

**TOWNSHIP OF WYCKOFF**  
**BERGEN COUNTY, NEW JERSEY**  
**REPORT OF AUDIT**  
**YEAR ENDED DECEMBER 31, 2018**

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**TOWNSHIP OF WYCKOFF**

**COUNTY OF BERGEN**

**PART I**

**REPORT ON AUDIT OF FINANCIAL STATEMENTS**

**YEAR ENDED DECEMBER 31, 2018**



# LERCH, VINCI & HIGGINS, LLP

CERTIFIED PUBLIC ACCOUNTANTS  
REGISTERED MUNICIPAL ACCOUNTANTS

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## INDEPENDENT AUDITOR'S REPORT

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

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

We have audited the accompanying balance sheets - regulatory basis of the various funds and account group of the Township of Wyckoff, as of December 31, 2018 and 2017, 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, 2018, 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, 2018 and 2017, 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, 2018 and 2017. The LOSAP Trust Fund financial activities are included in the Township’s Trust Funds, and represent 38 percent and 40 percent of the assets and liabilities, respectively, of the Township’s Trust Funds as of December 31, 2018 and 2017.

***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, 2018 and 2017, 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, 2018 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***

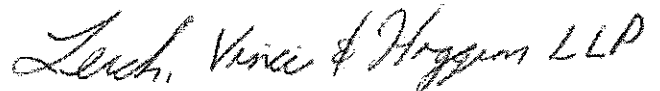
Our audit was conducted for the purpose of forming an opinion on the financial statements of the Township of Wyckoff as a whole. The supplementary schedules listed in the table of contents, schedule of expenditures of federal awards, schedule of expenditures of state financial assistance and the supplementary 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.

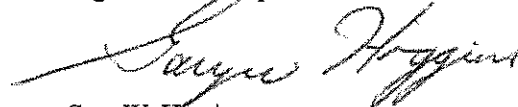
The supplementary data and letter of comments and recommendations section has not been subject to the auditing procedures applied in the audit of the financial statements, and accordingly, we do not express an opinion or provide any assurance on it.

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

In accordance with Government Auditing Standards, we have also issued our report dated July 18, 2019 on our consideration of the Township of Wyckoff's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on 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  
July 18, 2019



**TOWNSHIP OF WYCKOFF**  
**COMPARATIVE BALANCE SHEETS - REGULATORY BASIS**  
**CURRENT FUND**  
**AS OF DECEMBER 31, 2018 AND 2017**

	<u>Reference</u>	<u>2018</u>	<u>2017</u>
<b>ASSETS</b>			
Cash	A-4	\$ 6,940,064	\$ 17,648,694
Cash - Change Fund	A-5	<u>500</u>	<u>500</u>
		<u>6,940,564</u>	<u>17,649,194</u>
Grants Receivable	A-11	16,763	25,920
Due from State of NJ - Senior Citizen/Veteran Deduction	A-6	<u>-</u>	<u>13</u>
		<u>16,763</u>	<u>25,933</u>
Receivables and Other Assets with Full Reserves			
Taxes Receivable	A-7	378,236	385,482
Tax Title Liens	A-8	19,531	15,317
Property Acquired for Taxes - Assessed Valuation	A-9	36,700	36,700
Revenue Accounts Receivable	A-10	6,868	5,776
Due from Other Trust Fund	B-8		18,904
Due from Municipal Open Space Trust Fund	A-22	412	
Due from Animal Control Trust Fund	B-6	<u>4,648</u>	<u>4,228</u>
		<u>446,395</u>	<u>466,407</u>
Deferred Charges			
Emergency Authorization	A-25	<u>50,000</u>	<u>-</u>
		<u>50,000</u>	<u>-</u>
Total Assets		<u>\$ 7,453,722</u>	<u>\$ 18,141,534</u>

**TOWNSHIP OF WYCKOFF  
COMPARATIVE BALANCE SHEETS - REGULATORY BASIS  
CURRENT FUND  
AS OF DECEMBER 31, 2018 AND 2017**

	<u>Reference</u>	<u>2018</u>	<u>2017</u>
<b>LIABILITIES, RESERVES AND FUND BALANCE</b>			
<b>Liabilities</b>			
Appropriation Reserves	A-3, A-12	\$ 827,575	\$ 792,670
Encumbrances Payable	A-13	462,084	584,015
Accounts Payable	A-27		60,000
Prepaid Taxes	A-14	577,379	10,986,105
Tax Overpayments	A-18	104,311	155,371
County Taxes Payable	A-15	41,516	51,981
Reserve for Tax Appeals	A-19	267,433	305,557
Reserve for Revaluation	A-26		37,950
Unappropriated Grant Reserves	A-21	2,097	32,689
Appropriated Grant Reserves	A-20	46,425	50,815
Fees Payable	A-23	8,334	448
Due to Other Trust Fund	B-8	73,479	
Due to Municipal Open Space Trust Fund	A-22	-	1,046
		<u>2,410,633</u>	<u>13,058,647</u>
Reserve for Receivables and Other Assets	A	446,395	466,407
Fund Balance	A-1	<u>4,596,694</u>	<u>4,616,480</u>
<b>Total Liabilities, Reserves and Fund Balance</b>		<u>\$ 7,453,722</u>	<u>\$ 18,141,534</u>

**TOWNSHIP OF WYCKOFF**  
**COMPARATIVE STATEMENTS OF OPERATIONS AND CHANGES IN FUND BALANCE -**  
**REGULATORY BASIS - CURRENT FUND**  
**FOR THE YEARS ENDED DECEMBER 31, 2018 AND 2017**

REVENUE AND OTHER INCOME REALIZED	<u>Reference</u>	<u>2018</u>	<u>2017</u>
Fund Balance Utilized	A-2	\$ 2,350,000	\$ 2,000,000
Miscellaneous Revenue Anticipated	A-2	3,987,548	4,423,103
Receipts from Delinquent Taxes	A-2, A-7	390,773	363,962
Receipts from Current Taxes	A-2	83,281,500	82,025,945
Non Budget Revenue	A-2	416,349	720,277
Other Credits to Income			
Unexpended Balance of Appropriation Reserves	A-12	478,531	748,857
Appropriated Grants Cancelled	A-20	245	3,299
Cancellation of Accounts Payable	A-27	60,000	
Cancellation of Reserve for Revaluation	A-26	37,950	
Interfunds Liquidated	A	18,904	1,133
Statutory Excess- Animal Control Fund	B-6	3,327	4,204
		<u>91,025,127</u>	<u>90,290,780</u>
Total Revenue and Other Income			
<b>EXPENDITURES</b>			
Budget Appropriations			
Operations			
Salaries and Wages	A-3	6,488,623	6,284,613
Other Expenses	A-3	8,551,342	8,388,782
Capital Improvements	A-3	790,000	792,800
Municipal Debt Service	A-3	773,480	763,916
Deferred Charges and Statutory Expenditures -			
Municipal	A-3	1,617,098	1,896,217
Other Debits			
Regional School Taxes	A-17	20,024,741	19,269,609
Local School Taxes	A-16	38,854,969	38,124,128
County Taxes	A-15	11,407,982	11,669,865
Municipal Open Space Tax	A-22	235,846	234,721
Prior Year Senior Citizen/Veterans Disallowed	A-1		3,750
Interfunds Advanced	A-1	832	18,682
		<u>88,744,913</u>	<u>87,447,083</u>
Total Expenditures			
Excess in Revenue		2,280,214	2,843,697
Adjustments to Income Before Fund Balance:			
Expenditures Included Above Which are by Statute			
Deferred to Budget of Succeeding Year	A-25	50,000	-
Statutory Excess in Revenue to Fund Balance		2,330,214	2,843,697
FUND BALANCE, JANUARY 1	A	4,616,480	3,772,783
6,946,694      6,616,480			
Decreased by:			
Utilized as Anticipated Revenue	A-2	2,350,000	2,000,000
FUND BALANCE, DECEMBER 31	A	<u>\$ 4,596,694</u>	<u>\$ 4,616,480</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, 2018**

	Reference	2018 Anticipated Budget	Added by NJS 40A:4-87	Realized in 2018	Excess or (Deficit)
Fund Balance Anticipated	A-2	\$ 2,350,000	-	\$ 2,350,000	-
<b>Miscellaneous Revenues</b>					
Township Clerk - Licenses					
Alcoholic Beverages	A-10	17,500		17,500	
Other	A-10	110,000		136,172	\$ 26,172
Fees and Permits	A-2	195,000		207,595	12,595
Fines and Costs - Municipal Court	A-10	80,000		116,986	36,986
Interest and Costs on Taxes	A-10	100,000		105,871	5,871
Interest on Investments and Deposits	A-2	70,000		245,443	175,443
Lease of Township Property	A-10	39,484		39,484	
Cable Franchise Fee	A-10	270,787		279,943	9,156
Lease of Cell Tower #1	A-10	319,756		328,082	8,326
Lease of Cell Tower #2	A-10	171,261		177,109	5,848
Lease of Cell Tower #3	A-10	29,809		30,342	533
Energy Receipts Tax	A-10	1,093,271		1,093,271	
Uniform Construction Code Fees	A-10	480,000		445,651	(34,349)
CFO Shared Services Agreement - Borough of New Milford	A-10	30,154		30,154	
Library Shared Service Agreement- Payroll Processing	A-10	12,214		12,214	
Library Shared Service Agreement- Administration and Mgmt Services	A-10	5,500		5,500	
<b>Public and Private Revenues:</b>					
Reserve for Recycling Tonnage Grant	A-21	32,625		32,625	
Reserve for Alcohol Education & Rehabilitation	A-21	64		64	
Drive Sober Get Pulled Over	A-11		\$ 5,500	5,500	
Clean Communities Program	A-11		34,952	34,952	
<b>Other Special Items</b>					
Recreation Fees	A-10	590,000		619,822	29,822
Uniform Fire Safety Act	A-10	18,692	-	23,268	4,576
<b>Total Miscellaneous Revenues</b>	A-1	<u>3,666,117</u>	<u>40,452</u>	<u>3,987,548</u>	<u>280,979</u>
Receipts from Delinquent Taxes	A-7	<u>380,000</u>	-	<u>390,773</u>	<u>10,773</u>
<b>Amount to be Raised by Taxes for Support of Municipal Budget:</b>					
Local Taxes for Municipal Purposes	A-2	11,695,022		12,718,903	1,023,881
Minimum Library Tax	A-2	1,539,059	-	1,539,059	-
<b>Total Amount to be Raised by Taxes</b>		<u>13,234,081</u>	-	<u>14,257,962</u>	<u>1,023,881</u>
<b>Budget Totals</b>		<u>\$ 19,630,198</u>	<u>\$ 40,452</u>	<u>20,986,283</u>	<u>\$ 1,315,633</u>
Non-Budget Revenue	A-2, A-4			<u>416,349</u>	
				<u>\$ 21,402,632</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, 2018**

	<u>Reference</u>	
<b>ANALYSIS OF REALIZED REVENUES</b>		
Allocation of Current Tax Collections		
Revenue from Collections	A-7	\$ 83,481,500
Less: Transferred to Reserve for Tax Appeals	A-19	<u>200,000</u>
	A-1	83,281,500
Less: Allocated to School, County and Open Space Taxes	A-15, A-16, A-17, A-22	<u>70,523,538</u>
		12,757,962
Add: Appropriation "Reserve for Uncollected Taxes"	A-3	<u>1,500,000</u>
Amount for Support of Municipal Budget Appropriations	A-2	<u>\$ 14,257,962</u>
Fees and Permits - Other		
Tax Collector		\$ 460
Board of Health		69,710
Code Enforcement		103,079
Police Department		17,850
Planning Board		4,350
Board of Adjustment		<u>12,146</u>
	A-2, A-10	<u>\$ 207,595</u>
Interest on Investments and Deposits		
Revenue Accounts Receivable	A-10	\$ 243,304
Received from Other Trust Fund	B-8	1,442
Received from Animal Control Fund	B-6	<u>697</u>
	A-2	<u>\$ 245,443</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, 2018**

	<u>Reference</u>	
Analysis of Non-Budget Revenue		
Recyclables - Paper/Plastic/Metal		\$ 21,301
Tax Sale Certificate Premium Escheat to Township		2,900
Senior Citizen/Veteran Administrative Payment		1,926
Library Reimbursement - Pension		78,740
Board of Education Contribution for Road Resurfacing Program		14,473
Prior Year Refunds		132,583
Miscellaneous		<u>164,426</u>
	A-2, A-4	<u>\$ 416,349</u>

**TOWNSHIP OF WYCKOFF**  
**STATEMENT OF EXPENDITURES - REGULATORY BASIS - CURRENT FUND**  
**FOR THE YEAR ENDED DECEMBER 31, 2018**

