2023	\$ 7,175,000
Decreased by:	
2023 Budget Appropriation to Pay Bond Principal	960,000
Balance, December 31, 2023	\$ 6,215,000

STATEMENT OF GRANTS RECEIVABLE

	Balance, January 1, <u>2023</u>	Grant <u>Awards</u>	Cash <u>Received</u>	Grant <u>Cancelled</u>	Balance, December 31, <u>2023</u>
N.J. Department of Transportation					
Ord. 17-06 Harriet & Shaw Road	\$ 120,007			\$ 120,007	
Ord. 21-09 Winthrop Drive, Woodmont Drive & Woodcliff Ave	286,061		\$ 286,061		
Ord. 23-09 Glen Road		\$ 206,000			\$ 206,000
Ord. 23-09 Campell Ave		203,110			203,110
N.J. Department of Community Affairs					
Ord. 23-09 Recreation Improvements		51,000			51,000
County of Bergen Open Space					
Ord. 16-14	39,600			39,600	
Ord. 21-09 Pickleball Court & Old Mill Swim Pool	71,839				71,839
CARES Act Grants					
Ord 21-09 Various Improvements	6,382				6,382
CDBG - COVID 19/American Rescue Plan Act					
Ord 22-11 Tice Senior Center Technology Upgrades	80,000	-	-	-	80,000
	<u>\$ 603,889</u>	<u>\$ 460,110</u>	<u>\$ 286,061</u>	<u>\$ 159,607</u>	<u>\$ 618,331</u>
<u>Balance Pledged to:</u>					
Ordinance 21-09					\$ 78,221
Ordinance 22-11					80,000
Ordinance 23-09					460,110
					<u>\$ 618,331</u>

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

88

Ord. No.	Improvement Description	Analysis of Balance					
		Balance, January 1, 2023	2023 Authorizations	Raised in 2023 Budget	Balance, December 31, 2023	Bond Anticipation Notes Issued	Unexpended Improvement Authorizations
16-14	Various Improvements and Acq. Of Vehicles	\$ 39,600			\$ 39,600		\$ 31,211
17-06	Various Improvements and Acq. Of Vehicles	2,456		\$ 2,456			
19-12	Acquisition of Property for Parking Lot	217,000			217,000	\$ 217,000	
21-09	Various Improvements and Acq. Of Equipment	2,689,000			2,689,000	2,689,000	
22-08	Various Improvements and Acq. Of Equipment	2,615,000			2,615,000	1,315,000	939,686
23-08	Various Public Improvements Relating to Storm Ida		\$ 2,857,000		2,857,000	2,000,000	857,000
23-09	Various Public Improvements		399,890		399,890		399,890
23-10	Various Public Improvements & Acq. Of Equipment	-	1,460,000	-	1,460,000	-	1,151,243
		<u>\$ 5,563,056</u>	<u>\$ 4,716,890</u>	<u>\$ 2,456</u>	<u>\$ 10,277,490</u>	<u>\$ 6,221,000</u>	<u>\$ 3,379,030</u>
						Improvement Authorization - Unfunded	\$ 5,637,002
						Less: Unexpended Proceeds	
						Ord. 17-06	298,112
						Ord. 21-09	997,947
						Ord. 23-08	<u>961,913</u>
							<u>\$ 3,379,030</u>

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

<u>Purpose</u>	<u>Date of Issue</u>	<u>Amount of Original Issue</u>	<u>Maturities of Bonds Outstanding December 31, 2023</u>		<u>Interest Rate</u>		<u>Balance, January 1, 2023</u>	<u>Decreased</u>	<u>Balance, December 31, 2023</u>
			<u>Date</u>	<u>Amount</u>					
General Improvement Bonds	10/1/2019	\$ 9,935,000	10/1/2024	\$ 980,000	2.000	%			
			10/1/2025	1,000,000	2.000	%			
			10/1/2026	1,025,000	2.000	%			
			10/1/2027	1,045,000	2.000	%			
			10/1/2028	1,070,000	2.000	%			
			10/1/2029	1,095,000	2.000	%	\$ 7,175,000	\$ 960,000	\$ 6,215,000
							<u>\$ 7,175,000</u>	<u>\$ 960,000</u>	<u>\$ 6,215,000</u>
								<u>\$ 960,000</u>	
									<u>\$ 960,000</u>

