

BOROUGH OF WOODCLIFF LAKE
BERGEN COUNTY, NEW JERSEY
REPORT OF AUDIT
FOR THE YEAR ENDED DECEMBER 31, 2025

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, 2025



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 financial statements of the Borough of Woodcliff Lake which comprise the balance sheets - regulatory basis of the various funds and account group as of December 31, 2025 and 2024, 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, 2025, and the related notes to the financial statements.

Qualified Opinion on Regulatory Basis of Accounting

In our opinion, except for the effects of the matters discussed in the Basis for Qualified Opinion on Regulatory Basis of Accounting section of our report, the accompanying 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, 2025 and 2024, 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, 2025 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 accompanying 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, 2025 and 2024, 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, 2025 and 2024. The LOSAP Trust Fund financial activities are included in the Borough’s Trust Funds, and represent 42 percent and 43 percent of the assets and liabilities of the Borough’s Trust Funds as of December 31, 2025 and 2024, 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 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 is the responsibility of management and was derived from and relate directly to the underlying accounting and other records used to prepare the financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the 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.

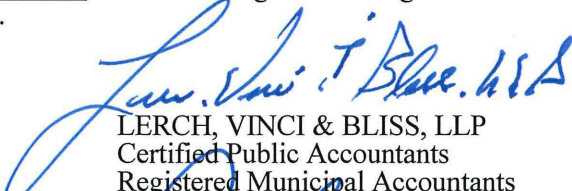
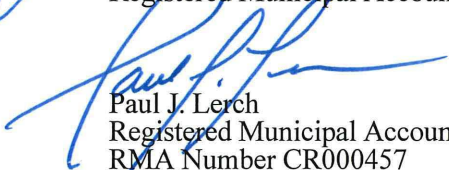
Other Information

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 April 23, 2026 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

Fair Lawn, New Jersey
 April 23, 2026

BOROUGH OF WOODCLIFF LAKE
COMPARATIVE BALANCE SHEETS - REGULATORY BASIS
AS OF DECEMBER 31, 2025 AND 2024
CURRENT FUND

ASSETS	<u>Reference</u>	<u>2025</u>	<u>2024</u>
Cash and Cash Equivalents	A-4	\$ 8,156,108	\$ 7,804,593
Cash - Change Fund	A-6	250	250
Federal and State Grants Receivable	A-23	<u>183,712</u>	<u>179,764</u>
		<u>8,340,070</u>	<u>7,984,607</u>
Receivables and Other Assets With Full Reserves			
Delinquent Property Taxes Receivable	A-8	712,419	341,541
Tax Title Liens Receivable	A-28	713	713
Due from General Capital Fund	C-10	4,962	425,851
Due from Community Development Block Grant Trust Fund	B-15	469	450
Due from Other Trust Fund	B-8	13,905	34,619
Due from Animal Control Trust Fund	B-5	<u>18</u>	<u>1,055</u>
		<u>732,486</u>	<u>804,229</u>
Deferred Charge			
Special Emergency Authorization	A-27	<u>14,000</u>	<u>28,000</u>
Total Assets		<u>\$ 9,086,556</u>	<u>\$ 8,816,836</u>
LIABILITIES, RESERVES AND FUND BALANCE			
Liabilities			
Appropriation Reserves	A-3, A-10	\$ 1,374,993	\$ 1,688,682
Encumbrances Payable	A-19	278,172	256,257
Accounts Payable	A-11	18,185	5,154
Due to State of New Jersey			
Senior Citizens' and Veterans' Deductions	A-7	9,516	9,916
Construction Training Fees/Marriage Fees Payable	A-12, A-13	3,200	4,269
Due to Other Trust Fund	B-8	474,700	93,431
Tax Overpayments	A-16	29,476	16,817
Reserve for Tax Appeals	A-14	717,636	495,756
Reserve for Terminal Leave	A-25	-	300,000
Prepaid Taxes	A-15	260,693	264,218
Reserve for Aid in Lieu of Taxes	A-24	-	26,613
Reserve for Tax Sale Premium	A-26	182,441	841
Regional High School Tax Payable	A-17	262,653	250,887
Due County for Added and Omitted Taxes	A-18	3,778	8,180
Appropriated Reserves	A-22	253,997	295,156
Unappropriated Reserves	A-21	<u>26,114</u>	<u>39,169</u>
		<u>3,895,554</u>	<u>3,755,346</u>
Reserve for Receivables and Other Assets	A	732,486	804,229
Fund Balance	A-1	<u>4,458,516</u>	<u>4,257,261</u>
Total Liabilities, Reserves and Fund Balance		<u>\$ 9,086,556</u>	<u>\$ 8,816,836</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, 2025 AND 2024
CURRENT FUND

	<u>Reference</u>	<u>2025</u>	<u>2024</u>
REVENUE AND OTHER INCOME REALIZED			
Fund Balance Utilized	A-2	\$ 2,380,000	\$ 2,230,000
Miscellaneous Revenues Anticipated	A-2	1,782,944	1,887,521
Receipts from Delinquent Taxes	A-2	341,328	200,564
Receipts from Current Taxes	A-2	52,299,720	51,001,450
Non-Budget Revenues	A-2	699,252	925,422
Other Credits to Income			
Unexpended Balance of Appropriation Reserves	A-10	1,180,772	1,051,856
Statutory Excess Animal Control Fund	A-1	-	704
Prior Year Interfunds Liquidated	A	461,975	192,668
Total Revenues		<u>59,145,991</u>	<u>57,490,185</u>
EXPENDITURES			
Budget and Emergency Appropriations			
Operations			
Salaries and Wages	A-3	5,559,800	5,541,800
Other Expenses	A-3	7,042,547	6,779,235
Capital Improvement Fund	A-3	200,000	390,000
Municipal Debt Service	A-3	1,912,709	1,415,016
Deferred Charges, Statutory Expenditures and Judgements	A-3	1,503,996	1,470,553
County Taxes	A-18	6,010,286	5,681,403
Due County for Added and Omitted Taxes	A-18	3,778	8,180
Municipal Open Space Preservation Trust Fund	B-1	243,538	238,341
Local District School Taxes	A-20	19,486,843	18,880,550
Regional High School Taxes	A-17	14,580,235	14,165,579
Refund Prior Year Revenue	A-4	1,650	1,235
Interfund Advance Originating	A	19,354	461,975
Total Expenditures		<u>56,564,736</u>	<u>55,033,867</u>
Excess in Revenue		2,581,255	2,456,318
Fund Balance, January 1	A	<u>4,257,261</u>	<u>4,030,943</u>
		6,838,516	6,487,261
Decreased by:			
Utilization as Anticipated Revenue	A-1,A-2	<u>2,380,000</u>	<u>2,230,000</u>
Fund Balance, December 31	A	<u>\$ 4,458,516</u>	<u>\$ 4,257,261</u>

BOROUGH OF WOODCLIFF LAKE
STATEMENT OF REVENUES - STATUTORY BASIS
FOR THE YEAR ENDED DECEMBER 31, 2025
CURRENT FUND

	<u>Reference</u>	<u>Budget</u>	Added by N.J.S.A <u>40A:4-87</u>	<u>Realized</u>	Excess or <u>(Deficit)</u>
Surplus Anticipated	A-1	\$ 2,380,000	-	\$ 2,380,000	-
Miscellaneous Revenues					
Licenses					
Alcoholic Beverages	A-9	1,700		1,305	\$ (395)
Other	A-9	-		725	725
Fees and Permits					
Other	A-2	82,950		143,011	60,061
Fines and Costs					
Municipal Court	A-9	40,000		67,723	27,723
Interest and Costs on Taxes	A-9	60,000		91,256	31,256
Uniform Fire Safety Act - Local	A-9	10,000		13,226	3,226
Park Receipts	A-9	325,000		335,917	10,917
Upper Saddle River Sewer Charges	A-9	15,000		20,935	5,935
Cablevision Fees	A-9	48,000		48,608	608
Dept. of Public Works - Recyclables	A-9	12,900		11,190	(1,710)
Verizon Franchise Fees	A-9	43,000		43,024	24
Energy Receipts Tax	A-9	515,463		515,463	-
Watershed Moratorium Aid	A-9	11,186		11,186	-
Uniform Construction Code Fees	A-9	375,000		245,983	(129,017)
Drive Sober or Get Pulled Over	A-23	-	\$ 7,000	7,000	-
Municipal Alliance Grant	A-23	3,836		3,836	-
Recycling Tonnage Grant	A-23	14,276		14,276	-
NJ DCA - Local Recreation Improvement Grant	A-23	64,000		64,000	-
Prosecutor Forfeiture Funds	A-23	8,322		8,322	-
Reserve for Stormwater Assistance Grant	A-21	15,000		15,000	-
Reserve for JIF Safety Award Program	A-21	1,750		1,750	-
Reserve for Clean Communities Program	A-21	20,142		20,142	-
Reserve for Alcohol Education and Rehabilitation	A-21	368		368	-
Reserve for Police Body Armor	A-21	1,909		1,909	-
Reserve for Payment in Lieu of Taxes	A-24	26,613		26,613	-
Reserve for Payment of Debt	C-11	70,176	-	70,176	-
Total Miscellaneous Revenues	A-1	<u>1,766,591</u>	<u>7,000</u>	<u>1,782,944</u>	<u>9,353</u>
Receipts from Delinquent Taxes	A-8,A-1	<u>230,000</u>	-	<u>341,328</u>	<u>111,328</u>
Amount to be Raised by Taxes for Support of Municipal Budget	A-2	<u>12,882,756</u>	-	<u>13,020,040</u>	<u>137,284</u>
Total General Revenues	A-3	<u>\$ 17,259,347</u>	<u>\$ 7,000</u>	<u>17,524,312</u>	<u>\$ 257,965</u>
Non-Budget Revenue	A-1,A-2			<u>699,252</u>	
				<u>\$ 18,223,564</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, 2025

CURRENT FUND
(Continued)

	<u>Reference</u>	<u>Realized</u>
ANALYSIS OF REALIZED REVENUES		
Allocation of Current Tax Collections		
Revenue from Collections	A-8	\$ 52,499,720
Less: Reserve for Tax Appeals	A-14	<u>200,000</u>
	A-1	52,299,720
Less: Allocation to School and County Taxes and Municipal Open Space Preservation Trust Fund	A-18,A-20,A-17 B-13	<u>40,324,680</u>
		11,975,040
Add Appropriation - "Reserve for Uncollected Taxes"	A-3	<u>1,045,000</u>
Amount for Support of Municipal Budget Appropriations	A-2	<u>\$ 13,020,040</u>
Fees and Permits		
Other		
Collector/Treasurer (Parking)	A-9	\$ 19,470
Police	A-9	6,946
Board of Health	A-9	11,241
Planning & Zoning	A-9	16,650
Building	A-9	5,500
Fire Prevention- Miscellaneous Fees	A-9	82,651
Borough Clerk	A-9	<u>553</u>
	A-2	<u>\$ 143,011</u>
Analysis of Non-Budget Revenue		
Administrative Fee - Private Duty Account		\$ 106,488
Interest on Investments		500,576
Miscellaneous		61,363
Sale of Municipal Assets		30,000
Soil Removal		<u>825</u>
	A-2	<u>\$ 699,252</u>
Analysis of Non-Budget Revenue		
Cash Receipts	A-4	\$ 566,912
Due from General Capital Fund	C-10	106,671
Due from Animal Control Trust Fund	B-5	268
Due from Other Trust Fund	B-5	25,382
Due from Community Development Trust Fund	B-15	<u>19</u>
	A-2	<u>\$ 699,252</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, 2025
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	\$ 202,800	\$ 202,800	\$ 179,889	\$ 22,911	
Other Expenses	120,975	120,975	118,845	2,130	
Mayor and Council					
Salaries and Wages	37,500	37,500	37,500	-	
Other Expenses	11,890	11,890	10,125	1,765	
Municipal Clerk					
Salaries and Wages	122,500	122,500	120,848	1,652	
Other Expenses	32,600	32,600	23,538	9,062	
Financial Administration					
Salaries and Wages	205,000	205,000	189,575	15,425	
Other Expenses	46,600	46,600	32,507	14,093	
Audit Services					
Other Expenses	86,000	86,000	23,353	62,647	
Information Technology					
Other Expenses	17,000	17,000	16,476	524	
Revenue Administration (Tax Collection)					
Salaries and Wages	30,000	30,000	27,864	2,136	
Other Expenses	12,700	12,700	8,182	4,518	
Tax Assessment Administration					
Salaries and Wages	28,000	28,000	25,750	2,250	
Other Expenses	125,400	125,400	92,472	32,928	
Legal Services and Costs					
Other Expenses	150,000	150,000	130,988	19,012	
Engineering Services and Costs					
Other Expenses	60,000	77,000	60,253	16,747	
MUNICIPAL LAND USE LAW (NJSA 40:55D-1)					
Land Use Board					
Salaries and Wages	40,000	40,000	32,041	7,959	
Other Expenses	36,550	36,550	17,741	18,809	
INSURANCE (N.J.S.A. 40A:4-45.3(00))					
General Liability	281,520	281,520	203,989	77,531	
Workers Compensation	201,825	201,825	140,558	61,267	
Employee Group Health	1,384,610	1,379,610	1,337,781	41,829	
Health Benefit Waiver	20,000	25,000	23,275	1,725	
Unemployment Insurance	2,000	2,000	2,000	-	
PUBLIC SAFETY FUNCTIONS					
Police					
Salaries and Wages	3,286,000	3,276,000	3,062,850	213,150	
Other Expenses	169,200	179,200	175,199	4,001	
Police Dispatch/911					
Other Expenses	285,000	285,000	262,071	22,929	

BOROUGH OF WOODCLIFF LAKE
STATEMENT OF EXPENDITURES - REGULATORY BASIS
FOR THE YEAR ENDED DECEMBER 31, 2025
CURRENT FUND

	<u>Budget</u>	<u>Appropriated Budget After Modification</u>	<u>Paid or Charged</u>	<u>Expended Reserves</u>	<u>Unexpended Balances Cancelled</u>
OPERATIONS WITHIN "CAPS" (Continued)					
PUBLIC SAFETY FUNCTIONS (Continued)					
Emergency Management Services					
Salaries and Wages	\$ 23,000	\$ 23,000	\$ 20,050	\$ 2,950	
Other Expenses	16,000	16,000	2,984	13,016	
Aid to Volunteer Fire Companies					
Salaries and Wages	-	-	-	-	
Other Expenses	177,800	177,800	161,247	16,553	
Aid to Volunteer Ambulance Companies					
Contribution	40,000	40,000	40,000	-	
Fire Prevention Bureau					
Salaries and Wages	75,000	75,000	72,365	2,635	
Other Expenses	12,120	12,120	7,692	4,428	
Fire Hydrant Services					
Other Expenses	33,000	33,000	25,780	7,220	
PUBLIC WORKS FUNCTION					
Road Repairs and Maintenance					
Salaries and Wages	917,000	877,000	849,023	27,977	
Other Expenses	200,000	239,750	212,595	27,155	
Shade Tree Committee					
Other Expenses	21,000	21,250	21,235	15	
Solid Waste Collection					
Salaries and Wages	158,000	158,000	136,644	21,356	
Other Expenses	265,100	265,100	240,527	24,573	
Public Buildings and Grounds					
Salaries and Wages	5,000	5,000	4,000	1,000	
Other Expenses	225,100	225,100	195,952	29,148	
Vehicle Maintenance					
Other Expenses	126,200	126,200	111,672	14,528	
HEALTH AND HUMAN SERVICES					
Board of Health					
Other Expenses	47,950	47,950	43,004	4,946	
Animal Control Services					
Other Expenses	1,000	1,000	280	720	
PARKS AND EDUCATION FUNCTIONS					
Recreation Services and Programs					
Salaries and Wages	140,000	140,000	125,250	14,750	
Other Expenses	470,500	453,500	397,089	56,411	
Maintenance of Parks					
Other Expenses	55,000	55,000	35,175	19,825	

