

**PRELIMINARY OFFICIAL STATEMENT DATED MAY 28, 2026**

**NEW ISSUE**

**NOT RATED**

*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.*

**\$8,189,000 BOND ANTICIPATION NOTES  
OF THE  
BOROUGH OF CLIFFSIDE PARK  
COUNTY OF BERGEN, NEW JERSEY  
(Non-Callable)(Bank-Qualified)(Book-Entry Only)**

**Dated: June 10, 2026**

**Due: June 10, 2027**

The \$8,189,000 Bond Anticipation Notes (the "Notes") of the Borough of Cliffside Park, in the County of Bergen, 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 June 10, 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.

<u>INTEREST RATE</u>	<u>YIELD</u>	<u>CUSIP NO.</u>
_____ %	_____ %	<u>186828</u>

*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 June 10, 2026.*

**PROPOSALS FOR THE NOTES WILL BE RECEIVED  
UNTIL 11:00 AM ON TUESDAY, JUNE 2, 2026  
BY BOND COUNSEL ON BEHALF OF THE BOROUGH,  
VIA ELECTRONIC MAIL AT [SLR@ROGUTMCCARTHY.COM](mailto: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 CLIFFSIDE PARK  
IN THE COUNTY OF BERGEN, NEW JERSEY**

**MAYOR**

Thomas Calabrese

**BOROUGH COUNCIL**

Dana Martinotti– Council President

John Chmielewski

Peter Colao

Kenneth J. Corcoran

Selvie Nikaj

Eurice Rojas

**BOROUGH CLERK**

Sercan Zoklu

**CHIEF FINANCIAL OFFICER**

Frank Berardo

**BOROUGH ATTORNEY**

Christos Diktas, Esq.  
Cliffside Park, New Jersey

**BOROUGH AUDITOR**

Lerch, Vinci & Bliss, LLP  
Fair Lawn, 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.

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**OFFICIAL STATEMENT  
OF THE BOROUGH OF CLIFFSIDE PARK  
IN THE COUNTY OF BERGEN, NEW JERSEY  
relating to**

**\$8,189,000 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 Cliffside Park (the "Borough"), in the County of Bergen (the "County"), State of New Jersey (the "State") in connection with the sale and issuance of its \$8,189,000 Bond Anticipation 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 Underwriters 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 June 10, 2026 and shall mature on June 10, 2027. The Notes shall bear interest at the interest rate set forth on the cover hereof, which interest is payable on June 10, 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. Under certain circumstances, such beneficial interests in the Notes are exchangeable for one or more fully registered Note certificates in authorized denominations.

The Note certificate 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 the Notes, in the principal amount 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](http://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 provide \$8,189,000 to finance unfunded projects of the Borough.

<u>Ordinance No.</u>	<u>Description</u>	<u>Amount</u>
2023-22	Improvements to Sanitary and Storm Sewers	\$ 570,000
2024-11	Various Public Improvements and Acquisitions	2,435,000
2025-11	Various Public Improvements and Acquisitions	2,809,000
2025-16	Various Public Improvements and Acquisitions	<u>2,375,000</u>
		<u>\$ 8,189,000</u>

### **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 bonds or tax anticipation notes during the balance of 2026. The Borough may issue additional new money bond anticipation notes during the balance of 2026.

## QUALIFIED TAX-EXEMPT OBLIGATIONS

The Borough has designated the Notes as “qualified tax-exempt obligations” within the meaning of Section 265(b)(3) of the Internal Revenue Code of 1986, as amended, and will represent that it reasonably expects that neither it nor its subordinate entities, if any, will issue more than \$10,000,000 of new money tax-exempt obligations in the current calendar year.

## 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 (Unaudited) the statutory net debt as a percentage of average equalized valuation was 1.162%. As noted above, the statutory limit is 3.50%.

	<u>Gross Debt</u>	<u>Deductions</u>	<u>Net Debt</u>
General Purposes	\$ 52,848,804	\$ 740,924	\$ 52,107,880
School Purposes	<u>-</u>	<u>-</u>	<u>-</u>
	<u>\$ 52,848,804</u>	<u>\$ 740,924</u>	<u>\$ 52,107,880</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 Borough's 2026 Budget was introduced within the limits allowed under the CAP Law.

### **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 Borough 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 Bergen County Tax Board on or before the first day of April of the current tax year for review. The Bergen 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 Bergen 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.

## **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 C – 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 \$2,735,303. The Borough utilized the funds to replace lost public sector revenue and to fund a small business grant program.

## **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 has previously entered into continuing disclosure undertakings in accordance with Rule 15c2-12. Phoenix Advisors, Hamilton, New Jersey, serves as continuing disclosure agent to assist the Borough in complying with the requirements of Rule 15c2-12.

## **FINANCIAL STATEMENTS**

Appendix “B” to this Official Statement contains the unaudited financial statements for the year ended December 31, 2025 and the audited financial statements of the Borough for the years ended December 31, 2024 and 2023. The unaudited financial statements were compiled from the Borough’s unaudited Annual Financial Statement for the year ended December 31, 2025. The audited financial data was provided by Lerch, Vinci & Bliss, LLP, Fair Lawn, New Jersey (the “Auditor”), and is included herein in reliance upon the authority of such firm. The Auditor has consented to the inclusion of their report in this Official Statement. Copies of the complete Reports of Audit may be obtained upon request to the office of the Chief Financial Officer of the Borough.

### **PREPARATION OF OFFICIAL STATEMENT**

The Auditor takes responsibility for the financial statements to the extent specified in the Accountant’s Compilation Report and Independent Auditor’s Report.

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 Cliffside Park, 525 Palisade Avenue, Cliffside Park, New Jersey, 07010, Frank Berardo, Chief Financial Officer, (201) 313-2057.

### **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 CLIFFSIDE PARK, IN THE  
COUNTY OF BERGEN, NEW JERSEY**

By: /s/ \_\_\_\_\_  
Frank Berardo  
Chief Financial Officer

Dated:

**APPENDIX A**

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

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## **GENERAL INFORMATION REGARDING THE BOROUGH**

### **Size and Geographical Location**

The Borough of Cliffside Park (the "Borough" or "Cliffside Park") is located in southern Bergen County, New Jersey, and is situated between the Boroughs of Edgewater, Fairview, Fort Lee, and Ridgefield, and Northern Hudson County. The area of the Borough is approximately 1 square mile.

The Borough is predominantly a residential suburban community with a mix of owner-occupied and rental dwellings as well as several luxury high-rise residential buildings overlooking the Hudson River. Because of its close proximity to New York City, many residents are employed in the City of New York and commute through access to mass transportation and major highways.

### **Form of Government**

The Mayor is elected to serve a four-year term and may succeed that term by re-election. He is empowered, amongst his legal powers as head of the municipal government, to: (i) provide for the proper execution of local and State laws; (ii) recommend to the Borough Council measures he deems in the best interest of the Borough; (iii) nominate and, with the advice and consent of the Borough Council, appoint most subordinate officers of the Borough; and (iv) maintain peace and order. Although he presides over meetings of the Borough Council, the Mayor votes only in case of a tie. State law requires that he be a member of the Planning Board and the Board of Trustees of the Municipal Public Library.

The six Council members are elected at-large, two each year, for terms of three years. The Council exercises general legislative powers conferred upon it by State law to protect and promote the general welfare of the Borough. Among these are the right to enact ordinances, approve resolutions, approve mayoral appointments, adopt the annual budget and determine the tax levy. The Council, acting in committees, oversees the various departments and functions of the Borough Government.

### **Transportation**

The Borough is located approximately 3 miles south of the George Washington Bridge. Residents have access to parts of New York and New Jersey via nearby highways Routes 4 and 46, and Interstates 80 and 95. New Jersey Transit buses service the Borough.

### **Protection**

Cliffside Park is served by a Police Department which consists of 49 regular officers who operate marked as well as unmarked vehicles. Its Fire Department consists of 3 volunteer fire companies who operate 4 pumpers, 1 mini-pumper, 2 ladder trucks, and 3 chief's vehicles. The Emergency Medical Services Department provides emergency medical services with 4 full-time and 27 part-time emergency medical technicians and 3 ambulances.

### **Sanitation**

Garbage is collected twice weekly under municipal services. Payment for such garbage collection services is part of the general property tax levy. Recycling is picked up twice a month under municipal services.

Sewerage disposal is provided under contract by the Bergen County Utilities Authority. For this service the Borough pays an annual service charge based on the metered flow of sewerage. This service charge is part of the general property tax levy.

## Utilities

Water is supplied by Veolia North America. Gas and electric are furnished by the Public Service Electric and Gas Company.

## Employment and Unemployment Comparisons

According to the State of New Jersey, Department of Labor and Industry, the unemployment percentages (on an annual average basis) were as follows:

	<b><u>Total Labor Force</u></b>	<b><u>Employed Labor Force</u></b>	<b><u>Total Unemployed</u></b>	<b><u>Unemployment Rate</u></b>
<u>Borough of Cliffside Park</u>				
2024	14,179	13,661	518	3.7%
2023	14,044	13,558	486	3.5%
2022	13,598	13,179	419	3.1%
2021	13,111	12,334	777	5.9%
2020	12,993	11,842	1,151	8.9%
<u>County of Bergen</u>				
2024	541,844	521,596	20,248	3.7%
2023	536,776	517,682	19,094	3.6%
2022	519,799	502,401	17,398	3.3%
2021	499,794	468,726	31,068	6.2%
2020	494,538	449,149	45,389	9.2%
<u>State of New Jersey</u>				
2024	4,898,008	4,676,064	221,944	4.5%
2023	4,867,113	4,659,779	207,334	4.3%
2022	4,756,002	4,572,879	183,123	3.9%
2021	4,654,243	4,342,075	312,168	6.7%
2020	4,643,700	4,204,301	439,399	9.5%

Source: New Jersey Department of Labor, Division of Planning & Research.

## Population

<b><u>Area</u></b>	<b><u>1990</u></b>	<b><u>2000</u></b>	<b><u>2010</u></b>	<b><u>2020</u></b>	<b><u>2024</u></b>
Borough of Cliffside Park	20,393	23,007	23,594	25,693	26,183
County of Bergen	825,380	884,118	905,116	955,732	978,641
State of New Jersey	7,730,188	8,414,350	8,791,894	9,288,994	9,500,851

Source: Census Data.

## DEBT INFORMATION

### Debt Statements

The Borough must report all new authorizations of debt or changes in previously authorized debt to the Division of Local Government Services, Department of Community Affairs of the State of New Jersey (the "Division"). The Supplemental Debt Statement, as this report is known, must be submitted to the Division before final passage of any debt authorization. Before January 31 of each year the Borough must file an Annual Debt Statement with the Division. This report is made under oath and states the authorized, issued and unissued debt of the Borough as of the previous December 31. Through the Annual and Supplemental Debt Statements, the Division monitors all local borrowing.

### Debt Incurring Capacity As of December 31, 2025 (Unaudited)

Equalized Valuation Basis (last 3 years average)	\$	4,483,743,428
3 1/2% Borrowing Margin		156,931,020
Net Debt Issued, Outstanding and Authorized		52,107,880
Remaining Municipal Borrowing Capacity		104,823,140
Local School		
4% Borrowing Margin		179,349,737
Debt Issued, Outstanding and Authorized		-
Remaining School Borrowing Capacity		179,349,737

### Gross and Statutory Net Debt as of December 31,

<u>Year</u>	<u>Gross Debt</u> <u>Amount</u>	<u>Statutory Net Debt</u>	
		<u>Amount</u>	<u>Percentage</u>
2025 (Unaudited)	\$ 52,848,804	\$ 52,107,880	1.162%
2024	29,565,053	28,824,129	0.690%
2023	29,560,556	28,819,632	0.731%
2022	28,234,374	28,233,285	0.763%
2021	26,873,374	26,872,285	0.745%

Source: Borough of Cliffside Park Annual Audit Reports and 2025 Unaudited Annual Financial Statement

**Statement of Indebtedness  
As of December 31, 2025 (Unaudited)**

**General Purpose**

Bonds	\$ 24,442,000
Loans	216,703
Authorized But Not Issued	<u>28,190,101</u>

Total Gross Debt 52,848,804

**Statutory Deductions**

Municipal Purpose	<u>740,924</u>
-------------------	----------------

Total Net Debt \$ 52,107,880

**Overlapping Debt**

County of Bergen(1)	31,785,913
Bergen County Utilities Authority (2)	<u>5,910,559</u>

Total Overlapping Debt \$ 37,696,472

**Gross Debt**

Per Capita (2024 -26,183)	\$ 2,018
Percent of Net Valuation Taxable (2025- \$3,082,122,859)	1.71%
Percent of Estimated True Value of Real Property (2025 - \$4,552,675,562)	1.16%

**Net Municipal Debt**

Per Capita (2024 -26,183)	\$ 1,990
Percent of Net Valuation Taxable (2025- \$3,082,122,859)	1.69%
Percent of Estimated True Value of Real Property (2025 - \$4,552,675,562)	1.14%

**Overall Debt (Gross and Overlapping Debt)**

Per Capita (2024 -26,183)	\$ 3,458
Percent of Net Valuation Taxable (2025- \$3,082,122,859)	2.94%
Percent of Estimated True Value of Real Property (2025 - \$4,552,675,562)	1.99%

Note (1) Overlapping debt was computed based upon the real property ratio of equalized valuations of the municipality to all municipalities within the County as provided in the 2025 Bergen County Abstract of Ratables published by the Bergen County Board of Taxation.

Note (2) Overlapping debt was computed based upon usage.

Source: Borough of Cliffside Park 2025 Annual Debt Statement.

**BUDGET INFORMATION**

**Current Fund  
(As Adopted)**

	<u>2026 (1)</u>	<u>2025</u>	<u>2024</u>	<u>2023</u>	<u>2022</u>
Anticipated Revenues					
Fund Balance Anticipated	\$ 5,000,000	\$ 4,550,000	\$ 4,550,000	\$ 4,550,000	\$ 5,000,000
Miscellaneous Revenues	6,104,817	10,418,774	13,620,571	6,998,785	6,075,479
Receipts from Delinquent Taxes	1,270,000	1,390,750	1,390,750	960,000	1,200,000
Amount to be Raised by Taxes for Support of Municipal Budget	<u>40,692,342</u>	<u>36,544,982</u>	<u>35,195,885</u>	<u>33,237,799</u>	<u>29,889,308</u>
	<u>\$ 53,067,159</u>	<u>\$ 52,904,506</u>	<u>\$ 54,757,206</u>	<u>\$ 45,746,584</u>	<u>\$ 42,164,787</u>
Appropriations					
Salaries and Wages	\$ 16,686,500	\$ 15,224,500	\$ 15,615,500	\$ 14,782,500	\$ 13,566,500
Other Expenses	23,566,044	25,826,216	27,440,030	19,092,509	16,878,655
Deferred Charges and Statutory Expenditures	4,269,000	3,729,000	3,505,455	3,333,417	3,490,047
Capital Improvement Fund	1,361,350	901,350	929,350	1,919,125	1,784,327
Municipal Debt Service	2,784,265	2,823,440	2,866,871	2,219,033	2,045,258
Reserve for Uncollected Taxes	<u>4,400,000</u>	<u>4,400,000</u>	<u>4,400,000</u>	<u>4,400,000</u>	<u>4,400,000</u>
	<u>\$ 53,067,159</u>	<u>\$ 52,904,506</u>	<u>\$ 54,757,206</u>	<u>\$ 45,746,584</u>	<u>\$ 42,164,787</u>

(1) Budget as introduced

Source: Borough of Cliffside Park Annual Adopted Budgets and the 2026 Introduced Budget.

**FINANCIAL INFORMATION**

**Current Fund Balance and Amounts Utilized in Succeeding Year's Budget**

<u>Year</u>	<u>Fund Balance December 31</u>	<u>Utilized in Budget of Succeeding Year</u>
2025 (Unaudited)	\$ 9,404,337	\$ 5,000,000 (1)
2024	8,608,690	4,550,000
2023	8,456,471	4,550,000
2022	7,587,501	4,550,000
2021	7,357,984	5,000,000

(1) Budget as introduced

Source: Borough of Cliffside Park Annual Audit Reports and 2025 Unaudited Annual Financial Statement

**Current Tax Collections**

<u>Year</u>	<u>Tax Levy</u>	<u>Collection During Year of Levy</u>	
		<u>Amount</u>	<u>Percent</u>
2025 (Unaudited)	\$ 87,816,273	\$ 86,508,270	98.51%
2024	84,555,656	83,031,019	98.20%
2023	81,427,045	79,869,995	98.08%
2022	77,401,957	76,328,333	98.61%
2021	74,786,601	73,492,465	98.26%

Source: Borough of Cliffside Park Annual Audit Reports and 2025 Unaudited Annual Financial Statement

**Delinquent Taxes and Tax Title Liens**

<u>Year</u>	<u>Tax Title Liens</u>	<u>Amount of Delinquent Taxes</u>	<u>Total Delinquent</u>	<u>Percentage of Levy</u>
2025 (Unaudited)	7,011	1,266,673	1,273,684	1.45%
2024	2,876	1,460,011	1,462,887	1.73%
2023	2,159	1,502,151	1,504,310	1.85%
2022	2,885	999,159	1,002,044	1.29%
2021	3,634	1,246,377	1,250,011	1.67%

Source: Borough of Cliffside Park Annual Audit Reports and 2025 Unaudited Annual Financial Statement

**Assessed Valuation of Property Owned by the Borough Acquired for Taxes**

<u>Year</u>	<u>Amount</u>
2025 (Unaudited)	\$ 31,387
2024	31,387
2023	31,387
2022	31,387
2021	31,387

Source: Borough of Cliffside Park Annual Audit Reports and 2025 Unaudited Annual Financial Statement

## Ten Largest Taxpayers

The ten largest taxpayers in the Borough and their 2026 assessed valuations are listed below:

<u>Taxpayer</u>	<u>Assessment</u>
Briarcliff Corp.	\$ 71,500,000
Cliff Lane/Palisade Ave, LLC	14,238,200
Palisadium Management Corporation	10,000,000
One Park Rental LLC	8,860,400
Greenstone Mountain Corp	8,763,600
Walker Properties	5,794,200
Savoy Plaza Realty Company	5,664,800
T&F Realty	5,000,000
Carlton Corporation	4,000,000
Timmes Realty Associates	<u>3,690,500</u>
 Total	 <u>\$ 137,511,700</u>

Source: Borough of Cliffside Park Tax Assessor.

## Assessed Valuations/ Land and Improvements by Class

<u>Year</u>	<u>Vacant Land</u>	<u>Residential</u>	<u>Commercial</u>	<u>Industrial</u>	<u>Apartment</u>	<u>Total</u>
2026	\$ 15,076,800	\$ 2,638,667,900	\$ 177,019,700	\$ 3,927,500	\$ 263,118,500	\$ 3,097,810,400
2025	15,428,800	2,617,846,500	176,800,500	3,927,500	262,747,400	3,076,750,700
2024	18,891,000	2,586,665,800	178,841,300	3,827,500	261,369,300	3,049,594,900
2023	26,386,100	2,544,613,600	181,208,100	3,927,500	261,369,300	3,017,504,600
2022	18,473,900	2,510,874,600	179,066,400	3,927,500	264,175,100	2,976,517,500

Source: Tax Duplicate.

**Assessed Valuations  
Net Valuation Taxable**

<u>Year</u>	<u>Real Property</u>	<u>Business Personal Property</u>	<u>Net Valuation Taxable</u>	<u>Ratio of Assessed Value to True Value of Real Property</u>	<u>Total True Value of Assessed Property</u>
2026	\$ 3,097,810,400	\$ 639	\$ 3,097,811,039	63.94%	\$ 4,896,848,841
2025	3,076,750,700	5,372,159	3,082,122,859	68.46%	4,552,675,562
2024	3,049,594,900	5,472,231	3,055,067,131	72.11%	4,281,101,335
2023	3,017,504,600	5,747,074	3,023,251,674	76.43%	3,999,791,783
2022	2,976,517,500	5,759,805	2,982,277,305	78.92%	3,829,622,650

Source: Tax Duplicate and Abstract of Ratables and 2026 Equalization Table of Bergen County.

**Components of Real Estate Tax Rate  
(per \$100 of Assessment)**

<u>Year</u>	<u>Total</u>	<u>Municipal</u>	<u>Local School</u>	<u>County<sup>1</sup></u>
2025	\$ 2.836	\$ 1.185	\$ 1.306	\$ 0.345
2024	2.756	1.151	1.278	0.327
2023	2.676	1.099	1.260	0.317
2022	2.565	1.001	1.253	0.311
2021	2.517	0.968	1.240	0.309

(1) - Includes Open Space Tax

Source: Borough of Cliffside Park Tax Collector.

**Apportionment of Tax Levy  
(Including School and County Purposes)**

<u>Year</u>	<u>Total</u>	<u>Municipal</u>	<u>Local School</u>	<u>County<sup>1</sup></u>
2025 (Unaudited)	\$ 87,816,273	\$ 36,910,035	\$ 40,255,609	\$ 10,650,629
2024	84,555,656	35,539,314	39,025,107	9,991,235
2023	81,427,045	33,721,505	38,112,850	9,592,690
2022	77,401,957	30,699,268	37,365,539	9,337,150
2021	74,786,601	28,965,594	36,632,881	9,188,126

(1) Includes Open Space Tax

Source: Borough of Cliffside Park Annual Audit Reports and 2025 Unaudited Annual Financial Statement

**APPENDIX B**

**ACCOUNTANT'S COMPILATION REPORT,  
INDEPENDENT AUDITOR'S REPORT AND FINANCIAL STATEMENTS  
OF THE BOROUGH OF CLIFFSIDE PARK,  
IN THE COUNTY OF BERGEN, STATE OF NEW JERSEY**

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**UNAUDITED FINANCIAL INFORMATION OF THE BOROUGH OF CLIFFSIDE PARK  
FOR THE YEAR ENDED DECEMBER 31, 2025**

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DIETER P. LERCH, CPA, RMA, PSA  
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CHRISTOPHER VINCI, CPA, PSA  
CHRISTINA CUIFFO, CPA, RMA, PSA  
JOHN CUIFFO, CPA, RMA, PSA  
DEBRA GOLLE, CPA

### ACCOUNTANT'S COMPILATION REPORT

Honorable Mayor and Members  
of the Borough Council  
Borough of Cliffside Park  
Cliffside Park, New Jersey

Management is responsible for the accompanying balance sheets – regulatory basis of the various funds of the Borough of Cliffside Park, as of December 31, 2025 and the related statement of operations and changes in fund balance – regulatory basis, the statement of revenues – regulatory basis and statement of expenditures – regulatory basis of the various funds for the year then ended in accordance with the regulatory basis of accounting. We have performed the compilation engagement in accordance with Statements on Standards for Accounting and Review Services promulgated by the Accounting and Review Services Committee of the AICPA. We did not audit or review the financial statements – regulatory basis nor were we required to perform any procedures to verify the accuracy or completeness of the information provided by management. Accordingly, we do not express an opinion, a conclusion, nor provide any form of assurance on these financial statements.

The financial statements are prepared in accordance with the financial and accounting reporting provisions and practices that demonstrate compliance with the regulatory basis of accounting and budget laws prescribed by the Division of Local Government Services, Department of Community Affairs, State of New Jersey, which is a basis of accounting other than accounting principles generally accepted in the United States of America.