	<u>2018 Appropriated</u>		<u>2018 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	\$ 296,013	\$ 305,013	\$ 304,266	\$ 747	
Other Expenses	34,800	34,800	33,615	1,185	
Township Clerk					
Salaries and Wages	186,533	188,533	187,653	880	
Other Expenses	72,600	72,600	69,613	2,987	
Financial Administration					
Salaries and Wages	172,853	172,853	172,847	6	
Other Expenses	26,930	33,930	31,726	2,204	
Audit Services	28,750	26,750	26,320	430	
Revenue Administration and Tax Collection					
Salaries and Wages	102,716	102,716	102,715	1	
Other Expenses	9,600	9,600	9,251	349	
Elections					
Other Expenses	15,000	15,000	14,925	75	
Assessment of Taxes					
Salaries and Wages	161,690	139,290	125,658	13,632	
Other Expenses	189,350	189,350	150,827	38,523	
Environmental Commission: NJSA 40:56A-1					
Other Expenses	5,000	400	350	50	
Legal Services and Costs					
Other Expenses	151,500	136,500	123,982	12,518	
Engineering Services					
Other Expenses	15,500	5,500	4,463	1,037	
Public Buildings and Grounds					
Salaries and Wages	77,190	77,190	77,190	-	
Other Expenses	191,000	241,000	221,669	19,331	
Shade Tree Commission					
Salaries and Wages	50,000	50,000	50,000	-	
Other Expenses	62,000	80,000	73,332	6,668	
Land Use Administration:					
Planning Board					
Salaries and Wages	30,520	31,920	31,873	47	
Other Expenses	12,000	12,000	10,203	1,797	
Board of Adjustment:					
Other Expenses	5,000	6,000	5,580	420	
Insurances					
General Liability Insurance	251,434	246,434	238,846	7,588	
Workers Compensation Insurance	213,900	213,900	213,896	4	
Employee Health Benefits Insurance	2,159,000	2,122,000	1,849,356	272,644	
Health Benefit Waivers	8,000	8,000	3,125	4,875	
Unemployment Compensation Insurance	100	100	100	-	
Police					
Salaries and Wages	3,247,656	3,247,656	3,106,556	141,100	
Other Expenses	101,500	101,500	99,729	1,771	
Public Safety: Volunteer First Aid Squad	50,000	50,000	50,000	-	
Emergency Management Services:					
Other Expenses	1,850	1,850	1,735	115	
Public Safety: Volunteer Fire Department					
Other Expenses	88,000	88,000	87,841	159	
Uniform Fire Safety Act					
Life Hazard Use Fees (PL 1983)					
Salaries and Wages	17,098	17,098	17,016	82	
Other Expenses	2,000	2,000	533	1,467	
Radio Communications Contract	13,000	13,000	11,808	1,192	
Recreation and Recreation Education					
Salaries and Wages	235,643	235,643	231,767	3,876	
Other Expenses	280,000	270,000	224,520	45,480	
Park Maintenance					
Salaries and Wages	77,190	77,190	77,190		
Other Expenses	115,000	119,000	118,997	3	
Celebration of Public Events					
Other Expenses	5,500	5,500	5,450	50	

**TOWNSHIP OF WYCKOFF**  
**STATEMENT OF EXPENDITURES - REGULATORY BASIS - CURRENT FUND**  
**FOR THE YEAR ENDED DECEMBER 31, 2018**

	<u>2018 Appropriated</u>		<u>2018 Expended</u>		
	<u>Budget</u>	<u>Budget After Modification</u>	<u>Paid or Charged</u>	<u>Reserved</u>	<u>Cancelled</u>
OPERATIONS - WITHIN "CAPS"					
GENERAL GOVERNMENT (CONTINUED)					
Recycling					
Other Expenses	\$ 342,500	\$ 347,500	\$ 344,018	\$ 3,482	
Sanitation/Garbage and Trash Removal					
Other Expenses	474,500	474,500	395,417	79,083	
Road Repairs and Maintenance					
Salaries and Wages	1,268,786	1,283,786	1,282,527	1,259	
Other Expenses	312,500	312,500	283,468	29,032	
Inspector's Vehicle Other Expenses	1,000	1,000	6	994	
DPW Vehicle Other Expenses	115,000	143,000	142,307	693	
Police Vehicle Other Expenses	30,000	32,000	31,997	3	
Fire Vehicle Other Expenses	40,000	42,000	41,414	586	
CDL Mandate Other Expenses	750	750	750	-	
Board of Health					
Salaries and Wages	12,690	12,690	12,690	-	
Other Expenses	67,750	67,750	59,560	8,190	
Animal Control					
Other Expenses	10,800	10,800	10,800	-	
Condo Services Act					
Other Expenses	5,200	5,200	3,625	1,575	
Construction Code Official					
Salaries and Wages	416,708	416,708	416,100	608	
Other Expenses	16,500	16,500	15,905	595	
PEOSHA Mandate					
Hepatitis B (P.L. 1985 c. 516)	4,150	4,150	2,196	1,954	
Respiratory Protection	25,400	25,400	21,410	3,990	
Municipal Court					
Salaries and Wages	86,087	81,087	60,886	20,201	
Other Expenses	7,360	11,360	10,309	1,051	
Municipal Prosecutor					
Other Expenses	9,700	9,700	8,333	1,367	
Public Defender					
Other Expenses	4,300	4,900	4,684	216	
Utilities:					
Electricity	92,000	83,000	73,394	9,606	
Street Lighting	180,000	180,000	160,304	19,696	
Telephone	53,000	58,000	52,721	5,279	
Water	4,000	4,000	2,645	1,355	
Natural Gas	35,000	33,000	30,674	2,326	
Fire Hydrants	66,000	62,000	61,035	965	
Gasoline	82,000	102,000	91,228	10,772	
Landfill and Solid Waste Disposal	410,000	389,000	380,870	8,130	-
<b>Total Operations Within "CAPS"</b>	<u>12,937,097</u>	<u>12,964,097</u>	<u>12,167,796</u>	<u>796,301</u>	<u>-</u>
Detail:					
Salaries and Wages	6,439,373	6,439,373	6,256,934	182,439	-
Other Expenses	6,497,724	6,524,724	5,910,862	613,862	-
Deferred Charges and Statutory Expenditures - Municipal Within "CAPS"					
Statutory Charges					
Public Employees Retirement System	417,775	417,775	417,775		
Social Security System (O.A.S.I.)	470,000	470,000	461,130	8,870	
Defined Compensation Retirement Plan	4,980	6,980	6,203	777	
Police and Firemen's Retirement System of NJ	722,343	722,343	722,343	-	-
<b>Total Deferred Charges and Statutory   Expenditures - Municipal Within "CAPS"</b>	<u>1,615,098</u>	<u>1,617,098</u>	<u>1,607,451</u>	<u>9,647</u>	<u>-</u>
<b>Total General Appropriations for Municipal   Purposes Within "CAPS"</b>	<u>14,552,195</u>	<u>14,581,195</u>	<u>13,775,247</u>	<u>805,948</u>	<u>-</u>

The Accompanying Notes are an Integral Part of these Financial Statements



**TOWNSHIP OF WYCKOFF**  
**STATEMENT OF EXPENDITURES - REGULATORY BASIS - CURRENT FUND**  
**FOR THE YEAR ENDED DECEMBER 31, 2018**

	2018 Appropriated		2018 Expended		
	Budget	Budget After Modification	Paid or Charged	Reserved	Cancelled
<b>OPERATIONS - EXCLUDED FROM "CAPS"</b>					
Recycling Tax	\$ 20,000	\$ 20,000	\$ 14,474	\$ 5,526	
Affordable Housing					
Salaries and Wages	49,250	49,250	49,209	41	
Other Expenses	20,500	41,500	38,074	3,426	
Tax Appeal Interest	50	50		50	
911 Emergency Service Contract	185,000	185,000	184,875	125	
Maintenance of Free Public Library	1,539,059	1,539,059	1,526,600	12,459	
Length of Service Award Program (LOSAP)	120,000	120,000	120,000	-	-
<b>Total Other Operations Excluded from "CAPS"</b>	<b>1,933,859</b>	<b>1,954,859</b>	<b>1,933,232</b>	<b>21,627</b>	<b>-</b>
<b>Interlocal Municipal Service Agreements</b>					
Wyckoff Public Library-Payroll Shared Service	12,214	12,214	12,214		
Wyckoff Public Library-Administration and Mgmt Services	5,500	5,500	5,500		
CFO Shared Services-Borough of New Milford	30,154	30,154	30,154	-	-
<b>Total Interlocal Municipal Service Agreements</b>	<b>47,868</b>	<b>47,868</b>	<b>47,868</b>	<b>-</b>	<b>-</b>
<b>Public and Private Programs Offset by Revenues</b>					
Reserve for Recycling Tonnage Grant	32,625	32,625	32,625		
Reserve for Alcohol Education & Rehabilitation	64	64	64		
Drive Sober Get Pulled Over		5,500	5,500		
Clean Communities Program	-	34,952	34,952	-	-
<b>Total Public and Private Programs Offset by Revenues</b>	<b>32,689</b>	<b>73,141</b>	<b>73,141</b>	<b>-</b>	<b>-</b>
<b>Total Operations Excluded from "CAPS"</b>	<b>2,014,416</b>	<b>2,075,868</b>	<b>2,054,241</b>	<b>21,627</b>	<b>-</b>
<b>Detail:</b>					
Salaries and Wages	49,250	49,250	49,209	41	-
Other Expenses	1,965,166	2,026,618	2,005,032	21,586	-
<b>CAPITAL IMPROVEMENTS - EXCLUDED FROM "CAPS"</b>					
Capital Improvement Fund	790,000	790,000	790,000	-	-
<b>Total Capital Improvements Excluded from "CAPS"</b>	<b>790,000</b>	<b>790,000</b>	<b>790,000</b>	<b>-</b>	<b>-</b>

**TOWNSHIP OF WYCKOFF**  
**STATEMENT OF EXPENDITURES - REGULATORY BASIS - CURRENT FUND**  
**FOR THE YEAR ENDED DECEMBER 31, 2018**

	<u>2018 Appropriated</u>		<u>2018 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	\$ 735,250	\$ 735,250	\$ 735,250		
Interest on Notes	<u>38,337</u>	<u>38,337</u>	<u>38,230</u>	-	\$ 107
Total Municipal Debt Service Excluded from "CAPS"	<u>773,587</u>	<u>773,587</u>	<u>773,480</u>	-	<u>107</u>
Total General Appropriations for Municipal Purposes Excluded from "CAPS"	<u>3,578,003</u>	<u>3,639,455</u>	<u>3,617,721</u>	\$ 21,627	<u>107</u>
Subtotal General Appropriations	18,130,198	18,220,650	17,392,968	827,575	107
Reserve for Uncollected Taxes	<u>1,500,000</u>	<u>1,500,000</u>	<u>1,500,000</u>	-	-
Total General Appropriations	<u>\$ 19,630,198</u>	<u>\$ 19,720,650</u>	<u>\$ 18,892,968</u>	<u>\$ 827,575</u>	<u>\$ 107</u>
<u>Reference</u>	A-2			A	

**TOWNSHIP OF WYCKOFF  
STATEMENT OF EXPENDITURES - REGULATORY BASIS - CURRENT FUND  
FOR THE YEAR ENDED DECEMBER 31, 2018**

	<u>Reference</u>	<u>Budget After Modification</u>	<u>Paid or Charged</u>
Adopted Budget	A-2	\$ 19,630,198	
Additional Appropriations (N.J.S.A. 40A:4-87)	A-2	40,452	
Emergency Authorization	A-25	<u>50,000</u>	
		<u>\$ 19,720,650</u>	
Cash Disbursed - Net of Refunds	A-4		\$ 16,857,743
Encumbrances Payable	A-13		462,084
Transferred To Appropriated Grant Reserves	A-20		73,141
Reserve for Uncollected Taxes	A-2		<u>1,500,000</u>
			<u>\$ 18,892,968</u>

**TOWNSHIP OF WYCKOFF  
COMPARATIVE BALANCE SHEETS - REGULATORY BASIS - TRUST FUNDS  
AS OF DECEMBER 31, 2018 AND 2017**

	<u>Reference</u>	<u>2018</u>	<u>2017</u>
<b>ASSETS</b>			
<b>ANIMAL CONTROL TRUST FUND</b>			
Cash	B-3	\$ 40,208	\$ 40,492
		<u>40,208</u>	<u>40,492</u>
<b>OTHER TRUST FUND</b>			
Cash	B-3	2,971,418	2,974,619
Due from Current Fund	B-8	<u>73,479</u>	<u>-</u>
		<u>3,044,897</u>	<u>2,974,619</u>
<b>MUNICIPAL OPEN SPACE TRUST FUND</b>			
Cash	B-3	1,105,923	968,297
Due from Current Fund	B-11	<u>-</u>	<u>1,046</u>
		<u>1,105,923</u>	<u>969,343</u>
<b>LENGTH OF SERVICE AWARDS PROGRAM TRUST FUND (UNAUDITED)</b>			
Investments	B	2,514,513	2,587,852
Contributions Receivable	B	<u>87,400</u>	<u>97,750</u>
		<u>2,601,913</u>	<u>2,685,602</u>
Total Assets		<u>\$ 6,792,941</u>	<u>\$ 6,670,056</u>
<b>LIABILITIES, RESERVES AND FUND BALANCE</b>			
<b>ANIMAL CONTROL TRUST FUND</b>			
Reserve for Dog License Expenditures	B-4	\$ 34,995	\$ 35,619
Due to Current Fund	B-6	4,648	4,228
Due to the State of New Jersey	B-5	<u>565</u>	<u>645</u>
		<u>40,208</u>	<u>40,492</u>
<b>OTHER TRUST FUND</b>			
Miscellaneous Reserves	B-7	2,809,110	2,806,389
Reserve for Payroll Deductions Payable	B-12	219,476	148,742
Due to Current Fund	B-8		18,904
Due to the State of New Jersey	B-9	<u>16,311</u>	<u>584</u>
		<u>3,044,897</u>	<u>2,974,619</u>
<b>MUNICIPAL OPEN SPACE TRUST FUND</b>			
Due to Current Fund	B-11	412	
Reserve for Municipal Open Space Trust Fund	B-10	<u>1,105,511</u>	<u>969,343</u>
		<u>1,105,923</u>	<u>969,343</u>
<b>LENGTH OF SERVICE AWARDS PROGRAM TRUST FUND (UNAUDITED)</b>			
Reserve for LOSAP	B	<u>2,601,913</u>	<u>2,685,602</u>
Total Liabilities, Reserves and Fund Balance		<u>\$ 6,792,941</u>	<u>\$ 6,670,056</u>

