

PRELIMINARY OFFICIAL STATEMENT DATED APRIL 8, 2026

NEW ISSUE

RATING: Standard & Poor's: "SP-1+"

In the opinion of Rogut McCarthy LLC, Bond Counsel to the Borough, assuming compliance by the Borough with its Tax Certificate described herein, under existing law, interest on the Notes is excluded from gross income of the owners thereof for Federal income tax purposes pursuant to Section 103 of the Internal Revenue Code of 1986, as amended (the "Code"). In addition, under existing law, interest on the Notes is not treated as a preference item for purposes of the alternative minimum tax imposed under the Code with respect to individuals; however, interest on the Notes that is included in the "adjusted financial statement income" of certain corporations is not excluded from the Federal corporate alternative minimum tax. In addition, Bond Counsel is further of the opinion that, under the New Jersey Gross Income Tax Act, as enacted and construed on the date hereof, interest on the Notes and any gain from the sale of the Notes are not includable in gross income of the holders thereof. See "TAX MATTERS" herein.

**\$17,180,000 BOND ANTICIPATION NOTES
Consisting of
\$14,480,000 General Bond Anticipation Notes
and
\$2,700,000 Water Utility Bond Anticipation Notes
OF THE
BOROUGH OF WOODLAND PARK
COUNTY OF PASSAIC, NEW JERSEY
(Non-Callable)(Not Bank-Qualified)(Book-Entry Only)**

Dated: April 29, 2026

Due: April 29, 2027

The \$17,180,000 Bond Anticipation Notes consisting of \$14,480,000 General Bond Anticipation Notes (the "General Notes") and \$2,700,000 Water Utility Bond Anticipation Notes (the "Water Utility Notes" and together with the General Notes, the "Notes") of the Borough of Woodland Park, in the County of Passaic, New Jersey (the "Borough"), shall be issued as fully registered book-entry notes registered in the name of Cede & Co., as registered owner and nominee of The Depository Trust Company, Brooklyn, New York ("DTC"), which will maintain a book-entry system for recording ownership interests of DTC Participants. Individual purchases of the beneficial ownership interests in the Notes may be in book-entry form only on the records of DTC and its Participants and only in the principal amount of \$1,000 or any integral multiple thereof with a minimum of \$5,000 required. Beneficial Owners of the Notes will not receive certificates representing their interests in the Notes. As long as Cede & Co. is the registered owner, as nominee of DTC, references in this Official Statement to the registered owners shall mean Cede & Co., and not the Beneficial Owners of the Notes. See "THE NOTES - Book-Entry Only System" herein.

The Notes are general obligations of the Borough and are secured by a pledge of the full faith and credit of the Borough for the payment of the principal thereof and the interest thereon. The Borough is authorized and required by law to levy *ad valorem* taxes upon all the taxable real property within the Borough for the payment of the principal of and interest on the Notes, without limitation as to rate or amount.

Interest on the Notes will be payable at maturity on April 29, 2027. Principal and interest on the Notes will be paid to DTC by the Borough. Interest on the Notes is calculated on the basis of twelve (12) thirty (30) day months in a three hundred sixty (360) day year. The Notes are not subject to redemption prior to maturity.

INTEREST RATE

_____ %

YIELD

_____ %

The Notes are offered for sale upon the terms of the notice of sale and subject to the final approving opinion of Rogut McCarthy LLC, Cranford, New Jersey, Bond Counsel. It is anticipated that the Notes in definitive form will be available for delivery to DTC in Brooklyn, New York, on or about April 29, 2026.

PROPOSALS FOR THE NOTES WILL BE RECEIVED
UNTIL 11:00 AM ON WEDNESDAY, APRIL 15, 2026
BY BOND COUNSEL ON BEHALF OF THE BOROUGH,
VIA ELECTRONIC MAIL AT SLR@ROGUTMCCARTHY.COM OR
VIA THE PARITY ELECTRONIC BID SYSTEM OF I-DEAL LLC
FOR MORE DETAILS REFER TO THE NOTICE OF SALE

This is a Preliminary Official Statement "deemed final" within the meaning of, and with the exception of certain information permitted to be omitted by, Rule 15c2-12 of the Securities and Exchange Commission, and the information contained herein is subject to completion or amendment in accordance with applicable law. The Issuer will deliver a final Official Statement in compliance with Rule 15c2-12. This Preliminary Official Statement shall not constitute an offer to sell or the solicitation of an offer to buy nor shall there be any sale of these securities in any jurisdiction in which such offer, solicitation or sale would be unlawful prior to registration, qualification or exemption under the securities laws of any such jurisdiction.

**BOROUGH OF WOODLAND PARK
PASSAIC COUNTY, NEW JERSEY**

MAYOR

Tracy Kallert

COUNCIL MEMBERS

Luis Torres
Adam Chaabane
Vincent DeCesare
Tina Gatti
Michael Sica
Edwin Figueroa

BOROUGH ADMINISTRATOR

Samuel Yodice, Jr.

BOROUGH CLERK

Sandra M. Olivola

CHIEF FINANCIAL OFFICER

Stephanie Santana

BOROUGH ATTORNEY

Albert C. Buglione, Esq.
Wayne, New Jersey

BOROUGH AUDITOR

Wielkocz & Company, LLC
Pompton Lakes, New Jersey

BOND COUNSEL

Rogut McCarthy LLC
Cranford, New Jersey

No broker, dealer, salesperson or other person has been authorized by the Borough or the Underwriter to give any information or to make any representations with respect to the Notes other than those contained in this Official Statement, and, if given or made, such information or representations must not be relied upon as having been authorized by any of the foregoing. The information contained herein has been provided by the Borough and other sources deemed reliable; however, no representation or warranty is made as to its accuracy or completeness and such information is not to be construed as a representation of accuracy or completeness and such information is not to be construed as a representation or warranty by the Underwriter or, as to information from sources other than itself, by the Borough. The information and expressions of opinion herein are subject to change without notice, and neither the delivery of this Official Statement nor any sale hereunder shall, under any circumstances, create any implication that there has been no change in any of the information herein since the date hereof, or the date as of which such information is given, if earlier.

References in this Official Statement to laws, rules, regulations, resolutions, agreements, reports and documents do not purport to be comprehensive or definitive. All references to such documents are qualified in their entirety by reference to the particular document, the full text of which may contain qualifications of and exceptions to statements made herein, and copies of which may be inspected at the offices of the Borough during normal business hours.

The Underwriter has reviewed the information in this Official Statement pursuant to its responsibilities to investors under the federal securities laws, but the Underwriter does not guarantee the accuracy or completeness of such information.

This Official Statement does not constitute an offer to sell or the solicitation of an offer to buy, nor shall there be any sale of the Notes in any jurisdiction in which it is unlawful for any person to make such an offer, solicitation or sale. No dealer, broker, salesman or other person has been authorized to give any information or to make any representations other than as contained in this Official Statement. If given or made, such other information or representations must not be relied upon as having been authorized by the Borough or the Underwriter.

TABLE OF CONTENTS

	<u>PAGE</u>
INTRODUCTION.....	1
THE NOTES	1
SECURITY AND SOURCE OF PAYMENT	3
AUTHORIZATION AND PURPOSE OF THE NOTES	4
NO DEFAULT.....	6
MARKET PROTECTION – BOND AND NOTE FINANCING.....	6
CERTAIN STATUTORY PROVISIONS FOR THE PROTECTION OF GENERAL OBLIGATION DEBT	6
MUNICIPAL BUDGET	9
ASSESSMENT AND COLLECTION OF TAXES.....	12
TAX MATTERS.....	13
STATEMENT OF LITIGATION	14
LEGALITY FOR INVESTMENT	15
RATING.....	15
UNDERWRITING.....	15
DOCUMENTS ACCOMPANYING DELIVERY OF THE NOTES	15
INFECTIOUS DISEASE OUTBREAK – COVID-19	16
SECONDARY MARKET DISCLOSURE	17
FINANCIAL STATEMENTS	19
PREPARATION OF OFFICIAL STATEMENT	19
ADDITIONAL INFORMATION	19
MISCELLANEOUS	19
Economic and Demographic Information Relating to the Borough of Woodland Park	Appendix A
Summary of 2025 Adopted Budget.....	Appendix B
Independent Auditor’s Report and Financial Statements for the Years Ended December 31, 2024 and 2023 and Selected Financial Information for the Years Ended December 31, 2025-2021	Appendix C
Proposed Form of Bond Counsel Opinion	Appendix D

**OFFICIAL STATEMENT
OF THE BOROUGH OF WOODLAND PARK
IN THE COUNTY OF PASSAIC, NEW JERSEY
relating to**

**\$17,180,000 BOND ANTICIPATION NOTES
Consisting of
\$14,480,000 General Bond Anticipation Notes
and
\$2,700,000 Water Utility Bond Anticipation Notes**

INTRODUCTION

This Official Statement (the "Official Statement") which includes the cover page and the appendices attached hereto, has been prepared by the Borough of Woodland Park (the "Borough"), in the County of Passaic (the "County"), State of New Jersey (the "State") in connection with the sale and issuance of its \$17,180,000 Bond Anticipation Notes consisting of \$14,480,000 General Bond Anticipation Notes (the "General Notes") and \$2,700,000 Water Utility Bond Anticipation Notes (the "Water Utility Notes" and together with the General Notes, the "Notes"). This Official Statement has been executed by and on behalf of the Borough by the Chief Financial Officer and may be distributed in connection with the Notes.

This Preliminary Official Statement is "deemed final", as of its date, within the meaning of Rule 15c2-12 of the Securities and Exchange Commission ("Rule 15c2-12"), but is subject to (a) completion with certain pricing and other information to be made available by the Underwriter and (b) amendment. This Preliminary Official Statement, as so revised, will constitute the "final official statement" within the meaning of Rule 15c2-12.

THE NOTES

General Description

The Notes shall be dated and shall bear interest from April 29, 2026 and shall mature on April 29, 2027. The Notes shall bear interest at the interest rate set forth on the cover hereof, which interest is payable on April 29, 2027. The Notes will be issued as fully registered notes in book-entry only form and when issued, will be registered in the name of and held by Cede & Co., as nominee of DTC. DTC will act as Securities Depository for the Notes. Purchases of beneficial interests in the Notes will be made in book-entry only form, without certificates, in denominations of \$1,000 or any integral multiple thereof, with a minimum purchase of \$5,000 required. Under certain circumstances, such beneficial interests in the Notes are exchangeable for one or more fully registered Note certificates in authorized denominations.

The Note certificates will be on deposit with DTC. DTC will be responsible for maintaining a book-entry system for recording the interests of its Direct Participants and transfers of the interests among its Direct Participants. The Direct Participants and Indirect Participants will be responsible for maintaining records regarding the beneficial ownership interests in the Notes on behalf of the individual purchasers. Individual purchasers of the Notes will not receive certificates representing their beneficial ownership interests in the Notes, but each book-entry owner will receive a credit balance on the books of its nominee, and this credit balance will be confirmed by an initial transaction statement stating the details of the Notes purchased. So long as DTC or its nominee, Cede & Co., is the registered owner of the Notes, payments of the principal of and interest on the Notes will be made by the Borough or a duly designated paying agent directly to DTC or its nominee, Cede & Co., which will in turn remit such payments to Direct Participants, which will in turn remit such payments to the Beneficial Owners of the Notes.

Book-Entry Only System

DTC will act as securities depository for the Notes. The Notes will be issued as fully-registered securities registered in the name of Cede & Co. (DTC's partnership nominee) or such other name as may be requested by an authorized representative of DTC. One fully-registered Note certificate will be issued for each series of the Notes, in the principal amount of each series of the Notes, and will be deposited with DTC.

DTC, the world's largest securities depository, is a limited-purpose trust company organized under the New York Banking Law, a "banking organization" within the meaning of the New York Banking Law, a member of the Federal Reserve System, a "clearing corporation" within the meaning of the New York Uniform Commercial Code, and a "clearing agency" registered pursuant to the provisions of Section 17A of the Securities Exchange Act of 1934. DTC holds and provides asset servicing for over 3.5 million issues of U.S. and non-U.S. equity issues, corporate and municipal debt issues, and money market instruments (from over 100 countries) that DTC's participants ("Direct Participants") deposit with DTC. DTC also facilitates the post-trade settlement among Direct Participants of sales and other securities transactions in deposited securities, through electronic computerized book-entry transfers and pledges between Direct Participants' accounts. This eliminates the need for physical movement of securities certificates. Direct Participants include both U.S. and non-U.S. securities brokers and dealers, banks, trust companies, clearing corporations, and certain other organizations. DTC is a wholly-owned subsidiary of The Depository Trust & Clearing Corporation ("DTCC"). DTCC is the holding company for DTC, National Securities Clearing Corporation and Fixed Income Clearing Corporation, all of which are registered clearing agencies. DTCC is owned by the users of its regulated subsidiaries. Access to the DTC system is also available to others such as both U.S. and non-U.S. securities brokers and dealers, banks and trust companies, and clearing corporations that clear through or maintain a custodial relationship with a Direct Participant, either directly or indirectly ("Indirect Participants"). DTC has a Standard & Poor's rating of AA+. The DTC Rules applicable to its Participants are on file with the Securities and Exchange Commission. More information about DTC can be found at www.dtcc.com.

Purchases of Notes under the DTC system must be made by or through Direct Participants, which will receive a credit for the Notes on DTC's records. The ownership interest of each actual purchaser of the Notes ("Beneficial Owner") is in turn to be recorded on the Direct and Indirect Participants' records. Beneficial Owners will not receive written confirmation from DTC of their purchase. Beneficial Owners are, however, expected to receive written confirmations providing details of the transaction, as well as periodic statements of their holdings, from the Direct or Indirect Participant through which the Beneficial Owner entered into the transaction. Transfers of ownership interests in the Notes are to be accomplished by entries made on the books of Direct and Indirect Participants acting on behalf of Beneficial Owners. Beneficial Owners will not receive certificates representing their ownership interests in the Notes, except in the event that use of the book-entry system for the Notes is discontinued.

To facilitate subsequent transfers, all Notes deposited by Direct Participants with DTC are registered in the name of DTC's partnership nominee, Cede & Co., or such other name as may be requested by an authorized representative of DTC. The deposit of the Notes with DTC and their registration in the name of Cede & Co. or such other DTC nominee do not effect any change in beneficial ownership. DTC has no knowledge of the actual Beneficial Owners of the Notes; DTC's records reflect only the identity of the Direct Participants to whose accounts such Notes are credited, which may or may not be the Beneficial Owners. The Direct and Indirect Participants will remain responsible for keeping account of their holdings on behalf of their customers.

Conveyance of notices and other communications by DTC to Direct Participants, by Direct Participants to Indirect Participants and by Direct Participants and Indirect Participants to Beneficial Owners will be governed by arrangements among them, subject to any statutory or regulatory requirements as may be in effect from time to time.

Neither DTC nor Cede & Co. (nor any other DTC nominee) will consent or vote with respect to the Notes unless authorized by a Direct Participant in accordance with DTC's MMI procedures. Under its usual procedures, DTC mails an Omnibus Proxy to the Borough as soon as possible after the record date. The Omnibus Proxy assigns Cede & Co.'s consenting or voting rights to those Direct Participants to whose accounts the Notes are credited on the Record Date (identified in a listing attached to the Omnibus Proxy).

Principal and interest payments on the Notes will be made to Cede & Co., or such other nominee as may be requested by an authorized representative of DTC. DTC's practice is to credit Direct Participants' accounts upon DTC's receipt of funds and corresponding detail information from the Borough or the paying agent, if any, on the payable date in accordance with their respective holdings shown on DTC's records. Payments by Participants to Beneficial Owners will be governed by standing instructions and customary practices, as is the case with securities held for the accounts of customers in bearer form or registered in "street name", and will be the responsibility of such Participant and not of DTC, the paying agent, if any, or the Borough, subject to any statutory or regulatory requirements as may be in effect from time to time. Payment of principal and interest to Cede & Co. (or such other nominee as may be requested by an authorized representative of DTC) is the responsibility of the Borough or the paying agent, if any, disbursement of such payments to Direct Participants will be the responsibility of DTC, and disbursement of such payments to the Beneficial Owners will be the responsibility of Direct and Indirect Participants.

DTC may discontinue providing its services as depository with respect to the Notes at any time by giving reasonable notice to the Borough or the paying agent, if any. Under such circumstances, in the event that a successor depository is not obtained, note certificates are required to be printed and delivered.

The Borough may decide to discontinue use of the system of book-entry only transfers through DTC (or a successor securities depository). In that event, note certificates will be printed and delivered to DTC.

The information in this section concerning DTC and DTC's book-entry system has been obtained from sources that the Borough believes to be reliable, but the Borough takes no responsibility for the accuracy thereof.

NEITHER THE BOROUGH NOR THE PAYING AGENT WILL HAVE ANY RESPONSIBILITY OR OBLIGATION TO SUCH DTC PARTICIPANTS OR THE PERSONS FOR WHOM THEY ACT AS NOMINEES WITH RESPECT TO THE PAYMENTS TO OR PROVIDING OF NOTICE FOR THE DTC PARTICIPANTS, OR THE INDIRECT PARTICIPANTS, OR BENEFICIAL OWNERS.

SO LONG AS CEDE & CO. IS THE REGISTERED OWNER OF THE NOTES, AS NOMINEE OF DTC, REFERENCES HEREIN TO THE NOTEHOLDERS OR REGISTERED OWNERS OF THE NOTES (OTHER THAN UNDER THE CAPTION "TAX MATTERS") SHALL MEAN CEDE & CO. AND SHALL NOT MEAN THE BENEFICIAL OWNERS OF THE NOTES.

Prior Redemption

The Notes are not subject to redemption prior to their stated maturity.

SECURITY AND SOURCE OF PAYMENT

The Notes are general obligations of the Borough, and the Borough has pledged its full faith and credit for the payment of the principal of and the interest on the Notes. The Notes are direct obligations of the Borough and, unless paid from other sources, the Borough is required by law to levy *ad valorem* taxes upon all the real property taxable within the Borough for the payment of the principal of and the interest on the Notes without limitation as to rate or amount.

Enforcement of a claim for the payment of principal of or interest on bonds or notes of the Borough is subject to applicable provisions of Federal bankruptcy law and to the provisions of statutes, if any, hereafter

enacted by the Congress of the United States or the Legislature of the State of New Jersey, providing extension with respect to the payment of principal of or interest on the Notes or imposing other constraints upon enforcement of such contracts insofar as any such constraints may be constitutionally applied. Under State law, a county, municipality or other political subdivision may file a petition under Federal bankruptcy laws and a plan for readjustment of its debt, but only after first receiving the approval of the State Municipal Finance Commission, whose powers have been vested in the Local Finance Board in the Division of Local Government Services (the "Division") in the State of New Jersey Department of Community Affairs (the "Local Finance Board").

AUTHORIZATION AND PURPOSE OF THE NOTES

The Notes are authorized and are to be issued pursuant to the Local Bond Law of the State of New Jersey, N.J.S.A. 40A:2-1 et seq., as amended (the "Local Bond Law") and adopted bond ordinances of the Borough.

The bond ordinances included in the sale of the Notes were published in full or in summary form after adoption along with the statement required by the Local Bond Law that the twenty-day period of limitation within which a suit, action or proceeding questioning the validity of the authorizing bond ordinances can be commenced, began to run from the date of the first publication of such estoppel statement. The Local Bond Law provides that after issuance, all obligations shall be conclusively presumed to be fully authorized and issued by all laws of the State, and any person shall be estopped from questioning the sale or the execution or the delivery of the Notes by the Borough.

The proceeds of the Notes will be used to currently refund \$11,437,140 of the Borough's \$11,950,000 outstanding bond anticipation notes maturing on April 30, 2026 (the "Outstanding Notes") and adding \$5,742,860 of new money.

INTENTIONALLY LEFT BLANK

General Capital

<u>Ordinance No.</u>	<u>Description</u>	<u>Amount</u>
12-09/17-11	Various Improvements	\$9,317
15-03	Various Improvements	6,808
15-08	Improve. To Rose Place and Zaccaria Parks	83,050
16-17	Various Improvements	167,385
17-16	Various Improvements	870,830
17-31	Rescue Fire Truck	511,839
18-27	Various Improvements	322,469
18-28	Dredging of Peckman River	62,065
18-32	McBride Ave Streetscape Impr.	258,026
19-07	Equipment & Tech Impr. - Police	45,807
20-06	Synthetic Turf Athletic Field at Zaccaria Park	312,149
20-11	Various Improvements	673,682
21-14	Various Improvements	1,067,474
21-17	Sanitary Sewer Main Improv. - Design Phase	73,296
21-23	McBride Ave Streetscape Ph VIII	112,167
21-26	Emergency Services Radio System Upgrade	630,472
21-30	Newby Ave Sidewalks	52,334
22-04	Alfred H. Baumann Library Additions & Renovations	1,700,000
22-12	Browertown Rd. Streetscape	1,195,292
22-13	Acquisition of Fire Truck	789,157
23-10/24-08	Various Improvements	2,277,808
24-07	Acquisition of Police Vehicles	119,000
24-15/25-19	Various Improvements	1,003,549
25-19	Various Improvements	1,356,024
26-06	Tax Appeal Refunding	<u>780,000</u>
Total General Capital		<u>\$14,480,000</u>

Water Utility

<u>Ordinance No.</u>	<u>Description</u>	<u>Amount</u>
14-09/16-02	Various Water Improvements	\$341,731
18-29	Four Seasons Water Tank Rehab	206,895
18-31	Repl. of Haverhill Ave. Water Main	135,820
19-08	Suppl. Funding Haverhill Ave.	235,977
21-18	Water Main Improv. Rifle Camp Rd - Design Phase	69,202
23-11	Repl. of Maple Ave. Water Main	752,703
24-16	Various Improvements	350,836
25-20	Water Main Improvements-Variou Locations	<u>606,836</u>
Total Water Utility		<u>\$2,700,000</u>

Total Notes \$17,180,000

NO DEFAULT

No principal or interest payments on Borough indebtedness are past due. The Borough has never defaulted in the payment of any bonds or notes.

MARKET PROTECTION – BOND AND NOTE FINANCING

The Borough does not contemplate issuing any additional bonds or any tax anticipation notes during the balance of 2026. The Borough may issue additional bond anticipation notes during 2026, as needed.

CERTAIN STATUTORY PROVISIONS FOR THE PROTECTION OF GENERAL OBLIGATION DEBT

Local Bond Law (N.J.S.A. 40A:2-1 et seq.)

The Local Bond Law governs the issuance of bonds and notes to finance certain general municipal and utility capital expenditures. Among its provisions are requirements that bonds must mature within the statutory period of usefulness of the projects bonded and that bonds be retired in serial installments. A 5% cash down payment is generally required toward the financing of expenditures for municipal purposes. All bonds and notes issued by the Borough are general full faith and credit obligations.

The Local Fiscal Affairs Law (N.J.S.A. 40A:5-1 et seq.)

This law regulates the non-budgetary financial activities of local governments. The Chief Financial Officer of every local unit must file annually, with the Director of the Division (the “Director”), a verified statement of the financial condition of the local unit and all constituent boards, agencies or commissions.

An independent examination of the Borough's accounts must be performed annually by a licensed registered municipal accountant. The audit, conforming to the Division of Local Government Services' "Requirements of Audit", includes recommendations for improvement of the local unit's financial procedures and must be filed with the Director within eight months after the close of the fiscal year. A synopsis of the audit report, together with all recommendations made, must be published in a local newspaper within 30 days of its completion.

Debt Limits

The net authorized bonded indebtedness of the Borough is limited by statute, subject to the exceptions noted below, to an amount equal to 3.50% of its average equalized valuation basis. The equalized valuation basis of the Borough is set by statute as the average for the last 3 years of the equalized value of all taxable real property and improvements and certain Class II railroad property within its boundaries, as annually determined by the State Board of Taxation. Certain categories of debt are permitted by statute to be deducted for purposes of computing the statutory debt limit.

The Borough has not exceeded its statutory debt limit. On December 31, 2025 the statutory net debt as a percentage of average equalized valuation was .893%. As noted above, the statutory limit is 3.50%.

	<u>Gross Debt</u>	<u>Deductions</u>	<u>Net Debt</u>
Local School District Debt	\$2,225,000	\$2,225,000	\$0
Utility Debt	3,629,036	3,629,036	0
General Debt	<u>22,847,422</u>	<u>248,833</u>	<u>22,598,589</u>
	<u>\$28,701,458</u>	<u>\$6,102,869</u>	<u>\$22,598,589</u>

Exceptions to Debt Limits - Extensions of Credit

The Borough may exceed its debt limit with the approval of the Local Finance Board. If all or any part of a proposed debt authorization would exceed its debt limit, the Borough may apply to the Local Finance Board for an extension of credit. If the Local Finance Board determines that a proposed debt authorization would not materially impair the credit of the Borough or substantially reduce the ability of the Borough to meet its obligations or to provide essential public improvements and services, or make certain other statutory determinations, approval is granted. In addition, debt in excess of the statutory limit may be issued to fund certain notes, to provide for self-liquidating purposes, and, in each fiscal year, to provide for purposes in an amount not exceeding 2/3 of the amount budgeted in such fiscal year for the retirement of outstanding obligations (exclusive of utility and assessment obligations).