Management has elected to omit substantially all the disclosures ordinarily included in financial statements prepared in accordance with the regulatory basis of accounting. If the omitted disclosures were included in the financial statements, they might influence the user's conclusions about the Borough's assets, liabilities, fund balances, revenues and expenditures. Accordingly, the financial statements are not designed for those who are not informed about such matters.

By/s/ LERCH, VINCI & BLISS, LLP  
Certified Public Accountants  
Registered Municipal Accountants

Fair Lawn, New Jersey  
May 13, 2026

**BOROUGH OF CLIFFSIDE PARK  
BALANCE SHEET - REGULATORY BASIS  
CURRENT FUND  
AS OF DECEMBER 31, 2025 (UNAUDITED)**

<b>ASSETS</b>	<u>2025</u>
Regular Fund	
Cash	\$ 15,122,798
Cash - Change Funds	200
Due from State of NJ for Senior Citizens' and Veterans' Deductions	<u>22,912</u>
	<u>15,145,910</u>
Receivables and Other Assets with Full Reserves	
Delinquent Property Taxes Receivable	1,266,673
Tax Title Liens	7,011
Property Acquired for Taxes - Assessed Valuation	31,387
Revenue Accounts Receivable	50,439
Due from Animal Control Fund	<u>3,192</u>
	<u>1,358,702</u>
Total Regular Fund	<u>16,504,612</u>
Federal and State Grant Fund	
Grants Receivable	11,643,404
Due from Current Fund	<u>2,282,476</u>
Total Grant Fund	<u>13,925,880</u>
Total Assets	<u><u>\$ 30,430,492</u></u>

**BOROUGH OF CLIFFSIDE PARK  
BALANCE SHEET - REGULATORY BASIS  
CURRENT FUND  
AS OF DECEMBER 31, 2025 (UNAUDITED)  
(Continued)**

<b>LIABILITIES, RESERVES AND FUND BALANCE</b>	<u>2025</u>
Liabilities	
Appropriation Reserves	\$ 707,690
Encumbrances Payable	365,811
Due to Parking Utility	85,000
Due to Grants Fund	2,282,476
Reserve for Tax Appeals	316,383
Prepaid Taxes	1,065,509
Reserve for Tax Stabilization	615,000
Reserve for Sewer Hook Up Fees	180,412
Reserve for Opioids Settlement	<u>123,292</u>
	5,741,573
Reserve for Receivables	1,358,702
Fund Balance	<u>9,404,337</u>
Total Regular Fund	<u>16,504,612</u>
Federal and State Grant Fund	
Encumbrances Payable	8,485,524
Reserve for Grants - Unappropriated	83,791
Reserve for Grants - Appropriated	<u>5,356,565</u>
Total Grant Fund	<u>13,925,880</u>
Total Liabilities, Reserves and Fund Balance	<u>\$ 30,430,492</u>

**BOROUGH OF CLIFFSIDE PARK**  
**STATEMENT OF OPERATIONS AND CHANGE IN FUND BALANCE -**  
**REGULATORY BASIS - CURRENT FUND**  
**FOR THE YEAR ENDED DECEMBER 31, 2025 (UANUDITED)**

	<u>2025</u>
<b>REVENUE AND OTHER INCOME REALIZED</b>	
Fund Balance Utilized	\$ 4,550,000
Miscellaneous Revenue Anticipated	12,406,916
Receipts from Delinquent Taxes	1,438,734
Receipts from Current Taxes	86,508,270
Non-Budget Revenue	522,203
Other Credits to Income	
Unexpended Balance of Appropriation Reserves	71,513
Statutory Excess- Due from Animal Control Fund	3,192
Interfunds Liquidated	<u>22,502</u>
Total Income	<u>105,523,330</u>
<b>EXPENDITURES</b>	
Budget Appropriations	
Operations	
Salaries and Wages	15,600,758
Other Expenses	26,310,212
Deferred Charges and Statutory Expenditures - Municipal	3,617,091
Capital Improvements	901,350
Municipal Debt Service	2,823,438
County Taxes Payable	10,145,852
Due County for Added and Omitted Taxes	49,509
County Open Space Tax	455,268
Local District School Taxes Payable	40,255,609
Other Debits to Income	
Interfunds Established	3,192
Cancelled Grants Receivable	<u>15,404</u>
Total Expenditures	<u>100,177,683</u>
Excess in Revenues	5,345,647
Fund Balance, January 1	<u>8,608,690</u>
	13,954,337
Decreased by:	
Utilization as Anticipated Revenue	<u>4,550,000</u>
Fund Balance, December 31	<u><u>\$ 9,404,337</u></u>

**BOROUGH OF CLIFFSIDE PARK**  
**STATEMENT OF REVENUES - REGULATORY BASIS**  
**CURRENT FUND**  
**FOR THE YEAR ENDED DECEMBER 31, 2025**

	2025 <u>Budget</u>	Added by <u>NJS 40A:4-87</u>	<u>Realized</u>	Excess or <u>(Deficit)</u>
<b>FUND BALANCE ANTICIPATED</b>	\$ 4,550,000	-	\$ 4,550,000	-
<b>MISCELLANEOUS REVENUES</b>				
Licenses				
Alcoholic Beverages	30,000		40,850	\$ 10,850
Other	13,000		14,505	1,505
Fees and Permits	50,000		83,697	33,697
Fines and Costs				
Municipal Court	375,000		686,662	311,662
Interest and Costs on Taxes	200,000		293,785	93,785
Interest on Investments and Deposits	250,000		829,868	579,868
Recreation Fees	100,000		123,091	23,091
Consolidated Municipal Property Tax Relief Act	61,914		61,914	-
Energy Receipts Tax	1,140,527		1,140,527	-
Uniform Construction Code Fees	350,000		305,524	(44,476)
EMS Billing Contract	450,000		561,190	111,190
Borough of Fort Lee-Construction Official	10,000			(10,000)
Board of Education- Security Officers	247,500		247,500	-
State and Federal Revenues Offset with Appropriations				
DWI Ch 531 Grant	1,519		1,519	-
Green Acres Grant - West Grantwood Park Tennis Court	478,260		478,260	-
EPA - Congressionally Directed Sewer & Storm Grant	3,000,000		3,000,000	-
LRIG - West Grantwood Park Playground Equipment	69,000		69,000	-
NJDOT - Lincoln Ave Road	236,488		236,488	-
CDBG - DeSoto Place Sanitary Sewer	209,055		209,055	-
CDBG - HVAC Upgrades	300,000		300,000	-
CDBG - Borough Hall Elevator	393,000		393,000	-
BCOST - Honor Park	279,055		279,055	-
Age Friendly Grant	45,400		45,400	-
Summer Food Grant	51,201		51,201	-
National Opioids Settlement Funds		\$ 49,393	49,393	-
Drunk Driving Enforcement Fund		28,781	28,781	-
CDBG - Jefferson Ave Sewer		330,171	330,171	-
Recreation Opportunities for Individuals with Disabilities (ROID)		13,600	13,600	-
NJDOT - Aurora Ave Improvements		326,400	326,400	-
DMV Inspections	9,550		9,550	-
Drive Sober or Get Pulled Over	7,000		7,000	-
Distracted Driver	15,750		15,750	-
Clean Communities	52,509		52,509	-
Body Armor Grant	4,393		4,393	-
Alcohol Education and Rehabilitation	3,310		3,310	-
Cell Tower Rents	71,300		81,995	10,695
Franchise Fees	214,043		200,811	(13,232)
PILOT- Anderson Avenue	1,000,000		1,131,162	131,162
Reserve for Tax Stabilization	700,000	-	700,000	-
Total Miscellaneous Revenues	<u>10,418,774</u>	<u>748,345</u>	<u>12,406,916</u>	<u>1,239,797</u>
<b>RECEIPTS FROM DELINQUENT TAXES</b>	<u>1,390,750</u>	<u>-</u>	<u>1,438,734</u>	<u>47,984</u>
<b>AMOUNT TO BE RAISED FOR SUPPORT OF MUNICIPAL BUDGET</b>				
Local Tax for Municipal Purposes	35,058,256		38,515,306	3,457,050
Minimum Library Tax	1,486,726	-	1,486,726	-
Total Amount to be Raised by Taxes for Support of Municipal Budget	<u>36,544,982</u>	<u>-</u>	<u>40,002,032</u>	<u>3,457,050</u>
Total General Revenues	<u>\$ 52,904,506</u>	<u>\$ 748,345</u>	<u>\$ 58,397,682</u>	<u>\$ 4,744,831</u>

The Accompanying Notes are an Integral Part of these Financial Statements

**BOROUGH OF CLIFFSIDE PARK**  
**STATEMENT OF EXPENDITURES - REGULATORY BASIS - CURRENT FUND**  
**FOR THE YEAR ENDED DECEMBER 31, 2025 (UNAUDITED)**

	<u>Appropriations</u>		<u>Expended</u>		
	<u>Budget</u>	<u>Budget After Modification</u>	<u>Paid or Charged</u>	<u>Reserves</u>	
<b>GENERAL APPROPRIATIONS</b>					
<b>OPERATIONS WITHIN "CAPS"</b>					
GENERAL GOVERNMENT					
General Administration					
Salaries and Wages	\$ 264,000	\$ 233,032	\$ 233,032	-	
Other Expenses	100,000	85,383	85,383	-	
Mayor and Council					
Salaries and Wages	229,000	228,571	228,571	-	
Other Expenses	15,000	15,000	15,000	-	
Municipal Clerk					
Salaries and Wages	455,000	496,846	496,846	-	
Other Expenses	300,000	307,241	307,241	-	
Financial Administration					
Salaries and Wages	355,000	243,471	243,471	-	
Other Expenses	130,000	102,898	102,898	-	
Financial Admin - Annual Audit	175,000	166,819	166,819	-	
Revenue Administration (Tax Collection)					
Salaries and Wages	319,000	356,646	356,646	-	
Other Expenses	120,000	119,265	119,265	-	
Assessment of Taxes					
Salaries and Wages	68,000	68,503	68,503	-	
Other Expenses	15,000	20,616	20,616	-	
Legal Services and Costs					
Other Expenses	450,000	505,819	505,819	-	
Engineering Services and Costs					
Other Expenses	525,000	323,762	323,762	-	
<b>LAND USE ADMINISTRATION</b>					
Planning Board					
Salaries and Wages	1,000	800	800	-	
Other Expenses	3,000	4,189	4,189	-	
Board of Adjustments					
Salaries and Wages	3,000	2,800	2,800	-	
Other Expenses	15,000	10,920	10,920	-	
<b>INSURANCE</b>					
Employee Group Health	5,700,000	5,505,713	5,505,713	-	
General Liability	3,300,000	2,869,449	2,321,041	\$ 548,408	
<b>PUBLIC SAFETY</b>					
Police					
Salaries and Wages	7,000,000	7,681,611	7,681,611	-	
Other Expenses					
Special Police	4,000	1,860	1,860	-	
Miscellaneous Other Expenses	450,000	504,794	504,794	-	
Purchase of Police Cars	200,000	200,000	200,000	-	

**BOROUGH OF CLIFFSIDE PARK**  
**STATEMENT OF EXPENDITURES - REGULATORY BASIS - CURRENT FUND**  
**FOR THE YEAR ENDED DECEMBER 31, 2025 (UNAUDITED)**

GENERAL APPROPRIATIONS (Continued) OPERATIONS WITHIN "CAPS" (Continued)	<u>Appropriations</u>		<u>Expended</u>		
	<u>Budget</u>	Budget After <u>Modification</u>	<u>Paid or</u> <u>Charged</u>	<u>Reserves</u>	<u>Cancelled</u>
PUBLIC SAFETY (continued)					
Fire					
Salaries and Wages	\$ 550,000	\$ 675,761	\$ 675,761	-	
Other Expenses	150,000	139,800	139,800	-	
Emergency Management Services				-	
Other Expenses	112,000	118,554	118,554	-	
School Security				-	
Salaries and Wages	355,000	333,336	333,336	-	
Emergency Response Services - Ambulance				-	
Salaries and Wages	720,000	760,021	760,021	-	
Other Expenses	100,000	100,066	100,066	-	
Alliance to Prevent Alcoholism & Drug Abuse	40,000	40,000	40,000	-	
Uniform Fire Safety Act (Ch. 383, P.L. 1983)				-	
Salaries and Wages	55,000	52	52	-	
Other Expenses	35,000	12,073	12,073	-	
Fire Hydrant Service	114,000	113,884	113,884	-	
Municipal Prosecutor's Office				-	
Salaries & Wages	27,000	27,813	27,813	-	
Municipal Court				-	
Salaries and Wages	230,000	293,060	293,060	-	
Other Expenses	50,000	48,036	48,036	-	
Public Defender				-	
Salaries and Wages	18,000	17,500	17,500	-	
<b>PUBLIC WORKS FUNCTIONS</b>					
Streets and Road Maintenance				-	
Salaries and Wages	1,200,000	1,241,084	1,241,084	-	
Other Expenses	210,000	151,906	151,906	-	
Snow Removal				-	
Salaries and Wages	40,000	24,290	24,290	-	
Other Expenses	40,000	38,403	38,403	-	
Other Public Works Functions				-	
Solid Waste Collection				-	
Salaries and Wages	500,000	525,975	525,975	-	
Other Expenses	15,000	15,000	15,000	-	
Other Public Works Functions (continued)				-	
Sewer System				-	
Salaries and Wages	5,000	4,800	4,800	-	
Other Expenses	15,000	11,380	11,380	-	
Buildings and Grounds				-	
Salaries and Wages	545,000	626,625	626,625	-	
Other Expenses	275,000	272,750	272,750	-	
Vehicle Maintenance	700,000	889,429	889,429	-	
Borough of Fairview Taxes	32,000	30,626	30,626	-	

**BOROUGH OF CLIFFSIDE PARK  
STATEMENT OF EXPENDITURES - REGULATORY BASIS - CURRENT FUND  
FOR THE YEAR ENDED DECEMBER 31, 2025 (UNAUDITED)**

	<u>Appropriations</u>		<u>Expended</u>		
	<u>Budget</u>	<u>Budget After Modification</u>	<u>Paid or Charged</u>	<u>Reserves</u>	<u>Cancelled</u>
<b>GENERAL APPROPRIATIONS (Continued)</b>					
<b>OPERATIONS WITHIN "CAPS" (Continued)</b>					
<b>HEALTH AND HUMAN SERVICES</b>					
Board of Health					
Salaries and Wages	\$ 42,000	\$ 40,312	\$ 40,312	-	
Other Expenses	175,000	154,428	154,428	-	
Community Mental Health Organization					
Other Expenses	3,000	3,000	3,000	-	
<b>PARK &amp; RECREATION FUNCTIONS</b>					
Recreation Services & Programs					
Salaries and Wages	261,000	211,660	211,660	-	
Other Expenses	230,000	231,698	231,698	-	
Maintenance of Parks					
Salaries and Wages	835,000	840,351	840,351	-	
Other Expenses	165,000	209,793	209,793	-	
<b>UNIFORM CONSTRUCTION CODE</b>					
<b>APPROPRIATIONS OFFSET BY DEDICATED</b>					
<b>REVENUES (NJAC 5:23-4-17)</b>					
<b>CODE ENFORCEMENT AND ADMINISTRATION</b>					
Building Inspector					
Salaries and Wages	500,000	554,900	554,900	-	
Other Expenses	25,000	5,700	5,700	-	
Elevator Inspector					
Salaries and Wages	12,000	54,820	54,820	-	
Electrical Inspector					
Salaries and Wages	18,000	19,454	19,454	-	
Rent Leveling Board					
Other Expenses	5,000	19,164	19,164	-	
<b>UTILITY EXPENSES AND BULK PURCHASES</b>					
Electricity	185,000	206,830	206,830	-	
Street Lighting	255,000	266,597	266,597	-	
Telephone	210,000	206,728	206,728	-	
Water	85,000	68,874	68,874	-	
Natural Gas	40,000	47,090	47,090	-	
Fuel Oil	250,000	114,052	114,052	-	

**BOROUGH OF CLIFFSIDE PARK**  
**STATEMENT OF EXPENDITURES - REGULATORY BASIS - CURRENT FUND**  
**FOR THE YEAR ENDED DECEMBER 31, 2025 (UNAUDITED)**

	<u>Appropriations</u>		<u>Expended</u>		
	<u>Budget</u>	Budget After <u>Modification</u>	Paid or <u>Charged</u>	<u>Reserves</u>	<u>Cancelled</u>
<b>GENERAL APPROPRIATIONS (Continued)</b>					
<b>OPERATIONS WITHIN "CAPS" (Continued)</b>					
<b>LANDFILL/ SOLID WASTE DISPOSAL COSTS</b>					
Contractual- Bergen County	\$ 975,000	\$ 873,003	\$ 873,003	-	-
<b>OTHER COMMON OPERATING FUNCTIONS</b>					
Celebration of Public Event, Anniversary or Holiday					
Other Expenses	95,000	110,223	110,223	-	
Total Operations Within "CAPS"	<u>30,695,000</u>	<u>30,806,909</u>	<u>30,258,501</u>	<u>\$ 548,408</u>	<u>-</u>
Contingent	<u>1,000</u>	<u>1,000</u>	<u>-</u>	<u>1,000</u>	<u>-</u>
Total Operations including Contingent - Within "CAPS"	<u>30,696,000</u>	<u>30,807,909</u>	<u>30,258,501</u>	<u>549,408</u>	<u>-</u>
Detail:					
Salaries and Wages	14,252,000	15,230,758	15,230,758	-	
Other Expenses (Including Contingent)	<u>16,444,000</u>	<u>15,577,151</u>	<u>15,027,743</u>	<u>549,408</u>	<u>-</u>
<b>DEFERRED CHARGES AND STATUTORY EXPENDITURES - MUNICIPAL WITHIN "CAPS" (Continued)</b>					
Statutory Charges					
Public Employees Retirement System	887,000	775,905	775,905	-	-
Social Security System (O.A.S.I.)	850,000	850,000	850,000	-	-
Police & Fireman's Retirement Fund	1,807,000	1,806,186	1,806,186	-	-
Unemployment	150,000	150,000	150,000	-	-
Defined Contribution Retirement Plan	<u>35,000</u>	<u>35,000</u>	<u>35,000</u>	<u>-</u>	<u>-</u>
Total Deferred Charges & Statutory Expenditures - Municipal within "CAPS"	<u>3,729,000</u>	<u>3,617,091</u>	<u>3,617,091</u>	<u>-</u>	<u>-</u>
Total General Appropriations for Municipal Purposes within "CAPS"	<u>34,425,000</u>	<u>34,425,000</u>	<u>33,875,592</u>	<u>549,408</u>	<u>-</u>
<b>OPERATIONS - EXCLUDED FROM "CAPS"</b>					
Reserve for Tax Appeals					
Implementation of 9-1-1 System					
Police Communications					
Other Expenses	18,000	18,000	8,000	10,000	
<b>EDUCATIONAL FUNCTIONS</b>					
Maintenance of Free Public Library (Ch. 82 & 541, P.L.)	1,486,726	1,486,726	1,486,726	-	-

**BOROUGH OF CLIFFSIDE PARK  
STATEMENT OF EXPENDITURES - REGULATORY BASIS - CURRENT FUND  
FOR THE YEAR ENDED DECEMBER 31, 2025 (UNAUDITED)**

	<u>Appropriations</u>		<u>Expended</u>		
	<u>Budget</u>	<u>Budget After Modification</u>	<u>Paid or Charged</u>	<u>Reserves</u>	<u>Cancelled</u>
<b>OPERATIONS - EXCLUDED FROM "CAPS" (Continued)</b>					
<b>UTILITY EXPENSES AND BULK PURCHASES</b>					
Sewer Service Charges - Contractual BCUA, Fort Lee, Edgewater	\$ 2,900,000	\$ 2,900,000	\$ 2,900,000	-	-
Recycling Tax	25,000	25,000	25,000	-	-
Emergency Response Services-Ambulance					
Salaries & Wages	360,000	360,000	360,000	-	-
Billing Services	35,000	35,000	35,000	-	-
	<u>4,824,726</u>	<u>4,824,726</u>	<u>4,814,726</u>	<u>\$ 10,000</u>	<u>-</u>
Total Other Operations Excluded from "CAPS"					
<b>Interlocal Municipal Service Agreements</b>					
Cliffside Park Board of Education					
Salaries and Wages- Security Officers	247,500	247,500	247,500	-	-
Borough of Fort Lee (Construction Code)					
Salaries and Wages	10,000	10,000	10,000	-	-
	<u>257,500</u>	<u>257,500</u>	<u>257,500</u>	<u>-</u>	<u>-</u>
Total Interlocal Municipal Service Agreements					
<b>Public and Private Programs Offset by Revenues</b>					
DWI Ch 531 Grant	1,519	1,519	1,519	-	-
Green Acres Grant - West Grantwood Park Tennis Court	478,260	478,260	478,260	-	-
EPA - Congressionally Directed Sewer & Storm Grant	3,000,000	3,000,000	3,000,000	-	-
LRIG - West Grantwood Park Playground Equipment	69,000	69,000	69,000	-	-
NJDOT - Lincoln Ave Road	236,488	236,488	236,488	-	-
CDBG - DeSoto Place Sanitary Sewer	209,055	209,055	209,055	-	-
CDBG - HVAC Upgrades	300,000	300,000	300,000	-	-
CDBG - Borough Hall Elevator	393,000	393,000	393,000	-	-
CDBG - Borough Hall Elevator - Matching Funds	117,000	117,000	117,000	-	-
BCOST - Honor Park	279,055	279,055	279,055	-	-
DMV Inspections	9,550	9,550	9,550	-	-
Drive Sober or Get Pulled Over	7,000	7,000	7,000	-	-
Distracted Driver	15,750	15,750	15,750	-	-
Clean Communities	52,509	52,509	52,509	-	-
Body Armor Grant	4,393	4,393	4,393	-	-
Alcohol Education and Rehabilitation	3,310	3,310	3,310	-	-
Age Friendly Grant	45,400	45,400	45,400	-	-
Summer Food Grant	51,201	51,201	51,201	-	-
National Opioids Settlement Funds		49,393	49,393	-	-
Drunk Driving Enforcement Fund		28,781	28,781	-	-
CDBG - Jefferson Ave Sewer		330,171	330,171	-	-
Recreation Opportunities for Individuals with Disabilities (ROID)		13,600	13,600	-	-
NJDOT - Aurora Ave Improvements	-	326,400	326,400	-	-
	<u>5,272,490</u>	<u>6,020,835</u>	<u>6,020,835</u>	<u>-</u>	<u>-</u>
Total Public and Private Programs Offset by Revenues					
Total Operations Excluded from "CAPS"	<u>10,354,716</u>	<u>11,103,061</u>	<u>11,093,061</u>	<u>10,000</u>	<u>-</u>
<b>Detail:</b>					
Salaries and Wages	370,000	370,000	370,000	-	-
Other Expenses	9,984,716	10,733,061	10,723,061	10,000	-

The Accompanying Notes are an Integral Part of these Financial Statements

**BOROUGH OF CLIFFSIDE PARK**  
**STATEMENT OF EXPENDITURES - REGULATORY BASIS - CURRENT FUND**  
**FOR THE YEAR ENDED DECEMBER 31, 2025 (UNAUDITED)**

