

**TOWNSHIP OF WYCKOFF**  
**BERGEN COUNTY, NEW JERSEY**  
**REPORT OF AUDIT**  
**YEAR ENDED DECEMBER 31, 2016**

**TOWNSHIP OF WYCKOFF  
TABLE OF CONTENTS**

<u>Exhibits</u>	<u>Page</u>
<b><u>PART I – Report on Audit of Financial Statements and Supplementary Schedules</u></b>	
<b>Independent Auditor’s Report</b>	1-3
<b>Financial Statements</b>	
A	Comparative Balance Sheets – Regulatory Basis - Current Fund 4-5
A-1	Comparative Statements of Operations and Changes in Fund Balance - Regulatory Basis – Current Fund 6
A-2	Statement of Revenues – Regulatory Basis – Current Fund 7-9
A-3	Statement of Expenditures – Regulatory Basis – Current Fund 10-14
B	Comparative Balance Sheets – Regulatory Basis - Trust Funds 15
B-1	Statement of Revenues – Regulatory Basis – Open Space Trust Fund 16
B-2	Statement of Expenditures – Regulatory Basis – Open Space Trust Fund 16
C	Comparative Balance Sheets – Regulatory Basis - General Capital Fund 17
C-1	Comparative Statements of Changes in Fund Balance – Regulatory Basis – General Capital Fund 18
D	Comparative Balance Sheets – Regulatory Basis - Sewer Utility Fund 19
D-1	Comparative Statements of Operations and Changes in Operating Fund Balance – Regulatory Basis - Sewer Utility Operating Fund 20
D-2	Statement of Revenues – Regulatory Basis – Sewer Utility Operating Fund 21
D-3	Statement of Expenditures – Regulatory Basis - Sewer Utility Operating Fund 22
E	Comparative Balance Sheets – Regulatory Basis - General Fixed Assets Account Group 23
	Notes to Financial Statements 24-58
<b>Supplementary Schedules</b>	
<b><u>Current Fund</u></b>	
A-4	Statement of Current Cash - Treasurer 59
A-5	Statement of Cash - Change Funds 60
A-6	Statement of Due to/from State of New Jersey - Senior Citizens' and Veterans' Deductions 60
A-7	Statement of Taxes Receivable 61
A-8	Statement of Tax Title Liens Receivable 62
A-9	Statement of Property Acquired for Taxes (at Assessed Valuation) 62
A-10	Statement of Revenue Accounts Receivable 62
A-11	Statement of Grants Receivable 63
A-12	Statement of 2015 Appropriation Reserves 64-65
A-13	Statement of Encumbrances Payable – Current Fund 66
A-14	Statement of Prepaid Taxes 66
A-15	Statement of County Taxes Payable 66
A-16	Statement of Local District School Taxes Payable 67
A-17	Statement of Regional High School District School Taxes Payable 67
A-18	Statement of Tax Overpayments 67
A-19	Statement of Reserve for Tax Appeals 67

**TOWNSHIP OF WYCKOFF**  
**TABLE OF CONTENTS**  
(Continued)

<u>Exhibits</u>		<u>Page</u>
<b>Supplementary Schedules (Continued)</b>		
<b><u>Current Fund</u></b>		
A-20	Statement of Appropriated Grant Reserves	68
A-21	Statement of Unappropriated Grant Reserves	68
A-22	Statement of Due to Open Space Trust Fund	68
A-23	Statement of Fees Payable	69
A-24	Statement of Reserve for Payroll	69
A-26	Statement of Deferred Charges	70
A-27	Statement of Reserve for Revaluation	71
A-28	Statement of Special Emergency Note Payable	71
<b><u>Trust Fund</u></b>		
B-3	Schedule of Trust Cash - Treasurer	72
B-4	Statement of Reserve for Animal Control Fund Expenditures – Animal Control Fund	73
B-5	Statement of Due to State of New Jersey –Animal Control Fund	74
B-6	Statement of Due to Current Fund – Animal Control Fund	74
B-7	Statement of Miscellaneous Reserves and Special Deposits – Other Trust Fund	75
B-8	Statement of Due to Current Fund – Other Trust Fund	75
B-9	Statement of Due to State of New Jersey – Unemployment Compensation	76
B-10	Statement of Reserve for Open Space – Other Space Trust Fund	76
B-11	Statement of Due from Current Fund – Open Space Trust Fund	77
B-12	Statement of Reserve for Payroll and Payroll Deductions – Other Trust Fund	77
B-13	Statement of Accounts Receivable – Other Trust Fund	77
<b><u>General Capital Fund</u></b>		
C-2	Statement of General Capital Cash	78
C-3	Analysis of General Capital Cash	79
C-4	Statement of Grants Receivable	80
C-5	Statement of Deferred Charges to Future Taxation - Unfunded	81
C-6	Statement of Improvement Authorizations	82
C-7	Statement of Capital Improvement Fund	83
C-8	Statement of Encumbrances Payable	83
C-9	Statement of Due to Current Fund	83
C-10	Statement of Bond Anticipation Notes	84
C-11	Statement of Bonds and Notes Authorized But Not Issued	85
<b><u>Sewer Utility Fund</u></b>		
D-4	Statement of Sewer Utility Cash	86
D-5	Analysis of Sewer Capital Cash – Sewer Capital Fund	87
D-6	Statement of Consumer Accounts Receivable – Sewer Utility Operating Fund	87
D-7	Statement of Appropriation Reserves - Sewer Utility Operating Fund	88
D-8	Statement of Encumbrances Payable – Sewer Utility Operating Fund	89
D-9	Statement of Overpayments – Sewer Utility Operating Fund	89
D-10	Statement of Improvement Authorizations - Sewer Utility Capital Fund	90
D-11	Statement of Capital Improvement Fund – Sewer Utility Capital Fund	91
D-12	Statement of Prepaid Sewer Rents – Sewer Utility Operating Fund	91
D-13	Statement of Fixed Capital– Sewer Utility Operating Fund	92
D-14	Statement of Reserve for Amortization– Sewer Utility Operating Fund	92
D-15	Statement of Fixed Capital Authorized and Uncompleted	93
D-16	Statement of Deferred Reserve for Amortization	93

**TOWNSHIP OF WYCKOFF**  
**TABLE OF CONTENTS**  
**(Continued)**

**Exhibits**

**Page**

**Part II – Government Auditing Standards**

Report on Internal Control Over Financial Reporting and on Compliance and And Other Matters Based on an Audit of Financial Statements Performed in Accordance With Government Auditing Standards – Independent Auditor’s Report	94-95
Schedule of Expenditures of Federal Awards	96
Schedule of Expenditures of State Financial Assistance	97
Notes to the Schedules of Expenditures of Federal Awards and State Financial Assistance	98-99

**Part III – Supplementary Data and Letter of Comments and Recommendations**

Comparative Statement of Operations and Changes in Fund Balance - Current Fund	99
Comparative Statement of Operations and Changes in Fund Balance - Sewer Utility Operating Fund	100
Comparative Schedule of Tax Rate Information	101
Comparison of Tax Levies and Collection Currently	101
Property Acquired by Tax Title Lien Foreclosure	101
Delinquent Taxes and Tax Title Liens	102
Comparison of Sewer Utility Billings	102
Comparative Schedule of Fund Balances	102
Officials in Office and Surety Bonds as of December 31, 2016	103
General Comments	104-105
Recommendations	106

**TOWNSHIP OF WYCKOFF**

**COUNTY OF BERGEN**

**PART I**

**REPORT ON AUDIT OF FINANCIAL STATEMENTS**

**YEAR ENDED DECEMBER 31, 2016**



# LERCH, VINCI & HIGGINS. LLP

CERTIFIED PUBLIC ACCOUNTANTS  
REGISTERED MUNICIPAL ACCOUNTANTS

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## INDEPENDENT AUDITOR'S REPORT

Honorable Mayor and  
Members of the Township Council  
Township of Wyckoff  
Wyckoff, New Jersey

### **Report on the Financial Statements**

We have audited the accompanying balance sheets - regulatory basis of the various funds and account group of the Township of Wyckoff, as of December 31, 2016 and 2015, and the related statements of operations and changes in fund balance - regulatory basis for the years then ended, and the related statements of revenues - regulatory basis and statements of expenditures - regulatory basis of the various funds for the year ended December 31, 2016, and the related notes to the financial statements.

### ***Management's Responsibility for the Financial Statements***

Management is responsible for the preparation and fair presentation of these 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.

### ***Auditor's Responsibility***

Our responsibility is to express an opinion on these financial statements based on our audits. 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. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements 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 entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

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 Township of Wyckoff 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.

***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” paragraph, the financial statements referred to above do not present fairly, in accordance with accounting principles generally accepted in the United States of America, the financial position of each fund of the Township of Wyckoff as of December 31, 2016 and 2015, or changes in financial position, or, where applicable, cash flows for the years then ended.

***Basis for Qualified Opinion on Regulatory Basis of Accounting***

As discussed in Note 16 of the financial statements, the financial statements – regulatory basis of the Length of Service Awards Program (LOSAP) Trust Fund have not been audited, and we were not required by the Division of Local Government Services, Department of Community Affairs, State of New Jersey, to audit nor were we engaged to audit the LOSAP Trust Fund financial statements as part of our audit of the Township’s financial statements as of and for the years ended December 31, 2016 and 2015. The LOSAP Trust Fund financial activities are included in the Township’s Trust Funds, and represent 42 percent and 39 percent of the assets and liabilities, respectively, of the Township’s Trust Funds as of December 31, 2016 and 2015.

***Qualified Opinion on Regulatory Basis of Accounting***

In our opinion, except for the possible effects of such adjustments, if any, as might have been determined to be necessary had the LOSAP Trust Fund financial statements been audited as described in the “Basis for Qualified Opinion on Regulatory Basis of Accounting” paragraph above, the financial statements – regulatory basis referred to above present fairly, in all material respects, the financial position – regulatory basis of the various funds and account group of the Township of Wyckoff as of December 31, 2016 and 2015, and the results of operations and changes in fund balance – regulatory basis of such funds for the years then ended and the respective revenues – regulatory basis and expenditures – regulatory basis of the various funds for the year ended December 31, 2016 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.

***Other Matters***

***Other Information***

Our audit was conducted for the purpose of forming an opinion on the financial statements of the Township of Wyckoff as a whole. The supplementary schedules listed in the table of contents, schedule of expenditures of federal awards, schedule of expenditures of state financial assistance and the supplementary data and letter of comments and recommendations section are presented for purposes of additional analysis and are not a required part of the financial statements of the Township of Wyckoff.



The supplementary schedules listed in the table of contents, schedule of expenditures of federal awards and schedule of expenditures of state financial assistance are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the financial statements. Such information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the supplementary schedules listed in the table of contents, schedule of expenditures of federal awards and schedule of expenditures of state financial assistance are fairly stated, in all material respects, in relation to the financial statements as a whole on the basis of accounting described in Note 1.

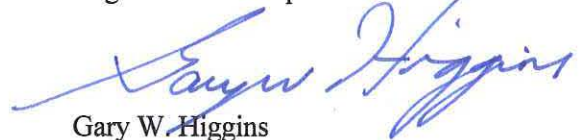
The supplementary data and letter of comments and recommendations section has not been subject to the auditing procedures applied in the audit of the financial statements, and accordingly, we do not express an opinion or provide any assurance on it.

#### **Other Reporting Required by *Government Auditing Standards***

In accordance with Government Auditing Standards, we have also issued our report dated June 27, 2017 on our consideration of the Township of Wyckoff's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with Government Auditing Standards in considering the Township of Wyckoff's internal control over financial reporting and compliance.



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



Gary W. Higgins  
Registered Municipal Accountant  
RMA Number CR00405

Fair Lawn, New Jersey  
June 27, 2017



**TOWNSHIP OF WYCKOFF**  
**COMPARATIVE BALANCE SHEETS - REGULATORY BASIS**  
**CURRENT FUND**  
**AS OF DECEMBER 31, 2016 AND 2015**

	<u>Reference</u>	<u>2016</u>	<u>2015</u>
<b>ASSETS</b>			
Cash	A-4	\$ 6,132,600	\$ 5,825,271
Cash - Change Fund	A-5	<u>500</u>	<u>500</u>
		<u>6,133,100</u>	<u>5,825,771</u>
Grants Receivable	A-11	21,643	21,122
Due from State of NJ - Senior Citizen/Veteran Deduction	A-6	<u>330</u>	<u>632</u>
		<u>21,973</u>	<u>21,754</u>
Receivables and Other Assets with Full Reserves			
Taxes Receivable	A-7	363,962	318,431
Tax Title Liens	A-8	13,537	11,939
Property Acquired for Taxes - Assessed Valuation	A-9	36,700	36,700
Revenue Accounts Receivable	A-10	35,635	7,853
Due from Other Trust Fund	B-8	222	
Due from Animal Control Trust Fund	B-6	<u>5,361</u>	<u>3,088</u>
		<u>455,417</u>	<u>378,011</u>
Deferred Charges			
Emergency Authorization	A-26	100,000	
Special Emergency Authorization	A-25	<u>220,628</u>	<u>331,128</u>
		<u>320,628</u>	<u>331,128</u>
<b>Total Assets</b>		<u>\$ 6,931,118</u>	<u>\$ 6,556,664</u>

**TOWNSHIP OF WYCKOFF**  
**COMPARATIVE BALANCE SHEETS - REGULATORY BASIS**  
**CURRENT FUND**  
**AS OF DECEMBER 31, 2016 AND 2015**

	<u>Reference</u>	<u>2016</u>	<u>2015</u>
<b>LIABILITIES, RESERVES AND FUND BALANCE</b>			
<b>Liabilities</b>			
Appropriation Reserves	A-3, A-12	\$ 1,114,184	\$ 940,517
Encumbrances Payable	A-13	314,891	347,894
Prepaid Taxes	A-14	510,681	483,295
Tax Overpayments	A-18	89,101	131,799
County Taxes Payable	A-15	45,432	31,659
Reserve for Tax Appeals	A-19	308,691	404,091
Reserve for Payroll Account	A-24		
Reserve for Revaluation	A-27	37,950	41,498
Unappropriated Grant Reserves	A-21	3,138	32,655
Appropriated Grant Reserves	A-20	44,670	60,717
Special Emergency Notes Payable	A-28	220,628	331,128
Fees Payable	A-23	12,605	8,822
Due to Municipal Open Space Trust Fund	A-22	947	682
		<u>2,702,918</u>	<u>2,814,757</u>
Reserve for Receivables and Other Assets	A	455,417	378,011
Fund Balance	A-1	<u>3,772,783</u>	<u>3,363,896</u>
<b>Total Liabilities, Reserves and Fund Balance</b>		<u>\$ 6,931,118</u>	<u>\$ 6,556,664</u>

**TOWNSHIP OF WYCKOFF**  
**COMPARATIVE STATEMENTS OF OPERATIONS AND CHANGES IN FUND BALANCE -**  
**REGULATORY BASIS - CURRENT FUND**  
**FOR THE YEARS ENDED DECEMBER 31, 2016 AND 2015**

REVENUE AND OTHER INCOME REALIZED	<u>Reference</u>	<u>2016</u>	<u>2015</u>
Fund Balance Utilized	A-2	\$ 1,870,000	\$ 1,850,000
Miscellaneous Revenue Anticipated	A-2	3,733,150	3,721,899
Receipts from Delinquent Taxes	A-2, A-7	318,431	364,931
Receipts from Current Taxes	A-2	80,178,322	78,741,655
Non Budget Revenue	A-2	349,203	224,868
Other Credits to Income			
Unexpended Balance of Appropriation Reserves	A-12	647,027	423,679
Appropriated Grants Cancelled	A-20	2,949	2,510
Interfunds Liquidated	A		2,970
Statutory Excess- Animal Control Fund	B-6	5,115	2,998
		<u>87,104,197</u>	<u>85,335,510</u>
Total Revenue and Other Income			
EXPENDITURES			
Budget Appropriations			
Operations			
Salaries and Wages	A-3	6,265,171	6,116,759
Other Expenses	A-3	8,287,314	8,160,988
Capital Improvements	A-3	609,350	377,775
Municipal Debt Service	A-3	487,530	484,406
Deferred Charges and Statutory Expenditures -			
Municipal	A-3	1,678,612	1,639,627
Other Debits			
Regional School Taxes	A-17	18,936,687	19,057,229
Local School Taxes	A-16	37,293,222	36,428,574
County Taxes	A-15	11,132,937	10,842,085
Municipal Open Space Tax	A-22	231,992	231,727
Refund of Prior Year Revenue	A-1		9,593
Interfunds Advanced	A-1	2,495	-
		<u>84,925,310</u>	<u>83,348,763</u>
Total Expenditures			
Excess in Revenue		2,178,887	1,986,747
Adjustments to Income Before Fund Balance:			
Expenditures Included Above Which are by Statute			
Deferred to Budget of Succeeding Year	A-1	100,000	-
Excess in Revenue to Fund Balance		2,278,887	1,986,747
FUND BALANCE, JANUARY 1	A	<u>3,363,896</u>	<u>3,227,149</u>
		5,642,783	5,213,896
Decreased by:			
Utilized as Anticipated Revenue	A-2	<u>1,870,000</u>	<u>1,850,000</u>
FUND BALANCE, DECEMBER 31	A	<u>\$ 3,772,783</u>	<u>\$ 3,363,896</u>

The Accompanying Notes are an Integral Part of these Financial Statements

**TOWNSHIP OF WYCKOFF**  
**STATEMENT OF REVENUES - REGULATORY BASIS - CURRENT FUND**  
**FOR THE YEAR ENDED DECEMBER 31, 2016**

	Reference	2016 Anticipated Budget	Added by NJS 40A:4-87	Realized in 2016	Excess or (Deficit)
Fund Balance Anticipated	A-2	\$ 1,870,000	-	\$ 1,870,000	-
Miscellaneous Revenues					
Township Clerk - Licenses					
Alcoholic Beverages	A-10	17,500		17,500	
Other	A-10	100,000		118,015	\$ 18,015
Fees and Permits	A-2	187,600		201,490	13,890
Fines and Costs - Municipal Court	A-10	76,789		83,185	6,396
Interest and Costs on Taxes	A-10	100,000		102,858	2,858
Interest on Investments	A-2	12,000		58,250	46,250
Lease of Township Property	A-10	39,484		39,484	
Cable Franchise Fee	A-10	268,512		268,512	
Lease of Cell Tower Space #1	A-10	304,672		312,274	7,602
Lease of Cell Tower Space #2	A-10	164,674		162,454	(2,220)
Lease of Cell Tower Space #3	A-10	28,763		28,764	1
Energy Receipts Tax	A-10	1,093,271		1,093,271	
Uniform Construction Code Fees	A-10	460,000		494,758	34,758
CFO Shared Services Agreement - Borough of New Milford	A-10	29,061			(29,061)
Library Shared Service Agreement- Payroll Processing	A-10	10,300		10,300	
Library Shared Service Agreement- Administration and Mgmt Se	A-10	5,500		5,500	
Public and Private Revenues:					
Reserve for Recycling Tonnage Grant	A-21	28,005		28,005	
Reserve for Drunk Driving Enforcement Fund	A-21	4,647		4,647	
JIF-Police Accreditation Program Grant	A-11		\$ 25,000	25,000	
Municipal Alliance Grant	A-11	11,677		11,677	
Clean Communities Program	A-11		43,008	43,008	
Other Special Items					
Recreation Fees	A-10	630,000		604,612	(25,388)
Uniform Fire Safety Act	A-10	18,544	-	19,586	1,042
Total Miscellaneous Revenues	A-1	<u>3,590,999</u>	<u>68,008</u>	<u>3,733,150</u>	<u>74,143</u>
Receipts from Delinquent Taxes	A-7	<u>320,000</u>	-	<u>318,431</u>	<u>(1,569)</u>
Amount to be Raised by Taxes for Support of Municipal Budget:					
Local Taxes for Municipal Purposes	A-2	11,380,643		12,585,137	1,204,494
Minimum Library Tax	A-2	1,498,347	-	1,498,347	-
Total Amount to be Raised by Taxes		<u>12,878,990</u>	-	<u>14,083,484</u>	<u>1,204,494</u>
Budget Totals		<u>\$ 18,659,989</u>	<u>\$ 68,008</u>	20,005,065	<u>\$ 1,277,068</u>
Non-Budget Revenue	A-2, A-4			<u>349,203</u>	
				<u>\$ 20,354,268</u>	

The Accompanying Notes are an Integral Part of these Financial Statements

**TOWNSHIP OF WYCKOFF**  
**STATEMENT OF REVENUES - REGULATORY BASIS - CURRENT FUND**  
**FOR THE YEAR ENDED DECEMBER 31, 2016**