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

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Ord. No.	Improvement Description	Date of Original Issue	Date of Issue	Date of Maturity	Interest Rate		Balance, January 1, 2023	Increased	Decreased	Balance, December 31, 2023
19-12	Acquisition of Property for Parking Lot	12/22/2022	12/22/2022 9/21/2023	9/21/2023 9/20/2024	4.5 % 4.5	\$ 217,000	\$ 217,000	\$ 217,000	\$ 217,000	
21-09	Various Improvements	12/22/2022	12/22/2022 9/21/2023	9/21/2023 9/20/2024	4.5 % 4.5	2,689,000	2,689,000	2,689,000	2,689,000	
22-08	Various Improvements	12/22/2022	12/22/2022 9/21/2023	9/21/2023 9/20/2024	4.5 % 4.5	1,315,000	1,315,000	1,315,000	1,315,000	
23-08	Various Improvements for Storm Ida	9/21/2023	9/21/2023	9/20/2024	4.5 %	-	2,000,000	-	2,000,000	
							<u>\$ 4,221,000</u>	<u>\$ 6,221,000</u>	<u>\$ 4,221,000</u>	<u>\$ 6,221,000</u>
							Notes Renewed	\$ 4,221,000	\$ 4,221,000	
							Notes Issued	2,000,000	-	
								<u>\$ 6,221,000</u>	<u>\$ 4,221,000</u>	

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

Balance, January 1, 2023		\$ 108,354
Increased by:		
Ordinance Balances Cancelled by Resolution - Ord 22-09	\$ 3,796	
Interest Earnings	<u>246,280</u>	
		<u>250,076</u>
		358,430
Decreased by :		
Payments to Current Fund		<u>198,996</u>
Balance, December 31, 2023		<u><u>\$ 159,434</u></u>

EXHIBIT C-11

STATEMENT OF RESERVE FOR PAYMENT OF DEBT

Increased by :		
Grant Receipts on Fully Funded Ordinance - Ord 19-03	\$ 450,000	
Balance, December 31, 2023		<u><u>\$ 450,000</u></u>

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

Balance, January 1, 2023	\$ 2,275,782
Increased by:	
Charges to Improvement Authorizations	<u>4,416,867</u>
	6,692,649
Decreased by:	
Restored to Improvement Authorizations	<u>2,275,782</u>
Balance, December 31, 2023	<u>\$ 4,416,867</u>

STATEMENT OF CAPITAL IMPROVEMENT FUND

Balance, January 1, 2023	\$ 91,835
Increased by:	
2023 Budget Appropriation	<u>150,000</u>
	241,835
Decreased by:	
Appropriated to Finance Improvement Authorization	<u>217,000</u>
Balance, December 31, 2023	<u>\$ 24,835</u>

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

Ord. No.	<u>Improvement Description</u>	Balance, January 1, <u>2023</u>	2023 <u>Authorizations</u>	Notes <u>Issued</u>	Raised in <u>2023 Budget</u>	Balance, December 31, <u>2023</u>
General Improvements:						
16-14	Various Improvements and Acq. Of Vehicles	\$ 39,600				\$ 39,600
17-06	Various Improvements and Acq. Of Vehicles	2,456			\$ 2,456	
22-08	Various Improvements and Acq. Of Equipment	1,300,000				1,300,000
23-08	Various Public Improvements Relating to Storm Ida		\$ 2,857,000	\$ 2,000,000		857,000
23-09	Various Public Improvements		399,890			399,890
23-10	Various Public Improvements & Acq. Of Equipment	-	1,460,000	-	-	1,460,000
		<u>\$ 1,342,056</u>	<u>\$ 4,716,890</u>	<u>\$ 2,000,000</u>	<u>\$ 2,456</u>	<u>\$ 4,056,490</u>

PUBLIC ASSISTANCE FUND

BOROUGH OF WOODCLIFF LAKE
STATEMENT OF PUBLIC ASSISTANCE CASH - TREASURER

	PATF Account #1 <u>(75)%</u>	PATF Account #2 <u>(100)%</u>	<u>Total</u>
Balance, January 1, 2023	\$ 5,365	\$ 4,762	\$ 10,127
Increased by:			
Cash Receipts	<u>281</u>	<u>249</u>	<u>530</u>
	5,646	5,011	10,657
Decreased by:			
Cash Disbursements	<u>175</u>	<u>4,743</u>	<u>4,918</u>
Balance, December 31, 2023	<u>\$ 5,471</u>	<u>\$ 268</u>	<u>\$ 5,739</u>

STATEMENT OF RESERVE FOR PUBLIC ASSISTANCE EXPENDITURES

	PATF <u>Account #1</u>	PATF <u>Account #2</u>	<u>Total</u>
Balance, January 1, 2023	<u>\$ 3,139</u>	<u>\$ 4,633</u>	<u>\$ 7,772</u>
Decreased by:			
Cash Disbursements	<u>-</u>	<u>4,576</u>	<u>4,576</u>
Balance, December 31, 2023	<u>\$ 3,139</u>	<u>\$ 57</u>	<u>\$ 3,196</u>