	<u>Appropriations</u>		<u>Expended</u>		
	<u>Budget</u>	<u>Budget After Modification</u>	<u>Paid or Charged</u>	<u>Reserves</u>	<u>Cancelled</u>
<b>CAPITAL IMPROVEMENTS EXCLUDED FROM "CAPS"</b>					
Improvements to Borough Streets	\$ 250,000	\$ 250,000	\$ 116,636	\$ 133,364	
Improvements to Borough Property	250,000	250,000	236,800	13,200	
Purchase of Computers	60,000	60,000	58,284	1,716	
Preliminary Expense for Capital Improvements	75,000	75,000	75,000	-	
Purchase of Fire Truck	69,350	69,350	69,348	2	
Police Body Worn	157,000	157,000	157,000	-	
Purchase of Public Safety Roads	40,000	40,000	40,000	-	-
	<u>901,350</u>	<u>901,350</u>	<u>753,068</u>	<u>148,282</u>	<u>-</u>
<b>TOTAL CAPITAL IMPROVEMENTS EXCLUDED FROM "CAPS"</b>					
<b>MUNICIPAL DEBT SERVICE - EXCLUDED FROM "CAPS"</b>					
Payment of Bonds Principal	1,890,000	1,890,000	1,890,000	-	
Interest on Bonds	918,702	918,702	918,701	-	\$ 1
Loan Repayments for Principal and Interest	14,738	14,738	14,737	-	1
	<u>2,823,440</u>	<u>2,823,440</u>	<u>2,823,438</u>	<u>-</u>	<u>2</u>
<b>TOTAL MUNICIPAL DEBT SERVICE EXCLUDED FROM "CAPS"</b>					
Total General Appropriations Excluded from "CAPS"	<u>14,079,506</u>	<u>14,827,851</u>	<u>14,669,567</u>	<u>158,282</u>	<u>2</u>
Subtotal General Appropriations	<u>48,504,506</u>	<u>49,252,851</u>	<u>48,545,159</u>	<u>707,690</u>	<u>2</u>
Reserve for Uncollected Taxes	<u>4,400,000</u>	<u>4,400,000</u>	<u>4,400,000</u>	<u>-</u>	<u>-</u>
Total General Appropriations	<u>\$ 52,904,506</u>	<u>\$ 53,652,851</u>	<u>\$ 52,945,159</u>	<u>\$ 707,690</u>	<u>\$ 2</u>
Budget as Adopted		\$ 52,904,506			
Appropriations Added by 40A:4-87		<u>748,345</u>			
		<u>\$ 53,652,851</u>			

**BOROUGH OF CLIFFSIDE PARK  
BALANCE SHEET - REGULATORY BASIS  
TRUST FUNDS  
AS OF DECEMBER 31, 2025 (UNAUDITED)**

	<u>2025</u>
<b>ASSETS</b>	
<b>ANIMAL CONTROL FUND</b>	
Cash	<u>\$ 5,216</u>
<b>OTHER TRUST FUND</b>	
Cash	<u>1,236,500</u>
Total Assets	<u><u>\$ 1,241,716</u></u>
<b>LIABILITIES, RESERVES AND FUND BALANCE</b>	
<b>ANIMAL CONTROL FUND</b>	
Due to State of New Jersey	
Due to Current Fund	3,192
Reserve for Animal Control Fund Expenditures	<u>2,024</u>
	<u>5,216</u>
<b>OTHER TRUST FUND</b>	
Reserve for Unemployment Expenditures	26,784
Payroll Deductions Payable	54,587
Miscellaneous Reserves	<u>1,155,129</u>
	<u>1,236,500</u>
Total Liabilities and Reserves	<u><u>\$ 1,241,716</u></u>

**BOROUGH OF CLIFFSIDE PARK  
BALANCE SHEET - REGULATORY BASIS  
GENERAL CAPITAL FUND  
AS OF DECEMBER 31, 2025 (UNAUDITED)**

	<u>2025</u>
<b>ASSETS</b>	
Cash	\$ 11,226,877
Grants Receivable	6,986,000
Deferred Charges - Funded	24,658,703
Deferred Charges - Unfunded	<u>28,190,101</u>
 Total Assets	 <u><u>\$ 71,061,681</u></u>
 <b>LIABILITIES, RESERVES AND FUND BALANCE</b>	
Capital Improvement Fund	\$ 2,073,309
Serial Bonds Payable	24,442,000
Green Acres Loan Payable	216,703
Improvement Authorizations	
Funded	13,945,789
Unfunded	23,538,151
Contracts/Accounts Payable	2,744,917
Reserve for Grants Receivable	3,236,000
Reserve for Payment of Debt	740,924
Fund Balance	<u>123,888</u>
 Total Liabilities, Reserves and Fund Balance	 <u><u>\$ 71,061,681</u></u>

There were bonds authorized but not issued at December 31, 2025 of \$28,190,101.

**BOROUGH OF CLIFFSIDE PARK**  
**STATEMENT OF CHANGE IN FUND BALANCE - REGULATORY BASIS**  
**GENERAL CAPITAL FUND**  
**FOR THE YEAR ENDED DECEMBER 31, 2025 (UNAUDITED)**

	<u>2025</u>
Balance, January 1	\$ <u>123,888</u>
Balance, December 31	\$ <u>123,888</u>

**BOROUGH OF CLIFFSIDE PARK  
BALANCE SHEET - REGULATORY BASIS  
FREE PUBLIC LIBRARY FUND  
AS OF DECEMBER 31, 2025 (UNAUDITED)**

	<u>2025</u>
<b>ASSETS</b>	
Cash	\$ <u>1,888,703</u>
Total Assets	\$ <u><u>1,888,703</u></u>
<b>LIABILITIES, RESERVES AND FUND BALANCES</b>	
Fund Balances	
General Fund	\$ 1,495,555
Gift Fund	81,427
Capital Fund	<u>311,721</u>
Total Fund Balances	<u>1,888,703</u>
Total Liabilities, Reserves and Fund Balances	\$ <u><u>1,888,703</u></u>

**BOROUGH OF CLIFFSIDE PARK  
BALANCE SHEET - REGULATORY BASIS  
PARKING UTILITY OPERATING FUND  
AS OF DECEMBER 31, 2025 (UNAUDITED)**

	<u>2025</u>
<b>ASSETS</b>	
Cash	\$ 151,571
Due from Current Fund	<u>85,000</u>
Total Assets	<u><u>\$ 236,571</u></u>
 <b>LIABILITIES, RESERVES AND FUND BALANCES</b>	
Appropriation Reserves	\$ 53,165
Encumbrances Payable	1,979
Fund Balance	<u>181,427</u>
Total Liabilities, Reserves and Fund Balances	<u><u>\$ 236,571</u></u>

**STATEMENT OF OPERATIONS AND CHANGE IN FUND BALANCE  
REGULATORY BASIS - PARKING UTILITY OPERATING FUND  
FOR THE YEAR ENDED DECEMBER 31, 2025 (UNAUDITED)**

	<u>2025</u>
Revenue and Other Income Realized	
Surplus Anticipated	\$ 11,000
Parking Meter Fees	118,959
Other Credits to Income	
Unexpended Balance of Appropriation Reserves	<u>35,558</u>
	<u>165,517</u>
Expenditures	
Operating	<u>130,000</u>
	<u>130,000</u>
Excess in Revenue	35,517
Fund Balance, January 1	<u>156,910</u>
	192,427
Decreased by Utilization as Anticipated Revenue	<u>11,000</u>
Fund Balance, December 31	<u><u>\$ 181,427</u></u>

**BOROUGH OF CLIFFSIDE PARK  
STATEMENT OF REVENUES - REGULATORY BASIS  
PARKING UTILITY OPERATING FUND  
FOR THE YEAR ENDED DECEMBER 31, 2025 (UNAUDITED)**

	<u>Anticipated</u>		<u>Realized</u>	<u>Excess or (Deficit)</u>
	<u>Budget</u>	<u>Added by N.J.S. 40A:4-87</u>		
Parking Meter Fees	\$ 119,000	-	\$ 118,959	\$ (41)
Operating Surplus	<u>11,000</u>	<u>-</u>	<u>11,000</u>	<u>-</u>
	<u>\$ 130,000</u>	<u>\$ -</u>	<u>129,959</u>	<u>\$ (41)</u>

**STATEMENT OF EXPENDITURES - REGULATORY BASIS  
PARKING UTILITY OPERATING FUND  
FOR THE YEAR ENDED DECEMBER 31, 2025 (UNAUDITED)**

	<u>Appropriation</u>		<u>Expended</u>		
	<u>Budget</u>	<u>Budget After Modification</u>	<u>Paid or Charged</u>	<u>Reserved</u>	<u>Cancelled</u>
Operating					
Salaries	\$ 75,000	\$ 75,000	\$ 45,096	\$ 29,904	\$ -
Other Expenses	<u>55,000</u>	<u>55,000</u>	<u>31,739</u>	<u>23,261</u>	<u>-</u>
	<u>\$ 130,000</u>	<u>\$ 130,000</u>	<u>\$ 76,835</u>	<u>\$ 53,165</u>	<u>\$ -</u>

**INDEPENDENT AUDITORS REPORT AND  
FINANCIAL STATEMENTS OF THE BOROUGH OF CLIFFSIDE PARK  
FOR THE YEARS ENDED DECEMBER 31, 2024 AND 2023**

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DIETER P. LERCH, CPA, RMA, PSA  
GARY J. VINCI, CPA, RMA, PSA  
JEFFREY C. BLISS, CPA, RMA, PSA  
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DEBRA GOLLE, CPA

## **INDEPENDENT AUDITOR'S REPORT**

Honorable Mayor and  
Members of the Borough Council  
Borough of Cliffside Park  
Cliffside Park, New Jersey

### **Report on the Audit of Financial Statements**

#### ***Opinions***

We have audited the financial statements of the Borough of Cliffside Park which comprise the balance sheets - regulatory basis of the various funds and account group, as of December 31, 2024 and 2023, and the related statements of operations and changes in fund balance - regulatory basis and the related statements of revenues - regulatory basis and statements of expenditures - regulatory basis of the various funds for the years then ended, and the related notes to the financial statements.

#### ***Unmodified Opinion on Regulatory Basis of Accounting***

In our opinion, the accompanying financial statements – regulatory basis referred to above present fairly, in all material respects, the financial position – regulatory basis of the various funds and account group of the Borough of Cliffside Park as of December 31, 2024 and 2023, and the results of operations and changes in fund balance – regulatory basis of such funds for the years then ended and the respective revenues – regulatory basis and expenditures – regulatory basis of the various funds for the years then ended in accordance with the financial accounting and reporting provisions and practices prescribed by the Division of Local Government Services, Department of Community Affairs, State of New Jersey as described in Note 1.

#### ***Adverse Opinion on U.S. Generally Accepted Accounting Principles***

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

### ***Basis for Opinions***

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

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

As described in Note 1 of the financial statements, the financial statements are prepared by the Borough of Cliffside Park on the basis of the financial accounting and reporting provisions and practices that demonstrate compliance with the regulatory basis of accounting and budget laws prescribed by the Division of Local Government Services, Department of Community Affairs, State of New Jersey, which is a basis of accounting other than accounting principles generally accepted in the United States of America, to meet the financial reporting requirements of the State of New Jersey for municipal government entities. The effects on the financial statements of the variances between the regulatory basis of accounting described in Note 1 and accounting principles generally accepted in the United States of America, although not reasonably determinable, are presumed to be material and pervasive.

### ***Responsibilities of Management for the Financial Statements***

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

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the Borough of Cliffside 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 Financial Statements***

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

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

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

By/s/ LERCH, VINCI & BLISS, LLP  
Certified Public Accountants  
Registered Municipal Accountants

Fair Lawn, New Jersey  
August 20, 2025

**BOROUGH OF CLIFFSIDE PARK**  
**COMPARATIVE BALANCE SHEETS - REGULATORY BASIS**  
**CURRENT FUND**  
**AS OF DECEMBER 31, 2024 AND 2023**

<b>ASSETS</b>	<u>2024</u>	<u>2023</u>
Regular Fund		
Cash	\$ 15,321,708	\$ 14,407,954
Cash - Change Funds	200	200
Due from Grant Fund		1,233,726
Due from State of NJ for Senior Citizens' and Veterans' Deductions	<u>22,537</u>	<u>19,412</u>
	<u>15,344,445</u>	<u>15,661,292</u>
Receivables and Other Assets with Full Reserves		
Delinquent Property Taxes Receivable	1,460,011	1,502,151
Tax Title Liens	2,876	2,159
Property Acquired for Taxes - Assessed Valuation	31,387	31,387
Revenue Accounts Receivable	50,439	76,946
Due from Animal Control Fund	4,388	2,112
Due from General Capital Fund	<u>18,114</u>	<u>-</u>
	<u>1,567,215</u>	<u>1,614,755</u>
Total Regular Fund	<u>16,911,660</u>	<u>17,276,047</u>
Federal and State Grant Fund		
Grants Receivable	7,682,692	2,305,563
Due from Current Fund	<u>1,538,274</u>	<u>-</u>
Total Grant Fund	<u>9,220,966</u>	<u>2,305,563</u>
Total Assets	<u>\$ 26,132,626</u>	<u>\$ 19,581,610</u>

**BOROUGH OF CLIFFSIDE PARK**  
**COMPARATIVE BALANCE SHEETS - REGULATORY BASIS**  
**CURRENT FUND**  
**AS OF DECEMBER 31, 2024 AND 2023**  
**(Continued)**

<b>LIABILITIES, RESERVES AND FUND BALANCE</b>	<u>2024</u>	<u>2023</u>
Liabilities		
Appropriation Reserves	\$ 307,620	\$ 1,204,108
Encumbrances Payable	1,765,526	1,176,079
Due to General Capital Fund		698,720
Due to Grants Fund	1,538,274	
Tax Overpayments		63,816
Reserve for Tax Appeals	522,564	545,757
Prepaid Taxes	790,208	811,158
Reserve for Tax Stabilization	1,315,000	1,940,000
Reserve for Chapter 531 DWI Funds	16,033	16,033
Reserve for FEMA Audit Recovery	30,576	30,576
Reserve for Summer Food Program	4,409	4,409
Reserve for Sewer Hook Up Fees	162,039	127,471
Reserve for Municipal Relief Fund	61,914	117,561
Reserve for Opioids Settlement	123,292	2,833
Reserve for Debt - BOE	97,960	465,960
Reserve for Lead Hazard Control Fund	<u>340</u>	<u>340</u>
	6,735,755	7,204,821
Reserve for Receivables	1,567,215	1,614,755
Fund Balance	<u>8,608,690</u>	<u>8,456,471</u>
Total Regular Fund	<u>16,911,660</u>	<u>17,276,047</u>
Federal and State Grant Fund		
Due to Current Fund		1,233,726
Reserve for Grants - Unappropriated	92,512	213,531
Reserve for Grants - Appropriated	<u>9,128,454</u>	<u>858,306</u>
Total Grant Fund	<u>9,220,966</u>	<u>2,305,563</u>
Total Liabilities, Reserves and Fund Balance	<u>\$ 26,132,626</u>	<u>\$ 19,581,610</u>

**BOROUGH OF CLIFFSIDE PARK**  
**COMPARATIVE STATEMENTS OF OPERATIONS AND CHANGES IN FUND BALANCE -**  
**REGULATORY BASIS - CURRENT FUND**  
**FOR THE YEARS ENDED DECEMBER 31, 2024 AND 2023**

	<u>2024</u>	<u>2023</u>
<b>REVENUE AND OTHER INCOME REALIZED</b>		
Fund Balance Utilized	\$ 4,550,000	\$ 4,550,000
Miscellaneous Revenue Anticipated	16,108,770	8,667,323
Receipts from Delinquent Taxes	1,461,971	998,940
Receipts from Current Taxes	83,031,019	79,869,995
Non-Budget Revenue	633,370	1,327,139
Other Credits to Income		
Unexpended Balance of Appropriation Reserves	86,933	63,592
Statutory Excess- Due from Animal Control Fund	2,276	2,112
Other Credits	17,595	1,456
Interfunds Liquidated	-	4,182
	<u>105,891,934</u>	<u>95,484,739</u>
<b>EXPENDITURES</b>		
Budget Appropriations		
Operations		
Salaries and Wages	15,230,776	14,571,086
Other Expenses	29,405,101	21,410,407
Deferred Charges and Statutory Expenditures - Municipal	3,445,455	3,448,247
Capital Improvements	929,350	709,350
Municipal Debt Service	2,866,870	2,219,027
County Taxes Payable	9,520,975	9,130,449
Due County for Added and Omitted Taxes	42,150	62,262
County Open Space Tax	428,110	399,979
Local District School Taxes Payable	39,025,107	38,112,850
Other Debits to Income		
Interfunds Established	20,390	2,112
Cancelled Grants Receivable	275,431	-
	<u>101,189,715</u>	<u>90,065,769</u>
Excess in Revenues	4,702,219	5,418,970
Fund Balance, January 1	<u>8,456,471</u>	<u>7,587,501</u>
	13,158,690	13,006,471
Decreased by:		
Utilization as Anticipated Revenue	<u>4,550,000</u>	<u>4,550,000</u>
Fund Balance, December 31	<u>\$ 8,608,690</u>	<u>\$ 8,456,471</u>

The Accompanying Notes are an Integral Part of these Financial Statements

**BOROUGH OF CLIFFSIDE PARK**  
**COMPARATIVE STATEMENTS OF REVENUES - REGULATORY BASIS**  
**CURRENT FUND**  
**FOR THE YEARS ENDED DECEMBER 31, 2024 AND 2025**

	<u>2024</u>		<u>2023</u>	
	<u>Budget After</u> <u>Modification</u>	<u>Actual</u>	<u>Budget After</u> <u>Modification</u>	<u>Actual</u>
<b>FUND BALANCE ANTICIPATED</b>	\$ 4,550,000	\$ 4,550,000	\$ 4,550,000	\$ 4,550,000
<b>MISCELLANEOUS REVENUES</b>				
Licenses				
Alcoholic Beverages	30,000	40,971	30,000	43,162
Other	13,000	19,372	25,000	13,694
Fees and Permits	50,000	85,695	50,000	85,386
Fines and Costs				
Municipal Court	375,000	492,451	375,000	457,593
Interest and Costs on Taxes	200,000	311,505	225,000	203,962
Interest on Investments and Deposits	180,120	577,255	100,000	381,947
Recreation Fees	100,000	107,963	100,000	110,077
Consolidated Municipal Property Tax Relief Act			61,914	61,914
Energy Receipts Tax	1,140,527	1,140,527	1,134,878	1,134,878
Uniform Construction Code Fees	350,000	358,386	350,000	470,973
EMS Billing Contract	450,000	507,771	450,000	482,443
Borough of Fort Lee-Construction Official	10,000	10,000	10,000	10,000
Board of Education- Security Officers	225,000	249,000	250,000	250,000
State and Federal Revenues Offset with Appropriations				
NJDEP - ARPA Combined Sewer Outfall and Flooding Remediation	5,200,000	5,200,000		
NJDEP Green Acres Honor Park	621,460	621,460		
NJDEP Urban Park Honor Park	500,000	500,000		
BCOST - Honor Park	125,027	125,027		
ARP Firefighters Grant	73,000	73,000		
EPA - Congressionally Directed Oakdene Ave Storm	1,000,000	1,000,000		
Manhattan Place Pump Station	560,000	560,000		
Recreation for Individuals with Disability	9,250	9,250		
Spotted Lanternfly Grant	11,000	11,000		
Summer Food Program	49,666	49,666		
CDBG - Anderson Ave Streetscape			349,775	349,775
National Opioid Settlement	110,000	110,000	56,750	56,750
Drank Driving Enforcement			4,556	4,556
CDBG Police and Fire	300,000	300,000		
NJDEP It Pays to Plug In	20,000	20,000		
CDBG Sewer Regulator	140,347	140,347		
CDBG - DeSoto Place Sanitary Improvements			121,000	121,000
CDBG - Jefferson Ave Sanitary Sewer			310,000	310,000
CDBG - HVAC Upgrades			460,000	460,000
NJDOT - Lafayette Av			400,000	400,000
Municipal Aid Program - Lafayette Ave			276,125	276,125
Spotted Lantern Fly			15,000	15,000
Stormwater Assistance Grant			15,000	15,000
Local Recreation Improvement Grant			70,000	70,000
Reserve for ARP - Firefighters Grant			50,000	50,000
BC Open Space - Zalewski Park			90,000	90,000

The Accompanying Notes are an Integral Part of these Financial Statements

**BOROUGH OF CLIFFSIDE PARK**  
**COMPARATIVE STATEMENTS OF REVENUES - REGULATORY BASIS**  
**CURRENT FUND**  
**FOR THE YEARS ENDED DECEMBER 31, 2024 AND 2025**

	<u>2024</u>		<u>2023</u>	
	Budget After <u>Modification</u>	<u>Actual</u>	Budget After <u>Modification</u>	<u>Actual</u>
<b>MISCELLANEOUS REVENUES (Continued)</b>				
FY2025 Sewer & Storm	750,000	750,000		
Reserve for Alcohol Education and Rehabilitation	3,115	3,115		
Reserve for Click It or Ticket	7,000	7,000		
Reserve for Clean Communities	46,229	46,229	41,216	41,216
Reserve for DMV Inspection	2,100	2,100	10,896	10,896
Reserve for Distracted Driving	7,000	7,000	16,500	16,500
Reserve for Body Armor	4,147	4,147	6,113	6,113
Reserve for Spotted Lanternfly	9,000	9,000		
Reserve for Drive Sober and Get Pulled Over			5,820	5,820
Reserve for Municipal Alliance on Alcoholism and Rehabilitation			1,580	1,580
Reserve for Summer Food Program			53,108	53,108
Cell Tower Rents	71,300	71,300	71,300	71,300
Franchise Fees	214,043	214,044	240,000	220,900
PILOT- Anderson Avenue	1,000,000	1,190,602	1,000,000	1,131,862
Reserve for American Rescue Plan Act	134,940	134,940	500,000	500,000
Reserve for Tax Stabilization	625,000	625,000	625,000	625,000
Reserve for Municipal Relief Fund	55,647	55,647	58,793	58,793
Reserve for Debt - BOE	<u>368,000</u>	<u>368,000</u>	<u>-</u>	<u>-</u>
 Total Miscellaneous Revenues	 <u>15,140,918</u>	 <u>16,108,770</u>	 <u>8,010,324</u>	 <u>8,667,323</u>
 <b>RECEIPTS FROM DELINQUENT TAXES</b>	 <u>1,390,750</u>	 <u>1,461,971</u>	 <u>960,000</u>	 <u>998,940</u>
 <b>AMOUNT TO BE RAISED FOR SUPPORT OF MUNICIPAL BUDGET</b>				
Local Tax for Municipal Purposes	33,799,109	37,017,901	31,937,735	35,264,391
Minimum Library Tax	<u>1,396,776</u>	<u>1,396,776</u>	<u>1,300,064</u>	<u>1,300,064</u>
 Total Amount to be Raised by Taxes for Support of Municipal Budget	 <u>35,195,885</u>	 <u>38,414,677</u>	 <u>33,237,799</u>	 <u>36,564,455</u>
 Total General Revenues	 <u>\$ 56,277,553</u>	 <u>\$ 60,535,418</u>	 <u>\$ 46,758,123</u>	 <u>\$ 50,780,718</u>

2024 STATEMENT OF EXPENDITURES

**BOROUGH OF CLIFFSIDE PARK**  
**STATEMENT OF EXPENDITURES - REGULATORY BASIS - CURRENT FUND**  
**FOR THE YEAR ENDED DECEMBER 31, 2024**