	<u>Reference</u>	
<b>ANALYSIS OF REALIZED REVENUES</b>		
Allocation of Current Tax Collections		
Revenue from Collections	A-7	\$ 80,228,322
Less: Transferred to Reserve for Tax Appeals	A-19	<u>50,000</u>
	A-1	80,178,322
Less: Allocated to School, County and Open Space Taxes	A-15, A-16, A-17, A-22	<u>67,594,838</u>
		12,583,484
Add: Appropriation "Reserve for Uncollected Taxes"	A-3	<u>1,500,000</u>
Amount for Support of Municipal Budget Appropriations	A-2	<u>\$ 14,083,484</u>
Fees and Permits - Other		
Tax Collector		\$ 393
Board of Health		66,590
Code Enforcement		95,944
Police Department		14,273
Planning Board		9,296
Board of Adjustment		<u>14,994</u>
	A-2, A-10	<u>\$ 201,490</u>
Interest on Investments and Deposits		
Revenue Accounts Receivable	A-10	\$ 57,777
Received from General Capital Fund	C-9	5
Received from Other Trust Fund	B-8	222
Received from Animal Control Fund	B-6	<u>246</u>
	A-2	<u>\$ 58,250</u>

The Accompanying Notes are an Integral Part of these Financial Statements

**TOWNSHIP OF WYCKOFF**  
**STATEMENT OF REVENUES - REGULATORY BASIS - CURRENT FUND**  
**FOR THE YEAR ENDED DECEMBER 31, 2016**

	<u>Reference</u>	
Analysis of Non-Budget Revenue		
Recyclables - Paper/Plastic/Metal		\$ 14,885
Return of unvested LOSAP contributions		8,255
TTL Premiums Escheat to Township		31,100
Senior Citizen/Veteran Administrative Payment		2,272
Library Reimbursement - Pension		108,600
Off Duty Police Administrative Fees		100,000
Miscellaneous		<u>84,091</u>
	A-2, A-4	<u>\$ 349,203</u>

The Accompanying Notes are an Integral Part of these Financial Statements



**TOWNSHIP OF WYCKOFF**  
**STATEMENT OF EXPENDITURES - REGULATORY BASIS - CURRENT FUND**  
**FOR THE YEAR ENDED DECEMBER 31, 2016**

	2016 Appropriated		2016 Expended		Cancelled
	Budget	Budget After Modification	Paid or Charged	Reserved	
<b>OPERATIONS - WITHIN "CAPS"</b>					
<b>GENERAL GOVERNMENT</b>					
<b>Administrative and Executive</b>					
Salaries and Wages	\$ 285,143	\$ 285,143	\$ 283,950	\$ 1,193	
Other Expenses	20,800	22,800	21,936	864	
<b>Township Clerk</b>					
Salaries and Wages	177,333	177,333	173,617	3,716	
Other Expenses	67,000	67,000	56,047	10,953	
<b>Financial Administration</b>					
Salaries and Wages	164,529	164,529	164,529		
Other Expenses	26,502	26,502	22,892	3,610	
Audit Services	28,750	28,750	25,373	3,377	
<b>Revenue Administration and Tax Collection</b>					
Salaries and Wages	97,580	97,580	96,295	1,285	
Other Expenses	9,000	9,000	7,767	1,233	
<b>Elections</b>					
Other Expenses	15,000	15,000	14,600	400	
<b>Assessment of Taxes</b>					
Salaries and Wages	151,177	151,177	145,216	5,961	
Other Expenses	190,750	190,750	153,597	37,153	
<b>Environmental Commission: NJSA 40:56A-1</b>					
Other Expenses	1,000	1,000	600	400	
<b>Legal Services and Costs</b>					
Other Expenses	85,500	185,500	161,813	23,687	
<b>Engineering Services</b>					
Other Expenses	15,500	8,300	5,319	2,981	
<b>Public Buildings and Grounds</b>					
Salaries and Wages	74,193	74,193	74,193	-	
Other Expenses	200,000	183,700	139,486	44,214	
<b>Shade Tree Commission</b>					
Other Expenses	12,000	12,000	8,280	3,720	
<b>Land Use Administration:</b>					
<b>Planning Board</b>					
Salaries and Wages	29,009	29,009	28,622	387	
Other Expenses	36,000	36,000	13,542	22,458	
<b>Board of Adjustment:</b>					
Other Expenses	5,000	5,000	4,586	414	
<b>Insurances</b>					
General Liability Insurance	244,252	239,252	233,749	5,503	
Workers Compensation Insurance	214,780	214,780	214,780	-	
Employee Health Benefits Insurance	2,108,137	2,108,137	1,978,848	129,289	
Health Benefit Waivers	10,300	10,300	7,235	3,065	
Unemployment Compensation Insurance	100	100	100		
<b>Police</b>					
Salaries and Wages	3,251,262	3,251,262	2,921,325	329,937	
Other Expenses	72,100	81,100	77,658	3,442	
Public Safety: Volunteer First Aid Squad	50,000	50,000	50,000		
<b>Emergency Management Services:</b>					
Other Expenses	1,850	1,850	1,768	82	
<b>Public Safety: Volunteer Fire Department</b>					
Other Expenses	85,500	85,500	85,414	86	
<b>Uniform Fire Safety Act</b>					
<b>Life Hazard Use Fees (PL 1983)</b>					
Salaries and Wages	16,195	16,195	16,195		
Other Expenses	2,000	2,000	944	1,056	
Radio Communications Contract	13,000	13,000	11,808	1,192	
<b>Recreation and Recreation Education</b>					
Salaries and Wages	239,048	239,048	238,070	978	
Other Expenses	280,000	280,000	233,159	46,841	
<b>Park Maintenance</b>					
Salaries and Wages	74,193	74,193	74,193		
Other Expenses	80,500	105,800	104,674	1,126	
<b>Celebration of Public Events</b>					
Other Expenses	5,500	2,800	2,734	66	

**TOWNSHIP OF WYCKOFF**  
**STATEMENT OF EXPENDITURES - REGULATORY BASIS - CURRENT FUND**  
**FOR THE YEAR ENDED DECEMBER 31, 2016**

	2016 Appropriated		2016 Expended		Cancelled
	Budget	Budget After Modification	Paid or Charged	Reserved	
OPERATIONS - WITHIN "CAPS"					
GENERAL GOVERNMENT (CONTINUED)					
Recycling					
Other Expenses	\$ 255,495	\$ 269,495	\$ 267,075	\$ 2,420	
Sanitation/Garbage and Trash Removal					
Other Expenses	440,000	440,000	440,000		
Road Repairs and Maintenance					
Salaries and Wages	1,187,798	1,187,798	1,167,891	19,907	
Other Expenses	282,500	265,500	170,527	94,973	
Inspector's Vehicle Other Expenses	2,500	800	765	35	
DPW Vehicle Other Expenses	90,000	102,000	96,774	5,226	
Police Vehicle Other Expenses	25,000	36,950	35,382	1,568	
Fire Vehicle Other Expenses	35,000	49,500	49,304	196	
CDL Mandate Other Expenses	750	750	742	8	
Board of Health					
Salaries and Wages	12,899	12,899	12,151	748	
Other Expenses	83,454	83,454	57,440	26,014	
Animal Control					
Other Expenses	13,000	13,000	10,800	2,200	
Condo Services Act					
Other Expenses	5,200	5,200	4,574	626	
Construction Code Official					
Salaries and Wages	361,317	361,317	360,223	1,094	
Other Expenses	46,500	46,500	40,631	5,869	
PEOSHA Mandate					
Hepatitis B (P.L. 1985 c. 516)	4,150	4,150	3,510	640	
Respiratory Protection	25,400	25,400	24,836	564	
Municipal Court					
Salaries and Wages	99,203	99,203	97,824	1,379	
Other Expenses	6,600	6,600	5,715	885	
Municipal Prosecutor					
Other Expenses	9,700	9,700	8,928	772	
Public Defender					
Other Expenses	4,300	4,300	3,900	400	
Utilities:					
Electricity	92,000	92,000	90,082	1,918	
Street Lighting	182,000	182,000	141,654	40,346	
Telephone	36,000	58,000	56,723	1,277	
Water	5,000	5,000	2,589	2,411	
Natural Gas	36,000	36,000	24,980	11,020	
Fire Hydrants	65,296	60,196	60,194	2	
Gasoline	82,858	66,858	54,510	12,348	
Landfill and Solid Waste Disposal	440,000	394,800	300,839	93,961	-
<b>Total Operations Within "CAPS"</b>	<b>12,370,403</b>	<b>12,464,953</b>	<b>11,445,477</b>	<b>1,019,476</b>	<b>-</b>
Detail:					
Salaries and Wages	6,220,879	6,220,879	5,854,294	366,585	-
Other Expenses	6,149,524	6,244,074	5,591,183	652,891	-
Deferred Charges and Statutory Expenditures - Municipal Within "CAPS"					
Statutory Charges					
Public Employees Retirement System	412,696	412,696	412,696		
Social Security System (O.A.S.I.)	468,000	468,000	418,650	49,350	
Defined Compensation Retirement Plan	2,000	2,000	845	1,155	
Police and Firemen's Retirement System of NJ	685,416	685,416	685,416	-	-
<b>Total Deferred Charges and Statutory Expenditures - Municipal Within "CAPS"</b>	<b>1,568,112</b>	<b>1,568,112</b>	<b>1,517,607</b>	<b>50,505</b>	<b>-</b>
<b>Total General Appropriations for Municipal Purposes Within "CAPS"</b>	<b>13,938,515</b>	<b>14,033,065</b>	<b>12,963,084</b>	<b>1,069,981</b>	<b>-</b>

**TOWNSHIP OF WYCKOFF  
STATEMENT OF EXPENDITURES - REGULATORY BASIS - CURRENT FUND  
FOR THE YEAR ENDED DECEMBER 31, 2016**

	2016 Appropriated		2016 Expended		Cancelled
	Budget	Budget After Modification	Paid or Charged	Reserved	
<b>OPERATIONS - EXCLUDED FROM "CAPS"</b>					
Recycling Tax	\$ 20,000	\$ 20,000	\$ 14,795	\$ 5,205	
Affordable Housing					
Salaries and Wages	44,292	44,292	44,292		
Other Expenses	15,500	15,500	15,123	377	
Tax Appeal Interest	50	50	26	24	
911 Emergency Service Contract	185,000	185,000	180,000	5,000	
Maintenance of Free Public Library	1,498,347	1,498,347	1,464,750	33,597	
Employee Health Benefits Insurance	36,045	36,045	36,045		
Length of Service Award Program (LOSAP)	125,000	125,000	125,000	-	-
<b>Total Other Operations Excluded from "CAPS"</b>	<b>1,924,234</b>	<b>1,924,234</b>	<b>1,880,031</b>	<b>44,203</b>	<b>-</b>
<b>Interlocal Municipal Service Agreements</b>					
Wyckoff Public Library-Payroll Shared Service	10,300	10,300	10,300		
Wyckoff Public Library-Administration and Mgmt Services	5,500	5,500	5,500		
CFO Shared Services-Borough of New Milford	29,061	29,061	29,061	-	-
<b>Total Interlocal Municipal Service Agreements</b>	<b>44,861</b>	<b>44,861</b>	<b>44,861</b>	<b>-</b>	<b>-</b>
<b>Public and Private Programs Offset by Revenues</b>					
Reserve for Recycling Tonnage Grant	28,005	28,005	28,005		
Reserve for Drunk Driving Enforcement Fund	4,647	4,647	4,647		
Municipal Alliance Program - State Share (7/16-6/17)	11,677	11,677	11,677		
Municipal Alliance Program - Local Share	3,100	6,100	6,100		
JIF-Police Accreditation Program Grant		25,000	25,000		
Clean Communities Program	-	43,008	43,008	-	-
<b>Total Public and Private Programs Offset by Revenues</b>	<b>47,429</b>	<b>118,437</b>	<b>118,437</b>	<b>-</b>	<b>-</b>
<b>Total Operations Excluded from "CAPS"</b>	<b>2,016,524</b>	<b>2,087,532</b>	<b>2,043,329</b>	<b>44,203</b>	<b>-</b>
<b>Detail:</b>					
Salaries and Wages	44,292	44,292	44,292	-	-
Other Expenses	1,972,232	2,043,240	1,999,037	44,203	-
<b>CAPITAL IMPROVEMENTS - EXCLUDED FROM "CAPS"</b>					
Capital Improvement Fund	609,350	609,350	609,350	-	-
<b>Total Capital Improvements Excluded from "CAPS"</b>	<b>609,350</b>	<b>609,350</b>	<b>609,350</b>	<b>-</b>	<b>-</b>

**TOWNSHIP OF WYCKOFF  
STATEMENT OF EXPENDITURES - REGULATORY BASIS - CURRENT FUND  
FOR THE YEAR ENDED DECEMBER 31, 2016**

	<u>2016 Appropriated</u>		<u>2016 Expended</u>		
	<u>Budget</u>	<u>Budget After Modification</u>	<u>Paid or Charged</u>	<u>Reserved</u>	<u>Cancelled</u>
MUNICIPAL DEBT SERVICE - EXCLUDED FROM "CAPS"					
Payment of Bond Anticipation Notes and Capital Notes	\$ 463,600	\$ 463,600	\$ 463,600		
Interest on Notes	<u>21,500</u>	<u>23,950</u>	<u>23,930</u>	-	\$ 20
Total Municipal Debt Service Excluded from "CAPS"	<u>485,100</u>	<u>487,550</u>	<u>487,530</u>	-	<u>20</u>
Deferred Charges - Municipal Excluded From "CAPS"					
Deferred Charges					
Special Emergency Authorizations	<u>110,500</u>	<u>110,500</u>	<u>110,500</u>	-	-
Total Deferred Charges Municipal Excluded from "CAPS"	<u>110,500</u>	<u>110,500</u>	<u>110,500</u>	-	-
Total General Appropriations for Municipal Purposes Excluded from "CAPS"	<u>3,221,474</u>	<u>3,294,932</u>	<u>3,250,709</u>	\$ 44,203	<u>20</u>
Subtotal General Appropriations	17,159,989	17,327,997	16,213,793	1,114,184	20
Reserve for Uncollected Taxes	<u>1,500,000</u>	<u>1,500,000</u>	<u>1,500,000</u>	-	-
Total General Appropriations	<u>\$ 18,659,989</u>	<u>\$ 18,827,997</u>	<u>\$ 17,713,793</u>	<u>\$ 1,114,184</u>	<u>\$ 20</u>

Reference A-2

A

**TOWNSHIP OF WYCKOFF**  
**STATEMENT OF EXPENDITURES - REGULATORY BASIS - CURRENT FUND**  
**FOR THE YEAR ENDED DECEMBER 31, 2016**

	<u>Reference</u>	<u>Budget After Modification</u>	<u>Paid or Charged</u>
Adopted Budget	A-2	\$18,659,989	
Additional Appropriations (N.J.S.A. 40A:4-87)	A-2	68,008	
Emergency Authorization	A-26	<u>100,000</u>	
		<u>\$18,827,997</u>	
Cash Disbursed	A-4		\$ 15,674,390
Encumbrances Payable	A-13		310,466
Transferred To Appropriated Grant Reserves	A-20		118,437
Special Emergency Authorization	A-25		110,500
Reserve for Uncollected Taxes	A-2		<u>1,500,000</u>
			<u>\$ 17,713,793</u>

**TOWNSHIP OF WYCKOFF**  
**COMPARATIVE BALANCE SHEETS - REGULATORY BASIS - TRUST FUNDS**  
**AS OF DECEMBER 31, 2016 AND 2015**

	<u>Reference</u>	<u>2016</u>	<u>2015</u>
<b>ASSETS</b>			
<b>ANIMAL CONTROL TRUST FUND</b>			
Cash	B-3	\$ 39,030	\$ 35,543
		<u>39,030</u>	<u>35,543</u>
<b>OTHER TRUST FUND</b>			
Cash	B-3	2,297,894	2,495,616
Accounts Receivable	B-13	3,974	-
		<u>2,301,868</u>	<u>2,495,616</u>
<b>MUNICIPAL OPEN SPACE TRUST FUND</b>			
Cash	B-3	743,179	642,036
Due from Current Fund	B-11	947	682
		<u>744,126</u>	<u>642,718</u>
<b>LENGTH OF SERVICE AWARDS PROGRAM TRUST FUND (UNAUDITED)</b>			
Investments	B	2,143,770	1,956,413
Contributions Receivable	B	100,050	97,750
		<u>2,243,820</u>	<u>2,054,163</u>
Total Assets		<u>\$ 5,328,844</u>	<u>\$ 5,228,040</u>
<b>LIABILITIES, RESERVES AND FUND BALANCE</b>			
<b>ANIMAL CONTROL TRUST FUND</b>			
Reserve for Dog License Expenditures	B-4	\$ 33,039	\$ 31,801
Due to Current Fund	B-6	5,361	3,088
Due to the State of New Jersey	B-5	630	654
		<u>39,030</u>	<u>35,543</u>
<b>OTHER TRUST FUND</b>			
Miscellaneous Reserves	B-7	2,200,326	2,381,534
Reserve for Payroll Deductions Payable	B-12	101,180	106,977
Due to Current Fund	B-8	222	-
Due to the State of New Jersey	B-9	140	7,105
		<u>2,301,868</u>	<u>2,495,616</u>
<b>MUNICIPAL OPEN SPACE TRUST FUND</b>			
Reserve for Municipal Open Space Trust Fund	B-10	744,126	642,718
<b>LENGTH OF SERVICE AWARDS PROGRAM TRUST FUND (UNAUDITED)</b>			
Reserve for LOSAP	B	2,243,820	2,054,163
Total Liabilities, Reserves and Fund Balance		<u>\$ 5,328,844</u>	<u>\$ 5,228,040</u>

The Accompanying Notes are in Integral Part of these Financial Statements



**TOWNSHIP OF WYCKOFF**  
**STATEMENT OF REVENUES - REGULATORY BASIS - MUNICIPAL OPEN SPACE TRUST FUND**  
**FOR THE YEAR ENDED DECEMBER 31, 2016**

	Reference	Anticipated (Memo)		2016 Realized	Variance
		Budget	Budget After Modification		
Amount to be Raised by Taxation	B-10	\$ 231,045	\$ 231,045	\$ 231,992	\$ 947
		<u>\$ 231,045</u>	<u>\$ 231,045</u>	231,992	<u>\$ 947</u>
Non-Budget Revenue	B-10			1,416	
				<u>\$ 233,408</u>	
Analysis of Non-Budget Revenue					
Interest on Deposits				<u>\$ 1,416</u>	

EXHIBIT B-2

**STATEMENT OF EXPENDITURES - REGULATORY BASIS - MUNICIPAL OPEN SPACE TRUST FUND**  
**FOR THE YEAR ENDED DECEMBER 31, 2016**

	Reference	Appropriated (Memo)		Paid or Charged	Variance
		Budget	Budget After Modification		
Reserve for Future Use	B-10	\$ 231,045	\$ 231,045	\$ 132,000	\$ 99,045
		<u>\$ 231,045</u>	<u>\$ 231,045</u>	<u>\$ 132,000</u>	<u>\$ 99,045</u>

**TOWNSHIP OF WYCKOFF  
COMPARATIVE BALANCE SHEETS - REGULATORY BASIS  
GENERAL CAPITAL FUND  
AS OF DECEMBER 31, 2016 AND 2015**

	<u>Reference</u>	<u>2016</u>	<u>2015</u>
<b>ASSETS</b>			
Cash	C-2,C-3	\$ 1,317,082	\$ 886,160
Grants Receivable	C-4	273,495	96,585
Deferred Charges to Future Taxation - Unfunded	C-5	<u>3,083,950</u>	<u>3,006,550</u>
Total Assets		<u>\$ 4,674,527</u>	<u>\$ 3,989,295</u>
<b>LIABILITIES, RESERVES AND FUND BALANCE</b>			
Bond Anticipation Notes Payable	C-10	3,083,950	3,006,550
Encumbrances Payable	C-8	828,907	104,174
Capital Improvement Fund	C-7	66,243	61,317
Improvement Authorizations			
Funded	C-6	643,300	654,277
Unfunded	C-6	500	128,665
Fund Balance	C-1	<u>51,627</u>	<u>34,312</u>
Total Liabilities, Reserves and Fund Balance		<u>\$ 4,674,527</u>	<u>\$ 3,989,295</u>

There were no bonds and notes authorized but not issued at December 31, 2016 and 2015.

