

**BOROUGH OF WOODLAND PARK**

**Financial Statements with  
Supplementary Information  
December 31, 2011**

**(With Independent Auditor's Reports Thereon)**

# BOROUGH OF WOODLAND PARK

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**BOROUGH OF WOODLAND PARK**

**PART I**

**REPORT ON EXAMINATION OF FINANCIAL STATEMENTS**

**AND SUPPLEMENTARY DATA**

**YEAR ENDED DECEMBER 31, 2011**

# Ferraioli, Wielkotz, Cerullo & Cuva, P.A.

Charles J. Ferraioli, Jr., MBA, CPA, RMA  
Steven D. Wielkotz, CPA, RMA  
James J. Cerullo, CPA, RMA  
Paul J. Cuva, CPA, RMA  
Thomas M. Ferry, CPA, RMA

Certified Public Accountants  
401 Wanaque Avenue  
Pompton Lakes, New Jersey 07442  
973-835-7900  
Fax 973-835-6631

Newton Office  
100B Main Street  
Newton, N.J. 07860  
973-579-3212  
Fax 973-579-7128

## INDEPENDENT AUDITOR'S REPORT

Honorable Mayor and  
Members of the Borough Council  
Borough of Woodland Park  
County of Passaic, New Jersey

We have audited the accompanying balance sheets-regulatory basis of the various funds and account group of the Borough of Woodland Park in the County of Passaic, as of and for the years ended December 31, 2011 and 2010, and the related statements of operations and changes in fund balance-regulatory basis for the years then ended, and the related statement of revenues-regulatory basis and statement of expenditures-regulatory basis of the various funds for the year ended December 31, 2011. These financial statements are the responsibility of the Borough of Woodland Park's management. Our responsibility is to express an opinion on these financial statements based on our audits.

Except as discussed below, we conducted our audits in accordance with auditing standards generally accepted in the United States of America, the audit requirements prescribed by the Division of Local Government Services, Department of Community Affairs, State of New Jersey, and the standards applicable to financial audits contained in Government Auditing Standards issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audits provide a reasonable basis for our opinion.

The Length of Service Awards Program of the Borough of Woodland Park has not been audited, and we were not engaged to audit The Length of Service Awards Program financial statements as part of our audit of the Borough's financial statements.

As described in Note 1, these financial statements were prepared in conformity with the accounting practices prescribed or permitted by the Division of Local Government Services, Department of Community Affairs, State of New Jersey, that demonstrates compliance with the modified accrual basis, with certain exceptions, and the budget laws of New Jersey, which practices differ from accounting principles generally accepted in the United States of America. The affect on the financial statements of the variances between the prescribed basis of accounting and accounting principles generally accepted in the United States of America, although not reasonably determinable, are presumed to be material.



Honorable Mayor and  
Members of the Borough Council  
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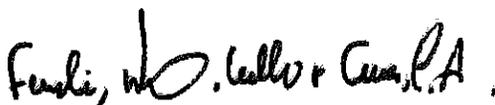
In our opinion, because of the Borough of Woodland Park's policy to prepare its financial statements on the basis of accounting discussed in the preceding paragraph, the financial statements referred to above do not present fairly, in conformity with accounting principles generally accepted in the United States of America, the financial position of the Borough of Woodland Park, New Jersey as of December 31, 2011 and 2010 or the results of its operations for the years then ended.

However, in our opinion, the financial statements referred to above, with the exception of the Length of Services Awards Program present fairly, in all material respects, the financial position-regulatory basis of the various funds and account group of the Borough of Woodland Park, New Jersey at December 31, 2011 and 2010, and the results of its operations and the changes in fund balance-regulatory basis of such funds for the years then ended and the statement of revenues-regulatory basis, and statement of expenditures-regulatory basis for the year ended December 31, 2011, on the basis of accounting described in Note 1.

In accordance with Government Auditing Standards, we have also issued our report dated July 5, 2012 on our consideration of the Borough of Woodland Park's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts, grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the internal control over financial reporting or compliance. That report is an integral part of our audit performed in accordance with Government Auditing Standards and should be considered in assessing results of our audit.

Our audit was conducted for the purpose of forming an opinion on the financial statements of the Borough of Woodland Park, State of New Jersey taken as a whole. The accompanying supplementary data, schedules and exhibits listed in the table of contents are presented for purposes of additional analysis and are not a required part of the financial statements of the Borough of Woodland Park, State of New Jersey. The accompanying schedule of expenditures of federal awards is presented for purposes of additional analysis as required by U.S. Office of Management and Budget Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*, and is also not a required part of the financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and, in our opinion, is fairly presented, in all material respects, in relation to the financial statements taken as a whole, on the basis of accounting described in Note 1.

  
Steven D. Wielkocz, C.P.A.  
Registered Municipal Accountant  
No. CROO413

  
FERRAIOLI, WIELKOTZ, CERULLO & CUVA, P.A.  
Certified Public Accountants

July 5, 2012



## BOROUGH OF WOODLAND PARK, N.J.

## Comparative Balance Sheet-Regulatory Basis

## Current Fund

December 31, 2011 and 2010

<u>Assets</u>	<u>Ref.</u>	<u>2011</u>	<u>2010</u>
Current Fund:			
Cash:			
Treasurer	A-4	\$ 3,899,751	4,046,024
Petty Cash		200	200
Change Fund	A-5	310	310
		<u>3,900,261</u>	<u>4,046,534</u>
Receivables and other assets with full reserves:			
Delinquent property taxes receivable	A-7	847,691	497,948
Property acquired for taxes - assessed valuations	A-8	4,072,200	4,072,200
Revenue Accounts Receivable	A-9	24,289	22,973
Interfund Receivables	A-12	22,785	3,905
Prepaid Regional high School Tax	A-22	799	799
		<u>4,967,764</u>	<u>4,597,825</u>
Deferred charges:			
Emergency Appropriations	A-10	304,218	
Special Emergency Appropriations	A-11	180,000	250,000
		<u>484,218</u>	<u>250,000</u>
		<u>9,352,243</u>	<u>8,894,359</u>
Federal and State Grant Funds:			
Due from Current Fund	A-25	295,613	7,923
Grant Receivable	A-26	781,106	979,092
		<u>1,076,719</u>	<u>987,015</u>
		<u>\$ 10,428,962</u>	<u>9,881,374</u>

**BOROUGH OF WOODLAND PARK, N.J.**  
**Comparative Balance Sheet-Regulatory Basis**

**Current Fund**

**December 31, 2011 and 2010**

	<u>Ref.</u>	<u>2011</u>	<u>2010</u>
<u>Liabilities, Reserves and Fund Balance</u>			
Current Fund:			
Appropriation reserves	A-3,A-13	723,378	686,543
Encumbrances	A-3,A-13	245,673	137,892
Due to State of New Jersey-Senior Citizens	A-6	25,592	27,830
Interfunds Payable	A-12	295,613	324,669
Accounts Payable	A-14	693	20,452
Reserve for Library State Aid	A-15	6,123	9,916
Prepaid taxes	A-16	174,404	158,628
Tax Overpayments	A-17		60,807
Road opening Deposits	A-18	9,800	9,800
County Taxes Payable	A-19	83	
Various Reserves	A-23	1,072,084	1,179,909
Emergency Note Payable	A-24	135,000	
Deferred Revenue			6,000
		<hr/>	<hr/>
		2,688,443	2,622,446
Reserve for receivables		4,967,764	4,597,825
Fund balance	A-1	<hr/> 1,696,036	<hr/> 1,674,088
		<hr/>	<hr/>
		6,663,800	6,271,913
		<hr/>	<hr/>
		9,352,243	8,894,359
Federal and State Grant Funds:			
Reserve for Encumbrances	A-27	444,976	51,224
Appropriated Reserves	A-27	631,743	905,791
Unappropriated Grant Reserves	A-28		30,000
		<hr/>	<hr/>
		1,076,719	987,015
		<hr/>	<hr/>
		\$ 10,428,962	9,881,374

See accompanying notes to financial statements.

## BOROUGH OF WOODLAND PARK, N.J.

## Comparative Statement of Operations and Changes in Fund Balance-Regulatory Basis

## Current Fund

For the Years Ended December 31, 2011 and 2010

	<u>2011</u>	<u>2010</u>
Revenues and other income:		
Fund balance utilized	\$ 1,154,500	1,325,000
Miscellaneous revenue anticipated	2,399,300	2,480,305
Receipts from delinquent taxes	491,460	476,054
Receipts from current taxes	40,353,621	38,865,828
Non-budget revenue	195,490	97,046
Other credits to income:		
Interfunds returned	3,905	40,696
Liabilities cancelled	25,676	
Unexpended balance of appropriation reserves	<u>381,611</u>	<u>193,900</u>
Total revenues and other income	<u>45,005,563</u>	<u>43,478,829</u>
Expenditures:		
Budget and emergency appropriations:		
Operations:		
Salaries and wages	5,054,592	5,013,847
Other expenses	6,710,085	6,548,116
Municipal debt service	1,413,353	1,350,529
Capital Improvement Fund	95,000	350,000
Deferred charges and statutory expenditures - municipal	1,230,261	715,021
County taxes	10,184,065	9,468,844
Due county for added taxes	49,025	94,280
Local district school tax	13,568,121	13,065,582
Regional high school tax	5,636,971	5,620,204
Municipal Open Space Tax	169,075	95,894
Interfund Advanced	22,785	7,562
Refund of prior year's revenue		<u>27,678</u>
Total expenditures	<u>44,133,333</u>	<u>42,357,557</u>
Excess (Deficit) in revenues	872,230	1,121,272
Adjustment to income before fund balance - expenditures included above which are by statute deferred charges to budget of succeeding year	<u>304,218</u>	
Statutory excess to fund balance	1,176,448	1,121,272
Fund balance, January 1	<u>1,674,088</u>	<u>1,877,816</u>
	2,850,536	2,999,088
Decreased by utilization as anticipated revenue	<u>1,154,500</u>	<u>1,325,000</u>
Fund balance, December 31	<u>\$ 1,696,036</u>	<u>1,674,088</u>

See accompanying notes to financial statements.

## BOROUGH OF WOODLAND PARK, N.J.

## Statement of Revenues-Regulatory Basis

## Current Fund

Year ended December 31, 2011

	<u>Budget</u>	<u>Realized</u>	<u>Excess (deficit)</u>
Fund balance anticipated	\$ 1,154,500	1,154,500	
Miscellaneous revenues:			
Licenses:			
Alcoholic beverages	15,000	19,462	4,462
Other	30,000	8,561	(21,439)
Fees and permits	30,000	52,492	22,492
Fines and costs - municipal Court	300,000	305,336	5,336
Interest and costs on taxes	100,000	137,310	37,310
Interest on investments and deposits	25,000	11,504	(13,496)
Cable Television Franchise Fee	42,000	43,809	1,809
Consolidated Municipal Property Tax Relief Aid	158,566	142,668	(15,898)
Energy Receipts Tax	661,911	677,809	15,898
Watershed Moratorium Offset Aid		6,674	6,674
Uniform construction code fees	175,000	321,836	146,836
Special items of general revenue anticipated with prior written consent of Director of Local Government Services - Public and Private revenues offset with appropriations:			
Recycling Tonnage Grant	27,893	27,893	
Drunk Driving Enforcement Fund	1,181	1,181	
Clean Communities	16,284	16,284	
Safe and Secure Communities Program	79,601	79,601	
Body Armor	2,630	2,630	
Over the Limit Under Arrest	5,000	5,000	
Over the Limit Under Arrest	4,384	4,384	
Passaic County Open Space-Zaccaria Park	175,000	175,000	
NJ DOT - Mount Pleasant Ave	255,000	255,000	
Other special items:			
Uniform Fire Safety Act	19,000	24,016	5,016
Life Hazard Use Fees	22,000	21,286	(714)
Sewer Connection Fees	57,000	59,564	2,564
Total miscellaneous revenues	2,202,450	2,399,300	196,850

## BOROUGH OF WOODLAND PARK, N.J.

## Statement of Revenues-Regulatory Basis

## Current Fund

Year ended December 31, 2011

	<u>Budget</u>	<u>Realized</u>	<u>Excess (deficit)</u>
Receipts from delinquent taxes	495,000	491,460	(3,540)
Subtotal general revenues	3,851,950	4,045,260	193,310
Amount to be raised by taxes for support of municipal budget - local tax for municipal purposes including reserve for uncollected taxes	10,519,119		
Minimum Library Tax	<u>619,631</u>	<u>11,169,974</u>	<u>31,224</u>
Budget totals	<u>\$ 14,990,700</u>	15,215,234	<u>224,534</u>
Non-budget revenue		<u>195,490</u>	
		<u>\$ 15,410,724</u>	

Analysis of Realized Revenues

Allocation of current tax collections:	
Revenue from collections	40,353,621
Allocated to local school, regional high school and county taxes	<u>29,873,647</u>
Balance for support of municipal budget appropriations	10,479,974
Add appropriation reserve for uncollected taxes	<u>690,000</u>
Budget appropriations	<u>\$ 11,169,974</u>
Receipts from delinquent taxes	
Delinquent tax collections	<u>\$ 491,460</u>

**BOROUGH OF WOODLAND PARK, N.J.**

**Statement of Revenues-Regulatory Basis**

**Current Fund**

**Year ended December 31, 2011**

Analysis of Non-budget Revenues

Miscellaneous revenues not anticipated:	
Reimbursements	4,224
Stickers	470
Tax Searches	660
Miscellaneous	3,840
Duplicate Bills	320
Telephone Revenue	15,613
Street Lighting - County	3,074
FEMA Reimbursement	64,859
Police Outside Duty Administrative Fee	5,645
Insurance Refund	56,720
T-Mobile Tower Rental	22,691
Passaic Valley sewer Commission	6,342
Seniors and Veterans Administrative Fee	2,785
Scrap Metal	7,517
Recycling Bags	730
	<hr/>
	\$ 195,490
	<hr/>

See accompanying notes to financial statements.

**BOROUGH OF WOODLAND PARK, N.J.**  
**Statement of Expenditures - Regulatory Basis**

**Current Fund**

**Year Ended December 31, 2011**

	<u>Budget</u>	<u>Budget after Modification and Transfer</u>	<u>Paid or Charged</u>	<u>Reserved</u>	<u>Unexpended Balance Canceled</u>
General Government:					
Administration:					
Salaries and Wages	\$ 267,045	267,045	253,080	13,965	
Other Expenses	49,000	44,000	38,349	5,651	
Mayor and Council:					
Salaries and Wages	50,003	50,003	48,783	1,220	
Elections:					
Other Expenses	7,000	7,000	6,451	549	
Financial Administration:					
Salaries and Wages	58,250	63,250	60,857	2,393	
Other Expenses					
Annual Audit	69,250	69,250	34,600	34,650	
Miscellaneous Other Expenses	93,500	78,500	46,919	31,581	
Cost of Registration of Bonds	2,000				
Collection of Taxes:					
Salaries and Wages	45,635	40,635	37,123	3,512	
Other Expenses	23,300	23,300	13,170	10,130	
Liquidation of Tax Title Liens and Foreclosed Property:					
Other Expenses	500				

**BOROUGH OF WOODLAND PARK, N.J.**  
**Statement of Expenditures - Regulatory Basis**

**Current Fund**

**Year Ended December 31, 2011**

	<u>Budget</u>	<u>Budget after Modification and Transfer</u>	<u>Paid or Charged</u>	<u>Reserved</u>	<u>Unexpended Balance Canceled</u>
Assessment of Taxes:					
Salaries and Wages	32,250	32,850	31,671	1,179	
Other Expenses	32,400	42,400	38,567	3,833	
Legal Services and Cost:					
Salaries and Wages	4,942	4,942	4,891	51	
Other Expenses	63,000	95,000	88,621	6,379	
Legal - Mt Laurel Litigation	2,000				
Planner- Mt. Laurel Litigation	3,500				
Engineering Services and Costs:					
Other Expenses	30,000	35,000	34,488	512	
Municipal Land Use Law (N.J.S.A. 40:55D-1 et seq.)					
Planning Board:					
Salaries and Wages	8,365	8,390	8,385	5	
Other Expenses	6,572	6,572	4,776	1,796	
Zoning Board of Adjustment:					
Salaries and Wages	7,205	7,280	6,975	305	
Other Expenses	4,088	4,088	460	3,628	
Insurance:					
Other Insurance Premiums	628,608	598,758	595,794	2,964	
Surety Bond Premiums	4,000	4,000	3,129	871	
Group Insurance Plan for Employees	1,403,609	1,403,609	1,403,609		

**BOROUGH OF WOODLAND PARK, N.J.**  
**Statement of Expenditures - Regulatory Basis**

**Current Fund**

**Year Ended December 31, 2011**

	<u>Budget</u>	<u>Budget after Modification and Transfer</u>	<u>Paid or Charged</u>	<u>Reserved</u>	<u>Unexpended Balance Canceled</u>
Public Safety:					
Police:					
Salaries and Wages	2,894,300	2,854,300	2,731,179	123,121	
Other Expenses	111,450	111,450	109,942	1,508	
Maintenance of Fire Alarm System:					
Salaries and Wages	3,235	3,236	3,235	1	
Other Expenses	6,500	7,800	5,269	2,531	
Emergency Management:					
Salaries and Wages	5,258	5,258	5,257	1	
Other Expenses	4,360	4,360	1,736	2,624	
First Aid Organization-Contribution	16,470	16,470	16,470		
Fire:					
Clothing Allowance	52,339	52,339	52,337	2	
Miscellaneous Other Expenses	65,903	79,903	74,973	4,930	
Uniform Fire Safety Act: (P.L. 1983 Chap. 383)					
Salaries and Wages	14,510	14,510	12,081	2,429	
Life Hazard Use Fee Payments:					
Salaries and Wages	32,636	32,636	31,667	969	
Other Expenses	7,000	7,100	7,064	36	
Municipal Prosecutor:					
Salaries and Wages	17,000	17,000	15,567	1,433	

**BOROUGH OF WOODLAND PARK, N.J.**  
**Statement of Expenditures - Regulatory Basis**

**Current Fund**

**Year Ended December 31, 2011**

	<u>Budget</u>	<u>Budget after Modification and Transfer</u>	<u>Paid or Charged</u>	<u>Reserved</u>	<u>Unexpended Balance Canceled</u>
Public Works Function:					
Road Repairs and Maintenance:					
Salaries and Wages	838,745	798,745	733,266	65,479	
Other Expenses	104,000	104,000	76,143	27,857	
Sanitation:					
Garabage and Trash Removal					
Contract - Collections	799,250	799,250	731,679	67,571	
Recycling:					
Other Expenses	5,800	5,800	739	5,061	
Sewer System					
Salaries and Wages	186,475	186,475	179,198	7,277	
Other Expenses	71,520	71,520	66,242	5,278	
Public Buildings and Grounds:					
Salaries and Wages	28,820	22,820	19,777	3,043	
Other Expenses	47,000	37,000	32,585	4,415	
Vehicle Mechanic:					
Salaries and Wages	80,546	80,546	79,489	1,057	
Other Expenses	56,925	56,925	43,190	13,735	
Health and Welfare:					
Board of Health:					
Salaries and Wages	40,226	40,226	36,686	3,540	
Other Expenses	1,513	1,513	1,281	232	
Health Services - Contractual	12,502	12,502	12,502		

**BOROUGH OF WOODLAND PARK, N.J.**  
**Statement of Expenditures - Regulatory Basis**

**Current Fund**

**Year Ended December 31, 2011**

	<u>Budget</u>	<u>Budget after Modification and Transfer</u>	<u>Paid or Charged</u>	<u>Reserved</u>	<u>Unexpended Balance Canceled</u>
Animal Welfare:					
Other Expenses	16,767	16,767	15,514	1,253	
Parks and Recreation:					
West Paterson Youth and Senior Citizens Center:					
Salaries and Wages	19,280	19,280	18,340	940	
Other Expenses	9,315	9,315	715	8,600	
West Paterson Boys & Girls Club OE	3,652	3,652	3,652		
Parks and Playgrounds:					
Salaries and Wages	46,560	46,560	22,410	24,150	
Other Expenses	48,710	48,710	27,069	21,641	
Other Common Unclassified:					
Celebration of Public Events, Anniversary or Holiday Other Expenses	6,000	6,000	2,169	3,831	
Municipal Court:					
Salaries and Wages	132,289	133,889	130,647	3,242	
Other Expenses	16,650	16,650	16,180	470	
Public Defender:					
Salaries and Wages	10,950	10,950	10,613	337	
Board of Health - (OSHA):					
Blood Borne Pathogens	900				

BOROUGH OF WOODLAND PARK, N.J.  
Statement of Expenditures - Regulatory Basis

Current Fund

Year Ended December 31, 2011

	<u>Budget</u>	<u>Budget after Modification and Transfer</u>	<u>Paid or Charged</u>	<u>Reserved</u>	<u>Unexpended Balance Canceled</u>
Appropriations Offset by Dedicated					
Revenues (N.J.A.C. 5:23-4.17)					
Uniform Construction Code Officials:					
Salaries and Wages	178,665	198,165	193,864	4,301	
Other Expenses	6,210	6,210	3,381	2,829	
Plumbing Inspector:					
Salaries and Wages	11,285	11,285	11,169	116	
Fire Protection Official:					
Salaries and Wages	5,250	5,250	5,182	68	
Building Inspector:					
Salaries and Wages	1,000				
Other Expenses	2,200				
Elevator Inspection Fees:					
Other Expenses	21,000	21,000	17,897	3,103	
Electrical Inspections:					
Salaries and Wages	11,215	11,215	10,181	1,034	
Other Expenses	1,000	1,000	14	986	
Housing Inspector:					
Salaries and Wages	8,000	8,250	7,513	737	
Unclassified:					
Electric & Gas	137,280	127,280	101,795	25,485	
Street Lighting	123,155	98,154	72,750	25,404	
Telephone	38,778	39,278	36,619	2,659	

**BOROUGH OF WOODLAND PARK, N.J.**  
**Statement of Expenditures - Regulatory Basis**

**Current Fund**

Year Ended December 31, 2011

	<u>Budget</u>	<u>Budget after Modification and Transfer</u>	<u>Paid or Charged</u>	<u>Reserved</u>	<u>Unexpended Balance Canceled</u>
Fire Hydrant Services	35,945	35,945	32,291	3,654	
Gasoline	110,000	145,000	136,886	8,114	
Emergency - Demolition of 531 McBride Avenue		15,000	14,900	100	
Emergency - Hurricane Irene Damages		289,218	276,961	12,257	
Total Operations within "CAPS"	<u>9,402,361</u>	<u>9,633,579</u>	<u>9,008,964</u>	<u>612,358</u>	
B. Contingent					
Total Operations Including Contingent-within "CAPS"	<u>9,402,361</u>	<u>9,633,579</u>	<u>9,008,964</u>	<u>612,358</u>	
Detail:					
Salaries & Wages	5,039,940	4,974,991	4,709,086	265,905	
Other Expenses (Including Contingent)	<u>4,362,421</u>	<u>4,658,588</u>	<u>4,299,878</u>	<u>358,710</u>	
	9,402,361	9,633,579	9,008,964	624,615	
Deferred Charges and Statutory Expenditures-					
Municipal within "CAPS"					
Statutory Expenditures:					
Contribution to:					
Police and Firemen's Retirement System of NJ	670,848	670,848	670,848		
Public Employees' Retirement System	252,411	252,411	252,411		
Social Security System (O.A.S.I.)	209,000	209,000	206,826	2,174	
Unemployment Compensation Insurance	<u>2</u>	<u>28,002</u>	<u>28,002</u>		
Total Deferred Charged and Statutory Expenditures-Municipal within "CAPS"	<u>1,132,261</u>	<u>1,160,261</u>	<u>1,158,087</u>	<u>2,174</u>	

BOROUGH OF WOODLAND PARK, N.J.  
Statement of Expenditures - Regulatory Basis

Current Fund

Year Ended December 31, 2011

	<u>Budget</u>	<u>Budget after Modification and Transfer</u>	<u>Paid or Charged</u>	<u>Reserved</u>	<u>Unexpended Balance Canceled</u>
Total General Appropriations for Municipal Purposes within "CAPS"	10,534,622	10,793,840	10,167,051	626,789	
Operations Excluded from "CAPS"					
Passaic Valley Sewerage Charge	802,360	802,360	802,357	3	
Stormwater Management - Other Expenses	25,000	25,000	3,000		22,000
LOSAP Program - Contribution	83,951	83,951	76,331	7,620	
Maintenance of Free Public Library					
Other Expenses	619,631	619,631	532,253	87,378	
Group Health Benefits	130,183	130,183	53,595	1,588	75,000
Total Other Operations - Excluded from "CAPS"	1,661,125	1,661,125	1,467,536	96,589	97,000
Public and Private Programs Offset by Revenues					
Clean Communities Program-Recycling:					
Other Expenses	16,284	16,284	16,284		
Drunk Driving Enforcement Fund:					
Other Expenses	1,181	1,181	1,181		
Over the Limit Under Arrest:					
Other Expenses	5,000	5,000	5,000		
Other Expenses	4,384	4,384	4,384		

**BOROUGH OF WOODLAND PARK, N.J.**  
**Statement of Expenditures - Regulatory Basis**

**Current Fund**

**Year Ended December 31, 2011**

	<u>Budget</u>	<u>Budget after Modification and Transfer</u>	<u>Paid or Charged</u>	<u>Reserved</u>	<u>Unexpended Balance Canceled</u>
Body Armor	2,630	2,630	2,630		
Passaic County Open Space Improvements to Zaccaria Park	175,000	175,000	175,000		
Recycling Tonnage Other Expenses	27,893	27,893	27,893		
Safe and Secure Communities Salaries and Wages	79,601	79,601	79,601		
Total Public and Private Programs Offset by Revenues	<u>311,973</u>	<u>311,973</u>	<u>311,973</u>		
Total Operations-Excluded from "CAPS"	<u>1,973,098</u>	<u>1,973,098</u>	<u>1,779,509</u>	96,589	97,000
Detail:					
Salaries and Wages	79,601	79,601	79,601		
Other Expenses	1,893,497	1,893,497	1,699,908	96,589	97,000
	<u>1,973,098</u>	<u>1,973,098</u>	<u>1,779,509</u>	96,589	97,000
Capital Improvements - Excluded from "CAPS"					
Capital Improvement Fund	50,000	95,000	95,000		
NJDOT-Resurfacing of Mount Pleasant Ave-Phase II	255,000	255,000	255,000		
Total Capital Improvements Excluded from "CAPS"	<u>305,000</u>	<u>350,000</u>	<u>350,000</u>		

BOROUGH OF WOODLAND PARK, N.J.