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

Balance, January 1, 2023	\$ <u>2,201</u>
Balance, December 31, 2023	\$ <u><u>2,201</u></u>

STATEMENT OF DUE TO CURRENT FUND

Balance, January 1, 2023	\$ 154
Increased by:	
Interest Earnings	<u>530</u>
	684
Decreased by:	
Bank Maintenance Fees	<u>342</u>
Balance, December 31, 2023	\$ <u><u>342</u></u>

BOROUGH OF WOODCLIFF LAKE

BERGEN COUNTY, NEW JERSEY

PART II

GOVERNMENTAL AUDITING STANDARDS

FOR THE YEAR ENDED DECEMBER 31, 2023



LERCH, VINCI & BLISS, LLP

CERTIFIED PUBLIC ACCOUNTANTS
REGISTERED MUNICIPAL ACCOUNTANTS

DIETER P. LERCH, CPA, RMA, PSA
GARY J. VINCI, CPA, RMA, PSA
JEFFREY C. BLISS, CPA, RMA, PSA
PAUL J. LERCH, CPA, RMA, PSA
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CHRISTOPHER M. VINCI, CPA, PSA
CHRISTINA CUIFFO, CPA, PSA
JOHN CUIFFO, CPA, PSA

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

INDEPENDENT AUDITOR'S REPORT

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

We have audited, in accordance with the 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, the financial statements – regulatory basis of the Borough of Woodcliff Lake as of and for the year ended December 31, 2023, and the related notes to the financial statements, and have issued our report thereon dated June 26, 2024. Our report on the financial statements – regulatory basis was modified to indicate that the financial statements were not prepared in accordance with accounting principles generally accepted in the United States of America but rather prepared in accordance with the regulatory basis of accounting prescribed by the Division of Local Government Services, Department of Community Affairs, State of New Jersey, which is a basis of accounting other than accounting principles generally accepted in the United States, to meet the financial reporting requirements of the State of New Jersey for municipal government entities as described in Note 1. In addition, our report on the financial statements – regulatory basis was modified on the regulatory basis of accounting because of the presentation of the unaudited LOSAP Trust Fund financial statements.

Report on Internal Control over Financial Reporting

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

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. 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.

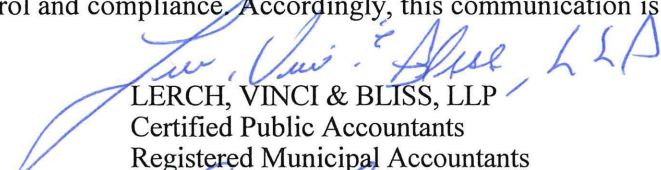
Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies and therefore, material weaknesses or significant deficiencies may exist that were not identified. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

Report on Compliance and Other Matters

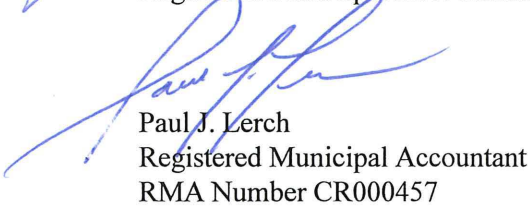
As part of obtaining reasonable assurance about whether the Borough of Woodcliff Lake’s financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct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

Purpose of this Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the Borough of Woodcliff Lake’s internal control or on compliance. This report is an integral part of an audit performed in accordance with Government Auditing Standards in considering the Borough of Woodcliff Lake’s internal control and compliance. Accordingly, this communication is not suitable for any other purpose.



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



Paul J. Lerch
Registered Municipal Accountant
RMA Number CR000457

Fair Lawn, New Jersey
June 26, 2024



LERCH, VINCI & BLISS, LLP

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**REPORT ON COMPLIANCE FOR EACH MAJOR STATE PROGRAM;
REPORT ON INTERNAL CONTROL OVER COMPLIANCE; AND REPORT
ON THE SCHEDULE OF EXPENDITURES OF
STATE FINANCIAL ASSISTANCE AS REQUIRED BY NEW JERSEY OMB CIRCULAR 15-08**

INDEPENDENT AUDITOR'S REPORT

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

Report on Compliance for Each Major State Program

Opinion on Each Major State Program

We have audited the Borough of Woodcliff Lake's compliance with the types of compliance requirements identified as subject to audit in the New Jersey OMB Circular 15-08 State Aid/Grant Compliance Supplement that could have a direct and material effect on each of the Borough of Woodcliff Lake's major state programs for the year ended December 31, 2023. The Borough of Woodcliff Lake's major state programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

In our opinion, the Borough of Woodcliff Lake complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major state programs for the year ended December 31, 2023.