	<u>Appropriations</u>		<u>Expended</u>		<u>Cancelled</u>
	<u>Budget</u>	<u>Budget After Modification</u>	<u>Paid or Charged</u>	<u>Reserves</u>	
<b>GENERAL APPROPRIATIONS</b>					
<b>OPERATIONS WITHIN "CAPS"</b>					
GENERAL GOVERNMENT					
General Administration					
Salaries and Wages	\$ 260,000	\$ 231,589	\$ 231,589	-	
Other Expenses	100,000			-	
Mayor and Council					
Salaries and Wages	222,000	221,917	221,917	-	
Other Expenses	15,000	15,000	15,000	-	
Municipal Clerk					
Salaries and Wages	420,000	429,543	429,543	-	
Other Expenses	300,000	332,434	332,434	-	
Financial Administration					
Salaries and Wages	230,000	222,669	222,669	-	
Other Expenses	130,000	127,362	127,362	-	
Annual Audit	175,000	175,000	167,520	\$ 7,480	
Assessment of Taxes					
Salaries and Wages	67,000	66,359	66,359	-	
Other Expenses	15,000	14,603	14,603	-	
Revenue Administration (Tax Collection)					
Salaries and Wages	315,000	299,682	299,682	-	
Other Expenses	120,000	129,623	129,623	-	
Legal Services and Costs					
Other Expenses	500,000	460,000	411,907	48,093	
Engineering Services and Costs					
Other Expenses	450,000	578,716	578,716	-	
<b>LAND USE ADMINISTRATION</b>					
Planning Board					
Salaries and Wages	2,000	800	800	-	
Other Expenses	3,000	3,892	3,892	-	
Board of Adjustments					
Salaries and Wages	3,000	3,500	3,500	-	
Other Expenses	15,000	11,631	11,631	-	
<b>INSURANCE</b>					
General Liability	4,562,000	4,828,038	4,828,038	-	
Unemployment	60,000	150,000	150,000	-	
Employee Group Health	3,500,000	3,117,924	3,117,924	-	

**BOROUGH OF CLIFFSIDE PARK**  
**STATEMENT OF EXPENDITURES - REGULATORY BASIS - CURRENT FUND**  
**FOR THE YEAR ENDED DECEMBER 31, 2024**

	<u>Appropriations</u>		<u>Expended</u>		
	<u>Budget</u>	<u>Budget After Modification</u>	<u>Paid or Charged</u>	<u>Reserves</u>	<u>Cancelled</u>
<b>GENERAL APPROPRIATIONS (Continued)</b>					
<b>OPERATIONS WITHIN "CAPS" (Continued)</b>					
PUBLIC SAFETY					
Fire					
Salaries and Wages	\$ 450,000	\$ 445,732	\$ 445,732	-	
Other Expenses	150,000	136,932	136,932	-	
Uniform Fire Safety Act (Ch. 383, P.L. 1983)					
Salaries and Wages	77,000	55,279	55,279	-	
Other Expenses	20,000	21,896	21,896	-	
Fire Hydrant Service	75,000	107,704	107,704	-	
Police					
Salaries and Wages	7,365,060	7,250,461	7,250,461	-	
Salaries and Wages-ARP revenue loss	134,940	134,940	134,940	-	
Other Expenses					
Special Police	4,000	2,438	2,438	-	
Miscellaneous Other Expenses	375,000	443,169	443,169	-	
Purchase of Police Cars	110,000	97,065	97,065	-	
Municipal Prosecutor's Office					
Salaries & Wages	27,000	26,517	26,517	-	
Emergency Management Services					
Salaries and Wages					
Other Expenses	35,000	41,408	41,408	-	
Cliffside Park Board of Education - Security Officer					
Salaries and Wages	300,000	320,283	320,283	-	
Emergency Response Services - Ambulance					
Salaries and Wages	720,000	650,795	650,795	-	
Other Expenses	150,000	77,920	77,920	-	
Alliance to Prevent Alcoholism & Drug Abuse	40,000	38,243	38,243	-	
Municipal Court					
Salaries and Wages	244,000	271,128	271,128	-	
Other Expenses	50,000	58,545	58,545	-	
Public Defender					
Salaries and Wages	17,500	17,500	17,500	-	
<b>PUBLIC WORKS FUNCTIONS</b>					
Streets and Road Maintenance					
Salaries and Wages	1,400,000	1,302,692	1,302,692	-	
Other Expenses	245,000	204,240	204,240	-	
Snow Removal					
Salaries and Wages	40,000	20,487	20,487	-	
Other Expenses	40,000	40,000	30,996	\$ 9,004	
Other Public Works Functions					
Sewer System					
Salaries and Wages	5,000	5,000	4,800	200	
Other Expenses	15,000	16,074	16,074	-	

**BOROUGH OF CLIFFSIDE PARK**  
**STATEMENT OF EXPENDITURES - REGULATORY BASIS - CURRENT FUND**  
**FOR THE YEAR ENDED DECEMBER 31, 2024**

	<u>Appropriations</u>		<u>Expended</u>		
	<u>Budget</u>	<u>Budget After Modification</u>	<u>Paid or Charged</u>	<u>Reserves</u>	<u>Cancelled</u>
<b>GENERAL APPROPRIATIONS (Continued)</b>					
<b>OPERATIONS WITHIN "CAPS" (Continued)</b>					
Other Public Works Functions (continued)					
Solid Waste Collection					
Salaries and Wages	\$ 430,000	\$ 520,074	\$ 520,074	-	
Other Expenses	15,000	15,000	15,000	-	
Buildings and Grounds					
Salaries and Wages	600,000	628,593	628,593	-	
Other Expenses	250,000	308,169	308,169	-	
Vehicle Maintenance	650,000	852,327	852,327	-	
Borough of Fairview Taxes	30,000	30,000	29,540	\$ 460	
<b>HEALTH AND HUMAN SERVICES</b>					
Board of Health					
Salaries and Wages	40,000	40,000	33,690	6,310	
Other Expenses	120,000	177,022	177,022	-	
Community Mental Health Organization					
Other Expenses	3,000	3,000	3,000	-	
<b>PARK &amp; RECREATION FUNCTIONS</b>					
Maintenance of Parks					
Salaries and Wages	775,000	770,748	770,748	-	
Other Expenses	165,000	162,726	162,726	-	
Recreation Services & Programs					
Salaries and Wages	305,000	281,416	281,416	-	
Other Expenses	230,000	230,000	197,594	32,406	
<b>OTHER COMMON OPERATING FUNCTIONS</b>					
Celebration of Public Event, Anniversary or Holiday					
Other Expenses	95,000	95,000	54,153	40,847	
<b>UNIFORM CONSTRUCTION CODE</b>					
<b>APPROPRIATIONS OFFSET BY DEDICATED REVENUES (NJAC 5:23-4-17)</b>					
<b>CODE ENFORCEMENT AND ADMINISTRATION</b>					
Building Inspector					
Salaries and Wages	515,000	486,227	486,227	-	
Other Expenses	25,000	-	-	-	
Elevator Inspector					
Salaries and Wages	40,000	47,441	47,441	-	

**BOROUGH OF CLIFFSIDE PARK**  
**STATEMENT OF EXPENDITURES - REGULATORY BASIS - CURRENT FUND**  
**FOR THE YEAR ENDED DECEMBER 31, 2024**

	<u>Appropriations</u>		<u>Expended</u>		
	<u>Budget</u>	<u>Budget After Modification</u>	<u>Paid or Charged</u>	<u>Reserves</u>	<u>Cancelled</u>
<b>GENERAL APPROPRIATIONS (Continued)</b>					
<b>OPERATIONS WITHIN "CAPS" (Continued)</b>					
<b>UNIFORM CONSTRUCTION CODE</b>					
<b>APPROPRIATIONS OFFSET BY DEDICATED</b>					
<b>REVENUES (NJAC 5:23-4-17) (Continued)</b>					
Electrical Inspector					
Salaries and Wages	\$ 16,000	\$ 19,344	\$ 19,344	-	
Rent Leveling Board					
Other Expenses	8,000	410	410	-	
<b>UTILITY EXPENSES AND BULK PURCHASES</b>					
Fuel Oil	265,000	265,000	220,511	\$ 44,489	
Electricity	185,000	185,000	183,136	1,864	
Telephone	225,000	211,408	200,221	11,187	
Natural Gas	45,000	45,000	37,241	7,759	
Street Lighting	250,000	255,071	255,071	-	
Water	85,000	85,000	80,310	4,690	
<b>LANDFILL/ SOLID WASTE DISPOSAL COSTS</b>					
Contractual- Bergen County	<u>975,000</u>	<u>975,000</u>	<u>952,465</u>	<u>22,535</u>	<u>-</u>
Total Operations Within "CAPS"	29,895,500	29,895,706	29,658,382	237,324	-
Contingent	<u>1,000</u>	<u>1,000</u>	<u>-</u>	<u>1,000</u>	<u>-</u>
Total Operations including Contingent - Within "CAPS"	<u>29,896,500</u>	<u>29,896,706</u>	<u>29,658,382</u>	<u>238,324</u>	<u>-</u>
Detail:					
Salaries and Wages	14,885,560	14,635,776	14,629,266	6,510	
Other Expenses (Including Contingent)	<u>15,010,940</u>	<u>15,260,930</u>	<u>15,029,116</u>	<u>231,814</u>	<u>-</u>
<b>DEFERRED CHARGES AND STATUTORY</b>					
<b>EXPENDITURES - MUNICIPAL</b>					
<b>WITHIN "CAPS" (Continued)</b>					
Statutory Charges					
Social Security System (O.A.S.I.)	820,000	820,000	804,250	15,750	
Police & Fireman's Retirement Fund	1,692,018	1,692,018	1,692,018	-	
Defined Contribution Retirement Plan	65,000	65,000	27,838	37,162	
Public Employees Retirement System	<u>868,437</u>	<u>868,437</u>	<u>868,437</u>	<u>-</u>	<u>-</u>
Total Deferred Charges & Statutory Expenditures - Municipal within "CAPS"	<u>3,445,455</u>	<u>3,445,455</u>	<u>3,392,543</u>	<u>52,912</u>	<u>-</u>
Total General Appropriations for Municipal Purposes within "CAPS"	<u>33,341,955</u>	<u>33,342,161</u>	<u>33,050,925</u>	<u>291,236</u>	<u>-</u>

**BOROUGH OF CLIFFSIDE PARK**  
**STATEMENT OF EXPENDITURES - REGULATORY BASIS - CURRENT FUND**  
**FOR THE YEAR ENDED DECEMBER 31, 2024**

	<u>Appropriations</u>		<u>Expended</u>		
	<u>Budget</u>	<u>Budget After Modification</u>	<u>Paid or Charged</u>	<u>Reserves</u>	<u>Cancelled</u>
<b>OPERATIONS - EXCLUDED FROM "CAPS"</b>					
Implementation of 9-1-1 System					
Police Communications					
Other Expenses	\$ 18,000	\$ 17,794	\$ 17,794	-	
Emergency Response Services-Ambulance					
Salaries & Wages	360,000	360,000	360,000	-	
Billing Services	35,000	35,000	35,000	-	
Recycling Tax	25,000	25,000	25,000	-	
<b>EDUCATIONAL FUNCTIONS</b>					
Maintenance of Free Public Library (Ch. 82 & 541, P.L.)	1,396,776	1,396,776	1,396,776	-	
<b>UTILITY EXPENSES AND BULK PURCHASES</b>					
Sewer Service Charges - Contractual BCUA, Fort Lee, Edgewater	<u>3,121,260</u>	<u>3,121,260</u>	<u>3,121,260</u>	-	-
<b>Total Other Operations Excluded from "CAPS"</b>	<u>4,956,036</u>	<u>4,955,830</u>	<u>4,955,830</u>	-	-
<b>Public and Private Programs Offset by Revenues</b>					
NJDEP - ARPA Combined Sewer Outfall and Flooding Remediation	5,000,000	5,200,000	5,200,000	-	
NJDEP Green Acres Honor Park	621,460	621,460	621,460	-	
NJDEP Urban Park Honor Park	500,000	500,000	500,000	-	
BCOST - Honor Park	125,027	125,027	125,027	-	
ARP Firefighters Grant	73,000	73,000	73,000	-	
EPA - Congressionally Directed Oakdene Ave Storm	1,000,000	1,000,000	1,000,000	-	
Manhattan Place Pump Station	560,000	560,000	560,000	-	
Recreation for Individuals with Disability	9,250	9,250	9,250	-	
Spotted Laternfly Grant	11,000	11,000	11,000	-	
National Opioid Settlement		110,000	110,000	-	
CDBG Police and Fire		300,000	300,000	-	
NJDEP It Pays to Plug In		20,000	20,000	-	
CDBG Sewer Regulator		140,347	140,347	-	
FY2025 Sewer & Storm		750,000	750,000	-	
Reserve for Alcohol Education and Rehabilitation	3,115	3,115	3,115	-	
Reserve for Click It or Ticket	7,000	7,000	7,000	-	
Reserve for Clean Communities	46,229	46,229	46,229	-	
Reserve for DMV Inspection	2,100	2,100	2,100	-	
Reserve for Distracted Driving	7,000	7,000	7,000	-	
Reserve for Body Armor	4,147	4,147	4,147	-	
Reserve for Spotted Laternfly	9,000	9,000	9,000	-	
Summer Food Program	<u>49,666</u>	<u>49,666</u>	<u>49,666</u>	-	-
<b>Total Public and Private Programs Offset by Revenues</b>	<u>8,027,994</u>	<u>9,548,341</u>	<u>9,548,341</u>	-	-
<b>Interlocal Municipal Service Agreements</b>					
Borough of Fort Lee (Construction Code)					
Salaries and Wages	10,000	10,000	10,000	-	
Cliffside Park Board of Education					
Salaries and Wages- Security Officers	<u>225,000</u>	<u>225,000</u>	<u>225,000</u>	-	-
<b>Total Interlocal Municipal Service Agreements</b>	<u>235,000</u>	<u>235,000</u>	<u>235,000</u>	-	-
<b>Total Operations Excluded from "CAPS"</b>	<u>13,219,030</u>	<u>14,739,171</u>	<u>14,739,171</u>	-	-
<b>Detail:</b>					
Salaries and Wages	595,000	595,000	595,000	-	
Other Expenses	<u>12,624,030</u>	<u>14,144,171</u>	<u>14,144,171</u>	-	-

The Accompanying Notes are an Integral Part of these Financial Statements

**BOROUGH OF CLIFFSIDE PARK**  
**STATEMENT OF EXPENDITURES - REGULATORY BASIS - CURRENT FUND**  
**FOR THE YEAR ENDED DECEMBER 31, 2024**

	<u>Appropriations</u>		<u>Expended</u>		
	<u>Budget</u>	<u>Budget After Modification</u>	<u>Paid or Charged</u>	<u>Reserves</u>	<u>Cancelled</u>
<b>CAPITAL IMPROVEMENTS EXCLUDED FROM "CAPS"</b>					
Improvements to Borough Streets	\$ 250,000	\$ 250,000	\$ 250,000	-	
Improvements to Borough Property	250,000	250,000	233,618	\$ 16,382	
Preliminary Expense for Capital Improvements	75,000	75,000	75,000	-	
Installation of Security Cameras	225,000	225,000	225,000	-	
Purchase of Computers	60,000	60,000	60,000	-	
Purchase of Fire Truck	<u>69,350</u>	<u>69,350</u>	<u>69,348</u>	<u>2</u>	<u>-</u>
Total Capital Improvements Excluded from "CAPS"	<u>929,350</u>	<u>929,350</u>	<u>912,966</u>	<u>16,384</u>	<u>-</u>
<b>MUNICIPAL DEBT SERVICE - EXCLUDED FROM "CAPS"</b>					
Payment of Bonds Principal	1,875,000	1,875,000	1,875,000	-	
Loan Repayments for Principal and Interest	14,738	14,738	14,737	-	1
Interest on Bonds	<u>977,133</u>	<u>977,133</u>	<u>977,133</u>	<u>-</u>	<u>-</u>
Total Municipal Debt Service Excluded from "CAPS"	<u>2,866,871</u>	<u>2,866,871</u>	<u>2,866,870</u>	<u>-</u>	<u>1</u>
Total General Appropriations Excluded from "CAPS"	<u>17,015,251</u>	<u>18,535,392</u>	<u>18,519,007</u>	<u>16,384</u>	<u>1</u>
Subtotal General Appropriations	<u>50,357,206</u>	<u>51,877,553</u>	<u>51,569,932</u>	<u>307,620</u>	<u>1</u>
Reserve for Uncollected Taxes	<u>4,400,000</u>	<u>4,400,000</u>	<u>4,400,000</u>	<u>-</u>	<u>-</u>
Total General Appropriations	<u>\$ 54,757,206</u>	<u>\$ 56,277,553</u>	<u>\$ 55,969,932</u>	<u>\$ 307,620</u>	<u>\$ 1</u>
Budget as Adopted		\$ 54,757,206			
Appropriations Added by 40A:4-87		<u>1,520,347</u>			
		<u>\$ 56,277,553</u>			

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2023 STATEMENT OF EXPENDITURES

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

	<u>Appropriations</u>		<u>Expended 2023</u>		
	<u>Budget</u>	<u>Budget After Modification</u>	<u>Paid or Charged</u>	<u>Reserves</u>	<u>Cancelled</u>
<b>GENERAL APPROPRIATIONS</b>					
<b>OPERATIONS WITHIN "CAPS"</b>					
GENERAL GOVERNMENT					
General Administration					
Salaries and Wages	\$ 250,000	\$ 227,844	\$ 227,844	-	
Other Expenses	100,000	47,955	20,721	\$ 27,234	
Mayor and Council					
Salaries and Wages	216,000	215,453	215,453	-	
Other Expenses	15,000	15,000	15,000	-	
Municipal Clerk					
Salaries and Wages	397,000	416,045	416,045	-	
Other Expenses	240,000	310,814	310,814	-	
Financial Administration					
Salaries and Wages	220,000	216,544	216,544	-	
Other Expenses	90,000	160,606	140,606	20,000	
Annual Audit	175,000	185,399	185,399	-	
Assessment of Taxes					
Salaries and Wages	63,000	62,686	62,686	-	
Other Expenses	15,000	15,000	9,697	5,303	
Revenue Administration (Tax Collection)					
Salaries and Wages	301,000	309,818	309,818	-	
Other Expenses	70,000	132,345	132,345	-	
Legal Services and Costs					
Other Expenses	500,000	500,000	497,009	2,991	
Engineering Services and Costs					
Other Expenses	350,000	552,117	452,117	100,000	
<b>LAND USE ADMINISTRATION</b>					
Planning Board					
Salaries and Wages	2,000	1,550	1,550	-	
Other Expenses	2,000	2,989	2,989	-	
Board of Adjustments					
Salaries and Wages	3,000	2,100	2,100	-	
Other Expenses	8,000	15,495	15,495	-	
<b>INSURANCE</b>					
General Liability	4,760,000	4,396,659	4,396,659	-	
Unemployment	30,000	30,000	30,000	-	
Employee Group Health	3,200,000	3,200,000	2,552,459	647,541	

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

	<u>Appropriations</u>		<u>Expended 2023</u>		
	<u>Budget</u>	<u>Budget After Modification</u>	<u>Paid or Charged</u>	<u>Reserves</u>	<u>Cancelled</u>
<b>GENERAL APPROPRIATIONS (Continued)</b>					
<b>OPERATIONS WITHIN "CAPS" (Continued)</b>					
<b>PUBLIC SAFETY</b>					
Fire					
Salaries and Wages	\$ 402,000	\$ 452,547	\$ 452,547	-	
Other Expenses	150,000	150,000	137,610	\$ 12,390	
Uniform Fire Safety Act (Ch. 383, P.L. 1983)					
Salaries and Wages	75,000	76,728	76,728	-	
Other Expenses	15,000	24,534	24,534	-	
Fire Hydrant Service	95,000	59,295	59,295	-	
Police					
Salaries and Wages	7,017,000	6,856,272	6,856,272	-	
Other Expenses					
Special Police	4,000	4,000	-	4,000	
Miscellaneous Other Expenses	350,000	353,372	353,372	-	
Municipal Prosecutor's Office					
Salaries & Wages	27,000	26,745	26,745	-	
Emergency Management Services					
Other Expenses	35,000	35,000	8,931	26,069	
Cliffside Park Board of Education - Security Officer					
Salaries and Wages	270,000	218,586	218,586	-	
Emergency Response Services - Ambulance					
Salaries and Wages	550,000	621,005	621,005	-	
Other Expenses	150,000	130,000	58,232	71,768	
Alliance to Prevent Alcoholism & Drug Abuse	40,000	40,000	39,864	136	
Municipal Court					
Salaries and Wages	230,000	289,285	289,285	-	
Other Expenses	50,000	50,000	47,129	2,871	
Public Defender					
Salaries and Wages	17,500	17,500	17,500	-	
<b>PUBLIC WORKS FUNCTIONS</b>					
Streets and Road Maintenance					
Salaries and Wages	1,350,000	1,277,918	1,277,918	-	
Other Expenses	220,000	245,314	245,314	-	
Snow Removal					
Salaries and Wages	40,000	31,667	31,667	-	
Other Expenses	40,000	40,000	12,228	27,772	
Other Public Works Functions					
Sewer System					
Salaries and Wages	5,000	4,800	4,800	-	
Other Expenses	15,000	15,000	8,150	6,850	

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

	<u>Appropriations</u>		<u>Expended 2023</u>		
	<u>Budget</u>	<u>Budget After Modification</u>	<u>Paid or Charged</u>	<u>Reserves</u>	<u>Cancelled</u>
<b>GENERAL APPROPRIATIONS (Continued)</b>					
<b>OPERATIONS WITHIN "CAPS" (Continued)</b>					
Other Public Works Functions (continued)					
Solid Waste Collection					
Salaries and Wages	\$ 525,000	\$ 488,948	\$ 488,948	-	
Other Expenses	292,429	292,429	289,979	\$ 2,450	
Buildings and Grounds					
Salaries and Wages	600,000	578,560	578,560	-	
Other Expenses	250,000	261,152	261,152	-	
Vehicle Maintenance	650,000	766,295	766,295	-	
Borough of Fairview Taxes	30,000	30,000	27,191	2,809	
<b>HEALTH AND HUMAN SERVICES</b>					
Board of Health					
Salaries and Wages	100,000	55,254	55,254	-	
Other Expenses	120,000	120,000	107,625	12,375	
Community Mental Health Organization					
Other Expenses	3,000	3,000	-	3,000	
<b>PARK &amp; RECREATION FUNCTIONS</b>					
Maintenance of Parks					
Salaries and Wages	645,000	689,102	689,102	-	
Other Expenses	150,000	168,863	168,863	-	
Recreation Services & Programs					
Salaries and Wages	300,000	263,849	263,849	-	
Other Expenses	230,000	230,000	208,852	21,148	
<b>OTHER COMMON OPERATING FUNCTIONS</b>					
Celebration of Public Event, Anniversary or Holiday					
Other Expenses	70,000	89,320	89,320	-	
<b>UNIFORM CONSTRUCTION CODE</b>					
<b>APPROPRIATIONS OFFSET BY DEDICATED REVENUES (NJAC 5:23-4-17)</b>					
<b>CODE ENFORCEMENT AND ADMINISTRATION</b>					
Building Inspector					
Salaries and Wages	500,000	484,789	484,789	-	
Other Expenses	15,000	26,270	26,270	-	
Elevator Inspector					
Salaries and Wages	40,000	50,250	50,250	-	

