

TOWNSHIP OF WYCKOFF
BERGEN COUNTY, NEW JERSEY
REPORT OF AUDIT
YEAR ENDED DECEMBER 31, 2019

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TOWNSHIP OF WYCKOFF

COUNTY OF BERGEN

PART I

REPORT ON AUDIT OF FINANCIAL STATEMENTS

YEAR ENDED DECEMBER 31, 2019



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 Committee
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, 2019 and 2018, and the related statements of operations and changes in fund balance - regulatory basis for the years then ended, and the related statement of revenues - regulatory basis and statement of expenditures - regulatory basis of the various funds for the year ended December 31, 2019, 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, 2019 and 2018, 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, 2019 and 2018. The LOSAP Trust Fund financial activities are included in the Township’s Trust Funds, and represent 39 percent and 38 percent of the assets and liabilities, respectively, of the Township’s Trust Funds as of December 31, 2019 and 2018.

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, 2019 and 2018, 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, 2019 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.

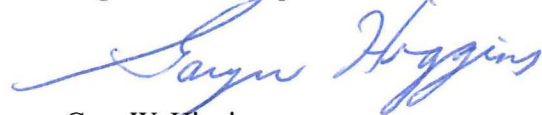
The supplementary data and letter of comments and recommendations section has not been subject to the auditing procedures applied in the audit of the financial statements, and accordingly, we do not express an opinion or provide any assurance on it.

Other Reporting Required by *Government Auditing Standards*

In accordance with Government Auditing Standards, we have also issued our report dated June 30, 2020 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 solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the Township of Wyckoff's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with Government Auditing Standards in considering the 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 30, 2020

**TOWNSHIP OF WYCKOFF
COMPARATIVE BALANCE SHEETS - REGULATORY BASIS
CURRENT FUND
AS OF DECEMBER 31, 2019 AND 2018**

	<u>Reference</u>	<u>2019</u>	<u>2018</u>
ASSETS			
Cash	A-4	\$ 7,655,055	\$ 6,940,064
Cash - Change Fund	A-5	<u>500</u>	<u>500</u>
		<u>7,655,555</u>	<u>6,940,564</u>
Grants Receivable	A-11	<u>13,846</u>	<u>16,763</u>
Taxes Receivable	A-7	463,045	378,236
Tax Title Liens	A-8	14,983	19,531
Property Acquired for Taxes - Assessed Valuation	A-9	36,700	36,700
Revenue Accounts Receivable	A-10	4,554	6,868
Due from Municipal Open Space Trust Fund	A-22		412
Due from Animal Control Trust Fund	B-6	<u>4,743</u>	<u>4,648</u>
		<u>524,025</u>	<u>446,395</u>
Deferred Charges			
Emergency Authorization	A-25	<u>-</u>	<u>50,000</u>
		<u>-</u>	<u>50,000</u>
Total Assets		<u>\$ 8,193,426</u>	<u>\$ 7,453,722</u>

**TOWNSHIP OF WYCKOFF
COMPARATIVE BALANCE SHEETS - REGULATORY BASIS
CURRENT FUND
AS OF DECEMBER 31, 2019 AND 2018**

	<u>Reference</u>	<u>2019</u>	<u>2018</u>
LIABILITIES, RESERVES AND FUND BALANCE			
Liabilities			
Appropriation Reserves	A-3, A-12	\$ 1,011,013	\$ 827,575
Encumbrances Payable	A-13	541,626	462,084
Prepaid Taxes	A-14	552,459	577,379
Tax Overpayments	A-18	156,831	104,311
County Taxes Payable	A-15	51,105	41,516
Reserve for Tax Appeals	A-19	304,061	267,433
Unappropriated Grant Reserves	A-21	29,735	2,097
Appropriated Grant Reserves	A-20	50,332	46,425
Due to State of NJ - Senior Citizen/Veteran Deduction	A-6	2,262	
Fees Payable	A-23		8,334
Due to Other Trust Fund	B-8	-	73,479
		<u>2,699,424</u>	<u>2,410,633</u>
Reserve for Receivables and Other Assets	A	524,025	446,395
Fund Balance	A-1	<u>4,969,977</u>	<u>4,596,694</u>
Total Liabilities, Reserves and Fund Balance		<u>\$ 8,193,426</u>	<u>\$ 7,453,722</u>

TOWNSHIP OF WYCKOFF
COMPARATIVE STATEMENTS OF OPERATIONS AND CHANGES IN FUND BALANCE -
REGULATORY BASIS - CURRENT FUND
FOR THE YEARS ENDED DECEMBER 31, 2019 AND 2018

REVENUE AND OTHER INCOME REALIZED	<u>Reference</u>	<u>2019</u>	<u>2018</u>
Fund Balance Utilized	A-2	\$ 2,200,000	\$ 2,350,000
Miscellaneous Revenue Anticipated	A-2	4,156,450	3,987,548
Receipts from Delinquent Taxes	A-2, A-7	384,756	390,773
Receipts from Current Taxes	A-2	84,755,981	83,281,500
Non Budget Revenue	A-2	556,288	416,349
Other Credits to Income			
Unexpended Balance of Appropriation Reserves	A-12	682,785	478,531
Appropriated Grants Cancelled	A-1		245
Cancellation of Accounts Payable	A-1		60,000
Cancellation of Reserve for Revaluation	A-1		37,950
Interfunds Liquidated	A-1	412	18,904
Statutory Excess- Animal Control Fund	B-6	3,428	3,327
		<u>92,740,100</u>	<u>91,025,127</u>
Total Revenue and Other Income			
EXPENDITURES			
Budget Appropriations			
Operations			
Salaries and Wages	A-3	6,516,941	6,488,623
Other Expenses	A-3	8,467,039	8,551,342
Capital Improvements	A-3	689,150	790,000
Municipal Debt Service	A-3	804,836	773,480
Deferred Charges and Statutory Expenditures - Municipal	A-3	1,816,022	1,617,098
Other Debits			
Regional School Taxes	A-17	20,545,362	20,024,741
Local School Taxes	A-16	39,628,704	38,854,969
County Taxes	A-15	11,461,844	11,407,982
Municipal Open Space Tax	A-22	236,824	235,846
Interfunds Advanced	A-1	95	832
		<u>90,166,817</u>	<u>88,744,913</u>
Total Expenditures			
Excess in Revenue		2,573,283	2,280,214
Adjustments to Income Before Fund Balance:			
Expenditures Included Above Which are by Statute Deferred to Budget of Succeeding Year	A	<u>-</u>	<u>50,000</u>
Statutory Excess in Revenue to Fund Balance		2,573,283	2,330,214
FUND BALANCE, JANUARY 1	A	<u>4,596,694</u>	<u>4,616,480</u>
		7,169,977	6,946,694
Decreased by:			
Utilized as Anticipated Revenue	A-2	<u>2,200,000</u>	<u>2,350,000</u>
FUND BALANCE, DECEMBER 31	A	<u>\$ 4,969,977</u>	<u>\$ 4,596,694</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, 2019

	<u>Reference</u>	2019 Anticipated <u>Budget</u>	Added by NJS <u>40A:4-87</u>	Realized <u>in 2019</u>	Excess or <u>(Deficit)</u>
Fund Balance Anticipated	A-2	\$ 2,200,000	-	\$ 2,200,000	-
Miscellaneous Revenues					
Township Clerk - Licenses					
Alcoholic Beverages	A-10	17,500		17,500	
Other	A-10	120,000		133,212	\$ 13,212
Fees and Permits	A-2;A-10	195,000		226,484	31,484
Fines and Costs - Municipal Court	A-10	90,000		76,095	(13,905)
Interest and Costs on Taxes	A-10	100,000		118,048	18,048
Interest on Investments and Deposits	A-2	100,000		228,867	128,867
Lease of Township Property	A-10	39,484		39,484	-
Cable Franchise Fee	A-10	279,943		275,289	(4,654)
Lease of Cell Tower #1	A-10	328,083		335,452	7,369
Lease of Cell Tower #2	A-10	177,109		182,987	5,878
Lease of Cell Tower #3	A-10	30,342		30,797	455
Energy Receipts Tax	A-10	1,093,271		1,093,271	-
Uniform Construction Code Fees	A-10	445,000		686,131	241,131
Library Shared Service Agreement- Payroll Processing	A-10	14,024		12,654	(1,370)
Library Shared Service Agreement- Administration and Mgmt Services	A-10	5,500		5,500	-
Public and Private Revenues:					
Reserve for Recycling Tonnage Grant	A-21	24,880		24,880	-
Reserve for Alcohol Education & Rehabilitation	A-21	586		586	-
Drunk Driving Enforcement Fund	A-21	1,511		1,511	-
Clean Communities Program	A-21		39,013	39,013	-
Sustainable NJ	A-21		2,000	2,000	-
Distracted Driver Crackdown	A-11		5,500	5,500	-
Other Special Items					
Recreation Fees	A-10	590,000		597,194	7,194
Uniform Fire Safety Act	A-10	20,000	-	23,995	3,995
Total Miscellaneous Revenues	A-1	<u>3,672,233</u>	<u>46,513</u>	<u>4,156,450</u>	<u>437,704</u>
Receipts from Delinquent Taxes	A-2	<u>380,000</u>	-	<u>384,756</u>	<u>4,756</u>
Amount to be Raised by Taxes for Support of Municipal Budget:					
Local Taxes for Municipal Purposes	A-2	11,936,503		12,824,294	887,791
Minimum Library Tax	A-2	<u>1,558,953</u>	-	<u>1,558,953</u>	-
Total Amount to be Raised by Taxes		<u>13,495,456</u>	-	<u>14,383,247</u>	<u>887,791</u>
Budget Totals		<u>\$ 19,747,689</u>	<u>\$ 46,513</u>	21,124,453	<u>\$ 1,330,251</u>
Non-Budget Revenue	A-2, A-4			<u>556,288</u>	
				<u>\$ 21,680,741</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, 2019

	<u>Reference</u>	
ANALYSIS OF REALIZED REVENUES		
Allocation of Current Tax Collections		
Revenue from Collections	A-7	\$ 84,955,981
Less: Transferred to Reserve for Tax Appeals	A-19	<u>200,000</u>
	A-1	84,755,981
Less: Allocated to School, County and Open Space Taxes	A-15, A-16, A-17, A-22	<u>71,872,734</u>
		12,883,247
Add: Appropriation "Reserve for Uncollected Taxes"	A-3	<u>1,500,000</u>
Amount for Support of Municipal Budget Appropriations	A-2	<u>\$ 14,383,247</u>
Fees and Permits - Other		
Tax Collector		\$ 279
Board of Health		95,568
Code Enforcement		90,544
Police Department		15,348
Planning Board		6,307
Board of Adjustment		<u>18,438</u>
	A-2, A-10	<u>\$ 226,484</u>
Interest on Investments and Deposits		
Revenue Accounts Receivable	A-10	\$ 227,139
Received from Other Trust Fund	B-8	916
Received from Animal Control Fund	B-6	<u>812</u>
	A-2	<u>\$ 228,867</u>
Analysis of Receipts from Delinquent Taxes		
Taxes	A-7	\$ 378,236
Tax Title Liens	A-8	<u>6,520</u>
	A-2	<u>\$ 384,756</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, 2019

	<u>Reference</u>	
Analysis of Non-Budget Revenue		
Recyclables - Paper/Plastic/Metal		\$ 20,261
Senior Citizen/Veteran Administrative Payment		1,865
Homestead Benefit Program Administrative Payment		877
Library Reimbursement - Pension		71,416
Return Nonvested LOSAP		59,780
FEMA - Severe Winter Storm and Snow Storm Quinn		336,674
Miscellaneous		<u>65,415</u>
	A-2, A-4	<u>\$ 556,288</u>

TOWNSHIP OF WYCKOFF
STATEMENT OF EXPENDITURES - REGULATORY BASIS - CURRENT FUND
FOR THE YEAR ENDED DECEMBER 31, 2019

	<u>2019 Appropriated</u>		<u>2019 Expended</u>		<u>Cancelled</u>
	<u>Budget</u>	<u>Budget After Modification</u>	<u>Paid or Charged</u>	<u>Reserved</u>	
OPERATIONS - WITHIN "CAPS"					
GENERAL GOVERNMENT					
Administrative and Executive					
Salaries and Wages	\$ 334,106	\$ 334,106	\$ 321,290	\$ 12,816	
Other Expenses	36,800	41,100	39,947	1,153	
Township Clerk					
Salaries and Wages	194,709	194,709	193,051	1,658	
Other Expenses	72,600	67,600	67,451	149	
Financial Administration					
Salaries and Wages	209,477	209,477	209,477		
Other Expenses	28,730	28,730	23,540	5,190	
Audit Services	28,750	27,650	27,641	9	
Revenue Administration and Tax Collection					
Salaries and Wages	111,466	111,466	111,119	347	
Other Expenses	9,600	9,600	8,137	1,463	
Elections					
Other Expenses	15,000	15,000	14,257	743	
Assessment of Taxes					
Salaries and Wages	147,498	147,498	124,377	23,121	
Other Expenses	189,350	189,350	159,598	29,752	
Environmental Commission: NJSA 40:56A-1					
Other Expenses	2,000	2,000	350	1,650	
Legal Services and Costs					
Other Expenses	151,500	151,500	92,500	59,000	
Engineering Services					
Other Expenses	15,500	15,500	9,756	5,744	
Public Buildings and Grounds					
Salaries and Wages	78,734	78,734	77,994	740	
Other Expenses	191,000	191,000	186,014	4,986	
Shade Tree Commission					
Other Expenses	112,000	112,000	64,297	47,703	
Land Use Administration:					
Planning Board					
Salaries and Wages	18,500	18,500	17,913	587	
Other Expenses	17,000	14,500	6,863	7,637	
Board of Adjustment:					
Other Expenses	5,000	5,000	4,292	708	
Insurances					
General Liability Insurance	264,534	264,534	254,869	9,665	
Workers Compensation Insurance	209,728	209,728	209,635	93	
Employee Health Benefits Insurance	1,958,000	1,859,500	1,525,658	333,842	
Health Benefit Waivers	5,000	5,000	5,000		
Unemployment Compensation Insurance	100	20,100	20,100		
Police					
Salaries and Wages	3,199,490	3,199,490	3,112,809	86,681	
Other Expenses	108,000	108,000	106,012	1,988	
Public Safety: Volunteer First Aid Squad					
Other Expenses	50,000	50,000	50,000		
Emergency Management Services:					
Other Expenses	1,850	1,850	1,795	55	
Public Safety: Volunteer Fire Department					
Other Expenses	88,000	88,000	85,648	2,352	
Uniform Fire Safety Act					
Life Hazard Use Fees (PL 1983)					
Salaries and Wages	17,525	17,525	17,525		
Other Expenses	2,000	2,000	728	1,272	
Radio Communications Contract					
Other Expenses	13,000	13,000	11,808	1,192	
Recreation and Recreation Education					
Salaries and Wages	239,650	239,650	231,561	8,089	
Other Expenses	270,000	270,000	247,805	22,195	
Park Maintenance					
Salaries and Wages	78,734	78,734	78,734		
Other Expenses	122,000	122,000	111,397	10,603	
Celebration of Public Events					
Other Expenses	7,500	7,500	7,500		

TOWNSHIP OF WYCKOFF
STATEMENT OF EXPENDITURES - REGULATORY BASIS - CURRENT FUND
FOR THE YEAR ENDED DECEMBER 31, 2019

	<u>2019 Appropriated</u>		<u>2019 Expended</u>		<u>Cancelled</u>
	<u>Budget</u>	<u>Budget After Modification</u>	<u>Paid or Charged</u>	<u>Reserved</u>	
OPERATIONS - WITHIN "CAPS"					
GENERAL GOVERNMENT (CONTINUED)					
Recycling					
Other Expenses	\$ 380,000	\$ 380,000	\$ 365,863	\$ 14,137	
Sanitation/Garbage and Trash Removal					
Other Expenses	484,000	484,000	484,000		
Road Repairs and Maintenance					
Salaries and Wages	1,302,867	1,375,867	1,347,867	28,000	
Other Expenses	312,500	309,500	293,128	16,372	
Inspector's Vehicle Other Expenses	2,000	2,000	2,000		
DPW Vehicle Other Expenses	145,000	145,000	125,044	19,956	
Police Vehicle Other Expenses	30,000	30,000	27,921	2,079	
Fire Vehicle Other Expenses	40,000	50,000	47,757	2,243	
CDL Mandate Other Expenses	750	750	510	240	
Board of Health					
Salaries and Wages	12,971	12,971	12,971		
Other Expenses	67,700	67,700	62,572	5,128	
Animal Control					
Other Expenses	19,200	19,200	11,700	7,500	
Condo Services Act					
Other Expenses	5,200	5,200	3,833	1,367	
Construction Code Official					
Salaries and Wages	432,181	432,181	432,181		
Other Expenses	39,500	29,500	18,835	10,665	
PEOSHA Mandate					
Hepatitis B (P.L. 1985 c. 516)	4,150	4,150	2,296	1,854	
Respiratory Protection	25,400	25,400	23,482	1,918	
Municipal Court					
Salaries and Wages	26,084	28,284	28,082	202	
Other Expenses	56,450	56,450	54,851	1,599	
Municipal Prosecutor					
Other Expenses	9,700	9,700	4,470	5,230	
Public Defender					
Other Expenses	5,000	5,000	3,177	1,823	
Utilities:					
Electricity	92,000	82,000	51,790	30,210	
Street Lighting	161,000	181,000	180,744	256	
Telephone	53,000	64,600	64,555	45	
Water	4,000	4,000	3,755	245	
Natural Gas	35,000	30,000	26,261	3,739	
Fire Hydrants	66,000	66,000	60,538	5,462	
Gasoline	102,000	102,000	80,101	21,899	
Landfill and Solid Waste Disposal	417,000	407,000	296,543	110,457	-
Total Operations Within "CAPS"	12,935,084	12,931,084	11,955,275	975,809	-
Detail:					
Salaries and Wages	6,403,992	6,479,192	6,316,951	162,241	-
Other Expenses	6,531,092	6,451,892	5,638,324	813,568	-
Deferred Charges and Statutory Expenditures - Municipal Within "CAPS"					
Statutory Charges					
Public Employees Retirement System	473,617	473,617	473,617		
Social Security System (O.A.S.I.)	477,000	477,000	458,253	18,747	
Defined Compensation Retirement Plan	7,000	7,000	4,791	2,209	
Police and Firemen's Retirement System of NJ	808,405	808,405	808,405	-	-
Total Deferred Charges and Statutory Expenditures - Municipal Within "CAPS"	1,766,022	1,766,022	1,745,066	20,956	-
Total General Appropriations for Municipal Purposes Within "CAPS"	14,701,106	14,697,106	13,700,341	996,765	-