BOROUGH OF WOODCLIFF LAKE
STATEMENT OF EXPENDITURES - REGULATORY BASIS
FOR THE YEAR ENDED DECEMBER 31, 2025
CURRENT FUND

	<u>Budget</u>	<u>Appropriated Budget After Modification</u>	<u>Paid or Charged</u>	<u>Expended Reserves</u>	<u>Unexpended Balances Cancelled</u>
OPERATIONS WITHIN "CAPS" (Continued)					
EDUCATIONAL FUNCTIONS					
Municipal/County Library					
Library Membership	\$ 28,000	\$ 28,000	\$ 23,800	\$ 4,200	
OTHER COMMON OPERATING FUNCTIONS					
Celebration of Public Events					
Other Expenses	23,000	23,000	18,177	4,823	
UNIFORM CONSTRUCTION CODE APPRO- PRIATIONS OFFSET BY DEDICATED REVENUES (N.J.A.C 5:23-4-17)					
State Uniform Construction Code					
Salaries and Wages	220,000	220,000	206,291	13,709	
Other Expenses	24,300	24,300	15,798	8,502	
UTILITY EXPENSE AND BULK PURCHASES					
Electricity	203,000	203,000	167,228	35,772	
Street Lighting	130,000	130,000	125,421	4,579	
Telephone	37,000	37,000	35,284	1,716	
Water	21,000	21,000	9,075	11,925	
Gasoline	171,500	171,500	120,992	50,508	
Sewer Processing and Disposal					
Salaries and Wages	120,000	120,000	107,566	12,434	
Other Expenses	107,000	107,000	37,729	69,271	
LANDFILL/SOLID WASTE DISPOSAL COSTS					
Sanitary Landfill Dump Fees					
Other Expenses	218,000	218,000	176,100	41,900	-
Total Operations Within "CAPS"	<u>11,307,240</u>	<u>11,307,240</u>	<u>10,101,695</u>	<u>1,205,545</u>	<u>-</u>
Detail:					
Salaries and Wages	5,609,800	5,559,800	5,197,506	362,294	-
Other Expenses (Including Contingent)	5,697,440	5,747,440	4,904,189	843,251	-
DEFERRED CHARGES AND STATUTORY EXPENDITURES					
- Municipal within "CAPS"					
Statutory Charges					
Public Employees Retirement System of N.J.	204,000	204,000	203,786	214	
Social Security System (O.A.S.I.)	245,000	245,000	218,176	26,824	
Police and Firemen's Retirement System of N.J.	909,000	909,000	908,934	66	
Defined Contribution Retirement Program	9,000	9,000	6,437	2,563	-
Total Deferred Charges & Statutory Expenditures					
- Municipal within "CAPS"	<u>1,367,000</u>	<u>1,367,000</u>	<u>1,337,333</u>	<u>29,667</u>	<u>-</u>
Total General Appropriations for Municipal Purposes within "CAPS"	<u>12,674,240</u>	<u>12,674,240</u>	<u>11,439,028</u>	<u>1,235,212</u>	<u>-</u>

BOROUGH OF WOODCLIFF LAKE
STATEMENT OF EXPENDITURES - REGULATORY BASIS
FOR THE YEAR ENDED DECEMBER 31, 2025
CURRENT FUND

	<u>Appropriated</u>		<u>Expended</u>		<u>Unexpended</u>
	<u>Budget</u>	<u>Budget After</u>	<u>Paid or</u>	<u>Reserves</u>	<u>Balances</u>
		<u>Modification</u>	<u>Charged</u>		<u>Cancelled</u>
OPERATIONS - EXCLUDED FROM "CAPS"					
UTILITY EXPENSE AND BULK PURCHASE					
Bergen County Utilities Authority					
Share Costs Sewer Charges	\$ 723,000	\$ 723,000	\$ 722,433	\$ 567	
Borough of Montvale - Sewer Charges	66,000	66,000	61,320	4,680	
Borough of Hillsdale - Sewer Charges	30,000	30,000	24,919	5,081	
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	60,000	60,000	-	60,000	
LANDFILL/SOLID WASTE FUNCTION					
Recycling Tax	18,000	18,000	18,000	-	
Reserve for Tax Appeals	190,000	-	-	-	
Employee Group Health - Outside CAP					
Employee Group Health	160,890	160,890	160,890	-	
Workers Compensation	3,175	3,175	3,175	-	
General Liability Insurance	480	480	480	-	
Interlocal Municipal Service Agreements					
Municipal Court (Tri-Boro)					
Other Expenses (Contractual)	80,000	80,000	38,239	41,761	
PUBLIC AND PRIVATE PROGRAMS OFFSET					
BY REVENUES					
Municipal Alliance-State	3,836	3,836	2,927	909	
Municipal Alliance-Local Matching Funds	959	959	959	-	
Drive Sober or Get Pulled Over	-	7,000	6,910	90	
Body Armor Replacement Fund	1,909	1,909	-	1,909	
State of NJ Recycling Tonnage - Reserve	14,276	14,276	14,276	-	
Alcohol Education and Rehabilitation	368	368	-	368	
Clean Communities Grant	20,142	20,142	13,436	6,706	
Stormwater Assistance Grant	15,000	15,000	15,000	-	
JIF Safety Award Program	1,750	1,750	1,532	218	
NJ DCA - Local Recreation Improvement Grant	64,000	64,000	62,508	1,492	
Prosecutor Forfeiture Funds	8,322	8,322	8,322	-	-
	<u>1,478,107</u>	<u>1,295,107</u>	<u>1,155,326</u>	<u>139,781</u>	<u>-</u>
Total Operations - Excluded from "CAPS"					
Detail:					
Other Expenses	<u>1,478,107</u>	<u>1,295,107</u>	<u>1,155,326</u>	<u>139,781</u>	<u>-</u>
CAPITAL IMPROVEMENTS EXCLUDED FROM "CAPS"					
Capital Improvement Fund	<u>200,000</u>	<u>200,000</u>	<u>200,000</u>	<u>-</u>	<u>-</u>
Total Capital Improvements Excluded from "CAPS"					
	<u>200,000</u>	<u>200,000</u>	<u>200,000</u>	<u>-</u>	<u>-</u>

BOROUGH OF WOODCLIFF LAKE
STATEMENT OF EXPENDITURES - REGULATORY BASIS
FOR THE YEAR ENDED DECEMBER 31, 2025
CURRENT FUND

	<u>Budget</u>	<u>Budget After Modification</u>	<u>Expended Paid or Charged</u>	<u>Reserves</u>	<u>Unexpended Balances Cancelled</u>
MUNICIPAL DEBT SERVICE EXCLUDED FROM "CAPS"					
Payment of Bond Principal	\$ 1,000,000	\$ 1,000,000	\$ 1,000,000	-	\$ -
Payment of Bond Anticipation Notes	222,000	412,000	411,274	-	726
Interest on Bonds	105,000	105,000	104,700	-	300
Interest on Notes	<u>398,000</u>	<u>398,000</u>	<u>396,735</u>	-	<u>1,265</u>
 Total Municipal Debt Service - Excluded from "CAPS"	 <u>1,725,000</u>	 <u>1,915,000</u>	 <u>1,912,709</u>	 -	 <u>2,291</u>
 Total General Appropriations for Municipal Purposes Excluded from "CAPS"	 <u>3,403,107</u>	 <u>3,410,107</u>	 <u>3,268,035</u>	 \$ 139,781	 <u>2,291</u>
 Deferred Charges					
Special Emergency Authorizations - Master Plan	<u>14,000</u>	<u>14,000</u>	<u>14,000</u>	-	-
 Judgements	 <u>123,000</u>	 <u>123,000</u>	 <u>122,996</u>	 -	 <u>4</u>
 Subtotal Appropriations - Excluded from CAPS	 <u>137,000</u>	 <u>137,000</u>	 <u>136,996</u>	 -	 <u>4</u>
 Subtotal General Appropriations	 3,540,107	 3,547,107	 3,405,031	 139,781	 2,295
 RESERVE FOR UNCOLLECTED TAXES	 <u>1,045,000</u>	 <u>1,045,000</u>	 <u>1,045,000</u>	 -	 <u>-</u>
 Total General Appropriations	 <u>\$ 17,259,347</u>	 <u>\$ 17,266,347</u>	 <u>\$ 15,889,059</u>	 <u>\$ 1,374,993</u>	 <u>\$ 2,295</u>
	<u>Reference</u>	A-2	A,A-1	A,A-1	
	<u>Reference</u>	<u>Budget After Modification</u>			
Budget as Adopted	A-2	\$ 17,259,347			
Added by N.J.S. 40A:4-87	A-2	<u>7,000</u>			
		<u>\$ 17,266,347</u>			
 Cash Disbursed	A-4		\$ 14,551,887		
Encumbrances Payable	A-19		278,172		
Deferred Charges	A-27		14,000		
Reserve for Uncollected Taxes	A-2		<u>1,045,000</u>		
			<u>\$ 15,889,059</u>		

BOROUGH OF WOODCLIFF LAKE
COMPARATIVE BALANCE SHEETS - REGULATORY BASIS
AS OF DECEMBER 31, 2025 AND 2024
TRUST FUNDS

ASSETS	<u>Reference</u>	<u>2025</u>	<u>2024</u>
Animal Control Trust Fund			
Cash	B-3	\$ <u>3,710</u>	\$ <u>5,481</u>
Other Trust Fund			
Cash	B-3	1,599,405	1,640,350
Due from Current Fund - Miscellaneous Trust	B-8	474,700	
Due from Current Fund - Escrow	B-8	<u>-</u>	<u>93,431</u>
		<u>2,074,105</u>	<u>1,733,781</u>
Unemployment Insurance Trust Fund			
Cash	B-3	<u>30,925</u>	<u>49,747</u>
Municipal Open Space Preservation Trust Fund			
Cash	B-3	<u>1,589,472</u>	<u>1,292,011</u>
Community Development Block Grant Trust Fund			
Cash	B-3	<u>469</u>	<u>450</u>
Length of Service Award Program Fund - LOSAP (UNAUDITED)			
Investments	B	2,671,051	2,317,626
Contribution Receivable	B	<u>54,861</u>	<u>53,058</u>
		<u>2,725,912</u>	<u>2,370,684</u>
Total Assets		<u>\$ 6,424,593</u>	<u>\$ 5,452,154</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, 2025 AND 2024
TRUST FUNDS

	<u>Reference</u>	<u>2025</u>	<u>2024</u>
LIABILITIES, RESERVES AND FUND BALANCE			
Animal Control Trust Fund			
Due to Current Fund	B-5	\$ 18	\$ 1,055
Due to State of NJ	B-6	24	28
Reserve for Animal Control Expenditures	B-4	<u>3,668</u>	<u>4,398</u>
		<u>3,710</u>	<u>5,481</u>
Other Trust Fund			
Due to Current Fund - Escrow	B-8	10,270	4,462
Due to Current Fund - Payroll	B-8	286	4,069
Due to Current Fund - Police Outside Duty	B-8	335	5,953
Due to Current Fund - Other Miscellaneous Trust	B-8	3,014	20,135
Escrow Deposits Payable	B-7	647,632	684,865
Payroll Deductions Payable	B-10	42,924	42,924
Miscellaneous Reserves	B-9	<u>1,369,644</u>	<u>971,373</u>
		<u>2,074,105</u>	<u>1,733,781</u>
Unemployment Insurance Trust Fund			
Due to State of New Jersey	B-11	-	10,514
Reserve for Unemployment Claims	B-12	<u>30,925</u>	<u>39,233</u>
		<u>30,925</u>	<u>49,747</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>1,587,672</u>	<u>1,290,211</u>
		<u>1,589,472</u>	<u>1,292,011</u>
Community Development Block Grant Trust Fund			
Due to Current Fund	B-15	<u>469</u>	<u>450</u>
Length of Service Award Program Fund - LOSAP (UNAUDITED)			
Reserve for LOSAP Benefits	B	<u>2,725,912</u>	<u>2,370,684</u>
Total Liabilities, Reserves and Fund Balance		<u>\$ 6,424,593</u>	<u>\$ 5,452,154</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, 2025**

	<u>Reference</u>	Anticipated <u>Budget</u> (Memo)	Realized in <u>2025</u>	<u>Variance</u>
Amount to be Raised by Taxation	B-13	\$ 243,400	\$ 243,538	\$ 138
Miscellaneous	B-13	-	<u>53,923</u>	<u>53,923</u>
		<u>\$ 243,400</u>	<u>\$ 297,461</u>	<u>\$ 54,061</u>
	Reference	B-2	B-13	

**STATEMENT OF APPROPRIATIONS-REGULATORY BASIS
MUNICIPAL OPEN SPACE PRESERVATION TRUST FUND
FOR THE YEAR ENDED DECEMBER 31, 2025**

		Anticipated <u>Budget</u> (Memo)	Paid or <u>Charged</u>	<u>Variance</u>
Reserve for Future Use		<u>\$ 243,400</u>	<u>\$ -</u>	<u>\$ 243,400</u>
	Reference	B-1	B-13	

**BOROUGH OF WOODCLIFF LAKE
COMPARATIVE BALANCE SHEETS - REGULATORY BASIS
AS OF DECEMBER 31, 2025 AND 2024
GENERAL CAPITAL FUND**

	<u>Reference</u>	<u>2025</u>	<u>2024</u>
ASSETS			
Cash and Cash Equivalents	C-2, C-3	\$ 1,306,159	\$ 3,991,565
Deferred Charges to Future Taxation			
Funded	C-4	4,235,000	5,235,000
Unfunded	C-6	20,069,857	18,848,411
Grants Receivable	C-5	<u>826,986</u>	<u>634,773</u>
Total Assets		<u>\$ 26,438,002</u>	<u>\$ 28,709,749</u>
LIABILITIES, RESERVES AND FUND BALANCE			
General Serial Bonds Payable	C-7	\$ 4,235,000	\$ 5,235,000
Bond Anticipation Notes Payable	C-9	9,950,000	9,946,000
Improvement Authorizations			
Funded	C-8	17,538	116,990
Unfunded	C-8	6,124,100	5,780,358
Due to Current Fund	C-10	4,962	425,851
Reserve for Grants Receivable	C-5	406,506	406,506
Reserve for Payment of Debt	C-11	354,318	424,494
Contracts Payable	C-12	4,807,861	6,026,372
Capital Improvement Fund	C-13	327,234	220,835
Fund Balance	C-1	<u>210,483</u>	<u>127,343</u>
Total Liabilities, Reserves and Fund Balance		<u>\$ 26,438,002</u>	<u>\$ 28,709,749</u>

There were bonds and notes authorized but not issued at December 31, 2025 and 2024 of \$10,119,857 and \$8,902,411 (Exhibit C-14).

BOROUGH OF WOODCLIFF LAKE
COMPARATIVE STATEMENTS OF CHANGE IN FUND BALANCE - REGULATORY BASIS
FOR THE YEARS ENDED DECEMBER 31, 2025 AND 2024
GENERAL CAPITAL FUND

	<u>Reference</u>	<u>2025</u>	<u>2024</u>
Balance, January 1	C	\$ 127,343	\$ 57,167
Increased by:			
Premium on Notes Issued	C-2	<u>83,140</u>	<u>70,176</u>
Balance, December 31	C	<u>\$ 210,483</u>	<u>\$ 127,343</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, 2025 AND 2024
GENERAL FIXED ASSETS ACCOUNT GROUP**

	<u>2025</u>	<u>2024</u>
ASSETS		
Land	\$ 9,592,686	\$ 9,592,686
Land Improvements	5,115,443	1,264,011
Building and Building Improvements	6,711,231	6,676,508
Machinery and Equipment	<u>12,243,404</u>	<u>11,878,454</u>
	<u>\$ 33,662,764</u>	<u>\$ 29,411,659</u>
 FUND BALANCE		
Investment in General Fixed Assets	<u>\$ 33,662,764</u>	<u>\$ 29,411,659</u>

See Accompanying Notes are an Integral Part of these Financial Statements

NOTES TO FINANCIAL STATEMENTS

**BOROUGH OF WOODCLIFF LAKE
NOTES TO FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2025 AND 2024**

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. However, under the regulatory basis of accounting municipalities are required to follow GASB pronouncements with regard to disclosure requirements for notes to financial statements.