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

	<u>Appropriations</u>		<u>Expended 2023</u>		
	<u>Budget</u>	<u>Budget After Modification</u>	<u>Paid or Charged</u>	<u>Reserves</u>	<u>Cancelled</u>
<b>GENERAL APPROPRIATIONS (Continued)</b>					
<b>OPERATIONS WITHIN "CAPS" (Continued)</b>					
<b>UNIFORM CONSTRUCTION CODE</b>					
<b>APPROPRIATIONS OFFSET BY DEDICATED</b>					
<b>REVENUES (NJAC 5:23-4-17) (Continued)</b>					
Electrical Inspector					
Salaries and Wages	\$ 17,000	\$ 15,241	\$ 15,241	-	
Rent Leveling Board					
Other Expenses	5,000	7,595	7,595	-	
<b>UTILITY EXPENSES AND BULK PURCHASES</b>					
Fuel Oil	210,000	255,223	255,223	-	
Electricity	160,000	180,433	180,433	-	
Telephone	280,000	217,497	217,497	-	
Natural Gas	45,000	43,209	40,925	\$ 2,284	
Street Lighting	240,000	248,964	248,964	-	
Water	55,000	84,189	84,189	-	
<b>LANDFILL/ SOLID WASTE DISPOSAL COSTS</b>					
Contractual- Bergen County	<u>672,571</u>	<u>672,571</u>	<u>669,404</u>	<u>3,167</u>	<u>-</u>
Total Operations Within "CAPS"	28,359,500	28,358,990	27,356,832	1,002,158	-
Contingent	<u>1,000</u>	<u>1,000</u>	<u>-</u>	<u>1,000</u>	<u>-</u>
Total Operations including Contingent - Within "CAPS"	<u>28,360,500</u>	<u>28,359,990</u>	<u>27,356,832</u>	<u>1,003,158</u>	<u>-</u>
Detail:					
Salaries and Wages	14,162,500	13,951,086	13,951,086	-	
Other Expenses (Including Contingent)	<u>14,198,000</u>	<u>14,408,904</u>	<u>13,405,746</u>	<u>1,003,158</u>	<u>-</u>
<b>DEFERRED CHARGES AND STATUTORY</b>					
<b>EXPENDITURES - MUNICIPAL</b>					
<b>WITHIN "CAPS" (Continued)</b>					
Statutory Charges					
Social Security System (O.A.S.I.)	800,000	800,000	739,847	60,153	
Consolidated Police & Fireman's Pension Fund	1,722,332	1,722,332	1,722,332	-	
Defined Contribution Retirement Plan	55,000	55,510	55,510	-	
Public Employees Retirement System	<u>859,461</u>	<u>859,461</u>	<u>859,461</u>	<u>-</u>	<u>-</u>
Total Deferred Charges & Statutory Expenditures - Municipal within "CAPS"	<u>3,436,793</u>	<u>3,437,303</u>	<u>3,377,150</u>	<u>60,153</u>	<u>-</u>
Total General Appropriations for Municipal Purposes within "CAPS"	<u>31,797,293</u>	<u>31,797,293</u>	<u>30,733,982</u>	<u>1,063,311</u>	<u>-</u>

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

	<u>Appropriations</u>		<u>Expended 2023</u>		
	<u>Budget</u>	<u>Budget After Modification</u>	<u>Paid or Charged</u>	<u>Reserves</u>	<u>Cancelled</u>
<b>OPERATIONS - EXCLUDED FROM "CAPS"</b>					
Implementation of 9-1-1 System					
Police Communications					
Other Expenses	\$ 18,000	\$ 18,000	\$ 11,797	\$ 6,203	
Emergency Response Services-Ambulance					
Salaries & Wages	360,000	360,000	360,000	-	
Billing Services	35,000	35,000	35,000	-	
Recycling Tax	25,000	25,000	25,000	-	
<b>EDUCATIONAL FUNCTIONS</b>					
Maintenance of Free Public Library (Ch. 82 & 541, P.L.)	1,300,064	1,300,064	1,300,064	-	-
<b>UTILITY EXPENSES AND BULK PURCHASES</b>					
Sewer Service Charges - Contractual BCUA, Fort Lee, Edgewater	<u>3,270,000</u>	<u>3,270,000</u>	<u>3,268,990</u>	<u>1,010</u>	<u>-</u>
Total Other Operations Excluded from "CAPS"	<u>5,008,064</u>	<u>5,008,064</u>	<u>5,000,851</u>	<u>7,213</u>	<u>-</u>
<b>Public and Private Programs Offset by Revenues</b>					
Alliance to Prevent Alcoholism and Drug Abuse	1,580	1,580	1,580	-	
Distracted Driver	16,500	16,500	16,500	-	
Drive Sober	5,820	5,820	5,820	-	
Body Armor	6,113	6,113	6,113	-	
ARP Firefighter	50,000	50,000	50,000	-	
NJDOT Lafayette		276,125	276,125	-	
NJDOT Lafayette-Phii		400,000	400,000	-	
Drunk Driving Enforcement Fund		4,556	4,556	-	
CDBG Desoto PL Sewer		121,000	121,000	-	
NJCA Recreation		70,000	70,000	-	
NJDEP Stormwater		15,000	15,000	-	
NJDA Spotted		15,000	15,000	-	
National Opiod		54,342	54,342	-	
NOAT II National		2,408	2,408	-	
CDBG- Streetscape	349,775	349,775	349,775	-	
CDBG-Jefferson	310,000	310,000	310,000	-	
CDBG-Hvac	460,000	460,000	460,000	-	
OST Zalewski Park	90,000	90,000	90,000	-	-
DMV Insp.	10,896	10,896	10,896	-	
Summer Food Program	-	53,108	35,283	17,825	
Clean Communities	<u>41,216</u>	<u>41,216</u>	<u>41,216</u>	<u>-</u>	<u>-</u>
Total Public and Private Programs Offset by Revenues	<u>1,341,900</u>	<u>2,353,439</u>	<u>2,335,614</u>	<u>17,825</u>	<u>-</u>
<b>Interlocal Municipal Service Agreements</b>					
Borough of Fort Lee (Construction Code)					
Salaries and Wages	10,000	10,000	10,000	-	
Cliffside Park Board of Education					
Salaries and Wages- Security Officers	<u>250,000</u>	<u>250,000</u>	<u>250,000</u>	<u>-</u>	<u>-</u>
Total Interlocal Municipal Service Agreements	<u>260,000</u>	<u>260,000</u>	<u>260,000</u>	<u>-</u>	<u>-</u>
Total Operations Excluded from "CAPS"	<u>6,609,964</u>	<u>7,621,503</u>	<u>7,596,465</u>	<u>25,038</u>	<u>-</u>
Detail:					
Salaries and Wages	620,000	620,000	620,000	-	
Other Expenses	<u>5,989,964</u>	<u>7,001,503</u>	<u>6,976,465</u>	<u>25,038</u>	<u>-</u>

The Accompanying Notes are an Integral Part of these Financial Statements

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

	<u>Budget</u>	<u>Budget After Modification</u>	<u>Paid or Charged</u>	<u>Reserves</u>	<u>Cancelled</u>
<b>CAPITAL IMPROVEMENTS EXCLUDED FROM "CAPS"</b>					
Capital Improvement Fund	\$ 100,000	\$ 100,000	\$ 100,000	-	
Improvements to Borough Streets	250,000	250,000	249,601	\$ 399	
Improvements to Borough Property	250,000	250,000	134,642	115,358	
Purchase of Computers	40,000	40,000	40,000	-	
Purchase of Fire Truck	69,350	69,350	69,348	2	-
	<u>709,350</u>	<u>709,350</u>	<u>593,591</u>	<u>115,759</u>	<u>-</u>
Total Capital Improvements Excluded from "CAPS"					
<b>MUNICIPAL DEBT SERVICE - EXCLUDED FROM "CAPS"</b>					
Payment of Bonds Principal	1,475,000	1,475,000	1,475,000	-	
Payments of Bond Anticipation Notes and Capital Notes				-	
Interest on Notes	318,000	318,000	317,994	-	\$ 6
Interest on Bonds	426,033	426,033	426,033	-	-
	<u>2,219,033</u>	<u>2,219,033</u>	<u>2,219,027</u>	<u>-</u>	<u>6.00</u>
Total Municipal Debt Service Excluded from "CAPS"					
<b>DEFERRED CHARGES</b>					
Overexpenditure of Appropriation Reserves	10,944	10,944	10,944	-	-
	<u>10,944</u>	<u>10,944</u>	<u>10,944</u>	<u>-</u>	<u>-</u>
Total Deferred Charges					
Total General Appropriations Excluded from "CAPS"	<u>9,549,291</u>	<u>10,560,830</u>	<u>10,420,027</u>	<u>140,797</u>	<u>6</u>
Subtotal General Appropriations	<u>41,346,584</u>	<u>42,358,123</u>	<u>41,154,009</u>	<u>1,204,108</u>	<u>6</u>
Reserve for Uncollected Taxes	4,400,000	4,400,000	4,400,000	-	-
Total General Appropriations	<u>45,746,584</u>	<u>46,758,123</u>	<u>45,554,009</u>	<u>1,204,108</u>	<u>6</u>
Budget as Adopted		45,746,584			
Appropriations Added by 40A:4-87		<u>1,011,539</u>			
		<u>46,758,123</u>			

**BOROUGH OF CLIFFSIDE PARK**  
**COMPARATIVE BALANCE SHEETS - REGULATORY BASIS**  
**TRUST FUNDS**  
**AS OF DECEMBER 31, 2024 AND 2023**

	<u>2024</u>	<u>2023</u>
<b>ASSETS</b>		
<b>ANIMAL CONTROL FUND</b>		
Cash	\$ 7,866	\$ 6,900
<b>OTHER TRUST FUND</b>		
Cash	<u>1,261,118</u>	<u>916,404</u>
Total Assets	<u>\$ 1,268,984</u>	<u>\$ 923,304</u>
<b>LIABILITIES, RESERVES AND FUND BALANCE</b>		
<b>ANIMAL CONTROL FUND</b>		
Due to State of New Jersey	\$ 17	
Due to Current Fund	4,388	\$ 2,112
Reserve for Animal Control Fund Expenditures	<u>3,461</u>	<u>4,788</u>
	<u>7,866</u>	<u>6,900</u>
<b>OTHER TRUST FUND</b>		
Reserve for Unemployment Expenditures	13,524	64,051
Payroll Deductions Payable	54,587	42,461
Miscellaneous Reserves	<u>1,193,007</u>	<u>809,892</u>
	<u>1,261,118</u>	<u>916,404</u>
Total Liabilities and Reserves	<u>\$ 1,268,984</u>	<u>\$ 923,304</u>

**BOROUGH OF CLIFFSIDE PARK**  
**COMPARATIVE BALANCE SHEETS - REGULATORY BASIS**  
**GENERAL CAPITAL FUND**  
**AS OF DECEMBER 31, 2024 AND 2023**

	<u>2024</u>	<u>2023</u>
<b>ASSETS</b>		
Cash	\$ 4,486,770	\$ 7,727,629
Grants Receivable	236,000	545,455
Deferred Charges - Funded	26,558,952	28,444,000
Deferred Charges - Unfunded	3,006,101	1,116,556
Due from Current Fund	<u>-</u>	<u>698,720</u>
 Total Assets	 <u><u>\$ 34,287,823</u></u>	 <u><u>\$ 38,532,360</u></u>
 <b>LIABILITIES, RESERVES AND FUND BALANCE</b>		
Capital Improvement Fund	\$ 2,339,309	\$ 2,464,309
Serial Bonds Payable	26,332,000	28,207,000
Green Acres Loan Payable	226,952	237,000
Improvement Authorizations		
Funded	1,621,823	3,067,968
Unfunded	1,920,194	650,507
Contracts/Accounts Payable	728,619	2,495,309
Due to Current Fund	18,114	-
Reserve for Grants Receivable	236,000	545,455
Reserve for Payment of Debt	740,924	740,924
Fund Balance	<u>123,888</u>	<u>123,888</u>
 Total Liabilities, Reserves and Fund Balance	 <u><u>\$ 34,287,823</u></u>	 <u><u>\$ 38,532,360</u></u>

There were bonds authorized but not issued at December 31, 2024 and 2023 of \$3,006,101 and \$1,116,556, respectively.

**BOROUGH OF CLIFFSIDE PARK**  
**COMPARATIVE STATEMENTS OF CHANGES IN FUND BALANCE - REGULATORY BASIS**  
**GENERAL CAPITAL FUND**  
**FOR THE YEARS ENDED DECEMBER 31, 2024 AND 2023**

	<u>2024</u>	<u>2023</u>
Balance, January 1	\$ 123,888	\$ 539,533
Increased by:		
Premium on Bonds	-	1,339
Cancelled Reserves	-	122,549
	123,888	663,421
Decreased By:		
Appropriated to Fund Improvement Authorizations	-	539,533
	-	539,533
Balance, December 31	<u>\$ 123,888</u>	<u>\$ 123,888</u>

**BOROUGH OF CLIFFSIDE PARK  
COMPARATIVE BALANCE SHEETS - REGULATORY BASIS  
FREE PUBLIC LIBRARY FUND  
AS OF DECEMBER 31, 2024 AND 2023**

	<u>2024</u>	<u>2023</u>
<b>ASSETS</b>		
Cash	\$ 1,888,703	\$ 1,540,781
Total Assets	<u>\$ 1,888,703</u>	<u>\$ 1,540,781</u>
<b>LIABILITIES, RESERVES AND FUND BALANCES</b>		
Fund Balances		
General Fund	\$ 1,495,555	\$ 1,145,334
Gift Fund	81,427	83,726
Capital Fund	<u>311,721</u>	<u>311,721</u>
Total Fund Balances	<u>1,888,703</u>	<u>1,540,781</u>
Total Liabilities, Reserves and Fund Balances	<u>\$ 1,888,703</u>	<u>\$ 1,540,781</u>

**BOROUGH OF CLIFFSIDE PARK**  
**STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN**  
**FUND BALANCE - REGULATORY BASIS**  
**FREE PUBLIC LIBRARY FUND**  
**FOR THE YEAR ENDED DECEMBER 31, 2024**  
**(With Comparative Totals for the Year Ended December 31, 2023)**

	General Fund	Gift Fund	Capital Fund	Total Year 2024	Total Year 2023 (Memo Only)
<b>Revenues:</b>					
Borough Appropriations	\$ 1,396,776			\$ 1,396,776	\$ 1,300,064
State Library Aid	16,156			16,156	14,143
Fines, Lost Books, Cards, Misc.	7,861			7,861	9,432
Donations	250			250	525
Grant Gift Money		\$ 4,026		4,026	9,133
Miscellaneous	2,153	-	-	2,153	92
	<u>1,423,196</u>	<u>4,026</u>	<u>-</u>	<u>1,427,222</u>	<u>1,333,389</u>
<b>Total Revenues</b>					
<b>Expenditures:</b>					
Salaries and Wages	631,843			631,843	592,667
Employee Benefits	162,337			162,337	151,559
<b>Other Expenses</b>					
Copier	3,716			3,716	3,045
Magazines, Newspapers, Newsletter	11,118			11,118	14,140
Library Supplies	5,618			5,618	7,267
Heating and Air Conditioning Maintenance	4,752			4,752	4,148
Utilities	7,993			7,993	9,364
Insurance	9,484			9,484	9,302
Materials	32,299			32,299	42,676
Meetings and Dues	44,012			44,012	7,576
Printing	-			-	360
Grounds Maintenance	37,316			37,316	27,453
Museum Membership	13,164			13,164	10,489
Furniture & Equipment	1,100			1,100	1,119
Miscellaneous	2,981	6,325		9,306	8,843
Computerization	19,410			19,410	21,388
BCCLS	11,857			11,857	-
Programs	73,975	-	-	73,975	70,981
	<u>1,072,975</u>	<u>6,325</u>	<u>-</u>	<u>1,079,300</u>	<u>982,377</u>
<b>Total Expenditures</b>					
Excess (Deficit) of Revenues Over (Under)					
Expenditures	350,221	(2,299)	-	347,922	351,012
Fund Balance, January 1	<u>1,145,334</u>	<u>83,726</u>	<u>311,721</u>	<u>1,540,781</u>	<u>1,189,769</u>
Fund Balance, December 31	<u>\$ 1,495,555</u>	<u>\$ 81,427</u>	<u>\$ 311,721</u>	<u>\$ 1,888,703</u>	<u>\$ 1,540,781</u>

**BOROUGH OF CLIFFSIDE PARK**  
**STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN**  
**FUND BALANCE - REGULATORY BASIS**  
**FREE PUBLIC LIBRARY FUND**  
**FOR THE YEAR ENDED DECEMBER 31, 2023**  
**(With Comparative Totals for the Year Ended December 31, 2022)**

	General Fund	Gift Fund	Capital Fund	Total Year 2023	Total Year 2022 (Memo Only)
<b>Revenues:</b>					
Borough Appropriations	\$ 1,300,064			\$ 1,300,064	\$ 1,247,844
State Library Aid	14,143			14,143	13,230
Fines, Lost Books, Cards, Misc.	9,432			9,432	16,041
Donations	525			525	58
Grant Gift Money	631	\$ 8,502		9,133	-
Miscellaneous	92	-	-	92	277,858
	<u>1,324,887</u>	<u>8,502</u>	<u>-</u>	<u>1,333,389</u>	<u>1,555,031</u>
<b>Total Revenues</b>					
<b>Expenditures:</b>					
Salaries and Wages	592,667			592,667	612,038
Employee Benefits	151,559			151,559	118,192
Other Expenses					
Copier	3,045			3,045	6,585
Magazines, Newspapers, Newsletter	14,140			14,140	16,362
Library Supplies	7,267			7,267	5,254
Heating and Air Conditioning Maintenance	4,148			4,148	3,564
Utilities	9,364			9,364	9,231
Insurance	9,302			9,302	9,146
Materials	42,676			42,676	42,560
Meetings and Dues	7,576			7,576	51,813
Printing	360			360	-
Grounds Maintenance	27,453			27,453	37,608
Museum Membership	10,489			10,489	7,830
Furniture & Equipment	1,119			1,119	2,590
Miscellaneous	8,843			8,843	5,710
Computerization	21,388			21,388	28,671
BCCLS				-	2,710
Programs	70,981	-	-	70,981	38,322
	<u>982,377</u>	<u>-</u>	<u>-</u>	<u>982,377</u>	<u>998,186</u>
<b>Total Expenditures</b>					
Excess of Revenues Over Expenditures	342,510	8,502	-	351,012	556,845
Fund Balance, January 1	<u>802,824</u>	<u>75,224</u>	<u>311,721</u>	<u>1,189,769</u>	<u>632,924</u>
Fund Balance, December 31	<u>\$ 1,145,334</u>	<u>\$ 83,726</u>	<u>\$ 311,721</u>	<u>\$ 1,540,781</u>	<u>\$ 1,189,769</u>

The Accompanying Notes are an Integral Part of these Financial Statements

**BOROUGH OF CLIFFSIDE PARK  
COMPARATIVE BALANCE SHEETS - REGULATORY BASIS  
PARKING UTILITY OPERATING FUND  
AS OF DECEMBER 31, 2024 AND 2023**

	<u>2024</u>	<u>2023</u>
<b>ASSETS</b>		
Cash	\$ 192,468	\$ 167,912
Total Assets	<u>\$ 192,468</u>	<u>\$ 167,912</u>
<b>LIABILITIES, RESERVES AND FUND BALANCES</b>		
Appropriation Reserves	\$ 35,558	\$ 54,264
Encumbrances Payable	-	27
Fund Balance	<u>156,910</u>	<u>113,621</u>
Total Liabilities, Reserves and Fund Balances	<u>\$ 192,468</u>	<u>\$ 167,912</u>

EXHIBIT E-1

**COMPARATIVE STATEMENTS OF OPERATIONS AND CHANGES IN FUND BALANCE  
REGULATORY BASIS - PARKING UTILITY OPERATING FUND  
FOR THE YEARS ENDED DECEMBER 31, 2024 AND 2023**

	<u>2024</u>	<u>2023</u>
Revenue and Other Income Realized		
Surplus Anticipated		\$ 10,000
Parking Meter Fees	\$ 119,025	133,809
Other Credits to Income		
Unexpended Balance of Appropriation Reserves	<u>54,264</u>	<u>43,633</u>
	<u>173,289</u>	<u>187,442</u>
Expenditures		
Operating	130,000	130,000
Refund of PY Revenue	<u>-</u>	<u>2,052</u>
	<u>130,000</u>	<u>132,052</u>
Excess in Revenue	43,289	55,390
Fund Balance, January 1	<u>113,621</u>	<u>68,231</u>
	156,910	123,621
Decreased by Utilization as Anticipated Revenue	<u>-</u>	<u>10,000</u>
Fund Balance, December 31	<u>\$ 156,910</u>	<u>\$ 113,621</u>

**BOROUGH OF CLIFFSIDE PARK**  
**STATEMENT OF REVENUES - REGULATORY BASIS**  
**PARKING UTILITY OPERATING FUND**  
**FOR THE YEAR ENDED DECEMBER 31, 2024**

EXHIBIT E-2

	2024		2023	
	<u>Budget</u>	<u>Realized</u>	<u>Budget</u>	<u>Realized</u>
Parking Meter Fees	\$ 130,000	\$ 119,025	\$ 120,000	\$ 133,809
Operating Surplus	-	-	10,000	10,000
	<u>\$ 130,000</u>	<u>\$ 119,025</u>	<u>\$ 130,000</u>	<u>\$ 143,809</u>

EXHIBIT E-3a

**STATEMENT OF EXPENDITURES - REGULATORY BASIS**  
**PARKING UTILITY OPERATING FUND**  
**FOR THE YEAR ENDED DECEMBER 31, 2024**

	<u>Appropriation</u>		<u>Expended</u>		
	<u>Budget</u>	<u>Budget After Modification</u>	<u>Paid or Charged</u>	<u>Reserved</u>	<u>Cancelled</u>
Operating					
Salaries	\$ 75,000	\$ 75,000	\$ 54,026	\$ 20,974	\$ -
Other Expenses	55,000	55,000	40,416	14,584	-
	<u>\$ 130,000</u>	<u>\$ 130,000</u>	<u>\$ 94,442</u>	<u>\$ 35,558</u>	<u>\$ -</u>

EXHIBIT E-3b

**BOROUGH OF CLIFFSIDE PARK**  
**STATEMENT OF EXPENDITURES - REGULATORY BASIS**  
**PARKING UTILITY OPERATING FUND**  
**FOR THE YEAR ENDED DECEMBER 31, 2023**

	<u>Appropriation</u>		<u>Expended</u>		
	<u>Budget</u>	<u>Budget After Modification</u>	<u>Paid or Charged</u>	<u>Reserved</u>	<u>Cancelled</u>
Operating					
Salaries	\$ 75,000	\$ 75,000	\$ 47,026	\$ 27,974	\$ -
Other Expenses	55,000	55,000	28,710	26,290	-
	<u>\$ 130,000</u>	<u>\$ 130,000</u>	<u>\$ 75,736</u>	<u>\$ 54,264</u>	<u>\$ -</u>

**BOROUGH OF CLIFFSIDE PARK**  
**COMPARATIVE BALANCE SHEETS - REGULATORY BASIS**  
**GENERAL FIXED ASSETS ACCOUNT GROUP**  
**AS OF DECEMBER 31, 2024 AND 2023**

	<u>2024</u>	<u>2023</u>
<b>ASSETS</b>		
Land and Land Improvements	\$ 27,739,424	\$ 27,739,424
Buildings and Building Improvements	30,135,252	30,135,252
Machinery and Equipment	<u>15,007,070</u>	<u>12,471,440</u>
 Total Assets	 <u>\$ 72,881,746</u>	 <u>\$ 70,346,116</u>
 <b>FUND BALANCE</b>		
Investment in General Fixed Assets	<u>\$ 72,881,746</u>	<u>\$ 70,346,116</u>

**NOTES TO FINANCIAL STATEMENTS**

**BOROUGH OF CLIFFSIDE PARK  
NOTES TO FINANCIAL STATEMENTS  
YEARS ENDED DECEMBER 31, 2024 AND 2023**

**NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

**A. Reporting Entity**

The Borough of Cliffside Park (the "Borough") was incorporated in 1895 and operates under an elected Mayor and Council form of government. The Mayor is elected to serve a four-year term and may succeed that term by re-election. He is empowered, amongst his legal powers as head of the municipal government, to: (i) provide for the proper execution of local and State laws; (ii) recommend to the Borough Council measures he deems in the best interest of the Borough; (iii) nominate and, with the advice and consent of the Borough Council, appoint most subordinate officers of the Borough; and (iv) maintain peace and order. Although he presides over meetings of the Borough Council, the Mayor votes only in case of a tie. State law requires that he be a member of the Planning Board and the Board of Trustees of the Municipal Public Library. The six Council members are elected at-large, two each year, for terms of three years. The Council exercises general legislative powers conferred upon it by State law to protect and promote the general welfare of the Borough. Among these are the right to enact ordinances, approve resolutions, approve mayor appointments, adopt the annual budget and determine the tax levy. The Council, acting in committees, oversees the various departments and functions of the Borough Government. The Borough's major operations include public safety, road repair and maintenance, sanitation, fire protection, recreation and parks, health services, and general administrative services.