**TOWNSHIP OF WYCKOFF  
COMPARATIVE STATEMENTS OF CHANGES IN FUND BALANCE - REGULATORY BASIS  
GENERAL CAPITAL FUND  
FOR THE YEARS ENDED DECEMBER 31, 2016 AND 2015**

	<u>Reference</u>	<u>2016</u>	<u>2015</u>
Balance, January 1	C	\$ 34,312	\$ 76,312
Increased by:			
Improvement Authorizations Cancelled	C-6	<u>17,315</u>	<u>-</u>
		51,627	76,312
Decreased by:			
Anticipated Revenue in Current Fund Budget	C-1	<u>-</u>	<u>42,000</u>
Balance, December 31	C	<u>\$ 51,627</u>	<u>\$ 34,312</u>

**TOWNSHIP OF WYCKOFF  
COMPARATIVE BALANCE SHEETS - REGULATORY BASIS  
SEWER UTILITY FUND  
AS OF DECEMBER 31, 2016 AND 2015**

	<u>Reference</u>	<u>2016</u>	<u>2015</u>
<b>ASSETS</b>			
<b>OPERATING FUND</b>			
Cash	D-4	\$ 2,195,712	\$ 1,243,317
Receivables With Full Reserves Consumer Accounts Receivable	D-6	<u>68,565</u>	<u>61,607</u>
Total Operating Fund		<u>2,264,277</u>	<u>1,304,924</u>
<b>CAPITAL FUND</b>			
Cash	D-4, D-5	810,515	560,515
Fixed Capital	D-13	150,000	150,000
Fixed Capital Authorized and Uncompleted	D-15	<u>250,000</u>	<u>250,000</u>
Total Capital Fund		<u>1,210,515</u>	<u>960,515</u>
Total Assets		<u>\$ 3,474,792</u>	<u>\$ 2,265,439</u>
 <b>LIABILITIES, RESERVES AND FUND BALANCE</b>			
<b>OPERATING FUND</b>			
Appropriation Reserves	D-3,D-7	\$ 48,633	\$ 40,381
Encumbrances Payable	D-8	33,894	3,970
Prepaid Sewer Rents	D-12	59	
Overpayments	D-9	<u>1,786</u>	<u>5,289</u>
		84,372	49,640
Reserve for Receivables	D	68,565	61,607
Fund Balance	D-1	<u>2,111,340</u>	<u>1,193,677</u>
Total Operating Fund		<u>2,264,277</u>	<u>1,304,924</u>
<b>CAPITAL FUND</b>			
Capital Improvement Fund	D-11	655,916	405,916
Improvement Authorizations-Funded	D-10	154,599	154,599
Reserved for Amortization	D-14	150,000	150,000
Deferred Reserve for Amortization	D-16	<u>250,000</u>	<u>250,000</u>
Total Capital Fund		<u>1,210,515</u>	<u>960,515</u>
Total Liabilities, Reserves and Fund Balance		<u>\$ 3,474,792</u>	<u>\$ 2,265,439</u>

There were no bonds and notes authorized and not issued at December 31, 2016 and 2015:

**TOWNSHIP OF WYCKOFF**  
**COMPARATIVE STATEMENTS OF OPERATIONS AND CHANGES IN OPERATING**  
**FUND BALANCE - REGULATORY BASIS**  
**SEWER UTILITY OPERATING FUND**  
**FOR THE YEARS ENDED DECEMBER 31, 2016 AND 2015**

	<u>Reference</u>	<u>2016</u>	<u>2015</u>
<b>REVENUES AND OTHER INCOME REALIZED</b>			
Sewer Rents	D-2	\$ 2,149,403	\$ 2,145,316
Interest and Costs on Sewer Charges	D-2	8,723	8,893
Other Credits to Income			
Non Budget Revenue	D-2	792,384	22,983
Unexpended Balance of Appropriation Reserves	D-7	<u>40,393</u>	<u>59,055</u>
 Total Income		 <u>2,990,903</u>	 <u>2,236,247</u>
 <b>EXPENDITURES</b>			
Budget Appropriations			
Operating	D-3	1,823,240	1,776,747
Capital Improvements	D-3	<u>250,000</u>	<u>100,000</u>
 Total Expenditures		 <u>2,073,240</u>	 <u>1,876,747</u>
 Excess in Revenues		 917,663	 359,500
 FUND BALANCE, JANUARY 1	D	 <u>1,193,677</u>	 <u>834,177</u>
 FUND BALANCE, DECEMBER 31	D	 <u>\$ 2,111,340</u>	 <u>\$ 1,193,677</u>

**TOWNSHIP OF WYCKOFF  
STATEMENT OF REVENUES - REGULATORY BASIS  
SEWER UTILITY OPERATING FUND  
FOR THE YEAR ENDED DECEMBER 31, 2016**

	<u>Reference</u>	2016 <u>Anticipated</u>	2016 <u>Realized</u>	Excess or <u>(Deficit)</u>
Sewer Rents	D-1,D-6	\$ 2,070,000	\$ 2,149,403	\$ 79,403
Interest and Costs on Sewer Charges	D-1,D-4	<u>3,240</u>	<u>8,723</u>	<u>5,483</u>
		<u>\$ 2,073,240</u>	2,158,126	<u>\$ 84,886</u>
 Non-Budget Revenue	 D-1,D-4		 <u>792,384</u>	
			 <u>\$ 2,950,510</u>	
 <u>Analysis of Non-Budget Revenue</u>				
Sewer Hook-Ups	D-1,D-4		\$ 786,767	
Miscellaneous	D-1,D-4		<u>5,617</u>	
			 <u>\$ 792,384</u>	



**TOWNSHIP OF WYCKOFF  
STATEMENT OF EXPENDITURES - REGULATORY BASIS  
SEWER UTILITY OPERATING FUND  
FOR THE YEAR ENDED DECEMBER 31, 2016**

	<u>Appropriated</u>		<u>Expended</u>	
	<u>Budget</u>	<u>Budget After Modification</u>	<u>Paid or Charged</u>	<u>Reserved</u>
<b>OPERATING</b>				
Salaries and Wages	\$ 70,640	\$ 70,640	\$ 68,585	\$ 2,055
Other Expenses	1,752,600	1,752,600	1,706,022	46,578
<b>CAPITAL IMPROVEMENTS</b>				
Capital Improvement Fund	<u>250,000</u>	<u>250,000</u>	<u>250,000</u>	<u>-</u>
	<u>\$2,073,240</u>	<u>\$ 2,073,240</u>	<u>\$ 2,024,607</u>	<u>\$ 48,633</u>

	<u>Reference</u>	D-2	D-2	D
Cash Disbursed	D-4			\$ 1,990,713
Encumbrances Payable	D-8			<u>33,894</u>
				<u>\$ 2,024,607</u>

**TOWNSHIP OF WYCKOFF**  
**COMPARATIVE BALANCE SHEETS - REGULATORY BASIS**  
**GENERAL FIXED ASSETS ACCOUNT GROUP**  
**AS OF DECEMBER 31, 2016 AND 2015**

	<u>2016</u>	<u>2015</u>
<b>ASSETS</b>		
Land	\$ 9,040,300	\$ 9,040,300
Land Improvements	1,795,351	\$ 1,734,320
Buildings and Building Improvements	2,331,454	2,331,454
Vehicles and Equipment	<u>6,943,846</u>	<u>8,730,896</u>
 Total Assets	 <u>\$ 20,110,951</u>	 <u>\$ 21,836,970</u>
 <b>RESERVES</b>		
Investment in General Fixed Assets	<u>\$ 20,110,951</u>	<u>\$ 21,836,970</u>
 Total Reserves	 <u>\$ 20,110,951</u>	 <u>\$ 21,836,970</u>

**NOTES TO FINANCIAL STATEMENTS**

**TOWNSHIP OF WYCKOFF  
NOTES TO FINANCIAL STATEMENTS  
YEARS ENDED DECEMBER 31, 2016 AND 2015**

**NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

**A. Reporting Entity**

The Township of Wyckoff (the "Township") was incorporated in 1926 and operates under an elected Mayor and Council form of government. The Township Committee is comprised of five members and are elected at large for staggered three year terms. The Mayor and the Deputy Mayor who are members of the Township Committee are elected annually by the members of the Township Committee. The Mayor is the Chief Executive Officer of the Township and as such presides over all public meetings and makes appointments to various boards. The Township Council exercises all legislative powers including final adoption of the municipal budget and bond ordinances and confirmation of the Mayor's appointments, and all executive authority which is not specifically provided to the Mayor, by state law. A Township Administrator is appointed by the Township Council and is responsible for the implementation of the policies of the Mayor and Council, for the administration of all Township affairs and for the day to day operations of the Township. The Township Administrator is the Chief Administrative Officer for the Township. The Township'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 Township is financially accountable. The Township is financially accountable for an organization if the Township appoints a voting majority of the organization's governing board and (1) the Township is able to significantly influence the programs or services performed or provided by the organization; or (2) the Township is legally entitled to or can otherwise access the organization's resources; the Township is legally obligated or has otherwise assumed the responsibility to finance the deficits of, or provide financial support to, the organization; or the Township is obligated for the debt of the organization. Component units may also include organizations that are fiscally dependent on the Township in that the Township approves the budget, the issuance of debt or the levying of taxes. The Township 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 Township do not include the municipal library, volunteer fire department and volunteer ambulance corps, 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 Township of Wyckoff 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 Township 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.

**TOWNSHIP OF WYCKOFF  
NOTES TO FINANCIAL STATEMENTS  
YEARS ENDED DECEMBER 31, 2016 AND 2015**

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

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

The Township 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 Township functions or activities. The Township also uses an account group, which is designed to provide accountability for certain assets that are not recorded in those Funds.

The Township 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 Township as an agent for individuals, private organizations, or other governments are recorded in the Trust Funds.

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

Other Trust Fund - This fund is established to account for the assets and resources, which are held by the Township 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 Township as collateral.

Municipal Open Space Trust Fund - This fund is used to account for the receipts and disbursements relating to the taxes dedicated to acquisition of real property for open space.

Length of Service Awards Program Fund (LOSAP) – This fund is established to account for the tax-deferred income benefits to active volunteer members of emergency service organizations of the Township.

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.

Sewer Utility Fund - This fund is used to account for the revenues and expenditures for the operation of the Township's sanitary sewerage system and the assets and liabilities relative to such activities. Special benefit assessments levied against properties for specific purposes are accounted for in the assessment trust section of the fund. Acquisition or improvement of capital facilities and other capital assets for the sewer utility is accounted for in the capital section of the fund.

General Fixed Assets Account Group - This account group is used to account for all general fixed assets of the Township, other than those accounted for in the sewer utility funds. The Township's infrastructure is not reported in the account group.

**TOWNSHIP OF WYCKOFF  
NOTES TO FINANCIAL STATEMENTS  
YEARS ENDED DECEMBER 31, 2016 AND 2015**

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

**C. Basis of Presentation – Financial Statements (Continued)**

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

**Reclassifications** - Certain reclassifications may have been made to the December 31, 2015 balances to conform to the December 31, 2016 presentation.

**Financial Statements – Regulatory Basis**

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

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

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

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

**Cash and Investments** - Cash includes amounts in demand deposits as well as short-term investments with a maturity date within three months of the date acquired by the government. Investments are reported at cost and are limited by N.J.S.A. 40A:5-15.1 et seq. with the exception of LOSAP Trust Fund investments which are reported at fair value and are limited by N.J.A.C. 5:30-14.19. GAAP requires that all investments be reported at fair value.

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



**TOWNSHIP OF WYCKOFF  
NOTES TO FINANCIAL STATEMENTS  
YEARS ENDED DECEMBER 31, 2016 AND 2015**

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

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

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

**Miscellaneous Revenues/Receivables** - Miscellaneous revenues are recognized on a cash basis. Receivables for the miscellaneous items that are susceptible to accrual are recorded with offsetting reserves on the balance sheet of the Township'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/Receivables** - Utility charges are levied semi-annually based upon a flat service charge and if applicable, an excess consumption or usage charge. Revenues from these sources are recognized on a cash basis. Receivables that are susceptible to accrual are recorded with offsetting reserves on the balance sheet of the Township's sewer utility operating fund. GAAP requires such revenues to be recognized in the accounting period when they become susceptible to accrual, reduced by an allowance for doubtful accounts.

**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 Township'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.

**TOWNSHIP OF WYCKOFF  
NOTES TO FINANCIAL STATEMENTS  
YEARS ENDED DECEMBER 31, 2016 AND 2015**

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

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

**Interfunds** - Interfund receivables in the Current Fund are recorded with offsetting reserves, which are created by charges to operations. Income is recognized in the year the receivables are liquidated. Interfund receivables in the other funds are not offset by reserves. GAAP does not require the establishment of an offsetting reserve for interfunds and, therefore, does not recognize income in the year liquidated.

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

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

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

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

**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.

**General Fixed Assets** - In accordance with NJAC 5:30-5.6, Accounting for Governmental Fixed Assets, the Township of Wyckoff has developed a fixed assets accounting and reporting system. Fixed assets are defined by the Township as assets with an initial, individual cost of \$5,000 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, 1985 are stated at cost. Donated fixed assets are recorded at estimated fair market value at the date of donation.

**TOWNSHIP OF WYCKOFF  
 NOTES TO FINANCIAL STATEMENTS  
 YEARS ENDED DECEMBER 31, 2016 AND 2015**

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

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

General Fixed Assets purchased prior to December 31, 1985 are stated as follows:

Land and Buildings	Assessed Value
Machinery and Equipment	Estimated Historical 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.

Accounting for utility fund "fixed capital" remains unchanged under NJAC 5:30-5.6.

Property and equipment purchased by the sewer utility fund are recorded in the capital account at cost and are adjusted for disposition and abandonment. The amounts shown do not purport to represent reproduction costs or current value. Contributions in aid of construction are not capitalized. The balance in the Reserve for Amortization and Deferred Reserve for Amortization accounts in the Sewer Utility Capital Fund represents charges to operations for the costs of acquisitions of property, equipment and improvements. The utility does not record depreciation on fixed assets.

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 Township 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 Township and approved by the State Division of Local Government Services as per N.J.S.A. 40A:4 et seq.

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

- Trust Funds, except for the Municipal Open Space Trust Fund
- General Capital Fund
- Sewer Utility Capital Fund

**TOWNSHIP OF WYCKOFF  
 NOTES TO FINANCIAL STATEMENTS  
 YEARS ENDED DECEMBER 31, 2016 AND 2015**

**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 2016 and 2015 the Township Council increased the original budget by \$168,008 and \$56,359. The 2016 increase was attributable to an emergency authorization of \$100,000 and \$68,008 of additional aid allotted to the Township. The 2015 increase was funded by additional aid allotted to the Township. In addition, the governing body approved several budget transfers during 2016 and 2015.

**NOTE 3 CASH DEPOSITS AND INVESTMENTS**

The Township 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 Township'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 Township 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 not covered by the FDIC.

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, 2016 and 2015, the book value of the Township's deposits were \$13,536,512 and \$11,688,958 and bank and brokerage firm balances of the Township's deposits amounted to \$14,046,505 and \$11,891,415, respectively. The Township'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>2016</u>	<u>2015</u>
Insured	\$ 14,046,505	\$ 11,891,415

**TOWNSHIP OF WYCKOFF  
 NOTES TO FINANCIAL STATEMENTS  
 YEARS ENDED DECEMBER 31, 2016 AND 2015**

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

**B. Investments**

The Township 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, bonds or other obligations of the Township or bonds or other obligations of the school districts which are a part of the Township or school districts located within the Township, Local Government investment pools, and agreements for the repurchase of fully collateralized securities, if transacted in accordance with NJSA 40A:5-15.1 (8a-8e). In addition, the Township is permitted to invest LOSAP Funds with the types of eligible investments authorized in NJAC 5:30-14.19. LOSAP investments include interest bearing accounts or securities, in which savings banks of New Jersey are authorized to invest their funds, New Jersey Cash Management Fund, fixed and variable individual or group annuity contracts, mutual fund shares or fixed and variable life insurance contracts.

As of December 31, 2016 and 2015, the Township had the following investments:

	Fair Value (Unaudited)	
	2016	2015
Investment:		
Length of Service Awards Program (LOSAP)	\$ 2,143,770	\$ 1,956,413

Custodial Credit Risk – Investments – For an investment, this is the risk, that in the event of the failure of the counterparty, the Township will not be able to recover the value of its investments or collateral securities that are held by an outside party. The Township does not have a policy for custodial risk. As of December 31, 2016 and 2015, \$2,143,770 and \$1,956,413 of the Township’s investments was exposed to custodial credit risk as follows:

	Fair Value (LOSAP) Unaudited	
	2016	2015
Uninsured and Collateralized:		
Collateral held by pledging financial institution's trust department but not in the Township's name	\$ 2,143,770	\$ 1,956,413

Interest Rate Risk – The Township does not have a formal investment policy that limits investment maturities as a means of managing its exposure to fair value losses arising from increasing interest rates.

Credit Risk – State law limits investments as noted above (N.J.S.A. 40A:5-15.1). The Township does not have an investment policy that would further limit its investment choices. As of December 31, 2016 and 2015, the Township’s investment in Lincoln Financial Group was rated Baa1 by Moody’s Investor Services.

Concentration of Credit Risk – The Township places no limit in the amount the Township may invest in any one issuer. More than five (5) percent of the Township’s investments are in Lincoln Financial Group. These investments are 100% of the Township’s total investments.

**TOWNSHIP OF WYCKOFF  
NOTES TO FINANCIAL STATEMENTS  
YEARS ENDED DECEMBER 31, 2016 AND 2015**

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

**B. Investments (Continued)**

The fair value of the above-listed investment was based on quoted market prices.

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. Interest earned in the Sewer Utility Capital Fund is assigned to the Sewer Utility Operating Fund in accordance with the regulatory basis of accounting.

**NOTE 4 TAXES AND UTILITY CHARGES AND FEES RECEIVABLE**

Receivables at December 31, 2016 consisted of the following:

	<u>Current</u>	<u>Sewer</u>	<u>Total</u>
<b><u>2016</u></b>			
Property Taxes	\$ 363,962		\$ 363,962
Tax Title Liens	13,537		13,537
Utility Charges and Fees	<u>-</u>	<u>\$ 68,565</u>	<u>68,565</u>
	<u>\$ 377,499</u>	<u>\$ 68,565</u>	<u>\$ 446,064</u>

In 2016, the Township collected \$318,431 and \$61,607 from delinquent taxes and utility charges and fees, which represented 96% and 100% of the delinquent tax and sewer charges receivable at December 31, 2015.

Receivables at December 31, 2015 consisted of the following:

	<u>Current</u>	<u>Sewer</u>	<u>Total</u>
<b><u>2015</u></b>			
Property Taxes	\$ 318,431		\$ 318,431
Tax Title Liens	11,939		11,939
Utility Charges and Fees	<u>-</u>	<u>\$ 61,607</u>	<u>61,607</u>
	<u>\$ 330,370</u>	<u>\$ 61,607</u>	<u>\$ 391,977</u>

In 2015, the Township collected \$364,931 and \$69,663 from delinquent taxes and utility charges and fees, which represented 97% and 100% of the delinquent tax and sewer charges receivable at December 31, 2014.

**TOWNSHIP OF WYCKOFF  
NOTES TO FINANCIAL STATEMENTS  
YEARS ENDED DECEMBER 31, 2016 AND 2015**

**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>2016</u>		<u>2015</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	\$ 5,583	\$ 947	\$ 3,088	\$ 682
Trust Funds				
Other Trust Fund		222		
Municipal Open Space Trust	947		682	
Animal Control Trust Fund	<u>-</u>	<u>5,361</u>	<u>-</u>	<u>3,088</u>
 Total	 <u>\$ 6,530</u>	 <u>\$ 6,530</u>	 <u>\$ 3,770</u>	 <u>\$ 3,770</u>

The above balances are the result of expenditures being paid by one fund on behalf of another or receipts received in one fund and owed to another fund.