The Accompanying Notes are in Integral Part of these Financial Statements

## EXHIBIT B-1

**TOWNSHIP OF WYCKOFF**  
**STATEMENT OF REVENUES - REGULATORY BASIS - MUNICIPAL OPEN SPACE TRUST FUND**  
**FOR THE YEAR ENDED DECEMBER 31, 2018**

	Reference	<u>Anticipated (Memo)</u>			Variance
		Budget	Budget After Modification	2018 Realized	
Amount to be Raised by Taxation	B-10	\$ 234,989	\$ 234,989	\$ 235,846	\$ 857
		<u>\$ 234,989</u>	<u>\$ 234,989</u>	235,846	<u>\$ 857</u>
Non-Budget Revenue	B-10			<u>9,324</u>	
				<u>\$ 245,170</u>	
Analysis of Non-Budget Revenue					
Interest on Deposits				<u>\$ 9,324</u>	

## EXHIBIT B-2

**STATEMENT OF EXPENDITURES - REGULATORY BASIS - MUNICIPAL OPEN SPACE TRUST FUND**  
**FOR THE YEAR ENDED DECEMBER 31, 2018**

	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	\$ 109,002	\$ (22,002)
Reserve for Future Use	B-10	<u>147,989</u>	<u>147,989</u>	-	<u>147,989</u>
		<u>\$ 234,989</u>	<u>\$ 234,989</u>	<u>\$ 109,002</u>	<u>\$ 125,987</u>

**TOWNSHIP OF WYCKOFF  
COMPARATIVE BALANCE SHEETS - REGULATORY BASIS  
GENERAL CAPITAL FUND  
AS OF DECEMBER 31, 2018 AND 2017**

	<u>Reference</u>	<u>2018</u>	<u>2017</u>
<b>ASSETS</b>			
Cash	C-2,C-3	\$ 855,824	\$ 1,060,855
Grants Receivable	C-4	187,747	256,382
Deferred Charges to Future Taxation - Unfunded	C-5	<u>3,287,800</u>	<u>2,758,050</u>
Total Assets		<u>\$ 4,331,371</u>	<u>\$ 4,075,287</u>
<b>LIABILITIES, RESERVES AND FUND BALANCE</b>			
Bond Anticipation Notes Payable	C-10	3,287,800	2,758,050
Contracts Payable	C-8	307,748	486,914
Capital Improvement Fund	C-7	66,243	66,243
Improvement Authorizations			
Funded	C-6	659,009	760,364
Unfunded	C-6	8,944	2,089
Fund Balance	C-1	<u>1,627</u>	<u>1,627</u>
Total Liabilities, Reserves and Fund Balance		<u>\$ 4,331,371</u>	<u>\$ 4,075,287</u>

There were no bonds and notes authorized but not issued at December 31, 2018 and 2017.

**TOWNSHIP OF WYCKOFF  
COMPARATIVE STATEMENTS OF CHANGES IN FUND BALANCE - REGULATORY BASIS  
GENERAL CAPITAL FUND  
FOR THE YEARS ENDED DECEMBER 31, 2018 AND 2017**

	<u>Reference</u>	<u>2018</u>	<u>2017</u>
Balance, January 1	C	\$ 1,627	\$ 51,627
Decreased by:			
Appropriated to Finance Improvement Authorizations	C-1	<u>          -</u>	<u>50,000</u>
Balance, December 31	C	<u>\$ 1,627</u>	<u>\$ 1,627</u>

**TOWNSHIP OF WYCKOFF**  
**COMPARATIVE BALANCE SHEETS - REGULATORY BASIS**  
**SEWER UTILITY FUND**  
**AS OF DECEMBER 31, 2018 AND 2017**

	<u>Reference</u>	<u>2018</u>	<u>2017</u>
<b>ASSETS</b>			
<b>OPERATING FUND</b>			
Cash	D-4	\$ 1,721,796	\$ 1,809,636
Receivables With Full Reserves			
Consumer Accounts Receivable	D-6	<u>68,583</u>	<u>75,752</u>
Total Operating Fund		<u>1,790,379</u>	<u>1,885,388</u>
<b>CAPITAL FUND</b>			
Cash	D-4, D-5	1,276,907	1,060,515
Fixed Capital	D-13	400,000	150,000
Fixed Capital Authorized and Uncompleted	D-15	<u>300,000</u>	<u>250,000</u>
Total Capital Fund		<u>1,976,907</u>	<u>1,460,515</u>
Total Assets		<u>\$ 3,767,286</u>	<u>\$ 3,345,903</u>
 <b>LIABILITIES, RESERVES AND FUND BALANCE</b>			
<b>OPERATING FUND</b>			
Appropriation Reserves	D-3,D-7	\$ 22,190	\$ 14,878
Encumbrances Payable	D-8	2,594	65,644
Prepaid Sewer Rents	D-12	1,416	
Overpayments	D-9	<u>5,072</u>	<u>3,556</u>
		31,272	84,078
Reserve for Receivables	D	68,583	75,752
Fund Balance	D-1	<u>1,690,524</u>	<u>1,725,558</u>
Total Operating Fund		<u>1,790,379</u>	<u>1,885,388</u>
<b>CAPITAL FUND</b>			
Capital Improvement Fund	D-11	955,916	905,916
Improvement Authorizations-Funded	D-10	280,991	104,586
Contracts Payable	D-17	40,000	50,013
Reserved for Amortization	D-14	400,000	150,000
Deferred Reserve for Amortization	D-16	<u>300,000</u>	<u>250,000</u>
Total Capital Fund		<u>1,976,907</u>	<u>1,460,515</u>
Total Liabilities, Reserves and Fund Balance		<u>\$ 3,767,286</u>	<u>\$ 3,345,903</u>

There were no bonds and notes authorized and not issued at December 31, 2018 and 2017:



**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, 2018 AND 2017**

	<u>Reference</u>	<u>2018</u>	<u>2017</u>
<b>REVENUES AND OTHER INCOME</b>			
Fund Balance Utilized	D-2	\$ 100,000	\$ 550,000
Sewer Rents	D-2	2,205,219	2,200,704
Interest and Costs on Sewer Charges	D-2	10,109	10,408
Other Credits to Income			
Non Budget Revenue	D-2	29,642	28,513
Unexpended Balance of Appropriation Reserves	D-7	<u>23,436</u>	<u>28,540</u>
<b>Total Revenues and Other Income</b>		<u>2,368,406</u>	<u>2,818,165</u>
<b>EXPENDITURES</b>			
Budget Appropriations			
Operating	D-3	1,953,440	1,853,947
Capital Improvements	D-3	350,000	250,000
Surplus (General Budget)	D-3	<u>-</u>	<u>550,000</u>
<b>Total Expenditures</b>		<u>2,303,440</u>	<u>2,653,947</u>
<b>Excess in Revenues</b>		64,966	164,218
<b>FUND BALANCE, JANUARY 1</b>	D	<u>1,725,558</u>	<u>2,111,340</u>
		1,790,524	2,275,558
Decreased by:			
Utilized as Anticipated Revenue	D-2	<u>100,000</u>	<u>550,000</u>
<b>FUND BALANCE, DECEMBER 31</b>	D	<u>\$ 1,690,524</u>	<u>\$ 1,725,558</u>

**TOWNSHIP OF WYCKOFF**  
**STATEMENT OF REVENUES - REGULATORY BASIS**  
**SEWER UTILITY OPERATING FUND**  
**FOR THE YEAR ENDED DECEMBER 31, 2018**

	<u>Reference</u>	2018 <u>Anticipated</u>	2018 <u>Realized</u>	Excess or <u>(Deficit)</u>
Operating Surplus Anticipated	D-1	\$ 100,000	\$ 100,000	
Sewer Rents	D-1-D-6	2,195,000	2,205,219	\$ 10,219
Interest and Costs on Sewer Charges	D-1,D-4	<u>8,440</u>	<u>10,109</u>	<u>1,669</u>
		<u>\$ 2,303,440</u>	2,315,328	<u>\$ 11,888</u>
Non-Budget Revenue	D-1,D-4		<u>29,642</u>	
			<u>\$ 2,344,970</u>	
<u>Analysis of Non-Budget Revenue</u>				
Sewer Hook-Ups			\$ 24,829	
Miscellaneous			<u>4,813</u>	
	D-1,D-4		<u>\$ 29,642</u>	

**TOWNSHIP OF WYCKOFF  
STATEMENT OF EXPENDITURES - REGULATORY BASIS  
SEWER UTILITY OPERATING FUND  
FOR THE YEAR ENDED DECEMBER 31, 2018**

	<u>Appropriated</u>		<u>Expended</u>	
	<u>Budget</u>	<u>Budget After Modification</u>	<u>Paid or Charged</u>	<u>Reserved</u>
<b>OPERATING</b>				
Salaries and Wages	\$ 95,640	\$ 95,640	\$ 93,879	\$ 1,761
Other Expenses	1,857,800	1,857,800	1,837,371	20,429
<b>CAPITAL IMPROVEMENTS</b>				
Capital Improvement Fund	<u>350,000</u>	<u>350,000</u>	<u>350,000</u>	<u>-</u>
	<u>\$ 2,303,440</u>	<u>\$ 2,303,440</u>	<u>\$ 2,281,250</u>	<u>\$ 22,190</u>

	<u>Reference</u>	D-2	D-2	D
Cash Disbursed	D-4			\$ 2,278,656
Encumbrances Payable	D-8			<u>2,594</u>
				<u>\$ 2,281,250</u>

**TOWNSHIP OF WYCKOFF  
COMPARATIVE BALANCE SHEETS - REGULATORY BASIS  
GENERAL FIXED ASSETS ACCOUNT GROUP  
AS OF DECEMBER 31, 2018 AND 2017**

	<u>2018</u>	<u>2017</u>
<b>ASSETS</b>		
Land	\$ 9,040,300	\$ 9,040,300
Land Improvements	1,795,351	1,795,351
Buildings and Building Improvements	2,331,454	2,331,454
Vehicles and Equipment	<u>8,522,404</u>	<u>7,386,561</u>
Total Assets	<u>\$ 21,689,509</u>	<u>\$ 20,553,666</u>
<b>RESERVES</b>		
Investment in General Fixed Assets	<u>\$ 21,689,509</u>	<u>\$ 20,553,666</u>
Total Reserves	<u>\$ 21,689,509</u>	<u>\$ 20,553,666</u>

**NOTES TO FINANCIAL STATEMENTS**

**TOWNSHIP OF WYCKOFF  
NOTES TO FINANCIAL STATEMENTS  
YEARS ENDED DECEMBER 31, 2018 AND 2017**

**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, 2018 AND 2017

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, 2018 AND 2017

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, 2017 balances to conform to the December 31, 2018 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, 2018 AND 2017

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

D. Measurement Focus and Basis of Accounting (Continued)

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

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

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

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

Property Acquired for Taxes - Property acquired for taxes is recorded in the Current Fund at the assessed valuation when such property was acquired, and is fully reserved. GAAP requires such property to be recorded as a capital asset in the government-wide financial statements at fair value on the date of acquisition.

TOWNSHIP OF WYCKOFF  
NOTES TO FINANCIAL STATEMENTS  
YEARS ENDED DECEMBER 31, 2018 AND 2017

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 changes 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, 2018 AND 2017**

**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, 2018 AND 2017**

**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 2018 and 2017 the Township Council increased the original budget by \$90,452 and \$53,038, respectively. The 2018 increase was attributable to an emergency authorization of \$50,000 and \$40,452 of additional aid allotted to the Township. The 2017 increase was funded by additional aid allotted to the Township. In addition, the governing body approved several budget transfers during 2018 and 2017.

**B. Deficit Reserve**

The Township has accumulated deficit of \$739 in the Unemployment Reserve within the Other Trust Fund. The Township intends to fund the deficit through a budget contribution in the 2019 budget.

**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, 2018 and 2017, the book value of the Township's deposits were \$14,912,640 and \$25,563,608 and bank and brokerage firm balances of the Township's deposits amounted to \$15,301,082 and \$22,007,170, 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>2018</u>	<u>2017</u>
Insured	<u>\$ 15,301,082</u>	<u>\$ 22,007,170</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, 2018 and 2017, none of the Township's bank balances were exposed to custodial credit risk.

**TOWNSHIP OF WYCKOFF  
 NOTES TO FINANCIAL STATEMENTS  
 YEARS ENDED DECEMBER 31, 2018 AND 2017**

**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, 2018 and 2017, the Township had the following investments:

	Fair Value (Unaudited)	
	<u>2018</u>	<u>2017</u>
Investment:		
Length of Service Awards Program (LOSAP)	\$ 2,514,513	\$ 2,587,852

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, 2018 and 2017, \$2,514,513 and \$2,587,852 of the Township’s investments was exposed to custodial credit risk as follows:

	Fair Value (LOSAP) Unaudited	
	<u>2018</u>	<u>2017</u>
Uninsured and Collateralized:		
Collateral held by pledging financial institution's trust department but not in the Township's name	\$ 2,514,513	\$ 2,587,852

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, 2018 AND 2017**

**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, 2018 and 2017, the Township’s investment in Lincoln Financial Group was rated Baalby 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, 2018 consisted of the following:

	<u>Current</u>	<u>Sewer</u>	<u>Total</u>
<b><u>2018</u></b>			
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.