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

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

**B. Description of Regulatory Basis of Accounting**

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

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

**BOROUGH OF CLIFFSIDE PARK  
NOTES TO FINANCIAL STATEMENTS  
YEARS ENDED DECEMBER 31, 2024 AND 2023**

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

**C. Basis of Presentation – Financial Statements**

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

The Borough has the following funds and account group:

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

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

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

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

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

*Free Public Library Fund* – This fund is used to account for receipts and disbursements from the Borough Library's activities generated by services provided in the community.

*Parking Utility Operating Fund* – This fund is used to account for the revenues and expenditures for operation of the Borough's parking facilities and the assets and liabilities relative to such activities. Acquisition or improvement of capital facilities and other capital assets for the parking utility is accounted for in the capital section of the fund, where applicable.

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

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

**Financial Statements – Regulatory Basis**

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

**BOROUGH OF CLIFFSIDE PARK  
NOTES TO FINANCIAL STATEMENTS  
YEARS ENDED DECEMBER 31, 2024 AND 2023**

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

**D. Measurement Focus and Basis of Accounting**

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

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

**Cash and Investments** - Cash includes amounts in demand deposits as well as short-term investments with a maturity date within three months of the date acquired by the government. Investments are reported at cost and are limited by N.J.S.A. 40A:5-15.1 et seq. GAAP requires that all investments be reported at fair value.

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

**Property Tax Revenues/Receivables** - Real property taxes are assessed locally, based upon the assessed value of the property. The tax bill includes a levy for Municipal, County, and School purposes. The bills are mailed annually in June for that calendar year's levy. Taxes are payable in four quarterly installments on February 1, May 1, August 1, and November 1. The amounts of the first and second installments are determined as one-quarter of the total tax levied against the property for the preceding year. The installment due the third and fourth quarters is determined by taking the current year levy less the amount previously charged for the first and second installments, with the remainder being divided equally. If unpaid on these dates, the amount due becomes delinquent and subject to interest at 8% per annum, or 18% on any delinquency amount in excess of \$1,500. A penalty of up to 6% of the delinquency may be imposed on a taxpayer with a delinquency in excess of \$10,000 who fails to pay that delinquency prior to the end of the fiscal year in which the charges become delinquent. The school levy is turned over to the Board of Education as expenditures are incurred, and the balance, if any, must be transferred as of December 31, of each fiscal year. County taxes are paid quarterly on February 15, May 15, August 15 and November 15, to the County by the Borough. When unpaid taxes or any municipal lien, or part thereof, on real property, remains in arrears on April first in the year following the calendar year levy when the same became in arrears, the collector in the municipality shall, subject to the provisions of the New Jersey Statutes, enforce the lien by placing the property on a standard tax sale. The Borough also has the option when unpaid taxes or any municipal lien, or part thereof, on real property remains in arrears on the 11<sup>th</sup> day of the eleventh month in the fiscal year when the taxes or lien became in arrears, the collector in the municipality shall, subject to the provisions of the New Jersey Statutes, enforce the lien by placing property on an accelerated tax sale, provided that the sale is conducted and completed no earlier than in the last month of the fiscal year. The Borough may institute annual in rem tax foreclosure proceedings to enforce the tax collection or acquisition of title to the property. In accordance with the accounting principles prescribed by the State of New Jersey, current and delinquent taxes are realized as revenue when collected. Since delinquent taxes and liens are fully reserved, no provision has been made to estimate that portion of the tax receivable and tax title liens that are uncollectible. GAAP requires property tax revenues to be recognized in the accounting period when they become susceptible to accrual (i.e., when they are both levied and available), reduced by an allowance for doubtful accounts.

**BOROUGH OF CLIFFSIDE PARK  
NOTES TO FINANCIAL STATEMENTS  
YEARS ENDED DECEMBER 31, 2024 AND 2023**

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

**D. Measurement Focus and Basis of Accounting (Continued)**

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

**Utility Revenues** – Parking utility charges are levied based upon actual usage. Revenues from these sources are recognized on a cash basis.

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

**Property Acquired for Taxes** – Property acquired for taxes is recorded in the Current Fund at the assessed valuation when such property was acquired, and is fully reserved. GAAP requires such property to be recorded as a capital asset in the government-wide financial statements at fair 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 for interfunds and, therefore, does not recognize income in the year liquidated.

**Deferred Charges** – Certain expenditures, operating deficits and other items are required to be deferred to budgets of succeeding years. GAAP requires expenditures, operating deficits and certain other items generally to be recognized when incurred, if measurable.

Funded and unfunded debt authorizations for general capital projects are also recorded as deferred charges and represent permanent long-term debt issues outstanding (funded) and temporary debt issues outstanding or unissued debt authorizations (unfunded), respectively. GAAP does not permit the recording of deferred charges for funded and unfunded debt authorizations.

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

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

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

**BOROUGH OF CLIFFSIDE PARK  
 NOTES TO FINANCIAL STATEMENTS  
 YEARS ENDED DECEMBER 31, 2024 AND 2023**

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

**D. Measurement Focus and Basis of Accounting (Continued)**

**Compensated Absences** - Expenditures relating to obligations for unused vested accumulated vacation and sick leave are not recorded until paid; however, municipalities may establish and budget reserve funds subject to NJSA 40A:4-39 for the future payment of compensated absences. GAAP requires that the amount that would normally be liquidated with expendable available financial resources be recorded as expenditure in the operating funds and the remaining obligations are recorded as a long-term obligation in the government-wide financial statements.

**Tax Appeals and Other Contingent Losses** - Losses arising from tax appeals and other contingent losses are recognized at the time a decision is rendered by an administrative or judicial body; however, municipalities may establish reserves transferred from tax collections or by budget appropriation for future payments of tax appeal losses. GAAP requires such amounts to be recorded when it is probable that a loss has been incurred and the amount of such loss can be reasonably estimated.

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

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

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

**General Fixed Assets** - In accordance with NJAC 5:30-5.6, Accounting for Governmental Fixed Assets, the Borough of Cliffside Park has developed a fixed assets accounting and reporting system. Fixed assets are defined by the Borough as assets with an initial, individual cost of \$2,000 and an estimated useful life in excess of two years.

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

General Fixed Assets purchased after December 31, 1997 are stated at cost. Donated fixed assets are recorded at acquisition value at the date of donation.

General Fixed Assets purchased prior to December 31, 1997 are stated as follows:

Land and Buildings	Assessed Value
Machinery and Equipment	Replacement Cost

No depreciation has been provided for in the financial statements.

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

**BOROUGH OF CLIFFSIDE PARK  
NOTES TO FINANCIAL STATEMENTS  
YEARS ENDED DECEMBER 31, 2024 AND 2023**

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

**D. Measurement Focus and Basis of Accounting (Continued)**

**General Fixed Assets (Continued)**

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

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

**NOTE 2 STEWARDSHIP, COMPLIANCE AND ACCOUNTABILITY**

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

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

General Capital Fund  
Trust Funds  
Free Public Library

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

**1977 Appropriation "CAP"**: The 1977 Appropriation Cap is calculated using the formulas and provisions of N.J.S.A. 40A:4-45.1 through 4-45.43a. The law was originally adopted in 1976 and was most recently amended in 2003. Under this law, the Borough is permitted to increase its overall Current Fund appropriations (with certain exceptions) by 2.5% or the "cost of living adjustment" (COLA), whichever is less. The COLA is calculated based on the Implicit Price Deflator for Local Governments computed by the U.S. Department of Commerce. The Borough can, when the COLA is less than or equal to 2.5%, increase its allowable inside-the-cap appropriations to 3.5%, upon adoption of a COLA Rate Ordinance by the governing body and beyond 3.5% upon voter passage of a referendum. Additionally, municipalities can bank the unused appropriation increases for use in any of the next two (2) succeeding budget years.

**2010 Levy "CAP"**: The 2010 Levy Cap is calculated using the formulas and provisions of N.J.S.A. 40A:4-45.44 through 45.47. It established limits on the increase in the total amount to be raised by taxation for municipal purposes (municipal tax levy). The core of the levy cap formula is a 2% increase to the previous year's amount to be raised by taxation for municipal purposes, exclusive of certain appropriations and allowable adjustments and extraordinary costs related to a declared emergency. Voter approval may be requested to increase the municipal tax levy by more than the allowable adjusted tax levy. Additionally, municipalities can bank the unused tax levy for use in any of the next three (3) succeeding budget years.

**BOROUGH OF CLIFFSIDE PARK  
NOTES TO FINANCIAL STATEMENTS  
YEARS ENDED DECEMBER 31, 2024 AND 2023**

**NOTE 2 STEWARDSHIP, COMPLIANCE AND ACCOUNTABILITY (Continued)**

**A. Budgets and Budgetary Accounting (Continued)**

The governing body is required to introduce and approve the annual budget no later than February 10, of the fiscal year. The budget is required to be adopted no later than March 20, and prior to adoption must be certified by the Division of Local Government Services, Department of Community Affairs, State of New Jersey. The Director of the Division of Local Government Services, with the approval of the Local Finance Board may extend the introduction and approval and adoption dates of the municipal budget. The budget is prepared by fund, function, activity and line item (salary or other expense) and includes information on the previous year. The legal level of control for appropriations is exercised at the individual line item level for all operating budgets adopted. The governing body of the municipality may authorize emergency appropriations and the inclusion of certain special items of revenue to the budget after its adoption and determination of the tax rate. During the last two months of the fiscal year, the governing body may, by a 2/3 vote; amend the budget through line item transfers. Management has no authority to amend the budget without the approval of the governing body. Expenditures may not legally exceed budgeted appropriations at the line item level. During 2024 and 2023 the Borough Council increased the original budget by \$1,520,347 and \$1,011,539. The increases in 2024 and 2023 were funded by additional aid allotted to the Borough. In addition, the governing body approved several budget transfers during 2024 and 2023.

**NOTE 3 CASH DEPOSITS AND INVESTMENTS**

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

**A. Cash Deposits**

The Borough's deposits are insured through either the Federal Deposit Insurance Corporation (FDIC), National Credit Union Share Insurance Fund (NCUSIF), Securities Investor Protection Corporation (SIPC) or New Jersey's Governmental Unit Deposit Protection Act (GUDPA). The Borough is required to deposit their funds in a depository which is protecting such funds pursuant to GUDPA. The New Jersey Governmental Unit Deposit Protection Act requires all banks doing business in the State of New Jersey to pledge collateral equal to at least 5% of the average amount of its public deposits and 100% of the average amount of its public funds in excess of the lesser of 75% of its capital funds or \$200 million for all deposits in excess of the FDIC or NCUSIF insured amounts. GUDPA does not protect intermingled trust funds, bail funds, withholdings from an employee's salary or funds which may pass to the local government upon the happening of a future condition.

Bank balances are insured up to \$250,000 in the aggregate by the FDIC for each bank. NCUSIF insures credit union accounts up to \$250,000 in the aggregate for each financial institution. SIPC replaces cash claims up to a maximum of \$250,000 for each failed brokerage firm. At December 31, 2024 and 2023, the book value of the Borough's deposits were \$23,158,833 and \$24,767,780 and bank and brokerage firm balances of the Borough's deposits amounted to \$23,887,116 and \$25,131,663, respectively. The Borough's deposits which are displayed on the various fund balance sheets as "cash" are categorized as:

<u>Depository Account</u>	<u>Bank Balance</u>	
	<u>2024</u>	<u>2023</u>
Insured	\$ 22,629,850	\$ 24,275,857
Uninsured and Collateralized	<u>1,257,266</u>	<u>855,806</u>
	<u>\$ 23,887,116</u>	<u>\$ 25,131,663</u>

**BOROUGH OF CLIFFSIDE PARK  
 NOTES TO FINANCIAL STATEMENTS  
 YEARS ENDED DECEMBER 31, 2024 AND 2023**

**NOTE 3 CASH DEPOSITS AND INVESTMENTS (Continued)**

**A. Cash Deposits (Continued)**

Custodial Credit Risk – Deposits – Custodial credit risk is the risk that in the event of a bank failure, the government’s deposits may not be returned to it. The Borough does not have a formal policy for custodial credit risk. As of December 31, 2024 and 2023, the Borough’s bank balances of \$1,257,266 and \$855,806 were exposed to custodial credit risk.

<u>Depository Account</u>	<u>2024</u>	<u>2023</u>
Uninsured and Collateralized		
Collateral held by pledging financial institution's trust department in the Borough's name	\$ <u>1,257,266</u>	\$ <u>855,806</u>

**B. Investments**

The Borough is permitted to invest public funds in accordance with the types of securities authorized by N.J.S.A. 40A:5-15.1. Investments include bonds or other obligations of the United States or obligations guaranteed by the United States of America, Government Money Market Mutual Funds, any obligation that a federal agency or a federal instrumentality has issued in accordance with an act of Congress, which security has a maturity date not greater than 397 days from the date of purchase, provided that such obligations bear a fixed rate of interest not dependent on any index or other external factor; bonds or other obligations of the Borough or bonds or other obligations of the school districts which are a part of the Borough or school districts located within the Borough, Bonds or other obligations, having a maturity date of not more than 397 days from the date of purchase, issued by New Jersey school district, municipalities, counties, and entities subject to the “Local Authorities Fiscal Control Law, “ (C.40A:5A-1 et seq.); Other bonds or obligations having a maturity date not more than 397 days from the date of purchase may be approved by the Division of Local Government Services in the Department of Community Affairs for investment by local units; Local Government investment pools, deposits with the State of New Jersey Cash Management Fund established pursuant to section 1 of P.L. 1977, c.281 (C.52:18A-90.4); and agreements for the repurchase of fully collateralized securities, if transacted in accordance with NJSA 40A:5-15.1 (8a-8e).

As of December 31, 2024 and 2023 the Borough had no outstanding investments.

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

**NOTE 4 TAXES RECEIVABLE**

Receivables at December 31, 2024 and 2023 consisted of the following:

<u>Current</u>	<u>2024</u>	<u>2023</u>
Property Taxes	\$1,460,011	\$1,502,151
Tax Title Liens	<u>2,876</u>	<u>2,159</u>
	<u>\$1,462,887</u>	<u>\$ 1,504,310</u>

In 2024 and 2023, the Borough collected \$1,461,971 and \$998,940 from delinquent taxes, which represented 97% and 98%, respectively of the prior year delinquent taxes receivable balance.

**BOROUGH OF CLIFFSIDE PARK  
NOTES TO FINANCIAL STATEMENTS  
YEARS ENDED DECEMBER 31, 2024 AND 2023**

**NOTE 5 DUE TO/FROM OTHER FUNDS**

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

	<u>2024</u>		<u>2023</u>	
	<u>Due from Other Funds</u>	<u>Due to Other Funds</u>	<u>Due from Other Funds</u>	<u>Due to Other Funds</u>
Current Fund	\$ 22,502	\$ 1,538,274	\$ 1,235,838	\$ 698,720
Grant Fund	1,538,274			1,233,726
Trust Fund:				
Animal Control Trust Fund		4,388		2,112
General Capital Fund	<u>-</u>	<u>18,114</u>	<u>698,720</u>	<u>-</u>
 Total	 <u>\$ 1,560,776</u>	 <u>\$ 1,560,776</u>	 <u>\$ 1,934,558</u>	 <u>\$ 1,934,558</u>

The above balances are the result of expenditures being paid by one fund on behalf of another and/or revenues being received by one fund on behalf of another.

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

**NOTE 6 FUND BALANCES APPROPRIATED**

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

	<u>2024</u>		<u>2023</u>	
	<u>Fund Balance December 31,</u>	<u>Utilized in Subsequent Year's Budget</u>	<u>Fund Balance December 31,</u>	<u>Utilized in Subsequent Year's Budget</u>
Current Fund				
Cash Surplus	\$ 8,586,153	\$ 4,550,000	\$ 7,203,333	\$ 4,550,000
Non-Cash Surplus	<u>22,537</u>	<u>-</u>	<u>1,253,138</u>	<u>-</u>
	<u>\$ 8,608,690</u>	<u>\$ 4,550,000</u>	<u>\$ 8,456,471</u>	<u>\$ 4,550,000</u>
 Parking Utility Operating Fund				
Cash Surplus	\$ 156,910	\$ 11,000	\$ 113,621	\$ -
Non-Cash Surplus	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
	<u>\$ 156,910</u>	<u>\$ 11,000</u>	<u>\$ 113,621</u>	<u>\$ -</u>

**BOROUGH OF CLIFFSIDE PARK  
NOTES TO FINANCIAL STATEMENTS  
YEARS ENDED DECEMBER 31, 2024 AND 2023**

**NOTE 7 FIXED ASSETS**

**A. General Fixed Assets**

The following is a summary of changes in the general fixed assets account group for the years ended December 31, 2024 and 2023.

	Balance December 31, <u>2023</u>	<u>Increases</u>	<u>Decreases</u>	Balance, December 31, <u>2024</u>
<b><u>2024</u></b>				
Land and Land Improvements	\$ 27,739,424			\$ 27,739,424
Buildings and Building Improvements	30,135,252			30,135,252
Machinery and Equipment	<u>12,471,440</u>	\$ 2,561,838	\$ (26,208)	<u>15,007,070</u>
	<u>\$ 70,346,116</u>	<u>\$ 2,561,838</u>	<u>\$ (26,208)</u>	<u>\$ 72,881,746</u>
	Balance December 31, <u>2022</u>	<u>Increases</u>	<u>Decreases</u>	Balance, December 31, <u>2023</u>
<b><u>2023</u></b>				
Land and Land Improvements	\$ 28,768,335		\$ (1,028,911)	\$ 27,739,424
Buildings and Building Improvements	29,106,341		1,028,911	30,135,252
Machinery and Equipment	<u>12,061,989</u>	\$ 716,981	(307,530)	<u>12,471,440</u>
	<u>\$ 69,936,665</u>	<u>\$ 716,981</u>	<u>\$ (307,530)</u>	<u>\$ 70,346,116</u>

**BOROUGH OF CLIFFSIDE PARK  
NOTES TO FINANCIAL STATEMENTS  
YEARS ENDED DECEMBER 31, 2024 AND 2023**

**NOTE 8 MUNICIPAL DEBT**

The Local Bond Law (N.J.S.A. 40A:2 et.seq.) governs the issuance of bonds and notes used to finance capital expenditures. General obligation bonds have been issued for general capital fund projects and acquisitions or other purposes permitted by the Local Bond Law. All bonds are retired in serial installments within the statutory period of usefulness. Bonds issued by the Borough are general obligation bonds, backed by the full faith and credit of the Borough. Bond anticipation notes, which are issued to temporarily finance capital projects, must be paid off within ten years and four months or retired by the issuance of bonds.

The Borough's debt is summarized as follows:

	<u>2024</u>	<u>2023</u>
Issued		
General		
Bonds, Notes and Loans	\$ 26,558,952	\$ 28,444,000
Less Funds Temporarily Held to Pay Bonds and Notes	<u>740,924</u>	<u>740,924</u>
Net Debt Issued	25,818,028	27,703,076
Authorized But Not Issued		
General		
Bonds and Notes	<u>3,006,101</u>	<u>1,116,556</u>
Net Bonds and Notes Issued and Authorized But Not Issued	<u>\$ 28,824,129</u>	<u>\$ 28,819,632</u>

**BOROUGH OF CLIFFSIDE PARK  
NOTES TO FINANCIAL STATEMENTS  
YEARS ENDED DECEMBER 31, 2024 AND 2023**

**NOTE 8 MUNICIPAL DEBT (Continued)**

**Statutory Net Debt**

The statement of debt condition that follows in the format of the Borough's Annual Debt Statement and indicates a statutory net debt of .690% and .731% at December 31, 2024 and 2023, respectively.