Short-Term Financing

The Borough may sell short-term "bond anticipation notes" to temporarily finance a capital improvement or project in anticipation of the issuance of bonds, if the bond ordinance or subsequent resolution so provides. Bond anticipation notes for capital improvements may be issued in an aggregate amount not exceeding the amount specified in the ordinance, as may be amended and supplemented, creating such capital expenditure. Bond anticipation notes may be issued for periods not greater than one year. Such notes shall mature and be paid not later than the first day of the fifth month following the close of the tenth fiscal year next following the date of the original notes. At the third and at each subsequent anniversary date from the original date of issuance, the amount of notes that may be issued must be decreased by the minimum amount required for the first year's principal payment for a bond issue.

School Debt (N.J.S.A. 18A:24-1 et seq.)

New Jersey's school districts operate under the same comprehensive review and regulation as do its municipalities. Certain exceptions and differences are provided, but the state supervision of school finance closely parallels that of local governments.

School district bonds and temporary notes are issued in conformity with the cited statute, which closely parallels the Local Bond Law. Although school districts are exempted from the 5% down payment provision applicable to municipalities, they are subject to debt limits (which vary depending on the grades the school system provides), and to state regulation of their borrowing.

The Local Finance Board and the Commissioner of Education must approve any proposed authorization of debt which exceeds the statutory debt limit of a Type II district. A Type II school district has an elected board of education; a Type I school district has an appointed board and issues debt without a referendum. All authorizations of debt in a Type II school district require an approving referendum of the voters in the school district. The Borough's school district is a Type II district.

All authorizations of debt must be reported to the Division of Local Government Services by means of a Supplemental Debt Statement prior to final approval to ensure that the proposed authorization is within all applicable debt limitations.

The School Bond Reserve Act, Chapter 72 of the Laws of 1980 of the State, as amended, devotes a portion of the Fund for the Support of Free Public Schools as security for payment of school bonds.

The Municipal Finance Commission (N.J.S. 52:27-1 et seq.)

The Municipal Finance Commission was created in 1931 to assist in the financial rehabilitation of municipalities which had defaulted in their obligations. The powers of such Commission are exercised today by the Local Finance Board. Several elements of the local finance system are intended to prevent default on obligations or occurrence of severe fiscal difficulties in any local unit. Should extreme economic conditions

adversely affect any local unit, the statutory provisions are available to assist in restoring the stability of the local unit.

Any holder of bonds or notes which are in default for over sixty (60) days (for payment of principal or interest) may bring action against such municipality in the Superior Court of New Jersey. Any municipality may declare itself unable to meet its obligations and bring action in such court. In either case, the court's determination that the municipality is in default or unable to meet its obligations may place the municipality under the jurisdiction of the Municipal Finance Commission.

The Municipal Finance Commission exercises direct supervision over the finances and accounts of any local unit under its jurisdiction. Such commission is authorized to appoint an auditor to examine and approve all claims against the municipality and to serve as comptroller for that community. The Commission is also directed to supervise tax collections and assessments, to approve the funding of municipal school district indebtedness, the adjustment or composition of the claims of creditors, and the readjustment of debts under the Federal Municipal Bankruptcy Act.

The Local Finance Board also serves as the "funding commission" to exercise supervision over the funding or refunding of local government debt. Any county or municipality seeking to adjust its debt service must apply to and receive the approval of such funding commission for the proposed reorganization of its debt.

Investment of Municipal Funds

Investment of funds by New Jersey municipalities is governed by State statute. Pursuant to N.J.S.A. 40A:5-15.1, municipalities are limited to purchasing the following securities: (1) direct obligations of, or obligations guaranteed by, the United States of America ("U.S. Government Securities"); (2) government money market mutual funds invested in U.S. Government Securities or obligations of New Jersey school districts, municipalities, counties and entities subject to State regulation ("local obligations"); (3) obligations of Federal Government agencies or instrumentalities having a maturity of 397 days or less, provided such obligations bear a fixed rate of interest not dependent on any index or external factor; (4) bonds or other obligations of the particular municipality or a school district encompassing the geographic area of the particular municipality; (5) bonds or other obligations having a maturity of 397 days or less (a) constituting local obligations or (b) approved by the Division of Local Government Services of the State Department of Community Affairs; (6) local government investment pools, rated in the highest rating category, investing in U.S. government securities, local obligations and repurchase agreements fully collateralized by securities set forth in (1), (3) and (5) above; (7) deposits with the New Jersey Cash Management Fund (created pursuant to N.J.S.A. 52:18A-90.4; the "Cash Management Fund"); and (8) repurchase agreements with a maximum 30 day maturity fully collateralized by securities set forth in (1) and (3) above or local obligations. Municipalities are required to deposit their funds in interest-bearing bank accounts in banks satisfying certain security requirements set forth in N.J.S.A. 17:9-41 *et seq.*, or invest in permitted investments to the extent practicable, and may invest in bank certificates of deposit.

The Cash Management Fund is governed by regulations of the State Investment Council, a non-partisan oversight body, and is not permitted to invest in derivatives. The Cash Management Fund is permitted to invest in U.S. Government Securities, Federal Government Agency obligations, certain short-term investment-grade corporate obligations, commercial paper rated "prime", certificates of deposit, repurchase agreements involving U.S. Government Securities and Federal Government Agency obligations and certain other types of instruments. The average maturity of the securities in the Cash Management Fund must be one year or less, and only a quarter of the securities are permitted to mature in as much as two years.

The Borough has no investments in derivatives.

MUNICIPAL BUDGET

Pursuant to the Local Budget Law (N.J.S.A. 40A:4-1 et seq.) the Borough is required to have a balanced budget in which debt service is included in full for each fiscal year.

The Local Budget Law (N.J.S.A. 40A:4-1 et seq.)

The foundation of the New Jersey local finance system is the annual cash basis budget. Every local unit must adopt a budget in the form required by the Division of Local Government Services, Department of Community Affairs, State of New Jersey. Items of revenue and appropriation are regulated by law and must be certified by the Director of the Division prior to final adoption of the budget. The Local Budget Law requires each local unit to appropriate sufficient funds for payment of current debt service, and the Director is required to review the adequacy of such appropriations, among others, for certification.

The Director has no authority over individual operating appropriations, unless a specific amount is required by law, but the review functions focusing on anticipated revenues serve to protect the solvency of all local units. Tax anticipation notes are limited in amount by law and must be paid in full within 120 days of the close of the fiscal year. The cash basis budgets of local units must be in balance, i.e., the total of anticipated revenues must equal the total of appropriations (N.J.S.A. 40A:4-22). If in any year a local unit's expenditures exceed its realized revenues for that year, then such excess must be raised in the succeeding year's budget.

Limitations on Municipal Appropriations and Tax Levy

A statute passed in 1976, as amended and supplemented (N.J.S.A. 40A:4-45.1 et seq.), commonly known as the "Cap Law", imposed limitations on increases in municipal appropriations subject to various exceptions. While the Cap Law restricts the ability of a municipality to increase its overall appropriations, the payment of debt service is an exception from this limitation. The Cap formula is somewhat complex, but basically, it permits a municipality to increase its overall appropriations by the lesser of 2.5% or the Cost-of-Living Adjustment ("COLA"). Increases up to 3.5% are allowed by adoption of an ordinance whenever the COLA is less than 2.5%. If the COLA is greater than 2.5%, an increase in any amount above 2.5% will be permitted by adoption of an ordinance to 3.5% and beyond 3.5% upon passage of a referendum. The COLA is the rate of annual percentage increase in the Implicit Price Deflator for State and Local Government purchases of goods and services computed by the U.S. Department of Commerce. Exceptions to the limitations imposed by the Cap Law also exist for other items including capital expenditures; extraordinary expenses approved by the Local Finance Board for implementation of an interlocal services agreement; expenditures mandated as a result of certain emergencies; and certain expenditures for services mandated by law. The Cap Law does not limit the obligation of the Borough to levy *ad valorem* taxes upon all taxable real property within the Borough to pay debt service.

Chapter 62 of the Pamphlet Laws of 2007 imposed restrictions upon the allowable annual increase in the tax levy. In general, starting with the 2008 budgets for calendar year municipalities and 2009 budgets for fiscal year municipalities, municipalities have their tax levies limited to a four percent (4%) increase. The cap calculation is subject to various adjustments, such as the value of increased assessments, and allows for an increase in the adjusted tax levy for various items, including amounts required to be added to the adjusted tax levy for increases in debt service, amounts required to replace reductions in State formula aid, certain increased pension contributions, increases greater than four percent (4%) in the reserve for uncollected taxes, and increases in health care costs in excess of four percent (4%) (but not in excess of the percentage increase in the State Health Benefits Program). The law also allows the Local Finance Board to grant waivers for extraordinary circumstances (some of which are defined in the Law) and authorizes a municipality to submit a public question to the voters for approval (by an affirmative vote of at least sixty percent (60%)) to increase the amount to be raised by taxation by more than the allowable adjusted tax levy.

For municipalities, the levy cap is in addition to the existing appropriation cap; both cap laws must be met. Neither cap law limits the obligation of the Borough to levy *ad valorem* taxes upon all taxable real property within the Borough to pay debt service.

On July 13, 2010, P.L. 2010, c. 44 was approved, effective for budget years following enactment (the 2011 budget for the Borough) reducing the tax levy cap to 2% and limiting the exclusions to amounts required to be raised by taxation for debt service as defined by law, certain pension contributions and health care costs in excess of 2% and extraordinary costs directly related to a declared emergency. Voter approval may be requested to increase the amount to be raised by taxation by more than the allowable adjusted tax levy. Chapter 44 eliminated the process for obtaining waivers for additional spending under the tax levy limitation.

The Borough's appropriation and tax levy increase for 2011 through 2025, inclusive, were within the limits allowed under the CAP Law, taking into account applicable adjustments and without conducting a referendum to exceed the cap limits. The appropriation and tax levy increases in the 2026 introduced budget were within the limits allowed under the CAP Law, taking into account applicable adjustments and without conducting a referendum to exceed the cap limits.

Miscellaneous Revenues

The Local Budget Law (N.J.S.A. 40A:4-26) provides that: "No miscellaneous revenues from any source shall be included as an anticipated revenue in the budget in an amount in excess of the amount actually realized in cash from the same source during the next preceding fiscal year, unless the Director shall determine upon application by the governing body that the facts clearly warrant the expectation that such excess amount will actually be realized in cash during the fiscal year and shall certify such determination, in writing, to the local unit."

No budget or amendment thereof shall be adopted unless the Director shall have previously certified his approval of such anticipated revenues except that categorical grants-in-aid contracts may be included for their face amount with an offsetting appropriation of like amount. The fiscal years for such grants rarely coincide with the municipality's fiscal year. However, grant revenue is generally not realized until received in cash.

Real Estate Taxes

The same general principle that revenue cannot be anticipated in a budget in excess of that realized in the preceding year applies to property taxes. N.J.S.A. 40A:4-29 governs anticipation of delinquent tax collections: "The maximum which may be anticipated is the sum produced by multiplication of the amount of delinquent taxes unpaid and owing to the local unit on the first day of the current fiscal year by the percentage of collection of delinquent taxes for the year immediately preceding the current fiscal year."

N.J.S.A. 40A:4-41 provides with regard to current taxes that: "Receipts from the collection of taxes levied or to be levied in the municipality, or in the case of a county for general county purposes and payable in the fiscal year, shall be anticipated in an amount which is not in excess of the percentage of taxes levied and payable during the next preceding fiscal year which was received in cash by the last day of the preceding fiscal year."

This provision and N.J.S.A. 40A:4-40 require that an additional amount (the "reserve for uncollected taxes") be added to the tax levy required to balance the budget so that when the percentage of the prior year's tax collection is applied to the combined total, the product will at least be equal to the tax levy required to balance the budget.

The reserve requirement is calculated as follows:

$$\frac{\text{Levy required to balance budget}}{\text{Prior Year's Percentage of Current Tax Collection (or lesser \%)}} = \text{Total Taxes to be Levied}$$

Chapter 28 of the Pamphlet Laws of 1997 of New Jersey amended Section 41 of the Local Budget Law to allow municipalities to reduce the reserve for uncollected taxes by taking into account prior year tax reductions resulting from tax appeal judgments awarded to property owners. Another statute, Chapter 99 of the Pamphlet Laws of 1997 of New Jersey, allows a municipality to (1) reduce the reserve for uncollected tax by deducting receipts anticipated during the fiscal year from the sale of unpaid taxes or municipal liens when such sale is concluded in the final month of the fiscal year or (2) not budget for the reserve for uncollected taxes if it sells its total property tax levy pursuant to such statute. See "ASSESSMENT AND COLLECTION OF TAXES - Tax Collection Procedure" herein for a brief discussion of Chapter 99.

Deferral of Current Expenses

Emergency appropriations (those made after the adoption of the budget and the determination of the tax rate) may be authorized by the governing body of the municipality. However, with minor exceptions, such appropriations must be included in full in the following year's budget.

The exceptions are certain enumerated quasi-capital projects ("special emergencies") such as ice, snow, and flood damage to streets, roads and bridges, which may be amortized over three years, and tax map preparation, property revaluation programs, revision and codification of ordinances, master plan preparations, and drainage map preparation for flood control purposes which may be amortized over five years. Of course, emergency appropriations for capital projects may be financed through the adoption of a bond ordinance and amortized over the useful life of the project.

Budget Transfers

Budget transfers provide a degree of flexibility and afford a control mechanism. Transfers between appropriation accounts may be made only during the last two months of the year. Appropriation reserves may be transferred during the first three (3) months of the year to the previous years' budget. Both types of transfers require a 2/3 vote of the full membership of the governing body, however, transfers cannot be made from either the down payment account or the capital improvement fund. Transfers may be made between sub-account line items within the same account at any time during the year, subject to approval by the governing body.

Operation of Utilities

Municipal public utilities are supported by the revenues generated by the respective operations of the utilities in addition to the general taxing power upon real property.

For each utility, there is established a separate budget. The anticipated revenues and appropriations for each utility are set forth in the separate budget. The budget is required to be balanced and to provide fully for debt service. The regulations regarding anticipation of revenues and deferral of charges apply equally to the budgets of the utilities.

Deficits or anticipated deficits in utility operations which cannot be provided for from utility surplus, if any, are required to be raised in the "Current" or operating budget.

Fiscal Year

The Borough's fiscal year is the calendar year. Chapter 75 of the Pamphlet Laws of 1991 of the State (codified as N.J.S.A. 40A:4-3.1) required municipalities with populations in excess of 35,000 or that received

Municipal Revitalization Aid from the State in 1990 or 1991 to change their fiscal year from the calendar year to the State fiscal year (July 1 to June 30), unless an exemption was granted. Municipalities not meeting the criteria for a mandatory change had the option to choose to change to the State fiscal year. N.J.S.A. 40A:4-3.1 was amended by P.L. 2000, c. 126, to eliminate the criteria for mandatory change of the fiscal year, but to continue to grant all municipalities the option to change to the State fiscal year. In addition, P.L. 2008, c. 92, further amended N.J.S.A. 40A:4-3.1 to allow municipalities operating on a fiscal year basis to revert to a calendar year. The Borough did not meet the criteria to change to the State fiscal year and does not presently intend to optionally make such a change in the future.

Budget Process

Primary responsibility for the Borough's budget process lies with the Mayor and Council. As prescribed by the Local Budget Law, adoption should occur by the end of March, however, extensions may be granted by the Division to any local governmental unit. In the first quarter in which the budget formulation is taking place, the Borough operates under a temporary budget which may not exceed 35% of the previous fiscal year's adopted budget. In addition to the temporary budget, the Borough may approve emergency temporary appropriations for any purpose for which appropriations may lawfully be made.

Capital Budget

In accordance with the Local Budget Law, the Borough must adopt and may from time to time amend rules and regulations for capital budgets, which rules and regulations must require a statement of capital undertakings underway or projected for a period of the next ensuing six years as a general improvement program. The capital budget, when adopted, does not constitute the approval or appropriation of funds, but sets forth a plan of the possible capital expenditures which the local unit may contemplate over the next six years. Expenditures for capital purposes may be made either by ordinances adopted by the governing body setting forth the items and the method of financing or from the annual operating budget if the items were detailed.

ASSESSMENT AND COLLECTION OF TAXES

Tax Collection Procedure

Real property taxes are assessed locally, based upon an assessment at true value. The tax bill includes a levy for Borough, County and School purposes. Tax bills are mailed annually in June. Taxes are payable in four quarterly installments on February 1, May 1, August 1 and November 1. 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, and an additional penalty of 6% on delinquent taxes in excess of \$10,000. The school levy is turned over to the Board of Education as expenditures are incurred, and the balance, if any, is 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. Annually, all properties with unpaid taxes for the previous year are placed in a tax sale in accordance with the New Jersey Statutes. Annual interim tax foreclosure proceedings are instituted to enforce the tax collection or acquisition of title to the property by the Borough.

Chapter 99 of the Pamphlet Laws of 1997 of New Jersey allows a municipality to sell its total property tax levy to the highest bidder either by public sale with sealed bids or by public auction. The purchaser shall pay the total property tax levy bid amount in quarterly installments or in one annual installment. Property taxes will continue to be collected by the municipal tax collector and the purchaser will receive as a credit against his payment obligation, the amount of taxes paid to the tax collector. The purchaser is required to secure his payment obligation to the municipality by an irrevocable letter of credit or a surety bond. The purchaser is entitled to receive delinquent taxes and other municipal charges collected by the tax collector. The statute sets forth bidding procedures and minimum bidding terms and requires the review and approval of the sale by the Division of Local Government Services.

Tax Appeals

New Jersey statutes provide a taxpayer with remedial procedures for appealing an assessment deemed excessive. The taxpayer has a right to petition the Passaic County Tax Board on or before the first day of April of the current tax year for review. The Passaic County Tax Board has the authority after a hearing to decrease or reject the appeal petition. These adjustments are usually concluded within the current tax year and reductions are shown as canceled or remitted taxes for that year. If the taxpayer feels his petition was unsatisfactorily reviewed by the Passaic County Tax Board, appeal may be made to the State Department of Taxation, Division of Tax Appeal, for a further hearing. State tax appeals tend to take several years prior to settlement, and any losses in tax collections from prior years are charged directly to operations or with the permission of the Local Finance Board may be financed, generally, over a three to five year period. In addition, pursuant to Assembly Bill No. 2004, signed into law by Governor Phil Murphy on August 9, 2019, commercial tax appeal refunds exceeding \$100,000 may be paid to the property owner, with interest, in substantially equal payments within a three year period - rather than within sixty days of the final judgment (the standard period for refunds).

Further, pursuant to Assembly Bill No. 862, signed into law by Governor Murphy on January 18, 2022, residential tax appeal refunds, or commercial tax appeal refunds exceeding \$100,000, may be paid to the property owner, with interest, as a credit against the balance of property taxes that become due within a three-year period, with any excess after three years being paid immediately.

TAX MATTERS

Federal Income Taxes

The Internal Revenue Code of 1986, as amended (the "Code"), establishes certain requirements that must be met subsequent to the issuance and delivery of the Notes in order that interest on the Notes be and remain excluded from gross income of the owners thereof for federal income tax purposes pursuant to Section 103 of the Code. Such requirements include requirements relating to the use and investment of proceeds of the Notes and other amounts and rebate of certain arbitrage earnings to the United States. Noncompliance by the Borough with such requirements may cause interest on the Notes to be included in gross income of the owners thereof retroactive to the date of issuance of the Notes, regardless of when such noncompliance occurs.

The Borough has covenanted, to the extent permitted by the Constitution and the laws of the State, to do and perform all acts and things permitted by law and necessary to assure that interest paid on the Notes be and remain excluded from gross income of the owners thereof for federal income tax purposes pursuant to Section 103 of the Code. The Borough's Tax Certificate (the "Tax Certificate"), which will be delivered concurrently with the delivery of the Notes, will contain provisions and procedures regarding compliance with the requirements of the Code. The Borough, in executing the Tax Certificate, will certify to the effect that the Borough expects and intends to comply with the provisions and procedures contained therein.

In rendering the opinion described below with respect to the Notes, Bond Counsel has relied upon the covenant and has assumed the material accuracy of the representations, statements of intention and reasonable expectations, and certifications of fact contained in the Tax Certificate.

Tax Opinions

In the opinion of Rogut McCarthy LLC, Bond Counsel to the Borough, assuming compliance by the Borough with the Tax Certificate, under existing law, interest on the Notes is excluded from gross income of the owners thereof for Federal income tax purposes pursuant to Section 103 of the Code. In addition, under existing law, interest on the Notes is not treated as a preference item for purposes of the alternative minimum tax imposed under the Code with respect to individuals; however, interest on the Notes that is included in the "adjusted financial statement income" of certain corporations is not excluded from the Federal corporate

alternative minimum tax. For other Federal tax information, see "Tax Matters - Additional Federal Income Tax Consequences" herein.

In the opinion of Bond Counsel, under the New Jersey Gross Income Tax Act, as enacted and construed on the date hereof, interest on the Notes and any gain from the sale of the Notes are not includable in gross income of the holders thereof.

Additional Federal Income Tax Consequences

Prospective purchasers of the Notes should be aware that ownership of governmental obligations, such as the Notes, may have collateral Federal income tax consequences for certain taxpayers, including financial institutions, property and casualty insurance companies, S Corporations, certain foreign corporations, individual recipients of Social Security or Railroad Retirement benefits, taxpayers otherwise eligible for the earned income credit and taxpayers who may be deemed to have incurred or continued indebtedness to purchase or carry such obligations. Prospective purchasers should consult their tax advisors as to any possible collateral consequences from the ownership of the Notes. Bond Counsel expresses no opinion regarding any such collateral Federal income tax consequences.

Proposals for Tax Changes

From time to time, there are Presidential proposals, proposals of various federal committees, and legislative proposals in the Congress and in the states that, if enacted, could alter or amend the federal and state tax matters referred to herein or adversely affect the marketability or market value of the Notes or otherwise prevent holders of the Notes from realizing the full benefit of the tax exemption of interest on the Notes. Further, such proposals may impact the marketability or market value of the Notes simply by being proposed. It cannot be predicted whether or in what form any such proposal might be enacted or whether if enacted it would apply to notes issued prior to enactment. In addition, regulatory actions are from time to time announced or proposed and litigation is threatened or commenced which, if implemented or concluded in a particular manner, could adversely affect the market value, marketability or tax status of the Notes. It cannot be predicted whether any such regulatory action will be implemented, how any particular litigation or judicial action will be resolved, or whether the Notes would be impacted thereby.

Purchasers of the Notes should consult their tax advisors regarding any pending or proposed legislation, regulatory initiatives or litigation. The disclosures and opinions expressed herein are based upon existing legislation and regulations as interpreted by relevant judicial and regulatory authorities as of the date of issuance and delivery of the Notes, and no opinion is expressed as of any date subsequent thereto or with respect to any proposed or pending legislation, regulatory initiatives or litigation.

ALL POTENTIAL PURCHASERS OF THE NOTES SHOULD CONSULT WITH THEIR TAX ADVISORS IN ORDER TO UNDERSTAND THE IMPLICATIONS OF THE CODE.

STATEMENT OF LITIGATION

To the knowledge of the Borough Attorney, there is no litigation of any nature now pending or threatened that seeks to restrain or enjoin the issuance or the delivery of the Notes, the levy or the collection of any taxes to pay the principal of or the interest on the Notes or in any manner questioning the authority or the proceedings for the issuance of the Notes or for the levy or the collection of the taxes, affecting the validity of the Notes or the levy or the collection of taxes or contesting the corporate existence or the boundaries of the Borough or the title of any of the present officers of the Borough to their respective offices.

Additionally, there is at present no single action pending or threatened against the Borough which would impose an undue financial burden on the Borough. In New Jersey's courts of general jurisdiction, unliquidated money damages are pleaded generally without specifying a dollar amount. The Borough is a party-defendant in

certain lawsuits, none of a kind unusual for a municipality of its size, and none of which, in the opinion of the Borough Attorney, would adversely impair the Borough's ability to pay its noteholders. All of the Borough's tort actions are being defended by either an insurance company or insurance underwriters. Pending municipal real estate tax appeals are limited in number and based upon the Borough's prior experience in tax appeals, and assuming that such tax appeals are resolved adversely to the interest of the Borough, such resolution would not in any way endanger the Borough's ability to pay its noteholders.

LEGALITY FOR INVESTMENT

The State and all public officers, municipalities, counties, political subdivisions and public bodies, and agencies thereof, all banks, bankers, trust companies, savings and loan associations, savings banks and institutions, building and loan associations, investment companies, and other persons carrying on banking business, all insurance companies, and all executors, administrators, guardians, trustees, and other fiduciaries may legally invest any sinking funds, moneys or other funds belonging to them or within their control in any obligations of the Borough, including the Notes, and such Notes are authorized security for any and all public deposits.

RATING

S&P Global Ratings, acting through Standard & Poor's Financial Services LLC (the "Rating Agency") has assigned a rating of "SP-1+" to the Notes.