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

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

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

	<u>Balance December 31,</u>	<u>Subsequent Year Budget Appropriation</u>	<u>Balance</u>
<b><u>2016</u></b>			
Current Fund			
Special Emergency Authorization (40A:4-55)	\$ 220,628	\$ 220,628	
Emergency Authorization	<u>100,000</u>	<u>100,000</u>	<u>\$ -</u>
	<u>\$ 320,628</u>	<u>\$ 320,628</u>	<u>\$ -</u>
 <b><u>2015</u></b>			
Current Fund			
Special Emergency Authorization (40A:4-55)	<u>\$ 331,128</u>	<u>\$ 110,500</u>	<u>\$ 220,628</u>

**TOWNSHIP OF WYCKOFF  
NOTES TO FINANCIAL STATEMENTS  
YEARS ENDED DECEMBER 31, 2016 AND 2015**

**NOTE 7 FUND BALANCES APPROPRIATED**

Under the regulatory basis of accounting, fund balances in the Current Fund and Sewer Utility Operating Fund are 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:

	Fund Balance December 31, <u>2016</u>	Utilized in Subsequent <u>Year's Budget</u>	Fund Balance December 31, <u>2015</u>	Utilized in Subsequent <u>Year's Budget</u>
<b>Current Fund</b>				
Cash Surplus	\$ 3,650,810	\$ 2,000,000	\$ 3,342,142	\$ 1,870,000
Non-Cash Surplus	<u>121,973</u>	<u>-</u>	<u>21,754</u>	<u>-</u>
	<u>\$ 3,772,783</u>	<u>\$ 2,000,000</u>	<u>\$ 3,363,896</u>	<u>\$ 1,870,000</u>
<b>Sewer Utility Operating Fund</b>				
Cash Surplus	\$ 2,111,340	\$ 550,000	\$ 1,193,677	-
Non-Cash Surplus	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
	<u>\$ 2,111,340</u>	<u>\$ 550,000</u>	<u>\$ 1,193,677</u>	<u>\$ -</u>



**TOWNSHIP OF WYCKOFF  
NOTES TO FINANCIAL STATEMENTS  
YEARS ENDED DECEMBER 31, 2016 AND 2015**

**NOTE 8 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, 2016 and 2015.

	Balance January 1 <u>2016</u>	<u>Increases</u>	<u>Decreases</u>	Balance, December 31, <u>2016</u>
<b><u>2016</u></b>				
Land	\$ 9,040,300			\$ 9,040,300
Site Improvements	1,734,320	\$ 61,031		1,795,351
Buildings	2,331,454	-		2,331,454
Vehicles and Equipment	<u>8,730,896</u>	<u>25,479</u>	<u>1,812,529</u>	<u>6,943,846</u>
	<u>\$ 21,836,970</u>	<u>\$ 86,510</u>	<u>\$ 1,812,529</u>	<u>\$ 20,110,951</u>

	Balance January 1 <u>2015</u>	<u>Increases</u>	<u>Decreases</u>	Balance, December 31, <u>2015</u>
<b><u>2015</u></b>				
Land	\$ 9,040,300			\$ 9,040,300
Site Improvements		\$ 1,734,320		1,734,320
Buildings	2,275,875	55,579		2,331,454
Vehicles and Equipment	<u>8,552,361</u>	<u>178,535</u>	<u>-</u>	<u>8,730,896</u>
	<u>\$ 19,868,536</u>	<u>\$ 1,968,434</u>	<u>\$ -</u>	<u>\$ 21,836,970</u>

**TOWNSHIP OF WYCKOFF  
NOTES TO FINANCIAL STATEMENTS  
YEARS ENDED DECEMBER 31, 2016 AND 2015**

**NOTE 8 FIXED ASSETS (Continued)**

**B. Sewer Utility Fund Fixed Assets**

The following is a summary of changes in the sewer utility fund fixed assets for the years ended December 31, 2016 and 2015.

<u>Sewer Utility Fund</u>	Balance January 1, 2016	<u>Increases</u>	<u>Decreases</u>	Balance, December 31, 2016
<b><u>2016</u></b>				
Fixed Capital				
Various Improvements	\$ 150,000	\$ -	\$ -	\$ 150,000
	Balance January 1, 2015	<u>Increases</u>	<u>Decreases</u>	Balance, December 31, 2015
<b><u>2015</u></b>				
Fixed Capital				
Various Improvements	\$ 150,000	\$ -	\$ -	\$ 150,000

**NOTE 9 MUNICIPAL DEBT**

The Local Bond Law governs the issuance of notes used to finance capital expenditures. 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.

	<u>2016</u>	<u>2015</u>
Issued		
General		
Notes	\$ 3,083,950	\$ 3,006,550
Net Notes Issued and Authorized But Not Issued	\$ 3,083,950	\$ 3,006,550

**TOWNSHIP OF WYCKOFF  
NOTES TO FINANCIAL STATEMENTS  
YEARS ENDED DECEMBER 31, 2016 AND 2015**

**NOTE 9 MUNICIPAL DEBT (Continued)**

**Statutory Net Debt**

The statement of debt condition that follows is extracted from the Township's Annual Debt Statement and indicates a statutory net debt of .069% and .068% at December 31, 2016 and 2015, respectively.

	<u>Gross Debt</u>	<u>Deductions</u>	<u>Net Debt</u>
<b><u>2016</u></b>			
General Debt	\$ 3,083,950		\$ 3,083,950
School Debt	<u>30,661,845</u>	<u>\$ 30,661,845</u>	<u>-</u>
Total	<u>\$ 33,745,795</u>	<u>\$ 30,661,845</u>	<u>\$ 3,083,950</u>

	<u>Gross Debt</u>	<u>Deductions</u>	<u>Net Debt</u>
<b><u>2015</u></b>			
General Debt	\$ 3,006,550		\$ 3,006,550
School Debt	<u>32,152,127</u>	<u>\$ 32,152,127</u>	<u>-</u>
Total	<u>\$ 35,158,677</u>	<u>\$ 32,152,127</u>	<u>\$ 3,006,550</u>

**Statutory Borrowing Power**

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

	<u>2016</u>	<u>2015</u>
3-1/2% of Equalized Valuation Basis (Municipal)	\$ 157,168,582	\$ 153,676,363
Net Debt	<u>3,083,950</u>	<u>3,006,550</u>
Remaining Borrowing Power	<u>\$ 154,084,632</u>	<u>\$ 150,669,813</u>

**TOWNSHIP OF WYCKOFF  
NOTES TO FINANCIAL STATEMENTS  
YEARS ENDED DECEMBER 31, 2016 AND 2015**

**NOTE 9 MUNICIPAL DEBT (Continued)**

**A. Short-Term Debt**

The Township's short-term debt activity for the years ended December 31, 2016 and 2015 was as follows:

**Bond Anticipation Notes**

**Bond Anticipation Notes**

	Rate (%)	Maturity Date	Balance, January 1, 2016	Additions	Reductions	Balance, December 31, 2016
<b>2016</b>						
<u>Purpose</u>						
<u>General Capital Fund</u>						
Purchase of a Fire Pumper T	0.83%	7/25/2017	\$ 438,550	\$ 759,550	\$ 438,550	\$ 759,550
Road Resurfacing	0.83%	7/25/2017	1,235,000	1,052,900	1,235,000	1,052,900
Various Equipment Upgrade	0.83%	7/25/2017	202,970	202,970	202,970	202,970
Various Capital Improvemer	0.83%	7/25/2017	180,030	180,030	180,030	180,030
Various Road Improvements	0.83%	7/25/2017	950,000	888,500	950,000	888,500
Total General Capital Fund			<u>\$ 3,006,550</u>	<u>\$ 3,083,950</u>	<u>\$ 3,006,550</u>	<u>\$ 3,083,950</u>

	Rate (%)	Maturity Date	Balance, January 1, 2015	Additions	Reductions	Balance, December 31, 2015
<b>2015</b>						
<u>Purpose</u>						
<u>General Capital Fund</u>						
Police Desk Upgrade/Rescue Truck	0.55%	7/28/2015	\$ 99,500		\$ 99,500	
Various Capital Improvements	0.55%	7/28/2015	133,000		133,000	
Refunding Tax Appeals	2.50%	7/28/2015	175,000		175,000	
Purchase of a Fire Pumper Truck	0.71%	7/26/2016	494,550	\$ 438,550	494,550	\$ 438,550
Road Resurfacing	0.71%	7/26/2016	1,235,000	1,235,000	1,235,000	1,235,000
Various Equipment Upgrades	0.71%	7/26/2016	202,970	202,970	202,970	202,970
Various Capital Improvements	0.71%	7/26/2016		180,030		180,030
Various Road Improvements	0.71%	7/26/2016	-	950,000	-	950,000
Total General Capital Fund			<u>\$ 2,340,020</u>	<u>\$ 3,006,550</u>	<u>\$ 2,340,020</u>	<u>\$ 3,006,550</u>

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

**NOTES TO FINANCIAL STATEMENTS  
YEARS ENDED DECEMBER 31, 2016 AND 2015**

**NOTE 9 MUNICIPAL DEBT (Continued)**

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

**Bond Anticipation Notes (Continued)**

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

In addition to the debt shown in the above schedule, municipalities may issue debt to finance special emergency appropriations. This debt which is not included in the Township's statutory debt limit calculation is reported in the Current Fund for the years 2016 and 2015 as follows:

**Special Emergency Notes**

Following the adoption of an ordinance or resolution for special emergency appropriations, the Township may borrow money and issue special emergency notes which may be renewed from time to time, but at least 1/5 of all such notes and the renewal thereof, shall mature and be paid in each year so that all notes have been paid by the end of the fifth year following the date of the special emergency resolution.

	Rate (%)	Maturity Date	Balance, January 1, 2016	Additions	Reductions	Balance, December 31, 2016
<b><u>2016</u></b>						
<u>Purpose</u>						
Revaluation of Property	0.80%	11/17/16	\$ 331,128		\$ 331,128	
	0.95%	11/15/17	-	\$ 220,628	-	\$ 220,628
			<u>\$ 331,128</u>	<u>\$ 220,628</u>	<u>\$ 331,128</u>	<u>\$ 220,628</u>

	Rate (%)	Maturity Date	Balance, January 1, 2015	Additions	Reductions	Balance, December 31, 2015
<b><u>2015</u></b>						
<u>Purpose</u>						
Revaluation of Property	1.06%	11/18/15	\$ 441,628		\$ 441,628	
	0.80%	11/17/16	-	\$ 331,128	-	\$ 331,128
			<u>\$ 441,628</u>	<u>\$ 331,128</u>	<u>\$ 441,628</u>	<u>\$ 331,128</u>

**TOWNSHIP OF WYCKOFF  
 NOTES TO FINANCIAL STATEMENTS  
 YEARS ENDED DECEMBER 31, 2016 AND 2015**

**NOTE 10 CONSTRUCTION AND OTHER SIGNIFICANT COMMITMENTS**

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

<u>Capital Project</u>	<u>Construction/Other Commitment</u>	<u>Estimated Date of Completion/Acquisition</u>
<b><u>2016</u></b>		
Acquisition of Fire Pumper	\$588,329	2017
Improvements to Crescent Avenue	149,020	2017

**2015**

None

As of December 31, the Township has other significant commitments as follows:

<u>Purpose</u>	<u>Remaining Commitment</u>
<b><u>2016</u></b>	
None	
<b><u>2015</u></b>	
Purchase of Unused Pole Building and Open Air Pavillion at the Pulis Field Recreation Complex	\$55,579

**TOWNSHIP OF WYCKOFF  
NOTES TO FINANCIAL STATEMENTS  
YEARS ENDED DECEMBER 31, 2016 AND 2015**

**NOTE 11 OTHER LONG-TERM LIABILITIES (Continued)**

**Changes in Other Long-Term Liabilities**

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

The Township's changes in other long-term liabilities for the years ended December 31, 2016 and 2015 were as follows:

	Balance January 1, <u>2016</u>	<u>Additions</u>	<u>Reductions</u>	Balance, December 31, <u>2016</u>	Due Within <u>One Year</u>
<b><u>2016</u></b>					
Net Pension Liability - PERS	\$ 10,775,684	\$ 3,517,397	\$ 416,245	\$ 13,876,836	\$ -
Net Pension Liability - PFRS	<u>14,045,186</u>	<u>2,403,888</u>	<u>673,344</u>	<u>15,775,730</u>	<u>-</u>
	<u>\$ 24,820,870</u>	<u>\$ 5,921,285</u>	<u>\$ 1,089,589</u>	<u>\$ 29,652,566</u>	<u>\$ -</u>
	Balance January 1, <u>2015</u>	<u>Additions</u>	<u>Reductions</u>	Balance, December 31, <u>2015</u>	Due Within <u>One Year</u>
<b><u>2015</u></b>					
Net Pension Liability - PERS	\$ 8,149,529	\$ 3,038,851	\$ 412,696	\$ 10,775,684	-
Net Pension Liability - PFRS	<u>11,501,823</u>	<u>3,228,779</u>	<u>685,416</u>	<u>14,045,186</u>	<u>-</u>
	<u>\$ 19,651,352</u>	<u>\$ 6,267,630</u>	<u>\$ 1,098,112</u>	<u>\$ 24,820,870</u>	<u>\$ -</u>

**NOTE 12 EMPLOYEE RETIREMENT SYSTEMS**

The State of New Jersey sponsors and administers the following contributory defined benefit public employee retirement systems (retirement systems) covering substantially all state and local government employees which includes those Township 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 with vesting occurring after 10 years of membership. PFRS is a cost-sharing multi-employer defined benefit pension plan.

**Public Employees' Retirement System (PERS)** – established in January 1955, under the provisions of N.J.S.A. 43:15A to provide coverage, including post-retirement healthcare for those eligible employees whose local employers elected to do so, 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 and vesting occurs after 10 years of service for pension benefits and, if applicable, 25 years for post-retirement healthcare coverage. PERS is a cost-sharing multi-employer defined benefit pension plan.

**TOWNSHIP OF WYCKOFF  
NOTES TO FINANCIAL STATEMENTS  
YEARS ENDED DECEMBER 31, 2016 AND 2015**

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

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 Township 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. Membership is mandatory for such individuals with vesting occurring after one (1) year of membership. This provision was extended by Chapter 1, P.L. 2010, effective May 21, 2010, to new employees (Tier 2) of the PFRS and new employees who would otherwise be eligible to participate in PERS and do not work the minimum required hours but earn a base salary of at least \$5,000 are eligible for participation in the DCRP. 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 PFRS and PERS are funded directly by each of the respective systems, but are currently suspended as a result of reform legislation.

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

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

**Basis of Accounting**

The financial statements of the retirement systems are prepared on the accrual basis of accounting. Employer contributions are recognized when payable to the retirement systems. Benefits and refunds are recognized when due and payable in accordance with the terms of the retirement systems.



**TOWNSHIP OF WYCKOFF  
NOTES TO FINANCIAL STATEMENTS  
YEARS ENDED DECEMBER 31, 2016 AND 2015**

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

**Investment Valuation**

Investments are reported at fair value. Securities traded on a national or international exchange are valued at the last reported sales price at current exchange rates. Mortgages are valued on the basis of future principal and interest payments, and are discounted at prevailing interest rates for similar instruments. The fair value of real estate investments is based on independent appraisals. Investments that do not have an established market are reported at estimated fair values.

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).

**Funded Status and Funding Progress**

As of July 1, 2015, the most recent actuarial valuation date, which was rolled forward to June 30, 2016, the aggregate funded ratio for all the State administered retirement systems, including local PERS and local PFRS is 45.7 percent with an unfunded actuarial accrued liability of \$50.3 billion. The aggregate funded ratio and unfunded accrued liability for the local PERS system is 40.14 percent and \$29.6 billion, respectively and the aggregate funded ratio and unfunded accrued liability for local PFRS is 52.01 percent and \$20.7 billion, respectively.

The funded status and funding progress of the retirement systems includes actuarial valuations which involve estimates of the value of reported amounts and assumptions about the probability of events far into the future. These amounts are subject to continual revision as actual results are compared to past expectations and new estimates are made about the probability of future events.

Actuarial calculations reflect a long-term perspective and are based on the benefits provided under the terms of the retirement systems in effect at the time of each valuation and also consider the pattern of the sharing of costs between the employer and members at that point in time. The projection of benefits for financial reporting purposes does not explicitly incorporate the potential effects of legal or contractual funding limitations on the pattern of cost sharing between the employer and members in the future.

**Actuarial Methods and Assumptions**

In the July 1, 2015 actuarial valuations, the date of the most recent actuarial valuations, the projected unit credit was used as actuarial cost method, and the five year average of market value was used as asset valuation method for pension trust funds. The actuarial assumptions included (a) 7.65% for investment rate of return for all the retirement systems (b) changes to projected salary increases applied through the year 2026 of 1.65-5.15 percent based on age for PERS and 2.10-9.98 percent based on age for PFRS.

**TOWNSHIP OF WYCKOFF  
 NOTES TO FINANCIAL STATEMENTS  
 YEARS ENDED DECEMBER 31, 2016 AND 2015**

**NOTE 12 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 based on 10.0% for PFRS, 7.06% for PERS and 5.50% for DCRP of employee’s annual compensation for fiscal year 2016.

**Annual Pension Cost (APC)**

For PFRS and PERS, which are cost sharing multi-employer defined benefit pension plans, annual pension cost equals contributions made. In the DCRP, which is a defined contribution plan, member contributions are matched by a 3% employer contribution.

During the years ended December 31, 2016, 2015 and 2014, the Township, 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>
2016	\$ 685,416	\$ 412,696	\$ 845
2015	702,293	358,834	
2014	627,831	325,879	

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

**Public Employees Retirement System (PERS)**

At December 31, 2016 and 2015, the Township reported a liability of \$13,876,836 and \$10,775,684, respectively, for its proportionate share of the PERS net pension liability. The net pension liability was measured as of June 30, 2016 and 2015, respectively, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of July 1, 2015 and 2014, respectively. The Township’s proportionate share of the net pension liability was based on a projection of the Township’s long-term share of contributions to the pension plan relative to the projected contributions of all participating governmental entities, actuarially determined. As of the measurement date of June 30, 2016, the Township’s proportionate share was 0.04685 percent, which was an increase of 0.00905 percent from its proportionate share measured as of June 30, 2015 of 0.03780 percent.

**TOWNSHIP OF WYCKOFF  
NOTES TO THE FINANCIAL STATEMENTS  
YEARS ENDED DECEMBER 31, 2016 AND 2015**

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

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

For the year ended December 31, 2016 and 2015, the pension system has determined the Township's pension expense to be \$1,442,735 and \$865,734, respectively, for PERS based on the actuarial valuation which is more than the actual contributions reported in the Township's financial statements of \$412,696 and \$358,834, respectively. At December 31, 2016 and 2015, the Township's deferred outflows of resources and deferred inflows of resources related to PERS pension which are not reported on the Township's financial statements are from the following sources:

	2016		2015	
	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Difference Between Expected and Actual Experience	\$ 258,067		\$ 257,070	
Changes of Assumptions	2,874,539		1,157,222	
Net Difference Between Projected and Actual Earnings on Pension Plan Investments	529,136			\$ 173,252
Changes in Proportion and Differences Between Township Contributions and Proportionate Share of Contributions	<u>588,617</u>	<u>\$ 187,214</u>	<u>747,467</u>	<u>-</u>
Total	<u>\$ 4,250,359</u>	<u>\$ 187,214</u>	<u>\$ 2,161,759</u>	<u>\$ 173,252</u>

At December 31, 2016 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:

<u>Year Ending December 31,</u>	<u>Total</u>
2017	\$ 946,007
2018	946,007
2019	1,067,424
2020	875,017
2021	228,690
Thereafter	<u>-</u>
	<u>\$ 4,063,145</u>

**TOWNSHIP OF WYCKOFF  
 NOTES TO THE FINANCIAL STATEMENTS  
 YEARS ENDED DECEMBER 31, 2016 AND 2015**

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

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

*Actuarial Assumptions*

The Township's total pension liability reported for the year ended December 31, 2016 was based on the June 30, 2016 measurement date as determined by an actuarial valuation as of July 1, 2015, which was rolled forward to June 30, 2016. The total pension liability reported for the year ended December 31, 2015 was based on the June 30, 2015 measurement date as determined by an actuarial valuation as of July 1, 2014, which was rolled forward to June 30, 2015. This actuarial valuation used the following actuarial assumptions, applied to all periods in the measurement date:

<u>PERS</u>	<u>2016</u>	<u>2015</u>
Inflation Rate	3.08%	3.04%
Salary Increases:		
2012-2021		2.15-4.40%
Through 2026	1.65-4.15%	Based on Age
Thereafter	2.65-5.15%	3.15-5.40%
	Based on Age	Based on Age
Investment Rate of Return	7.65%	7.90%
Mortality Rate Table	RP-2000	RP-2000

Assumptions for mortality improvements are based on Society of Actuaries Scale AA.

The actuarial assumptions used in the July 1, 2015 valuation were based on the results of an actuarial experience study for the period July 1, 2011 to June 30, 2014. The actuarial assumptions used in the July 1, 2014 valuation were based on the results of an actuarial study for the period July 1, 2008 to June 30, 2011.