Receivables at December 31, 2017 consisted of the following:

	<u>Current</u>	<u>Sewer</u>	<u>Total</u>
<b><u>2017</u></b>			
Property Taxes	\$ 385,482		\$ 385,482
Tax Title Liens	15,317		15,317
Sewer Utility Charges	-	\$ 75,752	75,752
	<u>\$ 400,799</u>	<u>\$ 75,752</u>	<u>\$ 476,551</u>

In 2017, the Township collected \$363,962 and \$68,565 from delinquent taxes and utility charges, which represented 96% and 100% of the delinquent tax and sewer charges receivable at December 31, 2016.

**TOWNSHIP OF WYCKOFF  
NOTES TO FINANCIAL STATEMENTS  
YEARS ENDED DECEMBER 31, 2018 AND 2017**

**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>2018</u>		<u>2017</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	\$ 5,060	\$ 73,479	\$ 23,132	\$ 1,046
Trust Funds				
Other Trust Fund	73,479			18,904
Municipal Open Space Trust		412	1,046	
Animal Control Trust Fund	<u>-</u>	<u>4,648</u>	<u>-</u>	<u>4,228</u>
 Total	 <u>\$ 78,539</u>	 <u>\$ 78,539</u>	 <u>\$ 24,178</u>	 <u>\$ 24,178</u>

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

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

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

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

	Balance <u>December 31,</u>	Subsequent Year Budget <u>Appropriation</u>	<u>Balance</u>
<u>2018</u>			
Current Fund			
Emergency Authorization	<u>\$ 50,000</u>	<u>\$ 50,000</u>	<u>\$ -</u>

2017

None

**TOWNSHIP OF WYCKOFF  
NOTES TO FINANCIAL STATEMENTS  
YEARS ENDED DECEMBER 31, 2018 AND 2017**

**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>2018</u>	Utilized in Subsequent Year's Budget	Fund Balance December 31, <u>2017</u>	Utilized in Subsequent Year's Budget
Current Fund				
Cash Surplus	\$ 4,529,931	\$ 2,200,000	\$ 4,590,547	\$ 2,350,000
Non-Cash Surplus	<u>66,763</u>	<u>-</u>	<u>25,933</u>	<u>-</u>
	<u>\$ 4,596,694</u>	<u>\$ 2,200,000</u>	<u>\$ 4,616,480</u>	<u>\$ 2,350,000</u>
Sewer Utility Operating Fund				
Cash Surplus	\$ 1,690,524	\$ 200,000	\$ 1,725,558	\$ 100,000
Non-Cash Surplus	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
	<u>\$ 1,690,524</u>	<u>\$ 200,000</u>	<u>\$ 1,725,558</u>	<u>\$ 100,000</u>



**TOWNSHIP OF WYCKOFF  
NOTES TO FINANCIAL STATEMENTS  
YEARS ENDED DECEMBER 31, 2018 AND 2017**

**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, 2018 and 2017.

	Balance January 1 <u>2018</u>	<u>Increases</u>	<u>Decreases</u>	Balance, December 31, <u>2018</u>
<b><u>2018</u></b>				
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>
	Balance January 1 <u>2017</u>	<u>Increases</u>	<u>Decreases</u>	Balance, December 31, <u>2017</u>
<b><u>2017</u></b>				
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>6,943,846</u>	<u>\$ 442,715</u>	<u>-</u>	<u>7,386,561</u>
	<u>\$ 20,110,951</u>	<u>\$ 442,715</u>	<u>\$ -</u>	<u>\$ 20,553,666</u>

**TOWNSHIP OF WYCKOFF  
NOTES TO FINANCIAL STATEMENTS  
YEARS ENDED DECEMBER 31, 2018 AND 2017**

**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, 2018 and 2017.

<u>Sewer Utility Fund</u>	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
	Balance January 1, 2017	<u>Increases</u>	<u>Decreases</u>	Balance, December 31, 2017
<u>2017</u>				
Fixed Capital				
Various Improvements	\$ 150,000	\$ -	\$ -	\$ 150,000

**NOTE 9 MUNICIPAL DEBT**

The Local Bond Law governs the issuance of notes used to finance capital expenditures. Bond anticipation notes, which are issued to temporarily finance capital projects, must be paid off within ten years and four months or retired by the issuance of bonds.

	<u>2018</u>	<u>2017</u>
Issued		
General		
Notes	\$ 3,287,800	\$ 2,758,050
Net Notes Issued and Authorized But Not Issued	\$ 3,287,800	\$ 2,758,050

**TOWNSHIP OF WYCKOFF  
NOTES TO FINANCIAL STATEMENTS  
YEARS ENDED DECEMBER 31, 2018 AND 2017**

**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 .071% and .060% at December 31, 2017 and 2016, respectively.

	<u>Gross Debt</u>	<u>Deductions</u>	<u>Net Debt</u>
<b><u>2018</u></b>			
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>
	<u>Gross Debt</u>	<u>Deductions</u>	<u>Net Debt</u>
<b><u>2017</u></b>			
General Debt	\$ 2,758,050		\$ 2,758,050
School Debt	<u>29,084,608</u>	<u>\$ 29,084,608</u>	<u>-</u>
Total	<u>\$ 31,842,658</u>	<u>\$ 29,084,608</u>	<u>\$ 2,758,050</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>2018</u>	<u>2017</u>
3-1/2% of Equalized Valuation Basis (Municipal)	\$ 162,039,828	\$ 159,918,618
Net Debt	<u>3,287,800</u>	<u>2,758,050</u>
Remaining Borrowing Power	<u>\$ 158,752,028</u>	<u>\$ 157,160,568</u>

**TOWNSHIP OF WYCKOFF  
NOTES TO FINANCIAL STATEMENTS  
YEARS ENDED DECEMBER 31, 2018 AND 2017**

**NOTE 9 MUNICIPAL DEBT (Continued)**

**A. Short-Term Debt**

The Township's short-term debt activity for the years ended December 31, 2017 and 2016 was as follows:

**Bond Anticipation Notes**

	Rate (%)	Maturity Date	Balance, January 1, 2018	Additions	Reductions	Balance, December 31, 2018
<b>2018</b>						
<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
<b>Total General Capital Fund</b>			<b>\$ 2,758,050</b>	<b>\$ 3,287,800</b>	<b>\$ 2,758,050</b>	<b>\$ 3,287,800</b>
	Rate (%)	Maturity Date	Balance, January 1, 2017	Additions	Reductions	Balance, December 31, 2017
<b>2017</b>						
<u>Purpose</u>						
<u>General Capital Fund</u>						
Purchase of a Fire Pumper Truck	1.39%	7/24/2018	\$ 759,550	\$ 270,500	\$ 759,550	\$ 270,500
Various Capital Improvements	1.39%	7/24/2018	1,435,900	1,258,650	1,435,900	1,258,650
Commuter Lot Repavement/Dump Truck	1.39%	7/24/2018		410,400		410,400
Various Road Improvements	1.39%	7/24/2018	888,500	818,500	888,500	818,500
<b>Total General Capital Fund</b>			<b>\$ 3,083,950</b>	<b>\$ 2,758,050</b>	<b>\$ 3,083,950</b>	<b>\$ 2,758,050</b>

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, 2018 AND 2017

NOTE 9 MUNICIPAL DEBT (Continued)

A. Short-Term Debt (Continued)

Bond Anticipation Notes (Continued)

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

In addition to the debt shown in the above schedule, municipalities may issue debt to finance special emergency appropriations. This debt which is not included in the Township's statutory debt limit calculation is reported in the Current Fund for the years 2018 and 2017 as follows:

Special Emergency Notes

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

<u>2017</u>	<u>Rate</u> <u>(%)</u>	<u>Maturity</u> <u>Date</u>	<u>Balance,</u> <u>January 1,</u> <u>2017</u>	<u>Additions</u>	<u>Reductions</u>	<u>Balance,</u> <u>December 31,</u> <u>2017</u>
<u>Purpose</u>						
Revaluation of Property			\$ 220,628	\$ -	\$ 220,628	\$ -
			<u>\$ 220,628</u>	<u>\$ -</u>	<u>\$ 220,628</u>	<u>\$ -</u>

**TOWNSHIP OF WYCKOFF  
NOTES TO FINANCIAL STATEMENTS  
YEARS ENDED DECEMBER 31, 2018 AND 2017**

**NOTE 10 CONSTRUCTION AND OTHER SIGNIFICANT COMMITMENTS**

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

<u>Capital Project</u>	<u>Construction/Other Commitment</u>	<u>Estimated Date of Completion/Acquisition</u>
<b><u>2018</u></b>		
Acquisition of Vehicle	\$44,159	2019
<b><u>2017</u></b>		
Acquisition of Vehicles	\$265,999	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, 2018 and 2017 were as follows:

	Balance January 1, <u>2018</u>	<u>Additions</u>	<u>Reductions</u>	Balance, December 31, <u>2018</u>	Due Within <u>One Year</u>
<b><u>2018</u></b>					
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, 2018 AND 2017**

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

**Changes in Other Long-Term Liabilities (Continued)**

<u>2017</u>	Balance January 1, <u>2017</u> (Restated)	<u>Additions</u>	<u>Reductions</u>	Balance, December 31, <u>2017</u>	Due Within <u>One Year</u>
Net Pension Liability - PERS	\$ 13,876,836		\$ 3,435,678	\$ 10,441,158	
Net Pension Liability - PFRS	15,775,730		3,175,338	12,600,392	
Net OPEB Liability	<u>24,705,136</u>	-	<u>3,494,765</u>	<u>21,210,371</u>	-
	<u>\$ 54,357,702</u>	<u>\$ -</u>	<u>\$ 10,105,781</u>	<u>\$ 44,251,921</u>	<u>\$ -</u>

The opening January 1, 2017 has been restated to include the Net OPEB Liability as a result of the implementation of GASB 75.

**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](http://www.state.nj.us/treasury/pensions).

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

The following represents the membership tiers for PFRS:

<u>Tier</u>	<u>Definition</u>
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.

**TOWNSHIP OF WYCKOFF  
NOTES TO FINANCIAL STATEMENTS  
YEARS ENDED DECEMBER 31, 2018 AND 2017**

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

**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](http://www.state.nj.us/treasury/pensions).

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

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



**TOWNSHIP OF WYCKOFF  
NOTES TO FINANCIAL STATEMENTS  
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**NOTE 12 EMPLOYEE RETIREMENT SYSTEMS (Continued)**

**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 PFRS and PERS are funded directly by each of the respective systems, but are currently suspended as a result of reform legislation.

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

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

**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.us/treasury/doinvest](http://www.state.nj.us/treasury/doinvest).

**TOWNSHIP OF WYCKOFF  
NOTES TO FINANCIAL STATEMENTS  
YEARS ENDED DECEMBER 31, 2018 AND 2017**

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

**Collective Net Pension Liability**

The collective net pension liability of the participating employers for PERS at June 30, 2018 and 2017 is \$43.4 billion and \$48.9 billion, respectively, and the plan fiduciary net position as a percentage of the total pension liability is 40.45% and 36.78%, respectively. The collective net pension liability of the participating employers for PFRS at June 30, 2018 and 2017 is \$19.7 billion and \$21.6 billion, respectively and the plan fiduciary net position as a percentage of total pension liability is 57.91% and 54.52%, respectively.

The total pension liabilities were determined based on actuarial valuations as of July 1, 2017 and 2016 which were rolled forward to June 30, 2018 and 2017, respectively.

**Actuarial Methods and Assumptions**

In the July 1, 2017 and 2016 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.

**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 2018 and 2017 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 the years ended December 31, 2018 and 2017 for CPFPPF, which is a single-employer defined benefit plan, the annual pension cost differs from the annual required contribution. 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 2018, 2017 and 2016 were equal to the required contribution.

**TOWNSHIP OF WYCKOFF  
NOTES TO FINANCIAL STATEMENTS  
YEARS ENDED DECEMBER 31, 2018 AND 2017**

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

**Employer and Employee Pension Contribution (Continued)**

During the years ended December 31, 2018, 2017 and 2016, 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:

Year Ended <u>December 31</u>	<u>PFRS</u>	<u>PERS</u>	<u>DCRP</u>
2018	\$ 722,343	\$ 415,519	\$ 6,203
2017	673,344	424,245	4,349
2016	685,416	412,696	845

In addition for the years ended December 31, 2018 and 2017 the Township contributed for long-term disability insurance premiums (LTDI) of \$2,256 and \$1,655, respectively for PERS. No contribution was made in 2016.

**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, 2018 and 2017. Employer allocation percentages have been rounded for presentation purposes.

**Public Employees Retirement System (PERS)**

At December 31, 2018 and 2017, the Township reported a liability of \$9,353,928 and \$10,441,158, respectively, for its proportionate share of the PERS net pension liability. The net pension liability was measured as of June 30, 2018 and 2017, respectively, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of July 1, 2017 and 2016, 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, 2018, the Township's proportionate share was .04751 percent, which was an increase of .00266 percent from its proportionate share measured as of June 30, 2017 of .04485 percent.