The rating reflects only the view of the Rating Agency and an explanation of the significance of such rating may only be obtained from the Rating Agency at the following address: 55 Water Street, New York, New York 10041. The Borough forwarded to the Rating Agency certain information and materials concerning the Notes and the Borough. There can be no assurance that such rating will be maintained for any given period of time or that such rating will not be raised, lowered or withdrawn entirely if, in the Rating Agency's judgment, circumstances so warrant. Any downward change in, or withdrawal of, such rating may have an adverse effect on the marketability or market price of the Notes.

UNDERWRITING

The Notes have been purchased at a public sale from the Borough for resale by _____ (the "Underwriter").

The Underwriter has agreed, subject to certain conditions, to purchase all but not less than all of the Notes. If all the Notes are sold at the public offering price or at the yield set forth on the cover page of this Official Statement, the Underwriter anticipates total selling compensation of \$_____*. The public offering price or yield on the Notes may be changed from time to time by the Underwriter without notice. The Notes may be offered and sold to dealers, including the Underwriter and dealers acquiring the Notes for their own account or any account managed by them, at prices lower than the public offering price.

* Information obtained from the Underwriter

DOCUMENTS ACCOMPANYING DELIVERY OF THE NOTES

Absence of Litigation

Upon delivery of the Notes, the Borough shall furnish a certificate of the Borough Attorney, dated the date of delivery of the Notes, to the effect that there is no litigation of any nature pending or threatened to restrain or enjoin the issuance, sale, execution or delivery of the Notes, or in any way contesting or affecting the validity of the Notes or any of the proceedings taken with respect to the issuance and sale thereof or the application of moneys to the payment of the Notes. In addition, such certificate shall state that there is no litigation of any nature now pending or threatened by or against the Borough wherein an adverse judgment or

ruling could have a material adverse impact on the financial condition of the Borough, or adversely affect the power of the Borough to enforce the collection of taxes or other revenues for the payment of its bonds and notes, which has not been disclosed in this Official Statement.

Legal Matters

The legality of the Notes will be subject to the approving opinion of Rogut McCarthy LLC, Cranford, New Jersey, Bond Counsel. Such opinion will be to the effect that:

1. The Notes have been duly authorized, executed and delivered and constitute valid and legally binding obligations of the Borough, enforceable in accordance with their terms, except as enforcement of the Notes may be limited by bankruptcy, insolvency, reorganization, moratorium, liquidation or other laws relating to or affecting the enforcement of creditors' rights generally now or hereafter in effect to the extent constitutionally applicable, and enforcement may also be subject to the exercise of judicial discretion in certain cases.
2. The Borough has pledged its full faith and credit for the payment of the principal of and interest on the Notes, and unless paid from other sources, the Borough is authorized and required by law to levy on all real property taxable by the Borough such *ad valorem* taxes as may be necessary to pay the Notes and the interest thereon, without limitation as to rate or amount.

Rogut McCarthy LLC has not verified the accuracy, completeness or fairness of the statements contained in this Official Statement and will not express, and has not been requested to express, an opinion as to the accuracy, completeness or fairness of such statements. See "Appendix D – Proposed Form of Bond Counsel Opinion" herein.

Certificates of Borough Officials

The original purchasers of the Notes shall also receive a certificate, dated as of the date of delivery of the Notes and signed by the Chief Financial Officer that (a) as of the date of the Official Statement furnished by the Borough in relation to the Notes, said Official Statement did not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements contained therein, in light of the circumstances under which they were made, not misleading, subject to the condition that while information in said Official Statement obtained from sources other than the Borough is not guaranteed as to accuracy, completeness or fairness, such officer has no reason to believe and does not believe that such information is materially inaccurate or misleading, and (b) to the knowledge of such officer, since the date of said Official Statement and since the date of the sale of the Notes, there have been no material transactions not in the ordinary course of affairs entered into by the Borough and no material adverse change in the general affairs of the Borough or in its financial condition as shown in said Official Statement, other than as disclosed in or contemplated by said Official Statement, provided such certificate shall not include consideration of information supplied by, or that should have been supplied by, the successful bidders for the Notes. In addition, the original purchasers of the Notes shall also receive certificates in form satisfactory to Rogut McCarthy LLC, Bond Counsel, evidencing the proper execution and delivery of the Notes and receipt of payment therefor and a certificate, dated as of the date of delivery of the Notes and signed by the officers who signed the Notes, stating that no litigation is then pending or, to the knowledge of such officers, threatened to restrain or enjoin the issuance or delivery of the Notes or the levy or collection of taxes to pay the Notes or the interest thereon, or questioning the validity of the statutes or the proceedings under which the Notes are issued, and that neither the corporate existence or boundaries of the Borough, nor the title of the said officers to their respective offices, is being contested.

INFECTIOUS DISEASE OUTBREAK – COVID-19

In early March of 2020, the World Health Organization declared a pandemic following the global outbreak of COVID-19, a respiratory disease caused by a newly discovered strain of coronavirus. On March

13, 2020, the President of the United States declared a national public health emergency to unlock federal funds and assistance to help states and local governments fight the pandemic. The Governor of the State declared a state of emergency and a public health emergency on March 9, 2020. In response to the COVID-19 pandemic, federal and State legislation and executive orders were implemented to, among other things, provide relief to state and local governments, including the American Rescue Plan Act of 2021 (the “Plan”). The pandemic and certain mitigation measures, which altered the behavior of businesses and people, have had and may continue to have negative impacts on regional, State and local economies. The national public health emergency and the State public health emergency have since ended, while the state of emergency declared by the State and several executive orders signed by the Governor remain to manage COVID-19 on an endemic level.

To date, the overall finances and operations of the Borough have not been materially adversely affected by the COVID-19 pandemic. Nonetheless, there can be no assurance regarding the extent to which the COVID-19 pandemic, or any other national health crisis or pandemic, may impact the national, State or local economies in the future, nor how any such event may materially adversely impact municipalities, including the Borough. The Borough cannot quantify any such impacts at this time.

The Plan, signed into law on March 11, 2021, provided \$1.9 trillion in relief designed to provide funding to address the COVID-19 pandemic and alleviate the economic and health effects of the COVID-19 pandemic. For municipalities with populations less than 50,000, such as the Borough, the relief funds were distributed by the State. The relief funds were received from the State in two equal payments, one within 30 days of receipt of the funding by the State and the balance no earlier than 12 months from the initial payment.

The deadline to obligate the funds was December 31, 2024, and to spend them is December 31, 2026. The Borough received the full amount of its relief funds in the amount of \$1,316,835.09. The Borough utilized all of those funds to replace lost public sector revenues.

SECONDARY MARKET DISCLOSURE

The Borough has a limited secondary market disclosure obligation pursuant to Rule 15c2-12(d)(3) because the Notes have a stated maturity of 18 months or less. In accordance with such exemption from full secondary market disclosure, the Borough will agree, pursuant to a continuing disclosure certificate to be executed on the date of issuance of the Notes, to undertake for the benefit of the Noteholders and the beneficial owners of the Notes to provide certain secondary market disclosure information pursuant to Rule 15c2-12 to the Municipal Securities Rulemaking Board (the “MSRB”) in an electronic format, as prescribed by the MSRB. Specifically, the Borough will do the following for the benefit of the holders of the Notes and the beneficial owners thereof:

Provide or cause to be provided in a timely manner not in excess of ten business days after the occurrence of the event, notice of the occurrence of any of the following events with respect to the Notes or financial obligations of the Borough:

- (1) Principal or interest payment delinquencies;
- (2) Non-payment related defaults, if material;
- (3) Unscheduled draws on debt service reserves reflecting financial difficulties;
- (4) Unscheduled draws on credit enhancements reflecting financial difficulties;
- (5) Substitution of credit or liquidity providers, or their failure to perform;
- (6) Adverse tax opinions, the issuance by the Internal Revenue Service of proposed or final determinations of taxability, Notices of Proposed Issue (IRS Form 5701-TEB) or other material notices or determinations with respect to the tax status of the Notes, or other material events affecting the tax status of the Notes;
- (7) Modifications to the rights of Noteholders, if material;
- (8) Note calls, if material, and tender offers;
- (9) Defeasances;

- (10) Release, substitution or sale of property which secures the repayment of the Notes, if material;
- (11) Rating changes;
- (12) Bankruptcy, insolvency, receivership or similar event of the Borough (the event is considered to occur when any of the following occur: the appointment of a receiver, fiscal agent or similar officer for the Borough in a proceeding under the U.S. Bankruptcy Code or in any other proceeding under state or federal law in which a court or governmental authority has assumed jurisdiction over substantially all of the assets or business of the Borough, or if such jurisdiction has been assumed by leaving the existing governing body and officials or officers in possession but subject to the supervision and orders of a court or governmental authority, or the entry of an order confirming a plan of reorganization, arrangement or liquidation by a court or governmental authority having supervision or jurisdiction over substantially all of the assets or business of the Borough);
- (13) The consummation of a merger, consolidation, or acquisition involving the Borough or the sale of all or substantially all of the assets of the Borough, other than in the ordinary course of business, the entry into a definitive agreement to undertake such an action or the termination of a definitive agreement relating to any such actions, other than pursuant to its terms, if material;
- (14) Appointment of a successor or additional trustee or the change of name of a trustee, if material;
- (15) Incurrence of a financial obligation of the Borough, if material, or agreement to covenants, events of default, remedies, priority rights, or other similar terms of a financial obligation of the Borough, any of which affect Noteholders, if material; and
- (16) Default, event of acceleration, termination event, modification of terms, or other similar events under the terms of a financial obligation of the Borough, any of which reflect financial difficulties.

The Borough intends the words used in paragraphs (15) and (16) and the definition of "financial obligation" to have the meanings ascribed to them in SEC Release No. 34-83885 (August 20, 2018).

All documents provided to the MSRB shall be accompanied by identifying information as prescribed by the MSRB.

If the Borough fails to comply with the above-described undertaking, any Noteholder or beneficial owner of the Notes may pursue an action for specific performance to enforce the rights of all Noteholders and beneficial owners with respect to such undertaking; *provided, however*, that failure to comply with such undertaking shall not be an event of default and shall not result in any acceleration of payment of the Notes or any liability by the Borough for monetary damages. All actions shall be instituted, had and maintained in the manner provided in this paragraph for the benefit of all Noteholders and beneficial owners of the Notes.

The Borough reserves the right to terminate its obligation to provide notice of material events, as set forth above, if and when the Borough no longer remains an "obligated person" with respect to the Notes within the meaning of Rule 15c2-12.

The undertaking may be amended by the Borough from time to time, without the consent of the Noteholders or the beneficial owners of the Notes, in order to make modifications required in connection with a change in legal requirements, a change in law or a change in identity, nature, type of operation or status of the Borough, which in the opinion of nationally recognized bond counsel complies with Rule 15c2-12 and does not, in such bond counsel's opinion, materially impair the interests of the Noteholders and the beneficial owners of the Notes.

The Borough previously failed to file, in accordance with Rule 15c2-12, in a timely manner, under previous filing requirements its (i) annual audited financial statements for the fiscal years ending December

31, 2020, 2021, 2022 and 2023, (ii) annual operating data for the fiscal year ending December 31, 2020 and (iii) most recent adopted budget for the fiscal year ending December 31, 2021. Additionally, the Borough acknowledges that it previously failed to file, in a timely manner, late filing notices in connection with its late filings of such annual financial information. Such financial information and notices of late filings have been filed with the MSRB's Electronic Municipal Market Access Dataport ("EMMA") as of the date of this Official Statement. The Borough has appointed Wielkotz & Company, LLC, Pompton Lakes, New Jersey, to serve as continuing disclosure agent/dissemination agent to assist in the filing of certain information with EMMA as required under its obligations.

FINANCIAL STATEMENTS

The financial statements of the Borough for the years ended December 31, 2024 and 2023 are presented in Appendix B to this Official Statement (the "Financial Statements"). The Financial Statements have been audited by Wielkotz & Company, LLC, Pompton Lakes, New Jersey, an independent auditor (the "Auditor"), as stated in its report appearing in Appendix C to this Official Statement. See "Appendix C –Independent Auditor's Report and Financial Statements".

PREPARATION OF OFFICIAL STATEMENT

The Auditor takes responsibility for the financial statements to the extent specified in the Independent Auditor's Report.

The Auditor assisted in the preparation of information contained in this Official Statement and information has been obtained from sources which the Auditor considers to be reliable but they make no warranty, guarantee or other representation with respect to the accuracy and completeness of such information.

All other information has been obtained from sources which the Borough considers to be reliable and the Borough makes no warranty, guaranty or other representation with respect to the accuracy and completeness of such information.

ADDITIONAL INFORMATION

Inquiries regarding this Official Statement, including requests for information additional to that contained herein, may be directed to the Borough of Woodland Park, 5 Brophy Lane, Woodland Park, New Jersey, 07424, Stephanie Santana, Chief Financial Officer, (973) 345-8100, ext. 205.

MISCELLANEOUS

This Official Statement is not to be construed as a contract or agreement between the Borough and the purchasers or holders of any of the Notes. Any statements made in this Official Statement involving matters of opinion, whether or not expressly so stated, are intended merely as opinions and not as representations of fact. The information and expressions of opinion contained herein are subject to change without notice and neither the delivery of this Official Statement nor any sale of Notes made hereunder shall, under any circumstances, create any implication that there has been no change in the affairs of the Borough since the date hereof. The information contained in the Official Statement is not guaranteed as to accuracy or completeness.

This Official Statement has been duly executed and delivered by the Chief Financial Officer on behalf of the Borough.

**BOROUGH OF WOODLAND PARK, IN THE
COUNTY OF PASSAIC, NEW JERSEY**

By: /s/ _____
Stephanie Santana
Chief Financial Officer

Dated:

APPENDIX A

**ECONOMIC AND DEMOGRAPHIC INFORMATION
RELATING TO
THE BOROUGH OF WOODLAND PARK**

APPENDIX A

TABLE OF CONTENTS

	<u>Page</u>
General Information	A-1
Type of Government	A-1
Borough Officials	A-2
Municipal Services	A-2
Wastewater Collection System	A-2
Water System	A-2
Educational Services	A-3
Transportation Facilities	A-3
Health Care Facilities	A-3
Library Facilities	A-3
Recreation Facilities	A-3
Shopping Facilities	A-4
Retirement Systems	A-4
Collective Bargaining Representation	A-4
New Construction and Housing Statistics	A-4
Major Real Property Taxpayers	A-5
Net Assessed Property Valuations	A-5
Levy and Collection of Taxes	A-6
Current Fund Revenue Sources	A-8
Current Fund Balances And Amounts Utilized in Succeeding Year's Budget	A-8
State Aid	A-9
Debt Information:	
Statutory Debt Information	A-10
Statutory Borrowing Power	A-11
Trend of Statutory Remaining Borrowing Power	A-11
Permanent Debt Issued and Outstanding	A-11
Direct and Overlapping Debt Issued and Outstanding	A-12
Debt Ratios	A-12

Borough of Woodland Park

General Information

The Borough of Woodland Park, about 3 square miles, was created in 1914 from the West Park section of Little Falls; the vote was 194 to 20 to approve the new borough. On November 4, 2008, in accordance with the petition and referendum provisions set forth in N.J.S.A. 40:43-4 to -7, the voters of West Paterson voted to change the Borough's name to Woodland Park by a vote of 2,136 to 2,111. All ordinances, contracts and liabilities adopted or incurred under the prior name are unaffected by the name change.

At the time it became a borough, Woodland Park was primarily a farming and dairy community. The Passaic River at that time was a clean, pleasant stream and became an attraction for amusement parks, recreation fields, hotels and a race track. A few wealthy silk industrialists from Paterson found the area attractive and located homes in the area. Idlewild Park, (now Singer Kearfoot) was one of the leading amusement parks and trolleys brought visitors up McBride Avenue for dancing, boating and picnicking.

The silent motion picture industry established itself in the Little Falls/Woodland Park area shortly after 1900. "The Great Train Robbery" was produced there in the "High Bridge" area.

Beginning in the 1950's, larger shopping centers began to appear, i.e., West Caldor Shopping Center, Great Eastern Mills and Lenox Plaza.

Today's Woodland Park is vastly different. Shopping centers continue to be developed along the Route 46 commercial area. The residential make-up has also changed. During the late 1990's and early 2000's a significant amount of condominiums and townhouses were developed. The communities of Wedgewood Knolls and Garret Park Associates, to name two, contributed to the significant ratable growth during that period. K. Hovnanian has built Rolling Views Condominiums, a substantial development in the old quarry section of town. In addition, K. Hovnanian has sold all of its Four Seasons 55 and over community, which is over 800 units.

Individual residences are generally smaller in size, with buildings and grounds well maintained. The recent average resale value of a single family residence has been in the \$425,000-\$600,000 area.

Streets are well maintained and clean. Solid waste is collected weekly by a private company under a contract with the Borough. Gas and electricity is provided by PSE&G. For sewage disposal, please refer to "Wastewater Collection System".

Type of Government

The Borough of Woodland Park operates under the Faulkner Act with a Mayor-Council form of Government consisting of a Mayor and six Council Persons, each of whom is elected by the voters. The Mayor's term is for a three year period and the Council members for a three year period with three Council positions being voted upon each year in which the Mayor is not elected. Appointments and committee member selections are made at the Annual Reorganization Meeting, generally held within the first week of January each year. Appointments and committee selections are made as provided for by statutes and ordinances governing these matters.

The Mayor and Council meets the first and third Wednesday of each month with the first Wednesday designated as the Mayor and Council work session and the third Wednesday as the regular meetings. Additional special meetings are called dependent on such circumstances that may arise and make them necessary. All meetings are open to the public in compliance with New Jersey's Sunshine Law. At the work sessions the public's role is limited to that of an observer. At the regular meetings, citizens are given an opportunity to speak on matters of concern to them during a portion of the meeting for that purpose. On proposed ordinances the public also has an opportunity to be heard.

The executive power of the Borough is exercised by the Mayor. Administrative functions for implementing policies of the Borough are exercised by the administrator in conjunction with department heads. The primary committees follow specialized category lines with each committee consisting of a chairperson and two other Council members. These committees are: Police, Fire and Finance. Day to day functions are under the direction of the Municipal Administrator. Also present and available on a full time basis is the Tax Collector/Treasurer.

Borough Officials

Municipal Administrator

Mr. Samuel Yodice was appointed Municipal Administrator on September 5, 2023.

Municipal Clerk

Ms. Sandra Olivola was appointed Municipal Clerk on August 5, 2020.

Chief Financial Officer

Ms. Stephanie Santana is the Borough's Chief Financial Officer. Ms. Santana was appointed for a four year term.

Municipal Services

Police Department

The Police Department, situated in the Municipal Center, has 33 personnel consisting of a Chief of Police, one Deputy Chief, one Captain, four Lieutenants, five Sergeants, and twenty-one Uniformed Officers.

Fire Department

The Fire Department, operated on a volunteer basis, consists of three companies and a Fire Prevention Bureau. The Fire Department's personnel consists of one Fire Chief, three assistant Fire Chiefs, three Captains, six Lieutenants, and seventy firefighters. The Fire Prevention Bureau personnel includes four Fire Inspectors.

Ambulance Corps

The Ambulance Corps consists of twelve volunteers who operate two ambulances. All members are trained to use a defibrillator.

Department of Public Works

The fifteen personnel, headed by a Superintendent and one Foremen, employed in the Department of Public Works (the "DPW") are responsible for maintaining Borough streets, buildings and grounds, including removal of snow, leaves and trash. The DPW also picks up paper and other recyclables from curbside.

Solid waste pick-up is twice a week on Mondays and Thursdays. Solid waste pick-up is handled by a private company under a five year contract, with the current contract expiring on December 31, 2029. Please see "Wastewater Collection System" for a description of solid waste disposal and charges.

Wastewater Collection System

The Borough owns and operates the wastewater collection system to which all business and residential buildings must be connected. A sewer connection to the Passaic Valley Sewer Commissioners (the "PVSC") trunk interceptor line leading to the PVSC's sewage treatment plant in Newark is metered to ascertain the wastewater flow. The Borough pays an annual charge to the PVSC which is payable from the Borough's general fund.

Water System

The Borough operates its own water distribution system and water utility for part of the community. Water is purchased from the Passaic Valley Water Commission. The balance of the community is serviced by the Passaic Valley Water Commission and the New Jersey-American Water Company. The water utility billing by the Borough is based upon a standard minimum fee based upon the type of entity being served plus actual water consumption for the period. The Borough's rates are the lowest of the three entities which service the community.

Educational Services

The Borough's school district, coterminous with the Borough, is a type II school district, and is an independent legal entity administered by a nine member Board of Education elected by the voters of the school district. The members serve three year terms. The school district educates children in grades kindergarten to eight. The Borough, along with the Borough of Totowa and the Township of Little Falls, is part of the Passaic Valley Regional High School District. The school district neither receives nor sends students, except for a limited number of special education students. The school district is authorized by law to issue debt for school purposes upon vote of the electorate. The school district has \$2,225,000 outstanding bonds at December 31, 2025.

Personnel Employed

Full-time:

Superintendent	1.00
Business Administrator	1.00
Administrative Services	10.00
Central Services	4.00
Plant Operation and Maintenance	14.50
Student and Instruction Related	60.00
Instruction	<u>114.00</u>

Total Personnel Employed 204.50

Transportation Facilities

Transportation

Railroad transportation is provided by New Jersey Transit which is easily accessible at the Township of Little Falls, which is only a short distance away.

Two bus lines provide excellent service throughout the metropolitan area.

The Borough residents have quick and easy access to all parts of New Jersey and New York via U.S. No. 46 and No. 80, State Highway No. 3, Garden State Parkway and New Jersey Turnpike.

Health Care Facilities

Hospitalization and emergency room facilities are available at St. Joseph's Hospital of Wayne, St. Joseph's Hospital in Paterson and The Barnert Memorial Hospital in Paterson, all within approximately a ten to fifteen minute drive from the Borough.

Library Facilities

The Borough operates the Alfred H. Baumann Library (the "Library"), a 5,000 square foot library with a meeting room and kitchen facility. The Library is a member of the Passaic County Lending System, an electronic central library permitting the Library to borrow books and other documents from other libraries in the County. The Library is currently going through an expansion.

Recreation Facilities

The Borough has a year round community recreation program. It is administered by a Recreation Commission appointed by the Mayor and Council.

Shopping Facilities

Major clothing and furniture department stores are situated in three shopping malls on State Routes 46 and 23, all within a five to ten minute drive. Within the Borough are food supermarkets and small to medium size merchants offering a wide variety of products.

RETIREMENT SYSTEMS

The Borough is enrolled in three retirement systems established by acts of the State Legislature. Benefits, contributions, means of funding and administration of the retirement systems are set by the State. The Division of Pensions within the Treasury Department of the State is the administrator of the systems with benefit and contribution levels set by the State. All full-time permanent or qualified employees who began employment after 1944 must enroll in one of two retirement systems, depending upon their employment status. Borough employees, employed or retired, are enrolled in either the Public Employees' Retirement System ("PERS"), or the Police and Firemen's Retirement System ("PFRS"), or if retired in the Consolidated Police and Firemen's Pension Fund ("CPFPP"). Employee rates for contribution are normally determined by the rate applicable at the age of enrollment. The Borough is current in its payments to the retirement systems as well as the Federal Social Security System ("OASI").

COLLECTIVE BARGAINING REPRESENTATION

Certain Borough employees are represented by bargaining agents who are shown below together with termination dates of current contracts.

<u>Date Classification</u>	<u>Bargaining Representation</u>	<u>Termination Date</u>
Police	PBA Local 173	Dec. 31, 2029
Department of Public Works	West Paterson Public Works Employees	Dec. 31, 2028
Clerical Staff	IBEW Local 158	Dec. 31, 2025

Source: The Borough.

NEW CONSTRUCTION AND HOUSING STATISTICS

New Construction

<u>Year</u>	<u>Total Building Permits</u>
2025	481
2024	597
2023	527
2022	635
2021	659

Estimated Construction Costs

<u>Year</u>	<u>Estimated Costs</u>
2025	\$9,953,818
2024	14,630,956
2023	15,623,470
2022	22,140,336
2021	31,521,480

Source: Borough of Woodland Park Building Department.

MAJOR REAL PROPERTY TAXPAYERS

<u>Taxpayers</u>	<u>2025 Assessed Valuation</u>
Rose Manor Estates	\$58,294,100
Levco Route 46 Assoc.	35,091,000
1150 M Woodland Park, LLC	27,868,900
1225 McBride Ave, LLV	22,417,100
West Falls Plaza Partners, LLC	19,847,800
NJ 385 Rifle Camp, LLC	17,000,000
G.O.P. 1, LLC	13,250,000
Squirrel Woods, LLC	11,556,600
Summit Lenox Plaza, LLC	10,250,000
Notchwood Commons	9,869,600

Source: The Borough's Assessor and the Borough's tax duplicates for 2025.