Statement of Expenditures - Regulatory Basis

Current Fund

Year Ended December 31, 2011

	<u>Budget</u>	<u>Budget after Modification and Transfer</u>	<u>Paid or Charged</u>	<u>Reserved</u>	<u>Unexpended Balance Canceled</u>
Municipal Debt Service - Excluded from "CAPS"					
Payment of Bond Principal	640,000	640,000	640,000		
Payment of Bond Anticipation Notes and Capital Notes	75,000	75,000	75,000		
Interest on Bonds	534,329	534,329	534,328		1
Interest on Notes	10,000	10,000	9,680		320
Bergen County Improvement Authority:					
Principal	15,000	15,000	15,000		
Interest	22,138	22,138	22,138		
Waste Water Treatment Trust Fund:					
Principal	85,809	85,809	85,808		1
Interest	35,704	35,704	31,399		4,305
<b>Total Municipal Debt Service-Excluded from "CAPS"</b>	<u>1,417,980</u>	<u>1,417,980</u>	<u>1,413,353</u>		<u>4,627</u>
Deferred Charges - Municipal - Excluded from "CAPS"					
Special Emergency Authorizations					
5 years (N.J.S. 40A:4-55)	<u>70,000</u>	<u>70,000</u>	<u>70,000</u>		
<b>Total Deferred Charges - Municipal -Excluded from "CAP"</b>	<u>70,000</u>	<u>70,000</u>	<u>70,000</u>		

**BOROUGH OF WOODLAND PARK, N.J.**  
**Statement of Expenditures - Regulatory Basis**

**Current Fund**

**Year Ended December 31, 2011**

	<u>Budget</u>	<u>Budget after Modification and Transfer</u>	<u>Paid or Charged</u>	<u>Reserved</u>	<u>Unexpended Balance Canceled</u>
Total General Appropriations for Municipal Purposes Excluded from "CAPS"	<u>3,766,078</u>	<u>3,811,078</u>	<u>3,612,862</u>	<u>96,589</u>	<u>101,627</u>
Subtotal General Appropriations	14,300,700	14,604,918	13,779,913	723,378	101,627
Reserve for Uncollected Taxes	<u>690,000</u>	<u>690,000</u>	<u>690,000</u>		
Total General Appropriations	<u>\$ 14,990,700</u>	<u>15,294,918</u>	<u>14,469,913</u>	<u>723,378</u>	<u>101,627</u>

Adopted Budget	\$ 14,952,246
Emergency Authorizations	304,218
Appropriated by N.J.S.A. 40A:4-87	<u>38,454</u>
	<u>\$ 15,294,918</u>

Reserve for Uncollected Taxes	\$ 690,000
Deferred Charges	70,000
Transferred to Federal and State Grant Fund	566,973
Encumbrances	245,673
Cash	<u>12,897,267</u>
	<u>\$ 14,469,913</u>

See accompanying notes to the financial statements.

## BOROUGH OF WOODLAND PARK, N.J.

## Comparative Balance Sheet - Regulatory Basis

## Trust Funds

December 31, 2011 and 2010

<u>Assets</u>	<u>Ref.</u>	<u>2011</u>	<u>2010</u>
Assessment Fund:			
Assessment receivable	B-2	\$ <u>6,119</u>	<u>6,119</u>
Dog License Fund			
Cash - Treasurer	B-1	4,027	3,776
Due from State of New Jersey	B-4	<u>30</u>	<u>26</u>
		<u>4,057</u>	<u>3,802</u>
Other Trust Funds:			
Cash - Treasurer	B-1	1,033,036	675,407
Due from Current Fund	B-5		<u>86,745</u>
		<u>1,033,036</u>	<u>762,152</u>
New Jersey Unemployment Compensation Insurance Fund			
Cash	B-1	3,865	1,005
Accounts Receivable			777
Due from Current Fund	B-5		<u>3,147</u>
		<u>3,865</u>	<u>4,929</u>
Community Development Trust Fund:			
Grants Receivable	B-6	<u>242,000</u>	<u>100,000</u>
Emergency Services Volunteer Length of Service Award Program (unaudited):			
Cash	B-1	701,704	652,849
Service Award Contributions Receivable	B-11	<u>79,170</u>	<u>76,331</u>
		<u>780,874</u>	<u>729,180</u>
		<u>\$ 2,069,951</u>	<u>1,506,182</u>

## BOROUGH OF WOODLAND PARK, N.J.

## Comparative Balance Sheet - Regulatory Basis

## Trust Funds

December 31, 2011 and 2010

	<u>Ref.</u>	<u>2011</u>	<u>2010</u>
<u>Liabilities, Reserves and Fund Balance</u>			
Assessment Fund:			
Reserve for assessments	B-3	6,119	6,119
Dog License Fund:			
Reserve for Dog Fund expenditures	B-7	4,057	3,062
Due to Current Fund	B-5		740
		<u>4,057</u>	<u>3,802</u>
Other Trust Funds:			
Due to Current Fund	B-5	21	3,165
Reserve for:			
Escrow Fund deposits	B-8	470,089	343,025
Performance Bonds	B-8	57,353	57,222
Drug and Alcohol	B-8	4,176	13,749
Open Space	B-8	293,547	141,087
Affordable Housing	B-8	183,226	172,825
Dedicated Fire Penalties	B-8	11,845	10,645
Recreation	B-8	9,373	17,892
POAA	B-8	3,406	2,542
		<u>1,033,036</u>	<u>762,152</u>
Unemployment Compensation Insurance Fund:			
Due to the State of New Jersey	B-4		2,665
Reserve for New Jersey Unemployment Compensation Insurance Fund	B-9	3,865	2,264
		<u>3,865</u>	<u>4,929</u>
Community Development Trust Fund:			
Due to Current Fund	B-5	22,764	
Reserve for Expenditures	B-10	219,236	100,000
		<u>242,000</u>	<u>100,000</u>
Emergency Services Volunteer Length of Service Award Program (unaudited):			
Net Assets Available for Benefits	B-12	780,874	729,180
		<u>\$ 2,069,951</u>	<u>1,506,182</u>

See accompanying notes to financial statements.

## BOROUGH OF WOODLAND PARK, N.J.

## Comparative Balance Sheet-Regulatory Basis

## General Capital Fund

December 31, 2011 and 2010

<u>Assets</u>	<u>Ref.</u>	<u>2011</u>	<u>2010</u>
Cash	C-2,C-3	\$ 819,813	1,664,173
Deferred Charges to Future Taxation:			
Funded	C-4	14,371,489	15,112,297
Unfunded	C-5	2,922,079	1,154,579
Interfunds Receivable:			
Current Fund	C-13		226,854
Grants Receivable:			
Department of Agriculture	C-7	2,298	2,298
Department of Transportation	C-6	11,189	11,189
Due from NJ Wastewater Trust Fund Loans	C-8	4,326	4,326
		<u>\$ 18,131,194</u>	<u>18,175,716</u>
<u>Liabilities, Reserves and Fund Balance</u>			
Bond Anticipation Notes	C-14	1,025,000	1,100,000
General Serial Bonds Payable	C-15	12,737,000	13,377,000
Capital Leases Payable	C-16	365,000	380,000
New Jersey Wastewater Loan Payable	C-17	544,489	590,297
New Jersey Wastewater Trust Fund Loan Payable	C-18	725,000	765,000
Capital Improvement Fund	C-9	9,380	9,470
Improvement authorization - Funded	C-10	896,976	1,407,753
Improvement authorization - Unfunded	C-10	1,400,156	43,731
Reserve for Encumbrances	C-11	22,127	96,399
Reserve for Payment of Debt	C-12	406,066	406,066
		<u>\$ 18,131,194</u>	<u>18,175,716</u>

There were bonds and notes authorized but not issued on December 31, 2011 and 2010 of \$1,897,079 and \$54,579 (Exhibit C-19).

See accompanying notes to financial statements.

BOROUGH OF WOODLAND PARK, N.J.

Comparative Balance Sheet-Regulatory Basis

Water Utility Operating Fund

December 31, 2011 and 2010

<u>Assets</u>	<u>Ref.</u>	<u>2011</u>	<u>2010</u>
Water Utility Operating Fund:			
Cash - Treasurer	D-4	\$ 762,561	596,521
Due from Water Capital Fund	D-11		2,877
Receivables with full reserves:			
Consumers' accounts receivable	D-7	119,848	111,608
		119,848	111,608
Deferred charges:			
Emergency Appropriation	D-6	20,000	
		20,000	
Total Water Utility Operating Fund		902,409	711,006
Capital Fund:			
Cash - Treasurer	D-4,D-5	887,033	890,323
Due from Infrastructure Trust Fund - Unexpended			
Loan Proceeds - Project Credits Receivable	D-8	153,958	318,290
Fixed Capital	D-9	2,570,311	2,570,311
Fixed Capital Authorized and Uncompleted	D-10	1,081,710	1,400,000
Total Capital Fund		4,693,012	5,178,924
		\$ 5,595,421	5,889,930

**BOROUGH OF WOODLAND PARK, N.J.**  
**Comparative Balance Sheet-Regulatory Basis**  
**Water Utility Operating Fund**  
**December 31, 2011 and 2010**

<u>Liabilities, Reserves and Fund Balance</u>	<u>Ref.</u>	<u>2011</u>	<u>2010</u>
<b>Water Utility Operating Fund:</b>			
Appropriation Reserves	D-3,D-12	80,969	103,253
Reserve for Encumbrances	D-3	36,744	10,516
Reserve for Outside Liens	D-13	1,911	1,911
Overpayments	D-14	6,460	8,983
Accrued Interest on Bonds	D-16	14,991	16,514
		<u>141,075</u>	<u>141,177</u>
Reserve for receivables	Contra	119,848	111,608
Fund balance	D-1	641,486	458,221
		<u>902,409</u>	<u>711,006</u>
<b>Total Water Utility Operating Fund</b>			
<b>Capital Fund:</b>			
<b>Improvement authorization:</b>			
Funded	D-17	675,213	942,939
Unfunded	D-17	178,649	229,626
Capital Improvement Fund	D-18	37,179	37,179
Due to Water Operating Fund	D-15		2,877
Infrastructure Trust Loans Payable	D-23	672,881	892,686
Down Payment on Capital Improvements	D-19	1,500	1,500
Serial Bonds Payable	D-22	697,000	822,000
<b>Reserve for:</b>			
Amortization	D-20	2,204,572	2,024,099
Debt Service	D-21	225,463	225,463
Fund Balance		555	555
		<u>4,693,012</u>	<u>5,178,924</u>
<b>Total Capital Fund</b>			
		<u>\$ 5,595,421</u>	<u>5,889,930</u>

There were bonds and notes authorized but not issued at December 31, 2010 and December 31, 2011 of \$231,526 and \$231,526 (Exhibit D-24).

See accompanying notes to financial statements.

## BOROUGH OF WOODLAND PARK, N.J.

## Statement of Operations and Changes in Fund Balance-Regulatory Basis

## Water Utility Operating Fund

For the Years Ended December 31, 2011 and 2010

	<u>2011</u>	<u>2010</u>
Revenue and other income:		
Fund balance utilized	\$	21,070
Water rents	1,518,243	1,540,753
Unexpended balance appropriation reserve	50,024	64,712
Miscellaneous	54,354	62,922
	<hr/>	<hr/>
Total revenue and other income	1,622,621	1,689,457
	<hr/>	<hr/>
Expenditures:		
Operating	1,215,700	1,135,705
Debt service	199,056	228,119
Deferred charges and statutory expenditures	44,600	64,315
	<hr/>	<hr/>
Total expenditures	1,459,356	1,428,139
	<hr/>	<hr/>
Excess (Deficit) in revenues	163,265	261,318
Adjustment to income before fund balance - expenditures included above which are by statute deferred charges to budget of succeeding year	20,000	
	<hr/>	<hr/>
Statutory excess to fund balance	183,265	261,318
Fund balance, January 1	458,221	217,973
	<hr/>	<hr/>
	641,486	479,291
Decreased by utilization by water operating budget		21,070
	<hr/>	<hr/>
Balance, December 31	\$ 641,486	458,221
	<hr/> <hr/>	<hr/> <hr/>

See accompanying notes to financial statements.

**BOROUGH OF WOODLAND PARK, N.J.**

**Statement of Revenues-Regulatory Basis**

**Water Utility Operating Fund**

**Year ended December 31, 2011**

	<u>Anticipated</u>	<u>Realized</u>	Excess (deficit)
Rents	\$ 1,437,250	1,518,243	80,993
Miscellaneous	<u>40,000</u>	<u>54,354</u>	<u>14,354</u>
	<u>\$ 1,477,250</u>	<u>1,572,597</u>	<u>95,347</u>

Analysis of Realized Revenue

Rents	\$ <u>1,518,243</u>
Interest on investments - Water Operating Fund	1,365
Interest on investments - Due from Water Capital Fund	1,574
Meter Installations	44,800
Miscellaneous	<u>6,615</u>
	\$ <u>54,354</u>
Cash Receipts	52,780
Interfund - Due from Water Capital Fund	<u>1,574</u>
	\$ <u>54,354</u>

See accompanying notes to financial statements.

## BOROUGH OF WOODLAND PARK, N.J.

## Statement of Expenditures-Regulatory Basis

## Water Utility Operating Fund

Year ended December 31, 2011

	Appropriations		Expended		Canceled
	Budget	Budget after modification	Paid or charged	Reserved	
Operating:					
Salaries and wages	\$ 218,000	218,000	200,239	17,761	
Other expenses	977,700	997,700	937,143	60,557	
Total operating	1,195,700	1,215,700	1,137,382	78,318	
Debt Service:					
Payment of Bond Principal	125,000	125,000	125,000		
Interest on Bonds	35,000	35,000	34,960		40
Infrastructure Trust Loans	76,950	76,950	39,096		37,854
	236,950	236,950	199,056		37,894
Deferred Charges and Statutory Expenditures:					
Statutory expenditures - contribution to:					
Social Security System (O.A.S.I.)	44,500	44,500	41,949	2,551	
Unemployment Compensation Insurance (N.J.S.A. 43:21-3 et seq.)	100	100		100	
Total deferred charges and statutory expenditures	44,600	44,600	41,949	2,651	
	\$ 1,477,250	1,497,250	1,378,387	80,969	37,894
			Cash disbursed \$ 1,267,587		
			Reserve for Encumbrances 36,744		
			Accrued Interest on Bonds 74,056		
			\$ 1,378,387		

See accompanying notes to financial statements.

**BOROUGH OF WOODLAND PARK, N.J.**

**Comparative Balance Sheet-Regulatory Basis**

**Payroll Account**

**December 31, 2011 and 2010**

	<u>2011</u>	<u>2010</u>
<u>Assets</u>		
Cash	\$ <u>10,941</u>	<u>10,434</u>
	<u>\$ 10,941</u>	<u>10,434</u>
<u>Reserves</u>		
Payroll Deductions and Withholdings	\$ <u>10,941</u>	<u>10,434</u>
	<u>\$ 10,941</u>	<u>10,434</u>

See accompanying notes to financial statements.

**BOROUGH OF WOODLAND PARK, N.J.**

**Comparative Statement of General Fixed  
Assets-Regulatory Basis**

**General Fixed Assets Account Group**

**December 31, 2011 and 2010**

	<u>2011</u>	<u>2010</u>
General Fixed Assets:		
Land	\$ 10,518,311	10,507,336
Buildings	9,271,052	9,263,323
Automobiles and Vehicles	5,632,990	6,683,119
Machinery and equipment	<u>1,526,157</u>	<u>1,436,925</u>
Investment in General Fixed Assets	<u>\$ 26,948,510</u>	<u>27,890,703</u>

See accompanying notes to financial statements.

**BOROUGH OF WOODLAND PARK**  
**Notes to Financial Statements**  
**Years Ended December 31, 2011 and 2010**

**NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

The Governmental Accounting Standards Board (GASB) is the accepted standard-setting body for establishing governmental accounting and financial reporting principles. The GASB Codification establishes seven fund types and two account groups 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 financial statements of the Borough of Woodland Park have been prepared in conformity with 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 comprehensive basis of accounting other than accounting principles generally accepted in the United States of America. 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 the following separate funds which differ from the fund structure required by GAAP.

A. Reporting Entity

The Borough of Woodland Park (the "Woodland Park") operates under a Mayor/Council form of government. The Borough's major operations include public safety, road repair and maintenance, sanitation, fire protection, recreation and parks, health services, and general administrative services.

GASB has issued Statement No. 14 which requires the financial reporting entity to include both the primary government and those component units for which the primary government is financially accountable. Financial accountability is defined as appointment of a voting majority of the component unit's board, and either a) the ability to impose will by the primary government, or b) the possibility that the component unit will provide a financial benefit to or impose a financial burden on the primary government.

However, 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. 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 which is considered a component unit under GAAP. Complete financial statements of the above components can be obtained by contacting the Treasurer of the respective entity.

**BOROUGH OF WOODLAND PARK**  
**Notes to Financial Statements**  
**Years Ended December 31, 2011 and 2010**  
**(continued)**

**NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, (continued)**

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

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

The Borough has the following funds and account group:

Current Fund - This fund accounts for resources and expenditures for governmental operations of a general nature, including Federal and State grants.

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

Other Trust Fund - This fund is established to account for the assets and resources which are also held by the Borough as a trustee or agent for individuals, private organizations, other governments and/or other funds.

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

Library Trust Fund - This fund is used to account for the activities of the Library.

Assessment Trust Fund - This fund is used to account for assessments for improvements levied against the improved properties.

Community Development Block Grant Trust Fund - This fund is used to account for the award of and subsequent receipt and disbursements related to Community Development Block Grants.

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

Water Utility Operating Fund - This fund is used to account for all revenues and expenditures applicable to the operations of the water department.

**BOROUGH OF WOODLAND PARK**  
**Notes to Financial Statements**  
**Years Ended December 31, 2011 and 2010**  
**(continued)**

**NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, (continued)**

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

Water Utility Capital Fund – This fund is used to account for financial resources to be used for the acquisition or improvement of water capital facilities. The major resources are derived from the issuance of debt.

Payroll Account – This account is used for all net payroll checks distributed to employees.

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

Basis of Accounting

A modified accrual basis of accounting is followed by the Borough of Woodland Park. 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 for municipalities by the Division differ in certain respects from accounting principles generally accepted in the United States of America (GAAP) applicable to local government units. The more significant differences are as follows:

Property Tax Revenues - Real property taxes are assessed locally, based upon the assessed value of the property. The tax bill includes a levy for Municipal, County, and School purposes. The bills are mailed annually in June for that calendar year's levy. Taxes are payable in four quarterly installments on February 1, May 1, August 1, and November 1. The amounts of the first and second installments are determined as one quarter of the total tax levied against the property for the preceding year. The installment due the third and fourth quarters is determined by taking the current year levy less the amount previously charged for the first and second installments, with the remainder being divided equally. If unpaid on these dates, the amount due becomes delinquent and subject to interest at 8% per annum, or 18% on any delinquency amount in excess of \$1,500. Additionally, a 6% penalty is assessed for balances over \$10,000 if not paid by the end of the calendar year. The school levy is turned over to the Board of Education as expenditures are incurred, and the balance, if any, must be transferred as of June 30, of each fiscal year. County taxes are paid quarterly on February 15, May 15, August 15 and November 15, to the County by the Borough. When unpaid taxes or any municipal lien, or part thereof, on real property, remains in arrears on April first in the year following the calendar year levy when the same became in arrears, the collector in the municipality shall subject to the provisions of the New Jersey Statutes enforce the lien by placing the property on a tax sale. Annual in rem tax foreclosure proceedings are instituted to enforce the tax collection or acquisition of title to the property by the Borough. 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 taxes 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, reduced by an allowance for doubtful accounts.

**BOROUGH OF WOODLAND PARK**  
**Notes to Financial Statements**  
**Years Ended December 31, 2011 and 2010**  
**(continued)**

**NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, (continued)**

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

Basis of Accounting, (continued)

Miscellaneous Revenues - Miscellaneous revenues are recognized on a cash basis. Receivables for the miscellaneous items that are susceptible to accrual are recorded with offsetting reserves on the balance sheet of the Borough's Current Fund and Water Utility Operating Fund. GAAP requires such revenues to be recognized in the accounting period when they become susceptible to accrual.

Grant Revenues - Federal and State grants, entitlements or shared revenues received for purposes normally financed through the Current Fund are recognized when anticipated in the Borough's budget. GAAP requires such revenues to be recognized in the accounting period when they become susceptible to accrual.

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 for the Current Fund and Water Utility Fund. Budget amounts presented in the accompanying financial statements represent amounts adopted by the Borough and approved by the State Division of Local Government Services per N.J.S.A. 40A:4 et seq.

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

- General Capital Fund
- Trust Fund
- Public Assistance Fund
- Water Utility Capital Fund

The governing body shall introduce and approve the annual budget not later than February 10, of the fiscal year. The budget shall be adopted not 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. Emergency appropriations, those made after the adoption of the budget and determination of the tax rate, may be authorized by the governing body of the municipality.