**TOWNSHIP OF WYCKOFF  
NOTES TO FINANCIAL STATEMENTS  
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**NOTE 12 EMPLOYEE RETIREMENT SYSTEMS (Continued)**

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

For the years ended December 31, 2018 and 2017, the pension system has determined the Township's pension expense to be \$663,138 and \$816,926, respectively, for PERS based on the actuarial valuations which are more than the actual contributions reported in the Township's financial statements of \$415,519 and \$424,245, respectively. At December 31, 2018 and 2017, 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:

	2018		2017	
	<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	\$ 178,381	\$ 48,232	\$ 245,853	
Changes of Assumptions	1,541,372	2,990,889	2,103,534	\$ 2,095,822
Net Difference Between Projected and Actual Earnings on Pension Plan Investments		87,740	71,097	
Changes in Proportion and Differences Between Township Contributions and Proportionate Share of Contributions	<u>763,149</u>	<u>382,276</u>	<u>429,767</u>	<u>502,838</u>
Total	<u>\$ 2,482,902</u>	<u>\$ 3,509,137</u>	<u>\$ 2,850,251</u>	<u>\$ 2,598,660</u>

At December 31, 2018 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>
2019	\$ 200,036
2020	7,618
2021	(638,700)
2022	(484,625)
2023	(110,564)
Thereafter	<u>-</u>
	<u>\$ (1,026,235)</u>

TOWNSHIP OF WYCKOFF  
 NOTES TO FINANCIAL STATEMENTS  
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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, 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. The total pension liability reported for the year ended December 31, 2017 was based on the June 30, 2017 measurement date as determined by an actuarial valuation as of July 1, 2016, which was rolled forward to June 30, 2017. This actuarial valuation used the following actuarial assumptions, applied to all periods in the measurement date:

<u>PERS</u>	<u>2018</u>	<u>2017</u>
Inflation Rate	2.25%	2.25%
Salary Increases:		
Through 2026	1.65-4.15% Based on Age	1.65-4.15% Based on Age
Thereafter	2.65%-5.15% Based on Age	2.65-5.15% Based on Age
Investment Rate of Return	7.00%	7.00%
Mortality Rate Table	RP-2000	RP-2000

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

The actuarial assumptions used in the July 1, 2017 and 2016 valuations were based on the results of an actuarial experience study for the period July 1, 2011 to June 30, 2014, respectively.

**TOWNSHIP OF WYCKOFF  
NOTES TO FINANCIAL STATEMENTS  
YEARS ENDED DECEMBER 31, 2018 AND 2017**

**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, 2018 and 2017, as reported for the years ended December 31, 2018 and 2017, respectively, are summarized in the following table:

<u>Asset Class</u>	<u>Allocation</u>	<u>Rate of Return</u>	<u>Allocation</u>	<u>Rate of Return</u>
Risk Mitigation Strategies	5.00%	5.51%	5.00%	5.51%
Cash Equivalents	5.50%	1.00%	5.50%	1.00%
U.S. Treasuries	3.00%	1.87%	3.00%	1.87%
Investment Grade Credit	10.00%	3.78%	10.00%	3.78%
US Equity	30.00%	8.19%	30.00%	8.19%
Non-US Developed Markets Equity	11.50%	9.00%	11.50%	9.00%
Emerging Markets Equity	6.50%	11.64%	6.50%	11.64%
High Yield	2.50%	6.82%	2.50%	6.82%
Global Diversified Credit	5.00%	7.10%	5.00%	7.10%
Credit Oriented Hedge Funds	1.00%	6.60%	1.00%	6.60%
Debt Related Private Equity	2.00%	10.63%	2.00%	10.63%
Debt Related Real Estate	1.00%	6.61%	1.00%	6.61%
Private Real Asset	2.50%	11.83%	2.50%	11.83%
Equity Related Real Estate	6.25%	9.23%	6.25%	9.23%
Buyouts/Venture Capital	8.25%	13.08%	8.25%	13.08%

***Discount Rate***

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

<u>Calendar</u>	<u>Measurement Date</u>	<u>Discount Rate</u>
<u>Year</u>		
2018	June 30, 2018	5.66%
2017	June 30, 2017	5.00%

**TOWNSHIP OF WYCKOFF  
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**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>2018</u>	<u>2017</u>
Period of Projected Benefit		
Payments for which the Following		
Rates were Applied:		
Long-Term Expected Rate of Return	Through June 30, 2046	Through June 30, 2040
Municipal Bond Rate *	From July 1, 2046 and Thereafter	From July 1, 2040 and Thereafter

\* The municipal bond return rate used is 3.87% and 3.58% as of the measurement dates of June 30, 2018 and 2017, 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, 2018 and 2017 calculated using the discount rate of 5.66% and 5.00%, 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 4.66% and 4.00% , respectively or 1-percentage-point higher 6.66% and 6.00%, respectively than the current rate:

	<b>1% Decrease (4.66%)</b>	<b>Current Discount Rate (5.66%)</b>	<b>1% Increase (6.66%)</b>
<b><u>2018</u></b>			
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>
	<b>1% Decrease (4.00%)</b>	<b>Current Discount Rate (5.00%)</b>	<b>1% Increase (6.00%)</b>
<b><u>2017</u></b>			
Township's Proportionate Share of the PERS Net Pension Liability	<u>\$ 12,952,965</u>	<u>\$ 10,441,158</u>	<u>\$ 8,348,511</u>

The sensitivity analysis was based on the proportionate share of the Township's net pension liability at December 31, 2018 and 2017. 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  
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**NOTE 12 EMPLOYEE RETIREMENT SYSTEMS (Continued)**

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

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

***Pension Plan Fiduciary Net Position***

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

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

At December 31, 2018 and 2017, the Township reported a liability of \$11,189,160 and \$12,600,392, respectively, for its proportionate share of the PFRS net pension liability. The net pension liability was measured as of June 30, 2018 and 2017, respectively, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of July 1, 2017 and 2016, 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, 2018, the Township's proportionate share was .08269 percent, which was an increase of .00107 percent from its proportionate share measured as of June 30, 2017 of .08162 percent.

For the years ended December 31, 2018 and 2017, the pension system has determined the Township pension expense to be \$770,990 and \$1,016,502, respectively, for PFRS based on the actuarial valuations which are more or less than the actual contributions reported in the Township's financial statements of \$722,343 and \$673,344, respectively. At December 31, 2018 and 2017, 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:

	2018		2017	
	<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	\$ 113,835	\$ 46,303	\$ 81,744	\$ 73,954
Changes of Assumptions	960,439	2,867,589	1,553,769	2,063,576
Net Difference Between Projected and Actual Earnings on Pension Plan Investments		61,215	240,445	
Changes in Proportion and Differences Between Township Contributions and Proportionate Share of Contributions	<u>274,847</u>	<u>470,687</u>	<u>251,646</u>	<u>712,920</u>
Total	<u>\$ 1,349,121</u>	<u>\$ 3,445,794</u>	<u>\$ 2,127,604</u>	<u>\$ 2,850,450</u>



**TOWNSHIP OF WYCKOFF  
NOTES TO FINANCIAL STATEMENTS  
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**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, 2018 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>
2019	\$ 17,715
2020	(446,200)
2021	(937,366)
2022	(569,429)
2023	(161,393)
Thereafter	<u>-</u>
	<u>\$ (2,096,673)</u>

***Actuarial Assumptions***

The Township’s 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. The total pension liability reported for the year ended December 31, 2017 was based on the June 30, 2017 measurement date as determined by an actuarial valuation as of July 1, 2016, which was rolled forward to June 30, 2017. This actuarial valuation used the following actuarial assumptions, applied to all periods in the measurement date:

<u>PFRS</u>	<u>2018</u>	<u>2017</u>
Inflation Rate	2.25%	2.25%
Salary Increases:		
Through 2026	2.10%-8.98% Based on Age	2.10%-8.98% Based on Age
Thereafter	3.10%-9.98% Based on Age	3.10%-9.98% Based on Age
Investment Rate of Return	7.00%	7.00%
Mortality Rate Table	RP-2000	RP-2000

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

The actuarial assumptions used in the July 1, 2017 and July 1, 2016 valuations were based on the results of an actuarial experience study for the period July 1, 2010 to June 30, 2013.

**TOWNSHIP OF WYCKOFF  
NOTES TO FINANCIAL STATEMENTS  
YEARS ENDED DECEMBER 31, 2018 AND 2017**

**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, 2018 and 2017, as reported for the years ended December 31, 2018 and 2017, respectively, are summarized in the following table:

<u>Asset Class</u>	<u>2018</u>		<u>2017</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	5.00%	5.51%	5.00%	5.51%
Cash	5.50%	1.00%	5.50%	1.00%
U.S. Treasuries	3.00%	1.87%	3.00%	1.87%
Investment Grade Credit	10.00%	3.87%	10.00%	3.78%
US Equity	30.00%	8.19%	30.00%	8.19%
Non-US Developed Markets Equity	11.50%	9.00%	11.50%	9.00%
Emerging Markets Equity	6.50%	11.64%	6.50%	11.64%
High Yield	2.50%	6.82%	2.50%	6.82%
Global Diversified Credit	5.00%	7.10%	5.00%	7.10%
Credit Oriented Hedge Funds	1.00%	6.60%	1.00%	6.60%
Debt Related Private Equity	2.00%	10.63%	2.00%	10.63%
Debt Related Real Estate	1.00%	6.61%	1.00%	6.61%
Private Real Asset	2.50%	11.83%	2.50%	11.83%
Equity Related Real Estate	6.25%	9.23%	6.25%	9.23%
Buyouts/Venture Capital	8.25%	13.08%	8.25%	13.08%

***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>
2018	June 30, 2018	6.51%
2017	June 30, 2017	6.14%

**TOWNSHIP OF WYCKOFF  
NOTES TO FINANCIAL STATEMENTS  
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**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>2018</u>	<u>2017</u>
Period of Projected Benefit		
Payments for which the Following		
Rates were Applied:		
Long-Term Expected Rate of Return	Through June 30, 2062	Through June 30, 2057
Municipal Bond Rate *	From July 1, 2062 and Thereafter	From July 1, 2057 and Thereafter

\* The municipal bond return rate used is 3.87% and 3.58% as of the measurement dates of June 30, 2018 and 2017, 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, 2018 and 2017 calculated using the discount rate of 6.51% and 6.14%, 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 5.51% and 5.14%, respectively or 1-percentage-point higher 7.51% and 7.14%, respectively than the current rate:

	<u>1% Decrease (5.51%)</u>	<u>Current Discount Rate (6.51%)</u>	<u>1% Increase (7.51%)</u>
<u>2018</u>			
Borough's Proportionate Share of the PFRS Net Pension Liability	<u>\$ 14,975,302</u>	<u>\$ 11,189,160</u>	<u>\$ 8,066,282</u>
	<u>1% Decrease (5.14%)</u>	<u>Current Discount Rate (6.14%)</u>	<u>1% Increase (7.14%)</u>
<u>2017</u>			
Borough's Proportionate Share of the PFRS Net Pension Liability	<u>\$ 16,602,054</u>	<u>\$ 12,600,392</u>	<u>\$ 9,312,572</u>

The sensitivity analysis was based on the proportionate share of the Township’s net pension liability at December 31, 2018 and 2017. 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, 2018 AND 2017**

**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 Borough by the State under this legislation is considered to be a special funding situation as defined by GASB Statement No. 68 and the State is treated as a nonemployer contributing entity. Accordingly, the 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, 2018 and 2017, the State's proportionate share of the net pension liability attributable to the Township for the PFRS special funding situation is \$1,519,862 and \$1,411,350, respectively. For the years ended December 31, 2018 and 2017, 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 \$180,025 and \$172,640, respectively, which is less than the actual contributions the State made on behalf of the Township of \$90,013 and \$70,573, respectively. At December 31, 2018 (measurement date June 30, 2018) the State's share of the PFRS net pension liability attributable to the Township was .08269 percent, which was an increase of .00107 percent from its proportionate share measured as of December 31, 2017 (measurement date June 30, 2017) of .08162 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](http://www.state.nj.us/treasury/pensions).

**TOWNSHIP OF WYCKOFF  
NOTES TO FINANCIAL STATEMENTS  
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**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](http://www.state.nj.us/treasury/pensions).

**TOWNSHIP OF WYCKOFF  
NOTES TO FINANCIAL STATEMENTS  
YEARS ENDED DECEMBER 31, 2018 AND 2017**

**NOTE 13 POST-RETIREMENT MEDICAL BENEFITS**

**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, 2018 and 2017 is \$15.7 billion and \$20.4 billion, respectively, and the plan fiduciary net position as a percentage of the total OPEB liability is 1.97% and 1.03%, respectively.

The total OPEB liabilities were determined based on actuarial valuations as of June 30, 2017 and 2016 which were rolled forward to June 30, 2018 and 2017.

**Actuarial Methods and Assumptions**

In the June 30, 2017 and 2016 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 \$421.2 million and \$381.8 million and the State of New Jersey, as the non-employer contributing entity, contributed \$53.5 million and \$53.1 million for fiscal years 2018 and 2017, respectively.

**TOWNSHIP OF WYCKOFF  
NOTES TO FINANCIAL STATEMENTS  
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**NOTE 13 POST-RETIREMENT MEDICAL BENEFITS (Continued)**

**Post-Retirement Medical Benefits Contribution (Continued)**

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, 2018, 2017 and 2016 were \$750,383, \$790,460 and \$710,865, 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, 2018, 2017 and 2016 were \$38,324, \$37,118 and \$32,173, respectively.

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

The regulatory basis of accounting requires participating employers in the State Health Benefit Program Fund – Local Government Retired Plan to disclose in accordance with GASB Statement No. 75, *Accounting and Financial Reporting for Postemployment Benefits other than Pension (GASB No. 75)* their proportionate share of the collective net OPEB liability, collective deferred outflows of resources, collective deferred inflows of resources and collective OPEB expense excluding that attributable to retiree-paid member contributions. 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, 2018 and 2017. Employer allocation percentages have been rounded for presentation purposes.