NET ASSESSED PROPERTY VALUATIONS

Real Property Net Assessed Valuation by Classification

<u>Classification</u>	<u>2026</u>	<u>2025</u>	<u>2024</u>	<u>2023</u>	<u>2022</u>
Residential	\$1,269,020,800	\$1,269,491,200	\$1,268,280,300	\$1,265,877,200	\$1,263,606,900
Apartment	70,018,200	70,018,200	70,018,200	70,018,200	70,018,200
Commercial	240,928,600	249,769,500	276,402,900	278,407,000	285,925,300
Industrial	77,801,300	75,647,800	75,647,800	75,448,300	47,579,400
Vacant Land	32,057,800	32,071,000	13,926,700	14,053,200	23,968,700
Farmland (Qualified)	<u>2,100</u>	<u>2,100</u>	<u>2,100</u>	<u>2,100</u>	<u>2,100</u>
SubTotal	1,689,828,800	1,696,999,800	1,704,278,000	1,703,806,000	1,691,100,600
Personal Tangible Property	<u>650</u>	<u>664</u>	<u>733</u>	<u>774</u>	<u>828</u>
Total	<u>\$1,689,829,450</u>	<u>\$1,697,000,464</u>	<u>\$1,704,278,733</u>	<u>\$1,703,806,774</u>	<u>\$1,691,101,428</u>

Net Assessed Property Valuations

	<u>2026</u>	<u>2025</u>	<u>2024</u>	<u>2023</u>	<u>2022</u>
Net Assessed Valuation:					
Real Property	\$1,689,828,800	\$1,696,999,800	\$1,704,278,000	\$1,703,806,000	\$1,691,100,600
Personal Tangible Property	<u>650</u>	<u>664</u>	<u>733</u>	<u>774</u>	<u>828</u>
Total	<u>\$1,689,829,450</u>	<u>\$1,697,000,464</u>	<u>\$1,704,278,733</u>	<u>\$1,703,806,774</u>	<u>\$1,691,101,428</u>

Source: County of Passaic Abstract of Ratables for years shown, and Borough's Tax Duplicates for years shown.

**LEVY AND COLLECTION OF TAXES
As of December 31 for Years Shown**

The levy and collection of taxes are based upon a calendar year. The Borough is the political entity responsible for the levying and collection of taxes on all taxable real property within its borders, including the tax levies for the County and the School District.

Property taxes are based on an assessor's valuation of real property. The taxes for Municipal, Local School District, and County purposes are combined into one tax levy which is apportioned on the tax bill by rate and amount for taxpayer information only. Taxes levied for the purpose of the Local School District cover the current calendar year. Turnover of tax monies by the Borough to a school district are based on school needs and are generally made on a periodic basis throughout the year. The Borough remits 100% of the County taxes, payable quarterly on the 15th days of February, May, August and November.

Tax bills for the second half of the current year's tax levy, and an estimate based on 50% of the levy for the first half of the following year, are mailed annually in July and are due in quarterly installments on the first days of August, November, February and May. Delinquent payments are subject to an interest penalty of 8% on the first \$1,500 of delinquency and 18% on amount exceeding \$1,500. Unpaid taxes are subject to tax sale as of July 1 following the year of levy, in accordance with statutes of the State of New Jersey. Tax liens are subsequently subject to foreclosure proceedings in order to enforce tax collections or acquire title to property.

The last all-inclusive tax sale of unpaid delinquent taxes and assessments was held by the Borough on October 20, 2016.

New Jersey Statutes provide a taxpayer with remedial procedures for appealing an assessment deemed excessive. The taxpayer has a right to petition the Passaic County Tax Board on or before the first day of April of the current tax year for review. The Passaic County Tax Board has the authority after a hearing to decrease or reject the appeal petition. These adjustments are usually concluded within the current tax year and reductions are shown as canceled or remitted taxes for that year. If the taxpayer feels his petition was unsatisfactorily reviewed by the Passaic County Tax Board, appeal may be made to the State Department of Taxation, Division of Tax Appeal, for a further hearing. State tax appeals tend to take several years prior to settlement and any losses in tax collections from prior years are charged directly to operations or with the permission of the Local Finance Board may be financed, generally, over a three to five year period.

Tax Rate Apportionment

(Per \$100 of Assessed Valuation)

<u>Year</u>	<u>Municipal</u>	<u>Library</u>	<u>Local County</u>	<u>Local School</u>	<u>Regional High School</u>	<u>Rate</u>
2025	\$1.042	\$.051	\$.728	\$1.173	\$.441	\$3.435
2024	1.004	.046	.698	1.126	.473	3.347
2023	.9420	.0430	.7210	1.094	.4830	3.283
2022	.8870	.0400	.7620	1.082	.5170	3.288
2021	.8490	.0370	.7450	1.067	.5480	3.246

Source: Tax Duplicates

Tax Levy Apportionment

<u>Year</u>	<u>Municipal</u> ⁽¹⁾	<u>Library</u>	<u>Local County</u> ⁽¹⁾	<u>School</u>	<u>Regional High School</u>	<u>Total</u>
2025	\$17,682,063	\$856,206	\$12,358,795	\$19,901,060	\$7,490,239	\$58,288,363
2024	17,109,259	775,126	11,890,386	19,196,483	8,058,285	57,029,539
2023	16,051,437	728,294	12,261,519	18,644,787	8,233,913	55,919,950
2022	15,007,256	676,561	12,881,061	18,284,572	8,739,148	55,588,598
2021	14,278,737	629,884	12,494,433	17,931,193	9,205,183	54,539,430

(1) Includes Open Space

Tax Collection Experience

<u>Year</u>	<u>Tax Levy</u>	<u>Current Tax Levy Collected</u>		<u>Delinquent Taxes Collected</u>	<u>Total Taxes Collected</u>	
		<u>Amount</u>	<u>Percent</u>		<u>Amount</u>	<u>Percent</u>
2025 (1)	\$58,323,988	\$57,908,297	99.29%	\$352,230	\$58,260,527	99.89%
2024	57,088,392	56,699,718	99.32	391,754	57,091,472	1.000
2023	55,994,030	55,384,826	98.91	364,354	55,749,180	99.56
2022	55,818,359	55,444,187	99.33	327,857	55,772,044	99.92
2021	54,686,142	54,342,470	99.37	493,445	54,835,915	100.27

(1) Unaudited

Tax Title Liens and Delinquent Taxes

<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>
2025	\$364,624	\$32,599	\$397,223	.68%
2024	349,553	29,511	379,064	.66
2023	391,754	26,502	418,256	.75
2022	364,354	23,562	387,916	.69
2021	327,857	20,606	348,463	.64

(1) Unaudited

Foreclosed Property

<u>Year</u>	<u>Balance December 31</u>
2025 (1)	\$4,072,200
2024	4,072,200
2023	4,072,200
2022	4,072,200
2021	4,072,200

(1) Unaudited

CURRENT FUND REVENUE SOURCES

<u>Year</u>	<u>Budget Appropriation</u>	<u>Revenue Surplus Appropriated</u>	<u>Miscellaneous Revenues Collected</u>	<u>Delinquent Taxes Collected</u>	<u>Tax Levy Realized</u>	<u>Reserve for Uncollected Taxes</u>
2025 (1)	\$24,237,758	\$2,007,324	\$3,734,069	\$352,230	\$18,376,039	\$734,000
2024	23,145,812	1,762,000	3,819,177	391,754	17,767,217	734,000
2023	21,870,157	2,346,029	2,452,092	364,354	16,795,301	734,000
2022	20,821,464	1,600,000	3,454,603	327,857	16,053,913	734,000
2021	21,723,163	1,600,000	4,800,365	493,445	15,245,460	734,000

(1) Unaudited

**CURRENT FUND BALANCES
AND
AMOUNTS UTILIZED IN SUCCEEDING YEAR'S BUDGET**

<u>Year</u>	<u>Balance December</u>	<u>Utilized in Succeeding Year's Budget</u>	
		<u>Amount</u>	<u>Percent</u>
2025 (1)	\$2,518,483	\$2,077,000 (2)	82.47%
2024	2,931,877	2,007,324	68.47
2023	2,710,536	1,762,000	65.00
2022	3,596,792	2,346,029	65.23
2021	2,548,301	1,600,000	62.79

(1) Unaudited

(2) Budget as introduced.

STATE AID

<u>Year</u>	<u>Energy Receipts Tax Received</u>	<u>Consolidated Municipal Property Tax Relief</u>	<u>Other Aid Received</u>	<u>Total</u>
2025	\$830,260	\$	\$6,674	\$836,934
2024	830,260		92,255	922,515
2023	826,148		49,473	875,621
2022	820,477		6,674	827,151
2021	819,488	989	6,674	827,151

INTENTIONALLY LEFT BLANK

DEBT INFORMATION

General Information

The State has enacted certain laws and statutes regulating the authorization and issuance of debt by tax levying local governmental units of the State. The statutory gross debt must include all debt authorized plus all debt issued which remains outstanding. Debt which has been refunded, and payment for which is made from escrowed U.S. Treasury securities or other permitted investments, is considered outstanding under State statutes until such outstanding debt has matured or has been called for redemption. However, any debt which is self-supporting or which is payable from other sources or debt issued for refunding purposes may be deducted from the statutory gross debt to arrive at the amount of statutory net debt. The statutory net debt figure is the amount to determine if a local governmental unit is within the limit of its statutory borrowing power. The debt incurring capacity is limited by statute to 3.50% of a local governmental unit's statutory equalized valuation. The Borough's statutory net debt as of December 31, 2025 is .893%.

STATUTORY DEBT INFORMATION As of December 31, 2025

School Purpose:	
Bonds Issued	\$2,225,000
Notes Issued	
Authorized/Unissued Debt	
Total Gross Debt	<u>2,225,000</u>
Deductions	<u>2,225,000</u>
Net Debt for School Purposes	<u>0</u>
Self-Liquidating Purpose:	
Bonds Issued	900,000
Authorized not Issued	612,036
Notes	<u>2,117,000</u>
	<u>3,629,036</u>
Deduction	<u>3,629,036</u>
Net Self-Liquidating Purpose	<u>0</u>
Municipal Purpose:	
Bonds Issued	7,655,000
Notes Issued (1)	9,833,000
Authorized/Unissued Debt	<u>5,359,422</u>
	<u>22,847,422</u>
Total Gross Debt	22,847,422
Deduction	<u>248,833</u>
Net Debt for Municipal Purpose	<u>22,598,589</u>
Total Gross Statutory Debt	28,701,458
Total Statutory Deductions	<u>6,102,869</u>
Total Net Statutory Debt	<u><u>\$22,598,589</u></u>

(1) Tax anticipation notes and emergency notes are not included.

STATUTORY BORROWING POWER
As of December 31, 2025

Statutory Equalized Valuation (1)	2,530,214,929
Statutory Borrowing Power (2)	88,557,523
Statutory Net Debt	<u>22,598,589</u>
Remaining Statutory Borrowing Power	<u>65,958,934</u>
Net Debt to Statutory Equalized Valuation	.893%

(1) Average of the immediately preceding three years (2025, 2024 and 2023) as calculated by State.

(2) 3 1/2% of the State's equalized valuation.

Source: The Borough.

TREND OF STATUTORY REMAINING BORROWING POWER
FOR YEARS ENDED DECEMBER 31, 2025 - 2021

<u>Year</u>	<u>Statutory Equalized Valuation(1)</u>	<u>Borrowing Capacity(2)</u>	<u>Bonds Outstanding</u>	<u>Notes Outstanding</u>	<u>Less Deductions</u>	<u>Net Debt Outstanding</u>	<u>Authorized Unissued Debt</u>	<u>Remaining Borrowing Power</u>
2025	\$2,530,214,929	\$88,557,523	\$7,655,000	\$9,833,000	\$248,833	\$17,239,167	\$5,359,422	\$65,958,934
2024	2,359,627,511	82,586,963	9,055,000	9,500,000	386,773	18,168,227	4,892,971	59,525,765
2023	2,179,981,985	76,299,369	10,440,553	9,909,421	1,807,468	18,542,506	5,406,179	52,350,684
2022	2,034,739,108	71,215,869	11,828,773	9,900,000	2,177,296	19,551,477	4,998,462	46,665,530
2021	1,935,222,327	67,732,781	13,161,401	8,025,000	2,624,654	18,561,747	3,491,719	45,679,315

(1) Average of the immediately preceding three years as calculated by the State.

(2) 3 1/2% of the statutory equalized valuation.

Source: The Borough's audited financial statements for years shown.

PERMANENT DEBT ISSUED AND OUTSTANDING
AS OF DECEMBER 31, 2025

<u>Purpose</u>	<u>Interest Rate</u>	<u>Issue Date</u>	<u>Final Maturity Date</u>	<u>Amount Outstanding</u>
General Improvements	Various	Sept. 1, 2017	Sept. 1, 2034	\$5,570,000
Refunding Bonds	Various	May 5, 2016	July 15, 2027	<u>2,085,000</u>
Total Permanent Debt Issued and Outstanding				<u><u>\$7,655,000</u></u>

Source: The Borough.

**DIRECT AND OVERLAPPING DEBT
ISSUED AND OUTSTANDING
AS OF DECEMBER 31, 2025**

	<u>Direct Debt</u>	<u>Overlapping Debt</u>
Direct Debt:		
Bonds	\$7,655,000	
Notes	9,833,000	
Overlapping Debt:		
School Districts		\$2,225,000
Passaic County (including Utilities Authority)	_____	<u>9,373,737</u>
		11,598,737
Total Direct Debt:		
Gross	17,488,000	
Deductions	<u>248,833</u>	
Net	<u>\$17,239,167</u>	
Total Overlapping Debt:		
Gross		11,598,737
Deductions		<u>2,225,000</u>
Net		<u>\$9,373,737</u>

Source: The political entities shown.

DEBT RATIOS

	<u>Direct Debt</u>		<u>Overlapping Debt</u>	
	<u>Gross</u>	<u>Net</u>	<u>Gross</u>	<u>Net</u>
Per Capita (1)	1,297	1,278	860	695
Equalized Valuation	.691%	.681%	.458%	.370%

(1) 2020 Census 13,484

APPENDIX B

**BOROUGH OF WOODLAND PARK
SUMMARY OF 2025 ADOPTED BUDGET**

[THIS PAGE INTENTIONALLY LEFT BLANK]

**BOROUGH OF WOODLAND PARK
SUMMARY OF 2025 ADOPTED BUDGET**

Summary of General Revenues Anticipated:	
Surplus	<u>\$2,007,324</u>
Miscellaneous Revenues:	
Local Revenues	920,895
State Aid Without Offsetting Appropriations	836,934
Dedicated Uniform Construction Code Fees	354,450
Offset Without Appropriations	
Special Items of General Revenue Anticipated	
With Prior Consent of Director of	
Local Government Services:	
Shared Services Agreements	204,790
Public and Private Revenues	47,932
Other Special Items	<u>883,487</u>
Total Miscellaneous Revenues	3,248,488
Delinquent Taxes Receipts	<u>350,000</u>
Sub-total General Revenues	5,605,812
Amount to be Raised for Support of Municipal	
Budget, Including Reserve for Uncollected Taxes	<u>18,029,169</u>
 Total General Revenues	 <u><u>\$23,634,981</u></u>
 Summary of General Appropriations:	
Within "CAPS":	
Operations:	
Salaries and Wages	\$7,706,522
Other Expenses	<u>7,420,329</u>
Sub-total	15,126,851
 Deferred Charges, Statutory Expenditures and Judgments	 <u>2,202,130</u>
Total Operations Within "CAPS"	<u>17,328,981</u>
 Excluded From "CAPS":	
Operations:	
Salaries and Wages	202,055
Other Expenses	<u>2,763,707</u>
Sub-total	<u>2,965,762</u>
 Capital Improvements	 70,000
Municipal Debt Service	2,422,738
Deferred Charges	<u>113,500</u>
Total General Appropriations Excluded From "CAPS"	<u>5,572,000</u>
 Sub-total General Appropriations	 22,900,981
 Reserve for Uncollected Taxes	 <u>734,000</u>
 Total General Appropriations	 <u><u>\$23,634,981</u></u>

Source: The Borough's 2025 Adopted Budget.

[THIS PAGE INTENTIONALLY LEFT BLANK]

APPENDIX C

**INDEPENDENT AUDITOR'S REPORT
AND FINANCIAL STATEMENTS FOR THE YEARS ENDED
DECEMBER 31, 2024 AND 2023
AND
SELECTED FINANCIAL INFORMATION
FOR THE YEARS ENDED
DECEMBER 31, 2025-2021**

[THIS PAGE INTENTIONALLY LEFT BLANK]



WIELKOTZ & COMPANY ^{LLC}

CERTIFIED PUBLIC ACCOUNTANTS

STEVEN D. WIELKOTZ, CPA, RMA, PSA
MATTHEW B. WIELKOTZ, CPA, PSA
DAVID BOTTGE, CPA, RMA, PSA
PAUL J. CUVA, CPA, RMA, PSA
KARI FERGUSON, CPA, RMA, CMFO, PSA
ROBERT C. MCNINCH, CPA, CFE, PSA
KEVIN REEVES, CPA, PSA

401 WANAQUE AVENUE
POMPTON LAKES, NEW JERSEY 07442
PHONE: (973)-835-7900
FAX: (973)-835-6631
EMAIL: OFFICE@W-CPA.COM
WWW.W-CPA.COM

INDEPENDENT AUDITOR'S REPORT

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

Report on the Financial Statements

Adverse Opinion on U.S. Generally Accepted Accounting Principles

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 December 31, 2024 and 2023, the related statements of operations and changes in fund balance – regulatory basis for the years then ended, and the related statements of revenues - regulatory basis and the statements of expenditures – regulatory basis of the various funds for the year ended December 31, 2024, and the related notes to the financial statements, which collectively comprise the Borough's basic financial statements as listed in the table of contents.

In our opinion, because of the significance of the matter discussed in the “Basis for Adverse Opinion on U.S. Generally Accepted Accounting Principles” paragraph, the accompanying financial statements referred to above do not present fairly the financial position of each fund of the Borough of Woodland Park as of December 31, 2024 and 2023, or changes in financial position for the years then ended in accordance with accounting principles generally accepted in the United States of America.

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

We conducted our audit in accordance with auditing standards generally accepted in the United States of America (GAAS), the audit requirements prescribed by the Division of Local Government Services, Department of Community Affairs, State of New Jersey (the “Division”) and Government Auditing Standards, issued by the Comptroller General of the United States. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the Borough of Woodland Park, and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our adverse audit opinion.



As described in Note 1 of the financial statements, the financial statements are prepared by the Borough of Woodland Park on the basis of the financial reporting provisions prescribed by the Division of Local Government Services, Department of Community Affairs, State of New Jersey, which is a basis of accounting other than accounting principles generally accepted in the United States of America, to meet the requirements of New Jersey.

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

Basis for Qualified Opinion on Regulatory Basis Accounting Principles

As described in Note 16 of the financial statement, the Borough participates in a Length of Service Award Program for its volunteer fire and rescue personnel. The amount reflected in the trust fund statements of \$2,254,157 and \$1,963,085 for 2024 and 2023, respectively, were not audited and, therefore, we express no opinion on the LOSAP program.

Qualified Opinion on Regulatory Basis of Accounting

In our opinion, except for the effects of the matter described in the “*Basis for Qualified Opinion on Regulatory Basis Accounting Principles*” paragraph, the financial statements referred to above, present fairly, in all material respects, the regulatory basis balance sheets and account group as of December 31, 2024 and 2023, the regulatory basis statements of operations and changes in fund balance for the years then ended and the regulatory basis statements of revenues and expenditures for the year ended December 31, 2024 in accordance with the basis of financial reporting prescribed by the Division of Local Government Services, Department of Community Affairs, State of New Jersey as described in Note 1.

Responsibilities of Management for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles prescribed by the Division of Local Government Services, Department of Community Affairs, State of New Jersey, and for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatements, whether due to fraud or error.

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



Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinions. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgement made by a reasonable user based on the financial statements.

In performing an audit in accordance with GAAS and Government Auditing Standards, we:

- Exercise professional judgement and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Borough's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgement, there are conditions or events, considered in the aggregate, that raise substantial doubt about the Borough's ability to continue as a going concern for a reasonable period of time.

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

Other Matters

Other Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Borough of Woodland Park's basic financial statements. The supplementary information listed in the table of contents and schedule of expenditures of federal awards, as required by Title 2 U.S. Code of Federal Regulations Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance) and the schedule of expenditures of state financial assistance as required by NJ OMB 15-08 and the letter of comments and recommendations section are presented for purposes of additional analysis and are not a required part of the basic financial statements.

The supplementary information listed in the table of contents and the schedule of expenditures of federal awards, as required by Title 2 U.S. Code of Federal Regulation Part 200, *Uniform Administrative Requirements, Cost Principals, and Audit Requirements for Federal Awards* (Uniform Guidance) are presented for purposes of additional analysis and are not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America.

In our opinion, the supplementary information listed in the table of contents and the schedule of expenditures of federal awards, as required by Title 2 U.S. Code of Federal Regulation Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance) is fairly stated, in all material respects, in relation to the basic financial statements as a whole.

The letter of comments and recommendations section has not been subject to the auditing procedures applied in the audit of the basic financial statements and accordingly, we do not express an opinion or any form of assurance thereon.



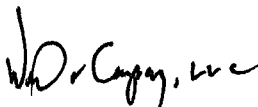
Honorable Mayor and
Members of the Borough Council
Page 5.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated May 30, 2025 on our consideration of the Borough of Woodland Park's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Borough of Woodland Park's internal control over financial reporting and compliance.



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



WIELKOTZ & COMPANY, LLC
Certified Public Accountants
Pompton Lakes, New Jersey

May 30, 2025



Borough of Woodland Park, N.J.

Comparative Balance Sheet - Regulatory Basis

Current Fund

December 31,

<u>Assets</u>	<u>Ref.</u>	<u>2024</u>	<u>2023</u>
Current Fund:			
Cash	A-4	5,667,681	5,910,496
Change Fund	A-5	460	460
Petty Cash	A-6	450	450
		<u>5,668,591</u>	<u>5,911,406</u>
Receivables and Other Assets with Full Reserves:			
Delinquent Taxes Receivable	A-8	349,042	391,754
Tax Title Liens	A-9	29,511	26,502
Property Acquired for Taxes - Assessed Valuation	A-10	4,072,200	4,072,200
Revenue Accounts Receivable	A-11	21,618	18,958
Due from:			
Other Trust Fund - Escrow	A-12	63	79
Other Trust Fund - Municipal Alliance Trust	A-12		29
Animal Control Trust Fund	A-12	402	1,340
General Capital Fund	A-12		111,583
		<u>4,472,836</u>	<u>4,622,445</u>
Deferred Charges:			
Special Emergency Authorizations	A-13	354,285	227,285
Emergency Authorization	A-14		60,000
		<u>354,285</u>	<u>287,285</u>
		<u>10,495,712</u>	<u>10,821,136</u>
Federal and State Grant Fund:			
Grants Receivable	A-23	1,302,966	756,176
Interfund - Current Fund	A-27	125,192	132,289
		<u>1,428,158</u>	<u>888,465</u>
		<u>11,923,870</u>	<u>11,709,601</u>

The accompanying "Notes to Financial Statements" are an integral part of these Financial Statements.

Borough of Woodland Park, N.J.

Comparative Balance Sheet - Regulatory Basis

Current Fund

December 31,

	<u>Ref.</u>	<u>2024</u>	<u>2023</u>
<u>Liabilities, Reserves and Fund Balance</u>			
Current Fund:			
Appropriation Reserves	A-3/A-15	905,458	1,155,865
Due to :			
Federal and State Grant Fund	A-12	125,192	132,289
Other Trust Fund - Fire Trust	A-12		150
Other Trust Fund - Snow Removal Trust	A-12		15,853
Encumbrances Payable	A-16	587,286	503,869
Accounts Payable	A-17	171,188	155,694
Prepaid Taxes	A-18	335,063	319,446
Due to State of New Jersey:			
Senior Citizen and Veteran Deductions	A-7	22,947	22,259
Construction Code Surcharge	A-22	5,096	4,703
Marriage License Surcharge	A-22	300	325
Premium on Tax Title Liens	A-22	185,800	266,200
Various Reserves	A-22	752,669	911,502
		<u>3,090,999</u>	<u>3,488,155</u>
Reserve for Receivables	Contra	4,472,836	4,622,445
Fund Balance	A-1	<u>2,931,877</u>	<u>2,710,536</u>
		<u>10,495,712</u>	<u>10,821,136</u>
Federal and State Grant Fund:			
Appropriated Reserve for Grants	A-24	1,404,480	877,563
Unappropriated Reserve for Grants	A-25	23,678	2,612
Reserve for Encumbrances	A-26		8,290
		<u>1,428,158</u>	<u>888,465</u>
		<u>11,923,870</u>	<u>11,709,601</u>

The accompanying "Notes to Financial Statements" are an integral part of these Financial Statements.

Borough of Woodland Park, N.J.