**TOWNSHIP OF WYCKOFF  
NOTES TO THE FINANCIAL STATEMENTS  
YEARS ENDED DECEMBER 31, 2016 AND 2015**

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

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

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

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

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, 2016 and 2015, as reported for the years ended December 31, 2016 and 2015, respectively, are summarized in the following table:

<u>Asset Class</u>	<u>2016</u>		<u>2015</u>	
	<u>Target Allocation</u>	<u>Long-Term Expected Real Rate of Return</u>	<u>Target Allocation</u>	<u>Long-Term Expected Real Rate of Return</u>
Cash	5.00%	0.87%	5.00%	1.04%
U.S. Treasuries	1.50%	1.74%	1.75%	1.64%
Investment Grade Credit	8.00%	1.79%	10.00%	1.79%
Mortgages	2.00%	1.67%	2.10%	1.62%
High Yield Bonds	2.00%	4.56%	2.00%	4.03%
Inflation-Indexed Bonds	1.50%	3.44%	1.50%	3.25%
Broad US Equities	26.00%	8.53%	27.25%	8.52%
Developed Foreign Equities	13.25%	6.83%	12.00%	6.88%
Emerging Market Equities	6.50%	9.95%	6.40%	10.00%
Private Equity	9.00%	12.40%	9.25%	12.41%
Hedge Funds/Absolute Return	12.50%	4.68%	12.00%	4.72%
Real Estate (Property)	2.00%	6.91%	2.00%	6.83%
Commodities	0.50%	5.45%	1.00%	5.32%
Global Debt ex US	5.00%	-0.25%	3.50%	-0.40%
REIT	5.25%	5.63%	4.25%	5.12%

***Discount Rate***

The discount rate used to measure the total pension liabilities of the PERS plan was as follows:

<u>Year</u>	<u>Measurement Date</u>	<u>Discount Rate</u>
2016	June 30, 2016	3.98%
2015	June 30, 2015	4.90%

**TOWNSHIP OF WYCKOFF  
NOTES TO THE FINANCIAL STATEMENTS  
YEARS ENDED DECEMBER 31, 2016 AND 2015**

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

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

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

**Discount Rate (Continued)**

The following table represents the crossover period, if applicable, for the PERS defined benefit plan:

Period of Projected Benefit Payments for which the Following Rates were Applied:	
Long-Term Expected Rate of Return	Through June 30, 2034
Municipal Bond Rate *	From July 1, 2034 and Thereafter

\* The municipal bond return rate used is 2.85% and 3.80% as of the measurement dates of June 30, 2016 and 2015, respectively. 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.

**Sensitivity of Net Pension Liability**

The following presents the Township's proportionate share of the PERS net pension liability as of December 31, 2016 and 2015 calculated using the discount rate of 3.98% and 4.90%, respectively, as well as what the Township'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 (2.98% and 3.90%, respectively) or 1-percentage-point higher (4.98% and 5.90%, respectively) than the current rate:

	1% Decrease <u>(2.98%)</u>	Current Discount Rate <u>(3.98%)</u>	1% Increase <u>(4.98%)</u>
<u>2016</u>			
Township's Proportionate Share of the PERS Net Pension Liability	<u>\$ 17,004,443</u>	<u>\$ 13,876,836</u>	<u>\$ 11,294,725</u>
	1% Decrease <u>(3.90%)</u>	Current Discount Rate <u>(4.90%)</u>	1% Increase <u>(5.90%)</u>
<u>2015</u>			
Township's Proportionate Share of the PERS Net Pension Liability	<u>\$ 13,392,857</u>	<u>\$ 10,775,684</u>	<u>\$ 8,581,465</u>

The sensitivity analysis was based on the proportionate share of the Township's net pension liability at December 31, 2016 and 2015. A sensitivity analysis specific to the Township's net pension liability was not provided by the pension system.

**TOWNSHIP OF WYCKOFF  
NOTES TO THE FINANCIAL STATEMENTS  
YEARS ENDED DECEMBER 31, 2016 AND 2015**

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

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

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

*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, 2016 and 2015, the Township reported a liability of \$15,775,730 and \$14,045,186, respectively, for its proportionate share of the PFRS net pension liability. The net pension liability was measured as of June 30, 2016 and 2015, respectively, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of July 1, 2015 and 2014, respectively. The Township's proportionate share of the net pension liability was based on a projection of the Township's long-term share of contributions to the pension plan relative to the projected contributions of all participating governmental entities, actuarially determined. As of the measurement date of June 30, 2016, the Township's proportionate share was 0.08258 percent, which was a decrease of 0.00174 percent from its proportionate share measured as of June 30, 2015 of 0.08432 percent.

For the years ended December 31, 2016 and 2015, the pension system has determined the Township pension expense to be \$1,588,012 and \$1,155,643, respectively, for PFRS based on the actuarial valuation which is more than the actual contributions reported in the Township's financial statements of \$685,416 and \$702,293, respectively. At December 31, 2016 and 2015, the Township's deferred outflows of resources and deferred inflows of resources related to PFRS pension which are not reported on the Township's financial statements are from the following sources:

	2016		2015	
	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Difference Between Expected and Actual Experience		\$ 103,412		\$ 121,144
Changes of Assumptions	\$ 2,185,068		\$ 2,593,090	
Net Difference Between Projected and Actual Earnings on Pension Plan Investments	1,105,374			244,444
Changes in Proportion and Differences Between Township Contributions and Proportionate Share of Contributions	<u>367,612</u>	<u>807,990</u>	<u>483,578</u>	<u>780,304</u>
Total	<u>\$ 3,658,054</u>	<u>\$ 911,402</u>	<u>\$ 3,076,668</u>	<u>\$ 1,145,892</u>

**TOWNSHIP OF WYCKOFF  
 NOTES TO THE FINANCIAL STATEMENTS  
 YEARS ENDED DECEMBER 31, 2016 AND 2015**

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

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

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

At December 31, 2016 the amounts reported as deferred outflows of resources and deferred inflows of resources related to PFRS pension will be recognized in pension expense as follows:

Year Ending December 31,	Total
2017	\$ 657,127
2018	657,127
2019	950,558
2020	486,642
2021	(4,802)
Thereafter	-
	\$ 2,746,652

***Actuarial Assumptions***

The Township’s total pension liability reported for the year ended December 31, 2016 was based on the June 30, 2016 measurement date as determined by an actuarial valuation as of July 1, 2015, which was rolled forward to June 30, 2016. The total pension liability reported for the year ended December 31, 2015 was based on the June 30, 2015 measurement date as determined by an actuarial valuation as of July 1, 2014, which was rolled forward to June 30, 2015. This actuarial valuation used the following actuarial assumptions, applied to all periods in the measurement date:

**PFRS**

	<u>2016</u>	<u>2015</u>
Inflation Rate	3.08%	3.04%
Salary Increases:		
2012-2021		2.60-9.48%
Through 2026	2.10-8.98%	Based on Age
Thereafter	3.10-9.98%	3.60-10.48%
	Based on Age	Based on Age
Investment Rate of Return	7.65%	7.90%
Mortality Rate Table	RP-2000	RP-2000

Assumptions for mortality improvements are based on Society of Actuaries Scale AA and one year using Scale BB.

The actuarial assumptions used in the July 1, 2015 and July 1, 2014 valuations were based on the results of an actuarial experience study for the period July 1, 2010 to June 30, 2013.



**TOWNSHIP OF WYCKOFF  
NOTES TO THE FINANCIAL STATEMENTS  
YEARS ENDED DECEMBER 31, 2016 AND 2015**

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

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

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

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

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, 2016 and 2015, as reported for the years ended December 31, 2016 and 2015, respectively, are summarized in the following table:

<u>Asset Class</u>	<u>2016</u>		<u>2015</u>	
	<u>Target Allocation</u>	<u>Long-Term Expected Real Rate of Return</u>	<u>Target Allocation</u>	<u>Long-Term Expected Real Rate of Return</u>
Cash	5.00%	0.87%	5.00%	1.04%
U.S. Treasuries	1.50%	1.74%	1.75%	1.64%
Investment Grade Credit	8.00%	1.79%	10.00%	1.79%
Mortgages	2.00%	1.67%	2.10%	1.62%
High Yield Bonds	2.00%	4.56%	2.00%	4.03%
Inflation-Indexed Bonds	1.50%	3.44%	1.50%	3.25%
Broad US Equities	26.00%	8.53%	27.25%	8.52%
Developed Foreign Equities	13.25%	6.83%	12.00%	6.88%
Emerging Market Equities	6.50%	9.95%	6.40%	10.00%
Private Equity	9.00%	12.40%	9.25%	12.41%
Hedge Funds/Absolute Return	12.50%	4.68%	12.00%	4.72%
Real Estate (Property)	2.00%	6.91%	2.00%	6.83%
Commodities	0.50%	5.45%	1.00%	5.32%
Global Debt ex US	5.00%	-0.25%	3.50%	-0.40%
REIT	5.25%	5.63%	4.25%	5.12%

***Discount Rate***

The discount rate used to measure the total pension liabilities of the PFRS plan was as follows:

<u>Year</u>	<u>Measurement Date</u>	<u>Discount Rate</u>
2016	June 30, 2016	5.55%
2015	June 30, 2015	5.79%

**TOWNSHIP OF WYCKOFF  
 NOTES TO THE FINANCIAL STATEMENTS  
 YEARS ENDED DECEMBER 31, 2016 AND 2015**

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

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

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

**Discount Rate (Continued)**

The following table represents the crossover period, if applicable, for the PFRS defined benefit plan:

Period of Projected Benefit Payments for which the Following Rates were Applied:	
Long-Term Expected Rate of Return	Through June 30, 2050
Municipal Bond Rate *	From July 1, 2050 and Thereafter

\* The municipal bond return rate used is 2.85% and 3.80% as of the measurement dates of June 30, 2016 and 2015, respectively. 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.

**Sensitivity of Net Pension Liability**

The following presents the Township's proportionate share of the PFRS net pension liability as of December 31, 2016 and 2015 calculated using the discount rate of 5.55% and 5.79%, respectively, as well as what the Township'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 (4.55% and 4.79%, respectively) or 1-percentage-point higher (6.55% and 6.79%, respectively) than the current rate:

	1% Decrease <u>(4.55%)</u>	Current Discount Rate <u>(5.55%)</u>	1% Increase <u>(6.55%)</u>
<u>2016</u>			
Township's Proportionate Share of the PFRS Net Pension Liability	<u>\$ 20,341,647</u>	<u>\$ 15,775,730</u>	<u>\$ 12,052,499</u>
	1% Decrease <u>(4.79%)</u>	Current Discount Rate <u>(5.79%)</u>	1% Increase <u>(6.79%)</u>
<u>2015</u>			
Township's Proportionate Share of the PFRS Net Pension Liability	<u>\$ 18,516,014</u>	<u>\$ 14,045,186</u>	<u>\$ 10,399,625</u>

The sensitivity analysis was based on the proportionate share of the Township's net pension liability at December 31, 2016 and 2015. A sensitivity analysis specific to the Township's net pension liability was not provided by the pension system.

**TOWNSHIP OF WYCKOFF  
NOTES TO THE FINANCIAL STATEMENTS  
YEARS ENDED DECEMBER 31, 2016 AND 2015**

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

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

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

***Special Funding Situation – PFRS***

Under N.J.S.A. 43:16A-15, the Township 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 Township 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 Township's proportionate share percentage 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, 2016 and 2015, the State's proportionate share of the net pension liability attributable to the Township for the PFRS special funding situation is \$1,324,770 and \$1,231,716, respectively. For the years ended December 31, 2016 and 2015, the pension system has determined the State's proportionate share of the pension expense attributable to the Township for the PFRS special funding situation is \$169,204 and \$153,639, respectively, which is more than the actual contributions the State made on behalf of the Township of \$50,761 and \$64,117, respectively. The State's proportionate share attributable to the Township was developed based on actual contributions made to PFRS allocated to employers based upon covered payroll. These on-behalf contributions have not been reported on the Township'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).

**NOTE 13 POST-RETIREMENT MEDICAL BENEFITS**

The State of New Jersey sponsors and administers the post-retirement health benefit program plans for participating municipalities including the Township. The plans are classified as either single employer plans or cost sharing multiple employer defined benefit plans depending on the plan the eligible employee is covered under.

As a result of implementing Governmental Accounting Standards Board (GASB) Statement No. 43, *Financial Reporting for Post-employment Benefit Plans Other than Pension Plans* (OPEB), effective for Fiscal Year 2007, the State Health Benefits Program (SHBP), and the Prescription Drug Program (PDP), and Post-Retirement Medical (PRM) of the PERS and the Teacher's Pension and Annuity (TPAF) are combined and reported as Pension and Other Employee Benefit Trust Funds in the State's Comprehensive Annual Financial Report (CAFR). Specifically, SHBP-State, PDP-State, and the PRM of the PERS are combined and reported as Health Benefits Program Fund – State classified as a single employer plan. The SHBP-Local, PDP-Local, and the PRM of the TPAF-Local are combined and reported as Health Benefits Program Fund –Local Government classified as a cost sharing multiple-employer plan. The post-retirement benefit programs had a total of 584 state and local participating employers and contributing entities for Fiscal Year 2016.

**TOWNSHIP OF WYCKOFF  
NOTES TO FINANCIAL STATEMENTS  
YEARS ENDED DECEMBER 31, 2016 AND 2015**

**NOTE 13 POST-RETIREMENT MEDICAL BENEFITS (Continued)**

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

**State Health Benefits Program Funds (HBPF) – Local Government** (including Prescription Drug Program Fund) – Certain local employers who participate in the State Health Benefits Program provide health insurance coverage to their employees at retirement. Under provisions of P.L. 1997, c.330, the State of New Jersey provides partially funded benefits to local police officers and firefighters who retire with 25 years of service (or on disability) from an employer who does not provide coverage. Retirees who are not eligible for employer paid health coverage at retirement can continue in the program by paying the cost of the insurance for themselves and their covered dependents. Also, local employees are eligible for the PDP coverage after 60 days of employment.

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).

**Basis of Accounting**

The financial statements of the health benefit programs are prepared on the accrual basis of accounting. Employer contributions are recognized when payable to the health benefit programs. Benefits or refunds are recognized when due and payable in accordance with the terms of the health benefit programs.

**Investment Valuation**

Investments are reported at fair value. Investments that do not have an established market are reported at estimated fair values.

**Funded Status and Funding Progress**

As of July 1, 2015, the most recent actuarial valuation date, the State had a \$84.3 billion unfunded actuarial liability for other postemployment benefits (OPEB) which is made up of \$25.9 billion for state active and retired members, \$16.8 billion for local active and retired members and \$41.6 billion for education employees and retirees that become the obligation of the State of New Jersey upon retirement.

The funded status and funding progress of the OPEB includes actuarial valuations which involve estimates of the value of reported amounts and assumptions about the probability of events far into the future. These amounts are subject to continual revision as actual results are compared to past expectations and new estimates are made about the probability of future events.

Actuarial calculations reflect a long-term perspective and are based on the benefits provided under the terms of the OPEB in effect at the time of each valuation and also consider the pattern of the sharing of costs between the employer and members at the point in time. The projection of benefits for financial reporting purposes does not explicitly incorporate the potential effects of legal or contractual funding limitations on the pattern of cost sharing between the employer and members in the future.

**TOWNSHIP OF WYCKOFF  
NOTES TO FINANCIAL STATEMENTS  
YEARS ENDED DECEMBER 31, 2016 AND 2015**

**NOTE 13 POST-RETIREMENT MEDICAL BENEFITS (Continued)**

**Actuarial Methods and Assumptions**

In the July 1, 2015 OPEB actuarial valuation, the projected unit credit was used as the actuarial cost method, and the market value was used as asset valuation method for the OPEB. The actuarial assumptions included an assumed investment rate of return of 4.50 percent.

**Post-Retirement Medical Benefits Contribution**

P.L. 1987, c. 384 and P.L. 1990, c.6 required the Public Employees' Retirement System to fund post-retirement medical benefits for those State and participating local government employees who retire after accumulating 25 years of credited service or on a disability retirement. As of June 30, 2016, there were 110,512 retirees receiving post-retirement medical benefits, and the State contributed \$1.37 billion on their behalf. The cost of these benefits is funded through contributions by the State and participating local governments in accordance with P.L. 1994, c.62. Funding of post-retirement medical benefits changed from a pre-funding basis to a pay-as-you-go basis beginning in Fiscal Year 1994.

P.L. 1977, c. 136 provides for the State and participating local governments to pay health benefits on a pay-as-you-go basis for all enrolled retired employees, regardless of retirement date, under two provisions. The first is for employees whose pensions are based on 25 years or more of credited service (except those who elect a deferred retirement). The second is for retired employees who are eligible for a disability retirement regardless of years of service. The State and participating local governments contributed \$181.9 million for 10,725 eligible retired members for Fiscal Year 2016. This benefit covers the Police and Firemen's Retirement System.

P.L. 1997, c. 330 provides paid post-retirement health benefits to qualified retirees of the Police and Firemen's Retirement System and the Consolidated Police and Firemen's Pension Fund and to dependents of qualified retirees. The State and participating local governments are responsible for 80 percent of the premium for the category of coverage elected by the retiree under the State managed care plan or a health maintenance organization participating in the program, whichever provides the lower charge. The State and participating local governments contributed \$48.3 million in Fiscal Year 2016 to provide benefits under Chapter 330 to qualified retirees.

The State sets the employer contribution rate based on a pay-as-you-go basis rather than the *annual required contribution of the employers (ARC)*, an amount actuarially determined in accordance with the parameters of GASB Statement 45. The ARC represents a level of funding that, if paid on an ongoing basis, is projected to cover normal cost each year and amortize any unfunded actuarial liabilities (or funding excess) of the plan over a period not to exceed thirty years. The Township's contributions to the State Health Benefits Program Fund-Local Government for post-retirement benefits for the years ended December 31, 2016, 2015 and 2014 were \$710,865, \$679,953 and \$634,229, respectively, which equaled the required contributions for each year (or were not available). In addition, the Township's reimbursements to eligible retired employees for Medicare Part B insurance coverage for the years ended December 31, 2016, 2015 and 2014 were \$32,174, \$33,673 and \$32,519, respectively.

**TOWNSHIP OF WYCKOFF  
NOTES TO FINANCIAL STATEMENTS  
YEARS ENDED DECEMBER 31, 2016 AND 2015**

**NOTE 14 RISK MANAGEMENT**

The Township 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 Township has obtained commercial insurance coverage to guard against these events to minimize the exposure to the Township should they occur.

The Township of Wyckoff is a member of the Bergen County Municipal Joint Insurance Fund (BJIF) and Municipal Excess Liability Joint Insurance Fund (MEL). The joint insurance funds are both an insured and self-administered group of municipalities established for the purpose of insuring against property damage, general liability, motor vehicles and equipment liability and worker's compensation. The Funds are risk-sharing public entity pools. The BJIF and MEL coverage amounts are on file with the Township.

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

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

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

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

<u>Year Ended December 31</u>	<u>Township Contributions</u>	<u>Employee Contributions</u>	<u>Amount Reimbursed</u>	<u>Ending Balance</u>
2016	\$ 100	\$ 13,793	\$ 28,893	\$ 18,229
2015	10,000	14,220	37,184	33,229
2014	100	24,373	31,824	46,193

**TOWNSHIP OF WYCKOFF  
NOTES TO FINANCIAL STATEMENTS  
YEARS ENDED DECEMBER 31, 2016 AND 2015**

**NOTE 15 CONTINGENT LIABILITIES**

The Township 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 Township's Attorney, the potential claims against the Township not covered by insurance policies would not materially affect the financial condition of the Township.

**Pending Tax Appeals** - Various tax appeal cases were pending in the New Jersey Tax Court at December 31, 2016 and 2015. Amounts claimed have not yet been determined. The Township 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 Township does not recognize a liability, if any, until these cases have been adjudicated. The Township expects such amounts, if any, could be material. As of December 31, 2016 and 2015, the Township reserved \$308,691 and \$404,091, 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 Township 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 Township may be required to reimburse the grantor government. As of December 31, 2016 and 2015, significant amounts of grant expenditure have not been audited by the various grantor agencies but the Township believes that disallowed expenditures, if any, based on subsequent audits will not have a material effect on the overall financial position of the Township.

**NOTE 16 LENGTH OF SERVICE AWARD PROGRAM (LOSAP)-UNAUDITED**

The Township of Wyckoff Length of Service Award Program (the Plan) was created by a Township ordinance adopted on August 31, 1999 pursuant to 457 (e)(11)(13) of the Internal Service Code of 1986, as amended, except for provisions added by reason of the Length of Service Award Program as enacted into federal law in 1997. The voters of the Township of Wyckoff approved the adoption of the Plan at the general election held on November 2, 1999.

The first year of eligibility for entrance into the Plan was calendar year 2000. The tax deferred income benefits for emergency services volunteers, consisting of the Volunteer Fire Department and the Volunteer Ambulance Corps, come from contributions made solely by the Township on behalf of those volunteers who meet the criteria of a plan created by the governing body.

If an active member meets the year of active service requirement, a LOSAP must provide a benefit between the minimum contribution of \$100 and a maximum contribution of \$1,150 per year. While the maximum amount is established by statute, it is subject to periodic increases that are related to the consumer price index (N.J.S.A. 40A:14-185(f)). The Division of Local Government Services issues the permitted maximum increase annually.

The Township of Wyckoff has contributed \$1,150 for 2016 and 2015, respectively, for each eligible Volunteer Fire Department and Volunteer Ambulance Corps member into the Plan. The total Township contributions were \$100,050 and \$97,750 for 2016 and 2015, respectively.