At December 31, 2018 and 2017, the Township reported a liability of \$16,337,776 and \$21,210,371, respectively, for its proportionate share of the net OPEB liability. The net OPEB liability was measured as of June 30, 2018 and 2017, respectively, and the total OPEB liability used to calculate the net OPEB liability was determined by an actuarial valuation as June 30, 2017 and 2016, 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, 2018 and 2017 to the total OPEB liability for the State Health Benefit Program Fund – Local Government Retired Plan at June 30, 2018 and 2017, respectively. As of the measurement date of June 30, 2018 the Township's proportionate share was .10428 percent, which was an increase of .00039 percent from its proportionate share measured as of June 30, 2017 of .10389 percent.

**TOWNSHIP OF WYCKOFF  
NOTES TO FINANCIAL STATEMENTS  
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**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 years ended December 31, 2018 and 2017, the Plan has determined the Township's OPEB expense to be \$380,309 and \$1,183,531 respectively, based on the actuarial valuations which are less and more than the actual contribution reported in the Township's financial statements of \$750,383 for 2018 and more than the actual contribution of \$790,460 for 2017. At December 31, 2018 and 2017, 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:

	2018		2017	
	<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		\$ 3,317,151		
Changes of Assumptions		4,144,291		\$ 2,354,17
Net Difference Between Projected and Actual Earnings on OPEB Plan Investments	\$ 8,634		\$ 3,634	
Changes in Proportion and Differences Between Township Contributions and Proportionate Share of Contributions	77,978	1,609,486	-	1,875,95
Contributions made Subsequent to the Measurement Date	-	-	-	-
Total	<u>\$ 86,612</u>	<u>\$ 9,070,928</u>	<u>\$ 3,634</u>	<u>\$ 4,230,12</u>

At December 31, 2018 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:

<u>Year Ending December 31,</u>	<u>Total</u>
2019	\$ (1,349,702)
2020	(1,349,702)
2021	(1,349,704)
2022	(1,350,610)
2023	(1,352,088)
Thereafter	<u>(2,232,510)</u>
	<u>\$ (8,984,316)</u>



**TOWNSHIP OF WYCKOFF  
NOTES TO FINANCIAL STATEMENTS  
YEARS ENDED DECEMBER 31, 2018 AND 2017**

**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, 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. The total OPEB liability reported for the year ended December 31, 2017 was based on the June 30, 2017 measurement date as determined by an actuarial valuation as of June 30, 2016, which was rolled forward to June 30, 2017. This actuarial valuation used the following actuarial assumptions, applied to all periods in the measurement date:

	<u>2018</u>	<u>2017</u>
Inflation Rate	2.50%	2.50%
Salary Increases*		
Initial Fiscal Year Applied Through	2026	2026
Rate	1.65% to 8.98%	1.65% to 8.98%
Rate Thereafter	2.65% to 9.98%	2.65% to 9.98%
Mortality	RP-2006 Headcount-Weighted Healthy Employee Male/Female Mortality Table with fully generational mortality improvement projections from the central year using Scale MP-2017.	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	1.00%	1.00%

\*Salary increases are based on the defined benefit pension plan that the member is enrolled in and his or her age.

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.

For the June 30, 2017 measurement date healthcare cost trend rates for pre-Medicare Preferred Provider Organization (PPO) medical benefits, this amount initially is 5.9 percent and decreases to a 5.0 percent long-term trend rate after nine years. For self-insured post-65 PPO medical benefits, the trend rate is 4.5 percent. For health maintenance organization (HMO) medical benefit, the trend rate is initially 5.9 percent and decreases to a 5.0 percent long-term trend rate after nine years. For prescription drug benefits, the initial trend rate is 10.5 percent and decreases to a 5.0 percent long-term trend rate after eight years. For the Medicare Part B reimbursement, the trend rate is 5.0 percent. This reflects the known underlying cost of the Part B premium. The Medicare Advantage trend rate is 4.5 percent and will continue in all future years.

The actuarial assumptions used in the June 30, 2017 and 2016 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.

**TOWNSHIP OF WYCKOFF  
 NOTES TO FINANCIAL STATEMENTS  
 YEARS ENDED DECEMBER 31, 2018 AND 2017**

**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)**

*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 1.00% and 1.00% as of June 30, 2018 and 2017, 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>
2018	June 30, 2018	3.87%
2017	June 30, 2017	3.58%

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.

*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, 2018 and 2017 calculated using the discount rate of 3.87% and 3.58%, 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 2.87% and 2.58%, respectively or 1-percentage-point higher 4.87% and 4.58%, respectively than the current rate:

	<u>1% Decrease (2.87%)</u>	<u>Current Discount Rate (3.87%)</u>	<u>1% Increase (4.87%)</u>
<u>2018</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>
	<u>1% Decrease (2.58%)</u>	<u>Current Discount Rate (3.58%)</u>	<u>1% Increase (4.58%)</u>
<u>2017</u>			
Township's Proportionate Share of the Net OPEB Liability	<u>\$ 25,018,265</u>	<u>\$ 21,210,371</u>	<u>\$ 18,188,871</u>

The sensitivity analysis was based on the proportionate share of the Township's net OPEB liability at December 31, 2018 and 2017. A sensitivity analysis specific to the Township's net OPEB liability was not provided by the Plan.

**TOWNSHIP OF WYCKOFF  
NOTES TO FINANCIAL STATEMENTS  
YEARS ENDED DECEMBER 31, 2018 AND 2017**

**NOTE 15 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 Healthcare Trend Rate*

The following presents the Township’s proportionate share of the OPEB net liability as of December 31, 2018 and 2017 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>2018</u>	<u>1% Decrease</u>	<u>Healthcare Cost Trend Rates</u>	<u>1% Increase</u>
Township's Proportionate Share of the Net OPEB Liability	<u>\$ 13,628,325</u>	<u>\$ 16,337,776</u>	<u>\$ 19,844,209</u>
 <u>2017</u>	 <u>1% Decrease</u>	 <u>Healthcare Cost Trend Rates</u>	 <u>1% Increase</u>
Township's Proportionate Share of the Net OPEB Liability	<u>\$ 17,626,438</u>	<u>\$ 21,210,371</u>	<u>\$ 25,877,067</u>

The sensitivity analysis was based on the proportionate share of the Township’s net OPEB liability at December 31, 2018 and 2017. A sensitivity analysis specific to the Township’s net OPEB liability was not provided by the pension system.

***OPEB Plan Fiduciary Net Position***

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

**NOTE 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.

**TOWNSHIP OF WYCKOFF  
NOTES TO FINANCIAL STATEMENTS  
YEARS ENDED DECEMBER 31, 2018 AND 2017**

**NOTE 14 RISK MANAGEMENT (Continued)**

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>
2018	\$ 100	\$ 10,209	\$ 32,117	\$ (739)
2017	100	7,631	4,891	21,069
2016	100	13,793	28,893	18,229

**TOWNSHIP OF WYCKOFF  
NOTES TO FINANCIAL STATEMENTS  
YEARS ENDED DECEMBER 31, 2018 AND 2017**

**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, 2018 and 2017. 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, 2018 and 2017, the Township reserved \$267,433 and \$305,557, 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, 2018 and 2017, 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, 2018 AND 2017**

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

The Township of Wyckoff has contributed \$1,150 for 2018 and 2017, respectively, for each eligible Volunteer Fire Department and Volunteer Ambulance Corps member into the Plan. The total Township contributions were \$87,400 and \$97,750 for 2018 and 2017, 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 SUBSEQUENT EVENTS**

**Debt Authorized**

On February 19, 2019, the Township adopted a bond ordinance appropriating \$639,940 and authorizing the issuance of \$532,440 in bonds or bond anticipation notes to purchase a fire pumper truck. As of the date of this report the Township has not issued nor awarded the sale of said bonds or notes.

On May 21, 2019, the Township adopted a bond ordinance appropriating \$725,750 and authorizing the issuance of \$413,750 in bonds or bond anticipation notes to purchase a street sweeper and undertake road resurfacing. 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, 2018		\$ 17,648,694
Increased by Receipts:		
Taxes Receivable	\$ 72,784,612	
Tax Title Liens	5,291	
Non-Budget Revenues	416,349	
State of NJ - Senior Citizens' and Vet. Deductions	96,278	
Revenue Accounts Receivable	3,908,922	
Grants Receivable	39,515	
Prepaid Taxes	577,379	
Unappropriated Grant Reserves	2,097	
Tax Overpayments	161,616	
Reserve for Payroll Account	8,820,807	
Fees Payable	47,045	
Receipts from Animal Control Trust Fund	4,228	
Receipts from Other Trust Fund	18,904	
Receipts for Other Trust Fund	77,643	
Receipts from General Capital Fund	-	
	86,960,686	
		104,609,380
Decreased by Disbursements:		
2018 Budget Appropriations	16,857,743	
2017 Appropriation Reserves	361,788	
Encumbrances Payable	536,366	
County Taxes Payable	11,418,447	
Local District School Taxes Payable	38,854,969	
Regional School Taxes Payable	20,024,741	
Tax Overpayments	212,676	
Reserve for Payroll Account	8,820,807	
Appropriated Grant Reserves	67,192	
Payments to Municipal Open Space Trust Fund	236,035	
Reserve for Tax Appeals	238,124	
Fees Payable	39,159	
Payments for Municipal Open Space Trust Fund	1,269	
	97,669,316	
Balance, December 31, 2018		\$ 6,940,064



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

	Balance, January 1, <u>2018</u>	Balance, December 31, <u>2018</u>
Tax Collector	\$ 500	\$ 500
	<u>\$ 500</u>	<u>\$ 500</u>

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

Balance, January 1, 2018		\$ 13
Increased by:		
Senior Citizens /Veterans Deductions Per Tax Billings - 2018	\$ 98,250	
Senior Citizens /Veterans Deductions Allowed Per Tax Collector - 2017	<u>500</u>	
		<u>98,750</u>
		98,763
Decreased by:		
Senior Citizens/Veterans Disallowed Per Tax Collector - 2018	2,485	
Cash Received	<u>96,278</u>	
		<u>98,763</u>
Balance, December 31, 2018		<u>\$ -</u>

TOWNSHIP OF WYCKOFF  
STATEMENT OF TAXES RECEIVABLE

Year	Balance, January 1, 2018	2018 Levy	Senior Citizens' and Veterans' Deductions Disallowed	Collections		Senior Citizens' and Veterans' Deductions Allowed	Cancelled	Transferred to Tax Title Liens	Balance, December 31, 2018
				2017	2018				
2017	\$ 385,482	-	-	-	\$ 384,982	\$ 500	-	-	-
	385,482	-	-	-	384,982	500	-	-	-
2018	-	\$ 84,020,293	\$ 2,485	\$ 10,986,105	72,399,630	98,250	\$ 151,052	\$ 9,505	\$ 378,236
	\$ 385,482	\$ 84,020,293	\$ 2,485	\$ 10,986,105	\$ 72,784,612	\$ 98,750	\$ 151,052	\$ 9,505	\$ 378,236

Analysis of 2018 Property Tax Levy

Tax Yield									
General Purpose Tax				\$ 83,715,245					
Added Taxes				305,048					
					\$ 84,020,293				
Tax Levy									
County Taxes	\$ 10,901,640								
County Open Space Taxes	464,826								
Due County for Added and Omitted Taxes	41,516								
				11,407,982					
Municipal Open Space Preservation	234,989								
Due Municipal Open Space for Added and Omitted Taxes	857								
				235,846					
Regional High School Tax				20,024,741					
Local District School Tax				38,854,969					
				70,523,538					
Local Tax for Municipal Purposes	11,695,022								
Minimum Library Tax	1,539,059								
Additional Tax Levied	262,674								
				13,496,755					
					\$ 84,020,293				

EXHIBIT A-8

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

Balance, January 1, 2018	\$ 15,317
Increased by:	
Transfers from Taxes Receivable	<u>9,505</u>
	24,822
Decreased by:	
Cash Receipts	<u>5,291</u>
Balance, December 31, 2018	<u>\$ 19,531</u>

EXHIBIT A-9

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

Balance, January 1, 2018	<u>\$ 36,700</u>
Balance, December 31, 2018	<u>\$ 36,700</u>

EXHIBIT A-10

**STATEMENT OF REVENUE ACCOUNTS RECEIVABLE**

	Balance, January 1, 2018	Accrued in 2018	Collected	Balance, December 31, 2018
Township Clerk - Licenses				
Alcoholic Beverages		17,500	17,500	
Other		136,172	136,172	
Fees and Permits				
Other		207,595	207,595	
Fines and Costs - Municipal Court	\$ 5,776	118,078	116,986	\$ 6,868
Interest and Costs on Taxes		105,871	105,871	
Interest on Investments		243,304	243,304	
Lease of Township Property		39,484	39,484	
Cable Franchise Fee		279,943	279,943	
Lease of Cell Tower Space #1		328,082	328,082	
Lease of Cell Tower Space #2		177,109	177,109	
Lease of Cell Tower Space #3		30,342	30,342	
Energy Receipts Tax		1,093,271	1,093,271	
Uniform Construction Code Fees		445,651	445,651	
CFO Shared Services Agreement - Borough of New Milford		30,154	30,154	
Library Shared Service Agreement- Payroll		12,214	12,214	
Library Shared Service Agreement- Admin.		5,500	5,500	
Recreation Fees		619,822	619,822	
Uniform Fire Safety Act	-	23,268	23,268	-
	<u>\$ 5,776</u>	<u>\$ 3,913,360</u>	<u>\$ 3,912,268</u>	<u>\$ 6,868</u>

Due from Animal Control Trust Fund	\$ 624
Due from Other Trust Fund	2,722
Cash Receipts	<u>3,908,922</u>
	<u>\$ 3,912,268</u>