Basis for Opinion on Each Major State Program

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in Government Auditing Standards, issued by the Comptroller General of the United States; audit requirements prescribed by the Division of Local Government Services, Department of Community Affairs, State of New Jersey; and audit requirements of New Jersey OMB Circular 15-08, Single Audit Policy for Recipients of Federal Grants, State Grants and State Aid. Our responsibilities under those standards and New Jersey OMB Circular are further described in the Auditor's Responsibilities for the Audit of Compliance section of our report.

We are required to be independent of the Borough of Woodcliff Lake and to meet our other ethical responsibilities, in accordance with relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion on compliance for each major state program. Our audit does not provide a legal determination of the Borough of Woodcliff Lake's compliance with the compliance requirements referred to above.

Responsibilities of Management for Compliance

Management is responsible for compliance with the requirements referred to above and for the design, implementation, and maintenance of effective internal control over compliance with the requirements of laws, statutes, regulation, rules, and provisions of contracts or grant agreements applicable to the Borough of Woodcliff Lake's state programs.

Auditor's Responsibilities for the Audit of Compliance

Our objectives are to obtain reasonable assurance about whether material noncompliance with the compliance requirements referred to above occurred, whether due to fraud or error, and express an opinion on the Borough of Woodcliff Lake's compliance based on our audit. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with generally accepted auditing standards, Government Auditing Standards, audit requirements prescribed by the Division of Local Government Services, Department of Community Affairs, State of New Jersey and New Jersey OMB Circular 15-08 will always detect material noncompliance when it exists. The risk of not detecting material noncompliance resulting from fraud is higher than for that resulting from error, as fraud may involve collusion, forgery, intentional omission, misrepresentation, or the override of internal control. Noncompliance with the compliance requirements referred to above is considered material if there is a substantial likelihood that, individually or in the aggregate, it would influence the judgment made by a reasonable user of the report on compliance about the Borough of Woodcliff Lake's compliance with the requirements of each major state program as a whole.

In performing an audit in accordance with generally accepted auditing standards, Government Auditing Standards, audit requirements prescribed by the Division of Local Government Services, Department of Community Affairs, State of New Jersey and New Jersey OMB Circular 15-08, we:

- Exercise professional judgement and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material noncompliance, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the Borough of Woodcliff Lake's compliance with the compliance requirements referred to above and performing such other procedures as we considered necessary in the circumstances.
- Obtain an understanding of the Borough of Woodcliff Lake's internal control over compliance relevant to the audit in order to design audit procedures that are appropriate in the circumstances and to test and report on internal control over compliance in accordance with the New Jersey OMB Circular 15-08, but not for the purpose of expressing an opinion on the effectiveness of the Borough of Woodcliff Lake's internal control over compliance. Accordingly, no such opinion is expressed.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and any significant deficiencies and material weaknesses in internal control over compliance that we identified during the audit.

Report on Internal Control Over Compliance

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

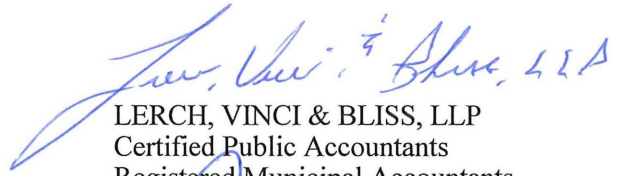
Our consideration of internal control over compliance was for the limited purpose described in the Auditor's Responsibilities for the Audit of Compliance section above and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies in internal control over compliance. Given these limitations, during our audit we did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses, as defined above. However, material weaknesses or significant deficiencies in internal control over compliance may exist that were not identified.

Our audit was not designed for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, no such opinion is expressed.

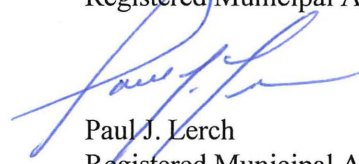
The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the results of that testing based on the requirements of New Jersey OMB Circular 15-08. Accordingly, this report is not suitable for any other purpose.

Report on Schedule of Expenditures of State Financial Assistance Required by New Jersey OMB Circular 15-08

We have audited the financial statements - regulatory basis of the Borough of Woodcliff Lake as of and for the year ended December 31, 2023, and the related notes to the financial statements and have issued our report thereon dated June 26, 2024, which contained an unmodified opinion on those financial statements prepared in accordance with the regulatory basis of accounting and also contained a modified opinion on those financial statements because they were not prepared in accordance with accounting principles generally accepted in the United States of America. Our audit was conducted for the purpose of forming an opinion on the financial statements as a whole. The accompanying schedule of expenditures of state financial assistance as required by New Jersey OMB Circular 15-08 are presented for purposes of additional analysis and are not a required part of the financial statements. Such information is the responsibility of management and was derived from and relates 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 schedule of expenditures of state financial assistance is fairly stated in all material respects in relation to the financial statements as a whole.