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, 2019

	2019 Appropriated		2019 Expended		Cancelled
	Budget	Budget After Modification	Paid or Charged	Reserved	
OPERATIONS - EXCLUDED FROM "CAPS"					
Recycling Tax	\$ 20,000	\$ 20,000	\$ 14,338	\$ 5,662	
Affordable Housing					
Salaries and Wages	37,749	37,749	37,680	69	
Other Expenses	35,500	35,500	27,460	8,040	
Tax Appeal Interest	50	50		50	
911 Emergency Service Contract	185,000	189,000	188,573	427	
Maintenance of Free Public Library	1,558,953	1,558,953	1,558,953		
Length of Service Award Program (LOSAP)	120,000	120,000	120,000	-	-
Total Other Operations Excluded from "CAPS"	1,957,252	1,961,252	1,947,004	14,248	-
Interlocal Municipal Service Agreements					
Wyckoff Public Library-Payroll Shared Service	11,284	11,284	11,284		
Wyckoff Public Library-Administration and Mgmt Services	6,870	6,870	6,870	-	-
Total Interlocal Municipal Service Agreements	18,154	18,154	18,154	-	-
Public and Private Programs Offset by Revenues					
Recycling Tonnage Grant	24,880	24,880	24,880		
Alcohol Education & Rehabilitation	586	586	586		
Drunk Driving Enforcement Fund	1,511	1,511	1,511		
Distracted Driver Crackdown		5,500	5,500		
Sustainable NJ		2,000	2,000		
Clean Communities Program	-	39,013	39,013	-	-
Total Public and Private Programs Offset by Revenues	26,977	73,490	73,490	-	-
Total Operations Excluded from "CAPS"	2,002,383	2,052,896	2,038,648	14,248	-
Detail:					
Salaries and Wages	37,749	37,749	37,680	69	-
Other Expenses	1,964,634	2,015,147	2,000,968	14,179	-
CAPITAL IMPROVEMENTS - EXCLUDED FROM "CAPS"					
Capital Improvement Fund	689,150	689,150	689,150	-	-
Total Capital Improvements Excluded from "CAPS"	689,150	689,150	689,150	-	-

TOWNSHIP OF WYCKOFF
STATEMENT OF EXPENDITURES - REGULATORY BASIS - CURRENT FUND
FOR THE YEAR ENDED DECEMBER 31, 2019

	<u>2019 Appropriated</u>		<u>2019 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	\$ 735,000	\$ 735,000	\$ 735,000		
Interest on Notes	<u>70,050</u>	<u>70,050</u>	<u>69,836</u>	-	<u>\$ 214</u>
Total Municipal Debt Service Excluded from "CAPS"	<u>805,050</u>	<u>805,050</u>	<u>804,836</u>	-	<u>214</u>
DEFERRED CHARGES-EXCLUDED FROM "CAPS"					
Emergency Authorizations	<u>50,000</u>	<u>50,000</u>	<u>50,000</u>	-	-
Total Deferred Charges-Excluded from "CAPS"	<u>50,000</u>	<u>50,000</u>	<u>50,000</u>	-	-
Total General Appropriations for Municipal Purposes Excluded from "CAPS"	<u>3,546,583</u>	<u>3,597,096</u>	<u>3,582,634</u>	<u>\$ 14,248</u>	<u>214</u>
Subtotal General Appropriations	18,247,689	18,294,202	17,282,975	1,011,013	214
Reserve for Uncollected Taxes	<u>1,500,000</u>	<u>1,500,000</u>	<u>1,500,000</u>	-	-
Total General Appropriations	<u>\$ 19,747,689</u>	<u>\$ 19,794,202</u>	<u>\$ 18,782,975</u>	<u>\$ 1,011,013</u>	<u>\$ 214</u>
<u>Reference</u>	A-2			A	

TOWNSHIP OF WYCKOFF
STATEMENT OF EXPENDITURES - REGULATORY BASIS - CURRENT FUND
FOR THE YEAR ENDED DECEMBER 31, 2019

	<u>Reference</u>	<u>Budget After Modification</u>	<u>Paid or Charged</u>
Adopted Budget	A-2	\$ 19,747,689.	
Additional Appropriations (N.J.S.A. 40A:4-87)	A-2	<u>46,513</u>	
		<u>\$ 19,794,202</u>	
Cash Disbursed - Net of Refunds	A-4		\$ 16,617,859
Encumbrances Payable	A-13		541,626
Transferred To Appropriated Grant Reserves	A-20		73,490
Emergency Authorization	A-25		50,000
Reserve for Uncollected Taxes	A-2		<u>1,500,000</u>
			<u>\$ 18,782,975</u>

TOWNSHIP OF WYCKOFF
COMPARATIVE BALANCE SHEETS - REGULATORY BASIS - TRUST FUNDS
AS OF DECEMBER 31, 2019 AND 2018

	<u>Reference</u>	<u>2019</u>	<u>2018</u>
ASSETS			
ANIMAL CONTROL TRUST FUND			
Cash	B-3	\$ 40,161	\$ 40,208
		<u>40,161</u>	<u>40,208</u>
OTHER TRUST FUND			
Cash	B-3	3,824,527	2,971,418
Due from Current Fund	B-8	<u>-</u>	<u>73,479</u>
		<u>3,824,527</u>	<u>3,044,897</u>
MUNICIPAL OPEN SPACE TRUST FUND			
Cash	B-3	<u>926,455</u>	<u>1,105,923</u>
		<u>926,455</u>	<u>1,105,923</u>
LENGTH OF SERVICE AWARDS PROGRAM TRUST FUND (UNAUDITED)			
Investments	B	3,041,792	2,514,513
Contributions Receivable	B	<u>80,500</u>	<u>87,400</u>
		<u>3,122,292</u>	<u>2,601,913</u>
Total Assets		<u>\$ 7,913,435</u>	<u>\$ 6,792,941</u>
LIABILITIES, RESERVES AND FUND BALANCE			
ANIMAL CONTROL TRUST FUND			
Reserve for Dog License Expenditures	B-4	\$ 34,854	\$ 34,995
Due to Current Fund	B-6	4,743	4,648
Due to the State of New Jersey	B-5	<u>564</u>	<u>565</u>
		<u>40,161</u>	<u>40,208</u>
OTHER TRUST FUND			
Reserve for Miscellaneous Reserves and Special Deposits	B-7	3,528,230	2,809,110
Reserve for Payroll Deductions Payable	B-12	285,207	219,476
Due to the State of New Jersey	B-9	<u>11,090</u>	<u>16,311</u>
		<u>3,824,527</u>	<u>3,044,897</u>
MUNICIPAL OPEN SPACE TRUST FUND			
Due to Current Fund	B-11		412
Reserve for Municipal Open Space Trust Fund	B-10	<u>926,455</u>	<u>1,105,511</u>
		<u>926,455</u>	<u>1,105,923</u>
LENGTH OF SERVICE AWARDS PROGRAM TRUST FUND (UNAUDITED)			
Reserve for LOSAP	B	<u>3,122,292</u>	<u>2,601,913</u>
Total Liabilities, Reserves and Fund Balance		<u>\$ 7,913,435</u>	<u>\$ 6,792,941</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, 2019

	Reference	<u>Anticipated (Memo)</u>			Variance
		Budget	Budget After Modification	2019 Realized	
Amount to be Raised by Taxation	B-10	\$ 235,772	\$ 235,772	\$ 236,824	\$ 1,052
		<u>\$ 235,772</u>	<u>\$ 235,772</u>	236,824	<u>\$ 1,052</u>
Non-Budget Revenue	B-10			<u>10,159</u>	
				<u>\$ 246,983</u>	
Analysis of Non-Budget Revenue					
Interest on Deposits				<u>\$ 10,159</u>	

STATEMENT OF EXPENDITURES - REGULATORY BASIS - MUNICIPAL OPEN SPACE TRUST FUND
FOR THE YEAR ENDED DECEMBER 31, 2019

	Reference	<u>Appropriated (Memo)</u>			Variance
		Budget	Budget After Modification	Paid or Charged	
Maintenance of Lands for Recreation and Conservation					
Other Expenses	B-10	\$ 87,000	\$ 87,000	\$ 426,039	\$ (339,039)
Reserve for Future Use	B-10	<u>148,772</u>	<u>148,772</u>	-	<u>148,772</u>
		<u>\$ 235,772</u>	<u>\$ 235,772</u>	<u>\$ 426,039</u>	<u>\$ (190,267)</u>

**TOWNSHIP OF WYCKOFF
COMPARATIVE BALANCE SHEETS - REGULATORY BASIS
GENERAL CAPITAL FUND
AS OF DECEMBER 31, 2019 AND 2018**

	<u>Reference</u>	<u>2019</u>	<u>2018</u>
ASSETS			
Cash	C-2,C-3	\$ 1,578,373	\$ 855,824
Grants Receivable	C-4	1,181,397	187,747
Deferred Charges to Future Taxation - Unfunded	C-5	<u>3,498,990</u>	<u>3,287,800</u>
 Total Assets		 <u>\$ 6,258,760</u>	 <u>\$ 4,331,371</u>
 LIABILITIES, RESERVES AND FUND BALANCE			
Bond Anticipation Notes Payable	C-10	3,498,990	3,287,800
Contracts Payable	C-8	772,944	307,748
Capital Improvement Fund	C-7	68,743	66,243
Improvement Authorizations			
Funded	C-6	1,901,243	659,009
Unfunded	C-6	8,944	8,944
Fund Balance	C-1	<u>16,840</u>	<u>1,627</u>
 Total Liabilities, Reserves and Fund Balance		 <u>\$ 6,258,760</u>	 <u>\$ 4,331,371</u>

There were no bonds and notes authorized but not issued at December 31, 2019 and 2018.

TOWNSHIP OF WYCKOFF
COMPARATIVE STATEMENTS OF CHANGES IN FUND BALANCE - REGULATORY BASIS
GENERAL CAPITAL FUND
FOR THE YEARS ENDED DECEMBER 31, 2019 AND 2018

	<u>Reference</u>	<u>2019</u>	<u>2018</u>
Balance, January 1	C	\$ 1,627	\$ 1,627
Increased by:			
Improvement Authorizations Cancelled	C-6	<u>15,213</u>	<u>-</u>
Balance, December 31	C	<u>\$ 16,840</u>	<u>\$ 1,627</u>

TOWNSHIP OF WYCKOFF
COMPARATIVE BALANCE SHEETS - REGULATORY BASIS
SEWER UTILITY FUND
AS OF DECEMBER 31, 2019 AND 2018

	<u>Reference</u>	<u>2019</u>	<u>2018</u>
ASSETS			
OPERATING FUND			
Cash	D-4	\$ 1,720,987	\$ 1,721,796
Receivables With Full Reserves			
Consumer Accounts Receivable	D-6	<u>104,923</u>	<u>68,583</u>
Total Operating Fund		<u>1,825,910</u>	<u>1,790,379</u>
CAPITAL FUND			
Cash	D-4, D-5	1,572,165	1,276,907
Fixed Capital	D-13	400,000	400,000
Fixed Capital Authorized and Uncompleted	D-15	<u>600,000</u>	<u>300,000</u>
Total Capital Fund		<u>2,572,165</u>	<u>1,976,907</u>
Total Assets		<u>\$ 4,398,075</u>	<u>\$ 3,767,286</u>
 LIABILITIES, RESERVES AND FUND BALANCE			
OPERATING FUND			
Appropriation Reserves	D-3,D-7	\$ 34,663	\$ 22,190
Encumbrances Payable	D-8	36,568	2,594
Prepaid Sewer Rents	D-12		1,416
Overpayments	D-9	<u>5,265</u>	<u>5,072</u>
		76,496	31,272
Reserve for Receivables	D	104,923	68,583
Fund Balance	D-1	<u>1,644,491</u>	<u>1,690,524</u>
Total Operating Fund		<u>1,825,910</u>	<u>1,790,379</u>
CAPITAL FUND			
Capital Improvement Fund	D-11	1,005,916	955,916
Improvement Authorizations-Funded	D-10	561,900	280,991
Contracts Payable	D-17	4,349	40,000
Reserved for Amortization	D-14	400,000	400,000
Deferred Reserve for Amortization	D-16	<u>600,000</u>	<u>300,000</u>
Total Capital Fund		<u>2,572,165</u>	<u>1,976,907</u>
Total Liabilities, Reserves and Fund Balance		<u>\$ 4,398,075</u>	<u>\$ 3,767,286</u>

There were no bonds and notes authorized and not issued at December 31, 2019 and 2018:

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, 2019 AND 2018

	<u>Reference</u>	<u>2019</u>	<u>2018</u>
REVENUES AND OTHER INCOME			
Fund Balance Utilized	D-2	\$ 200,000	\$ 100,000
Sewer Rents	D-2	2,252,374	2,205,219
Interest and Costs on Sewer Charges	D-2	10,483	10,109
Other Credits to Income			
Non Budget Revenue	D-2	60,107	29,642
Unexpended Balance of Appropriation Reserves	D-7	<u>19,819</u>	<u>23,436</u>
 Total Revenues and Other Income		 <u>2,542,783</u>	 <u>2,368,406</u>
 EXPENDITURES			
Budget Appropriations			
Operating	D-3	2,038,816	1,953,440
Capital Improvements	D-3	<u>350,000</u>	<u>350,000</u>
 Total Expenditures		 <u>2,388,816</u>	 <u>2,303,440</u>
 Excess in Revenues		 153,967	 64,966
 FUND BALANCE, JANUARY 1	 D	 <u>1,690,524</u>	 <u>1,725,558</u>
 Decreased by:		 1,844,491	 1,790,524
Utilized as Anticipated Revenue	D-2	<u>200,000</u>	<u>100,000</u>
 FUND BALANCE, DECEMBER 31	 D	 <u>\$ 1,644,491</u>	 <u>\$ 1,690,524</u>

TOWNSHIP OF WYCKOFF
STATEMENT OF REVENUES - REGULATORY BASIS
SEWER UTILITY OPERATING FUND
FOR THE YEAR ENDED DECEMBER 31, 2019

	<u>Reference</u>	2019 <u>Anticipated</u>	2019 <u>Realized</u>	Excess or <u>(Deficit)</u>
Operating Surplus Anticipated	D-1	\$ 200,000	\$ 200,000	
Sewer Rents	D-1-D-6	2,180,376	2,252,374	\$ 71,998
Interest and Costs on Sewer Charges	D-1,D-4	<u>8,440</u>	<u>10,483</u>	<u>2,043</u>
		<u>\$ 2,388,816</u>	2,462,857	<u>\$ 74,041</u>
Non-Budget Revenue	D-1,D-4		<u>60,107</u>	
			<u>\$ 2,522,964</u>	
<u>Analysis of Non-Budget Revenue</u>				
Sewer Hook-Ups			\$ 57,304	
Miscellaneous			<u>2,803</u>	
	D-1,D-4		<u>\$ 60,107</u>	

**TOWNSHIP OF WYCKOFF
STATEMENT OF EXPENDITURES - REGULATORY BASIS
SEWER UTILITY OPERATING FUND
FOR THE YEAR ENDED DECEMBER 31, 2019**

	<u>Appropriated</u>		<u>Expended</u>	
	<u>Budget</u>	<u>Budget After Modification</u>	<u>Paid or Charged</u>	<u>Reserved</u>
OPERATING				
Salaries and Wages	\$ 105,712	\$ 105,712	\$ 97,159	\$ 8,553
Other Expenses	1,933,104	1,933,104	1,906,994	26,110
CAPITAL IMPROVEMENTS				
Capital Improvement Fund	<u>350,000</u>	<u>350,000</u>	<u>350,000</u>	<u>-</u>
	<u>\$2,388,816</u>	<u>\$ 2,388,816</u>	<u>\$ 2,354,153</u>	<u>\$ 34,663</u>

	<u>Reference</u>	D-2	D-2	D
Cash Disbursed	D-4			\$ 2,317,585
Encumbrances Payable	D-8			<u>36,568</u>
				<u>\$ 2,354,153</u>

TOWNSHIP OF WYCKOFF
COMPARATIVE BALANCE SHEETS - REGULATORY BASIS
GENERAL FIXED ASSETS ACCOUNT GROUP
AS OF DECEMBER 31, 2019 AND 2018

	<u>2019</u>	<u>2018</u>
ASSETS		
Land	\$ 8,962,300	\$ 9,040,300
Land Improvements	1,795,351	1,795,351
Buildings and Building Improvements	2,400,786	2,331,454
Vehicles and Equipment	<u>8,795,358</u>	<u>8,522,404</u>
 Total Assets	 <u>\$ 21,953,795</u>	 <u>\$ 21,689,509</u>
RESERVES		
Investment in General Fixed Assets	<u>\$ 21,953,795</u>	<u>\$ 21,689,509</u>
 Total Reserves	 <u>\$ 21,953,795</u>	 <u>\$ 21,689,509</u>

NOTES TO FINANCIAL STATEMENTS

**TOWNSHIP OF WYCKOFF
NOTES TO FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2019 AND 2018**

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 Committee 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 Committee 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 Committee and is responsible for the implementation of the policies of the Mayor and Committee, 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, 2019 AND 2018

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 Trust 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. 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, 2019 AND 2018**

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, 2018 balances to conform to the December 31, 2019 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, 2019 AND 2018

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 11th day of the eleventh month in the fiscal year when the taxes or lien became in arrears, the collector in the municipality shall, subject to the provisions of the New Jersey Statutes, enforce the lien by placing property on an accelerated tax sale, provided that the sale is conducted and completed no earlier than in the last month of the fiscal year. The 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, 2019 AND 2018**

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.