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

Current Fund

Year Ended December 31,

	<u>Ref.</u>	<u>2024</u>	<u>2023</u>
Revenues and Other Income:			
Fund Balance Utilized	A-2	1,762,000	2,346,029
Miscellaneous Revenue Anticipated	A-2	3,819,177	2,451,856
Receipts from Delinquent Taxes	A-2	391,754	364,354
Receipts from Current Taxes	A-2	56,699,718	55,384,826
Non-Budget Revenue	A-2	187,507	625,355
Other Credits to Income:			
Interfunds Returned	A-12	1,448	7,550
Statutory Excess in Animal Control Trust Fund	A-12	402	1,340
Canceled Grant Reserves	A-12		327,367
Unexpended Balance of Appropriation Reserves	A-15	939,069	709,143
		<u>63,801,075</u>	<u>62,217,820</u>
Total Revenues and Other Income			
Expenditures:			
Budget and Emergency Appropriations:			
Operations:			
Salaries and Wages	A-3	7,893,388	7,444,595
Other Expenses	A-3	9,945,111	9,478,002
Capital Improvement Fund	A-3	70,000	70,000
Municipal Debt Service	A-3	2,340,154	2,076,528
Deferred Charges and Statutory Expenditures -			
Municipal	A-3	2,295,163	2,001,506
Refund of Prior Year's Revenue	A-4	797	308
Canceled Grant Receivables	A-12		287,472
Interfund Advances	A-12	465	113,031
Municipal Open Space Tax	A-12	511,683	170,557
Local District School Tax	A-19	18,920,635	18,464,679
Regional High School Tax	A-20	8,140,288	8,477,101
County Taxes including Added Taxes	A-21	11,900,050	12,274,268
		<u>62,017,734</u>	<u>60,858,047</u>
Total Expenditures			

Borough of Woodland Park, N.J.

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

Current Fund

Year Ended December 31,

	<u>Ref.</u>	<u>2024</u>	<u>2023</u>
Excess (Deficit) Revenue Over Expenditures		1,783,341	1,359,773
Adjustment to Income Before Fund Balance - Expenditures Included above Which are by Statute Deferred Charges to Budget of Succeeding Year	A-13, A-14	<u>200,000</u>	<u>100,000</u>
Statutory Excess to Fund Balance		1,983,341	1,459,773
Fund Balance, January 1,	A	<u>2,710,536</u>	<u>3,596,792</u>
		4,693,877	5,056,565
Decreased by:			
Fund Balance Utilized as Budget Revenue		<u>1,762,000</u>	<u>2,346,029</u>
Fund Balance, December 31,	A	<u><u>2,931,877</u></u>	<u><u>2,710,536</u></u>

The accompanying "Notes to Financial Statements" are an integral part of these Financial Statements.

Borough of Woodland Park, N.J.

Statement of Revenues - Regulatory Basis

Current Fund

Year Ended December 31, 2024

	<u>Ref.</u>	<u>Budget</u>	<u>Realized</u>	<u>Excess or (Deficit)</u>
Fund Balance Anticipated	A-1	1,762,000	1,762,000	
Miscellaneous Revenues:				
Licenses:				
Alcoholic Beverages	A-11	35,750	37,750	2,000
Other	A-2	13,700	10,838	(2,862)
Fees and Permits	A-2	33,000	59,110	26,110
Fines and Costs:				
Municipal Court	A-11	132,000	187,950	55,950
Interest and Costs on Taxes	A-4	94,000	116,728	22,728
Interest on Investments and Deposits	A-11	207,856	222,759	14,903
Energy Receipts Tax	A-11	830,260	830,260	
Watershed Moratorium Offset Aid	A-11	6,674	6,674	
Municipal Relief Fund	A-22	85,581	85,581	
Uniform Construction Code Fees	A-11	300,000	367,149	67,149
Shared Service Agreements:				
BOE - School Resource Officer	A-11	134,055	131,425	(2,630)
BOE - Public Information Officer	A-11	55,986	55,986	
Borough of Bloomingdale - CFO	A-11	30,000	40,000	10,000
Public and Private Revenues:				
Body Armor Grant	A-23	2,612	2,612	
ARP Firefighters Grant	A-23	75,000	75,000	
Clean Communities	A-23	29,757	29,757	
National Opioids Fund Settlement	A-23	10,670	10,670	
Spotted Lantern Fly Reimbursement Program	A-23	15,000	15,000	
Passaic County Open Space Grant - Zaccaria Park	A-23	208,468	208,468	
Recycling Tonnage Grant	A-23	18,348	18,348	
EMMA Grant	A-23	10,000	10,000	
Alcohol Education and Rehab Fund	A-23	490	490	
Bulletproof Vest Partnership Grant	A-23	4,873	4,873	
Distracted Driving Crackdown	A-23	7,000	7,000	
Drive Sober or Get Pulled Over	A-23	7,000	7,000	
Safe and Secure Communities	A-23	45,150	45,150	
Passaic County Stigma Free Grant	A-23	1,000	1,000	
Municipal Alliance Grant	A-23	8,277	8,277	
FEMA - Assistance to Firefighters Grant	A-23	38,095	38,095	
CDBG - Library Generator	A-23	260,000	260,000	
Other Special Items:				
Cable Television Franchise Fee	A-11	42,918	42,918	
Cable Television Franchise Fee - Verizon	A-11	46,659	46,659	
Uniform Fire Safety Act	A-11	83,000	86,008	3,008
Reserve for Hurricane IDA	A-22	65,000	65,000	
Reserve for Sale of Assets	A-22	77,528	77,528	
Life Hazard Use Fees	A-11	33,000	33,810	810
Sewer Connection Fees	A-11	1,500	3,200	1,700
General Capital Fund Balance	A-11	50,000	50,000	
Interfund General Capital Fund	A-12	111,583	111,583	
Police Administrative Fees	A-11	20,000	20,000	
Utility Operating Surplus Prior Year	A-11	300,000	300,000	

Borough of Woodland Park, N.J.

Statement of Revenues - Regulatory Basis

Current Fund

Year Ended December 31, 2024

	<u>Ref.</u>	<u>Budget</u>	<u>Realized</u>	<u>Excess or (Deficit)</u>
Open Space Trust Fund Coordinator	A-11	14,500	14,500	
Open Space Trust Fund - Ord. #15-08 Debt Service	A-11	<u>74,021</u>	<u>74,021</u>	
Total Miscellaneous Revenues	A-1	3,620,311	3,819,177	198,866
Receipts from Delinquent Taxes	A-1/A-2	<u>390,400</u>	<u>391,754</u>	<u>1,354</u>
Subtotal General Revenues		<u>5,772,711</u>	<u>5,972,931</u>	<u>200,220</u>
Amount to be Raised by Taxes for Support of Municipal Budget - Local Tax for Municipal Purposes Including Reserve for Uncollected Taxes		16,597,975	17,038,923	440,948
Minimum Library Tax		<u>775,126</u>	<u>728,294</u>	
Total Amount to be Raised by Taxes for Support of Budget	A-2	<u>17,373,101</u>	<u>17,767,217</u>	<u>440,948</u>
Budget Totals		23,145,812	23,740,148	641,168
Non-Budget Revenue	A-1/A-2	<u> </u>	<u>187,507</u>	<u>187,507</u>
		<u>23,145,812</u>	<u>23,927,655</u>	<u>828,675</u>
Adopted Budget	A-3	22,724,225		
Appropriated by (N.J.S. 40A:4-87)	A-3	<u>421,587</u>		
		<u>23,145,812</u>		

The accompanying "Notes to Financial Statements" are an integral part of these Financial Statements.

Borough of Woodland Park, N.J.

Statement of Revenues - Regulatory Basis

Current Fund

Year Ended December 31, 2024

Analysis of Realized Revenues

	<u>Ref.</u>		
Revenue from Collections	A-1/A-8		56,699,718
Allocated to School and County Taxes	A-8		<u>39,666,501</u>
Balance for Support of Municipal Budget Appropriations			17,033,217
Add : Appropriation - Reserve for Uncollected Taxes	A-3		<u>734,000</u>
Amount for Support of Municipal Budget Appropriations	A-2		<u><u>17,767,217</u></u>
Receipts from Delinquent Taxes:			
Delinquent Taxes	A-8	391,754	
	A-2		<u><u>391,754</u></u>
Licenses - Other:			
Clerk	A-11	6,197	
Board of Health	A-11	4,641	
	A-2		<u><u>10,838</u></u>
Fees and Permits - Other:			
DPW	A-11	500	
Clerk	A-11	11,200	
Board of Health	A-11	28,170	
Zoning	A-11	15,000	
Police	A-11	4,240	
	A-2		<u><u>59,110</u></u>

Analysis of Non-budget Revenues

	<u>Ref.</u>		
Miscellaneous Revenues Not Anticipated:			
Refrigeration / Air Condition Stickers		513	
Park Usage Fees		20,570	
NSF Fee		200	
Cell Tower		24,288	
Refund Pr Yr Exp		41,846	
County Street Lighting		6,148	
Handicapped Parking		1,030	
Garbage / Recycling Bags		67	
Senior Citizens & Veterans Administration Fee		1,229	
Foreclosed Tax Sale Premium		38,000	
Soil Removal		750	
Miscellaneous Refunds and Reimbursements		12,097	
Outside Police Duty - Administrative Fee		33,867	
Tax Miscellaneous		565	
Scrap Metal		6,337	
	A-2, A-4		<u><u>187,507</u></u>

The accompanying "Notes to Financial Statements" are an integral part of these Financial Statements.

Borough of Woodland Park, N.J.

Statement of Expenditures - Regulatory Basis

Current Fund

Year Ended December 31, 2024

	<u>Ref.</u>	<u>Budget</u>	<u>Budget After Modification</u>	<u>Paid or Charged</u>	<u>Reserved</u>	<u>Unexpended Balance Cancelled</u>
<u>General Appropriations</u>						
Operations - within "CAPS"						
GENERAL GOVERNMENT:						
Administrative and Executive						
Salaries and Wages		465,300	445,300	420,384	19,916	5,000
Other Expenses		184,700	184,700	165,568	19,132	
Mayor and Council						
Salaries and Wages		60,720	60,720	60,036	684	
Other Expenses		1,000	1,000	489	511	
Elections						
Other Expenses		16,000	17,000	16,669	331	
Financial Administration						
Salaries and Wages		149,100	144,100	139,137	4,963	
Other Expenses		74,850	64,850	45,191	19,659	
Audit Services						
Other Expenses		80,000	90,000	80,000	10,000	
Collection of Taxes						
Salaries and Wages		60,300	60,300	56,804	3,496	
Other Expenses		20,000	20,000	18,231	1,769	
Liquidation of Tax Title Liens and Foreclosed Property						
Other Expenses		100	100			100
Assessment of Taxes						
Salaries and Wages		28,250	28,250	28,219	31	
Other Expenses		75,200	70,200	60,749	9,451	

Borough of Woodland Park, N.J.

Statement of Expenditures - Regulatory Basis

Current Fund

Year Ended December 31, 2024

	<u>Ref.</u>	<u>Budget</u>	<u>Budget After Modification</u>	<u>Paid or Charged</u>	<u>Reserved</u>	<u>Unexpended Balance Cancelled</u>
<u>General Appropriations</u>						
Legal Services						
Other Expenses		133,700	133,700	109,401	24,299	
Legal - Mt. Laurel Litigation Planner		20,000	20,000	20,000		
Planner		25,000	20,000	20,000		
Engineering Services						
Other Expenses		63,000	63,000	61,710	1,290	
Planning Board (Land Use)						
Salaries and Wages		4,200	4,200	2,826	374	1,000
Other Expenses		7,900	7,900	6,206	1,694	
Zoning Board of Adjustment						
Salaries and Wages		3,300	3,300	2,826	474	
Other Expenses		5,900	5,900	4,923	977	
INSURANCE:						
Other Insurance Premiums		1,085,838	1,065,838	1,036,412	15,926	13,500
Employee Group Insurance		1,892,000	1,892,000	1,849,935	42,065	
Health Benefit Waivers		62,000	62,000	54,286	714	7,000
PUBLIC SAFETY:						
Police Department		4,570,193	4,570,193	4,432,792	137,401	
Salaries and Wages				173,993	41,607	
Other Expenses		215,600	215,600	156,888	43,112	
Police Termination Pay			200,000			
Maintenance of Fire Alarm System						
Salaries and Wages		7,500	2,500	1,418		1,082
Other Expenses		7,500	7,500	2,104	5,396	

Borough of Woodland Park, N.J.

Statement of Expenditures - Regulatory Basis

Current Fund

Year Ended December 31, 2024

	<u>Ref.</u>	<u>Budget</u>	<u>Budget After Modification</u>	<u>Paid or Charged</u>	<u>Reserved</u>	<u>Unexpended Balance Cancelled</u>
<u>General Appropriations</u>						
Office of Emergency Management						
Salaries and Wages		12,750	12,750	10,497	2,253	
Other Expenses		7,500	7,500	2,172	5,328	
First Aid Organization - Contribution		17,450	22,450	16,068	6,382	
Fire						
Clothing Allowance		64,113	64,113	64,113		
Other Expenses		117,596	150,596	146,058	4,538	
Uniform Fire Safety Act						
Salaries and Wages		38,000	38,000	26,125	6,875	5,000
Life Hazard Use Fee Payments						
Salaries and Wages		56,201	56,201	56,200	1	
Other Expenses		8,355	8,355	6,446	1,909	
Municipal Prosecutor						
Other Expenses		20,400	20,400	19,260		1,140
PUBLIC WORKS						
Street and Road Maintenance						
Salaries and Wages		1,194,000	1,134,000	1,053,858	70,142	10,000
Other Expenses		94,573	94,573	85,316	9,257	
Garbage and Trash Removal						
Contract - Collection		1,524,250	1,524,250	1,511,637	12,613	
Recycling						
Salaries and Wages		55,000	55,000	47,156	7,844	
Other Expenses		2,000	2,000	1,171	829	

Borough of Woodland Park, N.J.

Statement of Expenditures - Regulatory Basis

Current Fund

Year Ended December 31, 2024

	<u>Ref.</u>	<u>Budget</u>	<u>Budget After Modification</u>	<u>Paid or Charged</u>	<u>Reserved</u>	<u>Unexpended Balance Cancelled</u>
<u>General Appropriations</u>						
Sewer System						
Salaries and Wages		225,300	220,300	211,190	9,110	
Other Expenses		171,100	197,100	170,276	26,824	
Buildings and Grounds						
Salaries and Wages		33,000	25,000	24,328	672	
Other Expenses		57,000	57,000	54,955	2,045	
Vehicle Maintenance						
Salaries and Wages		120,400	115,400	110,123	5,277	
Other Expenses		60,440	60,440	37,230	23,210	
Snow Removal						
Other Expenses		36,500	46,500	46,500		
HEALTH AND HUMAN SERVICES:						
Board of Health						
Salaries and Wages		31,000	25,000	23,573	1,427	
Other Expenses		5,800	5,800	3,721	2,079	
Health Services - Contractual		75,100	75,100	75,070		30
Animal Control						
Other Expenses		40,475	40,475	40,363	112	
PARKS AND RECREATION:						
Youth and Senior Citizens Center						
Salaries and Wages		40,100	40,100	38,303	1,797	
Other Expenses		7,124	7,124	4,968	2,156	
Parks and Playgrounds						
Salaries and Wages		164,000	158,000	149,430	8,570	
Other Expenses		63,440	59,440	53,808	5,632	

Borough of Woodland Park, N.J.

Statement of Expenditures - Regulatory Basis

Current Fund

Year Ended December 31, 2024

	<u>Ref.</u>	<u>Budget</u>	<u>Budget After Modification</u>	<u>Paid or Charged</u>	<u>Reserved</u>	<u>Unexpended Balance Cancelled</u>
<u>General Appropriations</u>						
MUNICIPAL COURT:						
Municipal Court Administration		168,000	168,000	159,942	6,558	1,500
Salaries and Wages						
Other Expenses		28,200	28,200	18,383	9,817	
Public Defender						
Other Expenses		14,500	14,500	13,794		706
UNIFORM CONSTRUCTION CODE:						
Construction Code Official						
Salaries and Wages		86,700	86,700	86,453	247	
Other Expenses		17,600	17,600	12,895	4,705	
Plumbing Inspector						
Salaries and Wages		18,070	18,070	18,070		
Fire Protection Official						
Salaries and Wages		6,805	6,805	6,805		
Elevator Inspection Fees						
Other Expenses		25,000	25,000	24,000	1,000	
Electrical Inspections						
Salaries and Wages		15,400	15,400	14,377	23	1,000
Other Expenses		500	500		500	
UNCLASSIFIED:						
Celebration of Public Events						
Other Expenses		18,000	18,000	14,919	3,081	
Salary and Wage Adjustment		500	12,500		12,500	
Electric and Gas		110,000	116,000	106,238	9,762	

Borough of Woodland Park, N.J.

Statement of Expenditures - Regulatory Basis

Current Fund

Year Ended December 31, 2024

	<u>Ref.</u>	<u>Budget</u>	<u>Budget After Modification</u>	<u>Paid or Charged</u>	<u>Reserved</u>	<u>Unexpended Balance Cancelled</u>
<u>General Appropriations</u>						
Street Lighting		173,250	202,250	202,070	180	
Telephone		71,400	71,400	49,909	21,491	
Fire Hydrant Service		49,000	52,000	47,266	4,734	
Gasoline		142,000	142,000	103,508	38,492	
Contingent		10,000	10,000	10,000		
Total Operations within "CAPS"		<u>14,617,043</u>	<u>14,788,043</u>	<u>14,005,741</u>	<u>735,244</u>	<u>47,058</u>
Detail:						
Salaries and Wages	A-1	7,614,089	7,706,089	7,337,760	343,747	24,582
Other Expenses	A-1	7,002,954	7,081,954	6,667,981	391,497	22,476
Deferred Charges and Statutory Expenditures - Municipal within "CAPS"						
Statutory Expenditures:						
Contribution to:						
Public Employees' Retirement System		508,500	508,500	508,500		
Social Security System (O.A.S.I.)		290,700	319,700	314,252	5,448	
Police and Firemen's Retirement System of N.J.		1,302,963	1,302,963	1,302,963		
Unemployment Compensation		14,000	14,000	14,000		
Defined Contribution Retirement Program (DCRP)		18,000	18,000	14,039	2,961	1,000
Total Deferred Charged and Statutory Expenditures - Municipal within "CAPS"	A-1	<u>2,134,163</u>	<u>2,163,163</u>	<u>2,153,754</u>	<u>8,409</u>	<u>1,000</u>
Total General Appropriations for Municipal Purposes within "CAPS"		<u>16,751,206</u>	<u>16,951,206</u>	<u>16,159,495</u>	<u>743,653</u>	<u>48,058</u>

Borough of Woodland Park, N.J.

Statement of Expenditures - Regulatory Basis

Current Fund

Year Ended December 31, 2024

	<u>Ref.</u>	<u>Budget</u>	<u>Budget After Modification</u>	<u>Paid or Charged</u>	<u>Reserved</u>	<u>Unexpended Balance</u> <u>Cancelled</u>
<u>General Appropriations</u>						
Operations - Excluded from "CAPS"						
Passaic Valley Sewerage Charge		1,044,178	1,044,178	1,044,178		
Stormwater Management		20,000	20,000	11,384	3,616	5,000
Other Expenses						
LOSAP						
Other Expenses		90,000	90,000	88,868		1,132
2024 CAP Exclusions:						
Liability Insurance		103,235	103,235	103,235		
Maintenance of Free Public Library						
Other Expenses		775,126	775,126	616,937	158,189	
SHARED SERVICE AGREEMENTS						
Borough of Totowa - Construction Code		109,326	109,326	109,326		
Other Expenses						
Woodland Park BoE - School Resource Officer		134,055	134,055	134,055		
Salaries and Wages						
Woodland Park BoE - Public Information Officer		47,826	47,826	47,826		
Salaries and Wages		8,160	8,160	8,160		
Other Expenses						
Borough of Bloomingdale - CFO		30,000	30,000	30,000		
Salaries and Wages						

Borough of Woodland Park, N.J.

Statement of Expenditures - Regulatory Basis

Current Fund

Year Ended December 31, 2024

	<u>General Appropriations</u>	<u>Ref.</u>	<u>Budget</u>	<u>Budget After Modification</u>	<u>Paid or Charged</u>	<u>Reserved</u>	<u>Unexpended Balance Cancelled</u>
PUBLIC AND PRIVATE PROGRAMS OFFSET BY REVENUES:							
Body Armor Grant			2,612	2,612	2,612		
ARP Firefighters Grant			75,000	75,000	75,000		
Clean Communities			29,757	29,757	29,757		
Alcohol Education and Rehab Fund			490	490	490		
National Opioids Fund Settlement			10,670	10,670	10,670		
Passaic County Open Space Grant - Zaccaria Park			208,468	208,468	208,468		
Spotted Lantern Fly Reimbursement Program			15,000	15,000	15,000		
EMMA Grant			10,000	10,000	10,000		
CDBG - Library Generator			260,000	260,000	260,000		
Bulletproof Vest Partnership Grant			4,873	4,873	4,873		
Distracted Driving Crackdown			7,000	7,000	7,000		
Drive Sober or Get Pulled Over			7,000	7,000	7,000		
Safe and Secure Communities			45,150	45,150	45,150		
Passaic County Stigma Free Grant			1,000	1,000	1,000		
Municipal Alliance Grant			8,277	8,277	8,277		
FEMA - Assistance to Firefighters Grant			38,095	38,095	38,095		
Recycling Tonnage Grant			18,348	18,348	18,348		
			<u>3,103,646</u>	<u>3,103,646</u>	<u>2,935,709</u>	<u>161,805</u>	<u>6,132</u>
Total Operations - Excluded from "CAPS"							
Detail:							
Salaries & Wages		A-1	211,881	211,881	211,881		
Other Expenses		A-1	2,891,765	2,891,765	2,723,828	161,805	6,132

Borough of Woodland Park, N.J.

Statement of Expenditures - Regulatory Basis

Current Fund

Year Ended December 31, 2024

	<u>Ref.</u>	<u>Budget</u>	<u>Budget After Modification</u>	<u>Paid or Charged</u>	<u>Reserved</u>	<u>Unexpended Balance Cancelled</u>
<u>General Appropriations</u>						
Capital Improvements:						
Capital Improvement Fund		70,000	70,000	70,000		
Total Capital Improvements Excluded from "CAPS"	A-1	<u>70,000</u>	<u>70,000</u>	<u>70,000</u>		
Municipal Debt Service:						
Payment of Bond Principal		1,330,000	1,330,000	1,330,000		
Payment of Bond Anticipation Notes and Capital Notes		223,940	223,940	213,117		10,823
Interest on Bonds		296,763	296,763	296,762		1
Interest on Notes		445,924	445,924	443,447		2,477
Wastewater Treatment Trust Fund						
Principal		55,553	55,553	55,553		
Interest		1,280	1,280	1,275		5
Total Municipal Debt Service-Excluded from "CAPS"	A-1	<u>2,353,460</u>	<u>2,353,460</u>	<u>2,340,154</u>		<u>13,306</u>
Deferred Charges:						
Emergency Authorizations		60,000	60,000	60,000		
Special Emergency Authorizations		73,000	73,000	73,000		
Total Deferred Charges - Municipal - Excluded from "CAPS"	A-1	<u>133,000</u>	<u>133,000</u>	<u>133,000</u>		<u>500</u>
Judgements	A-1	<u>500</u>	<u>500</u>			
Total General Appropriations for Municipal Purposes Excluded from "CAPS"		<u>5,660,606</u>	<u>5,660,606</u>	<u>5,478,863</u>	<u>161,805</u>	<u>19,938</u>

Borough of Woodland Park, N.J.

Statement of Expenditures - Regulatory Basis

Current Fund

Year Ended December 31, 2024

	Ref.	Budget	Budget After Modification	Paid or Charged	Reserved	Unexpended Balance Cancelled
General Appropriations						
Subtotal General Appropriations		22,411,812	22,611,812	21,638,358	905,458	67,996
Reserve for Uncollected Taxes		734,000	734,000	734,000		
Total General Appropriations		<u>23,145,812</u>	<u>23,345,812</u>	<u>22,372,358</u>	<u>905,458</u>	<u>67,996</u>
					A	
Adopted Budget	A-2		22,724,225			
Appropriated by (N.J.S.A. 40A:4-87)	A-2		421,587			
Special Emergency Appropriation	A-13		200,000			
			<u>23,345,812</u>			
Analysis of Paid or Charged						
Reserve for Uncollected Taxes	A-2			734,000		
Cash Disbursed	A-4			20,176,332		
Encumbrances Payable	A-16			587,286		
Deferred Charges						
Special Emergency Authorization	A-13			73,000		
Emergency Authorization	A-14			60,000		
Reserve for Federal and State Grants	A-24			741,740		
				<u>22,372,358</u>		

The accompanying "Notes to Financial Statements" are an integral part of these Financial Statements.

BOROUGH OF WOODLAND PARK, N.J.

Comparative Balance Sheet - Regulatory Basis

Trust Funds

December 31, 2024 and 2023

<u>Assets</u>	<u>Ref.</u>	<u>2024</u>	<u>2023</u>
Assessment Fund:			
Assessment Receivable	B-2	<u>6,119</u>	<u>6,119</u>
Dog License Fund			
Cash - Treasurer	B-1	<u>2,883</u>	<u>4,031</u>
Other Trust Funds:			
Cash - Treasurer	B-1	2,794,027	2,764,860
Due from Current Fund	B-5		<u>16,003</u>
		<u>2,794,027</u>	<u>2,780,863</u>
Open Space Trust Fund:			
Cash	B-1	<u>740,935</u>	<u>426,744</u>
Community Development Trust Fund:			
Cash	B-1	<u>641</u>	<u>641</u>
Emergency Services Volunteer Length of Service Award Program (unaudited):			
Cash	B-1	<u>2,254,157</u>	<u>1,963,085</u>
		<u>5,798,762</u>	<u>5,181,483</u>

BOROUGH OF WOODLAND PARK, N.J.