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



Paul J. Lerch
Registered Municipal Accountant
RMA Number CR000457

Fair Lawn, New Jersey
June 26, 2024

**BOROUGH OF WOODCLIFF LAKE
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR YEAR ENDED DECEMBER 31, 2023**

<u>Federal Funding Department</u>	<u>Grant Program</u>	<u>AL Number</u>	<u>Grant Year</u>	<u>Grant Award Amount</u>	<u>2023 Receipts</u>	<u>Balance, January 1, 2023</u>	<u>Revenues Realized</u>	<u>Expenditures</u>	<u>Balance, December 31, 2023</u>	<u>Cumulative Expenditures</u>
Law and Public Safety- Division of Highway Traffic Safety										
National Priority Safety Programs-Distracted Driving/Click It or Ticket	066-1160-100-157	20.616	2023	\$ 7,000	\$ 6,508		\$ 7,000	\$ 6,508	\$ 492	\$ 6,508
			2022	5,517		\$ 393			393	5,124
			2021	5,061		5,061			5,061	
			2019	5,500		5,500			5,500	
U.S. Department of Homeland Security										
FEMA Public Assistance Grants	066-1200-100-C73,C84									
Hurricane Ida		97.036	2023	59,847	59,847		59,847	59,847	-	59,847
Tropic Storm Isaias		97.036	2023	900	900		900	900	-	900
U.S. Department of Treasury										
(Passed through County of Bergen)										
American Rescue Plan Act	022-8030-100-687	21.027	2021-2024	917,160		87,406	79,580	163,190	3,796	913,364
American Rescue Plan Act - Firefighter Grant		21.027	2023	24,000		-	24,000	24,000	-	24,000
						<u>\$ 98,360</u>	<u>\$ 171,327</u>	<u>\$ 254,445</u>	<u>\$ 15,242</u>	

Note: This schedule was not subject to Single Audit under U.S. Uniform Guidance.

See Accompanying Notes to the Schedule of Expenditures of Federal Awards and State Financial Assistance

**BOROUGH OF WOODCLIFF LAKE
SCHEDULE OF EXPENDITURES OF STATE FINANCIAL ASSISTANCE
FOR THE YEAR ENDED DECEMBER 31, 2023**

<u>State Grant Program</u>	<u>Account Number</u>	<u>Grant Year</u>	<u>Grant Award</u>	<u>2023 Receipts</u>	<u>Balance, January 1, 2023</u>	<u>Revenue/Receipts</u>	<u>Expended</u>	<u>Adjustments (Cancellations)</u>	<u>Balance, December 31, 2023</u>	<u>Cumulative Expended</u>
Department of Environmental Protection										
Clean Communities Grant	042-00-4900-765-004	2023	\$ 17,734	\$ 17,734		\$ 17,734	\$ 211		\$ 17,523	\$ 211
		2022	15,811			15,811	15,811		-	15,811
		2021	14,830		\$ 12,554				12,554	5,276
		2020	13,940		8,743				8,743	5,197
		2019	15,462		15,462				15,462	-
		2018	13,852		13,852		10,987		2,865	10,987
		2016	17,339		7,683		7,683		-	17,339
Green Communities	042-00-4870-100-038	2017	6,000		6,000				6,000	
Recreation Trails	N/A	2017	33,708		30,000			\$ 3,708	33,708	
Division of Motor Vehicles										
Drunk Driving Enforcement Fund- Police	1110-448-031020-22	2019	6,076		5,825		2,908		2,917	3,159
Division of Highway Traffic Safety										
Drive Sober Grant	066-00-1160-100-157	2023	7,000			7,000	2,346		4,654	2,346
		2022	7,000		127				127	6,873
		2021	12,000		452				452	11,548
Municipal Alliance on Alcoholism and Drug Abuse (Passed through County of Bergen)										
	N/A	2023	3,863	1,538		3,863	3,863		-	3,863
		2021	5,501		1,619			1,255	2,874	2,627
		2020	5,501		5,501				5,501	-
		2019	9,876		4,547				4,547	5,329
New Jersey Department of Transportation										
Local Municipal Aid Program	078-00-6320-480-XX									
Ord. 17-06		2018	300,000		120,007			(120,007)	-	179,993
Ord. 21-09		2021	547,800	286,061	286,061		286,061		-	547,800
Ord. 19-03		2023	450,000	450,000		450,000	450,000		-	450,000
Ord. 23-09		2023	206,000						-	-
Ord. 23-09		2023	203,110						-	-
Department of Law and Public Safety										
Body Armor Replacement Program	066-00-1020-718-001	2023	1,574			1,574			1,574	
		2020	3,943		3,943				3,943	
		2019	2,138		2,138				2,138	
		2017	3,706		736			297	1,033	3,706
		2016	3,704		1,644			1,110	2,754	950
		2015	2,017		256				256	1,761
		2014	2,018		2,018				2,018	-
Alcohol Ed and Rehab		2023	158			158			158	-
Bulletproof Vest		2023	5,354			5,354			5,354	
Body Worn Camera Grant	066-00-1020-100-495	2021	81,520		18,191			24,778	42,969	56,742