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

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

Expenditures – Expenditures are recorded on the "budgetary" basis of accounting. Generally, expenditures are recorded when an amount is encumbered for goods or services through the issuance of a purchase order in conjunction with an encumbrance accounting system. Outstanding encumbrances at December 31, are reported as a cash liability in the financial statements. Unexpended or uncommitted appropriations, at December 31, are reported as expenditures through the establishment of appropriation reserves unless cancelled by the governing body. GAAP requires expenditures to be recognized in the accounting period in which the fund liability is incurred, if measurable, except for 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 acquisition value at the date of donation.

**TOWNSHIP OF WYCKOFF
 NOTES TO FINANCIAL STATEMENTS
 YEARS ENDED DECEMBER 31, 2019 AND 2018**

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, 2019 AND 2018**

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 2019 and 2018 the Township Committee increased the original budget by \$46,513 and \$90,452, respectively. The 2019 increase was funded by additional aid allotted to the Township. The 2018 increase was attributable to an emergency authorization of \$50,000 and \$40,452 of additional aid allotted to the Township. In addition, the governing body approved several budget transfers during 2019 and 2018.

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 or NCUSIF.

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, 2019 and 2018, the book value of the Township's deposits were \$17,318,223 and \$14,912,640 and bank and brokerage firm balances of the Township's deposits amounted to \$17,782,142 and \$15,301,082, 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>2019</u>	<u>2018</u>
Insured	<u>\$ 17,782,142</u>	<u>\$ 15,301,082</u>

Custodial Credit Risk – Deposits – Custodial credit risk is the risk that in the event of a bank failure, the government's deposits may not be returned to it. The Township does not have a formal policy for custodial credit risk. As of December 31, 2019 and 2018, none of the Township's bank balances were exposed to custodial credit risk.

**TOWNSHIP OF WYCKOFF
 NOTES TO FINANCIAL STATEMENTS
 YEARS ENDED DECEMBER 31, 2019 AND 2018**

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, any obligation that a federal agency or a federal instrumentality has issued in accordance with an act of Congress, which security has a maturity date not greater than 397 days from the date of purchase, provided that such obligations bear a fixed rate of interest not dependent on any index or other external factor; bonds or other obligations of the Township or bonds or other obligations of the school districts which are a part of the Township or school districts located within the Township, Bonds or other obligations, having a maturity date of not more than 397 days from the date of purchase, issued by New Jersey school district, municipalities, counties, and entities subject to the "Local Authorities Fiscal Control Law, " (C.40A:5A-1 et seq.); Other bonds or obligations having a maturity date not more than 397 days from the date of purchase may be approved by the Division of Investments in the Department of the Treasury for investment by local units; Local Government investment pools, deposits with the State of New Jersey Cash Management Fund established pursuant to section 1 of P.L. 1977, c.281 (C.52:18A-90.4); and agreements for the repurchase of fully collateralized securities, if transacted in accordance with NJSA 40A:5-15.1 (8a-8e). In addition, the 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, 2019 and 2018, the Township had the following investments:

	Fair Value (Unaudited)	
	2019	2018
Investment:		
Length of Service Awards Program (LOSAP)	\$ 3,041,792	\$ 2,514,513

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, 2019 and 2018, \$3,041,792 and \$2,514,513 of the Township’s investments was exposed to custodial credit risk as follows:

	Fair Value (LOSAP) Unaudited	
	2019	2018
Uninsured and Collateralized:		
Collateral held by pledging financial institution's trust department but not in the Township's name	\$ 3,041,792	\$ 2,514,513

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.

**TOWNSHIP OF WYCKOFF
NOTES TO FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2019 AND 2018**

NOTE 3 CASH DEPOSITS AND INVESTMENTS (Continued)

B. Investments (Continued)

Credit Risk – State law limits investments as noted above (N.J.S.A. 40A:5-15.1 and N.J.A.C. 5:30-14.19). The Township does not have an investment policy that would further limit its investment choices. As of December 31, 2019 and 2018, 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.

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

Interest earned in the General Capital Fund, Animal Control Trust 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 RECEIVABLE

Receivables at December 31, 2019 consisted of the following:

	<u>Current</u>	<u>Sewer</u>	<u>Total</u>
<u>2019</u>			
Property Taxes	\$ 463,045		\$ 463,045
Tax Title Liens	14,983		14,983
Sewer Utility Charges	-	\$ 104,923	104,923
	<u>\$ 478,028</u>	<u>\$ 104,923</u>	<u>\$ 582,951</u>

In 2019, the Township collected \$384,756 and \$68,583 from delinquent taxes and utility charges, which represented 97% and 100% of the delinquent tax and sewer charges receivable at December 31, 2018.

Receivables at December 31, 2018 consisted of the following:

	<u>Current</u>	<u>Sewer</u>	<u>Total</u>
<u>2018</u>			
Property Taxes	\$ 378,236		\$ 378,236
Tax Title Liens	19,531		19,531
Sewer Utility Charges	-	\$ 68,583	68,583
	<u>\$ 397,767</u>	<u>\$ 68,583</u>	<u>\$ 466,350</u>

In 2018, the Township collected \$390,773 and \$75,752 from delinquent taxes and utility charges, which represented 97% and 100% of the delinquent tax and sewer charges receivable at December 31, 2017.

**TOWNSHIP OF WYCKOFF
 NOTES TO FINANCIAL STATEMENTS
 YEARS ENDED DECEMBER 31, 2019 AND 2018**

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>2019</u>		<u>2018</u>	
	Due from <u>Other Funds</u>	Due to <u>Other Funds</u>	Due from <u>Other Funds</u>	Due to <u>Other Funds</u>
Current Fund	\$ 4,743		\$ 5,060	\$ 73,479
Trust Funds				
Other Trust Fund			73,479	
Municipal Open Space Trust				412
Animal Control Trust Fund	-	\$ 4,743	-	4,648
	<u> </u>	<u> </u>	<u> </u>	<u> </u>
Total	<u>\$ 4,743</u>	<u>\$ 4,743</u>	<u>\$ 78,539</u>	<u>\$ 78,539</u>

The above balances are the result 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:

	Balance <u>December 31,</u>	Subsequent Year Budget <u>Appropriation</u>	<u>Balance</u>
<u>2019</u>			
None			
<u>2018</u>			
Current Fund			
Emergency Authorization	\$ 50,000	\$ 50,000	\$ -
	<u> </u>	<u> </u>	<u> </u>

TOWNSHIP OF WYCKOFF
NOTES TO FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2019 AND 2018

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>2019</u>	Utilized in Subsequent <u>Year's Budget</u>	Fund Balance December 31, <u>2018</u>	Utilized in Subsequent <u>Year's Budget</u>
Current Fund				
Cash Surplus	\$ 4,956,131	\$ 2,500,000	\$ 4,529,931	\$ 2,200,000
Non-Cash Surplus	<u>13,846</u>	<u>-</u>	<u>66,763</u>	<u>-</u>
	<u>\$ 4,969,977</u>	<u>\$ 2,500,000</u>	<u>\$ 4,596,694</u>	<u>\$ 2,200,000</u>
Sewer Utility Operating Fund				
Cash Surplus	\$ 1,644,491	\$ 908,000	\$ 1,690,524	\$ 200,000
Non-Cash Surplus	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
	<u>\$ 1,644,491</u>	<u>\$ 908,000</u>	<u>\$ 1,690,524</u>	<u>\$ 200,000</u>

**TOWNSHIP OF WYCKOFF
NOTES TO FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2019 AND 2018**

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, 2019 and 2018.

	Balance January 1 <u>2019</u>	<u>Increases</u>	<u>Decreases</u>	Balance, December 31, <u>2019</u>
<u>2019</u>				
Land	\$ 9,040,300	\$ 3,300	\$ 81,300	\$ 8,962,300
Site Improvements	1,795,351			1,795,351
Buildings	2,331,454	69,332		2,400,786
Vehicles and Equipment	<u>8,522,404</u>	<u>482,954</u>	<u>210,000</u>	<u>8,795,358</u>
	<u>\$ 21,689,509</u>	<u>\$ 555,586</u>	<u>\$ 291,300</u>	<u>\$ 21,953,795</u>
	Balance January 1 <u>2018</u>	<u>Increases</u>	<u>Decreases</u>	Balance, December 31, <u>2018</u>
<u>2018</u>				
Land	\$ 9,040,300			\$ 9,040,300
Site Improvements	1,795,351			1,795,351
Buildings	2,331,454			2,331,454
Vehicles and Equipment	<u>7,386,561</u>	<u>\$ 1,135,843</u>	<u>-</u>	<u>8,522,404</u>
	<u>\$ 20,553,666</u>	<u>\$ 1,135,843</u>	<u>\$ -</u>	<u>\$ 21,689,509</u>

**TOWNSHIP OF WYCKOFF
 NOTES TO FINANCIAL STATEMENTS
 YEARS ENDED DECEMBER 31, 2019 AND 2018**

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, 2019 and 2018.

<u>Sewer Utility Fund</u>	Balance January 1, 2019	<u>Increases</u>	<u>Decreases</u>	Balance, December 31, 2019
<u>2019</u>				
Fixed Capital				
Various Improvements	\$ 400,000	\$ -	\$ -	\$ 400,000
	Balance January 1, 2018	<u>Increases</u>	<u>Decreases</u>	Balance, December 31, 2018
<u>2018</u>				
Fixed Capital				
Various Improvements	\$ 150,000	\$ 250,000	\$ -	\$ 400,000

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>2019</u>	<u>2018</u>
Issued		
General		
Notes	\$ 3,498,990	\$ 3,287,800
Net Notes Issued and Authorized But Not Issued	\$ 3,498,990	\$ 3,287,800

**TOWNSHIP OF WYCKOFF
 NOTES TO FINANCIAL STATEMENTS
 YEARS ENDED DECEMBER 31, 2019 AND 2018**

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 .075% and .071% at December 31, 2019 and 2018, respectively.

	<u>Gross Debt</u>	<u>Deductions</u>	<u>Net Debt</u>
<u>2019</u>			
General Debt	\$ 3,498,990		\$ 3,498,990
School Debt	<u>25,814,000</u>	<u>\$ 25,814,000</u>	<u>-</u>
Total	<u>\$ 29,312,990</u>	<u>\$ 25,814,000</u>	<u>\$ 3,498,990</u>
	<u>Gross Debt</u>	<u>Deductions</u>	<u>Net Debt</u>
<u>2018</u>			
General Debt	\$ 3,287,800		\$ 3,287,800
School Debt	<u>27,499,052</u>	<u>\$ 27,499,052</u>	<u>-</u>
Total	<u>\$ 30,786,852</u>	<u>\$ 27,499,052</u>	<u>\$ 3,287,800</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>2019</u>	<u>2018</u>
3-1/2% of Equalized Valuation Basis (Municipal)	\$ 163,532,124	\$ 162,039,828
Net Debt	<u>3,498,990</u>	<u>3,287,800</u>
Remaining Borrowing Power	<u>\$ 160,033,134</u>	<u>\$ 158,752,028</u>

**TOWNSHIP OF WYCKOFF
 NOTES TO FINANCIAL STATEMENTS
 YEARS ENDED DECEMBER 31, 2019 AND 2018**

NOTE 9 MUNICIPAL DEBT (Continued)

A. Short-Term Debt

The Township’s short-term debt activity for the years ended December 31, 2019 and 2018 was as follows:

Bond Anticipation Notes

	Rate (%)	Maturity Date	Balance, January 1, 2019	Additions	Reductions	Balance, December 31, 2019
2019						
<u>Purpose</u>						
<u>General Capital Fund</u>						
Various Capital Improvements	1.65%	7/21/2020	\$ 2,158,900	\$ 1,833,900	2,158,900	\$ 1,833,900
Commuter Lot Repavement/Dump Truck	1.65%	7/21/2020	410,400	200,400	410,400	200,400
Purchase of Fire Pumper	1.65%	7/21/2020		532,440		532,440
Road Resurfacing and Purchase of Sweeper	1.65%	7/21/2020		413,750		413,750
Various Road Improvements	1.65%	7/21/2020	718,500	518,500	718,500	518,500
Total General Capital Fund			<u>\$ 3,287,800</u>	<u>\$ 3,498,990</u>	<u>\$ 3,287,800</u>	<u>\$ 3,498,990</u>

	Rate (%)	Maturity Date	Balance, January 1, 2018	Additions	Reductions	Balance, December 31, 2018
2018						
<u>Purpose</u>						
<u>General Capital Fund</u>						
Purchase of a Fire Pumper Truck			\$ 270,500		\$ 270,500	
Various Capital Improvements	2.13%	7/23/2019	1,258,650	\$ 2,158,900	1,258,650	\$ 2,158,900
Commuter Lot Repavement/Dump Truck	2.13%	7/23/2019	410,400	410,400	410,400	410,400
Various Road Improvements	2.13%	7/23/2019	818,500	718,500	818,500	718,500
Total General Capital Fund			<u>\$ 2,758,050</u>	<u>\$ 3,287,800</u>	<u>\$ 2,758,050</u>	<u>\$ 3,287,800</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.

**TOWNSHIP OF WYCKOFF
 NOTES TO FINANCIAL STATEMENTS
 YEARS ENDED DECEMBER 31, 2019 AND 2018**

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.

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>
<u>2019</u>		
Purchase of Fire Apparatus	\$639,940	2020
<u>2018</u>		
Acquisition of Vehicle	\$44,159	2019

**TOWNSHIP OF WYCKOFF
NOTES TO FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2019 AND 2018**

NOTE 11 OTHER LONG-TERM LIABILITIES

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, 2019 and 2018 were as follows:

	Balance January 1, <u>2019</u>	<u>Additions</u>	<u>Reductions</u>	Balance, December 31, <u>2019</u>	Due Within <u>One Year</u>
<u>2019</u>					
Net Pension Liability - PERS	\$ 9,353,928		\$ 885,844	\$ 8,468,084	
Net Pension Liability - PFRS	11,189,160		930,205	10,258,955	
Net OPEB Liability	<u>16,337,776</u>	<u>-</u>	<u>3,619,234</u>	<u>12,718,542</u>	<u>-</u>
	<u>\$ 36,880,864</u>	<u>\$ -</u>	<u>\$ 5,435,283</u>	<u>\$ 31,445,581</u>	<u>\$ -</u>
	Balance January 1, <u>2018</u>	<u>Additions</u>	<u>Reductions</u>	Balance, December 31, <u>2018</u>	Due Within <u>One Year</u>
<u>2018</u>					
Net Pension Liability - PERS	\$ 10,441,158		\$ 1,087,230	\$ 9,353,928	
Net Pension Liability - PFRS	12,600,392		1,411,232	11,189,160	
Net OPEB Liability	<u>21,210,371</u>	<u>-</u>	<u>4,872,595</u>	<u>16,337,776</u>	<u>-</u>
	<u>\$ 44,251,921</u>	<u>\$ -</u>	<u>\$ 7,371,057</u>	<u>\$ 36,880,864</u>	<u>\$ -</u>

**TOWNSHIP OF WYCKOFF
 NOTES TO FINANCIAL STATEMENTS
 YEARS ENDED DECEMBER 31, 2019 AND 2018**

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. PFRS is a cost-sharing multi-employer defined benefit pension plan with a special funding situation. For additional information about PFRS, please refer to the State Division of Pension and Benefits (Division’s) Comprehensive Annual Financial Report (CAFR) which can be found at www.state.nj.us/treasury/pensions.