Comparative Balance Sheet - Regulatory Basis

Trust Funds

December 31, 2024 and 2023

	<u>Ref.</u>	<u>2024</u>	<u>2023</u>
<u>Liabilities, Reserves and Fund Balance</u>			
Assessment Fund:			
Reserve for Assessments	B-3	6,119	6,119
Dog License Fund:			
Due to State of New Jersey	B-4	1	1
Reserve for Dog Fund Expenditures	B-6	2,480	2,690
Due to Current Fund	B-5	402	1,340
		2,883	4,031
Other Trust Funds:			
Due to Current Fund	B-5	63	108
Various Reserves	B-7	2,793,964	2,780,755
		2,794,027	2,780,863
Open Space Trust Fund:			
Reserve for Expenditures	B-8	740,935	426,744
Community Development Trust Fund:			
Reserve for Expenditures	B-9	641	641
Emergency Services Volunteer Length of Service Award Program (unaudited):			
Net Assets Available for Benefits	B-11	2,254,157	1,963,085
		5,798,762	5,181,483

See accompanying notes to financial statements.

Borough of Woodland Park, N.J.

Comparative Balance Sheet - Regulatory Basis

General Capital Fund

December 31,

	<u>Ref.</u>	<u>2024</u>	<u>2023</u>
<u>Assets</u>			
Cash	C-2/C-3	3,804,680	5,658,631
Deferred Charges to Future Taxation:			
Funded	C-4	9,055,000	10,440,553
Unfunded	C-5	14,226,198	14,613,895
Various Receivables	C-6	4,957,520	3,357,806
		<u>32,043,398</u>	<u>34,070,885</u>
<u>Liabilities, Reserves and Fund Balance</u>			
Bond Anticipation Notes	C-7	9,500,000	9,909,421
General Serial Bonds Payable	C-8	9,055,000	10,385,000
New Jersey Wastewater Trust - Fund Loan Payable	C-9		23,684
New Jersey Wastewater Trust - Trust Loan Payable	C-10		31,869
Improvement Authorizations:			
Funded	C-11	1,720,581	4,161,548
Unfunded	C-11	3,196,341	5,116,191
Capital Improvement Fund	C-12	242,122	208,808
Reserve for Encumbrances	C-13	7,765,616	2,400,546
Interfund - Current Fund	C-14		111,583
Various Reserves	C-15	459,229	1,643,409
Fund Balance	C-1	104,509	78,826
		<u>32,043,398</u>	<u>34,070,885</u>

Footnote: There was Authorized but not Issued Debt at December 31, 2024 and 2023 of \$4,892,971 and \$5,046,179 respectively per Exhibit C-16.

The accompanying "Notes to Financial Statements" are an integral part of these Financial Statements.

Borough of Woodland Park, N.J.

Comparative Statement of Changes in Fund Balance - Regulatory Basis

General Capital Fund

December 31,

	<u>Ref.</u>	<u>2024</u>	<u>2023</u>
Balance - January 1,	C	78,826	8
Increased by:			
Premium on Bond Anticipation Notes	C-2	75,683	68,276
Funded Improvement Authorizations Canceled	C-11	<u>75,683</u>	<u>10,542</u>
		154,509	78,818
Decreased by:			
Appropriated to Budget Revenue	C-2	<u>50,000</u>	<u>78,826</u>
Balance - December 31,	C,C-3	<u><u>104,509</u></u>	<u><u>78,826</u></u>

The accompanying "Notes to Financial Statements" are an integral part of these Financial Statements.

Borough of Woodland Park, N.J.

Comparative Balance Sheet - Regulatory Basis

Water Utility Fund

December 31,

	<u>Ref</u>	<u>2024</u>	<u>2023</u>
<u>Assets</u>			
Operating Fund:			
Cash	D-5	<u>1,401,162</u>	<u>1,819,677</u>
		<u>1,401,162</u>	<u>1,819,677</u>
Receivables with Full Reserves:			
Consumers Account Receivable	D-8	<u>87,928</u>	<u>85,872</u>
Total Operating Fund		<u>1,489,090</u>	<u>1,905,549</u>
 Capital Fund:			
Cash	D-5/D-6	1,321,827	1,105,396
Due from Infrastructure Trust Fund - Unexpended			
Loan Proceeds - Project Credits Receivable	D-9	23,715	23,715
Fixed Capital	D-10	3,473,372	3,473,372
Fixed Capital Authorized and Uncompleted	D-11	4,329,500	3,626,500
Interfund - Water Utility Operating Fund	D-26	<u>201</u>	<u> </u>
Total Capital Fund		<u>9,148,615</u>	<u>8,228,983</u>
Total Assets		<u><u>10,637,705</u></u>	<u><u>10,134,532</u></u>

The accompanying "Notes to the Financial Statements" are an integral part of these Financial Statements.

Borough of Woodland Park, N.J.

Comparative Balance Sheet - Regulatory Basis

Water Utility Fund

December 31,

	<u>Ref</u>	<u>2024</u>	<u>2023</u>
<u>Liabilities, Reserves and Fund Balance</u>			
Operating Fund:			
Appropriation Reserve	D-4/D-12	280,255	554,641
Interfund - Water Utility Capital Fund	D-7	201	
Encumbrances Payable	D-13	36,890	82,637
Reserve for Outside Liens	D-14	1,912	1,912
Water Rent Overpayments	D-15	7,610	9,946
Accrued Interest on Debt - Infrastructure Loan	D-16		320
Accrued Interest on Debt - Notes	D-17	52,320	28,900
Accounts Payable	D-18	7,264	5,714
		<u>386,452</u>	<u>684,070</u>
Reserve for Receivables	Contra	87,928	85,872
Fund Balance	D-1	1,014,710	1,135,607
Total Operating Fund		<u>1,489,090</u>	<u>1,905,549</u>
Capital Fund:			
Infrastructure Trust Loans Payable	D-19		19,198
Bond Anticipation Notes	D-20	2,690,000	1,985,579
Improvement Authorizations:			
Funded	D-21	84,354	84,354
Unfunded	D-21	1,462,571	861,248
Encumbrances Payable	D-22	270,807	726,831
Capital Improvement Fund	D-23	343,941	343,741
Down Payment on Capital Improvements	D-24	1,500	1,500
Reserve for Amortization	D-25	3,444,210	3,425,012
Reserve for Deferred Amortization	D-27	704,160	655,878
Reserve for Debt Service	D-28	60,627	60,627
Fund Balance	D-2	86,445	65,015
Total Capital Fund		<u>9,148,615</u>	<u>8,228,983</u>
Total Liabilities, Reserves and Fund Balances		<u>10,637,705</u>	<u>10,134,532</u>

The fixed capital reported is taken from the municipal records and does not necessarily reflect the true condition of such fixed capital. There was authorized but not issued debt at December 31, 2024 and 2023 of \$988,217 and \$1,037,920 respectively per Exhibit D-29.

The accompanying "Notes to the Financial Statements" are an integral part of these Financial Statements.

Borough of Woodland Park, N.J.

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

Water Utility Operating Fund

Year Ended December 31,

	<u>Ref.</u>	<u>2024</u>	<u>2023</u>
Revenue and Other Income Realized:			
Surplus Anticipated	D-3	650,000	398,336
Rents	D-3	2,646,434	2,562,465
Miscellaneous Revenue	D-3	39,875	49,664
Other Credits to Income:			
Unexpended Balance of Appropriation Reserves	D-12	<u>397,519</u>	<u>441,722</u>
Total Income		<u>3,733,828</u>	<u>3,452,187</u>
Expenditures:			
Operating	D-4	2,615,320	2,519,150
Capital Improvements	D-4	300	200
Debt Service	D-4	180,203	130,182
Deferred Charges and Statutory Expenditures	D-4	108,902	105,200
Surplus (General Budget)	D-4	<u>300,000</u>	
Total Expenditures		<u>3,204,725</u>	<u>2,754,732</u>
Excess in Revenue over Expenditures		529,103	697,455
Expenditures Included Above Which are by Statute Deferred Charges to Budget of Succeeding Years			
Statutory Excess to Surplus		529,103	697,455
Fund Balance - January 1,	D	<u>1,135,607</u>	<u>836,488</u>
		1,664,710	1,533,943
Decreased by:			
Utilized as Anticipated Revenue	D-3	<u>650,000</u>	<u>398,336</u>
Fund Balance - December 31,	D	<u><u>1,014,710</u></u>	<u><u>1,135,607</u></u>

The accompanying "Notes to the Financial Statements" are an integral part of these Financial Statements

Borough of Woodland Park, N.J.

Comparative Statement of Capital Surplus - Regulatory Basis

Water Capital Fund

Year Ended December 31,

	<u>Ref.</u>	<u>2024</u>	<u>2023</u>
Balance - January 1,	D	65,015	51,334
Increased by:			
Premium on Sale of Bond Anticipation Notes	D-5	<u>21,430</u>	<u>13,681</u>
Balance - December 31,	D	<u><u>86,445</u></u>	<u><u>65,015</u></u>

The accompanying "Notes to the Financial Statements" are an integral part of these Financial Statements.

Borough of Woodland Park, N.J.

Statement of Revenues - Regulatory Basis

Water Utility Operating Fund

Year Ended December 31, 2024

	<u>Ref.</u>	<u>Anticipated</u>	<u>Realized</u>	<u>Excess (Deficit)</u>
Operating Surplus Anticipated	D-1	650,000	650,000	
Rents	D-1,D-8	2,556,297	2,646,434	90,137
Miscellaneous	D-1	<u>35,000</u>	<u>39,875</u>	<u>4,875</u>
 Budget Totals		 <u>3,241,297</u> D-4	 <u>3,336,309</u>	 <u>95,012</u>
 <u>Analysis Realized Revenues</u>				
Miscellaneous:				
Interest on Deposits			22,472	
Late Interest Charge			8,099	
Meter Installations			<u>9,304</u>	
	D-5		<u>39,875</u>	

The accompanying "Notes to the Financial Statements" are an integral part of these Financial Statements.

Borough of Woodland Park, N.J.

Statement of Expenditures - Regulatory Basis

Water Utility Operating Fund

Year Ended December 31, 2024

	Ref.	Appropriated		Expended	Reserved	Unexpended
		Budget	Budget After Modification	Paid or Charged		Balance Canceled
Operating:						
Salaries and Wages		698,000	698,000	654,328	28,672	15,000
Other Expenses		1,952,320	1,952,320	1,692,065	240,255	20,000
Total Operating	D-1	2,650,320	2,650,320	2,346,393	268,927	35,000
Capital Improvements:						
Capital Improvement Fund		200	200	200		
Capital Outlay		100	100		100	
Total Capital Improvements	D-1	300	300	200	100	
Debt Service:						
Payment of Bond Anticipation Notes		48,500	48,500	48,282		218
Interest on Notes		112,275	112,275	112,275		
Infrastructure Trust Loan		21,000	21,000	19,646		1,354
Total Debt Service	D-1	181,775	181,775	180,203		1,572
Deferred Charges and Statutory Expenditures:						
Statutory Expenditures:						
Contribution to:						
Public Employees' Retirement System		47,500	47,567	47,567		
Social Security System (O.A.S.I.)		61,302	61,235	50,107	11,128	
Unemployment Compensation Insurance		100	100		100	
Total Deferred Charges and Statutory Expenditures	D-1	108,902	108,902	97,674	11,228	
Surplus (General Budget)	D-1	300,000	300,000	300,000		
		<u>3,241,297</u>	<u>3,241,297</u>	<u>2,924,470</u>	<u>280,255</u>	<u>36,572</u>
			D-3		D	
			Ref.			
		Cash Disbursed	D-5	2,775,305		
		Encumbrances Payable	D-13	36,890		
		Interest on Notes	D-17	112,275		
				<u>2,924,470</u>		

The accompanying "Notes to the Financial Statements" are an integral part of these Financial Statements.

BOROUGH OF WOODLAND PARK, N.J.

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

General Fixed Assets Account Group

December 31, 2024 and 2023

	<u>2024</u>	<u>2023</u>
General Fixed Assets:		
Land	\$ 11,584,466	11,045,937
Buildings	9,638,198	9,638,198
Automobiles and Vehicles	8,314,086	8,280,236
Equipment	<u>2,506,657</u>	<u>2,458,563</u>
Investment in General Fixed Assets	<u>\$ 32,043,407</u>	<u>31,422,934</u>

See accompanying notes to financial statements.

BOROUGH OF WOODLAND PARK
Notes to Financial Statements
Years Ended December 31, 2024 and 2023

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, 2024 and 2023
(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.

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.

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.

BOROUGH OF WOODLAND PARK
Notes to Financial Statements
Years Ended December 31, 2024 and 2023
(continued)

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

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

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 the 11th day of the 11th month of the current 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, 2024 and 2023
(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
- Water Utility Capital Fund

The governing body shall introduce and approve the annual budget not later than March 29, of the fiscal year. The budget shall be adopted not later than April 30, 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, 2024 and 2023
(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 2024, the Governing Body increased the original budget by \$621,587. The increase was funded by \$421,587 in additional grants allotted the Borough and a \$200,000 Special Emergency Appropriation for Accumulated Absences. In addition, several budget transfers were 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.

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.

BOROUGH OF WOODLAND PARK
Notes to Financial Statements
Years Ended December 31, 2024 and 2023
(continued)

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

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

Basis of Accounting, (continued)

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.

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.

BOROUGH OF WOODLAND PARK
Notes to Financial Statements
Years Ended December 31, 2024 and 2023
(continued)

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

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

Basis of Accounting, (continued)

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.

Recent Accounting Pronouncements

The following GASB statement became effective for the fiscal year ended December 31, 2024:

GASB Statement No. 101, *Compensated Absences*. The objective of this Statement is to better meet the information needs of financial statement users by updating the recognition and measurement guidance for compensated absences. That objective is achieved by aligning the recognition and measurement guidance under a unified model and by amending certain previously required disclosures. As a result of the regulatory basis of accounting described in note 1, this Statement will have no impact on the financial statements of the Borough.

BOROUGH OF WOODLAND PARK
Notes to Financial Statements
Years Ended December 31, 2024 and 2023
(continued)

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

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

Recent Accounting Pronouncements (continued)

The Governmental Accounting Standards Board (GASB) has issued the following statements that have effective dates that may affect future financial presentations:

In December 2023, the Government Accounting Standards Board issued GASB Statement No. 102, *Certain Risk Disclosures*. This Statement requires a government to assess whether a concentration or constraint makes the primary government reporting unit or other reporting units that report a liability for revenue debt vulnerable to the risk of a substantial impact. Additionally, this Statement requires a government to assess whether an event or events associated with a concentration or constraint that could cause the substantial impact have occurred, have begun to occur or are more likely than not to begin to occur within 12 months of the date the financial statements are issued. The requirements of this Statement are effective for fiscal years beginning after June 15, 2024, and all reporting periods thereafter. Management is currently evaluating whether or not this Statement will have an impact on the basic financial statements of the Borough.

In April 2024, the Government Accounting Standards Board issued GASB Statement No. 103, *Financial Reporting Model Improvements*. The objective of this Statement is to improve key components of the financial reporting model to enhance its' effectiveness in providing information that is essential for decision making and assessing a government's accountability. This Statement also addresses certain application issues. The requirements of this Statement are effective for fiscal years beginning after June 15, 2025, and all reporting periods thereafter, though, earlier application is encouraged. Management is currently reviewing the provisions of this Statement and plans to implement, as needed, before the effective date.

[THIS AREA INTENTIONALLY LEFT BLANK]

BOROUGH OF WOODLAND PARK
Notes to Financial Statements
Years Ended December 31, 2024 and 2023
(continued)

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

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.

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, 2024 and 2023, \$-0- of the Borough's bank balance of \$15,910,797 and \$17,972,005, respectively, were 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.

BOROUGH OF WOODLAND PARK
Notes to Financial Statements
Years Ended December 31, 2024 and 2023
(continued)

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

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 VALIC, which is an authorized provider approved by the Division of Local Government Services. The balance in the account on December 31, 2024 and 2023 amounted to \$2,254,157 and \$1,963,085, respectively.

The following investments represent 5% or more of the total invested with VALIC on December 31, 2024 and 2023:

	<u>2024</u>	<u>2023</u>
Growth Funds	\$235,637	\$165,649
Value Funds	163,085	104,230
Science and Technology	253,071	190,910
Fixed Account Plus	672,919	728,106
Stock Index Fund	853,692	700,362
All Others	<u>75,753</u>	<u>73,828</u>
Total	<u>\$2,254,157</u>	<u>\$1,963,085</u>

BOROUGH OF WOODLAND PARK
Notes to Financial Statements
Years Ended December 31, 2024 and 2023
(continued)

NOTE 3. MUNICIPAL DEBT

Long-term debt as of December 31, 2024 consisted of the following:

	<u>Balance</u> <u>Dec. 31, 2023</u>	<u>Additions</u>	<u>Reductions</u>	<u>Balance</u> <u>Dec. 31, 2024</u>	<u>Amounts Due</u> <u>Within</u> <u>One Year</u>
Bonds Payable:					
General Capital	\$10,385,000	\$ _____	\$1,330,000	\$9,055,000	\$1,400,000
Total Bonds Payable	<u>10,385,000</u>	<u>_____</u>	<u>1,330,000</u>	<u>9,055,000</u>	<u>1,400,000</u>
Other Liabilities:					
Compensated Absences Payable	2,145,933	608,876	264,475	2,490,334	
New Jersey Infrastructure Trust:					
Wastewater Loans - General Capital	55,553		55,553		
Wastewater Loans - Water Capital	<u>19,198</u>	<u>_____</u>	<u>19,198</u>	<u>_____</u>	<u>_____</u>
Total Other Liabilities	<u>2,220,684</u>	<u>608,876</u>	<u>339,226</u>	<u>2,490,334</u>	<u>1,400,000</u>
	<u>\$12,605,684</u>	<u>\$608,876</u>	<u>\$1,669,226</u>	<u>\$11,545,334</u>	<u>\$2,490,334</u>
	<u>Balance</u> <u>Dec. 31, 2022</u>	<u>Additions</u>	<u>Reductions</u>	<u>Balance</u> <u>Dec. 31, 2023</u>	<u>Amounts Due</u> <u>Within</u> <u>One Year</u>
Bonds Payable:					
General Capital	\$11,645,000	\$ _____	\$1,260,000	\$10,385,000	\$1,330,000
Total Bonds Payable	<u>11,645,000</u>	<u>_____</u>	<u>1,260,000</u>	<u>10,385,000</u>	<u>1,330,000</u>
Other Liabilities:					
Compensated Absences Payable	1,583,179	590,377	27,623	2,145,933	
New Jersey Infrastructure Trust:					
Wastewater Loans - General Capital	145,330		89,777	55,553	55,553
Wastewater Loans - Water Capital	<u>38,443</u>	<u>_____</u>	<u>19,245</u>	<u>19,198</u>	<u>19,198</u>
Total Other Liabilities	<u>1,766,952</u>	<u>590,377</u>	<u>136,645</u>	<u>2,220,684</u>	<u>74,751</u>
	<u>\$13,411,952</u>	<u>\$590,377</u>	<u>\$1,396,645</u>	<u>\$12,605,684</u>	<u>\$1,404,751</u>

BOROUGH OF WOODLAND PARK
Notes to Financial Statements
Years Ended December 31, 2024 and 2023
(continued)

NOTE 3. MUNICIPAL DEBT, (continued)

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.

The Borough's debt is summarized as follows:

Summary of Municipal Debt (Excluding Current Operating Debt)

	<u>Year 2024</u>	<u>Year 2023</u>	<u>Year 2022</u>
<u>Issued:</u>			
General - Bonds, Notes and Loans	\$18,555,000	\$20,349,974	\$19,656,477
Water Utility - Bonds, Notes and Loans	<u>2,690,000</u>	<u>2,004,777</u>	<u>2,072,296</u>
	<u>21,245,000</u>	<u>22,354,751</u>	<u>21,728,773</u>
<u>Authorized But Not Issued</u>			
General - Bonds, Notes and Loans	4,892,971	5,046,179	4,998,462
Water Utility - Bonds and Notes	<u>988,217</u>	<u>1,037,920</u>	<u>167,920</u>
	<u>5,881,188</u>	<u>6,084,099</u>	<u>5,166,382</u>
Total Bonds, Notes and Loans Issued and Authorized But Not Issued	27,126,188	28,438,850	26,895,155
Less: Deductions	<u>4,064,990</u>	<u>4,738,582</u>	<u>2,345,216</u>
Net Debt	<u>\$23,061,198</u>	<u>\$23,700,268</u>	<u>\$24,549,939</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 .977% for 2024.

	<u>Gross Debt</u>	<u>Deductions</u>	<u>Net Debt</u>
Local School District Debt	\$2,605,000	\$2,605,000	\$
Water Utility	3,678,217	3,678,217	
General Debt	<u>23,447,971</u>	<u>386,773</u>	<u>23,061,198</u>
	<u>\$29,731,188</u>	<u>\$6,669,990</u>	<u>\$23,061,198</u>

Net debt of \$23,061,198 divided by equalized valuation basis per N.J.S.A. 40A:2-2 as amended of \$2,359,627,510 equals .977%.

BOROUGH OF WOODLAND PARK
Notes to Financial Statements
Years Ended December 31, 2024 and 2023
(continued)

NOTE 3. MUNICIPAL DEBT, (continued)

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 1.087% for 2023.

	<u>Gross Debt</u>	<u>Deductions</u>	<u>Net Debt</u>
Regional School District Debt	\$178,077	\$178,077	\$0
Local School District Debt	2,960,000	2,960,000	0
Water Utility	3,042,697	3,042,697	0
General Debt	<u>25,396,153</u>	<u>1,695,885</u>	<u>23,700,268</u>
	<u>\$31,576,927</u>	<u>\$7,876,659</u>	<u>\$23,700,268</u>

Net debt of \$23,700,268 divided by equalized valuation basis per N.J.S.A. 40A:2-2 as amended of \$2,179,981,985 equals 1.087%.

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

	<u>2024</u>	<u>2023</u>
3 ½% of Equalized Valuation Basis (Municipal)	\$82,586,963	\$76,299,369
Net Debt	<u>23,061,198</u>	<u>23,700,268</u>
Remaining Borrowing Power	<u>\$59,525,765</u>	<u>\$52,599,101</u>

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

	<u>2024</u>	<u>2023</u>
Cash receipts from fees, rents or other charges for year	\$3,336,309	\$3,010,465
Deductions:		
Operating and Maintenance Cost	2,724,222	2,624,350
Debt Service per Water Account	<u>180,203</u>	<u>130,182</u>
Total Deductions	<u>2,904,425</u>	<u>2,904,425</u>
Excess (Deficit) in Revenue - Self-Liquidating	<u>\$431,884</u>	<u>\$431,884</u>

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

BOROUGH OF WOODLAND PARK
Notes to Financial Statements
Years Ended December 31, 2024 and 2023
(continued)

NOTE 3. MUNICIPAL DEBT, (continued)

The Borough's long-term debt consisted of the following at December 31, 2024:

Paid by Current Fund:

<u>General Serial Bonds:</u>	<u>2024</u>	<u>2023</u>
\$7,285,000 Variable Rate Refunding Bonds issued May 1, 2016, due through Jul. 15, 2027	\$3,085,000	\$4,035,000
\$8,590,000 Variable Rate General Improvement Bonds issued Sept. 1, 2017, due through Sept. 1, 2034	<u>5,970,000</u>	<u>6,350,000</u>
Total General Serial Bonds	<u>\$9,055,000</u>	<u>\$10,385,000</u>

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>
2025	\$1,400,000	\$260,663	\$1,660,663
2026	1,450,000	222,663	1,672,663
2027	1,520,000	182,238	1,702,238
2028	615,000	139,013	754,013
2029	640,000	122,100	762,100
2030-2034	<u>3,430,000</u>	<u>312,150</u>	<u>3,742,150</u>
	<u>\$9,055,000</u>	<u>\$1,238,827</u>	<u>\$10,293,827</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, 2024, the Borough had authorized but not issued debt as follows:

General Capital Fund	\$4,892,971
Water Utility Capital Fund	<u>988,217</u>
	<u>\$5,881,188</u>

BOROUGH OF WOODLAND PARK
Notes to Financial Statements
Years Ended December 31, 2024 and 2023
(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.