**TOWNSHIP OF WYCKOFF  
NOTES TO FINANCIAL STATEMENTS  
YEARS ENDED DECEMBER 31, 2016 AND 2015**

**NOTE 16 LENGTH OF SERVICE AWARD PROGRAM (LOSAP)-UNAUDITED (Continued)**

In accordance with the amendments to Section 457 of the Internal Revenue Code and the State Deferred Revenue Regulations, the Township has placed the amounts deferred, including earnings, in a trust for the exclusive benefit of the plan participants and their beneficiaries.

Lincoln Financial Group is the administrator of the plan. The Township's practical involvement in administering the plan is essentially limited to verifying the eligibility of each participant and remitting the funds to the plan administrator.

**Vesting and Benefits**

A volunteer is eligible to receive a distribution of funds upon completing 5 (five) cumulative years as an active member of the volunteer organization. Certain restrictions and tax implications may result in the event of a withdrawal of funds from the Plan.

If a volunteer member does not vest and terminates their association with the emergency service organization, the funds are returned to the sponsoring agency's surplus.

**Reporting Requirements**

The New Jersey Administrative Code NJAC 5:30-14.49 requires that the Township perform a separate review report of the plan in accordance with the American Institute of Certified Public Accountants (AICPA) Statements on Standards for Accounting and Auditing Review Services. Since a review does not constitute an audit, the financial statements pertaining to the Plan are presented as unaudited in this report as part of the Township's Trust Fund.

**NOTE 17 SUBSEQUENT EVENTS**

**Debt Authorized**

On May 16, 2017, the Township adopted a bond ordinance authorizing the issuance \$410,400 in bonds or bond anticipation notes to fund certain capital projects. As of the date of this report the Township has not issued nor awarded the sale of said bonds or notes.



**CURRENT FUND**

**TOWNSHIP OF WYCKOFF  
STATEMENT OF CURRENT CASH - TREASURER**

Balance, January 1, 2016		\$ 5,825,271
Increased by Receipts:		
Taxes Receivable	\$ 79,951,641	
Non-Budget Revenues	349,203	
State of NJ - Senior Citizens' and Vet. Deductions	112,119	
Revenue Accounts Receivable	3,620,340	
Grants Receivable	71,891	
Prepaid Taxes	510,681	
Unappropriated Grant Reserves	3,135	
Tax Overpayments	83,602	
Reserve for Payroll Account	7,378,671	
Fees Payable	38,532	
Special Emergency Notes	220,628	
Receipts from Animal Control Trust Fund	3,088	
Receipts from General Capital Fund	<u>5</u>	
		<u>92,343,536</u>
		98,168,807
Decreased by Disbursements:		
2016 Budget Appropriations	15,674,390	
2015 Appropriation Reserves	329,541	
Encumbrances Payable	311,843	
County Taxes Payable	11,119,164	
Local District School Taxes Payable	37,293,222	
Regional School Taxes Payable	18,936,687	
Tax Overpayments	126,300	
Reserve for Payroll Account	7,378,671	
Appropriated Grant Reserves	119,837	
Payments to Municipal Open Space Trust Fund	231,727	
Reserve for Tax Appeals	145,400	
Fees Payable	34,749	
Reserve for Revaluation	3,548	
Special Emergency Notes	<u>331,128</u>	
		<u>92,036,207</u>
Balance, December 31, 2016		<u>\$ 6,132,600</u>

**TOWNSHIP OF WYCKOFF  
STATEMENT OF CASH - CHANGE FUNDS**

	Balance, January 1, <u>2016</u>	Balance, December 31, <u>2016</u>
Tax Collector	\$ 500	\$ 500
	<u>\$ 500</u>	<u>\$ 500</u>

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

Balance, January 1, 2016		\$ 632
Increased by:		
Senior Citizens /Veterans Deductions Per Tax Billings - 2016		<u>113,250</u>
		113,882
Decreased by:		
Senior Citizens/Veterans Disallowed Per Tax Collector - 2016	\$ 1,433	
Cash Received	<u>112,119</u>	
		<u>113,552</u>
Balance, December 31, 2016		<u>\$ 330</u>

**TOWNSHIP OF WYCKOFF  
STATEMENT OF TAXES RECEIVABLE**

Year	Balance, January 1, 2016	2016 Levy	Senior Citizens' and Veterans' Deductions Disallowed	Collections		Senior Citizens' and Veterans' Deductions Allowed	Cancelled	Transferred to Tax Title Liens	Balance, December 31, 2016
				2015	2016				
2015	\$ 318,431	-	-	-	\$ 318,431	-	-	-	-
	318,431	-	-	-	318,431	-	-	-	-
2016	-	\$ 80,755,382	\$ 1,433	\$ 483,295	79,633,210	\$ 113,250	\$ 161,500	\$ 1,598	\$ 363,962
	\$ 318,431	\$ 80,755,382	\$ 1,433	\$ 483,295	\$ 79,951,641	\$ 113,250	\$ 161,500	\$ 1,598	\$ 363,962

Analysis of 2016 Property Tax Levy

Tax Yield	
General Purpose Tax	\$ 80,427,449
Added Taxes	327,933
	<u>\$ 80,755,382</u>
Tax Levy	
County Taxes	\$ 10,974,398
County Open Space Taxes	113,107
Due County for Added and Omitted Taxes	<u>45,432</u>
	11,132,937
Municipal Open Space Preservation	231,045
Due Municipal Open Space for Added and Omitted Taxes	<u>947</u>
	231,992
Regional High School Tax	18,936,687
Local District School Tax	<u>37,293,222</u>
	67,594,838
Local Tax for Municipal Purposes	11,380,643
Minimum Library Tax	1,498,347
Additional Tax Levied	<u>281,554</u>
	13,160,544
	<u>\$ 80,755,382</u>

**TOWNSHIP OF WYCKOFF  
STATEMENT OF TAX TITLE LIENS RECEIVABLE**

Balance, January 1, 2016	\$ 11,939
Increased by:	
Transfers from Taxes Receivable	1,598
Balance, December 31, 2016	\$ 13,537

**STATEMENT OF PROPERTY ACQUIRED FOR TAXES  
(AT ASSESSED VALUATION)**

Balance, January 1, 2016	\$ 36,700
Balance, December 31, 2016	\$ 36,700

**STATEMENT OF REVENUE ACCOUNTS RECEIVABLE**

	Balance, January 1, <u>2016</u>	Accrued in <u>2016</u>	<u>Collected</u>	Balance, December 31, <u>2016</u>
Township Clerk - Licenses				
Alcoholic Beverages		\$ 17,500	\$ 17,500	
Other		118,015	118,015	
Fees and Permits				
Other		201,490	201,490	
Fines and Costs - Municipal Court	\$ 7,853	81,906	83,185	\$ 6,574
Interest and Costs on Taxes		102,858	102,858	
Interest on Deposits		57,777	57,777	
Lease of Township Property		39,484	39,484	
Cable Franchise Fee		268,512	268,512	
Lease of Cell Tower Space #1		312,274	312,274	
Lease of Cell Tower Space #2		162,454	162,454	
Lease of Cell Tower Space #3		28,764	28,764	
Energy Receipts Tax		1,093,271	1,093,271	
Uniform Construction Code Fees		494,758	494,758	
CFO Shared Services Agreement - Borough of New Milford		29,061		29,061
Library Shared Service Agreement- Payroll		10,300	10,300	
Library Shared Service Agreement- Admin.		5,500	5,500	
Recreation Fees		604,612	604,612	
Uniform Fire Safety Act	-	19,586	19,586	-
	\$ 7,853	\$ 3,648,122	\$ 3,620,340	\$ 35,635

**TOWNSHIP OF WYCKOFF  
STATEMENT OF GRANTS RECEIVABLE**

	Balance, January 1, <u>2016</u>	Revenue Realized	<u>Received</u>	<u>Cancelled</u>	Balance, December 31, <u>2016</u>
Municipal Alliance Program	\$ 18,523	\$ 11,677	\$ 3,883	\$ 7,273	\$ 19,044
Clean Communities Program		43,008	43,008		
JIF-Police Accreditation Program Grant		25,000	25,000		
ANJEC Environmental Commission	498				498
Drive Sober Get Pulled Over	<u>2,101</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>2,101</u>
	<u>\$ 21,122</u>	<u>\$ 79,685</u>	<u>\$ 71,891</u>	<u>\$ 7,273</u>	<u>\$ 21,643</u>
				<u>Cancelled to Appropriated Grant Reserves \$ 7,273</u>	

**TOWNSHIP OF WYCKOFF**  
**STATEMENT OF 2015 APPROPRIATION RESERVES**

	Balance, January 1, 2016	Prior Year Encumbrances Cancelled	Balance After Modification	Paid or Charged	Balance Lapsed
<b>SALARIES AND WAGES</b>					
Township Clerk	\$ 5,340		\$ 5,340	\$ 33	\$ 5,307
Revenue Administration and Tax Collection	628		628		628
Assessment of Taxes	1,077		1,077	391	686
Public Buildings and Grounds	3,001		3,001	3,000	1
Planning Board	848		848	135	713
Police	225,354		225,354	22,086	203,268
Recreation	1,595		1,595	1,595	
Road Repairs and Maintenance	13,111		13,111	13,111	
Health and Human Services	682		682	613	69
Municipal Court	22		22	22	
<b>OTHER EXPENSES</b>					
Administrative and Executive	147	\$ 85	232		232
Township Clerk	1,406		1,406	1,087	319
Audit Services	4,040		4,040	192	3,848
Financial Administraton	1,682		1,682	1,682	
Revenue Administration and Tax Collection	4,359		4,359	2,833	1,526
Elections	3,759		3,759		3,759
Assessment of Taxes	25,458		25,458	10,731	14,727
Environmental Commission: NJSA 40:56A-1	710		710		710
Legal Services and Costs	541	2,021	2,562		2,562
Engineering Services	5,149		5,149		5,149
Public Buildings and Grounds	14	7,050	7,064		7,064
Shade Tree Commission	960	450	1,410		1,410
Planning Board	2,632		2,632	5	2,627
Board of Adjustment	109		109		109
General Liability Insurance	27,606		27,606		27,606
Workers Compensation Insurance	32		32		32
Employee Health Benefits Insurance	71,967	12,255	84,222		84,222
Health Benefit Waivers	272		272		272
Police	35,383		35,383	2,160	33,223
Emergency Management Services	1,900		1,900		1,900
Public Safety Volunteer Fire Department	380		380	218	162
Life Hazard Use Fees (Uniform Fire Safety)	331	38	369		369
Radio Communications Contract	1,192		1,192		1,192
Recreation	1,071	2,977	4,048		4,048
Park Maintenance	88	200	288		288
Celebration of Public Events	247		247		247
Recycling	1,539	2,283	3,822		3,822

**TOWNSHIP OF WYCKOFF  
STATEMENT OF 2015 APPROPRIATION RESERVES**

	Balance, January 1, <u>2016</u>	Prior Year Encumbrances <u>Cancelled</u>	Balance After <u>Modification</u>	Paid or <u>Charged</u>	Balance <u>Lapsed</u>
OTHER EXPENSES (Continued)					
Road Repair and Maintenance	\$ 16,631		\$ 16,631	\$ 13,330	\$ 3,301
Vehicular Maintenance	3,993		3,993	2,768	1,225
Health and Human Services	5,346		5,346		5,346
Animal Control	4,410		4,410		4,410
Condo Services Act	17		17		17
Municipal Prosecutor	1,225		1,225		1,225
Public Defender	100		100		100
Construction Code Official	863		863	422	441
PEOSHA - Respiratory Protection	2,107		2,107		2,107
Utilities					
Electricity	619	\$ 494	1,113		1,113
Street Lighting	2,857	8,027	10,884		10,884
Telephone	20,017		20,017	19,015	1,002
Water	2,898		2,898	708	2,190
Natural Gas	6,962		6,962	4,823	2,139
Fire Hydrants	6		6		6
Gasoline	43,800		43,800	41,058	2,742
Landfill and Solid Waste Disposal	111,294		111,294	16,981	94,313
Recycling Tax	8,104		8,104	140	7,964
Social Security System (OASI)	29,638		29,638	7,517	22,121
Defined Compensation Retirement Plan	10,000		10,000	245	9,755
Municipal Court	362		362	15	347
Affordable Housing	77	171	248		248
Tax Appeal Interest	10,000		10,000		10,000
LOSAP	130,000		130,000	96,600	33,400
Maintenance of Library	66,025		66,025	66,025	
Interlocal Services Agreements - 911 Services	18,534	-	18,534	-	18,534
	<u>\$ 940,517</u>	<u>\$ 36,051</u>	<u>\$ 976,568</u>	<u>\$ 329,541</u>	<u>\$ 647,027</u>
			Cash Disbursements	<u>\$ 329,541</u>	



**TOWNSHIP OF WYCKOFF  
STATEMENT OF ENCUMBRANCES PAYABLE**

Balance, January 1, 2016		\$ 347,894
Increased by:		
Charges to 2016 Appropriations	\$ 310,466	
Charges to Appropriated Grant Reserves	<u>4,425</u>	
		<u>314,891</u>
		662,785
Decreased by:		
Restored to 2015 Appropriation Reserves	36,051	
Cash Disbursements	<u>311,843</u>	
		<u>347,894</u>
Balance, December 31, 2016		<u>\$ 314,891</u>

**STATEMENT OF PREPAID TAXES**

Balance, January 1, 2016		\$ 483,295
Increased by:		
Collection of 2017 Taxes		<u>510,681</u>
		993,976
Decreased by:		
Application to 2016 Taxes Receivable		<u>483,295</u>
Balance, December 31, 2016		<u>\$ 510,681</u>

**STATEMENT OF COUNTY TAXES PAYABLE**

Balance, January 1, 2016		\$ 31,659
Increased by:		
2016 Tax Levy	\$ 10,974,398	
2016 Open Space Preservation	113,107	
2016 Added and Omitted Taxes	<u>45,432</u>	
		<u>\$ 11,132,937</u>
		11,164,596
Decreased by:		
Cash Disbursed		<u>11,119,164</u>
Balance, December 31, 2016		<u>\$ 45,432</u>

**TOWNSHIP OF WYCKOFF  
STATEMENT OF LOCAL DISTRICT SCHOOL TAXES PAYABLE**

Increased by:	
Levy - Calendar Year 2016	<u>\$ 37,293,222</u>
Decreased by:	
Cash Disbursed	<u>\$ 37,293,222</u>

EXHIBIT A-17

**STATEMENT OF REGIONAL HIGH SCHOOL DISTRICT SCHOOL TAXES PAYABLE**

Increased by:	
Levy - Calendar Year 2016	<u>\$ 18,936,687</u>
Decreased by:	
Cash Disbursed	<u>\$ 18,936,687</u>

EXHIBIT A-18

**STATEMENT OF TAX OVERPAYMENTS**

Balance, January 1, 2016	\$ 131,799
Increased by:	
Cash Receipts	<u>83,602</u>
	215,401
Decreased by:	
Cash Disbursements	<u>126,300</u>
Balance, December 31, 2016	<u>\$ 89,101</u>

EXHIBIT A-19

**STATEMENT OF RESERVE FOR TAX APPEALS**

Balance, January 1, 2016	\$ 404,091
Increased by:	
Transferred from 2016 Taxes Collected	<u>50,000</u>
	454,091
Decreased by:	
Cash Disbursements	<u>145,400</u>
Balance, December 31, 2016	<u>\$ 308,691</u>

**TOWNSHIP OF WYCKOFF  
STATEMENT OF APPROPRIATED GRANT RESERVES**

	Balance, January 1, <u>2016</u>	Budget Appropriation	Decreases	Cancelled	Balance, December 31, <u>2016</u>
Clean Communities Grant	\$ 7,399	\$ 43,008	\$ 38,252		\$ 12,155
Municipal Alliance Against Alcohol and Drug Abuse					
Grant	21,461	11,677	4,890	\$ 7,273	20,975
Municipal Share	2,949	6,100		2,949	6,100
Drunk Driving Enforcement Fund	16,398	4,647	19,012		2,033
Body Armor Grant	8,396		8,396		
Recycling Tonnage		28,005	28,005		
Drive Sober Get Pulled Over	2,101				2,101
Clean Cool Air Grant	42		42		
Alcohol Education and Rehabilitation Program	471		(277)		748
ANJEC Environmental Commission	1,500		942		558
JIF-Police Accreditation Program Grant	-	25,000	25,000	-	-
	<u>\$ 60,717</u>	<u>\$ 118,437</u>	<u>\$ 124,262</u>	<u>\$ 10,222</u>	<u>\$ 44,670</u>

Cash Disbursements - Net	\$ 119,837
Encumbrances Payable	4,425
	<u>\$ 124,262</u>

Cancelled to Grants Receivable	\$ 7,273
Cancelled to Operations	2,949
	<u>\$ 10,222</u>

EXHIBIT A-21

**STATEMENT OF UNAPPROPRIATED GRANT RESERVES**

	Balance, January 1, <u>2016</u>	Cash Receipts	Realized as 2016 Anticipated Revenue	Balance, December 31, <u>2016</u>
Recycling Tonnage	\$ 28,005		\$ 28,005	
Drunk Driving Enforcement Fund	4,649	\$ 3,135	4,647	\$ 3,137
Body Armor Grant	1	-	-	1
	<u>\$ 32,655</u>	<u>\$ 3,135</u>	<u>\$ 32,652</u>	<u>\$ 3,138</u>

EXHIBIT A-22

**STATEMENT OF DUE TO MUNICIPAL OPEN SPACE TRUST FUND**

Balance, January 1, 2016	\$ 682
Increased by:	
2016 Tax Levy	\$ 231,045
2016 Added Taxes	947
	<u>231,992</u>
	232,674
Decreased by:	
Cash Disbursements	<u>231,727</u>
Balance, December 31, 2016	<u>\$ 947</u>

**TOWNSHIP OF WYCKOFF  
STATEMENT OF FEES PAYABLE**

	Balance, January 1, <u>2016</u>	Cash <u>Receipts</u>	Cash <u>Disbursements</u>	Balance, December 31, <u>2016</u>
Uniform Construction Code-DCA	\$ 8,822	\$ 38,532	\$ 34,749	\$ 12,605

**STATEMENT OF RESERVE FOR PAYROLL**

Increased by:				
Cash Receipts				\$ 7,378,671
Decreased by:				
Cash Disbursements				<u>7,378,671</u>
Balance, December 31, 2016				<u>\$ -</u>

**TOWNSHIP OF WYCKOFF  
STATEMENT OF DEFERRED CHARGES  
SPECIAL EMERGENCY AUTHORIZATION**

<u>Date Authorized</u>	<u>Purpose</u>	<u>Net Amount Authorized</u>	<u>1/5 of Net Amount Authorized</u>	<u>Balance January 1, 2016</u>	<u>Reduced by 2016 Budget</u>	<u>Balance December 31, 2016</u>
9/13/2013	Revaluation of Real Property	\$ 552,128	\$ 110,426	\$ 331,128	\$ 110,500	\$ 220,628
				<u>\$ 331,128</u>	<u>\$ 110,500</u>	<u>\$ 220,628</u>

**STATEMENT OF DEFERRED CHARGES  
EMERGENCY AUTHORIZATION**

<u>Purpose</u>	<u>Balance January 1, 2016</u>	<u>Amount Resulting from 2016</u>	<u>Balance December 31, 2016</u>
Legal - Other Expense	\$ -	\$ 100,000	\$ 100,000
	<u>\$ -</u>	<u>\$ 100,000</u>	<u>\$ 100,000</u>

**TOWNSHIP OF WYCKOFF  
STATEMENT OF RESERVE FOR REVALUATION**

Balance, January 1, 2016	\$ 41,498
Decreased by:	
Cash Disbursements	<u>3,548</u>
Balance, December 31, 2016	<u>\$ 37,950</u>

**STATEMENT OF SPECIAL EMERGENCY NOTE PAYABLE**

Balance, January 1, 2016	\$ 331,128
Increased by:	
Notes Issued	<u>220,628</u>
	551,756
Decreased by:	
Notes Redeemed	<u>331,128</u>
Balance, December 31, 2016	<u>\$ 220,628</u>