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

The following represents the membership tiers for PFRS:

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

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

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

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

The following represents the membership tiers for PERS:

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

**TOWNSHIP OF WYCKOFF
NOTES TO FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2019 AND 2018**

NOTE 12 EMPLOYEE RETIREMENT SYSTEMS (Continued)

Public Employees' Retirement System (PERS) (Continued)

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

The State of New Jersey sponsors and administers the following defined contribution public employee retirement program covering certain state and local government employees which include those 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 and employees enrolled in PERS on or after July 1, 2017 who earn in excess of established annual maximum compensation limits (equivalent to annual maximum wage for Social Security deduction). 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 PERS and new employees who would otherwise be eligible to participate in PERS and do not earn the minimum salary required or do not work the minimum required hours but earn a base salary of at least \$5,000 are eligible for participation in the DCRP. Membership is mandatory for such individuals with vesting occurring after one (1) year of membership. DCRP is a defined contribution pension plan.

Other Pension Funds

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

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

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

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

**TOWNSHIP OF WYCKOFF
NOTES TO FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2019 AND 2018**

NOTE 12 EMPLOYEE RETIREMENT SYSTEMS (Continued)

Measurement Focus and Basis of Accounting

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

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

Investment Valuation

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

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

Collective Net Pension Liability

The collective net pension liability of the participating employers for local PERS at June 30, 2019 and 2018 is \$18.1 billion and \$19.7 billion, respectively, and the plan fiduciary net position as a percentage of the total pension liability is 56.27% and 53.60% respectively. The collective net pension liability of the participating employers for local PFRS at June 30, 2019 and 2018 is \$14.2 billion and \$15.4 billion, respectively and the plan fiduciary net position as a percentage of total pension liability is 65.00% and 62.48%, respectively.

The total pension liabilities were determined based on actuarial valuations as of July 1, 2018 and 2017 which were rolled forward to June 30, 2019 and 2018, respectively.

Actuarial Methods and Assumptions

In the July 1, 2018 and 2017 PERS and PFRS actuarial valuations, the actuarial assumptions and methods used in these valuations were described in the Actuarial Assumptions and Methods section of the Actuary's report and are included here in this note to the financial statements. The pension systems selected economic and demographic assumptions and prescribed them for use for purposes of compliance with GASB Statement No. 68. The Actuary provided guidance with respect to these assumptions, and it is their belief that the assumptions represent reasonable expectations of anticipated plan experience.

**TOWNSHIP OF WYCKOFF
 NOTES TO FINANCIAL STATEMENTS
 YEARS ENDED DECEMBER 31, 2019 AND 2018**

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 for 2019 and 2018 based on 10.0% for PFRS, 7.50% (effective July 1, 2018) and 7.34% (effective July 1, 2017) for PERS and 5.50% for DCRP of employee’s annual compensation.

For PFRS and PERS, which are cost sharing multi-employer defined benefit pension plans, employer’s contributions are based on an actuarially determined amount, which includes the normal cost and unfunded accrued liabilities. In the DCRP, which is a defined contribution plan, member contributions are matched by a 3% employer contribution. All contributions made by the Township for 2019, 2018 and 2017 were equal to the required contribution.

During the years ended December 31, 2019, 2018 and 2017, 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>
2019	\$ 808,405	\$ 472,543	\$ 4,791
2018	722,343	415,519	6,203
2017	673,344	424,245	4,349

In addition for the years ended December 31, 2019, 2018 and 2017 the Township contributed for long-term disability insurance premiums (LTDI) of \$1,074, \$2,256 and \$1,655, respectively for PERS.

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

The regulatory basis of accounting requires participating employers in PERS and PFRS to disclose in accordance with GASB Statement No. 68, *Accounting and Financial Reporting for Pensions*, (GASB No.68) their proportionate share of the collective net pension liability, collective deferred outflows of resources, collective deferred inflows of resources and collective pension expense excluding that attributable to employer-paid member contributions. The employer allocation percentages presented are based on the ratio of the contributions as an individual employer to total contributions to the PERS and PFRS during the fiscal years ended June 30, 2019 and 2018. Employer allocation percentages have been rounded for presentation purposes.

TOWNSHIP OF WYCKOFF
NOTES TO FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2019 AND 2018

NOTE 12 EMPLOYEE RETIREMENT SYSTEMS (Continued)

Public Employees Retirement System (PERS)

At December 31, 2019 and 2018, the Township reported a liability of \$8,468,084 and \$9,353,928, respectively, for its proportionate share of the PERS net pension liability. The net pension liability was measured as of June 30, 2019 and 2018, respectively, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of July 1, 2018 and 2017, 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, 2019, the Township’s proportionate share was .04600 percent, which was a decrease of .00151 percent from its proportionate share measured as of June 30, 2018 of .04751 percent.

For the years ended December 31, 2019 and 2018, the pension system has determined the Township’s pension expense to be \$515,002 and \$663,138, respectively, for PERS based on the actuarial valuations which are more than the actual contributions reported in the Township’s financial statements of \$472,543 and \$415,519, respectively. At December 31, 2019 and 2018, 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:

	2019		2018	
	<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	\$ 151,991	\$ 37,408	\$ 178,381	\$ 48,232
Changes of Assumptions	845,569	2,939,245	1,541,372	2,990,889
Net Difference Between Projected and Actual Earnings on Pension Plan Investments		133,672		87,740
Changes in Proportion and Differences Between Township Contributions and Proportionate Share of Contributions	<u>497,985</u>	<u>355,061</u>	<u>763,149</u>	<u>382,276</u>
Total	<u>\$ 1,495,545</u>	<u>\$ 3,465,386</u>	<u>\$ 2,482,902</u>	<u>\$ 3,509,137</u>

At December 31, 2019 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>
2020	\$ (168,714)
2021	(815,032)
2022	(660,957)
2023	(286,898)
2024	(38,240)
Thereafter	<u>-</u>
	<u>\$ (1,969,841)</u>

**TOWNSHIP OF WYCKOFF
 NOTES TO THE FINANCIAL STATEMENTS
 YEARS ENDED DECEMBER 31, 2019 AND 2018**

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, 2019 was based on the June 30, 2019 measurement date as determined by an actuarial valuation as of July 1, 2018, which was rolled forward to June 30, 2019. The total pension liability reported for the year ended December 31, 2018 was based on the June 30, 2018 measurement date as determined by an actuarial valuation as of July 1, 2017, which was rolled forward to June 30, 2018. This actuarial valuation used the following actuarial assumptions, applied to all periods in the measurement date:

<u>PERS</u>	<u>2019</u>	<u>2018</u>
Inflation Rate:		2.25%
Price	2.75%	
Wage	3.25%	
Salary Increases:		
Through 2026	2.00-6.00%	1.65-4.15%
	Based on Years of Service	Based on Age
Thereafter	3.00%-7.00%	2.65%-5.15%
	Based on Years of Service	Based on Age
Investment Rate of Return	7.00%	7.00%
Mortality Rate Table	Pub-2010	RP-2000

Assumptions for mortality improvements are based on Society of Actuaries Scale MP for 2019 and AA for 2018.

The actuarial assumptions used in the July 1, 2018 and 2017 valuations were based on the results of an actuarial experience study for the period July 1, 2014 to June 30, 2018 and July 1, 2011 to June 30, 2014, respectively.

**TOWNSHIP OF WYCKOFF
NOTES TO THE FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2019 AND 2018**

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, 2019 and 2018, as reported for the years ended December 31, 2019 and 2018, respectively, are summarized in the following table:

<u>Asset Class</u>	<u>2019</u>		<u>2018</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>
Risk Mitigation Strategies	3.00%	4.67%	5.00%	5.51%
Cash Equivalents	5.00%	2.00%	5.50%	1.00%
U.S. Treasuries	5.00%	2.68%	3.00%	1.87%
Investment Grade Credit	10.00%	4.25%	10.00%	3.78%
US Equity	28.00%	8.26%	30.00%	8.19%
Non-US Developed Markets Equity	12.50%	9.00%	11.50%	9.00%
Emerging Markets Equity	6.50%	11.37%	6.50%	11.64%
High Yield	2.00%	5.37%	2.50%	6.82%
Global Diversified Credit	-	-	5.00%	7.10%
Credit Oriented Hedge Funds	-	-	1.00%	6.60%
Debt Related Private Equity	-	-	2.00%	10.63%
Debt Related Real Estate	-	-	1.00%	6.61%
Real Assets	2.50%	9.31%	2.50%	11.83%
Equity Related Real Estate	-	-	6.25%	9.23%
Buyouts/Venture Capital	-	-	8.25%	13.08%
Private Credit	6.00%	7.92%	-	-
Real Estate	7.50%	8.33%	-	-
Private Equity	12.00%	10.85%	-	-

Discount Rate

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

<u>Calendar Year</u>	<u>Measurement Date</u>	<u>Discount Rate</u>
2019	June 30, 2019	6.28%
2018	June 30, 2018	5.66%

**TOWNSHIP OF WYCKOFF
 NOTES TO THE FINANCIAL STATEMENTS
 YEARS ENDED DECEMBER 31, 2019 AND 2018**

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:

	<u>2019</u>	<u>2018</u>
Period of Projected Benefit Payments for which the Following Rates were Applied:		
Long-Term Expected Rate of Return	Through June 30, 2057	Through June 30, 2046
Municipal Bond Rate *	From July 1, 2057 and Thereafter	From July 1, 2046 and Thereafter

* The municipal bond return rate used is 3.50% and 3.87% as of the measurement dates of June 30, 2019 and 2018, 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, 2019 and 2018 calculated using the discount rate of 6.28% and 5.66%, 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 5.28% and 4.66%, respectively or 1-percentage-point higher 7.28% and 6.66%, respectively than the current rate:

<u>2019</u>	<u>1% Decrease (5.28%)</u>	<u>Current Discount Rate (6.28%)</u>	<u>1% Increase (7.28%)</u>
Township's Proportionate Share of the PERS Net Pension Liability	<u>\$ 10,696,566</u>	<u>\$ 8,468,084</u>	<u>\$ 6,590,272</u>
	<u>1% Decrease (4.66%)</u>	<u>Current Discount Rate (5.66%)</u>	<u>1% Increase (6.66%)</u>
<u>2018</u>			
Township's Proportionate Share of the PERS Net Pension Liability	<u>\$ 11,761,487</u>	<u>\$ 9,353,928</u>	<u>\$ 7,334,140</u>

The sensitivity analysis was based on the proportionate share of the Township’s net pension liability at December 31, 2019 and 2018. A sensitivity analysis specific to the Township’s net pension liability was not provided by the pension system.

**TOWNSHIP OF WYCKOFF
NOTES TO FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2019 AND 2018**

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.

Police and Firemen’s Retirement System (PFRS)

At December 31, 2019 and 2018, the Township reported a liability of \$10,258,955 and \$11,189,160 respectively, for its proportionate share of the PFRS net pension liability. The net pension liability was measured as of June 30, 2019 and 2018, respectively, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of July 1, 2018 and 2017, 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, 2019, the Township’s proportionate share was .08383 percent, which was an increase of .00114 percent from its proportionate share measured as of June 30, 2018 of .08269 percent.

For the years ended December 31, 2019 and 2018, the pension system has determined the Township pension expense to be \$850,196 and \$770,990, respectively, for PFRS based on the actuarial valuations which are more than the actual contributions reported in the Township’s financial statements of \$808,405 and \$722,343, respectively. At December 31, 2019 and 2018, 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:

	<u>2019</u>		<u>2018</u>	
	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Difference Between Expected and Actual Experience	\$ 86,599	\$ 64,951	\$ 113,835	\$ 46,303
Changes of Assumptions	351,528	3,315,600	960,439	2,867,589
Net Difference Between Projected and Actual Earnings on Pension Plan Investments		139,006		61,215
Changes in Proportion and Differences Between Township Contributions and Proportionate Share of Contributions	<u>279,588</u>	<u>228,455</u>	<u>274,847</u>	<u>470,687</u>
Total	<u>\$ 717,715</u>	<u>\$ 3,748,012</u>	<u>\$ 1,349,121</u>	<u>\$ 3,445,794</u>

**TOWNSHIP OF WYCKOFF
NOTES TO FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2019 AND 2018**

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, 2019 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 <u>December 31,</u>	<u>Total</u>
2020	\$ (626,069)
2021	(1,117,235)
2022	(749,298)
2023	(341,259)
2024	(196,436)
Thereafter	<u>-</u>
	<u>\$ (3,030,297)</u>

Actuarial Assumptions

The Township’s total pension liability reported for the year ended December 31, 2019 was based on the June 30, 2019 measurement date as determined by an actuarial valuation as of July 1, 2018, which was rolled forward to June 30, 2019. The total pension liability reported for the year ended December 31, 2017 was based on the June 30, 2018 measurement date as determined by an actuarial valuation as of July 1, 2017, which was rolled forward to June 30, 2018. This actuarial valuation used the following actuarial assumptions, applied to all periods in the measurement date:

<u>PFRS</u>	<u>2019</u>	<u>2018</u>
Inflation Rate:		2.25%
Price	2.75%	
Wage	3.25%	
Salary Increases:		
Through	All Future Years 3.25%-15.25% Based on Years of Service	2026 2.10%-8.98% Based on Age
Thereafter	Not Applicable	3.10%-9.98% Based on Age
Investment Rate of Return	7.00%	7.00%
Mortality Rate Table	Pub - 2010	RP-2000

Assumptions for mortality improvements are based on Society of Actuaries Scale MP for 2019 and AA for 2018.

The actuarial assumptions used in the July 1, 2018 and July 1, 2017 valuations were based on the results of an actuarial experience study for the period July 1, 2013 to June 30, 2018 and July 1, 2010 to June 30, 2013, respectively.

**TOWNSHIP OF WYCKOFF
NOTES TO FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2019 AND 2018**

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, 2019 and 2018, as reported for the years ended December 31, 2019 and 2018, respectively, are summarized in the following table:

<u>Asset Class</u>	<u>2019</u>		<u>2018</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>
Risk Mitigation Strategies	3.00%	4.67%	5.00%	5.51%
Cash Equivalents	5.00%	2.00%	5.50%	1.00%
U.S. Treasuries	5.00%	2.68%	3.00%	1.87%
Investment Grade Credit	10.00%	4.25%	10.00%	3.87%
US Equity	28.00%	8.26%	30.00%	8.19%
Non-US Developed Markets Equity	12.50%	9.00%	11.50%	9.00%
Emerging Markets Equity	6.50%	11.37%	6.50%	11.64%
High Yield	2.00%	5.37%	2.50%	6.82%
Global Diversified Credit	-	-	5.00%	7.10%
Credit Oriented Hedge Funds	-	-	1.00%	6.60%
Debt Related Private Equity	-	-	2.00%	10.63%
Debt Related Real Estate	-	-	1.00%	6.61%
Real Assets	2.50%	9.31%	2.50%	11.83%
Equity Related Real Estate	-	-	6.25%	9.23%
Buyouts/Venture Capital	-	-	8.25%	13.08%
Private Credit	6.00%	7.92%	-	-
Real Estate	7.50%	8.33%	-	-
Private Equity	12.00%	10.85%	-	-

Discount Rate

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

<u>Calendar Year</u>	<u>Measurement Date</u>	<u>Discount Rate</u>
2019	June 30, 2019	6.85%
2018	June 30, 2018	6.51%

**TOWNSHIP OF WYCKOFF
NOTES TO FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2019 AND 2018**

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:

	<u>2019</u>	<u>2018</u>
Period of Projected Benefit		
Payments for which the Following		
Rates were Applied:		
Long-Term Expected Rate of Return	Through June 30, 2076	Through June 30, 2062
Municipal Bond Rate *	From July 1, 2076 and Thereafter	From July 1, 2062 and Thereafter

* The municipal bond return rate used is 3.50% and 3.87% as of the measurement dates of June 30, 2019 and 2018, 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, 2019 and 2018 calculated using the discount rate of 6.85% and 6.51%, 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 5.85% and 5.51%, respectively or 1-percentage-point higher 7.85% and 7.51%, respectively than the current rate:

<u>2019</u>	1% Decrease (5.85%)	Current Discount Rate (6.85%)	1% Increase (7.85%)
Township's Proportionate Share of the PFRS Net Pension Liability	\$ <u>13,866,369</u>	\$ <u>10,258,955</u>	\$ <u>7,273,300</u>
	1% Decrease (5.51%)	Current Discount Rate (6.51%)	1% Increase (7.51%)
<u>2018</u>			
Township's Proportionate Share of the PFRS Net Pension Liability	\$ <u>14,975,302</u>	\$ <u>11,189,160</u>	\$ <u>8,066,282</u>

The sensitivity analysis was based on the proportionate share of the Township’s net pension liability at December 31, 2019 and 2018. A sensitivity analysis specific to the Township’s net pension liability was not provided by the pension system.