**BOROUGH OF WOODCLIFF LAKE
NOTES TO FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2025 AND 2024**

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.

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, 2025 AND 2024**

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, 2024 balances to conform to the December 31, 2025 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 and cash equivalents 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, 2025 AND 2024**

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, 2025 AND 2024**

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. The Borough has elected not to implement GASB 101 "Compensated Absences" to determine its compensated absences liability. The Borough has reported compensated absences liability for only vested employees eligible for such payments. GAAP requires the liability to be determined for both vested and non-vested employees and 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, 2025 AND 2024**

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

**BOROUGH OF WOODCLIFF LAKE
NOTES TO FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2025 AND 2024**

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. Exceptions to the limitations imposed by the Appropriation CAP also exist for other items including capital expenditures; debt service extraordinary expenses approved by the Local Finance Board; expenditures mandated as a result of certain emergencies; and certain expenditures for services mandated by law. Additionally, municipalities can bank the unused appropriation increases for use in any of the next two (2) succeeding budget years.

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 amounts required to be raised by taxation for debt service as defined by law, certain pension contributions and health care costs in excess of 2%, 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. Additionally, municipalities can bank the unused tax levy for use in any of the next three (3) succeeding budget years.

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 2025 and 2024 the Borough Council increased the original budget by \$7,000 and \$0. The increase was funded by additional aid allotted to the Borough in 2025. In addition, the governing body approved several budget transfers during 2025 and 2024.

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, 2025 AND 2024**

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, 2025 and 2024, the book value of the Borough's deposits were \$12,686,498 and \$14,784,447 and bank and brokerage firm balances of the Borough's deposits amounted to \$13,140,454 and \$15,520,963, respectively. The Borough's deposits which are displayed on the various fund balance sheets as “cash” or “cash and cash equivalents” are categorized as:

<u>Depository Account</u>	<u>Bank Balance</u>	
	<u>2025</u>	<u>2024</u>
Insured	\$ 12,420,534	\$ 14,777,981
Uninsured and Collateralized	<u>719,920</u>	<u>742,982</u>
	<u>\$ 13,140,454</u>	<u>\$ 15,520,963</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, 2025 and 2024, the Borough’s bank balances of \$719,920 and \$742,982 were exposed to custodial credit risk.

<u>Depository Account</u>	<u>2025</u>	<u>2024</u>
Uninsured and Collateralized		
Collateral held by pledging financial institution's trust department but not in the Borough's name	<u>\$ 719,920</u>	<u>\$ 742,982</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, 2025 AND 2024**

NOTE 3 CASH DEPOSITS AND INVESTMENTS (Continued)

B. Investments (Continued)

As of December 31, 2025 and 2024, the Borough had the following investments:

	<u>Fair Value</u>
<u>2025</u>	
Investment:	
Lincoln Financial - Length of Service Award Program (LOSAP)	\$ <u>2,671,051</u>
<u>2024</u>	
Investment:	
Lincoln Financial - Length of Service Award Program (LOSAP)	\$ <u>2,317,626</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, 2025 and 2024, \$2,671,051 and \$2,317,626 of the Borough’s investments was exposed to custodial credit risk as follows:

	<u>Fair Value</u>
<u>2025</u>	
Uninsured and Collateralized	
Collateral held by pledging bank's trust department, but not in the Borough's name	\$ <u>2,671,051</u>
<u>2024</u>	
Uninsured and Collateralized	
Collateral held by pledging bank's trust department, but not in the Borough's name	\$ <u>2,317,626</u>

**BOROUGH OF WOODCLIFF LAKE
NOTES TO FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2025 AND 2024**

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, 2025 and 2024, the Borough’s investment in Lincoln Financial Group was rated A2 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, 2025 and 2024 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, 2025 and 2024 consisted of the following:

	<u>2025</u>	<u>2024</u>
<u>Current</u>		
Property Taxes	\$ 712,419	\$ 341,541
Tax Title Liens	<u>713</u>	<u>713</u>
	<u>\$ 713,132</u>	<u>\$ 342,254</u>

In 2025 and 2024, the Borough collected \$341,328 and \$200,564 from delinquent taxes, which represented 99% and 99%, respectively of the prior year delinquent taxes receivable balance.

**BOROUGH OF WOODCLIFF LAKE
NOTES TO FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2025 AND 2024**

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>2025</u>		<u>2024</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	\$ 19,354	\$ 474,700	\$ 461,975	\$ 93,431
Animal Control Trust Fund		18		1,055
Community Development Trust Fund		469		450
Other Trust Fund	474,700	13,905	93,431	34,619
General Capital Fund	-	4,962	-	425,851
	<u> </u>	<u> </u>	<u> </u>	<u> </u>
Total	<u>\$ 494,054</u>	<u>\$ 494,054</u>	<u>\$ 555,406</u>	<u>\$ 555,406</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>2025</u>			
Current Fund			
Special Emergency Authorizations (40A:4-55)	\$ 14,000	\$ 14,000	\$ -
	<u> </u>	<u> </u>	<u> </u>
	<u>\$ 14,000</u>	<u>\$ 14,000</u>	<u>\$ -</u>
 <u>2024</u>			
Current Fund			
Special Emergency Authorizations (40A:4-55)	\$ 28,000	\$ 14,000	\$ 14,000
	<u> </u>	<u> </u>	<u> </u>
	<u>\$ 28,000</u>	<u>\$ 14,000</u>	<u>\$ 14,000</u>

BOROUGH OF WOODCLIFF LAKE
NOTES TO FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2025 AND 2024

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:

	<u>2025</u>		<u>2024</u>	
	<u>Fund Balance December 31,</u>	<u>Utilized in Subsequent Year's Budget</u>	<u>Fund Balance December 31,</u>	<u>Utilized in Subsequent Year's Budget</u>
Current Fund				
Cash Surplus	\$ 4,260,804	\$ 2,675,000	\$ 4,049,497	\$ 2,380,000
Non-Cash Surplus	<u>197,712</u>	<u>-</u>	<u>207,764</u>	<u>-</u>
	<u>\$ 4,458,516</u>	<u>\$ 2,675,000</u>	<u>\$ 4,257,261</u>	<u>\$ 2,380,000</u>

The above fund balance amounts appropriated represents the surplus anticipated in the 2026 introduced municipal budget. The 2026 municipal budget has not been legally adopted as of the date of audit.

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, 2025 and 2024.

	<u>Balance December 31, 2024</u>	<u>Increase</u>	<u>Decrease</u>	<u>Balance, December 31, 2025</u>
<u>2025</u>				
Land	\$ 9,592,686			\$ 9,592,686
Land Improvements	1,264,011	\$ 3,851,432		5,115,443
Buildings and Building Improvement	6,676,508	34,723		6,711,231
Machinery and Equipment	<u>11,878,454</u>	<u>534,118</u>	<u>169,168</u>	<u>12,243,404</u>
	<u>\$ 29,411,659</u>	<u>\$ 4,420,273</u>	<u>\$ 169,168</u>	<u>\$ 33,662,764</u>
	<u>Balance December 31, 2023</u>	<u>Increase</u>	<u>Decrease</u>	<u>Balance, December 31, 2024</u>
<u>2024</u>				
Land	\$ 9,592,686			\$ 9,592,686
Land Improvements	234,817	\$ 1,029,194		1,264,011
Buildings and Building Improvement	6,079,409	597,099		6,676,508
Machinery and Equipment	<u>11,397,082</u>	<u>481,372</u>	<u>-</u>	<u>11,878,454</u>
	<u>\$ 27,303,994</u>	<u>\$ 2,107,665</u>	<u>\$ -</u>	<u>\$ 29,411,659</u>

**BOROUGH OF WOODCLIFF LAKE
NOTES TO FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2025 AND 2024**

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>2025</u>	<u>2024</u>
Issued		
General		
Bonds and Notes	\$ 14,185,000	\$ 15,181,000
Less Funds Temporarily Held to Pay Bonds	<u>354,318</u>	<u>424,494</u>
Net Debt Issued	13,830,682	14,756,506
Authorized But Not Issued		
General		
Bonds and Notes	<u>10,119,857</u>	<u>8,902,411</u>
Net Bonds and Notes Issued and Authorized But Not Issued	<u>\$ 23,950,539</u>	<u>\$ 23,658,917</u>

Statutory Net Debt

The statement of debt condition that follows is in the format of the Borough's Annual Debt Statement and indicates a statutory net debt of 0.877% and 0.902% at December 31, 2025 and 2024, respectively.

	<u>Gross Debt</u>	<u>Deductions</u>	<u>Net Debt</u>
<u>2025</u>			
General Debt	\$ 24,304,857	\$ 354,318	\$ 23,950,539
School Debt	<u>3,357,984</u>	<u>3,357,984</u>	<u>-</u>
Total	<u>\$ 27,662,841</u>	<u>\$ 3,712,302</u>	<u>\$ 23,950,539</u>
	<u>Gross Debt</u>	<u>Deductions</u>	<u>Net Debt</u>
<u>2024</u>			
General Debt	\$ 24,083,411	\$ 424,494	\$ 23,658,917
School Debt	<u>4,354,722</u>	<u>4,354,722</u>	<u>-</u>
Total	<u>\$ 28,438,133</u>	<u>\$ 4,779,216</u>	<u>\$ 23,658,917</u>

**BOROUGH OF WOODCLIFF LAKE
NOTES TO FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2025 AND 2024**

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>2025</u>	<u>2024</u>
3-1/2% of Equalized Valuation Basis (Municipal)	\$ 95,638,050	\$ 91,814,683
Less: Net Debt	<u>23,950,539</u>	<u>23,658,917</u>
Remaining Borrowing Power	<u>\$ 71,687,511</u>	<u>\$ 68,155,766</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>2025</u>	<u>2024</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>\$ 4,235,000</u>	<u>\$ 5,235,000</u>
	<u>\$ 4,235,000</u>	<u>\$ 5,235,000</u>

The Borough's principal and interest for long-term debt issued and outstanding as of December 31, 2025 is as follows:

<u>Calendar Year</u>	<u>General</u>		<u>Total</u>
	<u>Principal</u>	<u>Interest</u>	
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>\$ 4,235,000</u>	<u>\$ 214,100</u>	<u>\$ 4,449,100</u>

**BOROUGH OF WOODCLIFF LAKE
NOTES TO FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2025 AND 2024**

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, 2025 and 2024 were as follows:

	Balance, December 31, <u>2024</u>	<u>Additions</u>	<u>Reductions</u>	Balance, December 31, <u>2025</u>	Due Within <u>One Year</u>
<u>2025</u>					
General Capital Fund Bonds Payable	\$ 5,235,000	\$ -	\$ 1,000,000	\$ 4,235,000	\$ 1,025,000
	Balance, December 31, <u>2023</u>	<u>Additions</u>	<u>Reductions</u>	Balance, December 31, <u>2024</u>	Due Within <u>One Year</u>
<u>2024</u>					
General Capital Fund Bonds Payable	\$ 6,215,000	\$ -	\$ 980,000	\$ 5,235,000	\$ 1,000,000

B. Short-Term Debt

The Borough’s short-term debt activity for the years ended December 31, 2025 and 2024 was as follows:

Bond Anticipation Notes

<u>Purpose</u>	Rate (%)	Maturity Date	Balance December 31, <u>2024</u>	Renewed/ <u>Issued</u>	Retired/ <u>Redeemed</u>	Balance, December 31, <u>2025</u>
<u>2025</u>						
<u>General Capital Fund</u>						
Ord. 19-12 Acq. Parking Lot	4.00%	9/19/2025	\$ 217,000		\$ 217,000	
	3.75%	9/18/2026		\$ 214,253		\$ 214,253
Ord. 21-09 Various Improvements	4.00%	9/19/2025	2,689,000		2,689,000	-
	3.75%	9/18/2026		2,207,140		2,207,140
Ord. 22-08 Various Improvements	4.00%	9/19/2025	1,315,000		1,315,000	-
	3.75%	9/18/2026		1,245,201		1,245,201
Ord. 23-08/24-11 Various Impr for Storm Ida	4.00%	9/19/2025	2,000,000		2,000,000	-
	3.75%	9/18/2026		2,000,000		2,000,000
Ord. 23-10 Various Improvements	4.00%	9/19/2025	1,460,000		1,460,000	-
	3.75%	9/18/2026		1,460,000		1,460,000
Ord. 24-12 Tax Appeal Refunding	4.00%	9/19/2025	2,265,000	-	2,265,000	-
	3.75%	9/18/2026		2,075,000		2,075,000
Ord. 24-07 Construction of a Passive Park	3.75%	9/18/2026	-	748,406	-	748,406
Total General Capital Fund			<u>\$ 9,946,000</u>	<u>\$ 9,950,000</u>	<u>\$ 9,946,000</u>	<u>\$ 9,950,000</u>

**BOROUGH OF WOODCLIFF LAKE
NOTES TO FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2025 AND 2024**

NOTE 9 MUNICIPAL DEBT (Continued)

B. Short-Term Debt (Continued)

Bond Anticipation Notes (Continued)

<u>Purpose</u>	<u>Rate</u> (%)	<u>Maturity</u> <u>Date</u>	<u>Balance</u>		<u>Balance,</u>		
			<u>December 31,</u> <u>2023</u>	<u>Renewed/</u> <u>Issued</u>	<u>Retired/</u> <u>Redeemed</u>	<u>December 31,</u> <u>2024</u>	
2024							
<u>General Capital Fund</u>							
Ord. 19-12 Acq. Parking Lot	4.50%	9/20/2024	\$ 217,000		\$ 217,000		
	4.00%	9/19/2025		\$ 217,000		\$ 217,000	
Ord. 21-09 Various Improvements	4.50%	9/20/2024	2,689,000		2,689,000		-
	4.00%	9/19/2025		2,689,000			2,689,000
Ord. 22-08 Various Improvements	4.50%	9/20/2024	1,315,000		1,315,000		-
	4.00%	9/19/2025		1,315,000			1,315,000
Ord. 23-08/24-11 Various Impr for Storm Ida	4.50%	9/20/2024	2,000,000		2,000,000		-
	4.00%	9/19/2025		2,000,000			2,000,000
Ord. 23-10 Various Improvements	4.00%	9/19/2025		1,460,000			1,460,000
Ord. 24-12 Tax Appeal Refunding	4.00%	9/19/2025	-	2,265,000		-	2,265,000
Total General Capital Fund			<u>\$ 6,221,000</u>	<u>\$ 9,946,000</u>	<u>\$ 6,221,000</u>	<u>\$ 9,946,000</u>	

The purpose of these short-term borrowings was to provide resources for capital construction, acquisitions or 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 2025 and 2024 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.

**BOROUGH OF WOODCLIFF LAKE
NOTES TO FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2025 AND 2024**

NOTE 9 MUNICIPAL DEBT (Continued)

B. Short-Term Debt (Continued)

Emergency Notes (Continued)

2025

There are none.