	<u>Gross Debt</u>	<u>Deductions</u>	<u>Net Debt</u>
<b><u>2024</u></b>			
General Debt	\$ 29,565,053	\$ 740,924	\$ 28,824,129
School Debt	<u>-</u>	<u>-</u>	<u>-</u>
Total	<u>\$ 29,565,053</u>	<u>\$ 740,924</u>	<u>\$ 28,824,129</u>

	<u>Gross Debt</u>	<u>Deductions</u>	<u>Net Debt</u>
<b><u>2023</u></b>			
General Debt	\$ 29,560,556	\$ 740,924	\$ 28,819,632
School Debt	<u>-</u>	<u>-</u>	<u>-</u>
Total	<u>\$ 29,560,556</u>	<u>\$ 740,924</u>	<u>\$ 28,819,632</u>

**Statutory Borrowing Power**

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

	<u>2024</u>	<u>2023</u>
3-1/2% of Equalized Valuation Basis (Municipal)	\$ 146,226,876	\$ 137,859,800
Less: Net Debt	<u>28,824,129</u>	<u>28,819,632</u>
Remaining Borrowing Power	<u>\$ 117,402,747</u>	<u>\$ 109,040,168</u>

**BOROUGH OF CLIFFSIDE PARK  
NOTES TO FINANCIAL STATEMENTS  
YEARS ENDED DECEMBER 31, 2024 AND 2023**

**NOTE 8 MUNICIPAL DEBT (Continued)**

**A. Long-Term Debt**

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

**General Obligation Bonds**

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

	<u>2024</u>	<u>2023</u>
\$14,080,000 2023 General Improvement Bonds, due in annual installments of \$380,000 to \$760,000 through September 15, 2046, interest at 4.00-5.00%	\$ 13,700,000	\$ 14,080,000
\$8,982,000 2022 Refunding Bonds, due in annual installments of \$882,000 to \$900,000 through March 15, 2032, interest at 3.00-3.75%	7,182,000	8,082,000
\$8,250,000 2019 General Improvement Bonds, due in annual installments of \$610,000 to \$755,000 through April 15, 2032, interest at 2.00-3.00%	<u>5,450,000</u>	<u>6,045,000</u>
Total	<u>\$ 26,332,000</u>	<u>\$ 28,207,000</u>

**General Intergovernmental Loans Payable**

The Borough has entered into a loan agreement with Green Acres for the financing relating to the Zalewski Park Improvements. The Borough levies ad valorem taxes to pay debt service on general intergovernmental loans issued. General intergovernmental loans outstanding at December 31 are as follows:

	<u>2024</u>	<u>2023</u>
\$237,000, 2023 Green Acres Loan, due in annual installments of \$10,249 to \$14,519 through May 21, 2043, interest at 2.00%	<u>\$ 226,952</u>	<u>\$ 237,000</u>
Total	<u>\$ 226,952</u>	<u>\$ 237,000</u>

**BOROUGH OF CLIFFSIDE PARK  
NOTES TO FINANCIAL STATEMENTS  
YEARS ENDED DECEMBER 31, 2024 AND 2023**

**NOTE 8 MUNICIPAL DEBT (Continued)**

**A. Long-Term Debt (Continued)**

The Borough's principal and interest for long-term debt issued and outstanding as of December 31, 2024 is as follows:

Calendar Year	General		Total
	Principal	Interest	
2025	\$ 1,900,249	\$ 923,190	\$ 2,823,439
2026	1,920,456	863,808	2,784,264
2027	1,940,665	803,591	2,744,256
2028	1,960,880	742,109	2,702,989
2029	1,981,099	678,184	2,659,283
2030-2033	6,848,670	2,049,393	8,898,063
2034-2039	4,637,355	1,926,269	6,563,624
2040-2046	5,369,578	853,203	6,222,781
Total	<u>\$ 26,558,952</u>	<u>\$ 8,839,747</u>	<u>\$ 35,398,699</u>

**Changes in Long-Term Municipal Debt**

The Borough's long-term capital debt activity for the years ended December 31, 2024 and 2023 were as follows:

	Balance, December 31, <u>2023</u>	<u>Reductions</u>	Balance, December 31, <u>2024</u>	Due Within <u>One Year</u>
<b><u>2024</u></b>				
General Capital Fund				
Bonds Payable	\$ 28,207,000	\$ 1,875,000	\$ 26,332,000	\$ 1,890,000
Loans Payable	<u>237,000</u>	<u>10,048</u>	<u>226,952</u>	<u>10,249</u>
General Capital Fund Long-Term Liabilities	<u>\$ 28,444,000</u>	<u>\$ 1,885,048</u>	<u>\$ 26,558,952</u>	<u>\$ 1,900,249</u>
	Balance, December 31, <u>2022</u>	<u>Additions</u>	Balance, December 31, <u>2023</u>	Due Within <u>One Year</u>
<b><u>2023</u></b>				
General Capital Fund				
Bonds Payable	\$ 15,602,000	\$ 14,080,000	\$ 28,207,000	\$ 1,875,000
Loans Payable	<u>-</u>	<u>237,000</u>	<u>237,000</u>	<u>10,048</u>
General Capital Fund Long-Term Liabilities	<u>\$ 15,602,000</u>	<u>\$ 14,317,000</u>	<u>\$ 28,444,000</u>	<u>\$ 1,885,048</u>

**BOROUGH OF CLIFFSIDE PARK  
NOTES TO FINANCIAL STATEMENTS  
YEARS ENDED DECEMBER 31, 2024 AND 2023**

**NOTE 9 CONSTRUCTION AND OTHER SIGNIFICANT COMMITMENTS**

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

<u>Capital Project</u>	<u>Construction Commitment</u>	<u>Estimated Date of Completion</u>
<b><u>2024</u></b>		
Road Program	\$206,758	2025
Honor Park Improvements	1,551,519	2025
HVAC Improvements	156,000	2025
<b><u>2023</u></b>		
Road Program	\$263,423	2024
Emergency Sewer Rehab	348,195	2024

**NOTE 10 OTHER LONG-TERM LIABILITIES**

**A. Compensated Absences**

Under the existing policies and labor agreements of the Borough, employees are allowed to accumulate (with certain restrictions) unused vacation benefits and sick leave over the life of their working careers and to redeem such unused leave time in cash (with certain limitations) upon death, retirement or by extended absence immediately preceding retirement.

The maximum benefit for unused sick leave an employee is entitled to at retirement is \$40,000 for police officers and \$20,000 for all other Borough employees.

It is estimated that the current cost of such unpaid compensation and salary related payments for the unused sick pay would approximate \$409,070 and \$387,540 at December 31, 2024 and 2023, respectively. These amounts which is are considered material to the financial statements, are not reported either as an expenditure or liability.

**BOROUGH OF CLIFFSIDE PARK  
NOTES TO FINANCIAL STATEMENTS  
YEARS ENDED DECEMBER 31, 2024 AND 2023**

**NOTE 10 OTHER LONG-TERM LIABILITIES (Continued)**

**B. Leases Payable**

The Borough entered into non-cancellable leases for the use of equipment. The initial lease liability is determined at the present value of payments expected to be made during the lease term.

Leases payable at December 31 are comprised of the following:

On June 16, 2017, the Borough entered into a 10 year lease agreement as lessee for the use of a pumper fire truck. An initial lease liability was recorded in the amount of \$695,397. The lease has an interest rate of 3.26%. The Borough is required to make annual payments of \$69,540. In addition, the Borough has the option to purchase the equipment/building for \$1 at the end of the lease term. As of December 31, 2024 and 2023 the value of the lease liability was \$195,722 and \$256,887, respectively. The equipment/building has a 10 year estimated useful life. The value of the right -to-use asset as of December 31, 2024 and 2023 is \$195,722 and \$256,887, respectively.

The right-to-use leased assets at December 31 are as follows:

	<u>2024</u>
Right-to-use Machinery and Equipment	\$ <u>195,722</u>
	<u>2023</u>
Right-to-use Machinery and Equipment	\$ <u>256,887</u>

The future principal and interest lease payments as of December 31, 2023 were as follows:

Calendar <u>Year</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2025	\$ 63,159	\$ 6,381	\$ 69,540
2026	65,218	4,322	69,540
2027	<u>67,345</u>	<u>2,195</u>	<u>69,540</u>
Total	<u>\$ 195,722</u>	<u>\$ 12,898</u>	<u>\$ 208,620</u>

**BOROUGH OF CLIFFSIDE PARK  
NOTES TO FINANCIAL STATEMENTS  
YEARS ENDED DECEMBER 31, 2024 AND 2023**

**NOTE 10 OTHER LONG-TERM LIABILITIES (Continued)**

**Changes in Other Long-Term Liabilities**

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

The Borough's changes in other long-term liabilities for the years ended December 31, 2024 and 2023 were as follows:

	Balance, December 31, <u>2023</u>	<u>Additions</u>	<u>Reductions</u>	Balance, December 31, <u>2024</u>	Due Within <u>One Year</u>
<b><u>2024</u></b>					
Compensated Absences	\$ 387,540	\$ 21,530		\$ 409,070	
Leases Payable	256,887		\$ 61,165	195,722	\$ 63,159
Net Pension Liability - PERS (1)	9,411,519			9,411,519	
Net Pension Liability - PFRS (1)	14,043,513		-	14,043,513	
Net OPEB Liability (1)	39,152,061	-	-	39,152,061	-
	<u>\$ 63,251,520</u>	<u>\$ 21,530</u>	<u>\$ 61,165</u>	<u>\$ 63,211,885</u>	<u>\$ 63,159</u>
Total Other Long-Term Liabilities	<u>\$ 63,251,520</u>	<u>\$ 21,530</u>	<u>\$ 61,165</u>	<u>\$ 63,211,885</u>	<u>\$ 63,159</u>

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

	Balance, December 31, <u>2022</u>	<u>Additions</u>	<u>Reductions</u>	Balance, December 31, <u>2023</u>	Due Within <u>One Year</u>
<b><u>2023</u></b>					
Compensated Absences	\$ 409,070		\$ 21,530	\$ 387,540	
Leases Payable	316,121		59,234	256,887	\$ 61,165
Net Pension Liability - PERS	10,285,453		873,934	9,411,519	
Net Pension Liability - PFRS	15,158,482		1,114,969	14,043,513	
Net OPEB Liability	35,413,640	\$ 3,738,421	-	39,152,061	-
	<u>\$ 61,582,766</u>	<u>\$ 3,738,421</u>	<u>\$ 2,069,667</u>	<u>\$ 63,251,520</u>	<u>\$ 61,165</u>
Total Other Long-Term Liabilities	<u>\$ 61,582,766</u>	<u>\$ 3,738,421</u>	<u>\$ 2,069,667</u>	<u>\$ 63,251,520</u>	<u>\$ 61,165</u>

**BOROUGH OF CLIFFSIDE PARK  
 NOTES TO FINANCIAL STATEMENTS  
 YEARS ENDED DECEMBER 31, 2024 AND 2023**

**NOTE 11 EMPLOYEE RETIREMENT SYSTEMS**

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

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

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

The following represents the membership tiers for PFRS:

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

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

**Public Employees’ Retirement System (PERS)** – established in January 1955, under the provisions of N.J.S.A. 43:15A to provide coverage, to substantially all full-time employees of the State or any county, municipality, school district, or public agency provided the employee is not a member of another State-administered retirement system. Membership is mandatory for such employees. PERS is a cost-sharing multi-employer defined benefit pension plan. For additional information about PERS, please refer to the State Division of Pension and Benefits (Division’s) Annual Comprehensive Financial Report (ACFR) which can be found at [www.state.nj.us/treasury/pensions](http://www.state.nj.us/treasury/pensions).

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

**BOROUGH OF CLIFFSIDE PARK  
 NOTES TO FINANCIAL STATEMENTS  
 YEARS ENDED DECEMBER 31, 2024 AND 2023**

**NOTE 11 EMPLOYEE RETIREMENT SYSTEMS (Continued)**

**Public Employees' Retirement System (PERS) (Continued)**

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

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

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

**Other Pension Funds**

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

The State also administers the Pensions Adjustment Fund (PAF). Prior to the adoption of pension reform legislation, P.L. 2011, C.78, it provided cost of living increases equal to 60 percent of the change in the average consumer price index, to eligible retirees in some State-sponsored pension systems which includes the CPFPPF. Cost-of-living increases provided under the State's pension adjustment program are currently suspended as a result of the reform legislation. This benefit is funded by the State as benefit allowances become payable

The cost of living increase for PERS and PERS are funded directly by each of the respective systems, but are currently suspended as a result of reform legislation.

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

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

**BOROUGH OF CLIFFSIDE PARK  
NOTES TO FINANCIAL STATEMENTS  
YEARS ENDED DECEMBER 31, 2024 AND 2023**

**NOTE 11 EMPLOYEE RETIREMENT SYSTEMS (Continued)**

**Measurement Focus and Basis of Accounting**

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

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

**Investment Valuation**

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

The State of New Jersey, Department of the Treasury, Division of Investment, issues publicly available financial reports that include the financial statements of the State of New Jersey Cash Management Fund. The financial report may be obtained by writing to the State of New Jersey, Department of the Treasury, Division of Investment, P.O. Box 290, Trenton, New Jersey 08625-0290, or at [www.state.nj/treasury/doinvest](http://www.state.nj/treasury/doinvest).

**Collective Net Pension Liability**

The collective net pension liability of the participating employers for local PERS at June 30, 2024 was not available and for June 30, 2023 is \$14.6 billion, and the plan fiduciary net position as a percentage of the total pension liability is 65.22% at June 30, 2023. The collective net pension liability of the participating employers for local PFRS at June 30, 2024 was not available and for June 30, 2023 is \$13.1 billion and the plan fiduciary net position as a percentage of total pension liability is 70.16% at June 30, 2023.

The total pension liabilities were determined based on actuarial valuations as of July 1, 2022 which were rolled forward to June 30, 2023.

**Actuarial Methods and Assumptions**

In the July 1, 2022 PERS and PFRS actuarial valuations, the actuarial assumptions and methods used in these valuations were described in the Actuarial Assumptions and Methods section of the Actuary's report and are included here in this note to the financial statements. The pension systems selected economic and demographic assumptions and prescribed them for use for purposes of compliance with GASB Statement No. 68. The Actuary provided guidance with respect to these assumptions, and it is their belief that the assumptions represent reasonable expectations of anticipated plan experience.

**BOROUGH OF CLIFFSIDE PARK  
NOTES TO FINANCIAL STATEMENTS  
YEARS ENDED DECEMBER 31, 2024 AND 2023**

**NOTE 11 EMPLOYEE RETIREMENT SYSTEMS (Continued)**

**Employer and Employee Pension Contributions**

The contribution policy is set by laws of the State of New Jersey and contributions are required by active members and participating employers. Plan members and employer contributions may be amended by State of New Jersey legislation, with the amount of contributions by the State of New Jersey contingent upon the annual Appropriations Act. As defined, the various retirement systems require employee contributions for 2024 and 2023 based on 10.0% for PFRS, 7.5% for PERS and 5.50% for DCRP of employee’s annual compensation.

For the years ended December 31, 2024 and 2023 for PFRS and PERS, which are cost sharing multi-employer defined benefit pension plans, employers’ contributions are based on an actuarially determined amount, which includes the normal cost and unfunded accrued liability. In the DCRP, which is a defined contribution plan, member contributions are matched by a 3% employer contribution. All contributions made by the Borough for 2024, 2023 and 2022 were equal to the required contributions.

During the years ended December 31, 2024, 2023 and 2022, the Borough, was required to contribute for normal cost pension contributions, accrued liability pension contributions, and non-contributory life insurance premiums the following amounts which equaled the required contributions for each respective year:

<u>Year Ended</u> <u>December 31</u>	<u>PFRS</u>	<u>PERS</u>	<u>DCRP</u>
2024	\$ 1,692,018	\$ 868,437	\$ 27,838
2023	1,722,332	859,461	55,510
2022	1,585,038	770,009	40,150

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

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

Under GASB Statement No. 68 local governmental employers are required to provide certain financial information based on a measurement date no earlier than the end of the employer’s prior fiscal year. The GASB No. 68 financial information from the State’s Division of Pensions and Benefits to be reported for the year ended December 31, 2023 for the measurement date of June 30, 2024 was not available as of the date of audit. Accordingly, N.J.A.C. 5:30-6.1(c)2 authorized and permits New Jersey municipalities to present the most recent available audited GASB No. 68 financial information to be incorporated into the audit and remain in compliance with the regulatory basis of accounting disclosure requirements for notes to the financial statements. As such the GASB No. 68 financial information for the year ended December 31, 2024 is not presented in the notes to the financial statements.

The employer allocation percentages presented are based on the ratio of the contributions made as an individual employer to the total contributions to the plan during the fiscal years ended June 30, 2023 and 2022. Employer allocation percentages have been rounded for presentation purposes.

**BOROUGH OF CLIFFSIDE PARK  
NOTES TO THE FINANCIAL STATEMENTS  
YEARS ENDED DECEMBER 31, 2024 AND 2023**

**NOTE 11 EMPLOYEE RETIREMENT SYSTEMS (Continued)**

**Public Employees Retirement System (PERS)**

At December 31, 2023, the Borough reported a liability of \$9,411,519, 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. The Borough's proportionate share of the net pension liability was based on the ratio of the Borough's contributions to the pension plan relative to the total contributions of all participating governmental entities during the measurement period. As of the measurement date of June 30, 2023, the Borough's proportionate share was .06497 percent, which was a decrease of .00318 percent from its proportionate share measured as of June 30, 2022 of .06815 percent.

For the years ended December 31, 2023, the pension system has determined the Borough's pension (benefit) to be \$(163,369), for PERS based on the actuarial valuations which were less than the actual contributions reported in the Borough's financial statements of \$895,461. At December 31, 2023, the Borough's deferred outflows of resources and deferred inflows of resources related to PERS pension which are not reported on the Borough's financial statements are from the following sources:

	<u>2023</u>	
	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Difference Between Expected and Actual Experience	\$ 89,986	\$ 38,471
Changes of Assumptions	20,675	570,378
Net Difference Between Projected and Actual Earnings on Pension Plan Investments	43,341	
Changes in Proportion and Differences Between Borough Contributions and Proportionate Share of Contributions	<u>498,499</u>	<u>470,436</u>
Total	<u>\$ 652,501</u>	<u>\$ 1,079,285</u>

At December 31, 2023 the amounts reported as deferred outflows of resources and deferred inflows of resources related to PERS pension will be recognized in pension expense as follows:

Year Ending <u>December 31,</u>	<u>Total</u>
2024	\$ (377,032)
2025	(267,347)
2026	383,456
2027	(159,842)
2028	(6,019)
Thereafter	<u>-</u>
	<u>\$ (426,784)</u>

**BOROUGH OF CLIFFSIDE PARK  
NOTES TO THE FINANCIAL STATEMENTS  
YEARS ENDED DECEMBER 31, 2024 AND 2023**

**NOTE 11 EMPLOYEE RETIREMENT SYSTEMS (Continued)**

*Actuarial Assumptions*

The Borough’s total pension liability reported for the year ended December 31, 2023 was based on the June 30, 2023 measurement date as determined by an actuarial valuation as of July 1, 2022, which was rolled forward to June 30, 2023. This actuarial valuation used the following actuarial assumptions, applied to all periods in the measurement date:

	<u>2023</u>
Inflation Rate:	
Price	2.75%
Wage	3.25%
Salary Increases:	
Rate for All Future Years	2.75 - 6.55%
	Based on Years of Service
Investment Rate of Return	7.00%

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.

*Mortality Rates*

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

**BOROUGH OF CLIFFSIDE PARK  
NOTES TO THE FINANCIAL STATEMENTS  
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**NOTE 11 EMPLOYEE RETIREMENT SYSTEMS (Continued)**

***Long-Term Expected Rate of Return***

In accordance with State statute, the long-term expected rate of return on plan investments (7% at June 30, 2023) is determined by the State Treasurer, after consultation with the Directors of the Division of Investment and Division of Pensions and Benefits, the board of trustees and actuaries. The long-term expected rate of return on pension plan investments was determined using a building-block method in which best-estimate ranges of expected future real rate of return (expected returns, net of pension plans investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. Best estimates of arithmetic real rates of return for each major asset class included in the pension plans' target asset allocation as of June 30, 2023, as reported for the year ended December 31, 2023, are summarized in the following table:

<u>Asset Class</u>	<u>2023</u>	
	<u>Target Allocation</u>	<u>Long-Term Expected Real Rate of Return</u>
Risk Mitigation Strategies	3.00%	6.21%
Cash Equivalents	2.00%	3.31%
U.S. Treasuries	4.00%	3.31%
Investment Grade Credit	7.00%	5.19%
US Equity	28.00%	8.98%
Non-US Developed Markets Equity	12.75%	9.22%
International Small Cap Equity	1.25%	9.22%
Emerging Markets Equity	5.50%	11.13%
High Yield	4.50%	6.97%
Real Assets	3.00%	8.40%
Private Credit	8.00%	9.20%
Real Estate	8.00%	8.58%
Private Equity	13.00%	12.50%

***Discount Rate***

The discount rate used to measure the total pension liability for PERS 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 in determining the total pension liability.

**BOROUGH OF CLIFFSIDE PARK  
NOTES TO FINANCIAL STATEMENTS  
YEARS ENDED DECEMBER 31, 2024 AND 2023**

**NOTE 11 EMPLOYEE RETIREMENT SYSTEMS (Continued)**

**Public Employees Retirement System (PERS) (Continued)**

*Sensitivity of Net Pension Liability*

The following presents the Borough’s proportionate share of the PERS net pension liability as of December 31, 2023 calculated using the discount rate of 7.00%, as well as what the Borough’s proportionate share of the PERS net pension liability would be if it were calculated using a discount rate that is 1-percentage-point lower 6.00% or 1-percentage-point higher 8.00% than the current rate:

<u>2023</u>	<b>1% Decrease (6.00%)</b>	<b>Current Discount Rate (7.00%)</b>	<b>1% Increase (8.00%)</b>
Borough's Proportionate Share of the PERS Net Pension Liability	\$ <u>12,251,795</u>	\$ <u>9,411,519</u>	\$ <u>6,994,068</u>

The sensitivity analysis was based on the proportionate share of the Borough’s net pension liability at December 31, 2023. A sensitivity analysis specific to the Borough’s net pension liability was not provided by the pension system.

*Pension Plan Fiduciary Net Position*

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

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

At December 31, 2023, the Borough reported a liability of \$14,043,513, 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. The Borough’s proportionate share of the net pension liability was based on the ratio of the Borough’s contributions to the pension plan relative to the total contributions of all participating governmental entities, during the measurement period. As of the measurement date of June 30, 2023, the Borough’s proportionate share was .12710 percent, which was a decrease of .00533 percent from its proportionate share measured as of June 30, 2021 of .13243 percent.

**BOROUGH OF CLIFFSIDE PARK  
NOTES TO THE FINANCIAL STATEMENTS  
YEARS ENDED DECEMBER 31, 2024 AND 2023**

**NOTE 11 EMPLOYEE RETIREMENT SYSTEMS (Continued)**

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

For the years ended December 31, 2023, the pension system has determined the Borough pension expense to be \$770,521, for PFRS based on the actuarial valuations which are less than the actual contributions reported in the Borough’s financial statements of \$1,722,332. At December 31, 2023, the Borough’s deferred outflows of resources and deferred inflows of resources related to PFRS pension which are not reported on the Borough’s financial statements are from the following sources:

	<b>2023</b>	
	<b><u>Deferred Outflows of Resources</u></b>	<b><u>Deferred Inflows of Resources</u></b>
Difference Between Expected and Actual Experience	\$ 601,315	\$ 669,751
Changes of Assumptions	30,311	948,274
Net Difference Between Projected and Actual Earnings on Pension Plan Investments	715,210	
Changes in Proportion and Differences Between Borough Contributions and Proportionate Share of Contributions	<u>460,361</u>	<u>1,104,255</u>
Total	<u>\$ 1,807,197</u>	<u>\$ 2,722,280</u>

At December 31, 2023 the amounts reported as deferred outflows of resources and deferred inflows of resources related to PFRS pension (benefit) will be recognized in pension expense as follows:

<u>Year Ending December 31,</u>	<u>Total</u>
2024	(1,177,593)
2025	(782,838)
2026	221,461
2027	320,338
2028	422,226
Thereafter	<u>81,323</u>
	<u>\$ (915,083)</u>

**BOROUGH OF CLIFFSIDE PARK  
 NOTES TO THE FINANCIAL STATEMENTS  
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**NOTE 11 EMPLOYEE RETIREMENT SYSTEMS (Continued)**

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

*Actuarial Assumptions*

The Borough’s total pension liability reported for the year ended December 31, 2023 was based on the June 30, 2023 measurement date as determined by an actuarial valuation as of July 1, 2022, which was rolled forward to June 30, 2023. This actuarial valuation used the following actuarial assumptions, applied to all periods in the measurement date:

	<u>2023</u>
Inflation Rate:	
Price	2.75%
Wage	3.25%
Salary Increases	
Rate for All Future Years	3.25%-16.25% Based on Years of Service
Investment Rate of Return	7.00%

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.