**TOWNSHIP OF WYCKOFF
NOTES TO FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2019 AND 2018**

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 of the net pension liability, deferred outflows and inflows determined under GASB Statement No. 68 is zero percent and the State's proportionate share is 100% for PFRS under this legislation.

At December 31, 2019 and 2018, the State's proportionate share of the net pension liability attributable to the Township for the PFRS special funding situation is \$1,619,908 and \$1,519,862, respectively. For the years ended December 31, 2019 and 2018, 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 \$188,220 and \$180,025, respectively, which are more than the actual contributions the State made on behalf of the Township of \$109,148 and \$90,013, respectively. At December 31, 2019 (measurement date June 30, 2019) the State's share of the PFRS net pension liability attributable to the Township was .08383 percent, which was an increase of .00114 percent from its proportionate share measured as of December 31, 2018 (measurement date June 30, 2018) of .08269 percent. 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.

**TOWNSHIP OF WYCKOFF
NOTES TO FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2019 AND 2018**

NOTE 13 POST-RETIREMENT MEDICAL BENEFITS

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

Plan Description and Benefits Provided

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

State Health Benefit Program Fund – Local Government Retired (the Plan) (including Prescription Drug Program Fund) – The Plan is a cost-sharing multiple-employer defined benefit other postemployment benefit (OPEB) plan with a special funding situation. It covers employees of local government employers that have adopted a resolution to participate in the Plan. The plan meets the definition of an equivalent arrangement as defined in paragraph 4 of GASB Statement No. 75, *Accounting and Financial Reporting for the Postemployment Benefits Other Than Pensions* (GASB Statement No. 75); therefore, assets are accumulated to pay associated benefits. For additional information about the Plan, please refer to the State of New Jersey (the State), Division of Pensions and Benefits' (the Division) Comprehensive Annual Financial Report (CAFR), which can be found at <https://www.state.nj.us/treasury/pensions/financial-reports.shtml>.

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

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

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

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

**TOWNSHIP OF WYCKOFF
NOTES TO FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2019 AND 2018**

NOTE 13 POST-RETIREMENT MEDICAL BENEFITS (Continued)

Measurement Focus and Basis of Accounting

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

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

Investment Valuation

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

Collective Net OPEB Liability

The collective net OPEB liability of the participating employers and the State, as the non-employer contributing entity, of the Plan at June 30, 2019 and 2018 is \$13.5 billion and \$15.7 billion, respectively, and the plan fiduciary net position as a percentage of the total OPEB liability is 1.98% and 1.97%, respectively.

The total OPEB liabilities were determined based on actuarial valuations as of June 30, 2018 and 2017 which were rolled forward to June 30, 2019 and 2018.

Actuarial Methods and Assumptions

In the June 30, 2018 and 2017 OPEB actuarial valuations, the actuarial assumptions and methods used in these valuations were described in the Actuarial Assumptions and Methods section of the Actuary's report and are included here in this note to the financial statements. The Plan selected economic and demographic assumptions and prescribed them for use for purposes of compliance with GASB Statement No. 75. The Actuary provided guidance with respect to these assumptions, and it is their belief that the assumptions represent reasonable expectations of anticipated plan experience.

Post-Retirement Medical Benefits Contribution

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

The employers participating in the OPEB plan made contributions of \$346.4 million and \$421.2 million and the State of New Jersey, as the non-employer contributing entity, contributed \$43.9 million and \$53.5 million for fiscal years 2019 and 2018, respectively.

The State sets the employer contribution rate based on a pay-as-you-go basis rather than the actuarial determined contribution an amount actuarially determined in accordance with the parameters of GASB Statement No. 75. The actuarial determined contribution represents a level of funding that, if paid on an ongoing basis, is projected to cover normal cost each year and any unfunded actuarial liabilities (or funding excess) of the plan using a systematic and rational method over a closed period equal to the average of the expected remaining service lives of all employees that are provided with OPEB through the Plan. The Township's contributions to the State Health Benefits Program Fund-Local Government Retired Plan for post-retirement benefits for the years ended December 31, 2019, 2018 and 2017 were \$463,787, \$750,383 and \$790,460, 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, 2019, 2018 and 2017 were \$53,658, \$38,324 and \$37,118, respectively.

**TOWNSHIP OF WYCKOFF
NOTES TO FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2019 AND 2018**

NOTE 13 POST-RETIREMENT MEDICAL BENEFITS (Continued)

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

The regulatory basis of accounting requires participating employers in the State Health Benefit Program Fund – Local Government Retired Plan to disclose in accordance with GASB Statement No. 75, Accounting and *Financial Reporting for Postemployment Benefits other than Pension (GASB No. 75)* their proportionate share of the collective net OPEB liability, collective deferred outflows of resources, collective deferred inflows of resources and collective OPEB expense excluding that attributable to retiree-paid member contributions. The employer allocation percentages presented are based on the ratio of the contributions made as an individual employer toward the actuarially determined contribution amount to total contributions to the plan during the fiscal years ended June 30, 2019 and 2018. Employer allocation percentages have been rounded for presentation purposes.

At December 31, 2019 and 2018, the Township reported a liability of \$12,718,542 and \$16,337,776, respectively, for its proportionate share of the net OPEB liability. The net OPEB liability was measured as of June 30, 2019 and 2018, respectively, and the total OPEB liability used to calculate the net OPEB liability was determined by an actuarial valuation as of June 30, 2018 and 2017, respectively. The Township’s proportionate share of the net OPEB liability was based on the ratio of the Township’s proportionate share of the OPEB liability attributable to the Township at June 30, 2019 and 2018 to the total OPEB liability for the State Health Benefit Program Fund – Local Government Retired Plan at June 30, 2019 and 2018, respectively. As of the measurement date of June 30, 2019 the Township’s proportionate share was .09389 percent, which was a decrease of .01039 percent from its proportionate share measured as of June 30, 2018 of .10428 percent.

For the years ended December 31, 2019 and 2018, the Plan has determined the Township’s OPEB (benefit) expense to be \$(668,625) and \$380,309, respectively, based on the actuarial valuations which are less than the actual contributions reported in the Township’s financial statements of \$463,787 and \$750,383, respectively. At December 31, 2019 and 2018, the Township’s deferred outflows of resources and deferred inflows of resources related to the OPEB plan which are not reported on the Township’s financial statements are from the following sources:

	<u>2019</u>		<u>2018</u>	
	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Difference Between Expected and Actual Experience		\$ 3,719,397		\$ 3,317,151
Changes of Assumptions		4,507,168		4,144,291
Net Difference Between Projected and Actual Earnings on OPEB Plan Investments	\$ 10,477		\$ 8,634	
Changes in Proportion and Differences Between Township Contributions and Proportionate Share of Contributions	<u>67,057</u>	<u>3,419,466</u>	<u>77,978</u>	<u>1,609,486</u>
Total	<u>\$ 77,534</u>	<u>\$ 11,646,031</u>	<u>\$ 86,612</u>	<u>\$ 9,070,928</u>

TOWNSHIP OF WYCKOFF
NOTES TO FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2019 AND 2018

NOTE 13 POST-RETIREMENT MEDICAL BENEFITS (Continued)

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

At December 31, 2019 the amounts reported as deferred outflows of resources and deferred inflows of resources related to the OPEB plan will be recognized in OPEB expense as follows:

Year Ending <u>December 31,</u>	<u>Total</u>
2020	\$ (1,801,824)
2021	(1,801,824)
2022	(1,801,826)
2023	(1,803,985)
2024	(1,804,984)
Thereafter	<u>(2,554,054)</u>
	<u>\$ (11,568,497)</u>

**TOWNSHIP OF WYCKOFF
NOTES TO FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2019 AND 2018**

NOTE 13 POST-RETIREMENT MEDICAL BENEFITS (Continued)

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

Actuarial Assumptions

The Township’s total OPEB liability reported for the year ended December 31, 2019 was based on the June 30, 2019 measurement date as determined by an actuarial valuation as of June 30, 2018, which was rolled forward to June 30, 2019. The total OPEB liability reported for the year ended December 31, 2018 was based on the June 30, 2018 measurement date as determined by an actuarial valuation as of June 30, 2017, which was rolled forward to June 30, 2018. This actuarial valuation used the following actuarial assumptions, applied to all periods in the measurement date:

	<u>2019</u>	<u>2018</u>
Inflation Rate	2.50%	2.50%
Salary Increases*		
PERS:		
Initial Fiscal Year Applied Through	2026	2026
Rate	2.00% to 6.00%	1.65% to 8.98%
Rate Thereafter	3.00% to 7.00%	2.65% to 9.98%
PFRS:		
Initial Fiscal Year Applied Through	Rate for All Future Years	2026
Rate	3.25% to 15.25%	1.65% to 8.98%
Rate Thereafter	Not Applicable	2.65% to 9.98%
Mortality		
PERS	Pub-2010 General Classification Headcount-Weighted Healthy Employee Male/Female Mortality Table with fully generational mortality improvement projections from the central year using Scale MP-2019.	RP-2006 Headcount-Weighted Healthy Employee Male/Female Mortality Table with fully generational mortality improvement projections from the central year using Scale MP-2017.
PFRS	Pub-2010 Safety Classification Headcount- Weighted Healthy Employee Male/Female Mortality Table with fully generational mortality improvement projections from the central year using Scale MP-2019.	RP-2006 Headcount-Weighted Healthy Employee Male/Female Mortality Table with fully generational mortality improvement projections from the central year using Scale MP-2017.
Long-Term Rate of Return	2.00%	1.00%

*Salary increases are based on the defined benefit pension plan that the member is enrolled in and for 2019 the members years of service and for 2018 the members age.

For the June 30, 2019 measurement date healthcare cost trend rates for pre-Medicare medical benefits, the trend is initially 5.7% and decreases to a 4.5% long-term trend rate after eight years. For post-65 medical benefits, the actual fully-insured Medicare Advantage trend rates for fiscal year 2020 are reflected. The assumed post-65 medical trend is 4.5% for all future years. For prescription drug benefits, the initial trend rate is 7.5% and decreases to a 4.5% long-term trend rate after eight years.

**TOWNSHIP OF WYCKOFF
 NOTES TO FINANCIAL STATEMENTS
 YEARS ENDED DECEMBER 31, 2019 AND 2018**

NOTE 13 POST-RETIREMENT MEDICAL BENEFITS (Continued)

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

For the June 30, 2018 measurement date healthcare cost trend rates for pre-Medicare preferred provider organization (PPO) and health maintenance organization (HMO) medical benefits, the trend rate is initially 5.8% and decreases to a 5.0% long-term trend rate after eight years. For self-insured post-65 PPO and HMO medical benefits, the trend rate is 4.5%. For prescription drug benefits, the initial trend rate is 8.0% decreasing to a 5.0% long-term trend rate after seven years. The Medicare Advantage trend rate is 4.5% and will continue in all future years.

The actuarial assumptions used in the June 30, 2018 valuation were based on the results of the PFRS and PERS experience studies prepared for July 1, 2013 to June 30, 2018 and July 1, 2014 to June 30, 2018, respectively. The actuarial assumptions used in the June 30, 2017 valuation were based on the results of the PFRS and PERS experience studies prepared for July 1, 2010 to June 30, 2013 and July 1, 2011 to June 30, 2014, respectively.

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

Long-Term Expected Rate of Return

As the OPEB plan only invests in the State of New Jersey Cash Management Fund, the long-term expected rate of return on OPEB investments was based off the best-estimate ranges of future real rates of return (expected returns, net of OPEB plan investment expense and inflation) for cash equivalents, which is 2.00% and 1.00% as of June 30, 2019 and 2018, respectively.

Discount Rate

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

<u>Calendar Year</u>	<u>Measurement Date</u>	<u>Discount Rate</u>
2019	June 30, 2019	3.50%
2018	June 30, 2018	3.87%

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

**TOWNSHIP OF WYCKOFF
NOTES TO FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2019 AND 2018**

NOTE 13 POST-RETIREMENT MEDICAL BENEFITS (Continued)

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

Sensitivity of Net OPEB Liability to Changes in the Discounts Rate

The following presents the Township's proportionate share of the OPEB net liability as of December 31, 2019 and 2018 calculated using the discount rate of 3.50% and 3.87%, respectively, as well as what the Township's proportionate share of the net OPEB liability would be if it were calculated using a discount rate that is 1-percentage-point lower 2.50% and 2.87%, respectively or 1-percentage-point higher 4.50% and 4.87%, respectively than the current rate:

<u>2019</u>	1% Decrease <u>(2.50%)</u>	Current Discount Rate <u>(3.50%)</u>	1% Increase <u>(4.50%)</u>
Township's Proportionate Share of the Net OPEB Liability	\$ <u>14,705,870</u>	\$ <u>12,718,542</u>	\$ <u>11,103,575</u>
<u>2018</u>	1% Decrease <u>(2.87%)</u>	Current Discount Rate <u>(3.87%)</u>	1% Increase <u>(4.87%)</u>
Township's Proportionate Share of the Net OPEB Liability	\$ <u>19,168,531</u>	\$ <u>16,337,776</u>	\$ <u>14,076,644</u>

The sensitivity analysis was based on the proportionate share of the Township's net OPEB liability at December 31, 2019 and 2018. A sensitivity analysis specific to the Township's net OPEB liability was not provided by the Plan.

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

The following presents the Township's proportionate share of the OPEB net liability as of December 31, 2019 and 2018 calculated using the healthcare trend rates as disclosed above as well as what the Township's proportionate share of the net OPEB liability would be if it were calculated using healthcare trend rates that are 1-percentage-point lower or 1-percentage-point higher than the current rate:

<u>2019</u>	1% Decrease	Healthcare Cost Trend Rates	1% Increase
Township's Proportionate Share of the Net OPEB Liability	\$ <u>10,732,882</u>	\$ <u>12,718,542</u>	\$ <u>15,251,586</u>
<u>2018</u>	1% Decrease	Healthcare Cost Trend Rates	1% Increase
Township's Proportionate Share of the Net OPEB Liability	\$ <u>13,628,325</u>	\$ <u>16,337,776</u>	\$ <u>19,844,209</u>

The sensitivity analysis was based on the proportionate share of the Township's net OPEB liability at December 31, 2019 and 2018. A sensitivity analysis specific to the Township's net OPEB liability was not provided by the pension system.

**TOWNSHIP OF WYCKOFF
 NOTES TO FINANCIAL STATEMENTS
 YEARS ENDED DECEMBER 31, 2019 AND 2018**

NOTE 13 POST-RETIREMENT MEDICAL BENEFITS (Continued)

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

OPEB Plan Fiduciary Net Position

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

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</u> <u>December 31</u>	<u>Township</u> <u>Contributions</u>	<u>Employee</u> <u>Contributions</u>	<u>Amount</u> <u>Reimbursed</u>	<u>Ending</u> <u>Balance</u>
2019	\$ 20,100	\$ 6,657	\$ 15,852	\$ 10,166
2018	100	10,209	32,117	(739)
2017	100	7,631	4,891	21,069

**TOWNSHIP OF WYCKOFF
NOTES TO FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2019 AND 2018**

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 - Certain tax appeal cases were pending in the New Jersey Tax Court at December 31, 2019 and 2018. 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, 2019 and 2018, the Township reserved \$304,061 and \$267,433, 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, 2019 and 2018, 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.

**TOWNSHIP OF WYCKOFF
NOTES TO FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2019 AND 2018**

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

The Township of Wyckoff has contributed \$1,150 for 2019 and 2018, respectively, for each eligible Volunteer Fire Department and Volunteer Ambulance Corps member into the Plan. The total Township contributions were \$80,500 and \$87,400 for 2019 and 2018, respectively.

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 INFECTIOUS DISEASE OUTBREAK – COVID-19 PANDEMIC

The World Health Organization has declared a pandemic following the global outbreak of COVID-19, a respiratory disease caused by a new strain of coronavirus, which was first discovered in China and has since spread to other countries, including the United States (and to the Township) (the "COVID-19 Crisis"). On March 13, 2020, President Trump declared a national emergency to unlock federal funds and assistance to help states and local governments fight the pandemic. Governor Phil Murphy of the State of New Jersey, has also instituted mandatory measures via various executive orders to contain the spread of the virus, including closing schools and nonessential businesses and limiting social gatherings. These measures, which alter the behavior of businesses and people, are expected to have negative impacts on regional, state and local economies and significant declines in the financial markets in the United States and volatility attributed to concerns about the duration of the pandemic and its continued economic impact. Recently, the United States Congress has passed relief and stimulus legislation. This legislation is intended to address the financial impact of the pandemic on the U.S. economy and financial markets. It is too early to predict if the legislation will have its intended affect.

**TOWNSHIP OF WYCKOFF
NOTES TO FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2019 AND 2018**

NOTE 17 INFECTIOUS DISEASE OUTBREAK – COVID-19 PANDEMIC (Continued)

In compliance with the Governor’s executive orders, the Township has instituted necessary precautions and procedures, so as to allow the Township to continue to provide services during this time. The Township is functioning administratively, and its departments continue to operate both remotely and on-site, where safe and practicable. The Township will continue to collect property taxes and other municipal revenues. At this time, it is not possible to predict any other financial impacts as a result of this pandemic on the Township’s operations; however, such amounts, if any, could be material.