**TRUST FUND**

**TOWNSHIP OF WYCKOFF  
STATEMENT OF TRUST CASH - TREASURER**

	<u>Animal Control Trust Fund</u>	<u>Other Trust Fund</u>	<u>Municipal Open Space Trust Fund</u>
Balance, January 1, 2016	\$ 35,543	\$ 2,495,616	\$ 642,036
Increased by Receipts:			
State of New Jersey Dog License Fees Collected	\$ 2,300		
Interest on Deposits	246	\$ 222	\$ 1,416
Receipts from Current Fund			231,727
Payroll and Payroll Deductions		4,323,507	
Miscellaneous Reserves		1,531,641	
Dog License Fees	<u>17,744</u>	<u>-</u>	<u>-</u>
	<u>20,290</u>	<u>5,855,370</u>	<u>233,143</u>
	55,833	8,350,986	875,179
Decreased by Disbursements:			
Expenditures Under			
R.S. 4:19-15.11	11,391		
Due to State of New Jersey	2,324	35,858	
Payments to Current Fund	3,088		
Payments to Other Trust Fund			
Municipal Open Space Expenditures			132,000
Payroll and Payroll Deductions		4,329,304	
Miscellaneous Reserves	<u>-</u>	<u>1,687,930</u>	<u>-</u>
	<u>16,803</u>	<u>6,053,092</u>	<u>132,000</u>
Balance, December 31, 2016	<u>\$ 39,030</u>	<u>\$ 2,297,894</u>	<u>\$ 743,179</u>



**TOWNSHIP OF WYCKOFF  
ANIMAL CONTROL TRUST FUND  
STATEMENT OF RESERVE FOR ANIMAL CONTROL EXPENDITURES**

Balance, January 1, 2016		\$ 31,801
Increased by:		
Dog License Fees		
Municipal Share	\$ 15,464	
Late Fees	1,990	
Lost Tags	55	
Donation	<u>235</u>	
		<u>17,744</u>
		49,545
Decreased by:		
Expenditures Under R.S. 4:19-15-11	11,391	
Statutory Excess - Due to Current Fund	<u>5,115</u>	
		<u>16,506</u>
Balance, December 31, 2016		<u>\$ 33,039</u>

**TOWNSHIP OF WYCKOFF  
ANIMAL CONTROL TRUST FUND  
STATEMENT OF DUE TO STATE OF NEW JERSEY - ANIMAL CONTROL FUND**

Balance, January 1, 2016		\$	654
Increased by:			
Dog License Fees Collected			2,300
			2,954
Decreased by:			
Payments Made to State of New Jersey			2,324
Balance, December 31, 2016		\$	630

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

Balance, January 1, 2016		\$	3,088
Increased by:			
Interest on Deposits	\$	246	
Statutory Excess		5,115	
			5,361
			8,449
Decreased by:			
Payments to Current Fund			3,088
Balance, December 31, 2016		\$	5,361

**TOWNSHIP OF WYCKOFF  
OTHER TRUST FUND  
STATEMENT OF MISCELLANEOUS RESERVES AND SPECIAL DEPOSITS**

	Balance, January 1, <u>2016</u>	<u>Increases</u>	<u>Decreases</u>	Balance, December 31, <u>2016</u>
Special Deposits	\$ 1,035,330	\$ 965,283	\$ 1,311,236	\$ 689,377
Snow Removal Escrow	302,751			302,751
Developer's Escrow	113,372	257	40,617	73,012
Performance Bonds	274,180	16,898	132,885	158,193
Gardens of Wyckoff Bequest	114,564	113	14,600	100,077
Unemployment	33,229	13,893	28,893	18,229
Affordable Housing	240,990	285,590		526,580
Community Development	929	1		930
Flexible Spending	1,006	2		1,008
Escrow Deposits Payable	<u>265,183</u>	<u>253,578</u>	<u>188,592</u>	<u>330,169</u>
	<u>\$ 2,381,534</u>	<u>\$ 1,535,615</u>	<u>\$ 1,716,823</u>	<u>\$ 2,200,326</u>
Accounts Receivable	\$ 3,974			
Cash Receipts		<u>1,531,641</u>		
		<u>\$ 1,535,615</u>		
			Cash Disbursements \$ 1,687,930	
			Due to State of New Jersey-Unemployment <u>28,893</u>	
			<u>\$ 1,716,823</u>	

EXHIBIT B-8

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

Increased by:	
Interest on Deposits	<u>\$ 222</u>
Balance, December 31, 2016	<u>\$ 222</u>

**TOWNSHIP OF WYCKOFF  
OTHER TRUST FUND  
STATEMENT OF DUE TO STATE OF NEW JERSEY - UNEMPLOYMENT COMPENSATION**

Balance, January 1, 2016	\$	7,105
Increased by:		
Unemployment Claims		<u>28,893</u>
		35,998
Decreased By:		
Cash Disbursements		<u>35,858</u>
Balance, December 31, 2016	\$	<u>140</u>

EXHIBIT B-10

**MUNICIPAL OPEN SPACE TRUST FUND  
STATEMENT OF RESERVE FOR OPEN SPACE**

Balance, January 1, 2016	\$	642,718
Increased by:		
Interest on Deposits	\$	1,416
2016 Municipal Open Space Tax Levy		231,045
2016 Added Municipal Open Space Tax Levy		<u>947</u>
		<u>233,408</u>
		876,126
Decreased by:		
Expenditures		<u>132,000</u>
Balance, December 31, 2016	\$	<u>744,126</u>

**TOWNSHIP OF WYCKOFF  
MUNICIPAL OPEN SPACE TRUST FUND  
STATEMENT OF DUE FROM CURRENT FUND**

Balance, January 1, 2016		\$ 682
Increased by:		
2016 Municipal Open Space Tax Levy	\$ 231,045	
2016 Added Municipal Open Space Tax Levy	<u>947</u>	
		<u>231,992</u>
		232,674
Decreased by:		
Cash Receipts		<u>231,727</u>
Balance, December 31, 2016		<u>\$ 947</u>

**OTHER TRUST FUND  
STATEMENT OF RESERVE FOR PAYROLL AND PAYROLL DEDUCTIONS**

Balance, January 1, 2016		\$ 106,977
Increased by:		
Cash Receipts		<u>4,323,507</u>
		4,430,484
Decreased by:		
Cash Disbursements		<u>4,329,304</u>
Balance, December 31, 2016		<u>\$ 101,180</u>

**OTHER TRUST FUND  
STATEMENT OF ACCOUNTS RECEIVABLE**

Increased by:		
Accrued		<u>\$ 3,974</u>
Balance, December 31, 2016		<u>\$ 3,974</u>

**GENERAL CAPITAL FUND**

TOWNSHIP OF WYCKOFF  
STATEMENT OF GENERAL CAPITAL CASH

Balance, January 1, 2016		\$	886,160
Increased by Receipts:			
Interest on Deposits	\$	5	
Donations/Down Payment		20,700	
Bond Anticipation Note Proceeds		541,000	
Current Fund Budget Appropriations:			
Capital Improvement Fund		<u>609,350</u>	
			<u>1,171,055</u>
			2,057,215
Decreased by Disbursements:			
Improvement Authorizations		665,635	
Encumbrances Payable		74,493	
Payments to Current Fund		<u>5</u>	
			<u>740,133</u>
Balance, December 31, 2016		\$	<u><u>1,317,082</u></u>

**TOWNSHIP OF WYCKOFF  
ANALYSIS OF GENERAL CAPITAL CASH**

			Balance, December 31, <u>2016</u>
Fund Balance		\$	51,627
Capital Improvement Fund			66,243
Encumbrances Payable			828,907
Grants Receivable			(273,495)
Ord. No.	<u>Improvement Authorizations</u>		
1287/1308	Acquisition of Land		3,728
1619/1646/1688/1773	Field Enhancement		104,454
1712	Various Capital Improvements		64,142
1735	Various Capital Improvements		120,112
1737	Purchase Fire Pumper		50,000
1739	Town Hall Roof Replacement		48,250
1773	Various Capital Improvements		43,829
1787	Purchase of Generators		33,715
1798	Improvements to Crescent Ave		4,725
1799	Various Capital Improvements		166,727
1800	Purchase of Fire Pumper Truck		500
1805	Improvements to Basketball Courts - Memorial Field		3,618
			3,618
		<b>\$</b>	<b><u>1,317,082</u></b>



**TOWNSHIP OF WYCKOFF  
STATEMENT OF GRANTS RECEIVABLE**

Balance, January 1, 2016	\$	96,585
Increased by:		
Grant Awards		<u>177,720</u>
		274,305
Decreased by:		
Cancellations		<u>810</u>
Balance, December 31, 2016	\$	<u>273,495</u>
Bergen County Open Space Trust Fund - Ordinance #1778 - Resurfacing of Roller Hockey Rink	\$	20,775
FEMA - Hazard Mitigation Grant - Ordinance #1787 - Purchase of Generators for Municipal Facilities		75,000
Department of Transportation - Ordinance #1798 - Improvements to Crescent Avenue		155,500
Bergen County Open Space Trust Fund - Ordinance #1805 - Improvements to Basketball Courts		<u>22,220</u>
	\$	<u>273,495</u>

**TOWNSHIP OF WYCKOFF  
STATEMENT OF DEFERRED CHARGES TO FUTURE TAXATION - UNFUNDED**

Ord. No.	Improvement Description	Balance, January 1, 2016	2016 Authori- zations	Bond Anticipation Notes Paid by 2016 Budget Appropriation	Balance, December 31, 2016	Analysis of Balance, December 31, 2016		
						Bond Anticipation Notes	Expended	Unexpended Improvement Authorization
1710	Purchase of Fire Pumper Truck	438,550		\$ 220,000	\$ 218,550	\$ 218,550		
1740	Various Capital Improvements	1,618,000		182,100	1,435,900	1,435,900		
1774	Various Road Improvements	950,000		61,500	888,500	888,500		
1800	Purchase of Fire Pumper Truck	-	\$ 541,000	-	541,000	541,000	-	-
		<u>\$ 3,006,550</u>	<u>\$ 541,000</u>	<u>\$ 463,600</u>	<u>\$ 3,083,950</u>	<u>\$ 3,083,950</u>	<u>\$ -</u>	<u>\$ -</u>
						Improvement Authorizations - Unfunded	\$	500
						Less: Unexpended Note Proceeds		
							Ord 1800	500
								<u>\$ -</u>

TOWNSHIP OF WYCKOFF  
STATEMENT OF IMPROVEMENT AUTHORIZATIONS

2016 Authorizations

Ord. No.	Improvement Description	Balance, January 1, 2016		Capital Improvement Fund	Deferred Charges to Future Taxation		Donation	Grants Receivable	Reappropriate Balance	Authorizations Cancelled	Cancelled Encumbrances	Expended	Balance, December 31, 2016	
		Funded	Unfunded		Unfunded	Unfunded							Funded	Unfunded
1287/1308	Acquisition of Land	\$ 3,728											\$ 3,728	
1469	Roller Hockey Rink Rehab	150										\$ 150		
1602	Ballfield Improvement	4,926								\$ 4,926				
1619/1646/1688/1738/17	Field Enhancement	99,805									\$ 4,649		104,454	
1647/1690	Purchase of DPW Dump Truck With Plow		\$ 6,663									6,663		
1664	Refunding Bond -Tax Appeals		19,338							17,314		2,024		
1687	Various Capital Improvements	31,503										31,503		
1711/1734	Vehicle Repairs and Rehabilitation	4,082										4,082		
1712	Various Capital Improvements	45,425									18,717		64,142	
1719	Improvements to Russell Farms Community Park	811								811				
1735	Various Capital Improvements	129,090										8,978	120,112	
1736	Purchase Fire Pumper	34,000						\$ (34,000)						
1737	Purchase Fire Pumper	50,000											50,000	
1739	Town Hall Roof Replacement	41,935									6,315		48,250	
1740	Various Capital Improvements		50,871									50,871		
1773	Various Capital Improvements	113,047										69,218	43,829	
1774	Various Road Improvements and Community Parking Lot		51,793									51,793		
1778	Resurfacing of Roller Hockey Rink	20,775										20,775		
1787	Purchase of Generators	75,000										41,285	33,715	
1798	Improvements to Crescent Ave							\$ 155,500				150,775	4,725	
1799	Various Capital Improvements			\$ 609,350								442,623	166,727	
1800	Purchase of Fire Pumper Truck				\$ 541,000	\$ 20,700			34,000			595,200	\$ 500	
1805	Improvements to Basketball Courts - Memorial Field								22,220			18,602	3,618	
		<u>\$ 654,277</u>	<u>\$ 128,665</u>	<u>\$ 609,350</u>	<u>\$ 541,000</u>	<u>\$ 20,700</u>		<u>\$ 177,720</u>	<u>\$ -</u>	<u>\$ 23,051</u>	<u>\$ 29,681</u>	<u>\$ 1,494,542</u>	<u>\$ 643,300</u>	<u>\$ 500</u>
								Fund Balance		\$ 17,315				
								Capital Improvement Fund		4,926				
								Grants Receivable		810				
										<u>\$ 23,051</u>				
										Encumbrances Payable	\$ 828,907			
										Cash Disbursements	<u>665,635</u>			
											<u>\$ 1,494,542</u>			

**TOWNSHIP OF WYCKOFF  
STATEMENT OF CAPITAL IMPROVEMENT FUND**

Balance, January 1, 2016		\$ 61,317
Increased by:		
2016 Budget Appropriations	\$ 609,350	
Improvement Authorizations Cancelled	<u>4,926</u>	
		<u>614,276</u>
		675,593
Decreased by:		
Appropriations to Finance Improvement Authorizations		<u>609,350</u>
Balance, December 31, 2016		<u>\$ 66,243</u>

EXHIBIT C-8

**STATEMENT OF ENCUMBRANCES PAYABLE**

Balance, January 1, 2016		\$ 104,174
Increased by:		
Charges to Improvement Authorizations		<u>828,907</u>
		933,081
Decreased by:		
Cash Disbursements	\$ 74,493	
Cancellations	<u>29,681</u>	
		<u>104,174</u>
Balance, December 31, 2016		<u>\$ 828,907</u>

EXHIBIT C-9

**STATEMENT OF DUE TO CURRENT FUND**

Increased by:		
Interest on Deposits		\$ 5
Decreased by:		
Payments to Current Fund		<u>5</u>
Balance, December 31, 2016		<u>\$ -</u>



**TOWNSHIP OF WYCKOFF**  
**STATEMENT OF BONDS AND NOTES AUTHORIZED BUT NOT ISSUED**

Ord. No.	<u>Improvement Description</u>	Balance January 1, 2016	2016 <u>Authorizations</u>	Bond Anticipation Notes <u>Issued</u>	Balance December 31, 2016
1800	Purchase of Fire Pumper Truck	-	\$ 541,000	541,000	-
		<u>\$ -</u>	<u>\$ 541,000</u>	<u>\$ 541,000</u>	<u>\$ -</u>

**SEWER UTILITY FUND**

**TOWNSHIP OF WYCKOFF  
STATEMENT OF SEWER UTILITY CASH**

	<u>Operating</u>	<u>Capital</u>
Balance, January 1, 2016	\$ 1,243,317	\$ 560,515
Increased by Receipts:		
Overpayments	\$ 1,786	
Prepaid Sewer Rents	59	
Consumer Rents Accounts Receivable (Net of Refunds)	2,144,114	
Capital Improvement Fund		\$ 250,000
Interest and Costs on Sewer Charges	8,723	
Miscellaneous Revenues Not Anticipated	<u>792,384</u>	<u>-</u>
	<u>2,947,066</u>	<u>250,000</u>
	4,190,383	810,515
Decreased by Disbursements:		
2016 Budget Appropriations	1,990,713	
2015 Appropriation Reserves	<u>3,958</u>	<u>-</u>
	<u>1,994,671</u>	<u>-</u>
Balance, December 31, 2016	<u>\$ 2,195,712</u>	<u>\$ 810,515</u>



**TOWNSHIP OF WYCKOFF  
SEWER CAPITAL FUND  
ANALYSIS OF SEWER CAPITAL CASH**

	December 31, <u>2016</u>
Capital Improvement Fund	\$ 655,916
Ordinance	
1693 Various Sewer Improvements	54,599
1768 Various Sewer Improvements	<u>100,000</u>
	<u>\$ 810,515</u>

**SEWER UTILITY OPERATING FUND  
STATEMENT OF CONSUMER ACCOUNTS RECEIVABLE**

Balance, January 1, 2016		\$ 61,607
Increased by:		
Sewer Rents Levied		<u>2,156,361</u>
		2,217,968
Decreased by:		
Sewer Overpayment Applied	\$ 5,289	
Collections	<u>2,144,114</u>	
		<u>2,149,403</u>
Balance, December 31, 2016		<u>\$ 68,565</u>

**TOWNSHIP OF WYCKOFF  
SEWER UTILITY OPERATING FUND  
STATEMENT OF APPROPRIATION RESERVES**

	Balance, January 1, <u>2016</u>	Balance After Transfer of <u>Encumbrances</u>	Paid or <u>Charged</u>	Balance <u>Lapsed</u>
OPERATING				
Salaries and Wages	\$ 4,617	\$ 4,617	\$ 325	\$ 4,292
Other Expenses	<u>35,764</u>	<u>39,734</u>	<u>3,633</u>	<u>36,101</u>
	<u>\$ 40,381</u>	<u>\$ 44,351</u>	<u>\$ 3,958</u>	<u>\$ 40,393</u>
			Cash Disbursements <u>\$ 3,958</u>	
Appropriation Reserves		\$ 40,381		
Encumbrance Payable Restored		<u>3,970</u>		
		<u>\$ 44,351</u>		

**TOWNSHIP OF WYCKOFF  
SEWER UTILITY OPERATING FUND  
STATEMENT OF ENCUMBRANCES PAYABLE**

Balance, January 1, 2016	\$ 3,970
Increased by:	
Charges to 2016 Budget Appropriations	<u>33,894</u>
	37,864
Decreased by:	
Restored to 2015 Appropriation Reserves	<u>3,970</u>
Balance, December 31, 2016	<u>\$ 33,894</u>

**SEWER UTILITY OPERATING FUND  
STATEMENT OF OVERPAYMENTS**

Balance, January 1, 2016	\$ 5,289
Increased by:	
Cash Receipts	<u>1,786</u>
	7,075
Decreased by:	
Applied to Sewer Billings	<u>5,289</u>
Balance, December 31, 2016	<u>\$ 1,786</u>

**TOWNSHIP OF WYCKOFF  
SEWER UTILITY CAPITAL FUND  
STATEMENT OF IMPROVEMENT AUTHORIZATIONS**

Ordinance Number	Improvement Description	Balance, January 1, 2016		Balance, December 31, 2016	
		Funded	Unfunded	Funded	Unfunded
1693	Various Sewer Improvements	\$ 54,599		\$ 54,599	
1768	Various Sewer Improvements	100,000	-	100,000	-
		<u>\$ 154,599</u>	<u>\$ -</u>	<u>\$ 154,599</u>	<u>\$ -</u>

**TOWNSHIP OF WYCKOFF  
SEWER UTILITY CAPITAL FUND  
STATEMENT OF CAPITAL IMPROVEMENT FUND**

Balance, January 1, 2016	\$	405,916
Increased by:		
2016 Budget Appropriation		<u>250,000</u>
Balance, December 31, 2016	\$	<u>655,916</u>

**SEWER UTILITY OPERATING FUND  
STATEMENT OF PREPAID SEWER RENTS**

Balance, January 1, 2016	\$	-
Increased by:		
Cash Receipts		<u>59</u>
Balance, December 31, 2016	\$	<u>59</u>

**TOWNSHIP OF WYCKOFF  
STATEMENT OF FIXED CAPITAL  
SEWER UTILITY CAPITAL FUND**

<u>Ordinance Number</u>	<u>Improvement Description</u>	<u>Date</u>	<u>Amount</u>	<u>Balance January 1, 2016</u>	<u>Balance December 31, 2016</u>
1561	Various Sewer Improvements	6/19/2007	\$ 150,000	\$ 150,000	\$ 150,000
				<u>\$ 150,000</u>	<u>\$ 150,000</u>

**STATEMENT OF RESERVE FOR AMORTIZATION  
SEWER UTILITY CAPITAL FUND**

<u>Ordinance Number</u>	<u>Improvement Description</u>	<u>Date of Ordinance</u>	<u>Amount</u>	<u>Balance, January 1, 2016</u>	<u>Balance, December 31, 2016</u>
1561	Various Sewer Improvements	6/19/2007	\$ 150,000	\$ 150,000	\$ 150,000
				<u>\$ 150,000</u>	<u>\$ 150,000</u>

**TOWNSHIP OF WYCKOFF  
STATEMENT OF FIXED CAPITAL AUTHORIZED AND UNCOMPLETED  
SEWER UTILITY CAPITAL FUND**

<u>Ordinance Number</u>	<u>Improvement Description</u>	<u>Date</u>	<u>Amount</u>	<u>Balance January 1, 2016</u>	<u>Balance December 31, 2016</u>
1693	Various Sewer Improvements	8/7/2012	\$ 150,000	\$ 150,000	\$ 150,000
1768	Various Sewer Improvements	4/28/2015	100,000	<u>100,000</u>	<u>100,000</u>
				<u>\$ 250,000</u>	<u>\$ 250,000</u>

**STATEMENT OF DEFERRED RESERVE FOR AMORTIZATION  
SEWER UTILITY CAPITAL FUND**

<u>Ordinance Number</u>	<u>Improvement Description</u>	<u>Date of Ordinance</u>	<u>Amount</u>	<u>Balance, January 1, 2016</u>	<u>Balance, December 31, 2016</u>
1693	Various Sewer Improvements	8/7/2012	\$ 150,000	\$ 150,000	\$ 150,000
1768	Various Sewer Improvements	4/28/2015	100,000	<u>100,000</u>	<u>100,000</u>
				<u>\$ 250,000</u>	<u>\$ 250,000</u>

**TOWNSHIP OF WYCKOFF**  
**PART II**  
**GOVERNMENT AUDITING STANDARDS**





# LERCH, VINCI & HIGGINS. LLP

CERTIFIED PUBLIC ACCOUNTANTS  
REGISTERED MUNICIPAL ACCOUNTANTS

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

### INDEPENDENT AUDITOR’S REPORT

Honorable Mayor and Members  
of the Township Council  
Township of Wyckoff  
Wyckoff, New Jersey

We have audited, in accordance with the auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in Government Auditing Standards issued by the Comptroller General of the United States and audit requirements prescribed by the Division of Local Government Services, Department of Community Affairs, State of New Jersey, the financial statements – regulatory basis of the Township of Wyckoff as of and for the year ended December 31, 2016, and the related notes to the financial statements, and have issued our report thereon dated June 27, 2017. Our report on the financial statements – regulatory basis was modified to indicate that the financial statements were not prepared in accordance with accounting principles generally accepted in the United States of America but rather prepared in accordance with the regulatory basis of accounting prescribed by the Division of Local Government Services, Department of Community Affairs, State of New Jersey, which is a basis of accounting other than accounting principles generally accepted in the United States, to meet the financial reporting requirements of the State of New Jersey for municipal government entities as described in Note 1. In addition, our report on the financial statements – regulatory basis was modified on the regulatory basis of accounting because of the presentation of the unaudited LOSAP Trust Fund financial statements.