**BOROUGH OF WOODLAND PARK**  
**Notes to Financial Statements**  
**Years Ended December 31, 2011 and 2010**  
**(continued)**

**NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, (continued)**

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

Basis of Accounting, (continued)

During the last two months of the fiscal year, the governing body may, by a 2/3 vote, amend the budget through line item transfers. Management has no authority to amend the budget without the approval of the Governing Body. Expenditures may not legally exceed budgeted appropriations at the line item level. During 2011, the governing body approved an emergency appropriation in the amount of \$15,000 for the demolition of 531 McBride Avenue and additional emergency appropriations totaling \$289,218 for damages caused by Hurricane Irene. In addition, \$38,454 in additional revenues and appropriations were added to the budget in accordance with N.J.S.A. 40A:4-87 and there were also several budget transfers approved by the governing body.

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 canceled 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, which should be recognized when due.

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

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

Compensated Absences - Expenditures relating to obligations for unused vested accumulated vacation and sick pay are not recorded until paid. GAAP requires that the amount that would normally be liquidated with expendable available financial resources be recorded as an expenditure in the operating funds and the remaining obligations be recorded as a long-term obligation.

Property Acquired for Taxes - Is recorded in the Current Fund at the assessed valuation when such property was acquired and fully reserved. GAAP requires such property to be recorded in the General Fixed Assets Account Group at market value on the date of acquisition.

**BOROUGH OF WOODLAND PARK**  
**Notes to Financial Statements**  
**Years Ended December 31, 2011 and 2010**  
**(continued)**

**NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, (continued)**

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

Basis of Accounting, (continued)

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.

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.

Cash and Investments - Cash includes amounts in demand deposits as well as short-term investments with a maturity date within one year of the date acquired by the government. Investments are stated at fair value which approximates cost and are limited by N.J.S.A. 40A:5-15.1(a).

Deferred Charges to Future Taxation Funded and Unfunded - Upon the authorization of capital projects, the Borough establishes deferred charges for the costs of the capital projects to be raised by future taxation. Funded deferred charges relate to permanent debt issued, whereas unfunded deferred charges relate to temporary or nonfunding of the authorized cost of capital projects. According to N.J.S.A. 40A:2-4, the Borough may levy taxes on all taxable property within the local unit to repay the debt. Annually, the Borough raises the debt requirements for that particular year in the current budget. As the funds are raised by taxation, the deferred charges are reduced.

General Fixed Assets - The Borough of Woodland Park has developed a fixed assets accounting and reporting system, as promulgated by the Division of Local Government Services, which differs in certain respects from generally accepted accounting principles.

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 drainage systems are not capitalized.

Fixed assets acquired by the Water Utility Fund are capitalized as Fixed Capital and not depreciated.

**BOROUGH OF WOODLAND PARK**  
**Notes to Financial Statements**  
**Years Ended December 31, 2011 and 2010**  
**(continued)**

**NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, (continued)**

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

Basis of Accounting, (continued)

All fixed assets are valued at historical cost or estimated historical cost if actual historical cost is not available.

No depreciation has been provided for in the financial statements.

Expenditures for construction in progress are recorded in the Capital Funds until such time as the construction is completed and put into operation.

Fixed assets acquired through grants in aid or contributed capital have not been accounted for separately.

GAAP requires that fixed assets be capitalized at historical or estimated historical cost if actual historical cost is not available.

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 revenues and expenses during the reporting period. Accordingly, actual results could differ from those estimates.

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

**C. Basic Financial Statements**

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

**BOROUGH OF WOODLAND PARK**  
**Notes to Financial Statements**  
**Years Ended December 31, 2011 and 2010**  
**(continued)**

**NOTE 2. CASH, CASH EQUIVALENTS AND INVESTMENTS**

**Cash**

**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's policy is based on New Jersey Statutes requiring cash be deposited only in New Jersey based banking institutions that participate in New Jersey Governmental Depository Protection Act (GUDPA) or in qualified investments established in New Jersey Statutes 40A:5-15.1(a) that are treated as cash equivalents. As of December 31, 2011, \$0- of the Borough's bank balance of \$8,117,490 was exposed to custodial credit risk.

**Investments**

**Investment Rate Risk**

The Borough does not have a formal investment policy that limits investment maturities as a means of managing its exposure to fair value losses arising from increasing interest rates. However, New Jersey Statutes 40A:5-15.1(a) limits the length of time for most investments to 397 days.

**Credit Risk**

New Jersey Statutes 40A:5-15.1(a) limits municipal investments to those specified in the Statutes. The type of allowance investments are Bonds of the United States of America, bonds or other obligations of the towns or bonds or other obligations of the local unit or units within which the town is located; obligations of federal agencies not exceeding 397 days; government money market mutual funds; the State of New Jersey Cash Management Plan; local government investment pools; or repurchase of fully collateralized securities.

**Concentration of Credit Risk**

The Borough places no limit on the amount the Borough may invest in any one issuer.

**Unaudited Investments**

As more fully described in Note 13, the Borough has created a Length of Service Award Program (LOSAP) for emergency service volunteers. The LOSAP investments are similar to those allowed in a deferred compensation program as specified in NJSA 43:15B-1 et. seq. except that all investments are retained in the name of the Borough. All investments are valued at fair value. In accordance with NJAC 5:30-14.37, the investments are maintained by AIG, which is an authorized provider approved by the Division of Local Government Services. The balance in the account on December 31, 2011 and 2010 amounted to \$701,704 and \$652,849, respectively.

**BOROUGH OF WOODLAND PARK**  
**Notes to Financial Statements**  
**Years Ended December 31, 2011 and 2010**  
**(continued)**

**NOTE 2. CASH, CASH EQUIVALENTS AND INVESTMENTS, (continued)**

The following investments represent 5% or more of the total invested with AIG on December 31, 2011 and 2010:

	<u>2011</u>	<u>2010</u>
Money Market Funds	\$62,675	\$54,895
Science and Technology	42,128	40,426
Fixed Account Plus	250,511	230,079
Stock Index Fund	176,697	160,700
All Others	<u>169,693</u>	<u>166,749</u>
Total	<u>\$701,704</u>	<u>\$652,849</u>

**NOTE 3. MUNICIPAL DEBT**

Long-term debt as of December 31, 2011 consisted of the following:

	<u>Balance</u> <u>Dec. 31, 2010</u>	<u>Additions</u>	<u>Reductions</u>	<u>Ending</u> <u>Balance</u>	<u>Amounts Due</u> <u>Within</u> <u>One Year</u>
<b>Bonds Payable:</b>					
General Capital	\$13,377,000	\$	\$640,000	\$12,737,000	\$700,000
Water Capital	<u>822,000</u>	<u>      </u>	<u>125,000</u>	<u>697,000</u>	<u>130,000</u>
Total Bonds Payable	<u>14,199,000</u>	<u>      </u>	<u>765,000</u>	<u>13,434,000</u>	<u>830,000</u>
<b>Other Liabilities:</b>					
PERS/PFRS Pension Deferral	330,043			330,043	14,317
Compensated Absences Payable	1,447,604	123,417	5,795	1,565,226	15,000
Capital Lease	380,000		15,000	365,000	
New Jersey Infrastructure Trust:					
Wastewater Loans - General Capital	1,355,297		85,808	1,269,489	92,400
Wastewater Loans - Water Capital	<u>892,686</u>		<u>219,805</u>	<u>672,881</u>	<u>54,662</u>
Total Other Liabilities	<u>4,405,630</u>	<u>123,417</u>	<u>326,408</u>	<u>4,202,639</u>	<u>176,379</u>
	<u>\$18,604,630</u>	<u>\$123,417</u>	<u>\$1,091,408</u>	<u>\$17,636,639</u>	<u>\$1,006,379</u>

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

**BOROUGH OF WOODLAND PARK**  
**Notes to Financial Statements**  
**Years Ended December 31, 2011 and 2010**  
**(continued)**

**NOTE 3. MUNICIPAL DEBT, (continued)**

The Borough's debt is summarized as follows:

Summary of Municipal Debt (Excluding Current Operating Debt)

	<u>Year 2011</u>	<u>Year 2010</u>	<u>Year 2009</u>
<u>Issued:</u>			
General - Bonds, Notes and Loans	\$15,031,489	\$15,832,297	\$16,554,090
Water Utility - Bonds, Notes and Loans	<u>1,215,923</u>	<u>1,714,686</u>	<u>1,880,969</u>
	<u>16,247,412</u>	<u>17,546,983</u>	<u>18,435,059</u>
<u>Authorized But Not Issued</u>			
General - Bonds and Notes	1,897,079	54,579	54,579
Water Utility - Bonds and Notes	<u>231,526</u>	<u>231,526</u>	<u>231,526</u>
	<u>2,128,605</u>	<u>286,105</u>	<u>286,105</u>
Total Bonds, Notes and Loans Issued and Authorized But Not Issued	18,376,017	17,833,088	18,721,164
Less: Deductions	<u>1,211,529</u>	<u>3,877,277</u>	<u>4,250,660</u>
Net Debt	<u>\$17,164,488</u>	<u>\$13,955,811</u>	<u>\$14,470,504</u>

Summary of Statutory Debt Condition - Annual Debt Statement

The summarized statement of debt condition which follows is prepared in accordance with the required method of setting up the Annual Debt Statement and indicates a statutory net debt of .89%.

	<u>Gross Debt</u>	<u>Deductions</u>	<u>Net Debt</u>
Regional School District Debt	\$2,341,633	\$2,341,633	\$ -0-
Local School District Debt	7,027,758	7,027,758	-0-
Water Utility	1,447,449	1,447,449	-0-
General Debt	<u>16,928,568</u>	<u>986,066</u>	<u>15,942,502</u>
	<u>\$27,745,408</u>	<u>\$11,802,906</u>	<u>\$15,942,502</u>

Net debt of \$15,942,502 divided by equalized valuation basis per N.J.S.A. 40A:2-2 as amended of \$1,799,063,960 equals .89%.

Borrowing Power Available under N.J.S.A. 40A:2-6 as Amended

3 ½% of Equalized Valuation Basis (Municipal)	\$62,967,239
Net Debt	<u>15,942,502</u>
Remaining Borrowing Power	<u>\$47,024,737</u>

**BOROUGH OF WOODLAND PARK**  
**Notes to Financial Statements**  
**Years Ended December 31, 2011 and 2010**  
**(continued)**

**NOTE 3. MUNICIPAL DEBT, (continued)**

Calculation of "Self-Liquidating Purpose", Water Utility Per N.J.S.A. 40A:2-45

Cash receipts from fees, rents or other charges for year		\$1,572,597
Deductions:		
Operating and Maintenance Cost	\$1,260,300	
Debt Service per Water Account	<u>199,056</u>	
Total Deductions		<u>1,459,356</u>
Excess (Deficit) in Revenue - Self-Liquidating		<u>\$113,241</u>

Footnote: If there is an "excess in revenue", all such utility debt is deductible.

The Borough's long-term debt consisted of the following at December 31, 2011:

Paid by Current Fund:

General Serial Bonds:

\$2,015,000 Variable Rate Refunding Bonds issued Aug. 1, 2005, due through Aug. 1, 2017	\$1,310,000
\$4,332,000 General Improvement Bonds issued Aug. 1, 2001, due through Oct. 15, 2016 at an interest rate of 4.30%	2,052,000
\$9,500,000 Variable Rate General Improvement Bonds issued Jul.15 2009, due through Jul. 15, 2027	<u>9,375,000</u>
Total General Serial Bonds	<u>12,737,000</u>

Paid by Water Utility Fund:

Water Utility Serial Bonds:

\$1,507,000 Serial bonds issued Oct. 15, 2001, due through Oct. 15, 2015 at an interest rate of 4.375%	<u>697,000</u>
Total Water Utility Bonds	<u>697,000</u>
Total Serial Bonds	<u>\$13,434,000</u>

**BOROUGH OF WOODLAND PARK**  
**Notes to Financial Statements**  
**Years Ended December 31, 2011 and 2010**  
**(continued)**

**NOTE 3. MUNICIPAL DEBT, (continued)**

Aggregate debt service requirements during the next five years and thereafter are as follows:

<u>Year</u>	<u>General Capital</u>		
	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2012	\$700,000	\$508,966	\$1,208,966
2013	730,000	481,404	1,211,404
2014	765,000	452,671	1,217,671
2015	835,000	422,991	1,257,991
2016	862,000	388,903	1,250,903
2017-2021	3,125,000	1,524,600	4,649,600
2022-2026	4,650,000	797,400	5,447,400
2027	<u>1,070,000</u>	<u>42,800</u>	<u>1,112,800</u>
	<u>\$12,737,000</u>	<u>\$4,619,735</u>	<u>\$17,356,735</u>

<u>Year</u>	<u>Water Utility</u>		
	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2012	\$130,000	\$30,494	\$160,494
2013	135,000	24,806	159,806
2014	140,000	18,900	158,900
2015	145,000	12,775	157,775
2016	<u>147,000</u>	<u>6,431</u>	<u>153,431</u>
	<u>\$697,000</u>	<u>\$93,406</u>	<u>\$790,406</u>

General capital, water capital and assessment serial bonds are direct obligations of the Borough for which its full faith and credit are pledged, and are payable from taxes levied on all taxable property located within the Borough and/or water utilities revenues and special assessments.

At December 31, 2011, the Borough had authorized but not issued debt as follows:

General Capital Fund	\$1,897,079
Water Utility Capital Fund	<u>231,526</u>
	<u>\$2,128,605</u>

**BOROUGH OF WOODLAND PARK**  
**Notes to Financial Statements**  
**Years Ended December 31, 2011 and 2010**  
**(continued)**

**NOTE 4. INTERGOVERNMENTAL LOANS PAYABLE**

The Borough has entered into a loan agreement with the New Jersey Environmental Infrastructure Trust for the financing related to the Borough's combined storm water and sanitary sewer separation project.

General Capital

\$480,000 loan due in annual installments of \$15,000 to \$35,000 through August 1, 2023 interest at 3% to 5%.	\$350,000
\$420,000 loan due in annual installments of \$10,813 to \$18,674 through August 1, 2021.	214,794
\$485,000 loan due in annual installments of \$15,000 to \$35,000 through August 1, 2024.	375,000
\$493,977 loan due in semiannual installments of \$12,072 to \$23,189 through August 1, 2024.	<u>329,695</u>
	<u>\$1,269,489</u>

Water Utility Capital

\$580,000 loan due in annual installments of \$20,000 to \$45,000 through August 1, 2024 interest at 3.00% to 5.00%.	\$445,000
\$590,374 loan due in semiannual installments of \$638 to \$30,446 through August 1, 2029.	<u>227,881</u>
	<u>\$672,881</u>

Year	General Capital Loans			Water Utility Loans		
	Principal	Interest	Total	Principal	Interest	Total
2012	\$92,401	\$33,704	\$126,105	\$54,662	\$20,731	\$75,393
2013	99,294	31,454	130,748	53,851	19,481	73,332
2014	97,783	28,954	126,737	61,283	18,231	79,515
2015	96,435	26,704	123,139	60,505	17,031	77,536
2016	95,226	24,703	119,929	59,727	15,831	75,558
2017-2021	539,230	86,154	625,384	252,853	56,656	309,509
2022-2024	<u>249,120</u>	<u>14,306</u>	<u>263,426</u>	<u>130,000</u>	<u>11,731</u>	<u>141,731</u>
	<u>\$1,269,489</u>	<u>\$245,979</u>	<u>\$1,515,468</u>	<u>\$672,882</u>	<u>\$159,693</u>	<u>\$832,574</u>

**BOROUGH OF WOODLAND PARK**  
**Notes to Financial Statements**  
**Years Ended December 31, 2011 and 2010**  
**(continued)**

**NOTE 5. BOND ANTICIPATION NOTES**

The Borough issues bond anticipation notes to temporarily fund various capital projects prior to the issuance of serial bonds. The term of the notes cannot exceed one year but the notes may be renewed from time to time for a period not exceeding one year. Generally, such notes must be paid no later than the first day of the fifth month following the close of the tenth anniversary of the date of the original note. The State of New Jersey also prescribes that on or before the third anniversary date of the original note a payment of an amount at least equal to the first legally payable installment of the bonds in anticipation of which such notes were issued be paid or retired. A second and third legal installment must be paid if the notes are to be renewed beyond the fourth and fifth anniversary date of the original issuance.

On December 31, 2011, the Borough had \$1,025,000 in outstanding general obligation bond anticipation notes due on December 14, 2012 at a rate of 1.07%.

The following activity related to bond anticipation notes occurred during the calendar year ended December 31, 2011.

	<u>Beginning Balance</u>	<u>Additions</u>	<u>Reductions</u>	<u>Ending Balance</u>
General Capital Notes Payable:				
Capital One	\$0	\$1,025,000	\$	\$1,025,000
Valley National Bank	<u>1,100,000</u>	<u>                    </u>	<u>1,100,000</u>	<u>1,100,000</u>
	<u>\$1,100,000</u>	<u>\$1,025,000</u>	<u>\$1,100,000</u>	<u>\$1,025,000</u>

**NOTE 6. DEFERRED CHARGES TO BE RAISED IN SUCCEEDING BUDGETS**

Certain expenditures are required to be deferred to budgets of succeeding years. At December 31, 2011 the following deferred charges are shown on the balance sheets of the various funds:

	<u>Balance Dec. 31, 2011</u>	<u>2012 Budget Appropriations</u>	<u>Balance Succeeding Years Budgets</u>
Current Fund:			
Special Emergency Authorizations	\$180,000	\$70,000	\$110,000
Emergency Authorizations:			
Hurricane Irene Damages	289,218	289,218	
Demolition of 531 McBride Avenue	<u>15,000</u>	<u>15,000</u>	
Total Current Fund	<u>\$484,218</u>	<u>\$374,218</u>	<u>\$110,000</u>
Water Utility Operating Fund:			
Emergency Authorization - Hurricane Irene	<u>\$20,000</u>	<u>\$20,000</u>	<u>\$ -0-</u>

**BOROUGH OF WOODLAND PARK**  
**Notes to Financial Statements**  
**Years Ended December 31, 2011 and 2010**  
**(continued)**

**NOTE 7. LOCAL DISTRICT SCHOOL TAXES AND REGIONAL HIGH SCHOOL TAXES**

Regulations provide for the deferral of not more than 50% of the annual levy when school taxes are raised for a school year and have not been requisitioned by the school district.

The Borough of Woodland Park has elected to defer school taxes as follows:

	Local School District Tax Balance		Regional School District Tax Balance	
	Dec. 31, 2011	Dec. 31, 2010	Dec. 31, 2011	Dec. 31, 2010
Balance of Tax	\$6,871,501	\$6,696,617	\$2,863,439	\$2,771,934
Deferred	<u>6,871,501</u>	<u>6,696,617</u>	<u>2,864,238</u>	<u>2,772,733</u>
Tax Payable/(Prepaid)	<u>\$0</u>	<u>\$0</u>	<u>(\$799)</u>	<u>(\$799)</u>

**NOTE 8. PENSION PLANS**

Description of Systems:

Substantially all of the Borough's employees participate in one of the following contributory defined benefit public employee retirement systems which have been established by State statute: the Police and Firemen's Retirement System (PFRS) or the Public Employees' Retirement System (PERS). These systems are sponsored and administered by the State of New Jersey. The Public Employees' Retirement System and the Police and Firemen's Retirement System (PFRS) are considered a cost sharing multiple-employer plans. According to the State of New Jersey Administrative Code, all obligations of the systems will be assumed by the State of New Jersey should the systems terminate.

*Public Employees' Retirement System (PERS)*

The Public Employees' Retirement System was established in January, 1955 under the provisions of N.J.S.A. 43:15A to provide coverage including post-retirement health care to certain qualified members. Membership is mandatory for substantially all full time employees of the State or any county, municipality, school district or public agency provided the employee is not required to be a member of another State-administered retirement system. Vesting occurs after 8-10 years of service and 25 years for health care coverage. Members are eligible for retirement at age 60 with an annual benefit generally determined to be 1/55th of the average annual compensation for the highest three fiscal years' compensation for each year of membership during years of creditable service. Early retirement is available to those under age 60 with 25 or more years of credited service. Members are always fully vested for their own contributions and, after three years of service credit, become vested for 2% of related interest earned on contributions. In case of death before retirement, members' beneficiaries are entitled to full interest credited to the members' accounts.

**BOROUGH OF WOODLAND PARK**  
**Notes to Financial Statements**  
**Years Ended December 31, 2011 and 2010**  
**(continued)**

**NOTE 8. PENSION PLANS, (continued)**

Description of Systems, (continued)

*Public Employees' Retirement System (PERS), (continued)*

Chapter 103, P.L. 2007 amended the early retirement reduction formula for members hired on or after July 1, 2007 and retiring with 25 years of service to be reduced by 1% for every year between age 55 and 60, plus 3% for every year under age 55.

Chapter 89, P.L. 2008 increased the PERS eligibility age for unreduced benefits from age 60 to age 62 for members hired on or after November 1, 2008; increased the minimum annual compensation required for membership eligibility for new members. Also, it amended the early retirement reduction formula for members hired on or after November 1, 2008 and retiring with 25 years of service to be reduced by 1% for every year between age 55 and 62, plus 3% for every year under age 55.

Chapter 1, P.L. 2010, effective May 21, 2010, changed the membership eligibility criteria for new members of PERS from the amount of compensation to the number of hours worked weekly. Also, it returned the benefit multiplier for new members of PERS to 1/60 from 1/55, and it provided that new members of PERS have the retirement allowance calculated using the average annual compensation for the last five years of service instead of the last three years of service. New members of PERS will no longer receive pension service credit from more than one employer. Pension service credit will be earned for the highest paid position only. This law also closed the Prosecutors Part of the PERS to new members and repealed the law for new members that provided a non-forfeitable right to receive a pension based on the laws of the retirement system in place at the time 5 years of pension service credit is attained. The law also requires the State to make its full pension contribution, defined as 1/7th of the required amount, beginning in fiscal year 2012.

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

Chapter 78, P.L. 2011, provides that new members of PERS hired on or after June 28, 2011 (Tier 5 members) will need 30 years of creditable service and age 65 for receipt of the early retirement benefit without a reduction of  $\frac{1}{4}$  of 1% for each month that the member is under age 65. Tier 5 members will be eligible for a service retirement benefit at age 65.

**BOROUGH OF WOODLAND PARK**  
**Notes to Financial Statements**  
**Years Ended December 31, 2011 and 2010**  
**(continued)**

**NOTE 8. PENSION PLANS, (continued)**

Description of Systems, (continued)

*Police and Firemens' Retirement System (PFRS)*

The Police and Firemens' Retirement System was established in July 1944 under the provisions of N.J.S.A. 43:16A to provide retirement, death and disability benefits to its members. Membership is mandatory for all full time county and municipal police and firemen, and state firemen or officer employees with police powers appointed after June 30, 1944.

Enrolled members of the Police and Firemens' Retirement System may retire at age 55 with no minimum service requirement. The annual allowance is equal to 2% of the members' final compensation for each year of service up to 30 years, plus 1% of each year of creditable service over 30 years. Final compensation equals the compensation for the final year of service prior to retirement. Special retirement is permitted to members who have 25 or more years of creditable service in the system. Benefits fully vest on reaching 10 years of service. Members are always fully vested for their own contributions. In the case of death before retirement, members' beneficiaries are entitled to full payment of members' contributions.

Chapter 1, P.L. 2010, effective May 21, 2010, eliminated the provision in PFRS that would permit a member to retire, at any age after 25 years of service credit, on a special retirement allowance of 70% of final compensation after the retirement system reaches a funded level of 104%. Also, for new members of PFRS, the law capped the maximum compensation that can be used to calculate a pension from the plan at the annual wage contribution base for Social Security, and requires the pension to be calculated using a three year average annual compensation instead of the last year's salary.

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 for PERS and PFRS. The financial reports may be obtained by writing to the State of New Jersey, Department of the Treasury, Divisions of Pensions and Benefits, P.O. Box 295, Trenton, NJ 08625-0295.