2024

Emergency Notes

<u>Purpose</u>	<u>Rate (%)</u>	<u>Maturity Date</u>	Balance, December 31, <u>2023</u>	<u>Renewed/ Issued</u>	<u>Retired/ Redeemed</u>	Balance, December 31, <u>2024</u>
Tax Appeal	4.25%	9/20/24	1,020,000	\$ -	\$ 1,020,000	\$ -
Total Emergency Notes			<u>\$ 1,020,000</u>	<u>\$ -</u>	<u>\$ 1,020,000</u>	<u>\$ -</u>

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>2026</u>		
Fire Pumper	\$1,121,572	2026
Weirmus Lane Pumping Station	1,623,067	2026
Old Barn Site Improvement Project	553,796	2026
West Hill Road and Brookview Drive Roadway Improvements	618,836	2026
<u>2025</u>		
Fire Pumper	\$1,121,572	2026
Weirmus Lane Pumping Station	1,892,500	2026

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 \$602,119 and \$617,692 at December 31, 2025 and 2024, respectively. These amounts which are considered material to the financial statements, are not reported either as an expenditure or liability.

**BOROUGH OF WOODCLIFF LAKE
NOTES TO FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2025 AND 2024**

NOTE 11 OTHER LONG-TERM LIABILITIES (Continued)

A. Compensated Absences (Continued)

As of December 31, 2025 and 2024, the Borough has reserved in the Current Fund and Trust Fund \$306,464 and \$121,426, respectively to fund compensated absences in accordance with NJSA 40A:4-39.

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, 2025 and 2024 were as follows:

	Balance, December 31, <u>2024</u>	<u>Additions</u>	<u>Reductions</u>	Balance, December 31, <u>2025</u>	Due Within <u>One Year</u>
<u>2025</u>					
Compensated Absences *	\$ 617,692		\$ 15,573	\$ 602,119	
Net Pension Liability - PERS (1)	2,034,971			2,034,971	
Net Pension Liability - PFRS (1)	6,785,664			6,785,664	
Net OPEB Liability - BMED	<u>18,537,958</u>	<u>980,450</u>	<u>2,251,519</u>	<u>17,266,889</u>	<u>-</u>
Total Other Long-Term Liabilities	<u>\$ 27,976,285</u>	<u>\$ 980,450</u>	<u>\$ 2,267,092</u>	<u>\$ 26,689,643</u>	<u>\$ -</u>

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

* The change in compensated absences liability is presented as a net change.

	Balance, December 31, <u>2023</u>	<u>Additions</u>	<u>Reductions</u>	Balance, December 31, <u>2024</u>	Due Within <u>One Year</u>
<u>2024</u>					
Compensated Absences *	\$ 620,131		\$ 2,439	\$ 617,692	
Net Pension Liability - PERS	2,237,235	\$ 13,131	215,395	2,034,971	
Net Pension Liability - PFRS	7,223,866	432,158	870,360	6,785,664	
Net OPEB Liability - SHBP	10,528,288	-	10,528,288	-	
Net OPEB Liability (2) - BMED	<u>-</u>	<u>19,025,872</u>	<u>487,914</u>	<u>18,537,958</u>	<u>-</u>
Total Other Long-Term Liabilities	<u>\$ 20,609,520</u>	<u>\$ 19,471,161</u>	<u>\$ 12,104,396</u>	<u>\$ 27,976,285</u>	<u>\$ -</u>

(2) The Borough switched post-retirement health benefit providers from SHBP to BMED. The beginning balance utilized by the actuary was the December 31, 2022 SHBP recognized liability.

* The change in compensated absences liability is presented as a net change.

**BOROUGH OF WOODCLIFF LAKE
NOTES TO FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2025 AND 2024**

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.nj.gov/treasury/pensions/annualreports.

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.nj.gov/treasury/pensions/annual-reports.

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, 2025 AND 2024**

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, 2025 AND 2024**

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. Empower (formerly 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.nj.gov/treasury/doinvest.

Collective Net Pension Liability

The collective net pension liability of the participating employers for local PERS at June 30, 2025 was not available and for June 30, 2024 is \$13.7 billion, and the plan fiduciary net position as a percentage of the total pension liability is 68.22% at June 30, 2024. The collective net pension liability of the participating employers for local PFRS at June 30, 2025 was not available and for June 30, 2024 is \$12.4 billion and the plan fiduciary net position as a percentage of total pension liability is 72.66% at June 30, 2024.

The total pension liabilities for the June 30, 2024 measurement date were determined based on actuarial valuations as of July 1, 2023 which were rolled forward to June 30, 2024.

Actuarial Methods and Assumptions

In the July 1, 2023 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 2025 and 2024 based on 10.0% for PFRS, 7.50% for PERS and 5.50% for DCRP of employee's annual compensation.

For the years ended December 31, 2025 and 2024 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 2025, 2024 and 2023 were equal to the required contributions.

**BOROUGH OF WOODCLIFF LAKE
 NOTES TO FINANCIAL STATEMENTS
 YEARS ENDED DECEMBER 31, 2025 AND 2024**

NOTE 12 EMPLOYEE RETIREMENT SYSTEMS (Continued)

Employer and Employee Pension Contributions (Continued)

During the years ended December 31, 2025, 2024 and 2023, 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	PFRS	PERS	DCRP
2025	\$ 908,934	\$ 203,786	\$ 6,437
2024	870,360	215,395	6,060
2023	745,580	209,543	6,520

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 (benefit) 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, 2024 for the measurement date of June 30, 2025 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, 2025 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, 2024 and 2023. Employer allocation percentages have been rounded for presentation purposes. Contributions from employers are recognized when due, based on statutory requirements.

Public Employees Retirement System (PERS)

At December 31, 2024, the Borough reported a liability of \$2,034,971, for its proportionate share of the PERS net pension liability. The net pension liability was measured as of June 30, 2024, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of July 1, 2023. 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, 2024, the Borough’s proportionate share was 0.01504 percent, which was a decrease of 0.00040 percent from its proportionate share measured as of June 30, 2023 of 0.01544 percent.

**BOROUGH OF WOODCLIFF LAKE
 NOTES TO THE FINANCIAL STATEMENTS
 YEARS ENDED DECEMBER 31, 2025 AND 2024**

NOTE 12 EMPLOYEE RETIREMENT SYSTEMS (Continued)

Public Employees Retirement System (PERS) (Continued)

For the year ended December 31, 2024, the pension system has determined the Borough’s pension (benefit) to be (\$113,029), for PERS based on the actuarial valuations which is less than the actual contributions reported in the Borough’s financial statements of \$215,395. At December 31, 2024, 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:

	2024	
	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Difference Between Expected and Actual Experience	\$ 40,764	\$ 5,418
Changes of Assumptions	2,528	23,153
Net Difference Between Projected and Actual Earnings on Pension Plan Investments		94,356
Changes in Proportion and Differences Between Borough Contributions and Proportionate Share of Contributions	-	346,346
Total	<u>\$ 43,292</u>	<u>\$ 469,273</u>

At December 31, 2024 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:

<u>Year Ending December 31,</u>	<u>Total</u>
2025	\$ (244,214)
2026	(30,499)
2027	(109,090)
2028	(41,687)
2029	(491)
Thereafter	-
	<u>\$ (425,981)</u>

**BOROUGH OF WOODCLIFF LAKE
 NOTES TO THE FINANCIAL STATEMENTS
 YEARS ENDED DECEMBER 31, 2025 AND 2024**

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, 2024 was based on the June 30, 2024 measurement date as determined by an actuarial valuation as of July 1, 2023, which was rolled forward to June 30, 2024. This actuarial valuation used the following actuarial assumptions, applied to all periods in the measurement date:

	<u>2024</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, 2023 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, 2025 AND 2024**

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, 2024) 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, 2024, as reported for the year ended December 31, 2024, are summarized in the following table:

<u>Asset Class</u>	<u>2024</u>	
	<u>Target Allocation</u>	<u>Long-Term Expected Real Rate of Return</u>
Risk Mitigation Strategies	3.00%	7.10%
Cash Equivalents	2.00%	3.57%
U.S. Treasuries	4.00%	3.57%
Investment Grade Credit	7.00%	5.37%
US Equity	28.00%	8.63%
Non-US Developed Markets Equity	12.75%	8.85%
International Small Cap Equity	1.25%	8.85%
Emerging Markets Equity	5.50%	10.66%
High Yield	4.50%	6.74%
Real Assets	3.00%	8.20%
Private Credit	8.00%	8.90%
Real Estate	8.00%	10.95%
Private Equity	13.00%	12.40%

Discount Rate

The discount rate used to measure the total pension liability for PERS was 7.00% as of June 30, 2024. 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, 2025 AND 2024**

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, 2024 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>2024</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>\$ 2,703,976</u>	<u>\$ 2,034,971</u>	<u>\$ 1,465,651</u>

The sensitivity analysis was based on the proportionate share of the Borough's net pension liability at December 31, 2024. 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.nj.gov/treasury/pensions.

Police and Firemen's Retirement System (PFRS)

At December 31, 2024, the Borough reported a liability of \$6,785,664, for its proportionate share of the PFRS net pension liability. The net pension liability was measured as of June 30, 2024, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of July 1, 2023. 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, 2024, the Borough's proportionate share was 0.06571 percent, which was an increase of 0.00839 percent from its proportionate share measured as of June 30, 2023 of 0.05732 percent.

**BOROUGH OF WOODCLIFF LAKE
NOTES TO THE FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2025 AND 2024**

NOTE 12 EMPLOYEE RETIREMENT SYSTEMS (Continued)

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

For the years ended December 31, 2024, the pension system has determined the Borough pension expense to be \$522,143, for PFRS based on the actuarial valuations which is less than the actual contributions reported in the Borough’s financial statements of \$870,360. At December 31, 2024, 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>2024</u>	
	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Difference Between Expected and Actual Experience	\$ 427,492	\$ 232,303
Changes of Assumptions	10,727	199,284
Net Difference Between Projected and Actual Earnings on Pension Plan Investments		53,110
Changes in Proportion and Differences Between Borough Contributions and Proportionate Share of Contributions	<u>989,837</u>	<u>626,094</u>
Total	<u>\$ 1,428,056</u>	<u>\$ 1,110,791</u>

At December 31, 2024 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:

<u>Year Ending December 31,</u>	<u>Total</u>
2025	(207,049)
2026	465,712
2027	(80,334)
2028	66,394
2029	68,516
Thereafter	<u>4,026</u>
	<u>\$ 317,265</u>

**BOROUGH OF WOODCLIFF LAKE
 NOTES TO THE FINANCIAL STATEMENTS
 YEARS ENDED DECEMBER 31, 2025 AND 2024**

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, 2024 was based on the June 30, 2024 measurement date as determined by an actuarial valuation as of July 1, 2023, which was rolled forward to June 30, 2024. This actuarial valuation used the following actuarial assumptions, applied to all periods in the measurement date:

	<u>2024</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 Pub-2010 (safety employee) amount-weighted mortality table (sex specific) projected generationally from 2010 with Scale MP-2021 mortality projection. For healthy annuitants, mortality rates were based on the Pub-2010 Safety Retiree Below Median amount-weighted mortality (sex specific) projected generationally from 2010 with Scale MP-2021 mortality projection. Disability rates were 144% of the Pub-2010 Safety Disabled Retiree amount-weighted mortality table for males and 100% of the Pub-2010 Safety Disabled Retiree amount – weighted mortality table for females, projected generationally from 2010 with Scale MP-2021 mortality projection.

The actuarial assumptions used in the July 1, 2023 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, 2025 AND 2024**

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, 2024) 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, 2024, as reported for the year ended December 31, 2024, are summarized in the following table:

<u>Asset Class</u>	<u>2024</u>	
	<u>Target Allocation</u>	<u>Long-Term Expected Real Rate of Return</u>
U.S. Large Cap Equity	24.00%	6.90%
U.S. Small/Mid Cap Equity	4.00%	7.40%
Cash Equivalents	2.00%	3.40%
U.S. Treasury Bond	7.00%	4.10%
Non-US Developed Large-Cap Equity	9.50%	6.70%
Non-US Developed Small Cap Equity	2.00%	7.50%
Emerging Markets Small Cap Equity	1.50%	9.60%
U.S. Corporate Bond	5.00%	5.90%
U.S. Mortgage-Backed Securities	5.00%	4.40%
Global Multisector Fixed Income	6.00%	6.50%
Private Debit/Credit	8.00%	9.10%
Real Estate Core	3.00%	5.10%
Real Estate Non-Core	4.00%	6.50%
Infrastructure	3.00%	7.00%
Private Equity	10.00%	10.00%

Discount Rate

The discount rate used to measure the total pension liability for PFRS was 7.00% as of June 30, 2024. 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, 2025 AND 2024**

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, 2024 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>2024</u>	<u>1% Decrease (6.00%)</u>	<u>Current Discount Rate (7.00%)</u>	<u>1% Increase (8.00%)</u>
Borough's Proportionate Share of the PFRS Net Pension Liability	\$ <u>9,695,204</u>	\$ <u>6,785,664</u>	\$ <u>4,362,655</u>

The sensitivity analysis was based on the proportionate share of the Borough’s net pension liability at December 31, 2024. 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, 2024, the State’s proportionate share of the net pension liability attributable to the Borough for the PFRS special funding situation is \$1,337,779. For the year ended December 31, 2024, 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 \$153,901, which is the same as the actual contributions the State made on behalf of the Borough of \$153,901. At December 31, 2024 (measurement date June 30, 2024) the State’s share of the PFRS net pension liability attributable to the Borough’s proportionate share was 0.06571 percent, which was an increase of 0.00839 percent from its proportionate share measured as of June 30, 2023 of 0.05732 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 in 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 FINANCIAL STATEMENTS
 YEARS ENDED DECEMBER 31, 2025 AND 2024**

NOTE 13 POST-RETIREMENT MEDICAL BENEFITS

Private Health Benefit Plans for 2025

Plan Description

The Borough provides a postemployment healthcare plan (OPEB) for its eligible retirees and their spouses. The plan is a single-employer defined benefit healthcare plan administered by the Bergen Municipal Employee Benefits Fund on behalf of the Borough. In accordance with Borough ordinances, contracts and/or policies, the Borough can amend the benefit terms and financing requirements of the plan. No assets are accumulated in a trust that meets the criteria in paragraph 4 of GASB Statement No.75, *Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions*.

Benefits Provided

The Borough provides postretirement healthcare insurance benefits for retirees and their dependents who meet certain eligibility requirements. The Police Chief and Police Captain are eligible for lifetime employer provided post retirement health coverage for themselves and dependents, but must retire by end of year 2029 to qualify. PBA members who have at least 25 years of service with the Borough at the time of retirement are eligible for lifetime employer provided post retirement health coverage, but shall contribute a percentage of their pension monthly benefit determined by the level of coverage. The Borough Clerk is eligible for health coverage through age 65 then eligible to receive a \$5,000 per year stipend toward Medicare coverage. The Borough does not provide any spouse survivor post-retirement benefits.

Employees Covered by Postemployment Benefits

At December 31, 2025 and 2024, the following employees were covered by postemployment health care benefits:

	<u>2025</u>	<u>2024</u>
Active Employees	39	34
Inactive Employees or Beneficiaries Currently Receiving Benefits	42	42
Inactive Employees Entitles to But Not Yet Receiving Benefits	<u>5</u>	<u>5</u>
	<u>86</u>	<u>81</u>

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

At December 31, 2025 and 2024, the Borough’s total OPEB liabilities were \$17,266,889 and \$18,537,958, respectively. Net OPEB liability was measured as of December 31, 2025 and 2024, respectively, and the OPEB liability was determined by an actuarial valuation as of those dates.