NOTE 18 SUBSEQUENT EVENTS

Debt Authorized

On May 19, 2020 the Township adopted a bond ordinance authorizing the issuance \$1,072,000 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, 2019		\$ 6,940,064
Increased by Receipts:		
Taxes Receivable	\$ 84,665,845	
Tax Title Liens	6,520	
Non-Budget Revenues	556,288	
State of NJ - Senior Citizens' and Vet. Deductions	93,255	
Revenue Accounts Receivable	4,081,232	
Grants Receivable	8,417	
Prepaid Taxes	552,459	
Unappropriated Grant Reserves	95,628	
Tax Overpayments	187,037	
Reserve for Payroll Account	8,136,544	
Fees Payable	90,451	
Receipts from Municipal Open Space Trust Fund	412	
Receipts from Animal Control Trust Fund	5,460	
Receipts from Other Trust Fund	916	
	<u>98,480,464</u>	
		105,420,528
Decreased by Disbursements:		
2019 Budget Appropriations	16,617,859	
2018 Appropriation Reserves	204,358	
Encumbrances Payable	402,516	
County Taxes Payable	11,452,255	
Local District School Taxes Payable	39,628,704	
Regional School Taxes Payable	20,545,362	
Tax Overpayments	134,517	
Reserve for Payroll Account	8,136,544	
Appropriated Grant Reserves	69,583	
Payments to Municipal Open Space Trust Fund	236,824	
Reserve for Tax Appeals	163,372	
Fees Payable	98,785	
Payments to Animal Control Trust Fund	1,315	
Payments to Other Trust Fund	73,479	
	<u>97,765,473</u>	
Balance, December 31, 2019		<u>\$ 7,655,055</u>

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

	Balance, January 1, <u>2019</u>	Balance, December 31, <u>2019</u>
Tax Collector	\$ <u>500</u>	\$ <u>500</u>

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

Increased by:		
Senior Citizens/Veterans Disallowed Per Tax Collector - 2019	\$ 2,507	
Cash Received	<u>93,255</u>	
		\$ 95,762
Decreased by:		
Senior Citizens /Veterans Deductions Per Tax Billings - 2019	93,000	
Senior Citizens /Veterans Deductions Allowed Per Tax Collector - 2019	<u>500</u>	
		<u>93,500</u>
Balance, December 31, 2019		<u>\$ 2,262</u>

**TOWNSHIP OF WYCKOFF
STATEMENT OF TAXES RECEIVABLE**

Year	Balance, January 1, 2019	2019 Levy	Senior	Collections		Senior	Cancelled	Transferred to Tax Title Liens	Balance, December 31, 2019
			Citizens' and Veterans' Deductions Disallowed	2018	2019	Citizens' and Veterans' Deductions Allowed			
2018	\$ 378,236	-	-	-	\$ 378,236	-	-	-	-
	378,236	-	-	-	378,236	-	-	-	-
2019	-	\$ 85,729,660	\$ 2,507	\$ 577,379	84,287,609	93,500	\$ 308,662	\$ 1,972	\$ 463,045
	\$ 378,236	\$ 85,729,660	\$ 2,507	\$ 577,379	\$ 84,665,845	\$ 93,500	\$ 308,662	\$ 1,972	\$ 463,045

Analysis of 2019 Property Tax Levy

Tax Yield			
General Purpose Tax			\$ 85,349,375
Added Taxes			380,285
			<u>\$ 85,729,660</u>
Tax Levy			
County Taxes	\$ 10,940,990		
County Open Space Taxes	469,749		
Due County for Added and Omitted Taxes	<u>51,105</u>		11,461,844
Municipal Open Space Preservation	235,772		
Due Municipal Open Space for Added and Omitted Taxes	<u>1,052</u>		236,824
Regional High School Tax			20,545,362
Local District School Tax			<u>39,628,704</u>
			71,872,734
Local Tax for Municipal Purposes	11,936,503		
Minimum Library Tax	1,558,953		
Added Taxes (54:4-63.1 et seq.)	328,128		
Additional Tax Levied	<u>33,342</u>		13,856,926
			<u>\$ 85,729,660</u>

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

Balance, January 1, 2019	\$ 19,531
Increased by:	
Transfers from Taxes Receivable	<u>1,972</u>
	21,503
Decreased by:	
Cash Receipts	<u>6,520</u>
Balance, December 31, 2019	<u>\$ 14,983</u>

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

Balance, January 1, 2019	<u>\$ 36,700</u>
Balance, December 31, 2019	<u>\$ 36,700</u>

STATEMENT OF REVENUE ACCOUNTS RECEIVABLE

	Balance, January 1, <u>2019</u>	Accrued in 2019	Collected	Balance, December 31, <u>2019</u>
Township Clerk - Licenses				
Alcoholic Beverages		\$ 17,500	\$ 17,500	
Other		133,212	133,212	
Fees and Permits				
Other		226,484	226,484	
Fines and Costs - Municipal Court	\$ 6,868	73,781	76,095	\$ 4,554
Interest and Costs on Taxes		118,048	118,048	
Interest on Investments		227,139	227,139	
Lease of Township Property		39,484	39,484	
Cable Franchise Fee		275,289	275,289	
Lease of Cell Tower Space #1		335,452	335,452	
Lease of Cell Tower Space #2		182,987	182,987	
Lease of Cell Tower Space #3		30,797	30,797	
Energy Receipts Tax		1,093,271	1,093,271	
Uniform Construction Code Fees		686,131	686,131	
Library Shared Service Agreement- Payroll		12,654	12,654	
Library Shared Service Agreement- Admin.		5,500	5,500	
Recreation Fees		597,194	597,194	
Uniform Fire Safety Act	-	23,995	23,995	-
	<u>\$ 6,868</u>	<u>\$ 4,078,918</u>	<u>\$ 4,081,232</u>	<u>\$ 4,554</u>
		Cash Receipts	<u>\$ 4,081,232</u>	

**TOWNSHIP OF WYCKOFF
STATEMENT OF GRANTS RECEIVABLE**

	Balance, January 1, <u>2019</u>	Revenue <u>Realized</u>	<u>Received</u>	Balance, December 31, <u>2019</u>
Municipal Alliance Program	\$ 11,263			\$ 11,263
Drunk Driving Enforcement Fund		\$ 5,500	\$ 4,331	1,169
Drive Sober Get Pulled Over	<u>5,500</u>	<u>-</u>	<u>4,086</u>	<u>1,414</u>
	<u>\$ 16,763</u>	<u>\$ 5,500</u>	<u>\$ 8,417</u>	<u>\$ 13,846</u>

**TOWNSHIP OF WYCKOFF
STATEMENT OF 2018 APPROPRIATION RESERVES**

	Balance, January 1, 2019	Prior Year Encumbrances Restored	Transfers	Balance After Modification	Paid or Charged	Balance Lapsed
SALARIES AND WAGES						
Administrative and Executive	\$ 747			\$ 747	\$ 747	
Township Clerk	880			880		\$ 880
Financial Administration	6			6		6
Revenue Administration and Tax Collection	1			1		1
Assessment of Taxes	13,632			13,632	684	12,948
Planning Board	47			47	47	
Police	141,100			141,100	16,437	124,663
Life Hazard Use Fees (Uniform Fire Safety)	82			82		82
Recreation	3,876			3,876	3,876	
Road Repairs and Maintenance	1,259		\$ 30,000	31,259	30,418	841
Construction Code Official	608			608	608	
Municipal Court	20,201			20,201		20,201
Affordable Housing	41			41		41
OTHER EXPENSES						
Administrative and Executive	1,185	\$ 110		1,295		1,295
Township Clerk	2,987	7,301		10,288		10,288
Financial Administration	2,204			2,204		2,204
Audit Services	430			430		430
Revenue Administration and Tax Collection	349			349		349
Elections	75			75		75
Assessment of Taxes	38,523		(10,000)	28,523	20,247	8,276
Environmental Commission: NJSA 40:56A-1	50			50		50
Legal Services and Costs	12,518	6,179	105,000	123,697		123,697
Engineering Services	1,037			1,037		1,037
Public Buildings and Grounds	19,331		(10,000)	9,331	3,693	5,638
Shade Tree Commission	6,668			6,668	96	6,572
Planning Board	1,797	678		2,475		2,475
Board of Adjustment	420			420		420
General Liability Insurance	7,588	2,499	(5,000)	5,087		5,087
Workers Compensation Insurance	4			4		4
Employee Health Benefits Insurance	272,644	804	(130,000)	143,448		143,448
Health Benefit Waivers	4,875			4,875		4,875
Police	1,771			1,771	736	1,035
Emergency Management Services	115			115		115
Public Safety Volunteer Fire Department	159	3,988		4,147		4,147
Life Hazard Use Fees (Uniform Fire Safety)	1,467			1,467	256	1,211
Radio Communications Contract	1,192			1,192		1,192
Recreation	45,480	234		45,714		45,714
Park Maintenance	3	5,339		5,342		5,342
Celebration of Public Events	50			50		50
Recycling	3,482		22,500	25,982	25,416	566

**TOWNSHIP OF WYCKOFF
STATEMENT OF 2018 APPROPRIATION RESERVES**

	Balance, January 1, 2019	Prior Year Encumbrances Restored	Transfers	Balance After Modification	Paid or Charged	Balance Lapsed
OTHER EXPENSES (Continued)						
Sanitation/Garbage and Trash Removal	\$ 79,083		\$ (19,600)	\$ 59,483		\$ 59,483
Road Repair and Maintenance	29,032		(17,000)	12,032	\$ 4,883	7,149
Inspector's Vehicle Other Expenses	994			994		994
DPW Vehicle Other Expenses	693		5,000	5,693	5,253	440
Police Vehicle Other Expenses	3			3	3	
Fire Vehicle Other Expenses	586			586	153	433
Health and Human Services	8,190			8,190		8,190
Municipal Court	1,051			1,051		1,051
Condo Services Act	1,575			1,575		1,575
Municipal Prosecutor	1,367			1,367		1,367
Public Defender	216		600	816	800	16
Construction Code Official	595			595	534	61
PEOSHA - Hepatitis B	1,954			1,954	522	1,432
PEOSHA - Respiratory Protection	3,990			3,990	1,641	2,349
Utilities						
Electricity	9,606			9,606	6,276	3,330
Street Lighting	19,696			19,696	14,982	4,714
Telephone	5,279	\$ 986		6,265		6,265
Water	1,355			1,355	713	642
Natural Gas	2,326			2,326	2,326	
Fire Hydrants	965			965	157	808
Gasoline	10,772		3,500	14,272	14,272	
Landfill and Solid Waste Disposal	8,130		25,000	33,130	31,607	1,523
Recycling Tax	5,526			5,526	1,516	4,010
Social Security System (OASI)	8,870			8,870		8,870
Defined Compensation Retirement Plan	777			777		777
Affordable Housing	3,426			3,426	3,000	426
Tax Appeal Interest	50			50		50
LOSAP		31,450		31,450		31,450
Maintenance of Library	12,459			12,459	12,459	-
Interlocal Services Agreements - 911 Services	125	-	-	125	-	125
	<u>\$ 827,575</u>	<u>\$ 59,568</u>	<u>\$ -</u>	<u>\$ 887,143</u>	<u>\$ 204,358</u>	<u>\$ 682,785</u>

**TOWNSHIP OF WYCKOFF
STATEMENT OF ENCUMBRANCES PAYABLE**

Balance, January 1, 2019		\$ 462,084
Increased by:		
Charges to 2019 Appropriations		<u>541,626</u>
		1,003,710
Decreased by:		
Restored to 2018 Appropriation Reserves	\$ 59,568	
Cash Disbursements	<u>402,516</u>	
		<u>462,084</u>
Balance, December 31, 2019		<u><u>\$ 541,626</u></u>

STATEMENT OF PREPAID TAXES

Balance, January 1, 2019		\$ 577,379
Increased by:		
Collection of 2020 Taxes		<u>552,459</u>
		1,129,838
Decreased by:		
Application to 2019 Taxes Receivable		<u>577,379</u>
Balance, December 31, 2019		<u><u>\$ 552,459</u></u>

STATEMENT OF COUNTY TAXES PAYABLE

Balance, January 1, 2019		\$ 41,516
Increased by:		
2019 Tax Levy	\$ 10,940,990	
2019 Open Space Preservation	469,749	
2019 Added and Omitted Taxes	<u>51,105</u>	
		<u>\$ 11,461,844</u>
		11,503,360
Decreased by:		
Cash Disbursed		<u>11,452,255</u>
Balance, December 31, 2019		<u><u>\$ 51,105</u></u>

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

Increased by:	
Levy - Calendar Year 2019	<u>\$ 39,628,704</u>
Decreased by:	
Cash Disbursed	<u>\$ 39,628,704</u>

EXHIBIT A-17

STATEMENT OF REGIONAL HIGH SCHOOL DISTRICT SCHOOL TAXES PAYABLE

Increased by:	
Levy - Calendar Year 2019	<u>\$ 20,545,362</u>
Decreased by:	
Cash Disbursed	<u>\$ 20,545,362</u>

EXHIBIT A-18

STATEMENT OF TAX OVERPAYMENTS

Balance, January 1, 2019	\$ 104,311
Increased by:	
Cash Receipts	<u>187,037</u>
	291,348
Decreased by:	
Cash Disbursements	<u>134,517</u>
Balance, December 31, 2019	<u>\$ 156,831</u>

EXHIBIT A-19

STATEMENT OF RESERVE FOR TAX APPEALS

Balance, January 1, 2019	\$ 267,433
Increased by:	
Transferred from 2019 Taxes Collected	<u>200,000</u>
	467,433
Decreased by:	
Cash Disbursements	<u>163,372</u>
Balance, December 31, 2019	<u>\$ 304,061</u>

TOWNSHIP OF WYCKOFF
STATEMENT OF APPROPRIATED GRANT RESERVES

	Balance, January 1, <u>2019</u>	Budget <u>Appropriation</u>	<u>Expenditures</u>	Balance, December 31, <u>2019</u>
Clean Communities Grant	\$ 22,565	\$ 39,013	\$ 32,239	\$ 29,339
Municipal Alliance Against Alcohol and Drug Abuse				
Grant	11,263			11,263
Municipal Share	2,614			2,614
Drunk Driving Enforcement Fund	3,671	1,511	1,709	3,473
Recycling Tonnage		24,880	24,880	-
Drive Sober Get Pulled Over	5,500		4,085	1,415
Distracted Driver Crackdown	-	5,500	4,331	1,169
Sustainable NJ		2,000	1,439	561
Alcohol Education and Rehabilitation Program	<u>812</u>	<u>586</u>	<u>900</u>	<u>498</u>
	<u>\$ 46,425</u>	<u>\$ 73,490</u>	<u>\$ 69,583</u>	<u>\$ 50,332</u>

EXHIBIT A-21

STATEMENT OF UNAPPROPRIATED GRANT RESERVES

	Balance, January 1, <u>2019</u>	Cash <u>Receipts</u>	Grant <u>Award</u>	Realized as 2019 Anticipated <u>Revenue</u>	Balance, December 31, <u>2019</u>
Recycling Tonnage		\$ 52,206		\$ 24,880	\$ 27,326
Alcohol Education and Rehabilitation Program	\$ 586			586	
Clean Communities		39,013		39,013	
Sustainable NJ		2,000		2,000	
Distracted Driver Crackdown			\$ 5,500	5,500	
Drunk Driving Enforcement Fund	<u>1,511</u>	<u>2,409</u>	<u>-</u>	<u>1,511</u>	<u>2,409</u>
	<u>\$ 2,097</u>	<u>\$ 95,628</u>	<u>\$ 5,500</u>	<u>\$ 73,490</u>	<u>\$ 29,735</u>

EXHIBIT A-22

STATEMENT OF DUE FROM MUNICIPAL OPEN SPACE TRUST FUND

Balance, January 1, 2019	\$ 412
Increased by:	
Cash Disbursements	<u>236,824</u>
	237,236
Decreased by:	
2019 Tax Levy	\$ 235,772
2019 Added Taxes	1,052
Cash Receipts	<u>412</u>
	<u>\$ 237,236</u>

**TOWNSHIP OF WYCKOFF
STATEMENT OF FEES PAYABLE**

	Balance, January 1, <u>2019</u>	Cash <u>Receipts</u>	Cash <u>Disbursements</u>	Balance, December 31, <u>2019</u>
Uniform Construction Code-DCA	\$ <u>8,334</u>	\$ <u>90,451</u>	\$ <u>98,785</u>	\$ <u>-</u>

STATEMENT OF RESERVE FOR PAYROLL

Increased by:	
Cash Receipts	\$ <u>8,136,544</u>
Decreased by:	
Cash Disbursements	<u>8,136,544</u>

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

<u>Purpose</u>	Balance January 1, <u>2019</u>	Amount Raised in <u>2019 Budget</u>
Buildings & Grounds - Other Expenses	\$ 50,000	\$ 50,000
	<u>\$ 50,000</u>	<u>\$ 50,000</u>