Significant Legislation

On March 17, 2009, the legislative of the State of New Jersey enacted Public Laws 2009, c.19(S-21) the "Pension Deferral Program". This law allows the Division of Pensions and Benefits to provide non-state government pension system employers the option of paying their full amount, or an amount that reflects a 50 percent reduction of the normal and accrued liability component of the Public Employees' Retirement System and/or the Police and Firemen's Retirement System obligation for payment due to the State Fiscal Year ending June 30, 2009. The amount deferred will be repaid starting in April 2012 over a 15-year period at 8¼ percent. The amount will fluctuate based on pension system investment earnings on the deferred amount. The local employer is allowed to payoff the obligation at any time prior to April 2012.

**BOROUGH OF WOODLAND PARK**  
**Notes to Financial Statements**  
**Years Ended December 31, 2011 and 2010**  
**(continued)**

**NOTE 8. PENSION PLANS, (continued)**

Description of Systems, (continued)

Significant Legislation, (continued)

The Borough of Woodland Park opted for this deferral in the amount of \$330,043.

Contribution Requirements

The contribution policy is set by laws of the State of New Jersey and, in most retirement systems, contributions are required by active members and contributing employers. Plan member and employer contributions may be amended by State of New Jersey legislation. The pension funds provide for employee contributions based on 5.5% for PERS. This amount will increase to 6.5% plus an additional 1% phased in over 7 years beginning 2012 and 8.5% for PFRS, which increased to 10% in October 2011, of the employee's annual compensation, as defined by law. Employers are required to contribute at an actuarially determined rate in all Funds except the SACT. The actuarially determined employer contribution includes funding for cost-of-living adjustments and noncontributory death benefits in the PERS and PFRS. In the PERS and PFRS, the employer contribution includes funding for post-retirement medical premiums.

The Borough's contribution to the various plans, equal to the required contributions for each year, were as follows:

<u>Year</u>	<u>PERS</u>	<u>PFRS</u>
December 31, 2011	\$252,411	\$670,848
December 31, 2010	203,788	574,304
December 31, 2009	97,603	272,587

Defined Contribution Retirement Program

The Defined Contribution Retirement Program (DCRP) was established on July 1, 2007 for certain public employees under the provisions of Chapter 92, P.L. 2007 and Chapter 103, P.L. 2007. The program provides eligible members, with a minimum base salary of \$1,500.00 or more, with a tax-sheltered, defined contribution retirement benefit, in addition to life insurance and disability coverage. The DCRP is jointly administered by the Division of Pensions and Benefits and Prudential Financial.

If the eligible elected or appointed official will earn less than \$5,000.00 annually, the official may choose to waiver participation in the DCRP for that office or position. The waiver is irrevocable.

**BOROUGH OF WOODLAND PARK**  
**Notes to Financial Statements**  
**Years Ended December 31, 2011 and 2010**  
**(continued)**

**NOTE 8. PENSION PLANS, (continued)**

Defined Contribution Retirement Program, (continued)

This retirement program is a new pension system where the value of the pension is based on the amount of the contribution made by the employee, employer and through investment earnings. It is similar to a Deferred Compensation Program where the employee has a portion of tax deferred salary placed into an account that the employee manages through investment option provided by the employer.

The law requires that three classes of employees enroll in the DCRP detailed as follows:

All elected officials taking office on or after July 1, 2007, except that a person who is reelected to an elected office held prior to that date without a break in service may retain in the PERS.

A Governor appointee with advice and consent of the Legislature or who serves at the pleasure of the Governor only during that Governor's term of office.

Other employees commencing service after July 1, 2007, pursuant to an appointment by an elected official or elected governing body which include the statutory untenured Chief Administrative Officer such as the Business Administrator, County Administrator, or Municipal or County Manager, Department Heads, Legal Counsel, Municipal or County Engineer, Municipal Prosecutor and the Municipal Court Judge.

Notwithstanding the foregoing requirements, other employees who hold a professional license or certificate or meet other exceptions are permitted to remain to join or remain in PERS.

Contributions made by employees for DCRP are currently at 5.5% of the base wages. Member contributions are matched by a 3.0% employer contribution.

**NOTE 9. OTHER POST EMPLOYMENT BENEFITS**

In addition to the pension benefits described in Note 8, the Borough provides post employment health care benefits in accordance with the provisions of Ch. 88, P.L. 1974 as amended by Chapter 436, P.L. 1981, at its cost, to all Borough retirees hired prior to January 1, 1995 who have retired after twenty-five (25) years or more of service credit in a state or local agency retirement system and who have worked a period of twenty (20) consecutive years with the Borough at the time of retirement.

Health insurance, including dental and prescription coverage, are provided for retirees and their spouses. Dependent coverage must be paid for by the retiree at the Borough cost imposed by the insurance carrier.

The Borough funds these benefits on a pay-as-you-go basis and, therefore, does not record accrued expenses related to these benefits. During 2011, the Borough contributed \$395,316 to the costs of retiree benefits.

**BOROUGH OF WOODLAND PARK**  
**Notes to Financial Statements**  
**Years Ended December 31, 2011 and 2010**  
**(continued)**

**NOTE 9. OTHER POST EMPLOYMENT BENEFITS, (continued)**

Pursuant to GASB Statement No. 45 ("GASB 45"), *Accounting and Financial Reporting by Employers for Postemployment Benefits Other Than Pensions*, the Borough obtained an actuarially determined calculation for this obligation.

The Borough's annual other postemployment benefits ("OPEB") costs for the Plan, which is currently funded on a pay-as-you-go basis and is a non-contributory plan with all plan payments for plan benefits being funded by the Borough, is calculated based on the annual required contribution ("ARC"), an amount actuarially determined in accordance with the parameters of GASB 45. The ARC represents a level of funding that, if paid on an on-going basis, is projected to cover normal cost each year and interest on the net OPEB obligation and to amortize any unfunded actuarial liabilities (or funding excess) over a period not to exceed 30 years. The Borough's annual OPEB cost for the year ended December 31, 2011, and the related information for the plan, are as follows:

January 1, 2010 - Net OPEB Obligation (Initial) (NOO)	\$4,607,851
Annual OPEB Costs (AOC)	2,088,476
Contribution from employer and other contributing entities	<u>(395,316)</u>
December 31, 2010 - Net OPEB Obligation (NOO)	<u>\$6,301,011</u>

The Borough's annual OPEB cost, the percentage of annual OPEB cost contributed to the Plan and the net OPEB obligation for FY2011 were as follows:

<u>Fiscal Year Ended</u>	<u>Annual OPEB Cost</u>	<u>Percentage of Annual OPEB Cost Contributed</u>	<u>Net OPEB Obligation</u>
	(Dollars in Thousands)		
2009	\$1,840,800	10.80%	\$3,118,321
2010	1,840,800	7.62	4,607,851
2011	2,088,476	6.27	6,301,011

<u>Valuation Date</u>	<u>Actuarial Value of Assets OPEB Cost</u>	<u>Actuarial Liability - Projected Unit Credit</u>	<u>Unfunded Actuarial Liability</u>	<u>Funded Ratio</u>	<u>Covered Payroll*</u>	<u>Unfunded Actuarial Liability as a Percentage of Covered Payroll*</u>
	(Dollars in Thousands)					
12/31/11	\$-0-	\$19,898.7	\$19,898.7	0 %	N/A	N/A

\*Required disclosure at adoption of standard payroll is not provided.

**BOROUGH OF WOODLAND PARK**  
**Notes to Financial Statements**  
**Years Ended December 31, 2011 and 2010**  
**(continued)**

**NOTE 9. OTHER POST EMPLOYMENT BENEFITS, (continued)**

The **Present Value of all Projected Benefits** is the total present value of all expected future benefits, based on certain actuarial assumptions. The Present Value of all projected benefits is a measure of total liability or obligation. Essentially, the Present Value of all projected benefits is the value (on the valuation date) of the benefits promised to current and future retirees. The Plan's present value of all projected benefits (at January 1, 2008) is \$28,059,300 assuming no prefunding of obligations. The majority of this liability is for current active employees (future retirees).

The **Actuarial Accrued Liability** is the liability or obligation for benefits earned through the valuation date, based on certain actuarial methods and assumptions. The Plan's Actuarial Accrued Liability (at December 31, 2011) is \$19,898,661 assuming no prefunding of obligations. The majority of this obligation is for current active employees.

**Normal Cost** is the value of benefits expected to be earned during the current year, again based on certain actuarial methods and assumptions. The 2011 Fiscal Year Normal Cost is \$866,866 assuming no prefunding of obligations. In pension accounting, this is also known as "**service cost.**"

**Future Normal Costs** represent the present value of the remaining balance of all projected benefits to be earned in future years.

**Assumptions**

The results were calculated based upon plan provisions, as provided by the Borough of Woodland Park and the State of New Jersey, along with certain demographic and economic assumptions as recommended by Aon, in conjunction with the Borough of Woodland Park with guidance from the GASB statement.

**Demographic Assumptions**

Data was provided by the Borough of Woodland Park as of December 31, 2011. Demographic assumptions used to project the data are the same as those used to value the SHBP PERS pension liabilities. There is no assumption for future new hires.

**Economic Assumptions**

The GASB statement requires that the discount rate used to determine the retiree healthcare liabilities should be estimated long-term yield on the "investments that are expected to be used to finance the payments of benefits". Since the Borough of Woodland Park does not currently pre-fund the retiree healthcare liabilities, the discount rate for the "no prefunding" scenario should be based on the portfolio of the Borough of Woodland Park's "general assets" used to pay these benefits. The discount rate assumption selected by the Borough is 4.50%.

**BOROUGH OF WOODLAND PARK**  
**Notes to Financial Statements**  
**Years Ended December 31, 2011 and 2010**  
**(continued)**

**NOTE 9. OTHER POST EMPLOYMENT BENEFITS, (continued)**

**Economic Assumptions, (continued)**

The trend assumption is used to project the growth of the expected claims over the lifetime of the healthcare recipients. The GASB statement does not require a particular source for information to determine healthcare trends, but it does recommend selecting a source that is “publicly available, objective and unbiased”.

UHY Advisors developed the trend assumptions on the SHBP plan along with information in published papers from other industry experts (actuaries, health economists, etc.). For the actuarial trend assumption, this amount initially is at 9.0% and decreases to a 5.0% long-term trend rate for the benefits.

**NOTE 10. COMMITMENTS PAYABLE**

**A. Operating Leases**

The municipality has commitments to lease certain equipment under arrangements representing operating leases. Future minimum rental commitments for noncancelable operating leases as of December 31, 2011 were as follows:

<u>Budget</u> <u>Year</u>	<u>Police</u> <u>Vehicles</u>	2011 <u>Chevrolet</u> <u>Impala</u>	<u>Toughbook</u> <u>Computers</u> <u>for Police</u> <u>Cars</u>
2012	\$17,551	\$3,843	\$11,998
2013	12,359	4,091	11,997
2014		4,354	11,998
2015		4,237	11,997
2016			3,999

**NOTE 11. FUND BALANCE APPROPRIATED**

The fund balance at December 31, 2011 which has been appropriated as revenue in the 2012 budget is as follows:

Current Fund	\$1,345,000
Water Utility Operating Fund	236,185

**BOROUGH OF WOODLAND PARK**  
**Notes to Financial Statements**  
**Years Ended December 31, 2011 and 2010**  
**(continued)**

**NOTE 12. FIXED ASSETS**

The following is a summary of change in the General Fixed Assets Account Group as of December 31, 2011:

	Balance <u>Dec. 31, 2010</u>	<u>Additions</u>	<u>Deletions</u>	Balance <u>Dec. 31, 2011</u>
General Fixed Assets:				
Land and Improvements	\$10,507,336	\$10,975	\$	\$10,518,311
Buildings and Building Improvements	9,263,323	7,729		9,271,052
Automobiles and Vehicles	6,683,119	116,804	1,166,933	6,799,923
Machinery and Equipment	<u>1,436,925</u>	<u>89,232</u>		<u>1,526,157</u>
	<u>\$27,890,703</u>	<u>\$224,740</u>	<u>\$1,166,933</u>	<u>\$26,948,510</u>

**NOTE 13. ACCRUED SICK AND VACATION BENEFITS**

The Borough has permitted employees to accrue unused vacation and sick pay, which may be taken as time off or paid at a later date at an agreed-upon rate. It is estimated that the current cost of such unpaid compensation would approximate \$1,565,226 as of December 31, 2011. The amount is not reported either as an expenditure or liability.

**NOTE 14. INTERFUND BALANCES AND ACTIVITY**

Balances due to/from other funds at December 31, 2011 consist of the following:

\$22,764	Due to the Current Fund from the Community Development Trust Fund to reimburse expenses paid.
2	Due to the Current Fund from the Municipal Alliance Trust Fund for the balance of current years' interest earned.
19	Due to the Current Fund from the Escrow Trust Fund for the balance of current years' interest earned.
<u>295,614</u>	Due to the Federal and State Grant Fund from the Current Fund for expenses paid less revenue received.
<u>\$318,399</u>	

It is anticipated that all interfunds will be liquidated during the fiscal year.

**BOROUGH OF WOODLAND PARK**  
**Notes to Financial Statements**  
**Years Ended December 31, 2011 and 2010**  
**(continued)**

**NOTE 15. EMERGENCY SERVICES VOLUNTEER LENGTH OF SERVICE AWARD PLAN (LOSAP)**

On May 8, 2002, the Division of Local Government Services approved the Borough's LOSAP plan, provided by the Variable Annuity Life Insurance Company (VALIC). The purpose of this plan is to enhance the Borough's ability to retain and recruit volunteer firefighters and volunteer members of emergency service squads.

VALIC will provide for the benefit of participants, a multi-fund variable annuity contract as its funding vehicle. The plan shall provide for an annual contribution of \$1,150 per year of active emergency service, subject to periodic increases as permitted by N.J.A.C. 5:30-14.9. The Borough's contribution shall be included in the current years budget.

All amounts awarded under a length of service award plan shall remain the asset of the sponsoring agency; the obligation of the sponsoring agency to participating volunteers shall be contractual only; and no preferred or special interest in the awards made shall accrue to such participants. Such money shall be subject to the claims of the sponsoring agency's general creditors until distributed to any or all participants.

We have reviewed the plan for the year ended December 31, 2011 in accordance with the American Institute of Certified Public Accountants (AICPA) Statement on Standards for Accounting and Review Services.

**NOTE 16. CAPITAL LEASE PAYABLE**

On March 31, 2003 the Borough entered into a \$405,000 capital lease through the Bergen County Improvement Authority for the retirement of its outstanding unfunded pension liability. Annual debt service requirements for this capital lease are as follows:

General Capital Leases			
Year	Principal	Interest	Total
2012	\$15,000	\$21,312	\$36,312
2013	20,000	20,350	40,350
2014	25,000	19,050	44,050
2015	25,000	17,550	42,550
2016	30,000	15,900	45,900
2017-2021	<u>250,000</u>	<u>41,700</u>	<u>291,700</u>
	<u>\$365,000</u>	<u>\$135,862</u>	<u>\$500,862</u>

**BOROUGH OF WOODLAND PARK**  
**Notes to Financial Statements**  
**Years Ended December 31, 2011 and 2010**  
**(continued)**

**NOTE 17. RISK MANAGEMENT**

The Borough is exposed to various risks of loss related to general liability, automobile coverage, damage and destruction of assets; errors and omissions; injuries to employees; and natural disasters. The Borough has obtained insurance coverage to guard against these events which will provide minimum exposure to the Borough should they occur. During the 2011 calendar year, the Borough did not incur claims in excess of their coverage and the amount of coverage did not significantly decrease.

The Borough of Woodland Park is a member of the Bergen County Joint Insurance Fund (BCJIF) 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 BCJIF 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 insurance funds, to report claims on a timely basis, cooperate with the management of the Fund, its claims administrator and attorneys in claims investigation and settlement, and to follow risk management procedures as outlined by the insurance funds. Members have a contractual obligation to fund any deficit of the insurance funds attributable to a membership year during which they were 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.

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

**NOTE 18. TAXES COLLECTED IN ADVANCE**

Taxes collected in advance are recorded as cash liabilities in the financial statements. Following is a comparison of the liability for the previous two years:

	<u>Balance</u> <u>Dec 31, 2011</u>	<u>Balance</u> <u>Dec 31, 2010</u>
Prepaid Taxes	<u>\$174,404</u>	<u>\$158,628</u>
Cash Liability for Taxes Collected in Advance	<u>\$174,404</u>	<u>\$158,628</u>

**BOROUGH OF WOODLAND PARK**  
**Notes to Financial Statements**  
**Years Ended December 31, 2011 and 2010**  
**(continued)**

**NOTE 19. LITIGATION**

The Borough is a defendant in various legal proceedings. These cases, if decided against the Borough, would be raised by future taxation. The Borough's legal counsel estimate such amounts to be immaterial, except for the following:

1. **PASSAIC VALLEY SEWAGE COMMISSION V. BOROUGH OF WOODLAND PARK**

This matter is a massive matter, which includes all municipalities that are sending members to the Passaic Valley Sewage Commission. There are currently over four hundred and fifty (450) parties to this litigation, and it appears that this litigation will continue for an additional four (4) years.

It is being litigated the State level, in the Superior Court of New Jersey, before the Honorable Sebastian Lombardi, J.S.C.

It is also being case managed by a retired Judge, the Honorable Maria Cordemus, J.S.C., (Retired).

The four hundred and fifty (450) parties that are in this matter, include: local municipal entities, county entities, state entities, states, corporations, the Federal EPA and the New Jersey DEP.

This case is just entering the discovery stage, and we anticipate over the next two and one-half (2-1/2) years to expend over One-Hundred Thousand (\$100,000.00) Dollars of professional service time.

In addition, there is the potential for an adverse verdict against the Borough of Woodland Park, in the amount of One Million (\$1,000,000.00) Dollars, pursuant to the information that we have been receiving from the appointed municipal counsel liaison, Peter King, Esq. He has assessed each municipality as having the potential of One Million (\$1,000,000.00) Dollars (each), for liability purposes - in liability exposure.

**BOROUGH OF WOODLAND PARK**  
**Notes to Financial Statements**  
**Years Ended December 31, 2011 and 2010**  
**(continued)**

**NOTE 19. LITIGATION, (continued)**

**2. TAMI FREED V. THE BOROUGH OF WOODLAND PARK**

This matter is pre-suit, and it involves the claims of former Police Chief Robert Reda's wife. She is claiming that the Borough owes her husband's estate compensation in the form of: sick time, vacation time, x-days, y-days, comp days, and all other types of benefits that the former Chief accrued during his employment with the Borough of Woodland Park.

Her demand for settlement at this point in time is One Hundred Fifteen Thousand (\$115,000.00) Dollars. As such, we would base this claim as having a full value of One Hundred Fifteen Thousand (\$115,000.00) Dollars at this time.

Please note that our law firm is aggressively defending the legal interest of the Borough of Woodland Park, and will be defending against these claims.

**3. ANGEL JET SERVICES V. BOROUGH OF WOODLAND PARK**

In this matter, Angel Jet Services claims that they entered into an oral contract with the Borough of Woodland Park, to transport former Police Chief Robert Reda from Idaho to New Jersey, while he was seriously ill. This firm is a specialty medical jet transportation service.

They claim that the Borough of Woodland Park owes them Four Hundred and Fifty Five Thousand (\$455,000.00) Dollars. The Borough vehemently denies all of the claims that have been advanced by AJS, and this matter is currently being litigated in the Federal District Court of New Jersey. It is being case managed by Judge Dickinson, who is the United States Magistrate Judge - assigned to the matter.

**4. MCDUFFY V. THE BOROUGH OF WOODLAND PARK**

In this matter, the Borough received a Tort Claim notice from the plaintiff, in early 2010. The plaintiff alleges that his Civil Rights were violated by a member of the Borough's DPW, who struck him and used racial epithets against him. Thereafter, complaints were signed against the plaintiff, and he was arrested by the Police Department. The criminal charges proceeded to Court and were dismissed by the trial judge.

This matter is covered by the Borough's insurance policy. We estimate possible liability in the amount of Three Hundred Thousand (\$300,000.00) Dollars which should be covered by the Borough's Insurance Policy.

**BOROUGH OF WOODLAND PARK**  
**Notes to Financial Statements**  
**Years Ended December 31, 2011 and 2010**  
**(continued)**

**NOTE 19. LITIGATION, (continued)**

**5. MICHAEL STEWART V. WOODLAND PARK POLICE DEPARTMENT**

In this matter, the plaintiff has filed a Notice of Claim, alleging that his Civil Rights were violated when he was arrested for harassing his girlfriend at their apartment.

At trial, Mr. Stewart's girlfriend and he came to an agreement, and the criminal charges were dismissed. However, he admitted that he was responsible for the events which occurred. As such, we do not anticipate him filing a claim against the police department; however, he has until September 2012 to make a decision as to whether or not he wishes to proceed.

The total value of any alleged claim that we would have is Fifty Thousand (\$50,000.00) Dollars.

**6. PATRICIA DEPSEE V. BOROUGH OF WOODLAND PARK**

In this matter, Miss Patricia Depsee who is an employee at the Borough of Woodland Park's Board of Education, alleges that the Mayor and Borough Council conspired with the Board of Education to reduce her work hours. There is no merit to the plaintiff's claim.

In lieu of filing a Tort Claims Notice, she provided the Borough with a draft Complaint in February of 2011. We believe her claim has no merit, but she has until February 2013 to advance a claim. If she were to advance a claim, we believe that the value of the claim would be Fifty Thousands (\$50,000.00) Dollars, which would go toward the cost of defending the said claim.

**7. JESSE WOLOSKY V. WOODLAND PARK**

This is a claim that is currently before the New Jersey Government Records Council. There is the possibility of GRC imposing a fine up to Fifteen Thousand (\$15,000.00) Dollars.

In addition, there are tax appeals pending that if refunds are awarded would be raised by future taxation.

**SUPPLEMENTARY DATA**

**BOROUGH OF WOODLAND PARK**

**Supplementary Data**

Comparative Schedule of Tax Rate Information

		<u>2011*</u>	<u>2010</u>	<u>2009</u>
Tax rate - general	\$	2.433	4.587	4.475
Apportionment of tax rate:				
Municipal		0.6349	1.2507	1.1590
Library		0.0368		
County		0.6049	1.1120	1.1540
Local school		0.8162	1.5730	1.4940
Regional high school		<u>0.3402</u>	<u>0.6513</u>	<u>0.6680</u>

Assessed valuation:

2011*	\$	1,683,881,298
2010		851,545,603
2009		852,661,320

\* - Revaluation

Comparison of Tax Levies and Collections 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>Currently</u>	
		<u>Tax levy</u>	<u>Cash collections</u>	<u>Percentage of collection</u>
2011	\$	41,201,312	40,353,621	97.94%
2010		39,439,753	38,865,828	98.54%
2009		38,530,498	37,881,598	98.32%

Delinquent Taxes and Tax Title Liens

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

<u>Year</u>		<u>Amount of delinquent taxes</u>	<u>Amount of tax title liens</u>	<u>Total delinquent</u>	<u>Percentage of tax levy</u>
2011	\$	847,691		847,691	2.06%
2010		497,948		497,948	1.26%
2009		494,694		494,694	1.28%

**BOROUGH OF WOODLAND PARK**

**Supplementary Data, Continued**

Property Acquired by Tax Title Lien Liquidation

No properties have been acquired in 2011 by foreclosure or deed as a result of liquidation of tax title liens.