BOROUGH OF WOODCLIFF LAKE
SCHEDULE OF EXPENDITURES OF STATE FINANCIAL ASSISTANCE
FOR THE YEAR ENDED DECEMBER 31, 2023

<u>State Grant Program</u>	<u>Account Number</u>	<u>Grant Year</u>	<u>Grant Award</u>	<u>2023 Receipts</u>	<u>Balance, January 1, 2023</u>	<u>Revenue/Receipts</u>	<u>Expended</u>	<u>Adjustments (Cancellations)</u>	<u>Balance, December 31, 2023</u>	<u>Cumulative Expended</u>
Department of Environmental Protection										*
State Tonnage Grant (Recycling)	042-00-4900-752-001	2023	\$ 15,657	\$ 15,657		\$ 15,657	\$ 15,657		-	* \$ 15,657
		2022	17,363		\$ 58				\$ 58	* 17,305
Division of Family Development										*
Human Services	054-15-7550-100-121	2018	4,633		4,633	-	-	-	4,633	*
					<u>\$ 552,050</u>	<u>\$ 517,151</u>	<u>\$ 795,527</u>	<u>\$ (88,859)</u>	<u>\$ 184,815</u>	

See Accompanying Notes to the Schedule of Expenditures of Federal Awards and State Financial Assistance

**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, 2023**

NOTE 1 REPORTING ENTITY

The Borough of Woodcliff Lake (the “Borough”) received and participated in numerous Federal Award and State Financial Assistance programs in the form of cost reimbursement grants and revenue sharing entitlements. The Borough is the reporting entity for these programs. The Borough is defined in Note 1 (A) to the Borough’s Financial Statements.

NOTE 2 BASIS OF PRESENTATION

The accompanying schedules of expenditures of federal awards and state financial assistance (the “Schedules”) present the activity of all federal and state programs of the Borough. All federal awards received directly from federal agencies or passed through other government agencies are included on the schedule of expenditures of federal awards. All state awards received directly from state agencies or passed through other government agencies are included in the schedule of expenditures of state financial assistance. The information in these Schedules are presented in accordance with the requirements of Title 2 U.S. Code of Federal Regulations Part 200, *Uniform Administrative Requirements, Cost Principals, and audit Requirements for Federal Awards* (Uniform Guidance) and New Jersey OMB Circular Letter 15-08 *Single Audit Policy for Recipients of Federal Grants, State Grants and State Aid*.

NOTE 3 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The accounting policies of the Borough conform to the accounting principles and practices prescribed by the Division of Local Government Services, Department of Community Affairs, State of New Jersey (the “Division”) which is a 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 federal awards and state financial assistances through separate funds and accounts which differ from those required by accounting principles generally accepted in the United States of America. The Borough’s summary of significant accounting policies are described in Note 1 to the Borough’s Financial Statements.

NOTE 4 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	\$ 171,327	\$ 67,151	\$ 238,478
General Capital Fund	<u>-</u>	<u>450,000</u>	<u>450,000</u>
	<u>\$ 171,327</u>	<u>\$ 517,151</u>	<u>\$ 688,478</u>

**BOROUGH OF WOODCLIFF LAKE
NOTES TO THE SCHEDULES OF EXPENDITURES OF FEDERAL AWARDS
AND STATE FINANCIAL ASSISTANCE
YEAR ENDED DECEMBER 31, 2023**

NOTE 5 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.

NOTE 6 DE MINIMIS INDIRECT COST RATE

The Borough has not elected to use the 10 percent de minimis indirect cost rate allowed under the U.S. Uniform Guidance.