<u>General Capital</u>	<u>2024</u>	<u>2023</u>
\$485,000 loan due in annual installments of \$15,000 to \$35,000 through August 1, 2024.	\$	\$31,869
\$493,977 loan due in semiannual installments of \$12,072 to \$23,189 through August 1, 2024.	_____	23,684
	<u>\$</u>	<u>\$55,553</u>
<u>Water Utility Capital</u>	<u>2024</u>	<u>2023</u>
\$580,000 loan due in annual installments of \$20,000 to \$45,000 through August 1, 2024 interest at 3.00% to 5.00%.	\$ _____	\$19,198
	<u>\$</u>	<u>\$19,198</u>

[THIS AREA INTENTIONALLY LEFT BLANK]

BOROUGH OF WOODLAND PARK
Notes to Financial Statements
Years Ended December 31, 2024 and 2023
(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, 2024, the Borough had \$9,500,000 in outstanding General Capital bond anticipation notes maturing on May 1, 2025 at an interest rate of 4.50% and \$2,690,000 Water Utility Capital Fund bond anticipation notes maturing on May 1, 2025 at an interest rate of 4.50%.

The following activity related to bond anticipation notes occurred during the periods ended December 31, 2024 and 2023:

	<u>Balance</u> <u>Dec. 31, 2023</u>	<u>Additions</u>	<u>Reductions</u>	<u>Balance</u> <u>Dec. 31, 2024</u>
General Capital Notes Payable:				
BNY Mellon Capital Markets	\$0	\$9,500,000	\$	\$9,500,000
Alphaledger Markets, Inc	<u>9,909,421</u>	<u> </u>	<u>9,909,421</u>	<u>0</u>
	<u>\$9,909,421</u>	<u>\$9,500,000</u>	<u>\$9,909,421</u>	<u>\$9,500,000</u>
Water Utility Capital Notes Payable:				
BNY Mellon Capital Markets	\$0	\$2,690,000	\$	\$2,690,000
Alphaledger Markets, Inc	<u>1,985,579</u>	<u> </u>	<u>1,985,579</u>	<u>0</u>
	<u>\$1,985,579</u>	<u>\$2,690,000</u>	<u>\$1,985,579</u>	<u>\$2,690,000</u>
	<u>Balance</u> <u>Dec. 31, 2022</u>	<u>Additions</u>	<u>Reductions</u>	<u>Balance</u> <u>Dec. 31, 2023</u>
General Capital Notes Payable:				
Amboy Bank	\$7,866,147	\$	\$7,866,147	\$0
Alphaledger Markets, Inc	<u>0</u>	<u>9,909,421</u>	<u> </u>	<u>9,909,421</u>
	<u>\$7,866,147</u>	<u>\$9,909,421</u>	<u>\$7,866,147</u>	<u>\$9,909,421</u>
Water Utility Capital Notes Payable:				
Amboy Bank	\$2,033,853	\$	\$2,033,853	\$0
Alphaledger Markets, Inc	<u>0</u>	<u>1,985,579</u>	<u> </u>	<u>1,985,579</u>
	<u>\$2,033,853</u>	<u>\$1,985,579</u>	<u>\$2,033,853</u>	<u>\$1,985,579</u>

BOROUGH OF WOODLAND PARK
Notes to Financial Statements
Years Ended December 31, 2024 and 2023
(continued)

NOTE 6. 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, 2024	Dec. 31, 2023	Dec. 31, 2024	Dec. 31, 2023
Balance of Tax	\$9,598,240	\$9,322,392	\$3,959,916	\$4,041,919
Deferred	<u>9,598,240</u>	<u>9,322,392</u>	<u>3,959,916</u>	<u>4,041,919</u>
Tax Payable/(Prepaid)	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>

NOTE 7. DEFERRED CHARGES TO BE RAISED IN SUCCEEDING BUDGETS

Certain expenditures are required to be deferred to budgets of succeeding years. The following deferred charges are shown on the balance sheets of the Borough of Woodland Park:

	Balance Dec. 31,	Subsequent Year Budget Appropriation	Balance to Succeeding Years Budget
<u>2024</u>			
Current Fund:			
Special Emergency Appropriation:			
Tropical Storm Ida	\$122,285	\$65,000	\$57,285
Codification of Ordinances	16,000	4,000	12,000
Preparation of Master Plan	16,000	4,000	12,000
Termination Pay	<u>200,000</u>	<u>40,000</u>	<u>160,000</u>
Total Deferred Charges	<u>\$354,285</u>	<u>\$113,000</u>	<u>\$241,285</u>
 <u>2023</u>			
Current Fund:			
Special Emergency Appropriation:			
Tropical Storm Ida	\$187,285	\$65,000	\$122,285
Codification of Ordinances	20,000	4,000	16,000
Preparation of Master Plan	20,000	4,000	16,000
Emergency Authorization	<u>60,000</u>	<u>60,000</u>	<u> </u>
Total Deferred Charges	<u>\$287,285</u>	<u>\$133,000</u>	<u>\$154,285</u>

BOROUGH OF WOODLAND PARK
Notes to Financial Statements
Years Ended December 31, 2024 and 2023
(continued)

NOTE 8. PENSION PLANS

Description of Plans

Borough employees participate in one of the two contributory, defined benefit public employee retirement systems: the State of New Jersey Public Employees' Retirement System (PERS) or the State of New Jersey Police and Firemen's Retirement System (PFRS); or the Defined Contribution Retirement Program (DCRP), a tax-qualified defined contribution money purchase pension plan under Internal Revenue Code (IRC) 401(a).

Public Employees' Retirement System (PERS)

Plan Description

The State of New Jersey Public Employees' Retirement System (PERS) is a cost-sharing multiple-employer defined benefit pension plan administered by the State of New Jersey, Division of Pensions and Benefits (the "Division"). For additional information about the PERS, please refer to the Division's annual financial statements, which can be found at www.state.nj.us/treasury/pensions/annual-reports.shtml.

Benefits Provided

The vesting and benefit provisions are set by N.J.S.A. 43:15A. PERS provides retirement, death and disability benefits. All benefits vest after ten years of service, except for medical benefits, which vest after 25 years of service or under the disability provisions of PERS. The following represents the membership tiers for PERS:

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

Service retirement benefits of 1/55th of final average salary for each year of service credit is available to Tiers 1 and 2 members upon reaching age 60 and to Tier 3 members upon reaching age 62. Service retirement benefits of 1/60th of final average salary for each year of service credit is available to Tier 4 members upon reaching age 62 and to Tier 5 members upon reaching age 65. Early retirement benefits are available to Tiers 1 and 2 members before reaching age 60, to Tiers 3 and 4 before age 62 with 25 or more years of service credit and Tier 5 with 30 or more years of service credit before age 65. Benefits are reduced by a

BOROUGH OF WOODLAND PARK
Notes to Financial Statements
Years Ended December 31, 2024 and 2023
(continued)

NOTE 8. PENSION PLANS, (continued)

Description of Plans, (continued)

fraction of a percent for each month that a member retires prior to the age at which a member can receive full early retirement benefits in accordance with their respective tier. Tier 1 members can receive an unreduced benefit from age 55 to age 60 if they have at least 25 years of service. Deferred retirement is available to members who have at least 10 years of service credit and have not reached the service retirement age for the respective tier.

Police and Firemens' Retirement System (PFRS)

Plan Description

The State of New Jersey Police and Firemen's Retirement System (PFRS), is a cost-sharing multiple-employer defined benefit pension plan administered by the State of New Jersey Division of Pensions and Benefits (the "Division"). For additional information about the PFRS, please refer to the Division's annual financial statements, which can be found at www.state.nj.us/treasury/pensions/annual-reports.shtml.

Benefits Provided

The vesting and benefit provisions are set by N.J.S.A. 43:16A. PFRS provides retirement, death and disability benefits. All benefits vest after ten years of service, except for disability benefits, which vest after 4 years of service. The following represents the membership tiers for PFRS:

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

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

BOROUGH OF WOODLAND PARK
Notes to Financial Statements
Years Ended December 31, 2024 and 2023
(continued)

NOTE 8. PENSION PLANS, (continued)

Description of Plans, (continued)

Defined Contribution Retirement Program

Prudential Financial jointly administers the DCRP investments with the NJ Division of Pensions and Benefits. If an employee is ineligible to enroll in the PERS or PFRS, the employee may be eligible to enroll in the DCRP. DCRP provides eligible members with a tax-sheltered, defined contribution retirement benefit, along with life insurance and disability coverage. Vesting is immediate upon enrollment for members of the DCRP.

The State of New Jersey, Department of the Treasury, Division of Pensions and Benefits, issues publicly available financial reports that include the financial statements and required supplementary information of the DCRP. The financial reports may be obtained by writing to the State of New Jersey, Department of the Treasury, Division of Pensions and Benefits, PO Box 295, Trenton, New Jersey, 08625-0295.

Employers are required to contribute at an actuarially determined rate. Employee contributions are based on percentages of 5.50% for DCRP of employees' annual compensation, as defined. The DCRP was established July 1, 2007, under the provisions of Chapter 92, P.L. 2007 and expanded under the provisions of Chapter 89, P.L. 2008. Employee contributions for DCRP are matched by a 3% employer contribution.

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.

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

BOROUGH OF WOODLAND PARK
Notes to Financial Statements
Years Ended December 31, 2024 and 2023
(continued)

NOTE 8. PENSION PLANS, (continued)

Description of Systems, (continued)

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. 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>	<u>DCRP</u>
2024	\$543,661	\$1,264,108	\$14,039
2023	566,453	1,107,971	14,674
2022	510,722	1,023,116	14,233

Statement No's 68 and 71 require a state or local government employer to recognize a net pension liability measured as of a date (the measurement date) no earlier than the end of its prior fiscal year. However, since the financial statements are prepared on another comprehensive basis of accounting, the net pension liability of the various pension systems is not recorded in the financial statements and is only required to be disclosed in the notes to the financial statements.

The following PERS pension information is as of June 30, 2023 which is the latest information available. This information is eighteen months prior to December 31, 2024. GASB Statement No. 68 requires that the information be no more than twelve months prior to the employer's fiscal year end. No modification of the Independent Auditor's Report is being made since the Division of Local Government Services, Department of County Affairs, State of New Jersey, is permitting the regulatory basis financial statements of Municipal, County and Library's to be issued with unmodified opinion's until such time current pension information is available.

BOROUGH OF WOODLAND PARK
Notes to Financial Statements
Years Ended December 31, 2024 and 2023
(continued)

NOTE 8. PENSION PLANS, (continued)

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

Public Employees Retirement System (PERS)

At June 30, 2023, the Borough had a liability of \$5,891,818 for its proportionate share of the PERS net pension liability. The net pension liability was measured as of June 30, 2023, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of July 1, 2022 which was rolled forward to June 30, 2023. The Borough's proportion of the net pension liability was based on a projection of the Borough's long-term share of contributions to the pension plan relative to the projected contributions of all participating governmental entities, actuarially determined. At June 30, 2023, the Borough's proportion was .0406770604 percent, which was a decrease of .0042421647 percent from its proportion measured as of June 30, 2022.

For the year ended December 31, 2024, the Borough recognized pension expense of \$543,661.

At June 30, 2023, deferred outflows of resources and deferred inflows of resources related to PERS from the following sources:

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Difference between projected and actual experience	\$56,333	\$24,084
Changes of assumptions	12,943	357,069
Net difference between projected and actual earnings on pension plan investments	27,133	
Changes in proportion and differences between the Borough's contributions and proportionate share of contributions	<u>588,601</u>	<u>714,559</u>
Total	<u>\$685,010</u>	<u>\$1,095,712</u>

Amounts reported as deferred outflows of resources related to pensions resulting from contributions subsequent to the measurement date (June 30, 2023) will be recognized as a reduction of the net pension liability in the subsequent year. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions (excluding changes in proportion) will be recognized in pension expense as follows:

Year ended June 30:

2024	\$(311,066)
2025	(173,625)
2026	242,629
2027	(43,421)
2028	738

BOROUGH OF WOODLAND PARK
Notes to Financial Statements
Years Ended December 31, 2024 and 2023
(continued)

NOTE 8. PENSION PLANS, (continued)

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

Public Employees Retirement System (PERS), (continued)

Changes in Proportion

The previous amounts do not include employer specific deferred outflows of resources and deferred inflows of resources related to changes in proportion. These amounts should be recognized (amortized) by each employer over the average of the expected remaining service lives of all plan members, which is 5.08, 5.04, 5.13, 5.16, 5.21 and 5.63 years for 2023, 2022, 2021, 2020, 2019 and 2018 amounts, respectively.

Additional Information

Local Group Collective balances net of nonemployer (State of New Jersey) balances at June 30, 2023 and June 30, 2022 are as follows:

	<u>June 30, 2023</u>	<u>June 30, 2022</u>
Collective deferred outflows of resources	\$1,080,204,730	\$1,660,772,008
Collective deferred inflows of resources	1,780,216,457	3,236,303,935
Collective net pension liability	14,484,374,047	15,091,376,611
Borough's Proportion	.0406770604%	.0449192251%

Actuarial Assumptions

The collective total pension liability for the June 30, 2023 measurement date was determined by an actuarial valuation as of July 1, 2022, which rolled forward to June 30, 2023. This actuarial valuation used the following assumptions, applied to all periods in the measurement.

Inflation Rate:	
Price	2.75%
Wage	3.25%
Salary Increases:	2.75-6.55% (based on years of service)
Investment Rate of Return	7.00 Percent

BOROUGH OF WOODLAND PARK
Notes to Financial Statements
Years Ended December 31, 2024 and 2023
(continued)

NOTE 8. PENSION PLANS, (continued)

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

Mortality Rates

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

The actuarial assumptions used in the June 30, 2022 valuation were based on the results of an actuarial experience study for the period July 1, 2018 to June 30, 2021.

Long-Term Rate of Return

In accordance with State statute, the long-term expected rate of return on plan investments (7.00% at June 30, 2023) is determined by the State Treasurer, after consultation with the Directors of the Division of Investments and Division of Pensions and Benefits, the board of trustees and the actuaries. The long-term expected rate of return was determined using a building block method in which best-estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate

BOROUGH OF WOODLAND PARK
Notes to Financial Statements
Years Ended December 31, 2024 and 2023
(continued)

NOTE 8. PENSION PLANS, (continued)

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

Public Employees Retirement System (PERS), (continued)

of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. Best estimates of arithmetic real rates of return for each major asset class included in PERS's target asset allocation as of June 30, 2023 are summarized in the following table:

<u>Asset Class</u>	<u>Target Allocation</u>	<u>Long-Term Expected Real Rate of Return</u>
U.S. Equity	28.00%	8.98%
Non-U.S. Developed Market Equity	12.75%	9.22%
International Small Cap Equity	1.25%	9.22%
Emerging Market Equity	5.50%	11.13%
Private Equity	13.00%	12.50%
Real Estate	8.00%	8.58%
Real Assets	3.00%	8.40%
High Yield	4.50%	6.97%
Private Credit	8.00%	9.20%
Investment Grade Credit	7.00%	5.19%
Cash Equivalents	2.00%	3.31%
U.S. Treasuries	4.00%	3.31%
Risk Mitigation Strategies	3.00%	6.21%

Discount Rate

The discount rate used to measure the total pension liability was 7.00% as of June 30, 2023. The projection of cash flows used to determine the discount rate assumed that contributions from plan members will be made at the current member contribution rates and that contributions from employers and the nonemployer contributing entity will be based on 100% of the actuarially determined contributions for the State employer and 100% of actuarially determined contributions for the local employers. Based on those assumptions, the plan's fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on plan investments was applied to all projected benefit payments to determine the total pension liability.

BOROUGH OF WOODLAND PARK
Notes to Financial Statements
Years Ended December 31, 2024 and 2023
(continued)

NOTE 8. PENSION PLANS, (continued)

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

Public Employees Retirement System (PERS), (continued)

Sensitivity of the Collective Net Pension Liability to Changes in the Discount Rate

The following presents the collective net pension liability of the participating employers as of June 30, 2023 calculated using the discount rate as disclosed above as well as what the collective net pension liability would be if it was calculated using a discount rate that is 1-percentage point lower or 1- percentage-point higher than the current rate:

	June 30, 2023		
	1%	At Current	1%
	Decrease <u>6.00%</u>	Discount Rate <u>7.00%</u>	Increase <u>8.00%</u>
Borough's proportionate share of the pension liability	\$7,669,893	\$5,891,818	\$4,378,440

Pension Plan Fiduciary Net Position

Detailed information about the pension plan's fiduciary net position is available in the separately issued Financial Report for the State of New Jersey Public Employees Retirement System (PERS). The financial report may be accessed at www.state.nj.us/treasury/pensions.

The following PFRS pension information is as of June 30, 2023 which is the latest information available. This information is eighteen months prior to December 31, 2024. GASB Statement No. 68 requires that the information be no more than twelve months prior to the employer's fiscal year end. No modification of the Independent Auditor's Report is being made since the Division of Local Government Services, Department of County Affairs, State of New Jersey, is permitting the regulatory basis financial statements of Municipal, County and Library's to be issued with unmodified opinion's until such time current pension information is available.

Police and Firemen's Retirement System (PFRS)

At June 30, 2023, the Borough had a liability of \$10,491,920 for its proportionate share of the PFRS net pension liability. The net pension liability was measured as of June 30, 2023, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of July 1, 2022 which was rolled forward to June 30, 2023.

BOROUGH OF WOODLAND PARK
Notes to Financial Statements
Years Ended December 31, 2024 and 2023
(continued)

NOTE 8. PENSION PLANS, (continued)

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

Police and Firemen's Retirement System (PFRS), (continued)

The Borough's proportion of the net pension liability was based on a projection of the Borough's long-term share of contributions to the pension plan relative to the projected contributions of all participating governmental entities, actuarially determined. At June 30, 2023, the Borough's proportion was 0.949599586 percent, which was an increase of .009767811 percent from its proportion measured as of June 30, 2022.

For the year ended December 31, 2024, the Borough recognized pension expense of \$1,264,108.

At June 30, 2023, deferred outflows of resources and deferred inflows of resources related to PFRS from the following sources:

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Difference in actual and expected experience	\$449,243	\$500,371
Changes of assumptions	22,645	708,456
Net difference between projected and actual earnings on pension plan investments	534,334	
Changes in proportion and differences between Borough contributions and proportionate share of contributions	<u>1,577,668</u>	<u>664,249</u>
Total	<u>\$2,583,890</u>	<u>\$187,076</u>

Amounts reported as deferred outflows of resources related to pensions resulting from contributions subsequent to the measurement date (June 30, 2023) will be recognized as a reduction of the net pension liability in the subsequent year. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions (excluding changes in proportion) will be recognized in pension expense as follows:

Year ended June 30:	
2024	\$(408,309)
2025	(391,845)
2025	630,438
2027	(54,223)
2028	19,353
Thereafter	1,979

BOROUGH OF WOODLAND PARK
Notes to Financial Statements
Years Ended December 31, 2024 and 2023
(continued)

NOTE 8. PENSION PLANS, (continued)

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

Police and Firemen's Retirement System (PFRS), (continued)

Changes in Proportion

The previous amounts do not include employer specific deferred outflows of resources and deferred inflows of resources related to changes in proportion. These amounts should be recognized (amortized) by each employer over the average of the expected remaining service lives of all plan members, which is 6.16, 6.22, 6.17, 5.90, 5.92 and 5.73 years for 2023, 2022, 2021, 2020, 2019 and 2018 amounts, respectively.

Additional Information

Local Group Collective balances net of nonemployer (State of New Jersey) balances at June 30, 2023 and June 30, 2022 are as follows:

	<u>June 30, 2023</u>	<u>June 30, 2022</u>
Collective deferred outflows of resources	\$1,753,080,638	\$2,163,793,985
Collective deferred inflows of resources	1,966,439,601	2,805,919,493
Collective net pension liability	13,084,649,602	13,483,472,009
Borough's Proportion	.0949599586%	.0851922775%

Actuarial Assumptions

The collective total pension liability for the June 30, 2023 measurement date was determined by an actuarial valuation as of July 1, 2022, which rolled forward to June 30, 2023. This actuarial valuation used the following actuarial assumptions:

Inflation Rate	2.75%
Salary Increases:	
Through all Future Years	3.25-16.25% (based on years of service)
Thereafter	Not Applicable
Investment Rate of Return	7.00%

BOROUGH OF WOODLAND PARK
Notes to Financial Statements
Years Ended December 31, 2024 and 2023
(continued)

NOTE 8. PENSION PLANS, (continued)

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

Police and Firemen's Retirement System (PFRS), (continued)

Mortality Rates

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

The actuarial assumptions used in the July 1, 2022 valuation were based on the results of an actuarial experience study for the period July 1, 2018 to June 30, 2021.

Long-Term Rate of Return

In accordance with State statute, the long-term expected rate of return on plan investments (7.00% at June 30, 2023) is determined by the State Treasurer, after consultation with the Directors of the Division of Investments and Division of Pensions and Benefits, the board of trustees and the actuaries. The long-term expected rate of return was determined using a building block method in which best-estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. Best estimates of arithmetic real rates of return for each major asset class included in PFRS's target asset allocation as of June 30, 2023 are summarized in the following table:

BOROUGH OF WOODLAND PARK
Notes to Financial Statements
Years Ended December 31, 2024 and 2023
(continued)

NOTE 8. PENSION PLANS, (continued)

**Pension Liabilities, Pension Expense, and Deferred Outflows of Resources and
Deferred Inflows of Resources Related to Pensions, (continued)**

Police and Firemen's Retirement System (PFRS), (continued)

<u>Asset Class</u>	<u>Target Allocation</u>	<u>Long-Term Expected Real Rate of Return</u>
U.S. Equity	28.00%	8.98%
Non-U.S. Developed Market Equity	12.75%	9.22%
International Small Cap Equity	1.25%	9.22%
Emerging Market Equity	5.50%	11.13%
Private Equity	13.00%	12.50%
Real Estate	8.00%	8.58%
Real Assets	3.00%	8.40%
High Yield	4.50%	6.97%
Private Credit	8.00%	9.20%
Investment Grade Credit	7.00%	5.19%
Cash Equivalents	2.00%	3.31%
U.S. Treasuries	4.00%	3.31%
Risk Mitigation Strategies	3.00%	6.21%

Discount Rate

The discount rate used to measure the total pension liability was 7.00% as of June 30, 2023. The projection of cash flows used to determine the discount rate assumed that contributions from plan members will be made at the current member contribution rates and that contributions from employers and the nonemployer contributing entity will be based on 100% of the actuarially determined contributions for the State employer and 100% of actuarially determined contributions for the local employers. Based on those assumptions, the plan's fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on plan investments was applied to all projected benefit payments to determine the total pension liability.

BOROUGH OF WOODLAND PARK
Notes to Financial Statements
Years Ended December 31, 2024 and 2023
(continued)

NOTE 8. PENSION PLANS, (continued)

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

Police and Firemen's Retirement System (PFRS), (continued)

Sensitivity of the Collective Net Pension Liability to Changes in the Discount Rate

The following presents the collective net pension liability of the participating employers as of June 30, 2023, calculated using the discount rate as disclosed above as well as what the collective net pension liability would be if it was calculated using a discount rate that is 1 - percentage point lower or 1- percentage-point higher than the current rate:

	June 30, 2023		
	1%	At Current	1%
	Decrease	Discount Rate	Increase
	<u>6.00%</u>	<u>7.00%</u>	<u>8.00%</u>
Borough's proportionate share of the pension liability	\$14,618,653	\$10,491,920	\$7,055,337

Pension Plan Fiduciary Net Position

Detailed information about the pension plan's fiduciary net position is available in the separately issued Financial Report for the State of New Jersey Police and Firemen's Retirement System (PFRS). The financial report may be accessed at www.state.nj.us/treasury/pensions.

Special Funding Situation - PFRS

Under N.J.S.A. 43:16A-15, local participating employers are responsible for their own contributions based on actuarially determined amounts, except where legislation was passed which legally obligated the State if certain circumstances occurred. The legislation, which legally obligates the State, is as follows: Chapter 8, P.L. 2000, Chapter 318, P.L. 2001, Chapter 86, P.L. 2001, Chapter 511, P.L. 1991, Chapter 109, P.L. 1979, Chapter 247, P.L. 1993 and Chapter 201, P.L. 2001. The amounts contributed on behalf of the local participating employers under this legislation is considered to be a special funding situation as defined by GASB Statement No. 68 and the State is treated as a nonemployer contributing entity. Since the local participating employers do not contribute under this legislation directly to the plan (except for employer specified financed amounts), there is no net pension liability or deferred outflows or inflows to report in the financial statements of the local participating employers related to this legislation. However, the notes to the financial statements of the local participating employers must disclose the portion of the nonemployer contributing entities' total proportionate share of the collective net pension liability that is associated with the local participating employer.

BOROUGH OF WOODLAND PARK
Notes to Financial Statements
Years Ended December 31, 2024 and 2023
(continued)

NOTE 8. PENSION PLANS, (continued)

At June 30, 2023 and 2022, the State proportionate share of the net pension liability attributable to the Borough for the PFRS special funding situation is \$1,933,258 and \$1,735,465, respectively. For the years ended June 30, 2023 and 2022, the pension system has determined the State's proportionate share of the pension expense attributable to the Borough for the PFRS special funding situation is \$219,904 and \$200,227, respectively, which is more than the actual contributions the State made on behalf of the Borough of \$221,090 and \$216,057, respectively. The State's proportionate share attributable to the Borough was developed based on actual contributions made to PFRS allocated to employers based upon covered payroll. These on-behalf contributions have not been reported on the Borough's financial statements.