TRUST FUND

TOWNSHIP OF WYCKOFF
STATEMENT OF TRUST CASH - TREASURER

	Animal Control Trust <u>Fund</u>	Other <u>Trust Fund</u>	Municipal Open Space <u>Trust Fund</u>
Balance, January 1, 2019	\$ 40,208	\$ 2,971,418	\$ 1,105,923
Increased by Receipts:			
State of New Jersey Dog License Fees Collected	\$ 2,142		
Interest on Deposits	812	\$ 916	\$ 10,159
Receipts from Current Fund	1,315	73,479	236,824
Payroll and Payroll Deductions		4,437,785	
Miscellaneous Reserves		1,775,002	
Dog License Fees	<u>17,020</u>	<u>-</u>	<u>-</u>
	<u>21,289</u>	<u>6,287,182</u>	<u>246,983</u>
	61,497	9,258,600	1,352,906
Decreased by Disbursements:			
Expenditures Under R.S. 4:19-15.11	13,733		
Due to State of New Jersey	2,143	32,163	
Payments to Current Fund	5,460	916	412
Municipal Open Space Expenditures			426,039
Payroll and Payroll Deductions		4,372,054	
Miscellaneous Reserves	<u>-</u>	<u>1,028,940</u>	<u>-</u>
	<u>21,336</u>	<u>5,434,073</u>	<u>426,451</u>
Balance, December 31, 2019	<u>\$ 40,161</u>	<u>\$ 3,824,527</u>	<u>\$ 926,455</u>

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

Balance, January 1, 2019		\$	34,995
Increased by:			
Dog License Fees			
Municipal Share	\$		15,043
Late Fees & Miscellaneous			1,942
Lost Tags			<u>35</u>
			<u>17,020</u>
			52,015
Decreased by:			
Expenditures Under R.S. 4:19-15-11		13,733	
Statutory Excess - Due to Current Fund		<u>3,428</u>	
			<u>17,161</u>
Balance, December 31, 2019		\$	<u><u>34,854</u></u>

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

Balance, January 1, 2019		\$ 565
Increased by:		
Dog License Fees Collected		2,142
		2,707
Decreased by:		
Payments Made to State of New Jersey		2,143
Balance, December 31, 2019		\$ 564

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

Balance, January 1, 2019		\$ 4,648
Increased by:		
Interest on Deposits	\$ 812	
Cash Receipts	1,315	
Statutory Excess	3,428	
		5,555
		10,203
Decreased by:		
Cash Disbursements		5,460
Balance, December 31, 2019		\$ 4,743

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

	Balance, January 1, <u>2019</u>	<u>Increases</u>	<u>Decreases</u>	Balance December 31, <u>2019</u>
Special Deposits	\$ 229,082	\$ 264,012	\$ 42,414	\$ 450,680
Storm Recovery	434,006			434,006
Developer's Escrow	149,559	184,838	46,419	287,978
Performance Bonds	353,859	80,110	51,188	382,781
Gardens of Wyckoff Bequest	100,462	202		100,664
Unemployment	(739)	26,757	26,942	(924)
Developer Fees - Housing Trust	606,605	366,419	8,132	964,892
Community Development	942	11		953
Flexible Spending	1,022	715	231	1,506
Escrow Deposits Payable	<u>934,312</u>	<u>851,938</u>	<u>880,556</u>	<u>905,694</u>
	<u>\$ 2,809,110</u>	<u>\$ 1,775,002</u>	<u>\$ 1,055,882</u>	<u>\$ 3,528,230</u>
		Cash Receipts <u>\$ 1,775,002</u>		
		Cash Disbursements \$ 1,028,940		
		Due to State of New Jersey-Unemployment <u>26,942</u>		
			<u>\$ 1,055,882</u>	

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

Balance, January 1, 2019		\$ 73,479
Increased by:		
Cash Disbursements		<u>916</u>
		74,395
Decreased by:		
Cash Receipts	\$ 73,479	
Interest Earned	<u>916</u>	
		<u>\$ 74,395</u>

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

Balance, January 1, 2019	\$ 16,311
Increased by:	
Unemployment Claims	<u>26,942</u>
	43,253
Decreased By:	
Cash Disbursements	<u>32,163</u>
Balance, December 31, 2019	<u>\$ 11,090</u>

EXHIBIT B-10

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

Balance, January 1, 2019	\$ 1,105,511
Increased by:	
Interest on Deposits	\$ 10,159
2019 Municipal Open Space Tax Levy	235,772
2019 Added Municipal Open Space Tax Levy	<u>1,052</u>
	<u>246,983</u>
	1,352,494
Decreased by:	
Cash Disbursements	<u>426,039</u>
Balance, December 31, 2019	<u>\$ 926,455</u>

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

Balance, January 1, 2019		\$	412
Increased by:			
Cash Receipts			<u>236,824</u>
			<u>237,236</u>
Decreased by:			
2019 Municipal Open Space Tax Levy	\$	235,772	
2019 Added Municipal Open Space Tax Levy		1,052	
Cash Disbursements		<u>412</u>	
			<u>\$ 237,236</u>

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

Balance, January 1, 2019		\$	219,476
Increased by:			
Cash Receipts			<u>4,437,785</u>
			4,657,261
Decreased by:			
Cash Disbursements			<u>4,372,054</u>
			<u>\$ 285,207</u>
Balance, December 31, 2019			<u>\$ 285,207</u>

GENERAL CAPITAL FUND

**TOWNSHIP OF WYCKOFF
STATEMENT OF GENERAL CAPITAL CASH**

Balance, January 1, 2019		\$ 855,824
Increased by Receipts:		
Open Space Trust Fund	\$ 300,000	
Grants Receivable	120,725	
Bond Anticipation Note Proceeds	946,190	
Refund of Prior Year Expenditures	1,150	
Current Fund Budget Appropriations:		
Capital Improvement Fund	<u>689,150</u>	
		<u>2,057,215</u>
		2,913,039
Decreased by Disbursements:		
Improvement Authorizations	1,041,907	
Encumbrances Payable	<u>292,759</u>	
		<u>1,334,666</u>
Balance, December 31, 2019		<u>\$ 1,578,373</u>

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

	Balance, December 31, <u>2019</u>
Fund Balance	\$ 16,840
Capital Improvement Fund	68,743
Contracts Payable	772,944
Grants Receivable	(1,181,397)

Ord.
No.

Improvement Authorizations

1619/1646/1688/1738/1773/1829/1853	Field Enhancement	164,004
1739	Town Hall Roof Replacement	48,250
1773	Various Capital Improvements	1,334
1799	Various Capital Improvements	40,835
1826	Various Capital Improvements	41,196
1851	Reconstruction of Lafayette Avenue	24,592
1852	Various Capital Improvements	55,948
1863	Improvements to Russell Farms Community Park	48,000
1877	Various Capital Improvements	48,310
1878	Major Vehicle Repairs	11,774
1881	Greenwood Ave Rehab	217,000
1882	Acquisition of Maple Lake	<u>1,200,000</u>
		<u>\$ 1,578,373</u>

**TOWNSHIP OF WYCKOFF
STATEMENT OF GRANTS RECEIVABLE**

Balance, January 1, 2019		\$ 187,747
Increased by:		
Grant Awards		<u>1,117,000</u>
		1,304,747
Decreased by:		
Cash Receipts	\$ 120,725	
Cancellations	<u>2,625</u>	
		<u>123,350</u>
Balance, December 31, 2019		<u>\$ 1,181,397</u>
Bergen County Open Space Trust Fund - Ordinance #1863 - Russell Farms Community Park		\$ 48,000
Bergen County Open Space Trust Fund - Ordinance #1882 - Acquisition of Maple Lake		900,000
Department of Transportation - Ordinance #1881 - Greenwood Avenue Improvements		217,000
Department of Transportation - Ordinance #1851 - Reconstruction of Lafayette Avenue		<u>16,397</u>
		<u>\$ 1,181,397</u>

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

Ord. No.	Improvement Description	Balance, January 1, 2019	2019 Authori- zations	Bond Anticipation Notes Paid by 2019 Budget Appropriation	Balance, December 31, 2019	Analysis of Balance, December 31, 2019		Unexpended Improvement Authorization
						Bond Anticipation Notes	Expended	
1740	Various Capital Improvements	\$ 893,900		\$ 325,000	\$ 568,900	\$ 568,900		
1774	Various Road Improvements	718,500		200,000	518,500	518,500		
1830	Commuter Lot Repavement/Dump Truck	410,400		210,000	200,400	200,400		
1855	Various Capital Improvements and Purchase of Dump Truck	1,265,000			1,265,000	1,265,000		
1871	Purchase of Fire Pumper		\$ 532,440		532,440	532,440		
1880	Road Resurfacing and Purchase of Sweeper	-	413,750	-	413,750	413,750	-	-
		<u>\$ 3,287,800</u>	<u>\$ 946,190</u>	<u>\$ 735,000</u>	<u>\$ 3,498,990</u>	<u>\$ 3,498,990</u>	<u>\$ -</u>	<u>\$ -</u>

TOWNSHIP OF WYCKOFF
STATEMENT OF IMPROVEMENT AUTHORIZATIONS

Ord. No.	Improvement Description	2019 Authorizations											Balance, December 31, 2019		
		Balance, January 1, 2019		Capital Improvement Fund	Deferred Charges to Future Taxation		Open Space Trust Fund	Grants Receivable	Re-Appropriation	Authorizations Cancelled	Cancelled Encumbrances	Refund of Prior Year Expenditures	Expended	Funded	Unfunded
		Funded	Unfunded		Unfunded	Unfunded									
1619/1646/1688/1738/1773/1829/1853	Field Enhancement	\$ 164,004											\$ 164,004		
1735	Various Capital Improvements	84,229										\$ 84,229			
1737/1828	Purchase Fire Pumper	75,000					\$ (75,000)								
1739	Town Hall Roof Replacement	48,250											48,250		
1773	Various Capital Improvements	23,337										22,003	1,334		
1799	Various Capital Improvements	68,234										27,399	40,835		
1826	Various Capital Improvements	26,207								\$ 14,989			41,196		
1834	Memorial Field Improvements	1,475						\$ 2,625		\$ 1,150					
1836	Utility Truck with Plow	15,213						15,213							
1851	Reconstruction of Lafayette Avenue	24,592											24,592		
1852	Various Capital Improvements	80,468										24,520	55,948		
1855	Various Capital Improvements and Purchase of Dump Truck	\$ 8,944										8,944			
1863	Improvements to Russell Farms Community Park	48,000											48,000		
1871	Purchase of Fire Pumper			\$ 32,500	\$ 532,440		75,000					639,940			
1877	Various Capital Improvements			307,150								258,840	48,310		
1878	Major Vehicle Repairs			35,000								23,226	11,774		
1880	Road Resurfacing and Purchase of Sweeper			312,000	413,750							725,750			
1881	Greenwood Ave Rehab						\$ 217,000						217,000		
1882	Acquisition of Maple Lake	-	-	-	-	\$ 300,000	900,000	-	-	-	-	-	1,200,000	-	
		<u>\$ 659,009</u>	<u>\$ 8,944</u>	<u>\$ 686,650</u>	<u>\$ 946,190</u>	<u>\$ 300,000</u>	<u>\$ 1,117,000</u>	<u>\$ -</u>	<u>\$ 17,838</u>	<u>\$ 14,989</u>	<u>\$ 1,150</u>	<u>\$ 1,814,851</u>	<u>\$ 1,901,243</u>	<u>\$ -</u>	
							Grants Receivable Fund Balance	\$ 2,625	15,213			\$ 772,944	Encumbrances Payable		
												1,041,907	Cash Disbursements		
								<u>\$ 17,838</u>				<u>\$ 1,814,851</u>			

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

Balance, January 1, 2019	\$ 66,243
Increased by:	
2019 Budget Appropriation	<u>689,150</u>
	755,393
Decreased by:	
Appropriations to Finance Improvement Authorizations	<u>686,650</u>
Balance, December 31, 2019	<u><u>\$ 68,743</u></u>

EXHIBIT C-8

STATEMENT OF CONTRACTS PAYABLE

Balance, January 1, 2019	\$ 307,748
Increased by:	
Charges to Improvement Authorizations	<u>772,944</u>
	1,080,692
Decreased by:	
Cash Disbursements	\$ 292,759
Cancellations	<u>14,989</u>
	<u>307,748</u>
Balance, December 31, 2019	<u><u>\$ 772,944</u></u>

EXHIBIT C-9

STATEMENT OF DUE FROM OPEN SPACE TRUST FUND

Increased by:	
Cash Receipts	<u>\$ 300,000</u>
Decreased by:	
Appropriated to Finance Improvement Authorization	<u>\$ 300,000</u>

**TOWNSHIP OF WYCKOFF
STATEMENT OF BOND ANTICIPATION NOTES**

<u>Ordinance #</u>	<u>Improvement Description</u>	<u>Original Amount of Issue</u>	<u>Original Date of Issue</u>	<u>Date of Issue</u>	<u>Date of Maturity</u>	<u>Interest Rate</u>	<u>Balance January 1, 2019</u>	<u>Increase</u>	<u>Decrease</u>	<u>Balance December 31, 2019</u>
1740	Various Capital Improvements	1,437,970	7/29/2014	7/24/2018 7/22/2019	7/23/2019 7/21/2020	2.13% 1.65%	\$ 893,900	\$ 568,900	\$ 893,900	\$ 568,900
1774	Various Road Improvements	950,000	7/27/2015	7/24/2018 7/22/2019	7/23/2019 7/21/2020	2.13% 1.65%	718,500	518,500	718,500	518,500
1830	Commuter Lot Repavement/Dump Truck	410,400	7/25/2017	7/24/2018 7/22/2019	7/23/2019 7/21/2020	2.13% 1.65%	410,400	200,400	410,400	200,400
1855	Various Capital Improvements and Purchase of Dump Truck	1,265,000	7/24/2018	7/24/2018 7/22/2019	7/23/2019 7/21/2020	2.13% 1.65%	1,265,000	1,265,000	1,265,000	1,265,000
1871	Purchase of Fire Pumper	532,400	7/22/2019	7/22/2019	7/21/2020	1.65%		532,440		532,440
1880	Road Resurfacing and Purchase of Sweeper	413,750	7/22/2019	7/22/2019	7/21/2020	1.65%	-	413,750	-	413,750
							<u>\$ 3,287,800</u>	<u>\$ 3,498,990</u>	<u>\$ 3,287,800</u>	<u>\$ 3,498,990</u>
									\$ 735,000	
								\$ 946,190		
								<u>2,552,800</u>	<u>2,552,800</u>	
								<u>\$ 3,498,990</u>	<u>\$ 3,287,800</u>	

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

<u>Ord.</u> <u>No.</u>	<u>Improvement Description</u>	<u>2019</u> <u>Authorizations</u>	<u>Bond</u> <u>Anticipation</u> <u>Notes</u> <u>Issued</u>
1871	Purchase of Fire Pumper	\$ 532,440	\$ 532,440
1880	Road Resurfacing and Purchase of Sweeper	<u>413,750</u>	<u>413,750</u>
		<u>\$ 946,190</u>	<u>\$ 946,190</u>

SEWER UTILITY FUND

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

	<u>Operating</u>	<u>Capital</u>
Balance, January 1, 2019	\$ 1,721,796	\$ 1,276,907
Increased by Receipts:		
Overpayments	\$ 5,265	
Consumer Rents Accounts Receivable (Net of Refunds)	2,245,886	
Capital Improvement Fund		\$ 350,000
Interest and Costs on Sewer Charges	10,483	
Miscellaneous Revenues Not Anticipated	<u>60,107</u>	<u>-</u>
	<u>2,321,741</u>	<u>350,000</u>
	4,043,537	1,626,907
Decreased by Disbursements:		
2019 Budget Appropriations	2,317,585	
2018 Appropriation Reserves	4,965	
Contracts Payable		40,000
Improvement Authorizations	<u>-</u>	<u>14,742</u>
	<u>2,322,550</u>	<u>54,742</u>
Balance, December 31, 2019	<u>\$ 1,720,987</u>	<u>\$ 1,572,165</u>

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

	December 31, <u>2019</u>
Capital Improvement Fund	\$ 1,005,916
Contracts Payable	4,349
Ordinance	
1849 Various Sewer Improvements	261,900
1873 Various Sewer Improvements	<u>300,000</u>
	<u>\$ 1,572,165</u>

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

Balance, January 1, 2019		\$ 68,583
Increased by:		
Sewer Rents Levied		<u>2,288,714</u>
		2,357,297
Decreased by:		
Sewer Overpayments Applied	\$ 5,072	
Prepaid Sewer Rents Applied	1,416	
Collections	<u>2,245,886</u>	
		<u>2,252,374</u>
Balance, December 31, 2019		<u>\$ 104,923</u>

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

	Balance, January 1, <u>2019</u>	Balance After Transfer and <u>Encumbrances</u>	Paid or <u>Charged</u>	Balance <u>Lapsed</u>
OPERATING				
Salaries and Wages	\$ 1,761	\$ 1,761		\$ 1,761
Other Expenses	<u>20,429</u>	<u>23,023</u>	<u>\$ 4,965</u>	<u>18,058</u>
	<u>\$ 22,190</u>	<u>\$ 24,784</u>	<u>\$ 4,965</u>	<u>\$ 19,819</u>
		Cash Disbursements	<u>\$ 4,965</u>	
Appropriation Reserves	\$ 22,190			
Encumbrance Payable Restored	<u>2,594</u>			
		<u>\$ 24,784</u>		