**BOROUGH OF WOODCLIFF LAKE
SCHEDULE OF FINDINGS AND RESPONSES
FOR THE YEAR ENDED DECEMBER 31, 2023**

Part I – Summary of Auditor’s Results

Financial Statements

Type of auditors' report issued on financial statements	<u>Modified - Unaudited LOSAP Trust Fund</u>
Internal control over financial reporting:	
1) Material weakness(es) identified	_____ yes <u> X </u> no
2) Significant deficiency(ies) that are not considered to be material weakness(es)?	_____ yes <u> X </u> none reported
Noncompliance material to the financial statements noted?	_____ yes <u> X </u> no

Federal Awards Section

NOT APPLICABLE

State Awards Section

Dollar threshold used to determine Type A programs:	<u>\$ 750,000</u>
Auditee qualified as low-risk auditee?	_____ yes <u> X </u> no
Type of auditors' report on compliance for major programs:	<u>Unmodified</u>
Internal Control over compliance:	
1) Significant Deficiencies identified?	_____ yes <u> X </u> no
2) Were significant deficiencies identified that were not considered to be material weaknesses?	_____ yes <u> X </u> no
Any audit findings disclosed that are required to be reported in accordance with NJ OMB Circular 15-08?	_____ yes <u> X </u> no

Identification of major programs:

<u>State Number</u>	<u>Name of State Program</u>
<u>078-6320-480-xxx</u>	<u>New Jersey Department of Transportation</u>
_____	_____

**BOROUGH OF WOODCLIFF LAKE
SCHEDULE OF FINDINGS AND RESPONSES
FOR THE YEAR ENDED DECEMBER 31, 2023**

Part II

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*.

There are none.

**BOROUGH OF WOODCLIFF LAKE
SCHEDULE OF FINDINGS AND RESPONSES
FOR THE YEAR ENDED DECEMBER 31, 2023**

Part III – Schedule of Federal and State Award Findings and Responses

This section identifies the significant deficiencies, material weaknesses, and instances of noncompliance including questioned costs, related to the audit of major federal and state programs, as required by U.S. Uniform Guidance and New Jersey OMB's Circular 15-08.

CURRENT YEAR FEDERAL AWARDS

Not Applicable.

CURRENT YEAR STATE AWARDS

There are none.

**BOROUGH OF WOODCLIFF LAKE
SCHEDULE OF PRIOR YEAR AUDIT FINDINGS
FOR THE YEAR ENDED DECEMBER 31, 2023**

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

There were none.

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

PART III

SUPPLEMENTARY DATA

LETTER OF COMMENTS AND RECOMMENDATIONS

FOR THE YEAR ENDED DECEMBER 31, 2023

**BOROUGH OF WOODCLIFF LAKE
SUPPLEMENTARY DATA**

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

	<u>Year 2023</u>		<u>Year 2022</u>	
	<u>Amount</u>	<u>Percent</u>	<u>Amount</u>	<u>Percent</u>
REVENUE AND OTHER INCOME REALIZED				
Fund Balance Utilized	\$ 1,800,000	3.23 %	\$ 1,614,000	3.10 %
Miscellaneous - From Other Than Local				
Property Tax Levies	3,281,508	5.58	2,917,416	5.58
Collection of Delinquent Taxes and Tax Title Liens	219,183	0.39	145,245	0.28
Collection of Current Tax Levy	49,556,334	88.86	46,542,424	89.18
Other Credits	<u>1,084,838</u>	<u>1.94</u>	<u>972,457</u>	<u>1.86</u>
Total Income	<u>55,941,863</u>	<u>100.00 %</u>	<u>52,191,542</u>	<u>100.00 %</u>
EXPENDITURES				
Budget Expenditures				
Municipal Purposes	15,794,375	29.28 %	14,175,024	28.25 %
Municipal Open Space Preservation Trust Fund Taxes	229,882	0.43	216,348	0.43
County Taxes	5,728,749	10.62	4,817,323	9.60
Regional School Taxes	18,020,000	33.40	13,594,091	27.09
Local District School Taxes	13,981,260	25.91	17,244,374	34.38
Other Expenditures	<u>192,668</u>	<u>0.36</u>	<u>127,177</u>	<u>0.25</u>
Total Expenditures	<u>53,946,934</u>	<u>100.00 %</u>	<u>50,174,337</u>	<u>100.00 %</u>
Excess in Revenue	1,994,929		2,017,205	
Adjustments to Income before Surplus:				
Expenditures included above which are by Statute				
Deferred Charges to Budget of Succeeding Year	<u>1,020,000</u>		<u>-</u>	
Statutory Excess to Surplus	3,014,929		2,017,205	
Fund Balance, January 1	<u>2,816,014</u>		<u>2,412,809</u>	
	5,830,943		4,430,014	
Less Utilization as Anticipated Revenue	<u>1,800,000</u>		<u>1,614,000</u>	
Fund Balance, December 31	<u>\$ 4,030,943</u>		<u>\$ 2,816,014</u>	