The value of property acquired by liquidation of tax title liens on December 31, on the basis of the last assessed valuation of such properties, was as follows:

<u>Year</u>		<u>Amount</u>
2011	\$	4,072,200
2010		4,072,200
2009		4,072,200

Comparison of Water Utility Levies and Collections

<u>Year</u>		<u>Levy</u>	<u>Collections</u>
2011	\$	1,526,483	1,518,243
2010		1,554,984	1,540,753
2009		1,421,851	1,385,551

Comparative Schedule of Fund Balances

	<u>Year</u>		<u>Balance, Dec. 31</u>	<u>Utilized in budget of succeeding year</u>
Current Fund:	2011	\$	1,696,036	1,345,000
	2010		1,674,088	1,154,500
	2009		1,877,816	1,325,000
	2008		1,369,126	1,150,000
	2007		2,632,155	1,550,000
Water Utility Operation Fund:	2011	\$	641,486	236,185
	2010		458,221	
	2009		217,973	21,070
	2008		119,805	
	2007		135,005	15,200

**BOROUGH OF WOODLAND PARK**

**Supplementary Data, Continued**

Officials in Office and Surety Bonds

<u>Name</u>	<u>Title</u>	<u>Amount of bond</u>
Pascuale Lepore	Mayor	
Joseph Spinelli	Council President	
Rita Pascrell	Councilwoman	
Gary Holloway	Councilman	
Robert Vargas	Councilman	
Domenic DiDomenico	Councilman	
Tina Gatti	Councilwoman	
Kevin Galland	Administrator, Municipal Clerk, Officer of Searches of Municipal Improvements	
Frederick Tomkins	Chief Financial Officer	
	Tax Search Official	
	Water Rent Collector	
	Treasurer of Library	(A)
Ann Purzycki	Treasurer	(A)
Ida Renne	Tax Collector	200,000
George Galbraith	Department of Public Works - Superintendent	(A)
James DeBlock	Superintendent of Water Pollution Control	(A)
Anthony Galietti	Police Chief	(A)
Toni Belford Damiano	Magistrate	5,000
Frances Trawinski	Court Administrator	50,000
Tim Henderson	Tax Assessor	(A)
T & M	Engineer	
Albert Buglione	Municipal Attorney	

(A) - Public Employees Faithful Performance Bond of \$100,000 on each employee.

## BOROUGH OF WOODLAND PARK, N.J.

## Schedule of Cash - Collector-Treasurer

## Current Fund

Year ended December 31, 2011

Balance, December 31, 2010		\$	4,046,024
Increased by receipts:			
Miscellaneous revenue not anticipated	\$	195,490	
Senior citizens' and veterans' reimbursements - State of New Jersey		139,250	
Taxes receivable		40,544,965	
Revenue accounts receivable		1,832,327	
Prepaid taxes		174,404	
Various Reserves		111,633	
Library State Aid		5,446	
Various Interfunds		295,901	
State and Federal Grants Receivable		734,959	
Special Emergency Note		135,000	
			<u>44,169,375</u>
			48,215,399
Decreased by disbursements:			
2011 Budget Appropriations		12,897,267	
2010 Appropriations Reserves		291,257	
Various Interfunds		890,632	
Accounts Payable		17,522	
Various Reserves		286,995	
Tax overpayments		37,368	
County taxes payable		10,183,982	
Added County Taxes		49,025	
Local district school taxes		13,568,121	
Regional high school taxes		5,636,971	
Prior year grant encumbrances paid		51,224	
Library State Aid		9,239	
State and Federal Grants Appropriated Reserves		396,045	
			<u>44,315,648</u>
Balance, December 31, 2011		\$	<u><u>3,899,751</u></u>

**BOROUGH OF WOODLAND PARK, N.J.**

**Schedule of Cash - Change Fund**

**Current Fund**

**Year ended December 31, 2011**

<u>Office</u>	Balance Dec. 31, 2010	Balance Dec. 31, 2011
Collector-treasurer	\$ 200	200
Librarian	10	10
Municipal Court	100	100
	<hr/>	<hr/>
	\$ 310	310
	<hr/> <hr/>	<hr/> <hr/>

**BOROUGH OF WOODLAND PARK, N.J.**

**Schedule of Amount Due From/(To) State of New Jersey  
for Senior Citizens' and Veterans' Deductions**

**Current Fund**

**Year ended December 31, 2011**

Balance, December 31, 2010		\$	<u>(27,830)</u>
Increased by:			
Senior citizens' deductions per tax billing	\$	31,500	
Veterans' deductions per tax billing		108,500	
Deductions allowed		<u>8,738</u>	
			<u>148,738</u>
			120,908
Decreased by:			
Collection from State of New Jersey		139,250	
Senior Citizens deductions disallowed		<u>7,250</u>	
			<u>146,500</u>
Balance, December 31, 2011		\$	<u><u>(25,592)</u></u>

BOROUGH OF WOODLAND PARK, N.J.

Schedule of Taxes Receivable and Analysis of Property Tax Levy

Current Fund

Year ended December 31, 2011

Year	Balance, Dec. 31, 2010	2011 Levy	Collected		Senior Citizen and Veteran Deductions	Transferred to Tax Title Liens	Canceled	Balance, Dec. 31, 2011
			2010	2011				
2010	\$ 497,948			491,460			6,488	
	497,948			491,460			6,488	
2011		41,201,312	158,628	40,053,505	141,488			847,691
	\$ 497,948	41,201,312	158,628	40,544,965	141,488		6,488	847,691

Analysis of Tax Levy

Tax yield:

General Purpose Tax	\$ 40,968,834
Added/Omitted Taxes	232,478
	<u>\$ 41,201,312</u>

Tax Levy:

Local District School Tax	\$ 13,743,005
Regional High School Tax	5,728,476
Municipal Open Space Tax	169,075
County Tax	\$ 10,184,065
County Added and Omitted Taxes	<u>49,025</u>
	10,233,090
	29,873,646
Local Tax for Municipal Purposes	11,138,750
Additional Taxes	<u>188,916</u>
	11,327,666
	<u>\$ 41,201,312</u>

**BOROUGH OF WOODLAND PARK, N.J.**

**Schedule of Property Acquired for Taxes  
(at Assessed Valuations) and  
Analysis of Balance**

**Current Fund**

**Year ended December 31, 2011**

Balance, December 31, 2010	\$ <u>4,072,200</u>
Balance, December 31, 2011	\$ <u><u>4,072,200</u></u>

## BOROUGH OF WOODLAND PARK, N.J.

## Schedule of Revenue Accounts Receivable

## Current Fund

Year ended December 31, 2011

	Balance Dec. 31, <u>2010</u>	<u>Accrued</u>	<u>Collected</u>	Balance Dec. 31, <u>2011</u>
Licenses:				
Alcoholic beverages	\$	19,462	19,462	
Other		8,561	8,561	
Fees and permits		52,492	52,492	
Municipal Court - fines and costs	26,314	303,311	305,336	24,289
Interest and cost on taxes		137,310	137,310	
Interest on Investments		11,504	11,504	
Cable Television Franchise Fees		43,809	43,809	
Consolidated Municipal Property Tax Relief Aid		142,668	142,668	
Energy receipts taxes		677,809	677,809	
Watershed Moratorium Offset Aid		6,674	6,674	
Uniform Construction Code		321,836	321,836	
Uniform Fire Safety Act		24,016	24,016	
Sewer Connection Fees		59,564	59,564	
Life Hazard Use Fees		21,286	21,286	
	<u>\$ 26,314</u>	<u>1,830,302</u>	<u>1,832,327</u>	<u>24,289</u>
		Cash Receipts	<u>1,832,327</u>	
			<u>\$ 1,832,327</u>	

**BOROUGH OF WOODLAND PARK, N.J.**

**Schedule of Deferred Charges**

**Current Fund**

**Year ended December 31, 2011**

	Added in <u>2011</u>	Balance, Dec. 31, <u>2011</u>
Emergency Authorizations:		
Demolition of 531 McBride Avenue	15,000	15,000
Hurricane Irene Damages	<u>289,218</u>	<u>289,218</u>
	<u>\$ 304,218</u>	<u>304,218</u>

**BOROUGH OF WOODLAND PARK, N.J.**

**Schedule of Deferred Charges  
N.J.S. 40A:4-55 Special Emergency**

**Current Fund**

**Year ended December 31, 2011**

<u>Date Authorized</u>	<u>Purpose</u>	<u>Net Amount Authorized</u>	<u>1/5 of Net Amount Authorized</u>	<u>Balance, Dec. 31, 2010</u>	<u>Reduced</u>	<u>Balance, Dec. 31, 2011</u>
12/18/07	Codification of Ordinances	25,000	5,000	10,000	5,000	5,000
11/26/08	Preparation of Master Plan	100,000	20,000	60,000	20,000	40,000
12/16/09	Revaluation	225,000	45,000	180,000	45,000	135,000
				\$ 250,000	70,000	180,000

**BOROUGH OF WOODLAND PARK, N.J.**

**Schedule of Interfunds**

**Current Fund**

**Year Ended December 31, 2011**

<u>Fund</u>	Due from/(to) Balance <u>Dec. 31, 2010</u>	<u>Increased</u>	<u>Decreased</u>	Due from/(to) Balance <u>Dec. 31, 2011</u>
Federal and State Grant Fund	\$ (7,923)	447,269	734,959	(295,613)
Animal License Trust Fund	740		740	
Other Trust Fund	1,773	206	1,960	19
Municipal Alliance	53	42	93	2
Recreation Trust Fund	1,339		1,339	
Open Space Trust	(86,745)	255,820	169,075	
Community Development Trust Fund		122,764	100,000	22,764
Unemployment Compensation Insurance Trust	(3,147)	3,147		
General Capital Fund	<u>(226,854)</u>	<u>513,623</u>	<u>286,769</u>	
	\$ <u>(320,764)</u>	<u>1,342,871</u>	<u>1,294,935</u>	<u>(272,828)</u>
Due from	3,905	123,012	104,132	22,785
Due to	<u>(324,669)</u>	<u>1,219,859</u>	<u>1,190,803</u>	<u>(295,613)</u>
	\$ <u>(320,764)</u>	<u>1,342,871</u>	<u>1,294,935</u>	<u>(272,828)</u>
Grant Fund	\$ 449,149		734,959	
Interest Earned		3,090		
Open Space Tax Levy			169,075	
Capital Improvement Fund			95,000	
Receipts			295,901	
Disbursements		<u>890,632</u>		
		\$ <u>1,342,871</u>	<u>1,294,935</u>	

## BOROUGH OF WOODLAND PARK, N.J.

## Schedule of Appropriation Reserves

## Current Fund

Year Ended December 31, 2011

	Balance, Dec. 31, <u>2010</u>	Balance after Transfers and <u>Encumbrances</u>	<u>Paid or Charged</u>	Balance <u>Lapsed</u>
Salaries and Wages Within "CAPS":				
Gen. Administration	\$ 478	478	208	270
Mayor and Council	976	976		976
Collection of Taxes	1,044	1,044	240	804
Financial Administration	549	549		549
Assessment of Taxes	6,416	6,416	953	5,463
Legal Services and Cost	97	97		97
Planning Board	46	46		46
Zoning Board of Adjustment	1,689	1,689	600	1,089
Road Repairs and Maintenance	11,331	15,931	15,858	73
Police	208,409	208,409	33,363	175,046
Maintenance of Fire Alarm System	5	5		5
Emergency Management	75	75		
Uniform Fire Safety Act	1,488	1,488	455	1,033
Life Hazard Use Fee Payments	628	628		628
Municipal Prosecutor	307	507		507
Public Buildings and Grounds	6,506	6,506	1,927	4,579
Board of Health	2,054	2,054		2,054
Sewer System	2,758	2,758	1,018	1,740
Youth and Senior Citizen Center	572	572	166	406
Vehicle Maintenance	1,311	1,811	1,751	60
Recreation	13,436	13,436	4,289	9,147
Municipal Court	1,163	1,162	499	663
Public Defender	209	209		209
Uniform Construction Code	2,013	2,013	1,296	717
Plumbing Inspector	222	222		222
Fire Protection Official	103	102		102
Housing Inspector	858	858	693	165
Elevator Inspections		561		561
Electrical Inspections	1,246	685		685
Total Salaries and Wages Within "CAPS"	<u>265,989</u>	<u>271,287</u>	<u>63,316</u>	<u>207,971</u>
Other Expenses Within "CAPS":				
Administration	9,400	18,295	15,827	2,468
Elections	827	827	40	787
Financial Administration				
Annual Audit	33,433	50,933	50,933	
Misc. Other	16,392	14,381	2,863	11,518
Assessment of Taxes	3,446	9,517	3,057	6,460
Collection of Taxes	6,361	6,677	316	6,361

## BOROUGH OF WOODLAND PARK, N.J.

## Schedule of Appropriation Reserves

## Current Fund

Year Ended December 31, 2011

	Balance, Dec. 31, 2010	Balance after Transfers and Encumbrances	Paid or Charged	Balance Lapsed
Legal Services and Costs	18,190	18,190	14,824	3,366
Engineering Services and Costs	10,406	17,477	15,126	2,351
Planning Board	1,848	4,435	2,887	1,548
Zoning Board of Adjustment	3,223	3,223	300	2,923
Police	1,564	14,826	14,587	239
Maintenance of Fire Alarm System	4,863	4,863	(177)	5,040
Emergency Management Services	972	1,107	135	972
Clothing Allowance - Fire	7	7		7
Fire - Misc Other Expenses	6,507	22,047	22,047	
Life Hazard Use Fee	2,155	2,429	2,429	
Municipal Court	1,275	2,423	1,034	1,389
Other Insurance Premiums	5,605	5,605		5,605
Surety Bond Premiums	871	871		871
Road Repairs and Maintenance	12,271	27,592	20,864	6,728
Garbage & Trash Removal Contract	72,724	72,724	53,333	19,391
Recycling Program	1,862	3,577	3,564	13
Sewer System	7,465	7,885	5,060	2,825
Public Buildings & Grounds	15,460	20,503	5,497	15,006
Vehicle Maintenance	18,464	17,276	8,982	8,294
Board of Health	111	111	31	80
Animal Control Services	1,407	2,657	1,250	1,407
Recreation	2,752	3,368	616	2,752
Youth & Senior Citizen Center	4,887	5,270	1,404	3,866
Celebration of Public Events	3,986	4,986		4,986
Uniform Construction Code	2,357	2,683	1,046	1,637
Building Inspector	2,062	2,062		2,062
Elevator Inspection Fees		9,323	9,323	
Electrical Inspections	1,000	1,000		1,000
Electric & Gas	5,980	12,157	6,611	5,546
Street Lighting	17,330	20,148	16,408	3,740
Telephone	3,867	6,163	2,825	3,338
Fire Hydrant Services	4,225	4,225	2,804	1,421
Gasoline	13,158	18,762	6,927	11,835
Total Other expenses Within "CAPS"	318,713	440,605	292,773	147,832

## BOROUGH OF WOODLAND PARK, N.J.

## Schedule of Appropriation Reserves

## Current Fund

Year Ended December 31, 2011

	Balance, Dec. 31, <u>2010</u>	Balance after Transfers and <u>Encumbrances</u>	Paid or <u>Charged</u>	Balance <u>Lapsed</u>
Deferred Charges and Statutory Expenditures Within "CAPS":				
Unemployment Compensation Ins.	2,649	2,698	2,665	33
Social Security System (O.A.S.I.)	<u>1,798</u>	<u>2,650</u>	<u>40</u>	<u>2,610</u>
Total Deferred Charges and Statutory Expenditures Within "CAPS"	<u>4,447</u>	<u>5,348</u>	<u>2,705</u>	<u>2,643</u>
Other Expenses Excluded From "CAPS":				
Passaic Valley Sewerage Charge	983	983		983
Maintenance of Free Public Library	74,229	82,630	82,630	
LOSAP	12,795	12,795		12,795
Stormwater Management	7,000	7,000		7,000
Group Health Benefits	<u>2,387</u>	<u>3,787</u>	<u>1,400</u>	<u>2,387</u>
Total Other Expenses Excluded from "CAPS"	<u>97,394</u>	<u>107,195</u>		<u>23,165</u>
Total Reserves	<u>686,543</u>	<u>824,435</u>	<u>358,794</u>	<u>381,611</u>
Appropriation Reserves		686,543		
Encumbrances		<u>137,892</u>		
		\$ <u>824,435</u>		
		Cash	291,257	
		Transferred to Reserve for Library	<u>67,537</u>	
			\$ <u>358,794</u>	

**BOROUGH OF WOODLAND PARK, N.J.**

**Schedule of Accounts Payable**

**Current Fund**

**Year ended December 31, 2011**

Balance, December 31, 2010		\$	20,452
Decreased by:			
Cash Disbursements	\$	17,522	
Cancelled		<u>2,237</u>	
			<u>19,759</u>
Balance, December 31, 2011		\$	<u><u>693</u></u>

**Schedule of Reserve for Library State Aid**

**Current Fund**

**Year ended December 31, 2011**

Balance, December 31, 2010		\$	9,916
Increased by:			
Cash Receipts		<u>5,446</u>	
			15,362
Decreased by:			
Cash Disbursements		<u>9,239</u>	
Balance, December 31, 2011		\$	<u><u>6,123</u></u>

**BOROUGH OF WOODLAND PARK, N.J.**

**Schedule of Prepaid Taxes**

**Current Fund**

**Year ended December 31, 2011**

Balance, December 31, 2010	\$	158,628
Increased by:		
Collection of 2012 Taxes		<u>174,404</u>
		333,032
Decreased by:		
Applied to 2011 Taxes		<u>158,628</u>
Balance, December 31, 2011	\$	<u><u>174,404</u></u>

**Schedule of Tax Overpayments**

**Current Fund**

**Year ended December 31, 2011**

Balance, December 31, 2010	\$	60,807
Decreased by:		
Cancelled to Operations	\$	23,439
Refunds		<u>37,368</u>
	\$	<u><u>60,807</u></u>

**Exhibit A-18**

**BOROUGH OF WOODLAND PARK, N.J.**

**Schedule of Road Opening Deposits**

**Current Fund**

**Year ended December 31, 2011**

Balance, December 31, 2010	\$ <u>9,800</u>
Balance, December 31, 2011	\$ <u><u>9,800</u></u>

**Exhibit A-19**

**Schedule of County Taxes Payable**

**Current Fund**

**Year ended December 31, 2011**

Increased by:	
2011 Levy	\$ 10,184,065
Decreased by:	
Payments	<u>10,183,982</u>
Balance, December 31, 2011	\$ <u><u>83</u></u>

**BOROUGH OF WOODLAND PARK, N.J.**

**Schedule of Amount Due County for Added Taxes**

**Current Fund**

**Year ended December 31, 2011**

Increased by:		
2011 Added Taxes	\$	<u>49,025</u>
Decreased by:		
Payments	\$	<u><u>49,025</u></u>

**Schedule of Local District School Tax**

**Current Fund**

**Year ended December 31, 2011**

Balance, December 31, 2010 (school tax deferred)	\$	6,696,617
Increased by levy - school year July 1, 2011 to June 30, 2012		<u>13,743,005</u>
		20,439,622
Decreased by:		
Cash Disbursements		<u>13,568,121</u>
Balance, December 31, 2011 (school tax deferred)	\$	<u><u>6,871,501</u></u>

**BOROUGH OF WOODLAND PARK, N.J.**

**Schedule of Regional High School Tax**

**Current Fund**

**Year ended December 31, 2011**

Balance, December 31, 2010		
(Prepaid regional school tax)	\$	(799)
(school tax deferred)		2,772,733
Increased by levy - school year		
July 1, 2011 to June 30, 2012		<u>5,728,476</u>
		8,501,209
Decreased by:		
Cash Disbursements		<u>5,636,971</u>
Balance, December 31, 2011		
(Prepaid regional school tax)		(799)
(school tax deferred)	\$	<u>2,864,238</u>

BOROUGH OF WOODLAND PARK, N.J.

Schedule of Various Reserves

Current Fund

Year ended December 31, 2011

	Balance Dec. 31, <u>2010</u>	<u>Increased</u>	<u>Decreased</u>	Balance Dec. 31, <u>2011</u>
	\$			
Premium on Tax Title Liens	84,300	94,600	47,000	131,900
Library grant	80			80
Master Plan	2,951		180	2,771
Tax Map	500			500
Codification	10,025			10,025
Elevator Fees	290			290
State Fees Payable:				
DCA Fees	1,988	14,558	14,607	1,939
Marriage License Fees	925	2,475	1,975	1,425
Burial Permit Fees	260			260
Other Fees	1,901			1,901
Reserve for Outside Liens				
Reserve for Tax Appeals	450,696		88,164	362,532
Reserve for Library - Capital Improvements		345,951	12,350	333,601
Reserve for Library-Appropriated	360,837	117	278,531	82,423
Revaluation	144,239		122,719	21,520
Reserve for Sale of Assets	2,359			2,359
Reserve for Salary and Wages	118,558			118,558
	<u>\$ 1,179,909</u>	<u>457,701</u>	<u>565,526</u>	<u>1,072,084</u>
Transferred from Appropriation Reserves		67,537		
Reallocation Between Reserves		278,531	278,531	
Cash Receipts		111,633		
Cash Disbursements			286,995	
		<u>\$ 457,701</u>	<u>565,526</u>	

**BOROUGH OF WOODLAND PARK, N.J.**  
**Schedule of Special Emergency Note Payable**

**Current Fund**

**Year Ended December 31, 2011**

<u>Note</u>	<u>Date of Original Issue</u>	<u>Date of Issue</u>	<u>Date of Maturity</u>	<u>Interest Rate</u>	<u>Issued</u>	<u>Balance, Dec.31, 2011</u>
11-1SEN	Dec. 29, 2011	Dec. 29, 2011	Dec. 14, 2012	1.37%	\$ <u>135,000</u>	<u>135,000</u>

**BOROUGH OF WOODLAND PARK, N.J.**

**Schedule of Due to/(from) Current Fund**

**Federal and State Grant Fund**

**Year ended December 31, 2011**

Balance, December 31, 2010		\$	(7,923)
Increased by:			
Grants Received - Appropriated			<u>734,959</u>
			(742,882)
Decreased by:			
Cash Disbursements -			
Appropriated Grant Reserves	\$	396,045	
Prior Year Encumbrances Paid		<u>51,224</u>	
			<u>447,269</u>
Balance, December 31, 2011		\$	<u><u>(295,613)</u></u>

## BOROUGH OF WOODLAND PARK, N.J.

## Schedule of Grants Receivable

## Federal and State Grant Fund

Year ended December 31, 2011

	Balance Dec. 31, <u>2010</u>	2011 Budget <u>Revenue</u>	Cash Receipts	Balance Dec. 31, <u>2011</u>
Safe and Secure	\$	79,601	30,000	49,601
Safe and Secure	45,000		45,000	
Universal COPS	16,750			16,750
COPS MORE	23,270			23,270
Recycling Tonnage		27,893	27,893	
Body Armor	2,453			2,453
Over the Limit Under Arrest	5,133			5,133
Clean Communities		16,284	16,284	
Passaic County Open Space-Dowling Place	27			27
Passaic County Open Space-Dowling Park	48,807			48,807
Passaic County Open Space-Zaccaria Park	151			151
Passaic County Open Space-Zaccaria Park		175,000		175,000
Passaic County Open Space-Morris Canal	50,039			50,039
Passaic County Open Space-Morris Canal	134,061			134,061
DOT - Newby Street	131,460		123,103	8,357
Peckman River	1,750			1,750
NJ Historic Trust-Morris Canal	1,600			1,600
NJ Dept of Housing - Morris Canal Bike Path	147,000		147,000	
Over the Limit Under Arrest		5,000	5,000	
Over the Limit Under Arrest		4,384	4,384	
NJDOT - Mt. Pleasant Ave Improvements	300,000		300,000	
NJDOT - Mt. Pleasant Ave Improvements		255,000	3,780	251,220
Drunk Driving Enforcement Fund		1,181	1,181	
Passaic County Open Space-Zaccaria Park	12,884			12,884
Body Armor		2,630	2,630	
Homeland Security - Firefighters Assistance	58,707		58,704	3
	<u>\$ 979,092</u>	<u>566,973</u>	<u>764,959</u>	<u>781,106</u>
		Cash	734,959	
		Unappropriated Reserve	<u>30,000</u>	
			<u>\$ 764,959</u>	