**BOROUGH OF WOODCLIFF LAKE
NOTES TO FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2025 AND 2024**

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)

For the years ended December 31, 2025 and 2024, the Borough has determined it's OPEB expense to be \$1,348,485 and \$1,145,025, respectively, based on the actuarial valuations which are more than the actual contributions reported in the Borough's financial statements of \$699,656 and \$524,329, respectively. At December 31, 2025 and 2024, 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>2025</u>		<u>2024</u>	
	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Changes of Assumptions	\$ 7,147,809	\$ 1,339,883	\$ 8,028,189	
Subtotals Based on Prior Valuations		270,061		
Contributions made Subsequent to the Measurement Date	-	-	-	\$ 628,890
Total	<u>\$ 7,147,809</u>	<u>\$ 1,609,944</u>	<u>\$ 8,028,189</u>	<u>\$ 628,890</u>

At December 31, 2025 the amounts reported as deferred outflows of resources and deferred inflows of resources related to the OPEB plan will be recognized in OPEB expense as follows:

<u>Year Ending December 31,</u>	<u>Total</u>
2026	\$ 475,375
2027	1,227,941
2028	207,215
2029	726,864
2030	726,864
Thereafter	<u>2,173,606</u>
	<u>\$ 5,537,865</u>

**BOROUGH OF WOODCLIFF LAKE
 NOTES TO FINANCIAL STATEMENTS
 YEARS ENDED DECEMBER 31, 2025 AND 2024**

NOTE 13 POST-RETIREMENT MEDICAL BENEFITS (Continued)

Actuarial Assumptions

The Borough’s total OPEB liability reported for the year ended December 31, 2025 was based on the December 31, 2025 measurement date as determined by an actuarial valuation as of December 31, 2025. The Borough’s total OPEB liability reported for the year ended December 31, 2024 was based on the December 31, 2024 measurement date as determined by an actuarial valuation as of December 31, 2024. This actuarial valuation used the following actuarial assumptions, applied to all periods in the measurement date:

<i>Mortality</i>	<i>PUB 2010 “General” classification headcount weighted mortality with generational improvement using Scale MP-2021</i>
<i>Turnover</i>	<i>NJ State Pensions Ultimate Withdrawal Rates- prior to benefits eligibility</i>
<i>Assumed Retirement Age</i>	<i>Attainment of 25 years of service</i>
<i>Full Attribution Period</i>	<i>Service to Assumed Retirement Age</i>
<i>Annual Discount Rate</i>	<i>4.83% Based on the Bond Buyer 20 Index as of December 31, 2025 4.08% Based on the Bond Buyer 20 Index as of December 31, 2024</i>
<i>CPI Increase</i>	<i>2.5%</i>
<i>Rate of Salary Increase</i>	<i>2.5%</i>
<i>Medical Trend</i>	<i>2025 Medical: 7.5% in 2025, reducing by 0.50% per annum through 2029, then 0.25% per annum, leveling at 4.5% per annum in 2033 Prescription Drug: 12.75% in 2025, 12.25% in 2026, 11.25% in 2027, 10% in 2028, reducing by 1.00% per annum, leveling at 4.5% per annum in 2034 Medicare Advantage: 4.5% per annum Dental and Vision: 3.5% per annum 2024 Medical: 6.5% in 2024, reducing by 0.25% per annum, leveling at 4.5% per annum in 2032 Drug: 14.0% in 2024, 10.0% in 2025, 7.5% in 2026, reducing by .75% per annum, leveling at 4.5% per annum in 2030 Medicare Advantage: 4.5% per annum Dental and Vision: 3.5% per annum</i>
<i>Medical Cost Aging Factor</i>	<i>NJ SHBP Medical Morbidity Rates</i>

- Attribution period – The attribution period begins with the date of hire and ends with full benefits eligibility date.
- Per capita cost methods – The valuation reflects per capita net premium costs based on actual 2024 and the plan option selected. Plan selections are assumed to remain unchanged in retirement. The age specific cost was derived based on per person costs at the average age of the active population (40) and scaled to each age based on the medical cost aging factors. At age 65, Medicare becomes the primary payor of medical benefits and is assumed to cover 66.7% of costs. Beyond age 65 aging factors are no longer applied.
- Retiree Contributions – NJ Chapter 78 requires that certain future retirees contribute toward the cost of their benefits. Specifically, those who had retired prior to passage of Chapter 78 and those employees that had more than 25 years of service on the date of passage are grandfathered. All others are subject to the contribution rates in effect when they retire, but not less than 1.5% of their annual retirement allowance from the Public Employees Retirement System. For purposes of this valuation and for conservatism, we have assumed that future retiree contributions percentage rates will not increase. Thus, we assumed that a future retiree will contribute his/her current employee contribution as reported by The Borough increased annually by the rate of medical trend.
- Actuarial valuation method – Entry Age Normal Funding Method based on a level percentage of salary. 2025 payroll is \$4.311 million and 2024 payroll is \$3.983 million.

**BOROUGH OF WOODCLIFF LAKE
NOTES TO FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2025 AND 2024**

NOTE 13 POST-RETIREMENT MEDICAL BENEFITS (Continued)

Changes in the Total OPEB Liability

The change in the Borough’s OPEB liability for the year ended December 31, 2025 and 2024 based on measurement dates of December 31, 2025 and 2024, respectively, as follows:

	Total OPEB Liability 2025	Total OPEB Liability 2024
	<u> </u>	<u> </u>
Balance - Beginning of Year	\$ 18,537,958	\$ 9,575,418
Changes for the Year:		
Service Cost	230,176	230,176
Interest on the Total OPEB Liability	750,274	311,709
Changes of Benefit Terms		
Differences Between Expected and Actual Experience		
Changes in Assumptions	(1,493,399)	8,908,569
Benefit Payments	<u>(758,120)</u>	<u>(487,914)</u>
Net Changes	<u>(1,271,069)</u>	<u>8,962,540</u>
Balance - End of Year	<u>\$ 17,266,889</u>	<u>\$ 18,537,958</u>

Changes of assumptions for 2025 reflect a change in the discount rate from 4.08 percent in 2024 to 4.83 percent in 2025. Changes of assumptions for 2024 reflect a change in the discount rate from 3.26 percent in 2023 to 4.08 percent in 2024.

**BOROUGH OF WOODCLIFF LAKE
NOTES TO FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2025 AND 2024**

NOTE 13 POST-RETIREMENT MEDICAL BENEFITS (Continued)

Sensitivity of Net OPEB Liability to Changes in the Discount Rate

The following presents the Borough's net OPEB liability as of December 31, 2025 and 2024 calculated using the discount rate of 4.83% and 4.08%, respectively, as well as what the Borough's net OPEB liability would be if it were calculated using a discount rate that is 1-percentage-point lower 3.83% and 3.08%, respectively or 1-percentage-point higher 5.83% and 5.08%, respectively than the current rate:

	1% Decrease <u>(3.83%)</u>	Current Discount Rate <u>(4.83%)</u>	1% Increase <u>(5.83%)</u>
<u>2025</u>			
Net OPEB Liability	<u>\$ 18,793,302</u>	<u>\$ 17,266,889</u>	<u>\$ 15,997,425</u>
	1% Decrease <u>(3.08%)</u>	Current Discount Rate <u>(4.08%)</u>	1% Increase <u>(5.08%)</u>
<u>2024</u>			
Net OPEB Liability	<u>\$ 20,354,413</u>	<u>\$ 18,537,958</u>	<u>\$ 17,035,137</u>

The following presents the Borough's net OPEB liability as of December 31, 2025 and 2024 calculated using the healthcare trend rates as disclosed above as well as what the Borough's 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:

	1% Decrease	Healthcare Cost Trend Rates	1% Increase
<u>2025</u>			
Net OPEB Liability	<u>\$ 16,225,804</u>	<u>\$ 17,266,889</u>	<u>\$ 18,544,761</u>
	1% Decrease	Healthcare Cost Trend Rates	1% Increase
<u>2024</u>			
Net OPEB Liability	<u>\$ 17,451,050</u>	<u>\$ 18,537,958</u>	<u>\$ 19,814,485</u>

**BOROUGH OF WOODCLIFF LAKE
 NOTES TO FINANCIAL STATEMENTS
 YEARS ENDED DECEMBER 31, 2025 AND 2024**

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</u> <u>December 31</u>	<u>Borough</u> <u>Contributions</u>	<u>Employee</u> <u>Contributions</u>	<u>Amount</u> <u>Reimbursed</u>	<u>Ending</u> <u>Balance</u>
2025		\$ 9,428	\$ 19,424	\$ 30,925
2024		9,551	13,244	39,233
2023	\$ 2,000	6,103	10,254	40,609

**BOROUGH OF WOODCLIFF LAKE
NOTES TO FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2025 AND 2024**

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, 2025 and 2024. 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, 2025 and 2024, the Borough reserved \$717,636 and \$495,756, 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, 2025 and 2024, 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, 2025 and 2024, 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.

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.

**BOROUGH OF WOODCLIFF LAKE
NOTES TO FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2025 AND 2024**

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

The Borough of Woodcliff Lake has contributed \$2,032 and \$1,965 for 2025 and 2024, respectively, for each eligible volunteer fire department member into the Plan. The total Borough contributions were \$54,861 and \$53,058 for 2025 and 2024, respectively. In addition, the Boroughs of Woodcliff Lake, Park Ridge and Montvale contributed a one-third (1/3) share each of \$1,840 and \$1,840 for 2025 and 2024, respectively, for each Tri-boro Ambulance Corp. member into the plan. The total Borough contributions were \$12,267 and \$10,427 for 2025 and 2024, 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, 2025 and 2024, 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, 2025 and 2024 the Borough abated property taxes totaling \$0 and \$75,350, respectively, under the NJHMFA program. The Borough received \$0 and \$17,760 in PILOT payments under this program for the years ended December 31, 2025 and 2024. The Borough entered into a new PILOT agreement with RW Woodcliff Lake Urban Renewal, LLC in December 2025. As part of the agreement the developer has agreed to make approximately \$4.5 million in Community Benefit Payments to the Borough during construction commencing in 2026 through 2030.

SUPPLEMENTARY SCHEDULES

CURRENT FUND

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

Balance, January 1, 2025		\$ 7,804,593
Increased by Receipts:		
Current Taxes Receivable	\$ 52,218,002	
Receipts from Delinquent Taxes	341,328	
Tax Overpayments	15,646	
Non-Budget Revenue	566,912	
State of NJ - Senior Citizens' and Veterans' Deductions	17,100	
Revenue Accounts Receivable	1,549,552	
Construction Training Fees	15,632	
Prepaid Taxes	260,693	
Grants Receivable	93,486	
Reserve for Tax Sale Premium	181,600	
Marriage License Fees	425	
Unappropriated Grant Reserve	26,114	
Other Trust Fund/Receipts Deposit in Current Fund	36,227	
Receipts from General Capital Fund	597,737	
Receipts from Other Trust Fund	27,903	
Receipts from Animal Control Trust Fund	1,305	
Petty Cash	1,000	
	55,950,662	
		63,755,255
Decreased by Disbursements:		
2025 Budget Appropriations	14,551,887	
2024 Appropriation Reserves	420,367	
Construction Training Fees	16,676	
Marriage License Fees	450	
Regional High School Tax	14,568,469	
County Tax	6,018,466	
Local District School Tax	19,486,843	
Tax Overpayments	2,988	
Appropriated Grants Reserve	45,655	
Reserve for Tax Appeals	154,393	
Petty Cash	1,000	
Refund of Prior Year Revenue	1,650	
Payments to Other Trust Fund	86,765	
Payments to Open Space Trust Fund	243,538	
	55,599,147	
Balance, December 31, 2025		\$ 8,156,108

**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, 2025	\$ <u>250</u>
Balance, December 31, 2025	\$ <u>250</u>

EXHIBIT A-7

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

Balance, January 1, 2025		\$ 9,916
Increased by:		
Cash Received from State of New Jersey		<u>17,100</u>
		27,016
Decreased by:		
Senior Citizens' Deductions Per Tax Billings	\$ 500	
Veterans' Deductions Per Tax Billings	<u>17,000</u>	
		<u>17,500</u>
Balance, December 31, 2025		\$ <u>9,516</u>

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

<u>Year</u>	<u>Balance, January 1, 2024</u>	<u>2025 Levy</u>	<u>Added Taxes</u>	<u>Senior Citizens' and Veterans' Deductions Disallowed</u>	<u>Collections</u>		<u>Senior Citizens' and Veterans' Deductions Allowed</u>	<u>Transferred to Tax Title Lien</u>	<u>Taxes Cancelled Remitted or Abated</u>	<u>Balance, December 31, 2025</u>
2023	\$ 15				\$	15				
2024	341,526					341,313				\$ 213
2025	-	\$ 53,209,841	\$ 33,328	\$ -	\$ 264,218	52,218,002	\$ 17,500	\$ -	\$ 31,243	712,206
	<u>\$ 341,541</u>	<u>\$ 53,209,841</u>	<u>\$ 33,328</u>	<u>\$ -</u>	<u>\$ 264,218</u>	<u>\$ 52,559,330</u>	<u>\$ 17,500</u>	<u>\$ -</u>	<u>\$ 31,243</u>	<u>\$ 712,419</u>

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TAX YIELD

General Property Tax	
Real Property Tax	\$ 53,209,841
Added Taxes (54:4-63.1 et seq.)	33,328
	<u>\$ 53,243,169</u>

TAX LEVY

Local District School Tax (Abstract)	\$ 19,486,843
Regional School Tax (Abstract)	14,580,235
County Taxes (Abstract)	5,749,804
County Open Space Taxes	260,482
Municipal Open Space Taxes	243,400
Due County for Added Taxes (54:4-63.1)	3,778
Municipal Open Space Added Taxes (54:4-63.1)	<u>138</u>
	\$ 40,324,680
Local Tax for Municipal Purposes	12,882,756
Add Additional Tax Levied	<u>35,733</u>
	<u>\$ 12,918,489</u>
	<u>\$ 53,243,169</u>

BOROUGH OF WOODCLIFF LAKE
STATEMENT OF REVENUE ACCOUNTS RECEIVABLE

	Balance, January 1, <u>2025</u>	<u>Accrued</u>	<u>Collected</u>	Balance, December 31, <u>2025</u>
Borough Clerk				
Licenses				
Alcoholic Beverage Licenses		\$ 1,305	\$ 1,305	
Other Licenses		725	725	
Fees and Permits		553	553	
Collector-Treasurer				
Fees and Permits		19,470	19,470	
Construction Code Official				
Building Permits and Fees		245,983	245,983	
Building Department				
Fees and Permits		5,500	5,500	
Planning and Zoning				
Fees and Permits		16,650	16,650	
Fire Prevention				
Miscellaneous Fees and Permits		82,651	82,651	
Police				
Fees and Permits		6,946	6,946	
Board of Health				
Fees and Permits		11,241	11,241	
Municipal Court				
Fines and Costs		67,723	67,723	
Uniform Fire Safety Act- LEA		13,226	13,226	
Interest and Cost on Taxes		91,256	91,256	
Watershed Moratorium Aid		11,186	11,186	
Energy Receipts Tax		515,463	515,463	
Verizon Franchise Fees		43,024	43,024	
Park Receipts		335,917	335,917	
Upper Saddle River Sewer Charges		20,935	20,935	
Cablevision Fees		48,608	48,608	
Dept. of Public Works Recyclables	-	11,190	11,190	-
	<u>\$ -</u>	<u>\$ 1,549,552</u>	<u>\$ 1,549,552</u>	<u>\$ -</u>
Cash Receipts			<u>\$ 1,549,552</u>	