#### **Internal Control over Financial Reporting**

In planning and performing our audit of the financial statements, we considered the Township of Wyckoff’s internal control over financial reporting (internal control) to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinion on the financial statements but not for the purpose of expressing an opinion on the effectiveness of the Township of Wyckoff’s internal control. Accordingly, we do not express an opinion on the effectiveness of the Township of Wyckoff’s internal control.

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

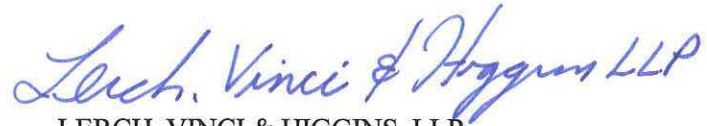
Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies. Given these limitations, during our audit we did not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

### **Compliance and Other Matters**

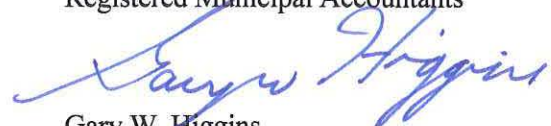
As part of obtaining reasonable assurance about whether the Township of Wyckoff's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under Government Auditing Standards and audit requirements as prescribed by the Division of Local Government Services, Department of Community Affairs, State of New Jersey.

### **Purpose of this Report**

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



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



Gary W. Higgins  
Registered Municipal Accountant  
RMA Number CR00405

Fair Lawn, New Jersey  
June 27, 2017

**TOWNSHIP OF WYCKOFF  
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS  
FOR YEAR ENDED DECEMBER 31, 2016**

	<u>Grant Year</u>	<u>Account Number</u>	<u>Federal CFDA Number</u>	<u>Grant Award</u>	<u>Grant Award Received</u>	<u>Balance, January 1, 2016</u>	<u>2016 Revenue Realized</u>	<u>Expenditures</u>	<u>Balance, December 31, 2016</u>	<u>(Memo) Cumulative Expenditures</u>
U.S. Dept. of Transportation (Passed through NJ Dept of Transportation)										
Drunk Driving Enforcement Fund	2011	066-1160-100-057-XX	20.601	\$ 5,580		\$ 378		\$ 378		\$ 5,580
Drunk Driving Enforcement Fund	2012	066-1160-100-057-XX	20.601	5,566		5,566		5,566		5,566
Drunk Driving Enforcement Fund	2013	066-1160-100-057-XX	20.601	5,492		5,492		5,492		5,492
Drunk Driving Enforcement Fund	2014	066-1160-100-057-XX	20.601	4,962		4,962		4,962		4,962
Drunk Driving Enforcement Fund	2015	066-1160-100-057-XX	20.601	4,647			\$ 4,647	2,614	\$ 2,033	2,614
Drunk Driving Enforcement Fund	2016	066-1160-100-057-XX	20.601	3,135	\$ 3,135					
U.S. Dept of Homeland Security (Passed through NJ Depart of Law and Public Safety)										
Drive Sober Get Pulled Over	2015	066-1160-100-157-XX	20.616	5,000		2,101			2,101	2,899
U.S. Dept of Homeland Security (Passed through NJ Depart of Law and Public Safety)										
FEMA - Hazard Mitigation Grant										
Purchase of Generators for Municipal Facilities Ord #1787	2015	066-1200-100-XXX-XX	97.039	75,000		<u>75,000</u>	-	<u>41,285</u>	<u>33,715</u>	41,285
						<u>\$ 93,499</u>	<u>\$ 4,647</u>	<u>\$ 60,297</u>	<u>\$ 37,849</u>	

Note - This schedule was not subject to an audit in accordance with U.S. Uniform Guidance.

**TOWNSHIP OF WYCKOFF**  
**SCHEDULE OF EXPENDITURES OF STATE FINANCIAL ASSISTANCE**  
**FOR THE YEAR ENDED DECEMBER 31, 2016**

<u>State Grant Program</u>	<u>Grant Number</u>	<u>Grant Year</u>	<u>Grant Award</u>	<u>Grant Amount Received</u>	<u>Balance, January 1, 2016</u>	<u>2016 Revenue</u>	<u>Expended</u>	<u>Adjustments/Cancelled</u>	<u>Balance, December 31, 2016</u>	<u>(Memo) Cumulative Expenditures</u>
Clean Communities Program	4900-752-178810-60	2016	\$ 43,008	\$ 43,008		\$ 43,008	\$ 30,853		\$ 12,155	\$ 30,853
		2015	37,611		\$ 7,399		7,399			37,611
Recycling Tonnage Grant	N/A	2015	28,005			28,005	28,005			28,005
Clean Cool Air Grant	N/A	2013	1,000		42		42			1,000
Municipal Alliance Program - State Share	N/A	2017	11,677			11,677			11,677	
		2016	11,677	3,883	11,677		2,379		9,298	2,379
		2015	11,677		9,784		2,511	\$ (7,273)		18,950
Body Armor Replacement Grant	N/A	2012	2,513		2,513		2,513			2,513
		2011	2,459		2,459		2,459			2,459
		2010	1,110		1,110		1,110			1,110
		2010	2,314		2,314		2,314			2,314
Alcohol Education and Rehabilitation	N/A	2015	471		471			277	748	
ANJEC Environmental Commission	N/A	2015	1,500		1,500		942		558	942
Department of Transportation Improvements to Crescent Ave - Ord #1798	N/A	2016	155,500		-	155,500	150,775	-	4,725	150,775
					<u>\$ 39,269</u>	<u>\$ 238,190</u>	<u>\$ 231,302</u>	<u>\$ (6,996)</u>	<u>\$ 39,161</u>	

N/A - Not Available

Note - This schedule was not subject to an audit in accordance with NJ OMB Circular 15-08.

**NOTES TO THE SCHEDULES OF EXPENDITURES OF FEDERAL AWARDS  
AND STATE FINANCIAL ASSISTANCE**



**TOWNSHIP OF WYCKOFF  
NOTES TO THE SCHEDULES OF EXPENDITURES OF FEDERAL AWARDS  
AND STATE FINANCIAL ASSISTANCE  
YEAR ENDED DECEMBER 31, 2016**

**NOTE 1 GENERAL**

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

**NOTE 2 BASIS OF ACCOUNTING**

The accompanying schedules are prepared and presented using the regulatory basis of accounting as prescribed for municipalities by the Division of Local Government Services, Department of Community Affairs, State of New Jersey which differ in certain respects from accounting principles generally accepted in the United States of America (GAAP) applicable to local government units. This basis of accounting is described in Note 1 to the Township's financial statements.

**NOTE 3 RELATIONSHIP TO FINANCIAL STATEMENTS**

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

	<u>Federal</u>	<u>State</u>	<u>Total</u>
Current Fund	\$ 4,647	\$ 82,690	\$ 87,337
General Capital Fund	<u>-</u>	<u>155,500</u>	<u>155,500</u>
Total Financial Awards	<u>\$ 4,647</u>	<u>\$ 238,190</u>	<u>\$ 242,837</u>

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

Amounts reported in the accompanying schedules may not necessarily agree with the amounts reported in the related federal and state financial reports due to timing differences between the Township's fiscal year and grant program year.

**TOWNSHIP OF WYCKOFF**

**PART III**

**SUPPLEMENTARY DATA**

**LETTER OF COMMENTS AND RECOMMENDATIONS**

**YEAR ENDED DECEMBER 31, 2016**

**TOWNSHIP OF WYCKOFF  
SUPPLEMENTARY DATA**

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

	<u>Year 2016</u>		<u>Year 2015</u>	
	<u>Amount</u>	<u>Percent</u>	<u>Amount</u>	<u>Percent</u>
<b>REVENUES AND OTHER INCOME REALIZED</b>				
Fund Balance Utilized	\$ 1,870,000	2.14 %	\$ 1,850,000	2.17 %
Miscellaneous - From Other Than Local Property Tax Levies	4,082,353	4.69	3,946,767	4.62
Collection of Delinquent Taxes and Tax Title Liens	318,431	0.37	364,931	0.43
Collection of Current Tax Levy	80,178,322	92.05	78,741,655	92.27
Other Credits	<u>655,091</u>	<u>0.75</u>	<u>432,157</u>	<u>0.51</u>
 Total Income	 <u>87,104,197</u>	 <u>100.00 %</u>	 <u>85,335,510</u>	 <u>100.00 %</u>
 <b>EXPENDITURES</b>				
Budget Expenditures				
Municipal Purposes	17,327,977	20.41	16,779,555	20.13
County Taxes	11,132,937	13.11	10,842,085	13.01
Local School Taxes	37,293,222	43.91	36,428,574	43.71
Regional School Taxes	18,936,687	22.30	19,057,229	22.86
Municipal Open Space Taxes	231,992	0.27	231,727	0.28
Other Debits	<u>2,495</u>	<u>0.00</u>	<u>9,593</u>	<u>0.01</u>
 Total Expenditures	 <u>84,925,310</u>	 <u>100.00 %</u>	 <u>83,348,763</u>	 <u>100.00 %</u>
 Excess in Revenue	 2,178,887		 1,986,747	
 Adjustments to Income Before Fund Balance:				
Expenditures Included Above Which are by Statute Deferred to Budget of Succeeding Year	 <u>100,000</u>		 <u>-</u>	
 Excess in Revenue to Fund Balance	 2,278,887		 1,986,747	
 Fund Balance, January 1	 <u>3,363,896</u>		 <u>3,227,149</u>	
	5,642,783		5,213,896	
 Less Utilization as Anticipated Revenue	 <u>1,870,000</u>		 <u>1,850,000</u>	
 Fund Balance, December 31	 <u>\$ 3,772,783</u>		 <u>\$ 3,363,896</u>	



**TOWNSHIP OF WYCKOFF  
SUPPLEMENTARY DATA**

**COMPARATIVE STATEMENT OF OPERATIONS AND CHANGES IN FUND BALANCE -  
SEWER UTILITY OPERATING FUND**

	<u>Year 2016</u>		<u>Year 2015</u>	
	<u>Amount</u>	<u>Percent</u>	<u>Amount</u>	<u>Percent</u>
<b>REVENUES AND OTHER INCOME REALIZED</b>				
Collection of Sewer Rents	\$ 2,149,403	71.87 %	\$ 2,145,316	95.93 %
Interest and Costs on Sewer Charges	8,723	0.29	8,893	0.40
Other Credits to Income:				
Miscellaneous Revenue Not Anticipated	792,384	26.49	22,983	1.03
Unexpended Balance of Appropriation Reserves	<u>40,393</u>	<u>1.35</u>	<u>59,055</u>	<u>2.64</u>
 Total Income	 <u>2,990,903</u>	 <u>100.00</u> %	 <u>2,236,247</u>	 <u>100.00</u> %
 <b>EXPENDITURES</b>				
Budget Appropriations				
Operating	1,823,240	87.94	1,776,747	94.67
Capital Improvements	<u>250,000</u>	<u>12.06</u>	<u>100,000</u>	<u>5.33</u>
 Total Expenditures	 <u>2,073,240</u>	 <u>100.00</u> %	 <u>1,876,747</u>	 <u>100.00</u> %
 Excess in Revenues	 917,663		 359,500	
 Fund Balance, January 1	 <u>\$ 1,193,677</u>		 <u>\$ 834,177</u>	
 Fund Balance, December 31	 <u>\$ 2,111,340</u>		 <u>\$ 1,193,677</u>	

**TOWNSHIP OF WYCKOFF  
SUPPLEMENTARY DATA**

**Comparative Schedule of Tax Rate Information**

	<u>2016</u>	<u>2015</u>	<u>2014</u>
Tax Rate	<u>\$1.732</u>	<u>\$1.713</u>	<u>\$1.587</u>

Apportionment of Tax Rate

Municipal	.281	.278	.251
County	.240	.235	.213
Local School	.803	.788	.739
Regional School	.408	.412	.384

Assessed Valuation

2016	<u>\$4,645,626,700</u>		
2015		<u>\$4,620,907,800</u>	
2014			<u>\$4,818,735,643</u>

**Comparison of Tax Levies and Collection Currently**

A study of this tabulation could indicate a possible trend in future tax levies. A decrease in the percentage of current collection could be an indication of a probable increase in future tax levies.

<u>Year</u>	<u>Tax Levy</u>	<u>Cash Collections</u>	<u>Percentage of Collection</u>
2016	\$ 80,755,382	\$ 80,228,322	99.34%
2015	79,387,865	78,861,655	99.33%
2014	76,820,618	76,307,791	99.33%

**Property Acquired by Tax Title Lien Foreclosure**

No properties have been acquired in 2016 by foreclosure or deed, as a result of liquidation of tax title liens.

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

<u>Year</u>	<u>Amount</u>
2016	\$36,700
2015	36,700
2014	36,700

**TOWNSHIP OF WYCKOFF  
SUPPLEMENTARY DATA**

**Delinquent Taxes and Tax Title Liens**

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

<u>December 31 Year</u>	<u>Tax Title Liens</u>	<u>Amount of Delinquent Taxes</u>	<u>Total Delinquent</u>	<u>Percentage of Tax Levy</u>
2016	\$ 13,537	\$ 363,962	\$ 377,499	0.47%
2015	11,939	318,431	330,370	0.42%
2014	10,209	364,931	375,140	0.49%

**Comparison of Sewer Utility Billings**

<u>Year</u>	<u>Levy</u>	<u>Collections *</u>	<u>Percent of Collection</u>
2016	\$2,156,361	\$2,149,403	99.67%
2015	2,137,260	2,145,316	100.37%
2014	2,125,712	2,108,039	99.17%

\* Includes collections of prior years receivables

**Comparative Schedule of Fund Balances**

	<u>Year</u>	<u>Balance, December 31</u>	<u>Utilized In Budget of Succeeding Year</u>
Current Fund	2016	\$3,772,783	\$2,000,000
	2015	3,363,896	1,870,000
	2014	3,227,149	1,850,000
	2013	2,498,871	1,550,000
	2012	2,992,434	1,750,000
Sewer Utility Operating Fund	2016	2,111,340	550,000
	2015	1,193,677	-0-
	2014	834,177	-0-
	2013	205,296	-0-
	2012	92,257	-0-

**TOWNSHIP OF WYCKOFF  
SUPPLEMENTARY DATA**

**OFFICIALS IN OFFICE AND SURETY BONDS AS OF DECEMBER 31, 2016**

The following officials were in office during the period under audit:

<u>Name</u>	<u>Title</u>	<u>Amount of Bond</u>	<u>Corporate Surety</u>
Brian Scanlan	Deputy Mayor		
Rudolph Boonstra	Township Committee		
Thomas J. Madigan	Township Committee		
John Carolan	Township Committee		
Timothy Shanley	Township Committee		
Robert Shannon	Administrator	\$1,000,000	Municipal Excess Liability Joint Insurance Fund
Joyce Santimauro	Township Clerk		
Diana McLeod	Chief Financial Officer, Tax Collector	\$1,000,000	Municipal Excess Liability Joint Insurance Fund
Pamela Steele	Tax Assessor		
Robert Landel	Township Attorney		
Russell Teschon	Municipal Judge	\$1,000,000	Municipal Excess Liability Joint Insurance Fund
Paulette Scandone	Court Administrator	\$1,000,000	Municipal Excess Liability Joint Insurance Fund

The Bergen County Municipal Joint Insurance Fund and Municipal Excess Liability Joint Insurance Fund provides statutory bond coverage in the amounts of \$50,000 and \$950,000, respectively.

**TOWNSHIP OF WYCKOFF  
SUPPLEMENTARY DATA**

**General Comments**

**Contracts and Agreements Required to be Advertised for NJS 40A:11-4**

NJS 40A:11-4 states "Every contract or agreement, for the performance of any work or the furnishing or hiring of any materials or supplies, the cost or the contract price whereof is to be paid with or out of public funds not included within the terms of Section 3 of this act, shall be made or awarded only after public advertising for bids and bidding therefore, except as is provided otherwise in this act or specifically by any other law. No work, materials or supplies shall be undertaken, acquired or furnished for a sum exceeding in the aggregate \$29,000, except by contract or agreement." As of July 1, 2011, the bidding threshold was increased to \$36,000. As of July 1, 2015 the State increased the bidding threshold to \$40,000.

If the Township's purchasing agent is qualified pursuant to subsection 3b. of Section 9 of P.L. 1971, c.198 (C.40A:11-9), the Township may establish the bid threshold up to a maximum of \$40,000. The Township's Administrator is qualified and the Township, by resolution, has increased the bid threshold to \$40,000.

The Governing Body of the Municipality has the responsibility of determining whether the expenditures in any category will exceed \$40,000 within the fiscal year. Where question arises as to whether any contract or agreement might result in violation of the statute, the Township Counsel's opinion should be sought before a commitment is made.

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

**Road Improvements**

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

Our examination of expenditures did not reveal any instances where individual payments exceeded \$40,000 "for the performance of any work or the furnishing or hiring of any materials or supplies," where bids had not been previously sought by public advertisement or where a resolution had been previously adopted under the provisions of NJSA. 40A:11-6.

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

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

The governing body on January 1, 2016, adopted the following resolution authorizing the amount of interest to be charged on delinquent taxes and assessments:

WHEREAS, Chapter 435 of the Laws of 1980 allows a governing body to set interest rates on delinquent taxes at a higher level than previously permitted by law;

**TOWNSHIP OF WYCKOFF  
SUPPLEMENTARY DATA**

**General Comments (Continued)**

**Collection of Interest on Delinquent Taxes and Assessments (Continued)**

NOW, THEREFORE, BE IT ORDAINED by the Governing Body of the Township of Wyckoff, County of Bergen, State of New Jersey, that the interest rate to be charged by the Township of Wyckoff on taxes or assessments not timely paid shall be eight (8%) percent per annum on the first \$1,500 of delinquent assessments and taxes; and eighteen (18%) percent per annum on delinquent assessments and taxes in excess of \$1,500, all to be calculated from the date the tax was payable until the date of actual payment.

A penalty of 6% to be charged to a taxpayer where there is a tax and/or other municipal charge delinquency in excess of \$10,000 at the end of the calendar year.

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

**Delinquent Taxes and Tax Title Liens**

The tax sale for 2016 taxes and utility charges was held on October 21, 2016 and was complete.

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

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

<u>Year</u>	<u>Number of Liens</u>
2016	4
2015	4
2014	4

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

**TOWNSHIP OF WYCKOFF  
SUPPLEMENTARY DATA**

**RECOMMENDATIONS**

There are none.

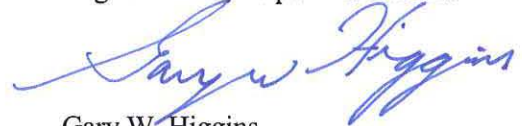
No recommendations were reported in the prior year audit.

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



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



Gary W. Higgins  
Registered Municipal Accountant  
RMA Number CR00405