**TOWNSHIP OF WYCKOFF  
STATEMENT OF GRANTS RECEIVABLE**

	Balance, January 1, <u>2018</u>	Revenue <u>Realized</u>	<u>Received</u>	<u>Cancelled</u>	Balance, December 31, <u>2018</u>
Municipal Alliance Program	\$ 17,730			\$ 6,467	\$ 11,263
Distracted Driving	34			34	
Drunk Driving Enforcement Fund	1,510		\$ 1,510		
Clean Communities Grant		\$ 34,952	34,952		
Drive Sober Get Pulled Over	<u>6,646</u>	<u>5,500</u>	<u>3,053</u>	<u>3,593</u>	<u>5,500</u>
	<u>\$ 25,920</u>	<u>\$ 40,452</u>	<u>\$ 39,515</u>	<u>\$ 10,094</u>	<u>\$ 16,763</u>
			Cancelled to Appropriated Grant Reserves	<u>\$ 10,094</u>	

**TOWNSHIP OF WYCKOFF  
STATEMENT OF 2017 APPROPRIATION RESERVES**

	Balance, January 1, <u>2018</u>	Prior Year Encumbrances <u>Restored</u>	Balance After <u>Modification</u>	Paid or <u>Charged</u>	Balance <u>Lapsed</u>
<b>SALARIES AND WAGES</b>					
Administrative and Executive	\$ 28,988		\$ 28,988	\$ 994	\$ 27,994
Township Clerk	1,665		1,665		1,665
Revenue Administration and Tax Collection	1,773		1,773		1,773
Assessment of Taxes	11,458		11,458	658	10,800
Planning Board	1,154		1,154	145	1,009
Police	119,725		119,725	76,734	42,991
Recreation	7,426		7,426	3,797	3,629
Road Repairs and Maintenance	3,555		3,555	3,555	-
Health and Human Services	752		752		752
Construction Code Official	4,662		4,662	2,226	2,436
Municipal Court	21,348		21,348		21,348
<b>OTHER EXPENSES</b>					
Administrative and Executive	565		565	123	442
Township Clerk	16,265		16,265	2,300	13,965
Financial Administration	1,087		1,087	1,087	-
Audit Services	740		740		740
Revenue Administration and Tax Collection	1,800		1,800	1,200	600
Elections	560		560		560
Assessment of Taxes	6,604		6,604	6,604	-
Environmental Commission: NJSA 40:56A-1	1,000	\$ 4,000	5,000		5,000
Legal Services and Costs	50,562		50,562	7,676	42,886
Engineering Services	1,459		1,459	919	540
Public Buildings and Grounds	9,003		9,003	8,720	283
Shade Tree Commission	27,227		27,227	8,000	19,227
Planning Board	28,842		28,842	460	28,382
Board of Adjustment	1,474		1,474	592	882
General Liability Insurance	5,746	7,500	13,246		13,246
Employee Health Benefits Insurance	77,237		77,237		77,237
Health Benefit Waivers	6,383		6,383		6,383
Police	4,697		4,697	2,551	2,146
Emergency Management Services	1,725		1,725	1,685	40
Public Safety Volunteer Fire Department	10,910		10,910	10,910	-
Life Hazard Use Fees (Uniform Fire Safety)	1,516		1,516		1,516
Radio Communications Contract	1,062		1,062		1,062
Recreation	3,966		3,966	3,966	-
Park Maintenance	5,879		5,879	5,879	-
Celebration of Public Events	26		26		26
Recycling	5,455		5,455	2,090	3,365

**TOWNSHIP OF WYCKOFF**  
**STATEMENT OF 2017 APPROPRIATION RESERVES**

	Balance, January 1, <u>2018</u>	Prior Year Encumbrances <u>Restored</u>	Balance After <u>Modification</u>	Paid or <u>Charged</u>	Balance <u>Lapsed</u>
OTHER EXPENSES (Continued)					
Road Repair and Maintenance	\$ 88,550		\$ 88,550	\$ 88,550	
Vehicular Maintenance	33,904		33,904	28,811	\$ 5,093
CDL Mandate	750		750	255	495
Health and Human Services	4,829		4,829	170	4,659
Municipal Court	1,273		1,273	103	1,170
Condo Services Act	810		810		810
Municipal Prosecutor	485	\$ 298	783		783
Public Defender	364	300	664		664
Construction Code Official	1,097	3,558	4,655		4,655
PEOSHA - Hepatitis B	4,150		4,150		4,150
PEOSHA - Respiratory Protection	1,799		1,799	410	1,389
Utilities					
Electricity	7,764		7,764	1,956	5,808
Street Lighting	36,174		36,174	21,363	14,811
Telephone	7,769		7,769	1,611	6,158
Water	2,223		2,223	675	1,548
Natural Gas	7,822		7,822	7,486	336
Fire Hydrants	6		6	6	-
Gasoline	14,459		14,459	14,459	-
Landfill and Solid Waste Disposal	49,489		49,489	12,065	37,424
Recycling Tax	3,634	143	3,777		3,777
Social Security System (OASI)	20,112		20,112	4,157	15,955
Defined Compensation Retirement Plan	5,651		5,651	5,651	-
Affordable Housing	1,659		1,659	1,388	271
Tax Appeal Interest	50		50		50
LOSAP		31,850	31,850		31,850
Maintenance of Library	19,801		19,801	19,801	-
Interlocal Services Agreements - 911 Services	3,750	-	3,750	-	3,750
	<u>\$ 792,670</u>	<u>\$ 47,649</u>	<u>\$ 840,319</u>	<u>\$ 361,788</u>	<u>\$ 478,531</u>

EXHIBIT A-13

**TOWNSHIP OF WYCKOFF  
STATEMENT OF ENCUMBRANCES PAYABLE**

Balance, January 1, 2018		\$	584,015
Increased by:			
Charges to 2018 Appropriations			<u>462,084</u>
			1,046,099
Decreased by:			
Restored to 2017 Appropriation Reserves	\$	47,649	
Cash Disbursements		<u>536,366</u>	
			<u>584,015</u>
Balance, December 31, 2018		\$	<u>462,084</u>

EXHIBIT A-14

**STATEMENT OF PREPAID TAXES**

Balance, January 1, 2018		\$	10,986,105
Increased by:			
Collection of 2019 Taxes			<u>577,379</u>
			11,563,484
Decreased by:			
Application to 2018 Taxes Receivable			<u>10,986,105</u>
Balance, December 31, 2018		\$	<u>577,379</u>

EXHIBIT A-15

**STATEMENT OF COUNTY TAXES PAYABLE**

Balance, January 1, 2018		\$	51,981
Increased by:			
2018 Tax Levy	\$	10,901,640	
2018 Open Space Preservation		464,826	
2018 Added and Omitted Taxes		<u>41,516</u>	
			\$ <u>11,407,982</u>
			11,459,963
Decreased by:			
Cash Disbursed			<u>11,418,447</u>
Balance, December 31, 2018		\$	<u>41,516</u>

EXHIBIT A-16

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

Increased by:	
Levy - Calendar Year 2018	<u>\$ 38,854,969</u>
Decreased by:	
Cash Disbursed	<u>\$ 38,854,969</u>

EXHIBIT A-17

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

Increased by:	
Levy - Calendar Year 2018	<u>\$ 20,024,741</u>
Decreased by:	
Cash Disbursed	<u>\$ 20,024,741</u>

EXHIBIT A-18

**STATEMENT OF TAX OVERPAYMENTS**

Balance, January 1, 2018	\$ 155,371
Increased by:	
Cash Receipts	<u>161,616</u>
	316,987
Decreased by:	
Cash Disbursements	<u>212,676</u>
Balance, December 31, 2018	<u>\$ 104,311</u>

EXHIBIT A-19

**STATEMENT OF RESERVE FOR TAX APPEALS**

Balance, January 1, 2018	\$ 305,557
Increased by:	
Transferred from 2018 Taxes Collected	<u>200,000</u>
	505,557
Decreased by:	
Cash Disbursements	<u>238,124</u>
Balance, December 31, 2018	<u>\$ 267,433</u>



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

	Balance, January 1, <u>2018</u>	Budget Appropriation	Expenditures	Cancelled	Balance, December 31, <u>2018</u>
Clean Communities Grant	\$ 15,652	\$ 34,952	\$ 28,039		\$ 22,565
Municipal Alliance Against Alcohol and Drug Abuse					
Grant	16,145		414	\$ 4,468	11,263
Municipal Share	6,100		486	3,000	2,614
Drunk Driving Enforcement Fund	6,245		2,574		3,671
Recycling Tonnage		32,625	32,625		-
Drive Sober Get Pulled Over	5,891	5,500	3,054	2,837	5,500
Distracted Driving	34			34	-
Alcohol Education and Rehabilitation Program	748	64	-	-	812
	<u>\$ 50,815</u>	<u>\$ 73,141</u>	<u>\$ 67,192</u>	<u>\$ 10,339</u>	<u>\$ 46,425</u>

Cancelled to Grants Receivable \$ 10,094  
Cancelled to Operations 245  
\$ 10,339

EXHIBIT A-21

**STATEMENT OF UNAPPROPRIATED GRANT RESERVES**

	Balance, January 1, <u>2018</u>	Cash Receipts	Realized as 2018 Anticipated Revenue	Balance, December 31, <u>2018</u>
Recycling Tonnage	\$ 32,625		\$ 32,625	
Alcohol Education and Rehabilitation Program	64	\$ 586	64	\$ 586
Drunk Driving Enforcement Fund	-	1,511	-	1,511
	<u>\$ 32,689</u>	<u>\$ 2,097</u>	<u>\$ 32,689</u>	<u>\$ 2,097</u>

EXHIBIT A-22

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

Balance, January 1, 2018 (Due To)	\$ 1,046
Increased by:	
2018 Tax Levy	\$ 234,989
2018 Added Taxes	<u>857</u>
	<u>235,846</u>
	236,892
Decreased by:	
Municipal Open Space Trust Fund Expenditures Paid by Current Fund	1,269
Cash Disbursements	<u>236,035</u>
	<u>237,304</u>
Balance, December 31, 2018 (Due From)	<u>\$ 412</u>

EXHIBIT A-23

**TOWNSHIP OF WYCKOFF  
STATEMENT OF FEES PAYABLE**

	Balance, January 1, <u>2018</u>	Cash <u>Receipts</u>	Cash <u>Disbursements</u>	Balance, December 31, <u>2018</u>
Uniform Construction Code-DCA	\$ <u>448</u>	\$ <u>47,045</u>	\$ <u>39,159</u>	\$ <u>8,334</u>

EXHIBIT A-24

**STATEMENT OF RESERVE FOR PAYROLL**

Increased by:	
Cash Receipts	\$ 8,820,807
Decreased by:	
Cash Disbursements	<u>8,820,807</u>
Balance, December 31, 2018	<u>\$ -</u>

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

<u>Purpose</u>	Balance January 1, <u>2018</u>	Amount Resulting from <u>2018</u>	Balance December 31, <u>2018</u>
Buildings & Grounds - Other Expenses	\$ -	\$ 50,000	\$ 50,000
	<u>\$ -</u>	<u>\$ 50,000</u>	<u>\$ 50,000</u>

EXHIBIT A-26

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

Balance, January 1, 2018	\$ 37,950
Decreased by:	
Cancelled to Operations	<u>37,950</u>
Balance, December 31, 2018	<u>\$ -</u>

EXHIBIT A-27

**STATEMENT OF ACCOUNTS PAYABLE**

Balance, January 1, 2018	\$ 60,000
Decreased by:	
Cancelled to Operations	<u>60,000</u>
Balance, December 31, 2018	<u>\$ -</u>

**TRUST FUND**

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

	<u>Animal Control Trust Fund</u>	<u>Other Trust Fund</u>	<u>Municipal Open Space Trust Fund</u>
Balance, January 1, 2018	\$ 40,492	\$ 2,974,619	\$ 968,297
Increased by Receipts:			
State of New Jersey Dog License Fees Collected	\$ 2,123		
Interest on Deposits	697	\$ 1,442	\$ 9,324
Receipts for Current Fund	624	2,722	
Receipts from Current Fund			236,035
Payroll and Payroll Deductions		5,158,258	
Miscellaneous Reserves		1,922,616	
Dog License Fees	<u>16,979</u>	<u>-</u>	<u>-</u>
	<u>20,423</u>	<u>7,085,038</u>	<u>245,359</u>
	60,915	10,059,657	1,213,656
Decreased by Disbursements:			
Expenditures Under			
R.S. 4:19-15.11	14,276		
Due to State of New Jersey	2,203	16,390	
Payments to Current Fund	4,228	18,904	
Municipal Open Space Expenditures			107,733
Payroll and Payroll Deductions		5,087,524	
Miscellaneous Reserves	<u>-</u>	<u>1,965,421</u>	<u>-</u>
	<u>20,707</u>	<u>7,088,239</u>	<u>107,733</u>
Balance, December 31, 2018	<u>\$ 40,208</u>	<u>\$ 2,971,418</u>	<u>\$ 1,105,923</u>

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

Balance, January 1, 2018		\$	35,619
Increased by:			
Dog License Fees			
Municipal Share	\$	14,181	
Late Fees		2,390	
Lost Tags		90	
Donations		<u>318</u>	
			<u>16,979</u>
			52,598
Decreased by:			
Expenditures Under R.S. 4:19-15-11		14,276	
Statutory Excess - Due to Current Fund		<u>3,327</u>	
			<u>17,603</u>
Balance, December 31, 2018		\$	<u>34,995</u>

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

Balance, January 1, 2018	\$	645
Increased by:		
Dog License Fees Collected		<u>2,123</u>
		2,768
Decreased by:		
Payments Made to State of New Jersey		<u>2,203</u>
Balance, December 31, 2018	\$	<u>565</u>