BOROUGH OF WOODCLIFF LAKE
STATEMENT OF 2024 APPROPRIATION RESERVES

	Balance, December 31, <u>2024</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	\$ 17,030		\$ 17,030			\$ 17,030
Municipal Clerk	4,772		4,772			4,772
Financial Administration	13,337		13,337			13,337
Revenue Administration	6,905		6,905			6,905
Tax Assessment Administration	3,472		3,472			3,472
Planning Board	19,475		19,475			19,475
Police	75,611		75,611	\$ (102,841)	\$ 50,000	128,452
Emergency Management Services	3,172		3,172			3,172
Aid to Volunteer Fire Companies	3,000		3,000			3,000
Fire Prevention Bureau	4,419		4,419			4,419
Road Repairs and Maintenance	63,796		63,796		35,632	28,164
Solid Waste Collection	22,921		22,921			22,921
Public Buildings and Grounds	3,474		3,474			3,474
Recreation Services and Programs	28,515		28,515	(795)		29,310
Uniform Construction Code	35,060		35,060			35,060
Sewer Processing and Disposal	6,938	-	6,938	-	-	6,938
Total Salaries and Wages	<u>311,897</u>	<u>-</u>	<u>311,897</u>	<u>(103,636)</u>	<u>85,632</u>	<u>329,901</u>
Other Expenses						
General Administration	5,294	\$ 8,918	14,212	12,984		1,228
Mayor & Council	3,577		3,577	310		3,267
Municipal Clerk	10,145	1,760	11,905	6,165		5,740
Financial Administration	20,615	1,209	21,824	6,751		15,073
Audit Services	67,406		67,406	47,800		19,606
Information Technology	11,493		11,493			11,493
Revenue Administration	9,027	1,500	10,527	1,500		9,027
Assessment of Taxes	59,002	6,450	65,452	10,671		54,781
Legal Services and Costs	8,059	1,162	9,221	1,945		7,276
Engineering Service and Costs	38,145	45,123	83,268	18,023		65,245
Planning Board	49,388	558	49,946	816		49,130
General Liability	72,846		72,846	54,779		18,067
Workers Compensation	63,520		63,520	49,016		14,504
Employee Group Health	131,652		131,652	(10,386)		142,038
Health Benefit Waiver	6,696		6,696	5,232		1,464

BOROUGH OF WOODCLIFF LAKE
STATEMENT OF 2024 APPROPRIATION RESERVES

	Balance, December 31, <u>2023</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	\$ 2,625	\$ 35,192	\$ 37,817	\$ 34,164		\$ 3,653
Police Dispatch/911	12,880	6,522	19,402	6,522		12,880
Emergency Management Services	13,909		13,909			13,909
Aid to Volunteer Fire Companies	13,901	30,682	44,583	31,367		13,216
Aid to Volunteer Ambulance Companies	10,000		10,000			10,000
Fire Hydrant Services	6,402		6,402			6,402
Fire Prevention Bureau	2,950		2,950	250		2,700
Road Repairs and Maintenance	54,863	42,915	97,778	33,410	\$ 64,368	-
Shade Tree Commission	10,956	50	11,006	50		10,956
Solid Waste Collection	19,543	25,886	45,429	21,635		23,794
Public Buildings and Grounds	29,064	19,501	48,565	26,898		21,667
Vehicle Maintenance	35,177	7,116	42,293	15,841		26,452
Board of Health	2,343	675	3,018	825		2,193
Animal Control	4,000		4,000			4,000
Recreation Services and Programs	55,905	7,978	63,883	25,279		38,604
Maintenance of Parks	4,778	2,663	7,441	1,050		6,391
Library Membership	4,700	175	4,875	2,450		2,425
Celebration of Public Events	3,754	60	3,814	80		3,734
Uniform Construction Code	1,604	1,584	3,188	2,634		554
Electricity	22,381		22,381	13,191		9,190
Street Lighting	11,430		11,430	11,430		-
Telephone	4,734		4,734	119		4,615
Water	5,979		5,979			5,979
Gasoline	60,599		60,599	4,666		55,933
Sewer Processing and Disposal	61,151	8,578	69,729	7,023		62,706
Sanitary Landfill Dump Fees	29,686		29,686	15,715		13,971
Share Costs Sewer Charges - Operating Costs	2,248		2,248			2,248
Borough of Montvale - Sewer Charges	3,621		3,621			3,621
Borough of Hillsdale - Sewer Charges	3,689		3,689			3,689
Social Security System (O.A.S.I)	8,821		8,821	(4,929)		13,750
Public Employees Retirement System of N.J.	1,605		1,605			1,605
Police and Firemen's Retirement System of NJ	640		640			640
Defined Contribution Retirement Program	2,940		2,940			2,940

BOROUGH OF WOODCLIFF LAKE
STATEMENT OF 2024 APPROPRIATION RESERVES

	Balance, December 31, <u>2023</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)						
LOSAP- Ambulance Corp.	\$ 16,000		\$ 16,000	\$ 10,427		\$ 5,573
LOSAP- Fire Department	64,940		64,940	53,058		11,882
Recycling Tax	18,000		18,000			18,000
Reserve for Tax Appeals	176,273		176,273		\$ 176,273	-
Municipal Court (Tri-Boro)	31,033		31,033	17,973		13,060
Municipal Alliance-Local Matching Funds	1,005		1,005	300	705	-
Body Armor Fund	1,780		1,780	-	1,780	-
Federal Bulletproof Vest	2,011	-	2,011	-	2,011	-
	<u>1,376,785</u>	<u>\$ 256,257</u>	<u>1,633,042</u>	<u>537,034</u>	<u>245,137</u>	<u>850,871</u>
Total Other Expenses						
	<u>\$ 1,688,682</u>	<u>\$ 256,257</u>	<u>\$ 1,944,939</u>	<u>\$ 433,398</u>	<u>\$ 330,769</u>	<u>\$ 1,180,772</u>
Appropriation Reserves			\$ 1,688,682			
Encumbrances Payable Restored to Appropriation Reserves			<u>256,257</u>			
			<u>\$ 1,944,939</u>			
Transfer to Accounts Payable				\$ 13,031		
Reimbursements				(123,845)		
Cash Disbursements				<u>544,212</u>		
				<u>\$ 433,398</u>		
Transfer to Reserve for Terminal Leave					\$ 50,000	
Transfer to Reserve for Tax Appeals					176,273	
Transfer to Storm Recovery Trust					100,000	
Transfer to Appropriated Reserves					<u>4,496</u>	
					<u>\$ 330,769</u>	

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

Balance, January 1, 2025	\$ 5,154
Increased by :	
Transfer from 2024 Appropriation Reserves	<u>13,031</u>
Balance, December 31, 2025	<u>\$ 18,185</u>

EXHIBIT A-12

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

Balance, January 1, 2025	\$ 4,269
Increased by:	
Collections	<u>15,632</u>
	19,901
Decreased by:	
Payments	<u>16,676</u>
Balance, December 31, 2025	<u>\$ 3,225</u>

EXHIBIT A-13

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

Balance, January 1, 2025	\$ -
Increased by:	
Collections	<u>425</u>
	425
Decreased by:	
Payments	<u>450</u>
Balance, December 31, 2025	<u>\$ (25)</u>

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

Balance, January 1, 2025		\$ 495,756
Increased by:		
Transfer from Current Tax Collections	\$ 200,000	
Transfer from Appropriation Reserve	<u>176,273</u>	
		<u>376,273</u>
		872,029
Decreased by:		
Cash Paid to Appellants		<u>154,393</u>
Balance, December 31, 2025		<u>\$ 717,636</u>

EXHIBIT A-15

STATEMENT OF PREPAID TAXES

Balance, January 1, 2025		\$ 264,218
Increased by:		
Collection of 2026 Taxes		<u>260,693</u>
		524,911
Decreased by:		
Applied to 2025 Taxes		<u>264,218</u>
Balance, December 31, 2025		<u>\$ 260,693</u>

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

Balance, January 1, 2025	\$ 16,817
Increased by:	
Cash Receipts	<u>15,647</u>
	32,464
Decreased by:	
Cash Disbursements	<u>2,988</u>
Balance, December 31, 2025	<u>\$ 29,476</u>

STATEMENT OF REGIONAL HIGH SCHOOL TAX PAYABLE

Balance, January 1, 2025	\$ 250,887
Increased by:	
Levy - Calendar Year	<u>14,580,235</u>
	14,831,122
Decreased by:	
Payments	<u>14,568,469</u>
Balance, December 31, 2025	<u>\$ 262,653</u>

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

Balance, January 1, 2025		\$ 8,180
Increased by:		
2025 Levy	\$ 5,749,804	
Open Space Preservation	260,482	
Added Taxes (54:4-63.1 et seq.)	<u>3,778</u>	
		<u>6,014,064</u>
		6,022,244
Decreased by:		
Payments		<u>6,018,466</u>
Balance, December 31, 2025		<u><u>\$ 3,778</u></u>

STATEMENT OF ENCUMBRANCES PAYABLE

Balance, January 1, 2025		\$ 256,257
Increased by:		
Charges to 2025 Appropriations		<u>278,172</u>
		534,429
Decreased by:		
Transferred to Appropriation Reserves		<u>256,257</u>
Balance, December 31, 2025		<u><u>\$ 278,172</u></u>

BOROUGH OF WOODCLIFF LAKE
STATEMENT OF LOCAL DISTRICT SCHOOL TAX PAYABLE

Increased by:	
Levy - Calendar Year	<u>\$ 19,486,843</u>
	19,486,843
Decreased by:	
Payments	<u>19,486,843</u>
Balance, December 31, 2025	<u>\$ -</u>

EXHIBIT A-21

STATEMENT OF UNAPPROPRIATED RESERVES

	Balance, January 1, <u>2025</u>	Cash <u>Receipts</u>	Anticipated 2025 <u>Budget</u>	Balance, December 31, <u>2025</u>
Alcohol Education	\$ 368	\$ 206	\$ 368	\$ 206
Federal Bulletproof Vest		4,181		4,181
Body Armor	1,909	-	1,909	-
JIF Safety Award Program	1,750	1,750	1,750	1,750
Stormwater Assistance Grant	15,000	-	15,000	-
Clean Communities	<u>20,142</u>	<u>19,977</u>	<u>20,142</u>	<u>19,977</u>
	<u>\$ 39,169</u>	<u>\$ 26,114</u>	<u>\$ 39,169</u>	<u>\$ 26,114</u>

BOROUGH OF WOODCLIFF LAKE
STATEMENT OF APPROPRIATED GRANT RESERVES

	Balance, January 1, <u>2025</u>	Transferred from 2024 Appropriation <u>Reserves</u>	<u>Expended</u>	Balance, December 31, <u>2025</u>
Alcohol Education Rehabilitation	\$ 158			\$ 158
Bergen County ADA Ramp Replacement	66,150			66,150
Body Armor Fund	10,162	\$ 1,780		11,942
Body Worn Camera Grant	42,969		\$ 32,608	10,361
Bulletproof Vest	2,419	2,011		4,430
Capital Improvements:				
Park & Recreation Sidewalk Imprvts.	40,312			40,312
Clean Communities	42,592		9,047	33,545
Drive Sober or Get Pulled Over	609			609
Green Communities	6,000			6,000
Municipal Alliance	12,922	705	4,000	9,627
NJ DCA ARP Firefighter Grant	651			651
NJ Highway - Click It or Ticket	5,061			5,061
NJ Highway - Distracted Driving	6,385			6,385
NJDEP Recreational Trails Program	33,708			33,708
Recreation Development Plan - Local	25,000			25,000
Recycling Tonnage	58	-	-	58
	<u>\$ 295,156</u>	<u>\$ 4,496</u>	<u>\$ 45,655</u>	<u>\$ 253,997</u>

EXHIBIT A-23

STATEMENT OF GRANTS RECEIVABLE

	Balance, January 1, <u>2025</u>	Accrued <u>2025</u>	Collected <u>2025</u>	Balance, December 31, <u>2025</u>
Body Worn Camera Grant	\$ 32,608		\$ 32,608	
Municipal Alliance Program	17,655	\$ 3,836		\$ 21,491
NJ Highway - Distracted Driving	492			492
Drive Sober or Get Pulled Over	579	7,000		7,579
NJDEP - Recreation Trails Grant	24,000			24,000
American Rescue Plan - Firefighters Grant	24,000		24,000	-
Recycling Tonnage	14,280	14,276	28,556	-
Bergen County ADA Ramp Replacement	66,150	-	-	66,150
NJ DCA - Local Recreation Improvement Grant		64,000	-	64,000
Prosecutor Forfeiture Funds	-	8,322	8,322	-
	<u>\$ 179,764</u>	<u>\$ 97,434</u>	<u>\$ 93,486</u>	<u>\$ 183,712</u>

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

Balance, January 1, 2025	\$ 26,613
Decreased by:	
Realized as Current Fund Budgeted Revenue	26,613
Balance, December 31, 2025	\$ -

STATEMENT OF RESERVE FOR TERMINAL LEAVE

Balance, January 1, 2025	\$ 300,000
Increased by:	
Due from 2024 Appropriation Reserves	50,000
	350,000
Decreased by:	
Transfer to Other Trust Fund	350,000
Balance, December 31, 2025	\$ -

STATEMENT OF RESERVE TAX SALE PREMIUMS

Balance, January 1, 2025	\$ 841
Increased by:	
Cash Receipts	181,600
Balance, December 31, 2025	\$ 182,441

**BOROUGH OF WOODCLIFF LAKE
STATEMENT OF DEFERRED CHARGES**

	Balance, January 1, <u>2025</u>	Appropriated in Budget <u>2025</u>	Funded by Capital <u>Ordinance</u>	Balance, December 31, <u>2025</u>
Special Emergency Authorization (40A:4-47)	\$ <u>28,000</u>	\$ <u>14,000</u>	\$ -	\$ <u>14,000</u>
	\$ <u>28,000</u>	\$ <u>14,000</u>	\$ -	\$ <u>14,000</u>

STATEMENT OF TAX TITLE LIENS RECEIVABLE

Balance, January 1, 2025	\$ <u>713</u>
Balance, December 31, 2025	\$ <u>713</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, 2025	\$ 5,481	\$ 1,640,350	\$ 49,747	\$ 1,292,011	\$ 450
Increased by Receipts:					
State Dog License Fees	\$ 316				
Animal License Fees Collected	1,723				
Miscellaneous Reserves		\$ 671,770			
Interest on Deposits	268	26,300	\$ 1,688	\$ 53,923	\$ 19
Payments from Other Trust Fund			9,428		
Payments from Current Fund		86,765	-	243,538	
Escrow Deposits		269,401			
Net Payroll and Payroll Deductions	-	6,039,428	-	-	-
	<u>2,417</u>	<u>7,093,664</u>	<u>11,116</u>	<u>297,461</u>	<u>\$ 19</u>
	7,898	8,734,014	60,863	1,589,472	469
Decreased by Disbursements:					
Net Payroll and Payroll Deductions		6,030,000			
Miscellaneous Reserves		757,726			
Payments to Unemployment Trust Fund		9,428			
Payments to Current Fund	1,305	27,903			
Cash Disbursements - Animal Control					
Expenditures Under R.S. 4:19-15.11	2,563				
Escrow Deposits		309,552			
Payments to State of New Jersey	320	-	29,938	-	-
	<u>4,188</u>	<u>7,134,609</u>	<u>29,938</u>	<u>-</u>	<u>-</u>
Balance, December 31, 2025	<u>\$ 3,710</u>	<u>\$ 1,599,405</u>	<u>\$ 30,925</u>	<u>\$ 1,589,472</u>	<u>\$ 469</u>

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

Balance, January 1, 2025		\$	4,398
Increased by:			
Animal License Fees Collected	\$	1,576	
Cat Licenses Fees Collected		147	
Miscellaneous and Late Fees		<u>110</u>	
			<u>1,833</u>
Decreased by:			
Expenditures Under R.S. 4:19-15.11			<u>2,563</u>
Balance, December 31, 2025		\$	<u>3,668</u>

EXHIBIT B-5

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

Balance, January 1, 2025		\$	1,055
Increased by:			
Interest Earnings			<u>268</u>
Decreased by:			
Payments to Current Fund			<u>1,323</u>
Balance, December 31, 2025		\$	<u>18</u>

EXHIBIT B-6

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

Balance, January 1, 2025		\$	28
Increased by:			
State Fees Collected			<u>316</u>
Decreased by:			
Payments to State of New Jersey			<u>344</u>
Balance, December 31, 2025		\$	<u>24</u>