*Mortality Rates*

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

**BOROUGH OF CLIFFSIDE PARK  
NOTES TO THE FINANCIAL STATEMENTS  
YEARS ENDED DECEMBER 31, 2024 AND 2023**

**NOTE 11 EMPLOYEE RETIREMENT SYSTEMS (Continued)**

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

***Long-Term Expected Rate of Return***

In accordance with State statute, the long-term expected rate of return on plan investments (7% at June 30, 2023) is determined by the State Treasurer, after consultation with the Directors of the Division of Investment and Division of Pensions and Benefits, the board of trustees and actuaries. The long-term expected rate of return on pension plan investments was determined using a building-block method in which best-estimate ranges of expected future real rate of return (expected returns, net of pension plans investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. Best estimates of arithmetic real rates of return for each major asset class included in the pension plans’ target asset allocation as of June 30, 2023, as reported for the year ended December 31, 2023, are summarized in the following table:

<u>Asset Class</u>	<b>2023</b>	
	<u>Target Allocation</u>	<u>Long-Term Expected Real Rate of Return</u>
Risk Mitigation Strategies	3.00%	6.21%
Cash Equivalents	2.00%	3.31%
U.S. Treasuries	4.00%	3.31%
Investment Grade Credit	7.00%	5.19%
US Equity	28.00%	8.98%
Non-US Developed Markets Equity	12.75%	9.22%
International Small Cap Equity	1.25%	9.22%
Emerging Markets Equity	5.50%	11.13%
High Yield	4.50%	6.97%
Real Assets	3.00%	8.40%
Private Credit	8.00%	9.20%
Real Estate	8.00%	8.58%
Private Equity	13.00%	12.50%

***Discount Rate***

The discount rate used to measure the total pension liability for PFRS 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 will be based on 100% of the actuarially determined contributions for the State. Based on those assumptions, the plan’s fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on plan investments was applied to all projected benefit payments in determining the total pension liability.

**BOROUGH OF CLIFFSIDE PARK  
NOTES TO FINANCIAL STATEMENTS  
YEARS ENDED DECEMBER 31, 2024 AND 2023**

**NOTE 12 EMPLOYEE RETIREMENT SYSTEMS (Continued)**

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

*Sensitivity of Net Pension Liability*

The following presents the Borough’s proportionate share of the PFRS net pension liability as of December 31, 2023 calculated using the discount rate of 7.00%, as well as what the Borough’s proportionate share of the PFRS net pension liability would be if it were calculated using a discount rate that is 1-percentage-point lower 6.00% or 1-percentage-point higher 8.00% than the current rate:

<u>2023</u>	<b>1% Decrease <u>(6.00%)</u></b>	<b>Current Discount Rate <u>(7.00%)</u></b>	<b>1% Increase <u>(8.00%)</u></b>
Borough's Proportionate Share of the PFRS Net Pension Liability	\$ <u>19,567,176</u>	\$ <u>14,043,513</u>	\$ <u>9,443,621</u>

The sensitivity analysis was based on the proportionate share of the Borough’s net pension liability at December 31, 2023. A sensitivity analysis specific to the Borough’s net pension liability was not provided by the pension system.

*Special Funding Situation – PFRS*

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

At December 31, 2023, the State’s proportionate share of the net pension liability attributable to the Borough for the PFRS special funding situation is \$2,587,681. For the years ended December 31, 2023, 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 \$294,343, which is less than the actual contributions the State made on behalf of the Borough of \$295,931. At December 31, 2023 (measurement date June 30, 2023) the State’s share of the PFRS net pension liability attributable to the Borough was .12710 percent, which was a decrease of .00533 percent from its proportionate share measured as of December 31, 2022 (measurement date June 30, 2022) of .13243 percent. The State’s proportionate share attributable to the Borough was developed based on actual contributions made to PFRS allocated to employers based upon covered payroll. These on-behalf contributions have not been reported in the Borough’s financial statements.

*Pension Plan Fiduciary Net Position*

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

**BOROUGH OF CLIFFSIDE PARK  
NOTES TO FINANCIAL STATEMENTS  
YEARS ENDED DECEMBER 31, 2024 AND 2023**

**NOTE 12 POST-RETIREMENT MEDICAL BENEFITS**

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

**Plan Description and Benefits Provided**

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

**State Health Benefit Program Fund – Local Government Retired (the Plan)** (including Prescription Drug Program Fund) – The Plan is a cost-sharing multiple-employer defined benefit other postemployment benefit (OPEB) plan with a special funding situation. It covers employees of local government employers that have adopted a resolution to participate in the Plan. For additional information about the Plan, please refer to the State of New Jersey (the State), Division of Pensions and Benefits’ (the Division) <https://www.state.nj.us/treasury/pensions/financial-reports.shtml>.

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

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

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

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

**BOROUGH OF CLIFFSIDE PARK  
NOTES TO FINANCIAL STATEMENTS  
YEARS ENDED DECEMBER 31, 2024 AND 2023**

**NOTE 12 POST-RETIREMENT MEDICAL BENEFITS (Continued)**

**Plan Membership and Contributing Employers**

Membership and contributing employers/nonemployers of the defined benefit OPEB plan consisted of the following at June 30, 2023:

Active Plan Members	65,613
Inactive Plan Members or Beneficiaries Currently Receiving Benefits	<u>34,771</u>
Total	<u>100,384</u>
Contributing Employers	574
Contributing Nonemployers	1

**Measurement Focus and Basis of Accounting**

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

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

**Collective Net OPEB Liability**

The collective net OPEB liability of the participating employers and the State, as the non-employer contributing entity, of the Plan at June 30, 2024 was not available and for June 30, 2023 is \$15.0 billion, and the plan fiduciary net (deficit) as a percentage of the total OPEB liability is (0.79)% at June 30, 2023.

The total OPEB liabilities were determined based on actuarial valuations as of July 1, 2022 which was rolled forward to June 30, 2023.

**Actuarial Methods and Assumptions**

In the July 1, 2022 OPEB actuarial valuation, the actuarial assumptions and methods used in this valuation were described in the Actuarial Assumptions and Methods section of the Actuary's report and are included here in this note to the financial statements. The Plan selected economic and demographic assumptions and prescribed them for use for purposes of compliance with GASB Statement No. 75. The Actuary provided guidance with respect to these assumptions, and it is their belief that the assumptions represent reasonable expectations of anticipated plan experience.

**BOROUGH OF CLIFFSIDE PARK  
NOTES TO FINANCIAL STATEMENTS  
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**NOTE 12 POST-RETIREMENT MEDICAL BENEFITS (Continued)**

**Post-Retirement Medical Benefits Contribution**

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

The employers participating in the OPEB plan made contributions of \$431.4 million and the State of New Jersey, as the non-employer contributing entity, contributed \$55.6 million for fiscal year 2023.

The State sets the employer contribution rate based on a pay-as-you-go basis rather than the actuarial determined contribution, an amount actuarially determined in accordance with the parameters of GASB Statement No. 75. The actuarial determined contribution represents a level of funding that, if paid on an ongoing basis, is projected to cover normal cost each year and any unfunded actuarial liabilities (or funding excess) of the plan using a systematic and rational method over a closed period equal to the average of the expected remaining service lives of all employees that are provided with OPEB through the Plan. The Borough's contributions to the State Health Benefits Program Fund-Local Government Retired Plan for post-retirement benefits for the years ended December 31, 2024, 2023 and 2022 were \$1,680,604, \$1,543,023 and \$1,301,058, respectively, which equaled the required contributions for each year. In addition, the Borough's reimbursements to eligible retired employees for Medicare Part B insurance coverage for the years ended December 31, 2024, 2023 and were \$151,269, \$127,113 and \$125,528, respectively.

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

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

Under GASB Statement No. 75 local governmental employers are required to provide certain financial information based on a measurement date no earlier than the end of the employer's prior fiscal year. The GASB No. 75 financial information from the State's Division of Pensions and Benefits to be reported for the year ended December 31, 2022 for the measurement date of June 30, 2024 was not available as of the date of audit. Accordingly, N.J.A.C. 5:30-6.1(c)2 authorizes and permits New Jersey municipalities to present the most recent available audited GASB No. 75 financial information to be incorporated into the audit and remain in compliance with the regulatory basis of accounting disclosure requirements for notes to the financial statements. As such the GASB No. 75 financial information for the year ended December 31, 2024 is not presented in the notes to the financial statements.

The employer allocation percentages presented are based on the ratio of the plan members as an individual employer to the total plan members to the plan during the fiscal years ended June 30, 2023 and 2022. Employer allocation percentages have been rounded for presentation purposes.

At December 31, 2023, the Borough reported a liability of \$39,152,061 for its proportionate share of the net OPEB liability. The net OPEB liability was measured as of June 30, 2023 and the total OPEB liability used to calculate the net OPEB liability was determined by an actuarial valuation as of July 1, 2022. The Borough's proportionate share of the net OPEB liability was based on the ratio of the Borough's proportionate share of the OPEB liability attributable to the Borough at June 30, 2023 to the total OPEB liability for the State Health Benefit Program Fund – Local Government Retired Plan at June 30, 2023. As of the measurement date of June 30, 2023 the Borough's proportionate share was .2609 percent, which was an increase of .04161 percent from its proportionate share measured as of June 30, 2022 of .21929 percent.

**BOROUGH OF CLIFFSIDE PARK  
NOTES TO FINANCIAL STATEMENTS  
YEARS ENDED DECEMBER 31, 2024 AND 2023**

**NOTE 12 POST-RETIREMENT MEDICAL BENEFITS (Continued)**

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

For the years ended December 31, 2023, the Plan has determined the Borough’s OPEB benefit to be \$(918,133), based on the actuarial valuations which are less than the actual contributions reported in the Borough’s financial statements of \$1,543,023. At December 31, 2023, the Borough’s deferred outflows of resources and deferred inflows of resources related to the OPEB plan which are not reported on the Borough’s financial statements are from the following sources:

	<b>2023</b>	
	<b><u>Deferred Outflows of Resources</u></b>	<b><u>Deferred Inflows of Resources</u></b>
Difference Between Expected and Actual Experience	\$ 1,805,491	\$ 10,632,421
Changes of Assumptions	5,071,661	11,067,034
Net Difference Between Projected and Actual Earnings on OPEB Plan Investments		6,460
Changes in Proportion and Differences Between Borough Contributions and Proportionate Share of Contributions	<u>9,859,289</u>	<u>3,641,296</u>
Total	<u>\$ 16,736,441</u>	<u>\$ 25,347,211</u>

At December 31, 2023 the amounts reported as deferred outflows of resources and deferred inflows of resources related to the OPEB plan will be recognized in OPEB benefit as follows:

Year Ending <u>December 31,</u>	<u>Total</u>
2024	\$ (3,444,060)
2025	(3,446,473)
2026	(1,070,227)
2027	118,725
2028	(991,132)
Thereafter	<u>222,397</u>
	<u>\$ (8,610,770)</u>

**BOROUGH OF CLIFFSIDE PARK  
 NOTES TO FINANCIAL STATEMENTS  
 YEARS ENDED DECEMBER 31, 2024 AND 2023**

**NOTE 12 POST-RETIREMENT MEDICAL BENEFITS (Continued)**

*Actuarial Assumptions*

The Borough’s total OPEB liability reported for the year ended December 31, 2023 was based on the June 30, 2023 measurement date as determined by an actuarial valuation as of July 1, 2022, which was rolled forward to June 30, 2023. The actuarial assumptions vary for each plan member depending on the pension plan the member is enrolled in. This actuarial valuation used the following actuarial assumptions, applied to all periods in the measurement date:

	<u>2023</u>
Inflation Rate	2.50%
Salary Increases*	
PERS:	
Rate For All Future Years	2.75% to 6.55%
	Based on Years of Service
PFRS:	
Rate For All Future Years	3.25% to 16.25%
	Based on Years of Service

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

The actuarial assumptions used in the July 1, 2022 valuation were based on the results of the PFRS and PERS experience studies prepared for July 1, 2018 to June 30, 2021.

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

*Mortality Rates*

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

*Health Care Trends*

The trend rate for pre-Medicare medical benefits is initially 6.50% and decreases to a 4.50% long-term trend rate after 9 years. For post-65 medical benefits PPO, the trend is, increasing to 14.80% in Fiscal Year 2026 and decreasing to 4.50% in Fiscal Year 2033. For HMO the trend is increasing to 17.40% in Fiscal Year 2026 and decreasing to 4.50% in Fiscal Year 2033. For prescription drug benefits, the initial trend rate is 9.50% and decreases to a 4.50% long-term trend rate after 7 years. For the Medicare Part B reimbursement, the trend rate is 5.00%.

**Discount Rate**

The discount rate for June 30, 2023 measurement date was 3.65%. This represents the municipal bond return rate as chosen by the State. The source is the Bond Buyer Go 20-Bond Municipal Bond Index, which includes tax-exempt general obligation municipal bonds with an average rating of AA/Aa or higher. As the long-term rate of return is less than the municipal bond rate, it is not considered in the calculation of the discount rate, rather the discount rate is set at the municipal bond rate.

**BOROUGH OF CLIFFSIDE PARK  
NOTES TO FINANCIAL STATEMENTS  
YEARS ENDED DECEMBER 31, 2024 AND 2023**

**NOTE 12 POST-RETIREMENT MEDICAL BENEFITS (Continued)**

*Sensitivity of Net OPEB Liability to Changes in the Discounts Rate*

The following presents the Borough’s proportionate share of the net OPEB liability as of December 31, 2023 calculated using the discount rate of 3.65% as well as what the Borough’s proportionate share of the net OPEB liability would be if it were calculated using a discount rate that is 1-percentage-point lower 2.65% or 1-percentage-point higher 4.65% than the current rate:

<u>2023</u>	<u>1% Decrease 2.65%</u>	<u>Current Discount Rate 3.65%</u>	<u>1% Increase 4.65%</u>
Borough's Proportionate Share of the Net OPEB Liability	\$ 45,350,566	\$ 39,152,061	\$ 34,166,320

The sensitivity analysis was based on the proportionate share of the Borough’s net OPEB liability at December 31, 2023. A sensitivity analysis specific to the Borough’s net OPEB liability was not provided by the Plan.

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

The following presents the Borough’s proportionate share of the net OPEB liability as of December 31, 2023 calculated using the healthcare trend rates as disclosed above as well as what the Borough’s proportionate share of the net OPEB liability would be if it were calculated using healthcare trend rates that are 1-percentage-point lower or 1-percentage-point higher than the current rate:

<u>2023</u>	<u>1% Decrease</u>	<u>Healthcare Cost Trend Rates</u>	<u>1% Increase</u>
Borough's Proportionate Share of the Net OPEB Liability	\$ 33,274,645	\$ 39,152,061	\$ 46,676,950

The sensitivity analysis was based on the proportionate share of the Borough’s net OPEB liability at December 31, 2023. A sensitivity analysis specific to the Borough’s net OPEB liability was not provided by the pension system.

*Special Funding Situation*

Under N.J.S.A. 43:3C-24 the Borough is responsible for their own OPEB contributions based on actuarially determined amounts, except where legislation was passed which legally obligated the State to make contributions if certain circumstances occurred. The legislation which legally obligates the State is as follows: Chapter 330, P.L. 1997 and Chapter 271, P.L., 1989. Under Chapter 330, P.L. 1997, the State pays the premiums or periodic charges for the qualified local police and firefighter retirees and dependents equal to 80 percent of the premium of 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. The amounts contributed on behalf of the Borough by the State under this legislation is considered to be a special funding situation as defined by GASB Statement No. 75 and the State is treated as a nonemployer contributing entity. Accordingly, the Borough’s proportionate share percentage of the net pension liability, deferred outflows and inflows determined under GASB Statement No. 75 is zero percent and the State’s proportionate share is 100% of OPEB under this legislation.

**BOROUGH OF CLIFFSIDE PARK  
NOTES TO FINANCIAL STATEMENTS  
YEARS ENDED DECEMBER 31, 2024 AND 2023**

**NOTE 12 POST-RETIREMENT MEDICAL BENEFITS (Continued)**

*Special Funding Situation (Continued)*

The non-employer special funding allocation percentages presented as the State’s proportion share was based on eligible plan members subject to the special fund situation. This data takes into account active members from both participating and non-participating employer locations and retired members currently receiving OPEB benefits.

At December 31, 2023, the State’s proportionate share of the net OPEB liability attributable to the Borough for the OPEB special funding situation is \$177,211. For the years ended December 31, 2023 the plan has determined the State’s proportionate share of the OPEB expense attributable to the Borough for the OPEB special funding situation is \$32,132. At December 31, 2023, (measurement date June 30, 2022), the State’s share of the OPEB liability attributable to the Borough was .2609 percent, which was an increase of .04161 percent from its proportionate share measured as of December 31, 2022 (measurement date June 30, 2022) of 0.21929 percent. The State’s proportionate share attributable to the Borough was developed based on eligible plan members subject to the special funding situation. This data takes into account active members from both participating and non-participating employer locations and retired members currently receiving OPEB benefits.

*OPEB Plan Fiduciary Net Position*

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

**NOTE 13 RISK MANAGEMENT**

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

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

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

<u>Year Ended</u> <u>December 31</u>	<u>Borough</u> <u>Contributions</u>	<u>Employee</u> <u>Contributions</u>	<u>Amount</u> <u>Reimbursed</u>	<u>Ending</u> <u>Balance</u>
2024	\$ 150,000	\$ 15,662	\$ 216,189	\$ 13,524
2023	30,000	26,235	87,085	64,051
2022	30,000	27,236	50,250	6,986

**NOTE 14 CONTINGENT LIABILITIES**

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

**BOROUGH OF CLIFFSIDE PARK  
NOTES TO FINANCIAL STATEMENTS  
YEARS ENDED DECEMBER 31, 2024 AND 2023**

**NOTE 14 CONTINGENT LIABILITIES (Continued)**

**Pending Tax Appeals** - Various tax appeal cases were pending in the New Jersey Tax Court at December 31, 2024 and 2023. Amounts claimed have not yet been determined. The Borough is vigorously defending its assessments in each case. Under the accounting principles prescribed by the Division of Local Government Services, Department of community Affairs, State of New Jersey, the Borough does not recognize a liability, if any, until these cases have been adjudicated. The Borough expects such amounts, if any, could be material. As of December 31, 2024 and 2023, the Borough reserved \$522,564 and \$545,757, respectively, in the Current Fund for tax appeals pending in the New Jersey Tax Court. Funding of any ultimate liability would be provided for in succeeding years' budget or from fund balance.

**Federal and State Awards** - The Borough participates in a number of federal and state programs that are fully or partially funded by grants received from other governmental units. Expenditures financed by grants are subject to audit by the appropriate grantor government. If expenditures are disallowed due to noncompliance with grant program regulations, the Borough may be required to reimburse the grantor government. As of December 31, 2024 and 2023, significant amounts of grant expenditure have not been audited by the various grantor agencies but the Borough believes that disallowed expenditures, if any, based on subsequent audits will not have a material effect on the overall financial position of the Borough.

**NOTE 15 FEDERAL ARBITRAGE REGULATIONS**

The Borough is subject to Section 148 of the Internal Revenue Code as it pertains to the arbitrage rebate on all tax-exempt obligations, both long and short-term debt. Under the 1986 Tax Reform Act, the Internal Revenue Service (IRS) required that all excess earnings from investment proceeds be rebated to the IRS. Arbitrage, for purposes of these regulations, is defined as the difference between the yield on the investment and the yield on the obligations issued. If there are excess earnings, this amount may be required to be rebated to the IRS. At December 31, 2024 and 2023, the Borough has not estimated its estimated arbitrage earnings due to the IRS, if any.

**NOTE 16 TAX ABATEMENTS**

For the years ended December 31, 2024 and 2023, the Borough provided property tax abatements through certain programs authorized under State statutes. These programs include the Long Term Tax Exemption Law (the "LTTE Law") and the New Jersey Housing and Mortgage Financing Act (NJHMFA).

- The Long Term Tax Exemption Law (NJSA 40A:20 et.seq.) is focused on broad areas of redevelopment. It allows for a longer abatement term to carry out a larger development plan through declaring an area as being "in need of redevelopment". These long-term property abatements may last up to 30 years from completion of a project or 35 years from execution of the financial agreement. The process is initiated when the municipality passes a resolution calling for the municipal planning board to study the need for designating an area "in need of redevelopment". Upon adopting the planning board's recommendations and formalizing the redevelopment area designation, a municipality adopts a redevelopment plan, engages redevelopment entities to carry out the plan, and may authorize long-term tax abatements in the process. Developers submit abatement applications to the governing body for review. The financial agreement is approved through adoption of a local ordinance. The agreement exempts a project from taxation, but requires a payment in lieu of taxes (PILOTs) in an amount based generally on a percentage of project costs or revenue generated by the project, depending on the type of project. The Borough received \$1,190,602 and \$1,131,862 in Annual Service Charge (PILOT) payments under this program for the years ended December 31, 2024 and 2023, respectively.

**BOROUGH OF CLIFFSIDE PARK**  
**NOTES TO FINANCIAL STATEMENTS**  
**YEARS ENDED DECEMBER 31, 2024 AND 2023**

**NOTE 16 TAX ABATEMENTS (Continued)**

- The New Jersey Housing and Mortgage Financing Act (NJSA 55:14K et. seq.) allows for property tax abatements for residential rental housing projects financed by the New Jersey Housing and Mortgage Finance Agency. These property tax abatements last for the term of the original mortgage financing so long as the residential rental housing project remains subject to the NJHMFA Law and regulations. The process begins when the municipality passes by ordinance or resolution, as appropriate, that such residential rental housing project shall be exempt from property tax provided that an agreement is entered into with the housing sponsor for payments in lieu of taxes (PILOTs) to the municipality. The agreement can require the housing sponsor to a PILOT payment to the municipality in an amount up to 20% of the annual gross revenue from each housing project. For the years ended December 31, 2024 and 2023 the Borough abated property taxes totaling \$1,144,482 and \$1,040,175, respectively, under the NJHMFA program. The Borough received \$120,775 and \$199,306 in PILOT payments under this program during the years ended December 31, 2024 and 2023, respectively.

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**APPENDIX C**

**PROPOSED FORM OF BOND COUNSEL OPINION**

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## APPENDIX C

[Proposed Form of Bond Counsel Opinion]

June \_\_\_, 2026

Borough Council  
Borough of Cliffside Park  
County of Bergen, New Jersey

Dear Council Members:

We have acted as bond counsel in connection with the issuance of an \$8,189,000 Bond Anticipation Note (the "Note") by the Borough of Cliffside Park, a municipal corporation of the State of New Jersey, located in the County of Bergen (the "Borough"). The Note is dated June 10, 2026, is payable June 10, 2027, bears interest from its date at the rate of \_\_\_% per annum, payable at maturity, and is numbered 26-1.

The Note has been issued pursuant to the Local Bond Law (Chapter 2 of Title 40A of the New Jersey Statutes, as amended) and pursuant to and in anticipation of the issuance of bonds authorized by four bond ordinances adopted by the Borough Council of the Borough on December 5, 2023 (Ord. No. 2023-22), October 8, 2024 (Ord. No. 2024-11), July 15, 2025 (Ord. No. 2025-11) and December 9, 2025 (Ord. No. 2025-16) (the "Bond Ordinances") to finance the making of various public improvements in, by and for 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 Note in order that interest on the Note 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 Note 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 Note to be included in gross income of the owners thereof retroactive to the date of issuance of the Note, 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 Note 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 Note, 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 a copy of the form of Note. 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 Note, 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 Note, or (ii) other documents of the Borough delivered to the purchaser of the Note, and we take no responsibility therefor.

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

1. The Note has been duly authorized, executed and delivered and constitutes a valid and legally binding obligation of the Borough enforceable in accordance with its terms, except as enforcement of the Note 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 Note, 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 Note 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 Note 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 Note 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 Note 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 Note and any gain from the sale of the Note are not includable in gross income of the holders thereof.

Very truly yours,

Rogut McCarthy LLC

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