NOTE 9. OTHER POST EMPLOYMENT BENEFITS (OPEB)

Plan Description

The Borough provides post-employment health care benefits authorized pursuant to collective bargaining agreements with applicable employee groups. In addition, the Borough extends the same benefits to permanent unclassified employees. The Borough of Woodland Park provides health insurance, including dental and prescription coverage for retirees and their spouses. Dependent coverage must be paid for by the retiree at the Borough cost imposed by the insurance carrier.

The number of retirees receiving retiree benefits as of December 31, 2024, the effective date of the biannual Other Post-Employment Benefit, herein referred to as "OPEB", valuation is 46. Active employees number 59 of whom 10 are eligible to retire as of the valuation date. The average age of the active population is 46 and the average age of the retiree population is 72.

Total OPEB Liability

At December 31, 2024, the Borough had a liability of \$49,975,923 for its OPEB Liability. The OPEB liability was measured as of December 31, 2023 and was determined by an actuarial valuation as of that date.

Actual Assumptions and Other Inputs

The total OPEB liability in the December 31, 2024 actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement, unless otherwise specified.

Actuarial Funding Method: Entry Age Normal Funding Method based on a level percentage of salary. 2024 salaries were reported as \$6.509 million.

BOROUGH OF WOODLAND PARK
Notes to Financial Statements
Years Ended December 31, 2024 and 2023
(continued)

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

Actual Assumptions and Other Inputs, (continued)

Attribution period: The attribution period begins with the date of hire and ends with full benefit eligibility date.

Per capita cost methods: The valuation reflects per capita net premium costs based on actual 2022 medical and dental premiums and the plan option selected. Plan selections are assumed to remain unchanged in retirement. The age specific cost was derived based on per person costs at the average age of the active population (46) and scaled to each age based on the medical cost aging factors until age 65. At age 65, Medicare Advantage becomes the primary payor of medical benefits and aging factors are not applied.

Retiree Contributions: NJ Chapter 78 requires that certain future retirees contribute toward the cost of their benefits. Specifically, those who had retired prior to passage of Chapter 78 and those employees that had more than 25 years of service on the date of passage are grandfathered. All others are subject to the contribution rates in effect when they retire, but not less than 1.5% of their annual retirement allowance from the Public Employees Retirement System. For purposes of this valuation and for conservatism, we have assumed that future retiree contributions percentage rates will not increase. Thus, we assumed that a future retiree will contribute his/her current employee contribution as reported by the Borough increased annually by the rate of medical trend.

NET OPEB LIABILITY as of December 31, 2024

Net OPEB Liability at December 31, 2023*	\$53,120,132
Service Cost	796,569
Interest Cost	1,746,301
Difference Between Expected and Actual Experience	(5,041,669)
Changes in Assumptions	52,942
Benefit Payments	<u>(698,352)</u>
Net OPEB Liability December 31,	<u>\$49,975,923</u>

*not previously disclosed

Total OPEB Expense Calculation as of December 31, 2024

Service Cost	\$796,569
Interest on Total OPEB Liability	1,746,301
Recognition of Experience Changes	(491,823)
Recognition of Assumption Changes	<u>540,836</u>
Total OPEB Expense Recognized	<u>\$2,591,883</u>

BOROUGH OF WOODLAND PARK
Notes to Financial Statements
Years Ended December 31, 2024 and 2023
(continued)

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

Sensitivity of Total OPEB Liability to Changes in the Discount Rate

Actuarial measurements are sensitive to changes in actuarial assumptions and where actual experience differs from assumptions. If the discount rate were to increase by 1% per annum, the NOL as of December 31, 2024 would decrease to \$44,169,992 and if it were to decrease by 1% the NOL would increase to \$57,283,007.

Sensitivity of Net OPEB Liability to Changes in Medical Inflation Rate

Actuarial measurements are sensitive to changes in actuarial assumptions and where actual experience differs from assumptions. If medical trend were to increase by 1% per annum, the NOL as of December 31, 2024 would increase to \$56,433,618 and if it were to decrease by 1% the NOL would decrease to \$44,816,080.

The following other postemployment benefit information is as of June 30, 2023 which is the latest information available. This information is eighteen months prior to December 31, 2024. GASB Statement No. 75 requires that the information be no more than twelve months prior to the employer's fiscal year end. No modification of the Independent Auditor's Report is being made since the Division of Local Government Services, Department of Community Affairs, State of New Jersey, is permitting the regulatory basis financial statements of Municipal, County and Library's to be issued with unmodified opinion's until such time current other postemployment benefit information is available.

Special Funding Situation PFRS

Under Chapter 330, P.L. 1997, the State shall pay the premium or periodic charges for the qualified local police and firefighter retirees and dependents equal to 80 percent of the premium or periodic charge for the category of coverage elected by the qualified retiree under the State managed care plan or a health maintenance organization participating in the program providing the lowest premium or periodic charge. The State also provides funding for retiree health benefits to survivors of local police officers and firefighters who die in the line of duty under chapter 271, P.L. 1989.

Therefore, these employers are considered to be in a special funding situation as defined by GASB Statement No, 75 and the State is treated as a nonemployer contributing entity. Since the local participating employers do not contribute under this legislation directly to the plan, there is no net OPEB liability, deferred inflows of resources or deferred inflows of resources to report in the financial statements of the local participating employers related to this legislation.

BOROUGH OF WOODLAND PARK
Notes to Financial Statements
Years Ended December 31, 2024 and 2023
(continued)

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

Special Funding Situation PFRS, (continued)

At December 31, the State's proportionate share of the net OPEB liability attributable to the Borough for the PFRS special funding situation is \$5,493,787 and the State's proportionate share of the OPEB expense for the PFRS special funding situation is \$(996,131).

NOTE 10. FUND BALANCE APPROPRIATED

The fund balance at December 31, 2024 and 2023 which has been appropriated as revenue in the 2025 and 2024 budgets is as follows:

	<u>2025</u>	<u>2024</u>
Current Fund	\$2,007,324	\$1,762,000
Water Utility Operating Fund	600,000	650,000

NOTE 11. FIXED ASSETS

The following is a summary of General Fixed Assets Account Group as of December 31, 2024 and 2023:

	<u>Balance</u> <u>Dec. 31, 2023</u>	<u>Additions</u>	<u>Deletions</u>	<u>Balance</u> <u>Dec. 31, 2024</u>
Land and Improvements	\$11,045,937	\$538,529	\$	\$11,584,466
Buildings and Improvements	9,638,198			9,638,198
Automobiles and Vehicles	8,280,236	535,405	501,555	8,314,086
Machinery and Equipment	<u>2,458,563</u>	<u>60,639</u>	<u>12,545</u>	<u>2,506,657</u>
	<u>\$31,422,934</u>	<u>\$1,134,573</u>	<u>\$514,100</u>	<u>\$32,043,407</u>

	<u>Balance</u> <u>Dec. 31, 2022</u>	<u>Additions</u>	<u>Deletions</u>	<u>Balance</u> <u>Dec. 31, 2023</u>
Land and Improvements	\$11,045,937	\$	\$	\$11,045,937
Buildings and Improvements	9,638,198			9,638,198
Automobiles and Vehicles	7,975,893	952,698	648,355	8,280,236
Machinery and Equipment	<u>2,405,078</u>	<u>53,485</u>		<u>2,458,563</u>
	<u>\$31,065,106</u>	<u>\$1,006,183</u>	<u>\$648,355</u>	<u>\$31,422,934</u>

BOROUGH OF WOODLAND PARK
Notes to Financial Statements
Years Ended December 31, 2024 and 2023
(continued)

NOTE 12. 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 \$2,490,334 as of December 31, 2024 and the estimated amount at December 31, 2023 was \$2,145,933. These amounts have not been reported either as an expenditure or liability. The Borough has started a plan to buy back accumulated days on an annual basis.

NOTE 13. INTERFUND BALANCES AND ACTIVITY

Balances due to/from other funds at December 31, 2024 consist of the following:

\$63	Due to the Current Fund to the Other Trust Fund (Escrow) for interest earnings not turned over.
402	Due to Current Fund from Animal Control Trust Fund for statutory excess in Animal Control Trust Fund
<u>125,192</u>	Due to the Federal and State Grant Fund from Current Fund cash receipts deposited in Current Fund.
<u>\$125,657</u>	

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

NOTE 14. 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.

BOROUGH OF WOODLAND PARK
Notes to Financial Statements
Years Ended December 31, 2024 and 2023
(continued)

NOTE 14. EMERGENCY SERVICES VOLUNTEER LENGTH OF SERVICE AWARD PLAN (LOSAP), (continued)

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 year's 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, 2024 in accordance with the American Institute of Certified Public Accountants (AICPA) Statement on Standards for Accounting and Review Services.

NOTE 15. 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 2020 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 New Jersey Intergovernmental Insurance Fund (NJIIIF). The joint insurance fund is 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 NJIIF coverage amounts are on file with the Borough.

The relationship between the Borough and the NJIIF is governed by a contract and by-laws that have been adopted by resolution of each unit's governing body. The Borough is contractually obligated to make all annual and supplementary contributions to the insurance fund, 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 fund. Members have a contractual obligation to fund any deficit of the insurance fund attributable to a membership year during which they were a member.

BOROUGH OF WOODLAND PARK
Notes to Financial Statements
Years Ended December 31, 2024 and 2023
(continued)

NOTE 15. RISK MANAGEMENT, (continued)

The fund provides 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 16. 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, 2024</u>	<u>Balance</u> <u>Dec 31, 2023</u>
Prepaid Taxes	<u>\$335,063</u>	<u>\$319,446</u>
Cash Liability for Taxes Collected in Advance	<u>\$335,063</u>	<u>\$319,446</u>

NOTE 17. 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.

NOTE 18. SUBSEQUENT EVENTS

The Borough has evaluated subsequent events through May 30, 2025, the date which the financial statements were available to be issued and no additional items were noted for disclosure.

[THIS PAGE INTENTIONALLY LEFT BLANK]

APPENDIX C

SELECTED FINANCIAL INFORMATION FOR YEARS ENDED DECEMBER 31, 2025-2021

The selected data presented on pages C-72 to C-74 under the section "Selected Financial Information" as of and for each of the years in the four year periods ended December 31, 2024 are derived from the financial statements of the Borough of Woodland Park. The information for the year ended December 31, 2025 is derived from the "Unaudited" Annual Financial Statement. The excerpts from the financial statements as of December 31, 2024 and the Independent Auditor's Report thereon are included in the previous section.

BOROUGH OF WOODLAND PARK
COMPARATIVE CURRENT FUND BALANCE SHEETS
ASSETS

	(Unaudited) 2025	2024	2023	2022	2021
REGULAR FUND					
Cash	5,030,461	5,668,591	5,911,406	6,355,171	6,587,992
	<u>5,030,461</u>	<u>5,668,591</u>	<u>5,911,406</u>	<u>6,355,171</u>	<u>6,587,992</u>
Receivables and Other Assets with Full Reserves:					
Delinquent Property Taxes Receivable	364,624	349,042	391,754	364,354	327,857
Tax Title Liens Receivable	32,599	29,511	26,502	23,562	20,606
Property Acquired for Taxes - Assessed Valuation	4,072,200	4,072,200	4,072,200	4,072,200	4,072,200
Revenue Accounts Receivable		21,618	18,958	12,286	12,133
Interfunds Receivable	2,943	465	113,031	7,550	1,009,567
Other Assets					
	<u>4,472,366</u>	<u>4,472,836</u>	<u>4,622,445</u>	<u>4,479,952</u>	<u>5,442,363</u>
Deferred Charges to Future Taxation	<u>441,285</u>	<u>354,285</u>	<u>287,285</u>	<u>252,285</u>	<u>685,000</u>
Total Assets	<u><u>9,944,112</u></u>	<u><u>10,495,712</u></u>	<u><u>10,821,136</u></u>	<u><u>11,087,408</u></u>	<u><u>12,715,355</u></u>
LIABILITIES, RESERVES & FUND BALANCE					
Current Fund:					
Appropriation Reserves	1,138,627	905,458	1,155,865	983,884	1,223,239
Encumbrance Payable	607,599	587,286	503,869	597,844	742,857
Prepaid Taxes	363,112	335,063	319,446	315,849	408,776
Accounts Payable	34,405	171,188	155,694	107,963	35,545
Special Emergency Note				252,285	675,000
Tax Overpayments				7,372	
Due to State of New Jersey	5,319	5,396	27,287	25,599	34,057
Regional High School Tax Payable					57,921
Premiums on Tax Title Liens	78,300	185,800	266,200	125,400	293,800
Interfunds Payable	141,045	125,192	148,292	70,855	
Miscellaneous Reserves	584,856	775,616	911,502	523,613	1,253,496
	<u>2,953,263</u>	<u>3,090,999</u>	<u>3,488,155</u>	<u>3,010,664</u>	<u>4,724,691</u>
Reserve for Receivables and Other Assets	4,472,366	4,472,836	4,622,445	4,479,952	5,442,363
Fund Balance	<u>2,518,483</u>	<u>2,931,877</u>	<u>2,710,536</u>	<u>3,596,792</u>	<u>2,548,301</u>
Total Liabilities, Reserves and Fund Balance	<u><u>9,944,112</u></u>	<u><u>10,495,712</u></u>	<u><u>10,821,136</u></u>	<u><u>11,087,408</u></u>	<u><u>12,715,355</u></u>

BOROUGH OF WOODLAND PARK

COMPARATIVE STATEMENTS OF MUNICIPAL OPERATIONS AND CHANGES IN FUND BALANCE

	(Unaudited) 2025	2024	2023	2022	2021
Revenue Realized:					
Fund Balance Utilized	2,007,324	1,762,000	2,346,029	1,600,000	1,600,000
Current Tax Levy Collections	57,908,297	56,699,718	55,384,826	55,444,187	54,342,470
Delinquent Taxes and Tax Title Liens Collections	352,230	391,754	364,354	327,857	493,445
Miscellaneous-Revenue	3,734,069	3,819,177	2,451,856	3,454,603	4,800,365
Non-Budget Revenues	78,678	187,507	625,355	588,577	263,187
Other Credits to Income	1,275,271	940,919	1,045,400	1,540,520	1,247,905
Total Income	65,355,869	63,801,075	62,217,820	62,955,744	62,747,372
Expenditures:					
Budget Expenditures:					
Municipal Purposes	23,503,215	22,543,816	21,070,631	20,030,922	20,968,176
Local School Taxes	19,548,773	18,920,635	18,464,679	18,107,883	17,795,378
County Taxes	12,365,579	11,900,050	12,274,268	12,930,855	12,526,152
Regional School Tax	7,717,941	8,140,288	8,477,101	9,056,632	8,848,146
Municipal Open Space Tax	509,380	511,683	170,557	169,699	168,482
Other	317,051	1,262	400,811	11,262	1,012,853
Total Expenditures	63,961,939	62,017,734	60,858,047	60,307,253	61,319,187
Less: Expenditures to be Raised by Future Taxes	200,000	200,000	100,000		650,000
Total Adjusted Expenditures	63,761,939	61,817,734	60,758,047	60,307,253	60,669,187
Excess in Revenue	1,593,930	1,983,341	1,459,773	2,648,491	2,078,185
Fund Balance, January 1	2,931,877	2,710,536	3,596,792	2,548,301	2,070,116
	4,525,807	4,693,877	5,056,565	5,196,792	4,148,301
Less: Utilization as Revenue	2,007,324	1,762,000	2,346,029	1,600,000	1,600,000
Balance, December 31	2,518,483	2,931,877	2,710,536	3,596,792	2,548,301

BOROUGH OF WOODLAND PARK

**COMPARATIVE BALANCE SHEETS
GENERAL CAPITAL FUND**

ASSETS	(Unaudited)				
	2025	2024	2023	2022	2021
Cash	1,156,878	3,804,680	5,658,631	3,318,852	3,591,256
Grants Receivables	5,560,103	4,957,520	3,357,806	3,458,519	80,000
Deferred Charges to Future Taxation					
Funded	7,655,000	9,055,000	10,440,553	11,790,330	13,094,746
Unfunded	14,918,496	14,226,198	14,613,895	12,759,609	8,958,718
TOTAL ASSETS	29,290,477	32,043,398	34,070,885	31,327,310	25,724,720
LIABILITIES, RESERVE AND FUND BALANCE					
General Serial Bonds	7,655,000	9,055,000	10,385,000	11,645,000	12,865,000
NJ Wastewater Bonds			55,553	145,330	229,746
Bond Anticipation Notes	9,833,000	9,500,000	9,909,421	7,866,147	6,017,000
Interfund Payable	2,497		111,583	6,116	476
Improvement Authorizations					
Funded	2,294,667	1,720,581	4,161,548	4,293,454	743,062
Unfunded	4,619,494	3,196,341	5,116,191	4,687,196	2,735,930
Capital Improvement Fund	197,086	242,122	208,808	302,008	278,008
Reserve for Payment of Debt	186,714	220,000	1,354,180		
Reserve for Encumbrances	4,355,432	7,765,616	2,400,546	1,992,109	2,705,590
Reserve for Grants Receivable	91,242	239,229	289,229	389,942	80,000
Fund Balance	55,345	104,509	78,826	8	69,908
TOTAL LIABILITIES, RESERVE AND FUND BALANCE	29,290,477	32,043,398	34,070,885	31,327,310	25,724,720

APPENDIX D

**PROPOSED FORM OF
BOND COUNSEL OPINION**

[THIS PAGE INTENTIONALLY LEFT BLANK]

STEVEN L. ROGUT
THOMAS J. BACE †
JOSHUA A. CUCUZZELLA

DANIEL J. McCARTHY, Of Counsel
DIANE U. DABULAS, Of Counsel

† ALSO ADMITTED IN FL AND DC

ROGUT McCARTHY LLC

COUNSELLORS AT LAW

37 ALDEN STREET
CRANFORD, NEW JERSEY 07016

Telephone (908) 931-1150
Facsimile (908) 931-1151
Facsimile (908) 653-4832
www.rogutmccarthy.com

APPENDIX D

[Proposed Form of Bond Counsel Opinion]

April __, 2026

Municipal Council
Borough of Woodland Park
County of Passaic
State of New Jersey

Dear Council Members:

We have acted as bond counsel in connection with the issuance of \$17,180,000 Bond Anticipation Notes (consisting of \$14,480,000 General Bond Anticipation Notes and \$2,700,000 Water Utility Bond Anticipation Notes) (collectively, the "Notes"), by the Borough of Woodland Park, a municipal corporation of the State of New Jersey, located in the County of Passaic (the "Borough"). The Notes are dated April 29, 2026, are payable April 29, 2027, bear interest from their date at the rate of ____% per annum, payable at maturity, and are numbered and in denomination as follows:

<u>Number</u>	<u>Denomination</u>
26-1R	\$14,480,000
26-1WUR	\$ 2,700,000

The Notes have been issued pursuant to the Local Bond Law (Chapter 2 of Title 40A of the New Jersey Statutes, as amended). The \$14,480,000 General Bond Anticipation Notes are also issued pursuant to and in anticipation of the issuance of bonds authorized by twenty-five bond ordinances adopted by the Municipal Council of the Borough on June 6, 2012 (Ord. No. 12-09, as amended by Ord. No. 17-11 adopted on June 21, 2017), May

27, 2015 (Ord. No. 15-03), July 15, 2015 (Ord. No. 15-08), August 17, 2016 (Ord. No. 16-17), August 16, 2017 (Ord. No. 17-16), December 27, 2017 (Ord. No. 17-31), August 15, 2018 (two ordinances: Ord. Nos. 18-27 and 18-28), November 21, 2018 (Ord. No. 18-32), June 5, 2019 (Ord. No. 19-07), March 4, 2020 (Ord. No. 20-06), June 17, 2020 (Ord. No. 20-11), August 18, 2021 (Ord. No. 21-14), September 15, 2021 (Ord. No. 21-17), October 20, 2021 (Ord. No. 21-23), November 24, 2021 (Ord. No. 21-26), December 29, 2021 (Ord. No. 21-30), April 6, 2022 (Ord. No. 22-04), August 17, 2022 (two ordinances: Ord. Nos. 22-12 and 22-13), June 7, 2023 (Ord. No. 23-10, as amended by Ord. No. 24-08 adopted on May 15, 2024), May 1, 2024 (Ord. No. 24-07), September 18, 2024 (Ord. No. 24-15, as amended by Ord. No. 25-19 adopted on December 17, 2025), December 17, 2025 (Ord. No. 25-19) and March 18, 2026 (Ord. No. 26-06) (collectively, the "General Bond Ordinances") to finance the making of various public improvements and the refunding of amounts owing to others for taxes levied in, by and for the Borough. The \$2,700,000 Water Utility Bond Anticipation Notes are also issued pursuant to and in anticipation of the issuance of bonds authorized by eight bond ordinances adopted by the Municipal Council of the Borough on May 7, 2014 (Ord. No. 14-09, as amended by Ord. No. 16-02 adopted on February 17, 2016), August 15, 2018 (Ord. No. 18-29), November 7, 2018 (Ord. No. 18-31), July 17, 2019 (Ord. No. 19-08), September 15, 2021 (Ord. No. 21-18), June 7, 2023 (Ord. No. 23-11), September 18, 2024 (Ord. No. 24-16) and December 17, 2025 (Ord. No. 25-20) (the "Water Utility Bond Ordinances", and together with the General Bond Ordinances, the "Bond Ordinances") to finance the making of various public improvements in, by and for the Water Utility of the Borough.

The Internal Revenue Code of 1986, as amended (the "Code"), establishes certain requirements that must be met subsequent to the issuance and delivery of the Notes in order that interest on the Notes be and remain excluded from gross income of the owners thereof for Federal income tax purposes pursuant to Section 103 of the Code. Such requirements include requirements relating to the use and investment of proceeds of the Notes and other amounts and to the rebate of certain arbitrage earnings to the United States. Noncompliance by the Borough with such requirements may cause interest on the Notes to be included in gross income of the owners thereof retroactive to the date of issuance of the Notes, regardless of when such noncompliance occurs.

The Borough has covenanted, to the extent permitted by the Constitution and the laws of the State of New Jersey, to do and perform all acts and things permitted by law and necessary to assure that interest paid on the Notes be and remain excluded from gross income of the owners thereof for Federal income tax purposes pursuant to Section 103 of the Code. The Borough's Tax Certificate (the "Tax Certificate"), which will be delivered concurrently with the delivery of the Notes, will contain provisions and procedures regarding compliance with the requirements of the Code. The Borough, in executing the Tax Certificate, will certify to the effect that the Borough expects and intends to comply with the provisions and procedures contained therein.

As bond counsel, we have examined certified copies of the Bond Ordinances and copies of the forms of Notes. We have also examined originals (or copies certified or otherwise identified to our satisfaction) of such other instruments, certificates and documents as we have deemed necessary or appropriate for the purpose of the opinion rendered below, including the Tax Certificate executed by the Chief Financial Officer of the Borough of even date herewith. We have assumed the accuracy of the factual information and the truthfulness of the expectations set forth in the Tax Certificate and any exhibits thereto. In such examination, we have assumed the genuineness of all signatures, the authenticity of all documents submitted to us as originals and the conformity to the original documents of all documents submitted to us as copies. As to any facts material to our opinion, we have, when relevant facts were not independently established, relied upon the aforesaid instruments, certificates and documents. We have relied, as to the execution and delivery of the Notes, on a certificate of the Borough.

We have not prepared nor have we verified the accuracy, completeness or fairness of (i) the information set forth in the Official Statement prepared by the Borough in connection with the sale and issuance of the Notes, or (ii) other documents of the Borough delivered to the purchaser of the Notes, and we take no responsibility therefor.

Based on the foregoing, we are of the opinion that:

1. The Notes have been duly authorized, executed and delivered and constitute valid and legally binding obligations of the Borough enforceable in accordance with their terms, except as enforcement of the Notes may be limited by bankruptcy, insolvency, reorganization, moratorium, liquidation or other laws relating to or affecting the enforcement of creditors' rights generally now or hereafter in effect to the extent constitutionally applicable, and enforcement may also be subject to the exercise of judicial discretion in certain cases.

2. The Borough has pledged its full faith and credit to the payment of the principal of and interest on the Notes, and unless paid from other sources, the Borough is authorized and required by law to levy on all real property taxable by the Borough such ad valorem taxes as may be necessary to pay the Notes and the interest thereon, without limitation as to rate or amount.

3. Assuming compliance by the Borough with the Tax Certificate, under existing law, interest on the Notes is excluded from gross income of the owners thereof for Federal income tax purposes pursuant to Section 103 of the Code. In addition, under existing law, interest on the Notes is not treated as a preference item for purposes of the alternative minimum tax imposed under the Code with respect to individuals; however, interest on the Notes that is included in the "adjusted financial statement income" of certain corporations is not excluded from the Federal corporate alternative minimum tax. In addition, under the New Jersey Gross Income Tax Act, as enacted and construed on the date hereof, interest on the Notes and any gain from the sale of the Notes are not includable in gross income of the holders thereof.

Very truly yours,

Rogut McCarthy LLC