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

Balance, January 1, 2025		\$ 684,865
Increased by:		
Escrow Deposits Collected	\$ 269,401	
Other Trust Fund Deposited in Current Fund	2,000	
Interest Earnings - Developer Share	<u>918</u>	
		<u>272,319</u>
		957,184
Decreased by:		
Refund of Escrow Deposits		<u>309,552</u>
Balance, December 31, 2025		<u>\$ 647,632</u>

EXHIBIT B-8

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

Balance, January 1, 2025		\$ 58,812
Increase by:		
Fire Prevention and Volunteer Fire Receipts Received in Current Fund	\$ 34,227	
Construction Code Penalty Receipts Received in Current Fund	2,000	
Due from Current - Storm Recovery Trust	100,000	
Due from Current - Terminal Pay Trust	350,000	
Payments to Current Fund	<u>27,903</u>	
		<u>514,130</u>
		572,942
Decrease by:		
Interest Earnings	25,382	
Payments from Current Fund	<u>86,765</u>	
		<u>112,147</u>
Balance, December 31, 2025		<u>\$ 460,795</u>

Analysis of Balance

Due from Current Fund - Fire Prevention		\$ 500
Due from Current Fund - Construction Code Penalties		24,000
Due from Current Fund - Volunteer Fire Penalties		200
Due from Current Fund - Storm Recovery		100,000
Due from Current Fund - Terminal Pay		350,000
Due to Current Fund - Escrow		(10,270)
Due to Current Fund - Payroll		(286)
Due to Current Fund - Police Outside Duty		(335)
Due to Current Fund - Other Miscellaneous Trust		<u>(3,014)</u>
		<u>\$ 460,795</u>

BOROUGH OF WOODCLIFF LAKE
STATEMENT OF MISCELLANEOUS RESERVES
OTHER TRUST FUND

	Balance January 1, <u>2025</u>	<u>Increases</u>	<u>Decreases</u>	Balance December 31, <u>2025</u>
Abandoned and Vacated Property Code Enf	\$ 6,000	\$ 1,000		\$ 7,000
Affordable Housing Fees	515,748	45,417	\$ 103,833	457,332
Beautification Signage Donations	-	3,150		3,150
Causeway Beautification-Clock	1,796			1,796
DARE Activities	19,581	12,129	16,215	15,495
Fire Prevention Penalty Fees	44,466	32,877	4,500	72,843
Flex Spending	1	-	-	1
Forfeited Funds	488		488	-
Legal Pool Settlement - 2024	-	38,465		38,465
Police Outside Duty	79,876	461,109	461,109	79,876
Recreation	32,424	6,000	4,369	34,055
Renovation Westervelt Park	3,521			3,521
Shade Tree	6,750	4,500	2,250	9,000
Sidewalk Donations	-	100,000		100,000
Storm Recovery	139,040	100,000		239,040
Terminal Pay	121,426	350,000	164,962	306,464
Volunteer Fire Penalty Fees	<u>256</u>	<u>1,350</u>	<u>-</u>	<u>1,606</u>
	<u>\$ 971,373</u>	<u>\$ 1,155,997</u>	<u>\$ 757,726</u>	<u>\$ 1,369,644</u>
		Cash Receipts \$ 671,770		
		Due from Current Fund <u>484,227</u>		
		<u>\$ 1,155,997</u>		

EXHIBIT B-10

STATEMENT OF PAYROLL DEDUCTIONS PAYABLE
OTHER TRUST FUND

Balance, January 1, 2025		\$ 42,924
Increased by:		
Cash Receipts - Net Payroll and Payroll Deductions		<u>6,039,428</u>
		6,082,352
Decreased by:		
Cash Disbursements - Net Payroll and Payroll Deductions	\$ 6,030,000	
Cash Disbursements - Unemployment Trust Fund		<u>9,428</u>
		<u>6,039,428</u>
Balance, December 31, 2025		<u>\$ 42,924</u>

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

Balance, January 1, 2025		\$ 10,514
Increased by:		
Unemployment Claims		<u>19,424</u>
		29,938
Decreased by:		
Cash Disbursements		<u>29,938</u>
		-
Balance, December 31, 2025		<u><u>\$ -</u></u>

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

Balance, January 1, 2025		\$ 39,233
Increased by:		
Transfer from Other Trust Fund - Payroll	\$ 9,428	
Interest Earnings	<u>1,688</u>	
		<u>11,116</u>
		50,349
Decreased by:		
Unemployment Claims		<u>19,424</u>
Balance, December 31, 2025		<u><u>\$ 30,925</u></u>

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

Balance, January 1, 2025		\$ 1,290,211
Increased by:		
Open Space Tax	\$ 243,400	
Additional Open Space Tax	138	
Interest on Deposits	<u>53,923</u>	
		<u>297,461</u>
Balance, December 31, 2025		<u>\$ 1,587,672</u>

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

Balance, January 1, 2025		<u>\$ 1,800</u>
Balance, December 31, 2025		<u>\$ 1,800</u>

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

Balance, January 1, 2025		<u>\$ 450</u>
Increased by:		
Interest Earnings		<u>19</u>
Balance, December 31, 2025		<u>\$ 469</u>

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

Balance, January 1, 2025		\$	-
Increased by:			
Municipal Open Space Levy	\$	243,400	
Municipal Open Space Added Taxes		<u>138</u>	
			<u>243,538</u>
Decreased by:			
Cash Receipt			<u>243,538</u>
Balance, December 31, 2025		\$	<u>-</u>

GENERAL CAPITAL FUND

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

Balance, January 1, 2025		\$ 3,991,565
Increased by Receipts:		
Budget Appropriation- Capital Improvement Fund	\$ 200,000	
Donations	26,000	
FEMA Reimbursement	206,280	
Grant Receipts	174,186	
Premium on Sale of Notes	83,140	
Issuance of Notes	9,950,000	
Interest Earnings	<u>106,671</u>	
		<u>10,746,277</u>
		14,737,842
Decreased by:		
Budgeted Revenue - Current Fund	70,176	
Payments to Current Fund	527,560	
Payment of Notes	9,534,726	
Improvement Authorizations	<u>3,299,221</u>	
		<u>13,431,683</u>
Balance, December 31, 2025		<u>\$ 1,306,159</u>

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

		Balance, December 31, <u>2025</u>
Fund Balance		\$ 210,483
Capital Improvement Fund		327,234
Contract Payable		4,807,861
Due to Current Fund		4,962
Reserve for Payment of Debt		354,318
Grant Receivable		(420,480)
Improvement Authorizations:		
<u>Ord. No.</u>	<u>Improvement Description</u>	
16-14	Various Imp. & Acq. Of Vehicles	(39,600)
18-04	Various Imp. & Acq. Of Vehicles	6,310
19-03	Various Imp. & Acq. Of Equipment	11,228
21-09	Various Improvements and Acq. Of Equipment	278,792
22-08	Various Improvements and Acq. Of Equipment	(635,962)
23-08/24-11	Various Public Improvements Relating to Storm Ida	(1,070,553)
23-09	Various Public Improvements	(44,034)
23-10	Various Public Improvements & Acq. Of Equipment	426,006
24-07	Construction of a Passive Park - Galaxy	(1,276,547)
24-10	Various Public Improvements	(896,953)
25-07	Various Public Improvements	(736,906)
		<u>\$ 1,306,159</u>

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

Balance, January 1, 2025	\$ 5,235,000
Decreased by:	
2025 Budget Appropriation to Pay Bond Principal	1,000,000
Balance, December 31, 2025	\$ 4,235,000

EXHIBIT C-5

STATEMENT OF GRANTS RECEIVABLE

	Balance, January 1, <u>2025</u>	Grant <u>Awards</u>	Cash <u>Received</u>	Balance, December 31, <u>2025</u>
N.J. Department of Transportation				
Ord. 23-09 Glen Road	\$ 89,290		\$ 74,410	\$ 14,880
Ord. 23-09 Campell Ave	90,943			90,943
Ord. 25-07 Broadway Corridor		\$ 233,364		233,364
Ord. 25-07 West Hill Road		133,035	99,776	33,259
County of Bergen Open Space				
Ord. 21-09 Pickleball Court & Old Mill Swim Pool	41,652			41,652
Ord. 24-07 Construction of a Passive Park	246,506			246,506
CARES Act Grants				
Ord. 21-09 Various Improvements	6,382			6,382
US Dept. of Justice - Public Safety Technology				
Ord. 24-10 Various Public Improvements	160,000	-	-	160,000
	\$ 634,773	\$ 366,399	\$ 174,186	\$ 826,986
<u>Balance Pledged to:</u>				
Reserve for Receivable				\$ 406,506
Ordinance 21-09				48,034
Ordinance 23-09				105,823
Ordinance 25-07				266,623
				\$ 826,986

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

Ord. No.	Improvement Description	Balance, January 1, 2025	2025 Authorizations	Notes Paid by Budget	Other Cash Received	Balance, December 31, 2025	Analysis of Balance		
							Bond Anticipation Notes Issued	Expenditures	Unexpended Improvement Authorizations
16-14	Various Improvements and Acq. Of Vehicles	\$ 39,600				\$ 39,600		\$ 39,600	
19-12	Acquisition of Property for Parking Lot	217,000		\$ 2,747		214,253	\$ 214,253		
21-09	Various Improvements and Acq. Of Equipment	2,689,000		148,728		2,540,272	2,207,140		\$ 333,132
22-08	Various Improvements and Acq. Of Equipment	2,615,000		69,799		2,545,201	1,245,201	635,962	664,038
23-08/24-11	Various Public Improvements Relating to Storm Ida	5,304,921			\$ 206,280	5,098,641	2,000,000	1,070,553	2,028,088
23-09	Various Public Improvements	399,890				399,890		44,034	355,856
23-10	Various Public Improvements & Acq. Of Equipment	1,460,000				1,460,000	1,460,000	-	-
24-07	Construction of Passive Park	2,566,000			26,000	2,540,000	748,406	1,276,547	515,047
24-10	Various Public Improvements	1,292,000				1,292,000		896,953	395,047
24-12	Tax Appeal Refunding	2,265,000		190,000	-	2,075,000	2,075,000	-	-
25-07	Various Public Improvements	-	\$ 1,865,000	-	-	1,865,000	-	736,906	1,128,094
		<u>\$ 18,848,411</u>	<u>\$ 1,865,000</u>	<u>\$ 411,274</u>	<u>\$ 232,280</u>	<u>\$ 20,069,857</u>	<u>\$ 9,950,000</u>	<u>\$ 4,700,555</u>	<u>\$ 5,419,302</u>
				FEMA Reimbursement Donations	\$ 206,280 26,000		Improvement Authorization - Unfunded		\$ 6,124,100
					<u>\$ 232,280</u>		Less: Unexpended Proceeds		
							Ord. 21-09		278,792
							Ord. 23-10		426,006
									<u>\$ 5,419,302</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, 2025</u>		<u>Interest Rate</u>	<u>Balance, January 1, 2025</u>	<u>Decreased</u>	<u>Balance, December 31, 2025</u>
			<u>Date</u>	<u>Amount</u>				
General Improvement Bonds	10/1/2019	\$ 9,935,000	10/1/2026	\$ 1,025,000	2.000 %	\$ 5,235,000	\$ 1,000,000	\$ 4,235,000
			10/1/2027	1,045,000	2.000 %			
			10/1/2028	1,070,000	2.000 %			
			10/1/2029	1,095,000	2.000 %			
						<u>\$ 5,235,000</u>	<u>\$ 1,000,000</u>	<u>\$ 4,235,000</u>
							<u>\$ 1,000,000</u>	
					Budget Appropriation		<u>\$ 1,000,000</u>	

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

No.	Improvement Description	Ordinance Amount	Balance, January 1, 2025		2025 Authorizations			Encumbrances Restored	Paid or Charged	Balance, December 31, 2025	
			Funded	Unfunded	Def. Charges Unfunded	CIF	Grants Receivable			Funded	Unfunded
<u>General Improvements:</u>											
17-06	Various Improvements and Acq. Of Vehicles	\$ 1,570,000		\$ 59					\$ 59		
18-04	Various Improvements and Acq. Of Equipment	1,165,000		-			\$ 6,310			\$ 6,310	
19-03	Various Improvements and Acq. Of Equipment	3,500,000	\$ 116,990	-			18,710	124,472		11,228	
21-09	Various Improvements and Acq. Of Equipment	3,450,000	-	642,172			276,719	306,967		-	\$ 611,924
22-08	Various Improvements and Acq. Of Equipment	2,750,000	-	731,136			1,378,527	1,445,625		-	664,038
23-08/24-11	Various Public Improvements Relating to Storm Ida	5,700,000		1,921,593			2,872,248	2,765,753		-	2,028,088
23-09	Various Public Improvements	860,000	-	344,056			19,725	7,925		-	355,856
23-10	Various Public Improvements & Acq. Of Equipment	1,534,000	-	715,850			213,059	502,903		-	426,006
24-07	Construction of a Passive Park - Galaxy	3,500,000		474,051			884,523	843,527			515,047
24-10	Various Public Improvements	1,357,000		951,441			356,551	912,945			395,047
25-07	Various Public Improvements	2,325,000	-	-	\$ 1,865,000	\$ 93,601	\$ 366,399	-	1,196,906	-	1,128,094
			\$ 116,990	\$ 5,780,358	\$ 1,865,000	\$ 93,601	\$ 366,399	\$ 6,026,372	\$ 8,107,082	\$ 17,538	\$ 6,124,100
									\$ 3,299,221		
									4,807,861		
									\$ 8,107,082		

Cash Disbursed
Contracts Payable

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

Ord. No.	Improvement Description	Date of Original Issue	Date of Issue	Date of Maturity	Interest Rate	Balance, January 1, 2025	Increased	Decreased	Balance, December 31, 2025
19-12	Acquisition of Property for Parking Lot	12/22/2022	9/18/2025 9/20/2024	9/18/2026 9/19/2025	3.75 % 4.0	\$ 217,000	\$ 214,253	\$ 217,000	\$ 214,253 -
21-09	Various Improvements	12/22/2022	9/18/2025 9/20/2024	9/18/2026 9/19/2025	3.75 % 4.0	2,689,000	2,207,140	2,689,000	2,207,140 -
22-08	Various Improvements	12/22/2022	9/18/2025 9/20/2024	9/18/2026 9/19/2025	3.75 % 4.0	1,315,000	1,245,201	1,315,000	1,245,201 -
23-08/24-11	Various Improvements for Storm Ida	9/21/2023	9/18/2025 9/20/2024	9/18/2026 9/19/2025	3.75 % 4.0	2,000,000	2,000,000	2,000,000	2,000,000 -
23-10	Various Improvements	9/20/2024	9/18/2025 9/20/2024	9/18/2026 9/19/2025	3.75 % 4.0	1,460,000	1,460,000	1,460,000	1,460,000 -
24-12	Tax Appeal Refunding	9/20/2024	9/18/2025 9/20/2024	9/18/2026 9/19/2025	3.75 % 4.0	2,265,000	2,075,000	2,265,000	2,075,000 -
24-07	Construction of a Passive Park	9/18/2025	9/18/2025	9/18/2026	3.75 %	-	748,406	-	748,406
						<u>\$ 9,946,000</u>	<u>\$ 9,950,000</u>	<u>\$ 9,946,000</u>	<u>\$ 9,950,000</u>
						Notes Renewed	\$ 9,201,594	\$ 9,201,594	
						Notes Issued	748,406		
						Notes Not Renewed		333,132	
						Paid by Budget	-	411,274	
							<u>\$ 9,950,000</u>	<u>\$ 9,946,000</u>	

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

Balance, January 1, 2025	\$	425,851
Increased by:		
Interest Earnings		106,671
		532,522
Decreased by :		
Payments to Current Fund		527,560
Balance, December 31, 2025	\$	4,962