## BOROUGH OF WOODLAND PARK, N.J.

## Schedule of Appropriated Reserves

## Federal and State Grants

Year ended December 31, 2011

<u>Grant</u>	Balance Dec. 31, 2010	Transferred from 2011 Budget Appro- priations	<u>Expended</u>	Balance Dec. 31, 2011
Drunk Driving Enforcement Fund		1,181		1,181
Drunk Driving Enforcement Fund	290		290	
Stormwater Regulation	2,552			2,552
Clean Communities		16,284	6,661	9,623
Clean Communities	1,704		6	1,698
COPS MORE	1,800			1,800
COPS in Schools	21,062			21,062
Statewide Livable Communities	126			126
Peckman River	1,750			1,750
Alcohol Education Rehabilitation Fund	126			126
Alcohol Education Rehabilitation Fund	245			245
Recycling Tonnage Grant	8,253			8,253
Over the Limit Under Arrest	762			762
School Policing	19,628			19,628
Passaic County Open Space-Dowling Park	51,080		5,295	45,785
Passaic County Open Space-Morris Canal	45,259			45,259
Passaic County Open Space-Morris Canal	109,233		49,012	60,221
Safe and Secure		79,601		79,601
Safe and Secure	22,343		19,912	2,431
Drunk Driving Enforcement Fund	1,301		285	1,016
Special Purpose Grant Roof	50,000			50,000
Body Armor	4		4	
Body Armor	1,043		1,043	
Recycling Tonnage Grant	979			979
Recycling Tonnage Grant	4,085			4,085
Recycling Tonnage Grant	7,456			7,456
Recycling Tonnage Grant		27,893		27,893
US Dept of Housing - Morris Canal Bike Path	146,857		143,655	3,202
DOT - Newby Street	2,500		1,800	700
Safe and Secure	60,000		56,131	3,869
Recycling Tonnage Grant	11,932			11,932
Bullet Proof Vest	141			141
Clean Communities	3,373		620	2,753
Over the Limit Under Arrest		5,000	5,000	
Over the Limit Under Arrest		4,384	4,384	

**BOROUGH OF WOODLAND PARK, N.J.**

**Schedule of Appropriated Reserves**

**Federal and State Grants**

**Year ended December 31, 2011**

<u>Grant</u>	Balance Dec. 31, 2010	Transferred from 2011 Budget Appro- priations	<u>Expended</u>	Balance Dec. 31, 2011
NJDOT - Mt. Pleasant Ave Improvements	299,450		299,450	
NJDOT - Mt. Pleasant Ave Improvements		255,000	133,705	121,295
Drunk Driving Enforcement Fund	282			282
Over the Limit Under Arrest	4,371			4,371
Passaic County Open Space - Zaccaria Park	11,175		10,975	200
Passaic County Open Space - Zaccaria Park		175,000	89,071	85,929
Body Armor	3,606		2,699	907
Body Armor		2,630		2,630
Homeland Security - Firefighters Assistance	11,023		11,023	
	<u>\$ 905,791</u>	<u>566,973</u>	<u>841,021</u>	<u>631,743</u>
		Cash	396,045	
		Encumbered	<u>444,976</u>	
			<u>\$ 841,021</u>	

**BOROUGH OF WOODLAND PARK, N.J.**

**Schedule of Unappropriated Reserves**

**Federal and State Grant Fund**

**Year ended December 31, 2011**

<u>Grant</u>	Balance December 31, <u>2010</u>	Budget Revenue
Safe and Secure Grant	\$ <u>30,000</u>	<u>30,000</u>
	\$ <u><u>30,000</u></u>	<u><u>30,000</u></u>

## BOROUGH OF WOODLAND PARK, N.J.

## Schedule of Cash - Treasurer

## Trust Funds

Year ended December 31, 2011

	Dog License Fund	Other Trust Fund	New Jersey Unem- ployment Insurance Fund	Community Development Trust Fund	Emergency Services LOSAP Trust
Balance, December 31, 2010	\$ 3,776	675,407	1,005		652,849
Increased by receipts:					
Due to State - Animal License Fees	247				
Dog License Fees	1,410				
Escrow Deposits		445,104			
Performance Bonds		131			
Drug and Alcohol Alliance		13,739			
Open Space trust		169,164			
Affordable Housing		10,401			
Dedicated Fire Penalty		1,200			
Recreation		81,563			
POAA		864			
Community Development Accounts Receivable			777	100,000	
Unemployment Contributions			6,609		
Interfunds		86,745	3,147		
Interest		248	11		7,748
Contributions					76,331
	1,657	809,159	10,544	100,000	84,079
	5,433	1,484,566	11,549	100,000	736,928
Decreased by disbursements:					
Dog Expenditures	415				
Due to State	251		2,665		
Escrow Deposits		318,040			
Drug and Alcohol Alliance		23,312			
Open Space trust		16,704			
Recreation		90,082			
Interfunds	740	3,392		100,000	
Investment Depreciation					4,685
Benefit Distributions			5,019		30,539
	1,406	451,530	7,684	100,000	35,224
Balance, December 31, 2011	\$ 4,027	1,033,036	3,865		701,704

BOROUGH OF WOODLAND PARK, N.J.

Schedule of Assessments Receivable

Trust Funds

Year ended December 31, 2011

<u>Ordinance number</u>	<u>Improvement description</u>	<u>Date of confirmation</u>	<u>Annual install-ments</u>	<u>Balance Dec. 31, 2010</u>	<u>Balance, Dec. 31, 2011</u>	<u>Balance pledged to reserve</u>
68-16	Construction of concrete curbs on Alcazar and Zoar Sts.	Dec. 21, 1977	3	\$ 420	420	420
71-6	Construction of concrete curbs on Rose Place	Jan. 12, 1983	3	605	605	605
72-6	Improvement of Rose Place - sanitary sewers	Jan. 12, 1983	3	924	924	924
74-8	Curbs and sidewalks in Garden Avenue from Woodrow Avenue 200 ft. north of Taft Avenue	Dec. 9, 1987	3	4,170	4,170	4,170
				<u>\$ 6,119</u>	<u>6,119</u>	<u>6,119</u>

BOROUGH OF WOODLAND PARK, N.J.

Schedule of Reserve for Assessments

Trust Funds

Year ended December 31, 2011

Ord. No.	Improvement description	Balance, Dec. 31, <u>2010</u>	Balance, Dec. 31, <u>2011</u>
	Assessment receivable:		
68-16	Construction of concrete curbs on Alcazar and Zoar Streets \$	420	420
71-6	Construction of curbs in portion of Mt. Pleasant Avenue both sides from McBride Avenue	605	605
72-6	8" Sanitary sewer - Rose Place from the existing sanitary sewer easterly 180 linear feet	924	924
74-8	Curbs and sidewalks in Garden Avenue from Woodrow Avenue 200 ft. north of Taft Ave.	<u>4,170</u>	<u>4,170</u>
		\$ <u><u>6,119</u></u>	<u><u>6,119</u></u>

BOROUGH OF WOODLAND PARK, N.J.

Schedule of Amount Due from/(to) the State of New Jersey

Trust Funds

Year ended December 31, 2011

	Due from/(to) Dec. 31, <u>2010</u>	<u>Increased</u>	<u>Decreased</u>	Due from/(to) Dec. 31, <u>2011</u>
Animal Control Trust Fund:				
Animal Control License Fees	\$ 26	251	247	30
Unemployment Compensation Insurance Trust Fund:				
Unemployment Claims Payable	<u>(2,665)</u>	<u>          </u>	<u>2,665</u>	<u>          </u>
	<u>\$ (2,639)</u>	<u>251</u>	<u>2,912</u>	<u>30</u>
		Disbursements 251		
		Receipts <u>          </u>	<u>2,912</u>	
		<u>\$ 251</u>	<u>2,912</u>	

**BOROUGH OF WOODLAND PARK, N.J.**

**Schedule of Due from/(to) Current Fund**

**Trust Funds**

**Year ended December 31, 2011**

	Due from/(to) Dec. 31, <u>2010</u>	<u>Increased</u>	<u>Decreased</u>	Due from/(to) Dec. 31, <u>2011</u>
Animal Control Trust Fund:	\$ (740)		740	
Other Trust Fund:				
Escrow	(1,773)	206	1,960	(19)
Recreation	(1,339)		1,339	
Municipal Alliance	(53)	42	93	(2)
Open Space Trust Fund:	86,745	86,745		
Community Development Trust Fund:		100,000	122,764	22,764
Unemployment Compensation Insurance Trust Fund:	<u>3,147</u>	<u>3,147</u>		
	<u>\$ 85,987</u>	<u>190,140</u>	<u>126,896</u>	<u>22,743</u>
Due from	89,892	89,892		
Due to	<u>\$ (3,905)</u>	<u>100,248</u>	<u>126,896</u>	<u>22,743</u>
	<u>\$ 85,987</u>	<u>190,140</u>	<u>126,896</u>	<u>22,743</u>
Disbursements			\$ 104,132	
Interest Earnings		248		
Reimburse expenses paid by Current Fund			22,764	
Cash Receipts		<u>189,892</u>		
		<u>\$ 190,140</u>	<u>126,896</u>	

**BOROUGH OF WOODLAND PARK, N.J.**

**Schedule of Community Development Block Grants Receivable**

**Community Development Trust Fund**

**Year ended December 31, 2011**

Balance, December 31, 2010	\$ 100,000
Increased by:	
Grant Awards	<u>242,000</u>
	342,000
Decreased by:	
Cash Receipts	<u>100,000</u>
Balance, December 31, 2011	<u><u>\$ 242,000</u></u>
	<u>Analysis of Balance</u>
Rockland Avenue Street Improvements	<u>242,000</u>
	<u><u>\$ 242,000</u></u>

**BOROUGH OF WOODLAND PARK, N.J.**

**Schedule of Reserve for Dog Fund Expenditures**

**Trust Funds**

**Year ended December 31, 2011**

Balance, December 31, 2010	\$ 3,062
Increased by:	
Dog License Fees Collected	<u>1,410</u>
	4,472
Decreased by:	
Expenditures under R.S. 4:19-15.11	<u>415</u>
Balance, December 31, 2011	<u><u>\$ 4,057</u></u>

License fees collected

<u>Year</u>	<u>Amount</u>
2009	3,022
2010	<u>1,370</u>
	<u><u>\$ 4,392</u></u>

BOROUGH OF WOODLAND PARK, N.J.

Schedule of Reserve for Expenditures -  
Other Trust Funds

Trust Funds

Year ended December 31, 2011

	Balance Dec. 31, <u>2010</u>	<u>Deposits</u>	<u>Payments</u>	Balance Dec. 31, <u>2011</u>
Escrow Deposits	\$ 343,025	445,104	318,040	470,089
Performance Bonds	57,222	131		57,353
Drug and Alcohol Alliance	13,749	13,739	23,312	4,176
Open Space	141,087	169,164	16,704	293,547
Affordable Housing	172,825	10,401		183,226
Dedicated Fire Penalty	10,645	1,200		11,845
Recreation	17,892	81,563	90,082	9,373
POAA	2,542	864		3,406
	<u>\$ 758,987</u>	<u>722,166</u>	<u>448,138</u>	<u>1,033,015</u>
		Cash <u>722,166</u>	<u>448,138</u>	
		<u>\$ 722,166</u>	<u>448,138</u>	

**BOROUGH OF WOODLAND PARK, N.J.**

**Schedule of Reserve for New Jersey Unemployment  
Compensation Insurance Fund**

**Trust Funds**

**Year ended December 31, 2011**

Balance, December 31, 2010		\$	2,264
Increased by:			
Employee Payroll Deductions Received	\$	6,609	
Interest earned on deposits		<u>11</u>	
			<u>6,620</u>
			8,884
Decreased by:			
Unemployment Claims			<u>5,019</u>
Balance, December 31, 2011		\$	<u><u>3,865</u></u>

**BOROUGH OF WOODLAND PARK, N.J.**

**Schedule of Reserve for  
Community Development Block Grants**

**Community Development Trust Fund**

**Year ended December 31, 2011**

Balance, December 31, 2010	\$ 100,000
Increased by:	
Grant Awards	<u>242,000</u>
	342,000
Decreased by:	
Expenditures	<u>122,764</u>
Balance, December 31, 2011	<u><u>\$ 219,236</u></u>

**BOROUGH OF WOODLAND PARK, N.J.**

**Statement of Service Award Contributions Receivable**

**Emergency Services Volunteer Length of Service Award Program**

**Year ended December 31, 2011**

Balance, December 31, 2010	76,331
Increased by:	
2011 Service Award Contributions	<u>79,170</u>
	155,501
Decreased by:	
Contributions Received	<u>76,331</u>
Balance, December 31, 2011	<u><u>\$ 79,170</u></u>

**BOROUGH OF WOODLAND PARK, N.J.**

**Statement of Net Assets Available for Benefits**

**Emergency Services Volunteer Length of Service Award Program**

**Year ended December 31, 2011**

Balance, December 31, 2010		729,180
Increased by:		
Borough Contributions	\$ 79,170	
Interest Earnings	<u>7,748</u>	
		<u>86,918</u>
		816,098
Decreased by:		
Investment Depreciation	4,685	
Benefit Distributions	<u>30,539</u>	
		<u>35,224</u>
Balance, December 31, 2011		<u><u>\$ 780,874</u></u>

## BOROUGH OF WOODLAND PARK, N.J.

## Schedule of Cash - Treasurer

## General Capital Fund

Year ended December 31, 2011

Balance, December 31, 2010		\$	1,664,173
Increased by Receipts:			
Interfunds	\$	2,842	
Capital Improvement Fund		95,000	
Bond Anticipation Notes		<u>1,025,000</u>	
			<u>1,122,842</u>
			2,787,015
Decreased by Disbursements:			
Improvement Authorizations		556,444	
Interfunds		286,769	
Encumbrances		96,399	
Bond Anticipation Notes		1,025,000	
Capital Improvement Fund		<u>2,590</u>	
			<u>1,967,202</u>
Balance, December 31, 2011		\$	<u><u>819,813</u></u>

**BOROUGH OF WOODLAND PARK, N.J.**

**Analysis of Cash**

**General Capital Fund**

**December 31, 2011**

Capital Improvement Fund	\$ 9,380
Due from Department of Transportation	(11,189)
Due from Department of Agriculture	(2,298)
Due from NJ Wastewater Trust Fund Loan	(4,326)
Reserve for Encumbrances	22,127
Reserve for Payment of Debt	406,066

Improvement authorizations:

Ordinance

number

Improvement description

99-20	Various Public Improvements	6,456
01-02	Renovation of Youth and Senior Center	(3,030)
01-04	Tax Refunds	47,811
01-08	Reconstruction/Repaving of Sunset Avenue	41,236
02-05	Acquisition of Property	32,626
02-06	Reconstruction of Mt. Pleasant Ave, Sec 2	10,230
02-11	Reconstruction of Jackson Ave	21,123
03-12	Sewer Improvement Project	(44,323)
03-06	Resurfacing of Various Roads	23,495
04-6	Refunding Ordinance	4,974
05-19	Various Capital Improvements	683
06-06	Various Improvements	98,552
06-17	Various Improvements	5,113
07-11	Various Improvements	78,835
08-08	Various Improvements	332,394
09-06	Various Public Improvements	126,448
09-15	Tax Appeal Refunds	35,711
11-19	Various Public Improvements	(485,281)
11-21	Various Public Improvements	67,000

\$ 819,813

**BOROUGH OF WOODLAND PARK, N.J.**

**Schedule of Deferred Charges to Future  
Taxation - Funded**

**General Capital Fund**

**Year ended December 31, 2011**

Balance, December 31, 2010		\$ 15,112,297
Decreased by:		
Serial bonds paid via Budget appropriation	\$ 640,000	
Capital Lease Payment	15,000	
Wastewater Loan Budget Appropriations	<u>85,808</u>	
		<u>740,808</u>
Balance, December 31, 2011		\$ <u><u>14,371,489</u></u>

BOROUGH OF WOODLAND PARK, N.J.

Schedule of Deferred Charges to Future Taxation - Unfunded

General Capital Fund

Year ended December 31, 2011

Ordinance number	Improvement description	Balance, Dec. 31, 2010	Authorizations	Decreased	Balance, Dec. 31, 2011	Bond anticipation notes	Expenditures	Unexpended improvement authorizations
General improvements:								
01-02	Renovation of Youth and Senior Center	3,030			3,030		3,030	
03-12	Sewer Improvement Project	44,323			44,323		44,323	
09-06	Various Public Improvements	7,226			7,226			7,226
09-15	Tax Appeal Refunds	1,100,000		75,000	1,025,000	1,025,000		
11-19	Various Public Improvements		509,500		509,500		485,281	24,219
11-21	Various Public Improvements		1,333,000		1,333,000			1,333,000
		<u>\$ 1,154,579</u>	<u>1,842,500</u>	<u>75,000</u>	<u>2,922,079</u>	<u>1,025,000</u>	<u>532,634</u>	<u>1,364,445</u>
				Budget Appropriation				<u>75,000</u>
						Improvement authorizations - unfunded		\$ 1,400,156
						Less unexpended proceeds of bond anticipation notes:		
						Ordinance Number		
						09-15		<u>35,711</u>
								<u>\$ 1,364,445</u>

**BOROUGH OF WOODLAND PARK, N.J.**

**Schedule of Grants Receivable - State  
Department of Transportation**

**General Capital Fund**

**Year ended December 31, 2011**

Balance, December 31, 2010 \$ 11,189

Balance, December 31, 2011 \$ 11,189

Analysis of Balance

Williams Drive, Ord. 04-5 7,174  
Lackawana Ave. Curbs and Sidewalks Ord. 04-5 4,015

\$ 11,189

**Exhibit C-7**

**BOROUGH OF WOODLAND PARK, N.J.**

**Schedule of Grants Receivable -  
Department of Agriculture**

**General Capital Fund**

**Year ended December 31, 2011**

Balance, December 31, 2010 \$ 2,298

Balance, December 31, 2011 \$ 2,298

**Exhibit C-8**

**Schedule of New Jersey Wastewater Trust Fund  
Loans Receivable**

**General Capital Fund**

**Year ended December 31, 2011**

Balance, December 31, 2010 \$ 4,326

Balance, December 31, 2011 \$ 4,326

Analysis of Balance

Rifle Camp Sewer Project, Ord. 2003-12; Trust Loan 4,326

\$ 4,326

**BOROUGH OF WOODLAND PARK, N.J.**

**Schedule of Capital Improvement Fund**

**General Capital Fund**

**Year ended December 31, 2011**

Balance, December 31, 2010		\$	9,470
Increased by:			
2011 Budget Appropriation			<u>95,000</u>
			104,470
Decreased by:			
Appropriated to Finance Improvement			
Authorizations	\$	92,500	
Boys and Girls Club - Bio Remediation		<u>2,590</u>	
			<u>95,090</u>
Balance, December 31, 2011		\$	<u><u>9,380</u></u>

BOROUGH OF WOODLAND PARK, N.J.

Schedule of Improvement Authorizations

General Capital Fund

Year ended December 31, 2011

Ordinance number	Improvement description	Ordinance		Balance, December 31, 2010		2011 authorization	Paid or charged	Balance, December 31, 2011		
		Date	Amount	Funded	Unfunded			Funded	Unfunded	
General improvements:										
99-20	Various Public Improvements	Aug. 4, 1999	606,000	6,456				6,456		
01-04	Tax Refunds	Aug. 15, 2001	600,000	47,811				47,811		
01-08	Reconstruction/Repaving of Sunset Avenue	Oct. 17, 2001	205,000	41,236				41,236		
02-05	Acquisition of Property	Apr. 24, 2002	225,000	32,626				32,626		
02-06	Reconstruction of Mt. Pleasant Ave, Sec 2	Apr. 24, 2002	245,000	10,230				10,230		
02-11	Reconstruction of Jackson Ave	Aug. 14, 2002	230,000	21,123				21,123		
03-06	Resurfacing of Various Roads	March 19, 2003	74,000	23,495				23,495		
04-6	Refunding Ordinance	May 19, 2004	360,000	4,974				4,974		
05-19	Various Public Improvements	October 19, 2005	175,000	683				683		
06-06	Various Public Improvements	June 21, 2006	1,750,000	98,552				98,552		
06-17	Various Public Improvements	December 22, 2006	161,885	5,113				5,113		
07-11	Various Public Improvements	June 17, 2007	1,505,500	78,752			(83)	78,835		
08-08	Various Public Improvements	June 18, 2008	2,196,435	839,962			507,568	332,394		
09-06	Various Public Improvements	May 6, 2009	1,574,000	196,740			70,292	126,448	7,226	
09-15	Tax Appeal Refunds	October 21, 2009	1,150,000				794		35,711	
11-19	Various Public Improvements	December 7, 2011	535,000			535,000	510,781		24,219	
11-21	Various Public Improvements	December 28, 2011	1,400,000			1,400,000		67,000	1,333,000	
				\$ 1,407,753	43,731	1,935,000	1,089,352	896,976	1,400,156	
							Cash	556,444		
							Due to Current	510,781		
							Encumbrances	22,127		
							\$	<u>1,089,352</u>		

**BOROUGH OF WOODLAND PARK, N.J.**

**Schedule of Reserve for Encumbrances**

**General Capital Fund**

**Year ended December 31, 2011**

Balance, December 31, 2010	\$	96,399
Increased by:		
Charges to Improvement Authorizations		<u>22,127</u>
		118,526
Decreased by:		
Expended		<u>96,399</u>
Balance, December 31, 2011	\$	<u><u>22,127</u></u>

**BOROUGH OF WOODLAND PARK, N.J.**

**Schedule of Reserve for Payment of Debt**

**General Capital Fund**

**Year ended December 31, 2011**

<u>Ordinance</u>		Dec. 31, <u>2010</u>	Dec. 31, <u>2011</u>
99-20	Various Public Improvements	\$ 90,309	90,309
04-05	Various Improvements	<u>315,757</u>	<u>315,757</u>
		\$ <u>406,066</u>	<u>406,066</u>

**BOROUGH OF WOODLAND PARK, N.J.**

**Schedule of Interfunds**

**General Capital Fund**

**Year ended December 31, 2011**

	Due from/(to) Dec. 31, <u>2010</u>	<u>Increased</u>	<u>Decreased</u>
Current Fund	\$ <u>226,854</u>	<u>286,769</u>	<u>513,623</u>
	Cash Receipts \$		2,842
	Cash Disbursements	286,769	
Reimburse expenses paid by Current Fund		<u>                    </u>	<u>510,781</u>
		\$ <u>286,769</u>	<u>513,623</u>

BOROUGH OF WOODLAND PARK, N.J.

Schedule of Bond Anticipation Notes

General Capital Fund

Year ended December 31, 2011

Ordinance number	Improvement description	Date of original issue	Date of issue	Date of maturity	Interest rate	Balance, Dec. 31, 2010	Increase	Decrease	Balance, Dec. 31, 2011
09-15	Tax Appeal Refunds	Dec. 17, 2009	Dec. 16, 2011	Dec. 14, 2012	1.07	<u>1,100,000</u>	<u>1,025,000</u>	<u>1,100,000</u>	<u>1,025,000</u>
						\$ <u>1,100,000</u>	<u>1,025,000</u>	<u>1,100,000</u>	<u>1,025,000</u>
							Renewal \$ 1,025,000	1,025,000	
							Budget Appropriation	75,000	
							\$ <u>1,025,000</u>	<u>1,100,000</u>	

## BOROUGH OF WOODLAND PARK, N.J.

## Schedule of General Serial Bonds

## General Capital Fund

Year ended December 31, 2011

Purpose	Date of issue	Original issue	Maturities of bonds outstanding, <u>December 31, 2011</u>		Interest rate	Balance, Dec. 31, 2010	Decreased	Balance, Dec. 31, 2011
			Date	Amount				
General Improvement Bonds	Oct. 15, 2001	4,322,000	Oct. 15, 2012	375,000	4.30%	\$ 2,402,000	350,000	2,052,000
			Oct. 15, 2013	390,000	4.30%			
			Oct. 15, 2014	400,000	4.30%			
			Oct. 15, 2015	450,000	4.30%			
			Oct. 15, 2016	437,000	4.30%			
Refunding Bonds	Aug. 1, 2005	2,015,000	Aug. 1, 2012	225,000	3.75%	1,525,000	215,000	1,310,000
			Aug. 1, 2013	235,000	3.75%			
			Aug. 1, 2014	255,000	3.60%			
			Aug. 1, 2015	265,000	3.75%			
			Aug. 1, 2016	275,000	3.75%			
			Aug. 1, 2017	55,000	4.00%			
General Improvement Bonds	July 15, 2009	9,500,000	July 15, 2012	100,000	3.00%	9,450,000	75,000	9,375,000
			July 15, 2013	105,000	3.00%			
			July 15, 2014	110,000	3.00%			
			July 15, 2015	120,000	4.00%			
			July 15, 2016	150,000	4.00%			
			July 15, 2017	555,000	4.00%			
			July 15, 2018	590,000	4.00%			
			July 15, 2019	625,000	4.00%			
			July 15, 2020	650,000	4.00%			
			July 15, 2021	650,000	4.00%			
			July 15, 2022	810,000	4.00%			
			July 15, 2023	845,000	4.00%			
			July 15, 2024	945,000	4.00%			
			July 15, 2025	1,000,000	4.00%			
			July 15, 2026	1,050,000	4.00%			
			July 15, 2027	1,070,000	4.00%			
						\$ 13,377,000	640,000	12,737,000



BOROUGH OF WOODLAND PARK, N.J.