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

Balance, January 1, 2019	\$	2,594
Increased by:		
Charges to 2019 Budget Appropriations		36,568
		39,162
Decreased by:		
Restored to 2018 Appropriation Reserves		2,594
Balance, December 31, 2019	\$	36,568

**SEWER UTILITY OPERATING FUND
STATEMENT OF OVERPAYMENTS**

Balance, January 1, 2019	\$	5,072
Increased by:		
Cash Receipts		5,265
		10,337
Decreased by:		
Applied to Sewer Billings		5,072
Balance, December 31, 2019	\$	5,265

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

<u>Ordinance Number</u>	<u>Improvement Description</u>	<u>Balance, January 1, 2019</u>		<u>2019 Authorizations</u>	<u>Expended</u>	<u>Balance, December 31, 2019</u>	
		<u>Funded</u>	<u>Unfunded</u>			<u>Funded</u>	<u>Unfunded</u>
1849	Various Sewer Improvements	\$ 280,991			\$ 19,091	\$ 261,900	
1873	Various Sewer Improvements	<u>-</u>	<u>-</u>	<u>\$ 300,000</u>	<u>-</u>	<u>300,000</u>	<u>-</u>
		<u>\$ 280,991</u>	<u>\$ -</u>	<u>\$ 300,000</u>	<u>\$ 19,091</u>	<u>\$ 561,900</u>	<u>\$ -</u>
				<u>Capital Improvement Fund \$ 300,000</u>			
					Contracts Payable \$ 4,349		
					Cash Disbursements <u>14,742</u>		
					<u>\$ 19,091</u>		

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

Balance, January 1, 2019	\$ 955,916
Increased by:	
2019 Budget Appropriation	<u>350,000</u>
	1,305,916
Decreased by:	
Appropriated to Finance Improvement Authorization	<u>300,000</u>
Balance, December 31, 2019	<u>\$ 1,005,916</u>

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

Balance, January 1, 2019	<u>\$ 1,416</u>
Decreased by:	
Applied to Consumer Accounts Receivable	<u>\$ 1,416</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>	Balance January 1, <u>2019</u>	Balance December 31, <u>2019</u>
1561	Various Sewer Improvements	6/19/2007	\$ 150,000	\$ 150,000	\$ 150,000
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>\$ 400,000</u>	<u>\$ 400,000</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>	Balance, January 1, <u>2019</u>	Balance, December 31, <u>2019</u>
1561	Various Sewer Improvements	6/19/2007	\$ 150,000	\$ 150,000	\$ 150,000
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>\$ 400,000</u>	<u>\$ 400,000</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, 2019</u>	<u>Deferred Reserve for Authorization</u>	<u>Balance December 31, 2019</u>
1849	Various Sewer Improvements	6/5/2018	\$ 300,000	\$ 300,000		\$ 300,000
1873	Various Sewer Improvements	3/5/2019	300,000	-	\$ 300,000	300,000
				<u>\$ 300,000</u>	<u>\$ 300,000</u>	<u>\$ 600,000</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, 2019</u>	<u>Fixed Capital Authorized and Uncompleted</u>	<u>Balance, December 31, 2019</u>
1849	Various Sewer Improvements	6/5/2018	\$ 300,000	\$ 300,000		\$ 300,000
1873	Various Sewer Improvements	3/5/2019	300,000	-	\$ 300,000	300,000
				<u>\$ 300,000</u>	<u>\$ 300,000</u>	<u>\$ 600,000</u>

**TOWNSHIP OF WYCKOFF
SEWER UTILITY CAPITAL FUND
STATEMENT OF CONTRACTS PAYABLE**

Balance, January 1, 2019	\$ 40,000
Increased by:	
Contracts Payable	<u>4,349</u>
	44,349
Decreased by:	
Cash Disbursements	<u>40,000</u>
Balance, December 31, 2019	<u>\$ 4,349</u>

TOWNSHIP OF WYCKOFF
PART II
GOVERNMENT AUDITING STANDARDS

LVH LERCH, VINCI & HIGGINS, LLP

CERTIFIED PUBLIC ACCOUNTANTS
REGISTERED MUNICIPAL ACCOUNTANTS

DIETER P. LERCH, CPA, RMA, PSA
GARY J. VINCI, CPA, RMA, PSA
GARY W. HIGGINS, CPA, RMA, PSA
JEFFREY C. BLISS, CPA, RMA, PSA
PAUL J. LERCH, CPA, RMA, PSA
DONNA L. JAPHET, CPA, PSA
JULIUS B. CONSONI, CPA, PSA
ANDREW D. PARENTE, CPA, RMA, PSA

ELIZABETH A. SHICK, CPA, RMA, PSA
ROBERT W. HAAG, CPA, PSA
DEBORAH K. LERCH, CPA, PSA
RALPH M. PICONE, CPA, RMA, PSA
DEBRA GOLLE, CPA
MARK SACO, CPA
SHERYL M. LEIDIG, CPA, PSA
ROBERT LERCH, CPA
CHRIS SOHN, CPA

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 Committee
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, 2019, and the related notes to the financial statements, and have issued our report thereon dated June 30, 2020. 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 30, 2020

**TOWNSHIP OF WYCKOFF
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR YEAR ENDED DECEMBER 31, 2019**

	<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, 2019</u>	<u>2019 Revenue Realized</u>	<u>Expenditures</u>	<u>Balance, December 31, 2019</u>	<u>(Memo) Cumulative Expenditures</u>
U.S. Dept. of Transportation (Passed through NJ Dept of Transportation)										
	2016	066-1160-100-057	20.601	\$ 3,137		\$ 2,161		\$ 1,709	\$ 452	\$ 2,685
	2017	066-1160-100-057	20.601	1,510		1,510			1,510	
	2018	066-1160-100-057	20.601	1,511			\$ 1,511		1,511	
U.S. Dept of Homeland Security (Passed through NJ Depart of Law and Public Safety)										
	2018	066-1160-100-157	20.616	5,500	\$ 4,086	5,500		4,085	1,415	4,085
	2019	066-1160-100-158	20.616	5,500	4,331		5,500	4,331	1,169	4,331
	2019	066-1200-100-C27	97.036	336,674	336,674	-	336,674	336,674	-	336,674
						<u>\$ 9,171</u>	<u>\$ 343,685</u>	<u>\$ 346,799</u>	<u>\$ 6,057</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, 2019**

<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, 2019</u>	<u>2019 Revenue</u>	<u>Expended</u>	<u>Adjustments/ (Cancelled)</u>	<u>Balance, December 31, 2019</u>	<u>(Memo) Cumulative Expenditures</u>
Clean Communities Program	4900-752-178810-60	2018	\$ 34,952		\$ 22,565		\$ 22,565			\$ 34,952
		2019	39,013	\$ 39,013		\$ 39,013	9,674		\$ 29,339	9,674
Recycling Tonnage Grant	N/A	2019	52,206	52,206		24,880	24,880			24,880
Municipal Alliance Program - State Share	N/A	2018	11,677		11,263				11,263	414
Alcohol Education and Rehabilitation	N/A	2015	748		748		748			748
		2017	64		64		64			64
		2019	586			586	88		498	88
Sustainable NJ	N/A	2019	2,000	2,000		2,000	1,439		561	1,439
Department of Transportation										
Improvements to Lafayette Ave - Ord #1851	078-6320-480-AM2	2018	215,000	79,318	24,592		8,195		16,397	198,603
Improvements to Crescent Ave - Ord #1798	078-6320-480-AMF	2016	155,500		4,764			\$ (4,764)		150,736
Improvements to Greenwood Ave - Ord #1881	078-6320-ANP-6010	2019	217,000		-	217,000	-	-	217,000	
					<u>\$ 63,996</u>	<u>\$ 283,479</u>	<u>\$ 67,653</u>	<u>\$ (4,764)</u>	<u>\$ 275,058</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, 2019**

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	\$ 343,685	\$ 66,479	\$ 410,164
General Capital Fund	<u>-</u>	<u>217,000</u>	<u>217,000</u>
Total Financial Awards	<u>\$ 343,685</u>	<u>\$ 283,479</u>	<u>\$ 627,164</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
SCHEDULE OF FINDINGS AND RESPONSES
FOR THE YEAR ENDED DECEMBER 31, 2019**

Part I – Summary of Auditor's Results

Financial Statements

- A) Type of auditors' report issued on financial statements Modified - Regulatory Basis, Unaudited LOSAP Trust Fund
- B) Internal control over financial reporting:
- 1) Material weakness(es) identified _____ yes X no
- 2) Significant deficiency(ies) that are not considered to be material weakness(es)? _____ yes X none reported
- C) Noncompliance material to the financial statements noted? _____ yes X no

Federal Awards Section

NOT APPLICABLE

State Awards Section

NOT APPLICABLE

**TOWNSHIP OF WYCKOFF
SCHEDULE OF FINDINGS AND RESPONSES
FOR THE YEAR ENDED DECEMBER 31, 2019**

Part 2 – Schedule of Financial Statement Findings

This section identifies the significant deficiencies, material weaknesses, and instances of noncompliance related to the financial statements that are required to be reported in accordance with Chapter 5.18 of *Government Auditing Standards*

There are none.

**TOWNSHIP OF WYCKOFF
SCHEDULE OF FINDINGS AND REPOSSES
FOR THE YEAR ENDED DECEMBER 31, 2019**

This section identifies the status of prior-year findings related to the financial statements are required to be reported in accordance with Chapter 6.12 of *Government Auditing Standards*.

STATUS OF PRIOR YEAR FINDINGS

None reported.

TOWNSHIP OF WYCKOFF

PART III

SUPPLEMENTARY DATA

LETTER OF COMMENTS AND RECOMMENDATIONS

YEAR ENDED DECEMBER 31, 2019

**TOWNSHIP OF WYCKOFF
SUPPLEMENTARY DATA**

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

	<u>Year 2019</u>			<u>Year 2018</u>	
	<u>Amount</u>	<u>Percent</u>		<u>Amount</u>	<u>Percent</u>
REVENUES AND OTHER INCOME					
Fund Balance Utilized	\$ 2,200,000	2.38 %		\$ 2,350,000	2.58 %
Miscellaneous - From Other Than Local Property Tax Levies	4,712,738	5.08		4,403,897	4.84
Collection of Delinquent Taxes and Tax Title Liens	384,756	0.41		390,773	0.43
Collection of Current Tax Levy	84,755,981	91.39		83,281,500	91.49
Other Credits	<u>686,625</u>	<u>0.74</u>		<u>598,957</u>	<u>0.66</u>
Total Revenues and Other Income	<u>92,740,100</u>	<u>100.00</u> %		<u>91,025,127</u>	<u>100.00</u> %
EXPENDITURES					
Budget Expenditures					
Municipal Purposes	18,293,988	20.29 %		18,220,543	20.53 %
County Taxes	11,461,844	12.71		11,407,982	12.85
Local School Taxes	39,628,704	43.95		38,854,969	43.78
Regional School Taxes	20,545,362	22.79		20,024,741	22.56
Municipal Open Space Taxes	236,824	0.26		235,846	0.27
Other Debits	<u>95</u>	<u>0.00</u>		<u>832</u>	<u>0.01</u>
Total Expenditures	<u>90,166,817</u>	<u>100.00</u> %		<u>88,744,913</u>	<u>100.00</u> %
Excess in Revenues	2,573,283			2,280,214	
Adjustments to Income Before Fund Balance:					
Expenditures Included Above Which are by Statute Deferred to Budget of Succeeding Year	<u>-</u>			<u>50,000</u>	
Statutory Excess in Revenue to Fund Balance	2,573,283			2,330,214	
Fund Balance, January 1	<u>4,596,694</u>			<u>4,616,480</u>	
	7,169,977			6,946,694	
Less Utilization as Anticipated Revenue	<u>2,200,000</u>			<u>2,350,000</u>	
Fund Balance, December 31	<u>\$ 4,969,977</u>			<u>\$ 4,596,694</u>	

**TOWNSHIP OF WYCKOFF
SUPPLEMENTARY DATA**

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

	<u>Year 2019</u>		<u>Year 2018</u>	
	<u>Amount</u>	<u>Percent</u>	<u>Amount</u>	<u>Percent</u>
REVENUES AND OTHER INCOME				
Fund Balance Utilized	\$ 200,000	7.87 %	\$ 100,000	4.22 %
Collection of Sewer Rents	2,252,374	88.58	2,205,219	93.11
Interest and Costs on Sewer Charges	10,483	0.41	10,109	0.43
Other Credits to Income:				
Miscellaneous Revenue Not Anticipated	60,107	2.36	29,642	1.25
Unexpended Balance of Appropriation Reserves	<u>19,819</u>	<u>0.78</u>	<u>23,436</u>	<u>0.99</u>
Total Revenues and Other Income	<u>2,542,783</u>	<u>100.00 %</u>	<u>2,368,406</u>	<u>100.00 %</u>
EXPENDITURES				
Budget Appropriations				
Operating	2,038,816	85.35 %	1,953,440	84.81 %
Capital Improvements	<u>350,000</u>	<u>14.65</u>	<u>350,000</u>	<u>15.19</u>
Total Expenditures	<u>2,388,816</u>	<u>100.00 %</u>	<u>2,303,440</u>	<u>100.00 %</u>
Excess in Revenues	153,967		64,966	
Fund Balance, January 1	<u>1,690,524</u>		<u>1,725,558</u>	
	1,844,491		1,790,524	
Decreased by				
Utilized as Anticipated Revenue	<u>200,000</u>		<u>100,000</u>	
Fund Balance, December 31	<u>\$ 1,644,491</u>		<u>\$ 1,690,524</u>	

**TOWNSHIP OF WYCKOFF
SUPPLEMENTARY DATA**

Comparative Schedule of Tax Rate Information

	<u>2019</u>	<u>2018</u>	<u>2017</u>
Tax Rate	<u>\$1.810</u>	<u>\$1.782</u>	<u>\$1.760</u>
<u>Apportionment of Tax Rate</u>			
Municipal (Including Library)	.291	.287	.283
County	.243	.242	.249
Local School	.841	.827	.816
Regional School	.435	.426	.412

Assessed Valuation

2019	<u>\$4,715,435,100</u>
2018	<u>\$4,699,781,200</u>
2017	<u>\$4,673,512,400</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>
2019	\$ 85,729,660	\$ 84,955,981	99.09%
2018	84,020,293	83,481,500	99.35%
2017	82,621,565	82,025,945	99.27%

Property Acquired by Tax Title Lien Foreclosure

No properties have been acquired in 2019 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>
2019	\$36,700
2018	36,700
2017	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>
2019	\$ 14,983	\$ 463,045	\$ 478,028	0.56%
2018	19,531	378,236	397,767	0.47%
2017	15,317	385,482	400,799	0.49%

Comparison of Sewer Utility Billings

<u>Year</u>	<u>Levy</u>	<u>Collections *</u>	<u>Percent of Collection</u>
2019	\$2,288,714	\$2,252,374	98.41%
2018	2,198,050	2,205,219	100.32%
2017	2,207,891	2,200,704	99.67%

* 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	2019	\$4,969,977	\$2,500,000
	2018	4,596,694	2,200,000
	2017	4,616,480	2,350,000
	2016	3,772,783	2,000,000
	2015	3,363,896	1,870,000
Sewer Utility Operating Fund	2019	\$1,644,491	\$908,000
	2018	1,690,524	200,000
	2017	1,725,558	100,000
	2016	2,111,340	550,000
	2015	1,193,677	-0-

**TOWNSHIP OF WYCKOFF
SUPPLEMENTARY DATA**

OFFICIALS IN OFFICE AND SURETY BONDS AS OF DECEMBER 31, 2019

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>
Thomas Madigan	Mayor		
Timothy Shanley	Township Committee		
Rudolf Boonstra	Township Committee		
Melissa D Rubenstein	Township Committee		
Elizabeth Fischer	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 (Shared Service Agreement with the Township of Glen Rock)		
Kimberly McWilliams	Court Administrator (Shared Service Agreement with the Township of Glen Rock)		

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:

- | | |
|--|--------------------------|
| Recycling of Clothes & Shoes (Non-tax revenue) | Medical Testing Services |
| Road Improvements | Recreation Equipment |
| Fire Equipment | Recreation Programs |
| Animal Control Services | Shade Tree Services |

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, 2019, 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 2019 taxes and utility charges was held on October 24, 2019 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>
2019	4
2018	4
2017	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.

Suggestions to Management

- The deficit in the Other Trust Fund unemployment reserve be funded and sufficient budget appropriations be available for future claims.

**TOWNSHIP OF WYCKOFF
SUPPLEMENTARY DATA**

RECOMMENDATIONS

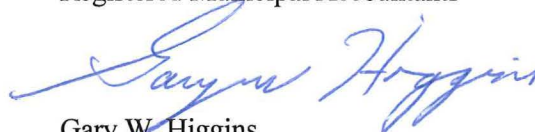
There are none.

No recommendations were reported in the prior year audit.

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
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Registered Municipal Accountants



Gary W. Higgins
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