**BOROUGH OF WOODCLIFF LAKE
SUPPLEMENTARY DATA**

Comparative Schedule of Tax Rate Information

	<u>2023</u>	<u>2022</u>	<u>2021</u>
<u>Tax Rate</u>	<u>\$2.165</u>	<u>\$2.188</u>	<u>\$2.190</u>
<u>Apportionment of Tax Rate</u>			
Municipal	.512	.527	.515
Municipal Open Space Preservation	.010	.009	.010
County (Including Open Space Tax)	.250	.223	.257
Regional School	.608	.630	.612
Local School	.785	.799	.806
<u>Assessed Valuation</u>			
2023	<u>\$2,296,577,100</u>		
2022		<u>\$2,191,864,155</u>	
2021			<u>\$2,089,580,704</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>
2023	\$ 49,795,605	\$ 49,556,334	99.52%
2022	47,351,827	47,102,424	99.47%
2021	45,761,817	45,629,173	99.71%

**BOROUGH OF WOODCLIFF LAKE
SUPPLEMENTARY DATA**

Delinquent Taxes and Tax Title Liens

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

December 31 <u>Year</u>	Amount of Delinquent <u>Taxes</u>	Tax Title <u>Liens</u>	<u>Total</u>	Percentage of <u>Tax Levy</u>
2023	\$ 200,579	\$ 476	\$ 201,055	0.40%
2022	223,427		223,427	0.47%
2021	145,245		145,245	0.32%

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>
2023	None
2022	None
2021	None

Comparative Schedule of Fund Balance

	<u>Year</u>	Balance, <u>December 31,</u>	Utilized In Budget of <u>Succeeding Year</u>
Current Fund	2023	\$4,030,943	\$2,230,000
	2022	2,816,014	1,800,000
	2021	2,412,809	1,614,000

**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>
Carlos Rendo	Mayor
Jacqueline Gadaleta	Councilwoman
Josephine Higgins	Councilwoman
Jennifer Margolis	Councilwoman
Nicole March	Councilwoman
Benjamin Pollack	Councilman
Richard Schnoll	Councilman
Tomas Padilla	Borough Administrator
Jonathan DeJoseph	Chief Financial Officer
Debbie Dakin	Borough Clerk
Fran Scordo	Tax Collector
Raymond Tighe	Tax Assessor
John L. Schettino, Esq	Borough Attorney
Mike Neglia	Borough Engineer

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

There is a statutory bond limit in the Municipal Excess Liability Joint Insurance Fund that covers the Tax Collector, Magistrates, Court Administrators and Court Clerk up to \$1,000,000 with a member deductible of \$1,000. All other employees are covered for up to \$50,000 under the Municipal Joint Insurance Fund and up to \$950,000 under the Municipal Excess Liability Joint Insurance Fund.

**BOROUGH OF WOODCLIFF LAKE
SUPPLEMENTARY DATA**

GENERAL COMMENTS

Current Year Comments

There are none.

Prior Year Unresolved Comments

There are none.

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 \$44,000 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 the following bids were requested by public advertising.

2022 Road Programs
Pool Shell Reconstruction
Glen Road Culvert Project
DPW Truck

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

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

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

**BOROUGH OF WOODCLIFF LAKE
SUPPLEMENTARY DATA**

GENERAL COMMENTS

Collection of Interest on Delinquent Taxes and Assessments

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

The Governing Body on January 5, 2023 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 2023 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

There were no delinquent properties for tax sale during 2023 and 2022.

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>
2023	None
2022	None
2021	None

Suggestions to Management

- Old unspent appropriated grant balances should be reviewed and either expended or cancelled.
- Payment of unused sick and vacation days be reviewed by the Borough Attorney for compliance with State statutes.

**BOROUGH OF WOODCLIFF LAKE
SUPPLEMENTARY DATA**

RECOMMENDATIONS

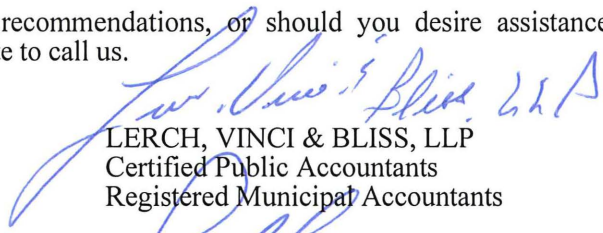
There are none.

* * * * *

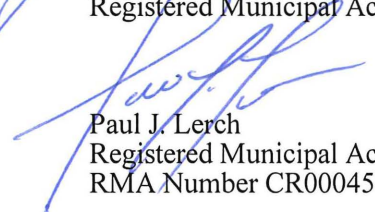
There were no prior year recommendations.

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

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



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



Paul J. Lerch
Registered Municipal Accountant
RMA Number CR000457