Schedule of Environmental Infrastructure Fund Loans Payable

General Capital Fund

Year ended December 31, 2011

Purpose	Date of issue	Original issue	Maturities of Bonds Outstanding, December 31, 2011		Interest Rate	Balance, Dec. 31, 2010	Decreased	Balance, Dec. 31, 2011
			Date	Amount				
Wastewater Treatment Facilities	Oct. 15, 2003	420,000	Feb. 1, 2012	4,534	0.00%	235,628	20,834	214,794
			Aug. 1, 2012	18,541				
			Feb. 1, 2013	4,184				
			Aug. 1, 2013	18,191				
			Feb. 1, 2014	3,834				
			Aug. 1, 2014	17,841				
			Feb. 1, 2015	3,484				
			Aug. 1, 2015	17,491				
			Feb. 1, 2016	3,203				
			Aug. 1, 2016	17,211				
			Feb. 1, 2017	2,923				
			Aug. 1, 2017	19,732				
			Feb. 1, 2018	2,570				
			Aug. 1, 2018	19,379				
			Feb. 1, 2019	2,213				
			Aug. 1, 2019	19,022				
			Feb. 1, 2020	1,793				
			Aug. 1, 2020	18,601				
			Feb. 1, 2021	1,373				
			Aug. 1, 2021	18,674				

## BOROUGH OF WOODLAND PARK, N.J.

## Schedule of Environmental Infrastructure Fund Loans Payable

## General Capital Fund

Year ended December 31, 2011

Purpose	Date of issue	Original issue	Maturities of Bonds Outstanding, December 31, 2011		Interest Rate	Balance, Dec. 31, 2010	Decreased	Balance, Dec. 31, 2011
			Date	Amount				
Wastewater Treatment Facilities	Nov. 4, 2004	493,977	Feb. 1, 2012	5,679		354,669	24,974	329,695
			Aug. 1, 2012	18,646				
			Feb. 1, 2013	5,355				
			Aug. 1, 2013	21,564				
			Feb. 1, 2014	4,950				
			Aug. 1, 2014	21,159				
			Feb. 1, 2015	4,626				
			Aug. 1, 2015	20,835				
			Feb. 1, 2016	4,302				
			Aug. 1, 2016	20,510				
			Feb. 1, 2017	3,977				
			Aug. 1, 2017	20,186				
			Feb. 1, 2018	3,572				
			Aug. 1, 2018	23,023				
			Feb. 1, 2019	3,086				
			Aug. 1, 2019	22,537				
			Feb. 1, 2020	2,600				
			Aug. 1, 2020	22,050				
			Feb. 1, 2021	2,113				
			Aug. 1, 2021	24,806				
			Feb. 1, 2022	1,545				
			Aug. 1, 2022	24,238				
			Feb. 1, 2023	979				
			Aug. 1, 2023	23,671				
Feb. 1, 2024	497							
Aug. 1, 2024	23,189							
						\$ 590,297	45,808	544,489

BOROUGH OF WOODLAND PARK, N.J.

Schedule of Environmental Infrastructure Trust Loans Payable

General Capital Fund

Year ended December 31, 2011

<u>Purpose</u>	<u>Date of issue</u>	<u>Original issue</u>	<u>Maturities of Bonds Outstanding, December 31, 2011</u>		<u>Interest rate</u>	<u>Balance, Dec. 31, 2010</u>	<u>Decreased</u>	<u>Balance, Dec. 31, 2011</u>
			<u>Date</u>	<u>Amount</u>				
Wastewater Treatment Facilities	Oct. 15, 2003	480,000	Aug. 1, 2012-14	\$ 25,000	5.000%	\$ 370,000	20,000	350,000
			Aug. 1, 2015-16	25,000	4.000%			
			Aug. 1, 2017	30,000	4.200%			
			Aug. 1, 2018	30,000	4.250%			
			Aug. 1, 2019-20	30,000	5.000%			
			Aug. 1, 2021	35,000	4.500%			
			Aug. 1, 2022-23	35,000	4.750%			
Wastewater Treatment Facilities	Nov. 4, 2004	485,000	Aug. 1, 2012	20,000	5.000%	395,000	20,000	375,000
			Aug. 1, 2013	25,000	5.000%			
			Aug. 1, 2014-16	25,000	4.000%			
			Aug. 1, 2017	25,000	5.000%			
			Aug. 1, 2018-20	30,000	5.000%			
			Aug. 1, 2021-22	35,000	5.000%			
			Aug. 1, 2023	35,000	4.250%			
			Aug. 1, 2024	35,000	4.375%			
						<u>\$ 765,000</u>	<u>40,000</u>	<u>725,000</u>

BOROUGH OF WOODLAND PARK, N.J.

Schedule of Bonds and Notes Authorized But Not Issued

General Capital Fund

Year ended December 31, 2011

<u>Ordinance number</u>	<u>Improvement description</u>	Balance, Dec. 31, <u>2010</u>	<u>Increased</u>	Balance, Dec. 31, <u>2011</u>
01-02	Reconstruction/Repaving of Meriline Ave	3,030		3,030
03-12	Sewer Improvements	44,323		44,323
09-06	Various Public Improvements	7,226		7,226
11-19	Various Public Improvements		509,500	509,500
11-21	Various Public Improvements		1,333,000	1,333,000
		\$ 54,579	1,842,500	1,897,079

**BOROUGH OF WOODLAND PARK, N.J.**

**Schedule of Cash - Treasurer**

**Water Utility Fund**

**Year ended December 31, 2011**

	<u>Operating</u>	<u>Capital</u>
Balance, December 31, 2010	\$ 596,521	890,323
Increased by receipts:		
Water collector	1,518,243	
Overpayments	6,460	
Interfunds	4,451	1,574
Miscellaneous	52,780	
	<u>1,581,934</u>	<u>1,574</u>
	2,178,455	891,897
Decreased by disbursements:		
2011 Appropriations	1,267,587	
2010 Appropriation Reserves	63,745	
Improvement Authorizations		413
Interfunds		4,451
Refunds	8,983	
Accrued interest on debt	75,579	
	<u>1,415,894</u>	<u>4,864</u>
Balance, December 31, 2011	\$ <u>762,561</u>	<u>887,033</u>

**BOROUGH OF WOODLAND PARK, N.J.**

**Analysis of Cash**

**Water Utility Capital Fund**

**December 31, 2011**

	Balance, Dec. 31, <u>2011</u>
Capital Improvement Fund	\$ 37,179
Down Payments on Improvements	1,500
Reserve for Payment of Debt	225,463
Fund Balance	555
Improvement Authorizations:	
Ordinance	
<u>number</u>	<u>General improvements</u>
91-1	Reconditioning of water storage tank
96-8	Rehabilitation of Water Mains
96-14	Acquisition of a Backhoe
99-8	Phase I of Extension to Water System
04-16	Water System Improvements
00-09	Water System Improvements
	619,343
	\$ 887,033

**BOROUGH OF WOODLAND PARK, N.J.**

**Schedule of Deferred Charges -  
Emergency Authorizations**

**Water Utility Operating Fund**

**Year ended December 31, 2011**

	Increased by: <u>Emergency</u>	Balance, Dec. 31, <u>2011</u>
Emergency Authorization - Hurricane Irene Damages	\$ <u>20,000</u>	<u>20,000</u>
	\$ <u><u>20,000</u></u>	<u><u>20,000</u></u>

**BOROUGH OF WOODLAND PARK, N.J.**

**Schedule of Consumers' Accounts Receivable**

**Water Utility Operating Fund**

**Year ended December 31, 2011**

Balance, December 31, 2010	\$ 111,608
Increased by:	
2011 Levy	<u>1,526,483</u>
	1,638,091
Decreased by:	
Cash receipts	<u>1,518,243</u>
Balance, December 31, 2011	<u><u>\$ 119,848</u></u>

**BOROUGH OF WOODLAND PARK, N.J.**

**Schedule of Due from New Jersey Environmental Infrastructure Trust -  
Unexpended Loan Proceeds - Project Credits Receivable**

**Water Utility Capital Fund**

**Year ended December 31, 2011**

Balance, December 31, 2010	\$ 318,290
Decreased by:	
Deobligated	<u>164,332</u>
Balance, December 31, 2011	<u><u>\$ 153,958</u></u>

**BOROUGH OF WOODLAND PARK, N.J.**

**Schedule of Fixed Capital**

**Water Utility Capital Fund**

**Year ended December 31, 2011**

<u>Account</u>	Balance, Dec. 31, 2010	Balance, Dec. 31, 2011
Distribution	\$ 637,088	637,088
Meters	27,525	27,525
Passaic Valley Water Commission contribution on main	23,103	23,103
Easement	160	160
Various equipment	19,435	19,435
Equipment - tractor shovel	2,800	2,800
Equipment - bucket loader	5,800	5,800
Water storage tank	157,000	157,000
Water distribution system	1,522,900	1,522,900
Water mains	156,000	156,000
Backhoe	18,500	18,500
	<u>\$ 2,570,311</u>	<u>2,570,311</u>

BOROUGH OF WOODLAND PARK, N.J.

Schedule of Fixed Capital Authorized and Uncompleted

Water Utility Capital Fund

Year ended December 31, 2011

Ordinance <u>number</u>	<u>Improvement description</u>	<u>Ordinance</u>		Balance, Dec. 31, <u>2010</u>	<u>Canceled</u>	Balance, Dec. 31, <u>2011</u>
		<u>Date</u>	<u>Amount</u>			
04-16	Water System Improvements	Aug. 4, 2004	1,400,000	\$ 1,400,000	318,290	1,081,710
				\$ 1,400,000	318,290	1,081,710

**BOROUGH OF WOODLAND PARK, N.J.**

**Schedule of Interfunds**

**Water Utility Operating Fund**

**Year ended December 31, 2011**

	Due from/(to) Dec. 31, <u>2010</u>	<u>Increased</u>	<u>Decreased</u>
Water Utility Capital Fund	\$ <u>2,877</u>	<u>1,574</u>	<u>4,451</u>
	\$ <u><u>2,877</u></u>	<u><u>1,574</u></u>	<u><u>4,451</u></u>
Interest on Investments		1,574	
Cash Receipts			4,451
		\$ <u><u>1,574</u></u>	<u><u>4,451</u></u>

**BOROUGH OF WOODLAND PARK, N.J.**

**Schedule of 2010 Appropriation Reserves**

**Water Utility Operating Fund**

**Year ended December 31, 2011**

	Balance, Dec. 31, <u>2010</u>	Balance after transfers and <u>encumbrances</u>	<u>Paid or charged</u>	Balance <u>Lapsed</u>
Operating:				
Salaries and Wages	\$ 17,621	17,621		17,621
Other Expenses	82,771	93,287	63,745	29,542
Social Security	2,761	2,761		2,761
Unemployment Compensation	<u>100</u>	<u>100</u>		<u>100</u>
	<u>\$ 103,253</u>	<u>113,769</u>	<u>63,745</u>	<u>50,024</u>

**BOROUGH OF WOODLAND PARK, N.J.**

**Schedule of Reserve for Outside Liens**

**Water Utility Fund**

**Year ended December 31, 2011**

Balance, December 31, 2010	\$ <u>1,911</u>
Balance, December 31, 2011	\$ <u><u>1,911</u></u>

**Schedule of Overpayments**

**Water Utility Fund**

**Year ended December 31, 2011**

Balance, December 31, 2010	\$ 8,983
Increased by:	
Receipts	<u>6,460</u>
	15,443
Decreased by:	
Refunded	<u>8,983</u>
Balance, December 31, 2011	\$ <u><u>6,460</u></u>

**BOROUGH OF WOODLAND PARK, N.J.**

**Schedule of Interfunds**

**Water Utility Capital Fund**

**Year ended December 31, 2011**

	Due from/(to) Dec. 31, <u>2010</u>	<u>Increased</u>	<u>Decreased</u>
Water Utility Operating Fund	\$ <u>(2,877)</u>	<u>1,574</u>	<u>4,451</u>
	\$ <u><u>(2,877)</u></u>	<u><u>1,574</u></u>	<u><u>4,451</u></u>
Interest earned on Investments		1,574	
Cash Disbursements			4,451
		\$ <u><u>1,574</u></u>	<u><u>4,451</u></u>

**BOROUGH OF WOODLAND PARK, N.J.**

**Schedule of Accrued Interest on Bonds**

**Water Utility Operating Fund**

**Year ended December 31, 2011**

Balance, December 31, 2010		\$	16,514
Increased by:			
Budget Appropriation			
Interest on Bonds	\$	34,960	
Infrastructure Trust Loans		<u>39,096</u>	
			<u>74,056</u>
			90,570
Decreased by:			
Interest on Bonds Paid		35,963	
Infrastructure Trust Loans		<u>39,616</u>	
			<u>75,579</u>
Balance, December 31, 2011		\$	<u><u>14,991</u></u>

<u>Principal</u> <u>Outstanding</u> <u>Dec. 31, 2011</u>	<u>Interest</u> <u>Rate</u>	<u>From</u>	<u>To</u>	<u>Required</u> <u>Amount</u>	<u>Actual</u> <u>Amount</u>
227,881	Various	8/1/11	12/31/11	8,639	8,639
697,000	4.375%	10/15/11	12/31/11	6,352	<u>6,352</u>
					\$ <u><u>14,991</u></u>

BOROUGH OF WOODLAND PARK, N.J.

Schedule of Improvement Authorizations

Water Utility Capital Fund

Year ended December 31, 2011

Ordinance number	Improvement description	Ordinance		Balance, Dec. 31, 2010		Expended	Canceled	Balance, Dec. 31, 2011	
		Date	Amount	Funded	Unfunded			Funded	Unfunded
	General improvements:								
91-1	Reconditioning of water storage tank	Sept. 26, 1991	\$ 162,457	\$ 46,894				46,894	
96-8	Rehabilitation of water mains	May 29, 1996	165,000	8,502				8,502	
96-14	Acquisition of backhoe	Oct. 14, 1996	38,000	474				474	
00-09	Water System Improvements	Nov. 1, 2000	1,350,000	619,756		413		619,343	
04-16	Water System Improvements	Aug. 4, 2005	1,400,000	267,313	229,626		318,290		178,649
				\$ 942,939	229,626	413	318,290	675,213	178,649

**BOROUGH OF WOODLAND PARK, N.J.**

**Schedule of Capital Improvement Fund**

**Water Utility Capital Fund**

**Year ended December 31, 2011**

Balance, December 31, 2010	\$ <u>37,179</u>
Balance, December 31, 2011	\$ <u><u>37,179</u></u>

**Schedule of Down Payments on Improvements**

**Water Utility Capital Fund**

**Year ended December 31, 2011**

Balance, December 31, 2010	\$ <u>1,500</u>
Balance, December 31, 2011	\$ <u><u>1,500</u></u>

**BOROUGH OF WOODLAND PARK, N.J.**

**Schedule of Reserve for Amortization**

**Water Utility Capital Fund**

**Year ended December 31, 2011**

Balance, December 31, 2010		\$ 2,024,099
Increased by:		
Bond Payments	\$ 125,000	
Infrastructure Trust Payments	<u>55,473</u>	
		<u>180,473</u>
Balance, December 31, 2011		<u><u>\$ 2,204,572</u></u>

**BOROUGH OF WOODLAND PARK, N.J.**

**Schedule of Reserve for Reserve for Payment of Debt**

**Water Utility Capital Fund**

**Year ended December 31, 2011**

Balance, December 31, 2010	\$ <u>225,463</u>
Balance, December 31, 2011	\$ <u><u>225,463</u></u>
	<u>Analysis of Balance</u>
Grants Received - Hazardous Discharge Site Cleanup	<u>225,463</u>
	\$ <u><u>225,463</u></u>

**BOROUGH OF WOODLAND PARK, N.J.**

**Schedule of Water Utility Serial Bonds**

**Water Utility Capital Fund**

**Year ended December 31, 2011**

Purpose	Date of issue	Original issue	Maturities of bonds outstanding, December 31, 2011		Interest rate	Balance, Dec. 31, 2010	Decreased	Balance, Dec. 31, 2011
			Date	Amount				
General Improvement Bonds	Oct. 15, 2001	1,507,000	Oct. 15, 2012	\$ 130,000	4.375	822,000	125,000	697,000
			Oct. 15, 2013	135,000				
			Oct. 15, 2014	140,000				
			Oct. 15, 2015	145,000				
			Oct. 15, 2016	147,000				
						<u>\$ 822,000</u>	<u>125,000</u>	<u>697,000</u>

BOROUGH OF WOODLAND PARK, N.J.

Schedule of Environmental Infrastructure Trust Fund Loans Payable

Water Utility Capital Fund

Year ended December 31, 2011

Purpose	Date of issue	Original issue	Maturities of Bonds Outstanding, December 31, 2011			Balance, Dec. 31, 2010	Decreased	Balance, Dec. 31, 2011
			Date	Amount	Rate			
Water System Improvements	Oct. 14, 2004	\$ 580,000	Aug. 1, 2012	25,000	5.000%	\$ 470,000	25,000	445,000
			Aug. 1, 2013	25,000	5.000%			
			Aug. 1, 2014	30,000	4.000%			
			Aug. 1, 2015	30,000	4.000%			
			Aug. 1, 2016	30,000	4.000%			
			Aug. 1, 2017	30,000	5.000%			
			Aug. 1, 2018	35,000	5.000%			
			Aug. 1, 2019	35,000	5.000%			
			Aug. 1, 2020	35,000	5.000%			
			Aug. 1, 2021	40,000	5.000%			
			Aug. 1, 2022	40,000	5.000%			
			Aug. 1, 2023	45,000	4.250%			
			Aug. 1, 2024	45,000	4.375%			
			Water System Improvements	Nov. 4, 2004	590,374			
Aug. 1, 2012	22,939							
Feb. 1, 2013	6,318							
Aug. 1, 2013	22,533							
Feb. 1, 2014	5,913							
Aug. 1, 2014	25,371							
Feb. 1, 2015	5,523							
Aug. 1, 2015	24,982							
Feb. 1, 2016	5,134							
Aug. 1, 2016	24,593							
Feb. 1, 2017	4,745							
Aug. 1, 2017	24,203							
Feb. 1, 2018	4,259							
Aug. 1, 2018	26,960							
Feb. 1, 2019	3,691							
Aug. 1, 2019	13,994							
						\$ 892,686	219,805	672,881
						Deobligated	164,332	
						Budget Appropriation	30,473	
						Paid via Project Fund Credits	25,000	
						\$	<u>219,805</u>	

**BOROUGH OF WOODLAND PARK, N.J.**

**Schedule of Bonds and Notes Authorized But Not Issued**

**Water Utility Capital Fund**

**December 31, 2011**

<u>Ordinance number</u>	<u>Improvement description</u>	Balance, Dec. 31, <u>2010</u>	Balance, Dec. 31, <u>2011</u>
04-16	Water System Improvements	\$ 229,626	229,626
99-8	Phase I, Extension to Water System	<u>1,900</u>	<u>1,900</u>
		<u>\$ 231,526</u>	<u>231,526</u>

**BOROUGH OF WOODLAND PARK**

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**PART II**

**LETTER ON INTERNAL CONTROL OVER FINANCIAL  
REPORTING AND ON COMPLIANCE AND OTHER MATTERS**

**COMMENTS AND RECOMMENDATIONS**

**YEAR ENDED DECEMBER 31, 2011**

# Ferraioli, Wielkottz, Cerullo & Cuva, P.A.

Charles J. Ferraioli, Jr., MBA, CPA, RMA  
Steven D. Wielkottz, CPA, RMA  
James J. Cerullo, CPA, RMA  
Paul J. Cuva, CPA, RMA  
Thomas M. Ferry, CPA, RMA

Certified Public Accountants  
401 Wanaque Avenue  
Pompton Lakes, New Jersey 07442  
973-835-7900  
Fax 973-835-6631

Newton Office  
100B Main Street  
Newton, N.J. 07860  
973-579-3212  
Fax 973-579-7128

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

Honorable Mayor and  
Members of the Borough Council  
Borough of Woodland Park  
County of Passaic, New Jersey

We have audited the financial statements-regulatory basis of the Borough of Woodland Park in the County of Passaic as of and for the year ended December 31, 2011, and have issued our report thereon dated July 5, 2012. Our report disclosed that, as described in Note 1 to the financial statements-regulatory basis, the Borough of Woodland Park prepares its financial statements on a basis of accounting prescribed by the Division of Local Government Services, Department of Community Affairs, State of New Jersey, that demonstrates compliance with a modified accrual basis of accounting and the budget laws of the State of New Jersey, which is a comprehensive basis of accounting other than accounting principles generally accepted in the United States of America. We conducted our audit in accordance with auditing standards generally accepted in the United States of America; audit requirements as prescribed by the Division of Local Government Services, Department of Community Affairs, State of New Jersey; and the standards applicable to financial audits contained in Government Auditing Standards, issued by the Comptroller General of the United States.

### Internal Control Over Financial Reporting

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

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



Honorable Mayor and  
Members of the Borough Council  
Page 2.

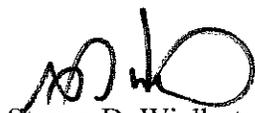
Our consideration of internal control over financial reporting was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over financial reporting that might be deficiencies, significant deficiencies or material weaknesses.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

#### Compliance and Other Matters

As part of obtaining reasonable assurance about whether the Borough of Woodland Park's financial statements-regulatory basis are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit and, accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under Government Auditing Standards.

We noted certain immaterial instances of noncompliance that we have reported to the management of the Borough of Woodland Park in the accompanying comments and recommendations section of this report.

This report is intended solely for the information of management, The Division of Local Government Services, Department of Community Affairs, State of New Jersey, Federal Awarding Agencies and Pass Through Entities and is not intended to be and should not be used by anyone other than these specified parties.



Steven D. Wielkottz, C.P.A.  
Registered Municipal Accountant  
No. CRO0413



FERRAIOLI, WIELKOTZ, CERULLO & CUVA, P.A.  
Certified Public Accountants

July 5, 2012



# Ferraioli, Wielkotz, Cerullo & Cuva, P.A.

Charles J. Ferraioli, Jr., MBA, CPA, RMA  
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973-579-3212  
Fax 973-579-7128

## **REPORT ON COMPLIANCE WITH REQUIREMENTS APPLICABLE TO EACH MAJOR FEDERAL AND STATE PROGRAM AND INTERNAL CONTROL WITH OMB CIRCULAR A-133 AND N.J. OMB CIRCULAR 04-04 AS AMENDED**

Honorable Mayor and  
Members of the Borough Council  
Borough of Woodland Park  
County of Passaic, New Jersey

### Compliance

We have audited the compliance of the Borough of Woodland Park, County of Passaic, with the types of compliance requirements described in the U.S. Office of Management and Budget (OMB) Circular A-133 Compliance Supplement and the New Jersey State Office of Management and Budget's State Aid/Grant Compliance Supplement that are applicable to each of its major federal and state programs for the year ended December 31, 2011. The Borough of Woodland Park's major federal and state programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs. Compliance with the requirements of laws, regulation, contracts and grants applicable to each of its major federal and state programs is the responsibility of the Borough of Woodland Park's management. Our responsibility is to express an opinion on the Borough of Woodland Park's compliance based on our audit.