EXHIBIT C-11

STATEMENT OF RESERVE FOR PAYMENT OF DEBT

Balance, January 1, 2025	\$	424,494
Decreased by :		
Budgeted Revenue - Current Fund		70,176
Balance, December 31, 2025	\$	354,318

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

Balance, January 1, 2025	\$	6,026,372
Increased by:		
Charges to Improvement Authorizations		4,807,861
		10,834,233
Decreased by:		
Restored to Improvement Authorizations		6,026,372
Balance, December 31, 2025	\$	4,807,861

STATEMENT OF CAPITAL IMPROVEMENT FUND

Balance, January 1, 2025	\$	220,835
Increased by:		
2025 Budget Appropriation		200,000
		420,835
Decreased by:		
Appropriated to Finance Improvement Authorization		93,601
Balance, December 31, 2025	\$	327,234

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

Ord. No.	<u>Improvement Description</u>	Balance, January 1, <u>2025</u>	2025 <u>Authorizations</u>	Notes <u>Issued</u>	Notes <u>Not Renewed</u>	Other Cash <u>Received</u>	Balance, December 31, <u>2025</u>
	General Improvements:						
16-14	Various Improvements and Acq. Of Vehicles	\$ 39,600					\$ 39,600
21-09	Various Improvements and Acq. Of Equipment				\$ 333,132		333,132
22-08	Various Improvements and Acq. Of Equipment	1,300,000					1,300,000
23-08/24-11	Various Public Improvements Relating to Storm Ida	3,304,921				\$ 206,280	3,098,641
23-09	Various Public Improvements	399,890					399,890
24-07	Construction of Passive Park	2,566,000		\$ 748,406		26,000	1,791,594
24-10	Various Public Improvements	1,292,000					1,292,000
25-07	Various Public Improvements	<u>-</u>	<u>\$ 1,865,000</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>1,865,000</u>
		<u>\$ 8,902,411</u>	<u>\$ 1,865,000</u>	<u>\$ 748,406</u>	<u>\$ 333,132</u>	<u>\$ 232,280</u>	<u>\$ 10,119,857</u>

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

PART II

GOVERNMENTAL AUDITING STANDARDS

YEAR ENDING DECEMBER 31, 2025



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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ROBERT W. HAAG, CPA, RMA, PSA

DEBRA GOLLE, CPA
MARK SACO, CPA
ROBERT LERCH, CPA, PSA
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 which comprise the balance sheets – regulatory basis of the various funds and account group as of December 31, 2025, and the related statements of operations and changes in fund balance – regulatory basis, statements of revenues – regulatory basis and statements of expenditures – regulatory basis of the various funds for the year then ended and the related notes to the financial statements, and have issued our report thereon dated April 23, 2026. 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 or significant deficiencies may exist that were not identified.

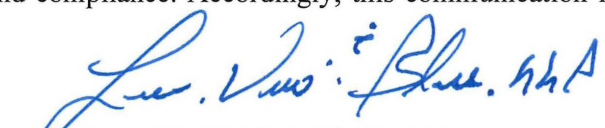
Report on Compliance and Other Matters

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.

However, we noted certain matters that are not required to be reported under Government Auditing Standards that we reported to management of the Borough of Woodcliff Lake in Part III of this report of audit entitled, “Letter of Comments and Recommendations”.

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
April 23, 2026

**BOROUGH OF WOODCLIFF LAKE
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR YEAR ENDED DECEMBER 31, 2025**

<u>Federal Funding Department</u>	<u>Grant Program</u>	<u>AL Number</u>	<u>Grant Year</u>	<u>Grant Award Amount</u>	<u>2025 Receipts</u>	<u>Balance, January 1, 2025</u>	<u>Revenues Realized</u>	<u>Expenditures</u>	<u>Balance, December 31, 2025</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		\$ 492			\$ 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 Hurricane Ida	066-1200-100-C73,C84	97.036	2024-2025	329,359	\$ 206,280	-	\$ 206,280	\$ 206,280	-	* 329,359
										*
										*
U.S. Department of Treasury										
(Passed through County of Bergen) American Rescue Plan Firefighter Grant Program	022-8030-100-689	21.027	2025	24,000	24,000	651			651	* 23,349
										*
U.S. Department of Justice										
Public Safety Technology Ord 24-10	N/A	16.710	2024	160,000		<u>160,000</u>	<u>-</u>	<u>-</u>	<u>160,000</u>	* -
						<u>\$ 172,097</u>	<u>\$ 206,280</u>	<u>\$ 206,280</u>	<u>\$ 172,097</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, 2025**

<u>State Grant Program</u>	<u>Account Number</u>	<u>Grant Year</u>	<u>Grant Award</u>	<u>2025 Receipts</u>	<u>Balance, January 1, 2025</u>	<u>Revenue/Receipts</u>	<u>Expended</u>	<u>Adjustments (Cancellations)</u>	<u>Balance, December 31, 2025</u>	<u>Cumulative Expended</u>
Department of Environmental Protection										
Clean Communities Grant	042-4900-765-004	2025	\$ 19,977	\$ 19,977						
		2024	20,142	20,142		\$ 20,142	\$ 13,436		\$ 6,706	\$ 13,436
		2023	17,734		\$ 17,523				17,523	211
		2021	14,830		12,554				12,554	2,276
		2020	13,940		8,743		5,275		3,468	10,472
		2019	15,462		3,772		3,772		-	15,462
										*
Green Communities	042-4870-100-038	2017	6,000		6,000				6,000	*
Recreation Trails	N/A	2017	33,708		33,708				33,708	*
Stormwater Assistance Grant	042-4850-100-099	2025	15,000			15,000			15,000	*
										*
Division of Motor Vehicles										
Drunk Driving Enforcement Fund- Police	1110-448-031020-22	2019	6,076		-				-	6,076
										*
Division of Highway Traffic Safety										
Drive Sober Grant	066-1160-100-157	2025	7,000			7,000	6,910		90	6,910
		2023	7,000		30				30	6,970
		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	2024	3,836	3,836	-	3,836	2,927		909	3,836
		2021	5,501		2,874				2,874	2,627
		2020	5,501		5,501				5,501	-
		2019	9,876		4,547		4,000	\$ 705	1,252	8,624
										*
New Jersey Department of Transportation										
Local Municipal Aid Program										
Ord. 23-09 - Glen Rd.	078-6320-480-XX	2023	206,000	74,410	89,290		74,410		14,880	74,410
Ord. 23-09 - Campbell Ave.		2023	203,110		90,943				90,943	-
Ord. 25-07 - Broadway Corridor		2025	233,364			233,364			233,364	-
Ord. 25-07 - West Hill Road		2025	133,035	99,776		133,035	99,776		33,259	99,776
										*
Department of Law and Public Safety										
Body Armor Replacement Program										
	066-1020-718-001	2025	1,909			1,909			1,909	-
		2024	1,780		1,780				1,780	1,780
		2023	1,574		1,574				1,574	1,574
		2020	3,943		3,943				3,943	3,943
		2019	2,138		2,138				2,138	2,138
		2017	3,706		727			1,780	2,507	3,706
										*
Alcohol Ed and Rehab										
	098-9735-760-001	2026	206	206						-
		2025	368			368			368	-
		2023	158		158				158	-
										*
Bulletproof Vest										
	N/A	2026	4,181	4,181						-
		2024	2,011		2,011				2,011	-
		2023	5,354		2,419				2,419	-
										*
Body Worn Camera Grant	066-1020-100-495	2021	81,520	32,608	42,969		32,608		10,361	71,159

**BOROUGH OF WOODCLIFF LAKE
SCHEDULE OF EXPENDITURES OF STATE FINANCIAL ASSISTANCE
FOR THE YEAR ENDED DECEMBER 31, 2025**

<u>State Grant Program</u>	<u>Account Number</u>	<u>Grant Year</u>	<u>Grant Award</u>	<u>2025 Receipts</u>	<u>Balance, January 1, 2025</u>	<u>Revenue/ Receipts</u>	<u>Expended</u>	<u>Adjustments (Cancellations)</u>	<u>Balance, December 31, 2025</u>	<u>Cumulative Expended</u>
<u>Department of Community Affairs</u>										
Local Recreation Improvement Grant		2025	\$ 64,000			\$ 64,000			\$ 64,000	*
<u>Department of Environmental Protection</u>										
State Tonnage Grant (Recycling)	042-4900-752-001	2025	14,276	\$ 14,276		14,276	\$ 14,276			*
		2022	17,363		\$ 58	-	-	-	\$ 58	*
					<u>\$ 333,841</u>	<u>\$ 492,930</u>	<u>\$ 257,390</u>	<u>\$ 2,485</u>	<u>\$ 571,866</u>	

Note - This schedule is not subject to Single Audit in accordance with N.J. OMB Circular 25-12.

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, 2025**

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 25-12 *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		\$ 62,531	\$ 62,531
General Capital Fund	\$ 206,280	430,399	636,679
	<u>\$ 206,280</u>	<u>\$ 492,930</u>	<u>\$ 699,210</u>

**BOROUGH OF WOODCLIFF LAKE
NOTES TO THE SCHEDULES OF EXPENDITURES OF FEDERAL AWARDS
AND STATE FINANCIAL ASSISTANCE
YEAR ENDED DECEMBER 31, 2025**

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 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, 2025**

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

NOT APPLICABLE

**BOROUGH OF WOODCLIFF LAKE
SCHEDULE OF FINDINGS AND RESPONSES
FOR THE YEAR ENDED DECEMBER 31, 2025**

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, 2025**

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

Not Applicable.

**BOROUGH OF WOODCLIFF LAKE
SCHEDULE OF PRIOR YEAR AUDIT FINDINGS
FOR THE YEAR ENDED DECEMBER 31, 2025**

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, 2025

**BOROUGH OF WOODCLIFF LAKE
SUPPLEMENTARY DATA**

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

	<u>Year 2025</u>			<u>Year 2024</u>	
	<u>Amount</u>	<u>Percent</u>		<u>Amount</u>	<u>Percent</u>
REVENUE AND OTHER INCOME REALIZED					
Fund Balance Utilized	\$ 2,380,000	4.02 %	\$	2,230,000	3.88 %
Miscellaneous - From Other Than Local					
Property Tax Levies	2,482,196	4.20		2,812,943	4.89
Collection of Delinquent Taxes and Tax Title Liens	341,328	0.58		200,564	0.35
Collection of Current Tax Levy	52,299,720	88.42		51,001,450	88.71
Other Credits	<u>1,642,747</u>	<u>2.78</u>		<u>1,245,228</u>	<u>2.17</u>
Total Income	<u>59,145,991</u>	<u>100.00</u> %		<u>57,490,185</u>	<u>100.00</u> %
EXPENDITURES					
Budget Expenditures					
Municipal Purposes	16,219,052	28.67 %		15,596,604	28.34 %
Municipal Open Space Preservation Trust Fund Taxes	243,538	0.43		238,341	0.43
County Taxes	6,014,064	10.63		5,689,583	10.34
Regional School Taxes	14,580,235	25.78		14,165,579	25.74
Local District School Taxes	19,486,843	34.45		18,880,550	34.31
Other Expenditures	<u>21,004</u>	<u>0.04</u>		<u>463,210</u>	<u>0.84</u>
Total Expenditures	<u>56,564,736</u>	<u>100.00</u> %		<u>55,033,867</u>	<u>100.00</u> %
Excess in Revenue	2,581,255			2,456,318	
Fund Balance, January 1	<u>4,257,261</u>			<u>4,030,943</u>	
	6,838,516			6,487,261	
Less Utilization as Anticipated Revenue	<u>2,380,000</u>			<u>2,230,000</u>	
Fund Balance, December 31	<u>\$ 4,458,516</u>		\$	<u>4,257,261</u>	

**BOROUGH OF WOODCLIFF LAKE
SUPPLEMENTARY DATA**

Comparative Schedule of Tax Rate Information

	<u>2025</u>	<u>2024</u>	<u>2023</u>
<u>Tax Rate</u>	<u>\$2.186</u>	<u>\$2.162</u>	<u>\$2.165</u>
<u>Apportionment of Tax Rate</u>			
Municipal	.529	.524	.512
Municipal Open Space Preservation	.009	.010	.010
County (Including Open Space Tax)	.248	.240	.250
Regional School	.599	.595	.608
Local School	.801	.793	.785

Assessed Valuation

2025	<u>\$2,434,119,000</u>
2024	<u>\$2,379,999,200</u>
2023	<u>\$2,296,577,100</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>
2025	\$ 53,243,169	\$ 52,499,720	98.60%
2024	51,529,271	51,151,450	99.27%
2023	49,795,605	49,556,334	99.52%

**BOROUGH OF WOODCLIFF LAKE
SUPPLEMENTARY DATA**

Delinquent Taxes and Tax Title Liens

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

<u>December 31 Year</u>	<u>Amount of Delinquent Taxes</u>	<u>Tax Title Liens</u>	<u>Total</u>	<u>Percentage of Tax Levy</u>
2025	\$ 712,419	\$ 713	\$ 713,132	1.34%
2024	341,541	713	342,254	0.66%
2023	200,579	476	201,055	0.40%

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>
2025	None
2024	None
2023	None

Comparative Schedule of Fund Balance

	<u>Year</u>	<u>Balance, December 31,</u>	<u>Utilized In Budget of Succeeding Year</u>
Current Fund	2025 *	\$4,458,516	\$2,675,000
	2024	4,257,261	2,380,000
	2023	4,030,943	2,230,000

* Per the introduced 2026 Budget.

**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
Christopher Bonanno	Councilman
Julie Brodsky	Councilwoman
Jennifer Margolis	Councilwoman
Nicole Marsh	Councilwoman
Benjamin Pollack	Councilman
Josh Stern	Councilman
Tomas Padilla	Borough Administrator
Jonathan DeJoseph	Chief Financial Officer
Debbie Dakin	Borough Clerk
Fran Scordo	Tax Collector
Anthony Mazzola	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

Prior Year Unresolved Comments

Our audit of payroll revealed that police longevity was being incorrectly calculated. It is recommended that payroll calculations are reviewed to ensure compliance with the bargaining unit agreement.

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 \$17,500 except by contract or agreement."

During 2025, the Governing Body approved a resolution authorizing the bid threshold of \$44,000 for the period of January 1, 2025 through June 30, 2025 and \$53,000 for the period of July 1 through December 31, 2025 as the Chief Financial Officer is a qualified purchasing agent.

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.

- Sanitation and Recycling Services
- Old Barn Site Improvements
- West Hill Roadway Improvements
- Brookview Drive Roadway Improvements
- Broadway Corridor Streetscape

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 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 6, 2025 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 2025 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 2025 and 2024.

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>
2025	None
2024	None
2023	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.

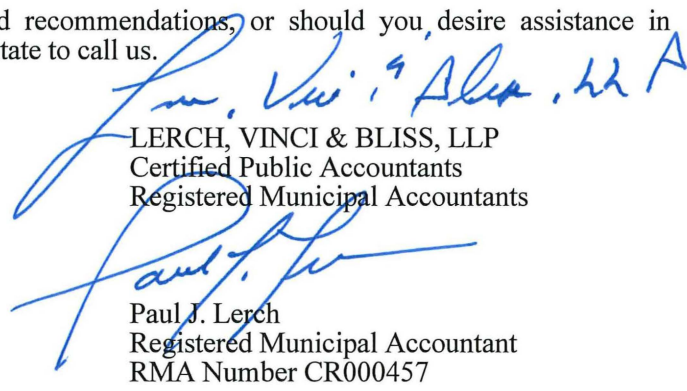
**BOROUGH OF WOODCLIFF LAKE
SUPPLEMENTARY DATA**

RECOMMENDATIONS

- *1. It is recommended that payroll calculations are reviewed to ensure compliance with the bargaining unit agreement.

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