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

In our opinion, the Borough of Woodland Park complied, in all material respects, with the requirements referred to above that are applicable to each of its major federal and state programs for the year ended December 31, 2011.



Honorable Mayor and  
Members of the Borough Council  
Page 2.

Internal Control Over Compliance

The management of the Borough of Woodland Park is responsible for establishing and maintaining effective internal control over compliance with requirements of laws, regulations, contracts and grants applicable to federal and state programs. In planning and performing our audit, we considered the Borough of Woodland Park's internal control over compliance with requirements that could have a direct and material effect on a major federal and state program in order to determine our auditing procedures for the purpose of expressing our opinion on compliance but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of the Borough of Woodland Park's internal control over compliance.

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

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

This report is intended solely for the information of management, the Division of Local Government Services, Department of Community Affairs, State of New Jersey, Federal Awarding Agencies and Pass Through Entities and is not intended to be and should not be used by anyone other than these specified parties.



Steven D. Wielkocz, C.P.A.  
Registered Municipal Accountant  
No. CR00413



FERRAIOLI, WIELKOTZ, CERULLO & CUVA, P.A.  
Certified Public Accountants

July 5, 2012



## BOROUGH OF WOODLAND PARK, N.J.

## Schedule of Expenditures of State Awards

Year ended December 31, 2011

State Funding Department	State program	Grant number	Grant period	Grant award	Balance Dec. 31, 2010	Grant Receipts	Grant expenditures	Adjustment	Balance Dec. 31, 2011	MEMO Cumulative Expenditures
<i>Federal and State Grant Fund:</i>										
Department of Law and Public Safety	Alcohol Education and Rehabilitation Program	9735-760-098-Y900-001-X100-6020	2003	906	245				245	661
	Alcohol Education and Rehabilitation Program	9735-760-098-Y900-001-X100-6020	2004	312	126				126	186
	Body Armor	1020-718-001-066	2008	2,528	(1,403)		1,049		(2,452)	2,528
	Body Armor	1020-718-001-066	2009	1,135	1,135		1,135			1,135
	Body Armor	1020-718-001-066	2010	2,471	2,471		1,564		907	1,564
	Body Armor	1020-718-066-1020	2011	2,630		2,630			2,630	
	Safe and Secure	P-4678	2006	60,000	2,431				2,431	57,569
	Safe and Secure	P-4678	2009	57,876	19,913		19,913			57,876
	Safe and Secure	P-4678	2010	60,000	15,000	45,000	56,131		3,869	56,131
	Safe and Secure	P-4678	2010	30,000	30,000				30,000	
	Safe and Secure	P5278-11	2011	49,601						
	Drunk Driving Enforcement Grant	4320-100-046-4750-241	2006	5,389	100		100			5,389
	Drunk Driving Enforcement Grant	4320-100-046-4750-241	2008	1,080	789		477		312	768
	Drunk Driving Enforcement Grant	4320-100-046-4750-241	2009	700	700				700	
	Drunk Driving Enforcement Grant	4320-100-046-4750-241	2010	282	282				282	
	Drunk Driving Enforcement Grant	6400-100-078-6400	2011	1,181		1,181			1,181	
					71,789	48,811	80,369		40,231	183,807
New Jersey Department of Community Affairs	Special Purpose Grant - Roof Repairs		2005	50,000	50,000				50,000	
Department of Environmental Protection	Stormwater Management		2008	2,552	2,552				2,552	
	Clean Communities Grant	4900-765-178910-60	2007	11,806	1,704		6		1,698	11,806
	Clean Communities Grant	4900-765-178910-60	2008	12,356	3,950			(3,950)		8,406
	Clean Communities Grant	4900-765-178910-60	2010	16,499	3,373		620		2,753	13,746
	Clean Communities Grant	4900-765-042-4900-004	2011	16,283		16,283	6,660		9,623	6,661
	Historic Trust-Morris Canal		2007	37,500	(1,600)				(1,600)	37,500
	Statewide Livable Communities		2004	5,000	126				126	4,874
	Recycling Tonnage Grant	4900-752-178810-60	2005	6,995	4,085				4,085	5,998
	Recycling Tonnage Grant	4900-752-178810-60	2006	8,253	8,253				8,253	
	Recycling Tonnage Grant	4900-752-178810-60	2007	5,452	979				979	3,363
	Recycling Tonnage Grant	4900-752-178810-60	2008	9,188	7,456				7,456	
	Recycling Tonnage Grant	4900-752-178810-60	2009	11,932	11,932				11,932	
	Recycling Tonnage Grant	4900-752-042-4900-001	2008	13,918		13,918			13,918	
	Recycling Tonnage Grant	4900-752-042-4900-001	2009	13,975		13,975			13,975	
					42,810	44,176	7,286	(3,950)	75,750	92,354
<i>Total Federal and State Grant Fund</i>					164,599	92,987	87,655	(3,950)	165,981	276,161

## BOROUGH OF WOODLAND PARK, N.J.

## Schedule of Expenditures of State Awards

Year ended December 31, 2011

State Funding Department	State program	Grant number	Grant period	Grant award	Balance Dec. 31, 2010	Grant Receipts	Grant expenditures	Adjustment	Balance Dec. 31, 2011	MEMO Cumulative Expenditures	
<i>Federal and State Grant Fund:</i>											
<i>General Capital Fund:</i>											
Department of Transportation	Williams Drive (Phase I and II)	Ordinance 04-5		6320-480-608383-60	2004	250,000	(7,175)		(7,175)	250,000	
	Lackawana Ave./Memorial Drive	Ordinance 04-5		6300-480-078-6300-CK3-TCAP	2004	120,000	(4,014)		(4,014)	120,000	
	Curbs and Sidewalks										
<i>Total General Capital Fund</i>									(11,189)	370,000	
<i>Trust Funds:</i>											
Municipal Drug and Alcohol Alliance			2010	13,639		13,639		(13,639)		13,639	
			2011	16,385			16,385		(16,385)	16,385	
<i>Total Trust Funds</i>									(16,385)	30,024	
<i>Total State Financial Assistance</i>						\$ 153,410	106,626	104,040	(17,589)	138,407	676,185
<i>Other Financial Assistance</i>											
Passaic County Open Space	Dowling Park Improvements - 2004		2004	325,000	(27)				(27)	325,000	
	Dowling Park Improvements - 2008		2008	250,000	(727)		5,295	3,000	(3,022)	204,212	
	Zaccaria Park Improvements-2010		2010	260,000	(1,709)		10,975	(151)	(12,835)	259,800	
	Morris Canal Improvements-2007		2007	100,000	(4,780)				(4,780)	79,569	
	Morris Canal Improvements-2008		2008	200,000	(24,828)		49,012		(73,840)	114,951	
	Zaccaria Park Improvements - 2011		2011	175,000			89,071		(89,071)	89,071	
<i>Total Other Financial Assistance</i>						(32,071)	154,353	2,849	(183,575)	1,072,603	
<i>Total State and Other Financial Assistance</i>						\$ 121,339	106,626	258,393	(14,740)	(45,168)	1,748,788

Note: This schedule was not subject to an audit in accordance with N.J. OMB 04-04.

## BOROUGH OF WOODLAND PARK, N.J.

## Schedule of Expenditures of Federal Awards

Year ended December 31, 2011

Federal Grantor	Federal program	CFDA #	Grant year	Grant award amount	Balance Dec. 31, 2010	Receipts	Expended	Adjustment	Balance Dec. 31, 2011	Memo Cumulative Expenditures	
<u>Federal and State Grant Fund:</u>											
U.S. Department of Justice:											
	Bulletproof Vest Partnership Program	16.607	2010	3,891	\$ 141				141	3,750	
	School Policing	16.710	2003-05	125,000	21,062				21,062	103,938	
	School Policing	16.710	2006	32,000	19,628				19,628	12,372	
	COPS MORE	16.710	2003	75,000	(21,470)				(21,470)	73,200	
	Universal COPS	16.710	2001-04	60,000	(16,750)				(16,750)	43,250	
					2,611				2,611	236,510	
Department of Housing and Urban Development:	Morris Canal Bike Path	14.218	2009	147,000	(143)	147,000	143,655		3,202	143,798	
U.S. Department of Transportation:											
National Highway Traffic Safety Administration (1)	Over the Limit Under Arrest	20.601	2009	5,133				(4,371)	(4,371)	4,371	
	Over the Limit Under Arrest	20.601	2010	4,371				4,371	4,371		
	Over the Limit Under Arrest - 2010 Year End Crackdown	20.601	2010	5,000		5,000	5,000			5,000	
	Over the Limit Under Arrest	20.601	2011	4,384		4,384	4,384			4,384	
Federal Highway Administration	Newby Street	20.205	2009	281,000	(128,960)	123,104	1,800		(7,656)	213,865	
	Mt. Pleasant Ave Resurfacing	20.205	2010	300,000	(550)	300,000	299,450			300,000	
	Mt. Pleasant Ave Resurfacing - Phase II	20.205	2010	255,000		3,780	133,705		(129,925)	133,705	
					(129,510)	436,268	444,339		(137,581)	661,325	
U.S. Department of Homeland Security:											
State Homeland Security Program	Assistance to Firefighters Grant	97.073	2010	58,707	(47,684)	58,704	11,023		(3)	58,707	
Disaster Grants - Public Assistance - (Presidentially Declared Disasters) (1)											
	Storms/Floods	97.036	2010	31,290		31,290	31,290			31,290	
	Public Assistance - Severe Weather	97.036	2011	33,569		33,569	33,569			33,569	
					(47,684)	123,563	75,882		(3)	123,566	
<i>Total Federal and State Grant Fund</i>						(174,726)	706,831	663,876		(131,771)	1,165,199
<u>Community Development Trust Fund:</u>											
U.S. Department of Housing and Urban Development											
Community Development Block Grant (Pass Through Funds)											
County of Passaic	Imps. To Randazzo Lane & McKeown Ave.	14.218	2010	100,000		100,000	100,000			100,000	
	Rockland Avenue Street Improvements	14.218	2010	242,000			22,764		(22,764)	22,764	
<i>Total Community Development Trust Fund</i>							100,000	122,764		(22,764)	122,764
<i>Total Federal Financial Assistance</i>					\$	(174,726)	806,831	786,640		(154,535)	1,287,963

(1) Passed through the State of New Jersey

**BOROUGH OF WOODLAND PARK  
NOTES TO THE SCHEDULES OF EXPENDITURES  
OF FEDERAL AND STATE AWARDS  
FOR THE YEAR ENDED DECEMBER 31, 2011**

**NOTE 1. GENERAL**

The accompanying schedules of expenditures of awards present the activity of all federal and state financial assistance programs of the Borough of Woodland Park, County of Passaic. The Borough is defined in Note 1A to the Borough's financial statements. All federal financial assistance received directly from federal agencies, as well as federal financial assistance passed through other government agencies is included on the schedule of expenditures of awards.

**NOTE 2. BASIS OF ACCOUNTING**

The accompanying schedules of expenditures of awards are presented using the modified accrual basis of accounting as prescribed for counties by the Division of Local Government Services, Department of Community Affairs, State of New Jersey which differ in certain respects from generally accepted accounting principles (GAAP) applicable to local government units. This basis of accounting is described in Note 1(B) to the Borough's financial statements.

**NOTE 3. RELATIONSHIP TO FINANCIAL STATEMENTS**

Amounts reported in the accompanying schedules agree with amounts reported in the Borough's financial statements. Financial assistance awards are reported in the Borough's financial statements on a basis of accounting described above as follows:

	<u>Federal</u>	<u>State</u>	<u>Local</u>	<u>Total</u>
Current Fund	\$663,876	\$87,655	\$154,353	\$905,884
Community Development Grant Fund	122,764			122,764
Municipal Drug and Alcohol Alliance Trust Fund		<u>16,385</u>		<u>16,385</u>
	<u>\$786,640</u>	<u>\$104,040</u>	<u>\$154,353</u>	<u>\$1,045,033</u>

**NOTE 4. RELATIONSHIP TO FEDERAL AND STATE FINANCIAL REPORTS**

Amounts reported in the accompanying schedules agree, in all material respect, with the amounts reported in the related federal and state financial reports.

**NOTE 5. ADJUSTMENTS**

Amounts reported in the accompanying schedules were adjusted to report the financial assistance awards as described in Note 2 Basis of Accounting.

**BOROUGH OF WOODLAND PARK  
NOTES TO THE SCHEDULES OF EXPENDITURES  
OF FEDERAL AND STATE AWARDS  
FOR THE YEAR ENDED DECEMBER 31, 2011  
(CONTINUED)**

**NOTE 6. FEDERAL AND STATE LOANS OUTSTANDING**

The Borough's federal and state loans outstanding at December 31, 2011, which are not required to be reported on the schedule of expenditures of federal and state awards, are as follows:

<u>Loan Program</u>	<u>Total</u>
State of New Jersey Environmental Infrastructure Trust Loan Program - Capital Fund	\$1,269,489
State of New Jersey Environmental Infrastructure Trust Loan Program - Utility Capital Fund	<u>672,881</u>
	<u>\$1,942,370</u>

**BOROUGH OF WOODLAND PARK  
SCHEDULE OF FINDINGS AND QUESTIONED COSTS  
FOR THE YEAR ENDED DECEMBER 31, 2011**

*Section I - Summary of Auditor's Results*

**Financial Statements**

Type of auditor's report issued: unqualified - OCBOA

Internal control over financial reporting:

1. Significant deficiencies identified that are not considered to be material weaknesses?            yes       X       none reported

2. Material weakness(es) identified?            yes       X       no

Noncompliance material to financial statements noted?            yes       X       no

**Federal Awards Section**

Dollar threshold used to distinguish between type A and type B programs: \$ 300,000

Auditee qualified as low-risk auditee?            yes       X       no

Type of auditors' report on compliance for major programs: unqualified

Internal Control over compliance:

1. Significant deficiencies identified that are not considered to be material weaknesses?            yes       X       none reported

2. Material weakness(es) identified?            yes       X       no

Any audit findings disclosed that are required to be reported in accordance with Section 510(a) of Circular A-133?            yes       X       no

Identification of major programs:

<u>CFDA Number(s)</u>	<u>Name of Federal Program or Cluster</u>
<u>20.205</u>	<u>Department of Transportation - Federal Highway Administration, Highway Planning and Construction</u>

**BOROUGH OF WOODLAND PARK  
SCHEDULE OF FINDINGS AND QUESTIONED COSTS  
FOR THE YEAR ENDED DECEMBER 31, 2011  
(continued)**

*Section II - Schedule of Financial Statement Findings*

**None**

*Section III - Federal Awards and State Financial Assistance Findings and Questioned Costs*

**None**

**STATUS OF PRIOR YEAR FINDINGS**

**None**

## BOROUGH OF WOODLAND PARK

### GENERAL COMMENTS

#### Contracts and Agreements

N.J.S.A. 40A:11-3 states:

- a. When the cost or price of any contract awarded by the contracting agent in the aggregate does not exceed in a contract year the total sum of \$17,500, the contract may be awarded by a purchasing agent when so authorized by ordinance or resolution, as appropriate to the contracting unit, of the governing body of the contracting unit without public advertising for bids, except that the governing body of any contracting unit may adopt an ordinance or resolution to set a lower threshold for the receipt of public bids or the solicitation of competitive quotations. If the purchasing agent is qualified pursuant to subsection b. of section 9 of P.L. 1971, c.198 (C.40A:11-9), the governing body of the contracting unit may establish that the bid threshold may be up to 25,000. Such authorization may be granted for each contract or by a general delegation of the power to negotiate and award such contracts pursuant to this section.
- b. Any contract made pursuant to this section may be awarded for a period of 24 consecutive months, except that contracts for professional services pursuant to subparagraph (I) of paragraph (a) of subsection (1) of section 5 of P.L. 1971, c.198 (C.40A:11-5) may be awarded for a period not exceeding 12 consecutive months. The Division of Local Government Services shall adopt and promulgate rules and regulations concerning the methods of accounting for all contracts that do not coincide with the contracting unit's fiscal year.
- c. The Governor, in consultation with the Department of the Treasury, shall no later than March 1 of every fifth year beginning in the fifth year after the year in which P.L. 1999, c.440 takes effect, adjust the threshold amount and the higher threshold amount which the governing body is permitted to establish, as set forth in subsection a. of this section, or the threshold amount resulting from any adjustment under this subsection, in direct proportion to the rise or fall of the index rate as that term is defined in section 2 of P.L. 1971, c.198(C.40A:11-2), and shall round the adjustment to the nearest \$1,000. The Governor shall, no later than June 1 of every fifth year, notify each governing body of the adjustment. The adjustment shall become effective on July 1 of the year in which it is made.

N.J.S.A. 40A:11-4 states:

- a. Every contract awarded by the contracting agent for the provision or performance of any goods or services, the cost of which in the aggregate exceeds the bid threshold, shall be awarded only by resolution of the governing body of the contracting unit to the lowest responsible bidder after public advertising for bids and bidding therefor, except as is provided otherwise in this act or specifically by any other law. The governing body of a contracting unit may, by resolution approved by a majority of the governing body and subject to subsections b. and c. of this section, disqualify a bidder who would otherwise be determined to be the lowest responsible bidder, if the governing body finds that it has had prior negative experience with the bidder.

**BOROUGH OF WOODLAND PARK**  
**GENERAL COMMENTS, CONTINUED**

Effective July 1, 2010, the bid threshold, in accordance with N.J.S.A. 40A:11-3 and 40A:11-4 (as amended) is \$26,000 and with a qualified purchasing agent the threshold may be up to \$36,000. On May 7, 2009, the Borough increased the bid threshold to \$36,000 as allowed by law for having a qualified purchasing agent.

Effective January 1, 2011, P.L., 2009, c.166 eliminated the previous lower non-qualified purchasing agent threshold of \$26,000. Thus a contracting unit without a qualified purchasing agent now has a maximum bid threshold of \$17,500.

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

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

Construction of Bike Path in the Morris Canal  
Resurfacing of Mt. Pleasant Ave, Sibel Court & Neeser Lane  
Resurfacing of Zaccaria Park Parking Lot  
Resurfacing and Rehabilitation of Rockland Avenue

Resolutions were adopted authorizing the awarding of contracts and agreements for "Professional Services" 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 material or supplies, the results of such an accumulation could not reasonably be ascertained. Disbursements were reviewed, however, to determine whether any clear cut violation existed. No violations were disclosed.

Our examination of expenditures did not reveal any individual payments, contracts or agreements in excess of the statutory 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 N.J.S. 40A:11-6.

**BOROUGH OF WOODLAND PARK**  
**GENERAL COMMENTS, CONTINUED**

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

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

The governing body, on January 6, 2010, adopted the following amended resolution authorizing interest to be charged on delinquent taxes:

“NOW THEREFORE BE IT RESOLVED by the Mayor and Council of the Borough of Woodland Park, that taxes due to the Borough shall be payable February 1<sup>st</sup>, May 1<sup>st</sup>, August 1<sup>st</sup>, and November 1<sup>st</sup> each year, after which dates, if unpaid, shall become delinquent and from and after the respective dates herein before provided for taxes to become delinquent, the tax payer or property assessed shall be subject to interest at 8% per annum on the first \$1,500 and 18% thereafter and a 6% additional penalty for a delinquency over \$10,000 if not paid by the end of the calendar year. Delinquent water bills over \$100 shall be subject to interest at 1% per month thirty days after the due date.

ALSO, BE IT RESOLVED, that in the event said taxes shall be paid within ten days from the due date the interest shall be waived except in the office of the Tax Collector is closed on the tenth day of February, May, August or November then the grace period shall be extended to include the first business day thereafter; and,

BE IT FURTHER RESOLVED that the interest rates so stated will revert back to the due date of any installment of taxes or assessments received after the expiration of the ten-day grace period or as otherwise provided in the Resolution.”

It appears from an examination of the Collector's records that interest was collected in accordance with the foregoing resolution.

**BOROUGH OF WOODLAND PARK**  
**GENERAL COMMENTS, CONTINUED**

**Delinquent Taxes and Tax Title Liens**

A tax sale was held on December 8, 2011, and was complete.

Inspection of the sale certificates on file revealed that all tax sale certificates were available for audit.

The following comparison is made of the number of tax title liens receivable on December 31 of the last three years:

<u>Year</u>	Number of <u>liens</u>
2011	0
2010	0
2009	0

It is essential to good management that all means provided by statute be utilized to liquidate tax title liens in order to get such properties back on a tax-paying basis.

## **BOROUGH OF WOODLAND PARK**

### **COMMENTS**

#### **Finance/Treasurer**

1. Community Development Block Grants awarded to the Borough are being spent prior to appropriation.
2. A bank account has not been opened to account for receipts and disbursements of Community Development Block Grants.
3. A dedication by rider has not been approved for the following trust fund:
  - a. Community Development Block Grant Trust
4. The Borough is not confirming that their payroll service provider is remitting payroll deductions and withholdings to respective governmental agencies in a timely manner.
5. There is a substantial amount of stale outstanding checks carrying on the year end Current Fund bank reconciliation.

#### **Payroll**

1. A review of quarterly pension reports revealed that there was a professional services appointee that was incorrectly included on the reports.

#### **Departments**

##### **Municipal Court:**

1. \*There are checks outstanding in both the Magistrate Account and the Bail Account that are over one year old.
2. \*Reconciled cash bail per the bank account does not agree to the Bail on Account per ATS/ACS.

## **BOROUGH OF WOODLAND PARK**

### **RECOMMENDATIONS**

#### **Finance/Treasurer**

1. Community Development Block grant awards be appropriated either through an ordinance or via N.J.S.A. 40A:4-87 prior to expenditures being made.
2. A non-interest bearing bank account be opened to account for the receipt and disbursement of Community Development Block Grants as required by the Department of Housing and Community Development.
3. A dedication by rider be prepared and submitted to the State of New Jersey for approval for a Community Development Trust Fund.
4. The Borough enroll in various online resources to verify timely submission and remittance of federal and state payroll taxes by their outside payroll service provider as advised in Local Finance Notice 2009-18.
5. The stale outstanding checks being carried in the Current Fund be cancelled via governing body resolution.

#### **Payroll**

1. A review of quarterly pension reports be made to ensure that professional services appointees are not enrolled in the Public Employees' Retirement System.

#### **Departments**

##### **Municipal Court:**

1. \*That stale dated checks in both the Magistrate Account and the Bail Account be investigated and cancelled by resolution if necessary.
2. \*That Bail on Account be reconciled to the Bail Account cash on a monthly basis.

**BOROUGH OF WOODLAND PARK**

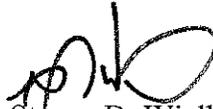
**STATUS OF PRIOR YEAR AUDIT FINDINGS/RECOMMENDATIONS**

A review was performed on all prior year recommendations and corrective action was taken on all except for the Findings/Recommendations marked with an “\*”.

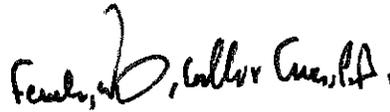
**ACKNOWLEDGMENT**

We received the complete cooperation of all of the officials of the municipality and we greatly appreciate the courtesies extended to all members of the audit team.

Respectfully submitted,



Steven D. Wielkotz  
Registered Municipal Accountant  
No. CR00413



FERRAIOLI, WIELKOTZ, CERULLO & CUVA, P.A.  
Certified Public Accountants

July 5, 2012