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

Balance, January 1, 2018	\$	4,228
Increased by:		
Interest on Deposits	\$	697
Current Fund Receipts Deposited in Animal Control Trust Fund		624
Statutory Excess		<u>3,327</u>
		<u>4,648</u>
		8,876
Decreased by:		
Payments to Current Fund		<u>4,228</u>
Balance, December 31, 2018	\$	<u>4,648</u>



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

	Balance, January 1, <u>2018</u>	<u>Increases</u>	<u>Decreases</u>	Balance, (Deficit) December 31, <u>2018</u>
Special Deposits	\$ 1,047,711	\$ 653,042	\$ 1,471,671	\$ 229,082
Snow Removal Escrow	388,007	189,289	143,290	434,006
Developer's Escrow	165,683	31,403	47,527	149,559
Performance Bonds	359,711	42,066	47,918	353,859
Gardens of Wyckoff Bequest	100,262	200		100,462
Unemployment	21,069	10,309	32,117	(739)
Developer Fees - Housing Trust	407,385	199,220		606,605
Community Development	934	8		942
Flexible Spending	1,012	10		1,022
Escrow Deposits Payable	<u>314,615</u>	<u>874,712</u>	<u>255,015</u>	<u>934,312</u>
	<u>\$ 2,806,389</u>	<u>\$ 2,000,259</u>	<u>\$ 1,997,538</u>	<u>\$ 2,809,110</u>
Due from Current Fund	\$ 77,643			
Cash Receipts		<u>1,922,616</u>		
		<u>\$ 2,000,259</u>		
		Cash Disbursements	\$ 1,965,421	
		Due to State of New Jersey-Unemployment	<u>32,117</u>	
			<u>\$ 1,997,538</u>	

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

Balance, January 1, 2018 (Due To)	\$ 18,904
Increased by:	
Current Fund Receipts Deposited in Other Trust Fund	\$ 2,722
Interest Earned	<u>1,442</u>
	<u>4,164</u>
	23,068
Decreased by:	
Other Trust Receipts Deposited in Current Fund	77,643
Cash Disbursements	<u>18,904</u>
	<u>96,547</u>
Balance, December 31, 2018 (Due From)	<u>\$ 73,479</u>

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

Balance, January 1, 2018	\$	584
Increased by:		
Unemployment Claims		<u>32,117</u>
		32,701
Decreased By:		
Cash Disbursements		<u>16,390</u>
Balance, December 31, 2018	\$	<u>16,311</u>

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

Balance, January 1, 2018	\$	969,343
Increased by:		
Interest on Deposits	\$	9,324
2018 Municipal Open Space Tax Levy		234,989
2018 Added Municipal Open Space Tax Levy		<u>857</u>
		<u>245,170</u>
		1,214,513
Decreased by:		
Municipal Open Space Trust Fund Expenditures Paid by Current Fund	1,269	
Cash Disbursements	<u>107,733</u>	
		<u>109,002</u>
Balance, December 31, 2018	\$	<u>1,105,511</u>

EXHIBIT B-11

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

Balance, January 1, 2018 (Due From)		\$ 1,046
Increased by:		
2018 Municipal Open Space Tax Levy	\$ 234,989	
2018 Added Municipal Open Space Tax Levy	<u>857</u>	
		<u>235,846</u>
		236,892
Decreased by:		
Municipal Open Space Trust Fund Expenditures Paid by Current Fund	1,269	
Cash Receipts	<u>236,035</u>	
		<u>237,304</u>
Balance, December 31, 2018 (Due To)		<u>\$ 412</u>

EXHIBIT B-12

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

Balance, January 1, 2018		\$ 148,742
Increased by:		
Cash Receipts		<u>5,158,258</u>
		5,307,000
Decreased by:		
Cash Disbursements		<u>5,087,524</u>
Balance, December 31, 2018		<u>\$ 219,476</u>

**GENERAL CAPITAL FUND**

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

Balance, January 1, 2018		\$	1,060,855
Increased by Receipts:			
Other Trust Fund - Recycling Center Donations		\$	10,000
Grants Receivable			296,615
Bond Anticipation Note Proceeds			1,265,000
Current Fund Budget Appropriations:			
Capital Improvement Fund			<u>790,000</u>
			<u>2,361,615</u>
			3,422,470
Decreased by Disbursements:			
Improvement Authorizations		2,079,801	
Encumbrances Payable		<u>486,845</u>	
			<u>2,566,646</u>
Balance, December 31, 2018		\$	<u><u>855,824</u></u>

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

EXHIBIT C-3

		Balance, December 31, <u>2018</u>
Fund Balance	\$	1,627
Capital Improvement Fund		66,243
Encumbrances Payable		307,748
Grants Receivable		(187,747)
<u>Ord.</u>		
<u>No.</u>		
	<u>Improvement Authorizations</u>	
1619/1646/1688/1773/1829	Field Enhancement	164,004
1735	Various Capital Improvements	84,229
1737/1828	Purchase Fire Pumper	75,000
1739	Town Hall Roof Replacement	48,250
1773	Various Capital Improvements	23,337
1799	Various Capital Improvements	68,234
1826	Various Capital Improvements	26,207
1834	Memorial Field Improvements	1,475
1836	Utility Truck with Plow	15,213
1851	Reconstruction of Lafayette Avenue	24,592
1852	Various Capital Improvements	80,468
1855	Various Capital Improvements and Purchase of Dump Truck	8,944
1863	Improvements to Russell Farms Community Park	48,000
		<u>855,824</u>
		<u>\$ 855,824</u>

**TOWNSHIP OF WYCKOFF  
STATEMENT OF GRANTS RECEIVABLE**

Balance, January 1, 2018		\$ 256,382
Increased by:		
Grant Awards		<u>263,000</u>
		519,382
Decreased by:		
Cash Receipts	\$ 296,615	
Cancellations	<u>35,020</u>	
		<u>331,635</u>
Balance, December 31, 2018		<u>\$ 187,747</u>
Bergen County Open Space Trust Fund - Ordinance #1834 - Memorial Field Improvements		\$ 2,625
Department of Transportation - Ordinance #1835 - Improvements to Crescent Avenue		41,407
Bergen County Open Space Trust Fund - Ordinance #1855 - Russell Farms Community Park		48,000
Department of Transportation - Ordinance #1851 - Reconstruction of Lafayette Avenue		<u>95,715</u>
		<u>\$ 187,747</u>

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

Ord. No.	Improvement Description	Balance, January 1, 2018	2018 Autho- rizations	Bond Anticipation Notes Paid by 2018 Budget Appropriation	Balance, December 31, 2018	Analysis of Balance, December 31, 2018		Unexpended Improvement Authorization
						Bond Anticipation Notes	Expended	
1740	Various Capital Improvements	\$ 1,258,650		\$ 364,750	\$ 893,900	\$ 893,900		
1774	Various Road Improvements	818,500		100,000	718,500	718,500		
1800	Purchase of Fire Pumper Truck	270,500		270,500	-			
1830	Commuter Lot Repavement/Dump Truck	410,400			410,400	410,400		
1855	Various Capital Improvements and Purchase of Dump Truck	-	\$ 1,265,000	-	1,265,000	1,265,000	-	-
		<u>\$ 2,758,050</u>	<u>\$ 1,265,000</u>	<u>\$ 735,250</u>	<u>\$ 3,287,800</u>	<u>\$ 3,287,800</u>	<u>\$ -</u>	<u>\$ -</u>
							Improvement Authorizations - Unfunded	\$ 8,944
							Less: Unexpended Note Proceeds Ord 1855	<u>8,944</u>
								<u>\$ -</u>





EXHIBIT C-7

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

Balance, January 1, 2018	\$ 66,243
Increased by:	
2018 Budget Appropriation	<u>790,000</u>
	856,243
Decreased by:	
Appropriations to Finance Improvement Authorizations	<u>790,000</u>
Balance, December 31, 2018	<u>\$ 66,243</u>

EXHIBIT C-8

**STATEMENT OF ENCUMBRANCES PAYABLE**

Balance, January 1, 2018	\$ 486,914
Increased by:	
Charges to Improvement Authorizations	<u>307,748</u>
	794,662
Decreased by:	
Cash Disbursements	\$ 486,845
Cancellations	<u>69</u>
	<u>486,914</u>
Balance, December 31, 2018	<u>\$ 307,748</u>

EXHIBIT C-9

**STATEMENT OF DUE FROM OTHER TRUST FUND**

Increased by:	
Cash Receipts	\$ 10,000
Decreased by:	
Appropriated to Finance Improvement Authorization	<u>10,000</u>
Balance, December 31, 2018	<u>\$ -</u>



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

<u>Ord. No.</u>	<u>Improvement Description</u>	<u>Balance January 1, 2018</u>	<u>2018 Authorizations</u>	<u>Bond Anticipation Notes Issued</u>	<u>Balance December 31, 2018</u>
1855	Various Capital Improvements and Purchase of Dump Truck	\$ -	\$ 1,265,000	\$ 1,265,000	\$ -
		<u>\$ -</u>	<u>\$ 1,265,000</u>	<u>\$ 1,265,000</u>	<u>\$ -</u>

**SEWER UTILITY FUND**

EXHIBIT D-4

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

	<u>Operating</u>	<u>Capital</u>
Balance, January 1, 2018	\$ 1,809,636	\$ 1,060,515
Increased by Receipts:		
Overpayments	\$ 5,072	
Consumer Rents Accounts Receivable (Net of Refunds)	2,201,663	
Prepaid Rents	1,416	
Capital Improvement Fund		\$ 350,000
Interest and Costs on Sewer Charges	10,109	
Miscellaneous Revenues Not Anticipated	<u>29,642</u>	<u>-</u>
	<u>2,247,902</u>	<u>350,000</u>
	4,057,538	1,410,515
Decreased by Disbursements:		
2018 Budget Appropriations	2,278,656	
2017 Appropriation Reserves	57,086	
Contracts Payable		50,013
Improvement Authorizations	<u>-</u>	<u>83,595</u>
	<u>2,335,742</u>	<u>133,608</u>
Balance, December 31, 2018	<u>\$ 1,721,796</u>	<u>\$ 1,276,907</u>

EXHIBIT D-5

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

	December 31, <u>2018</u>
Capital Improvement Fund	\$ 955,916
Contracts Payable	40,000
Ordinance	
1849 Various Sewer Improvements	<u>280,991</u>
	<u>\$ 1,276,907</u>

EXHIBIT D-6

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

Balance, January 1, 2018	\$ 75,752
Increased by:	
Sewer Rents Levied	<u>2,198,050</u>
	2,273,802
Decreased by:	
Sewer Overpayments Applied	\$ 3,556
Collections	<u>2,201,663</u>
	<u>2,205,219</u>
Balance, December 31, 2018	<u>\$ 68,583</u>

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

	Balance, January 1, <u>2018</u>	Balance After Transfer and <u>Encumbrances</u>	Paid or <u>Charged</u>	Balance <u>Lapsed</u>
OPERATING				
Salaries and Wages	\$ 3,654	\$ 3,654		\$ 3,654
Other Expenses	<u>11,224</u>	<u>76,868</u>	<u>\$ 57,086</u>	<u>19,782</u>
	<u>\$ 14,878</u>	<u>\$ 80,522</u>	<u>\$ 57,086</u>	<u>\$ 23,436</u>
		Cash Disbursements	<u>\$ 57,086</u>	
Appropriation Reserves	\$ 14,878			
Encumbrance Payable Restored	<u>65,644</u>			
	<u>\$ 80,522</u>			



## EXHIBIT D-8

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

Balance, January 1, 2018	\$ 65,644
Increased by:	
Charges to 2018 Budget Appropriations	<u>2,594</u>
	68,238
Decreased by:	
Restored to 2017 Appropriation Reserves	<u>65,644</u>
Balance, December 31, 2018	<u>\$ 2,594</u>

## EXHIBIT D-9

**SEWER UTILITY OPERATING FUND  
STATEMENT OF OVERPAYMENTS**

Balance, January 1, 2018	\$ 3,556
Increased by:	
Cash Receipts	<u>5,072</u>
	8,628
Decreased by:	
Applied to Sewer Billings	<u>3,556</u>
Balance, December 31, 2018	<u>\$ 5,072</u>

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

Ordinance Number	Improvement Description	Balance, January 1, 2018		2018		Balance, December 31, 2018	
		<u>Funded</u>	<u>Unfunded</u>	<u>Authorizations</u>	<u>Expended</u>	<u>Funded</u>	<u>Unfunded</u>
1693	Various Sewer Improvements	\$ 4,586			\$ 4,586		
1768	Various Sewer Improvements	100,000			100,000		
1849	Various Sewer Improvements	-	-	\$ 300,000	19,009	\$ 280,991	-
		<u>\$ 104,586</u>	<u>\$ -</u>	<u>\$ 300,000</u>	<u>\$ 123,595</u>	<u>\$ 280,991</u>	<u>\$ -</u>
	Capital Improvement Fund			<u>\$ 300,000</u>			
					Contracts Payable \$ 40,000		
					Cash Disbursements <u>83,595</u>		
					<u>\$ 123,595</u>		

EXHIBIT D-11

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

Balance, January 1, 2018	\$ 905,916
Increased by:	
2018 Budget Appropriation	<u>350,000</u>
	1,255,916
Decreased by:	
Appropriated to Finance Improvement Authorization	<u>300,000</u>
Balance, December 31, 2018	<u>\$ 955,916</u>

EXHIBIT D-12

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

Increased by:	
Cash Receipts	<u>\$ 1,416</u>
Balance, December 31, 2018	<u>\$ 1,416</u>

EXHIBIT D-13

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

<u>Ordinance Number</u>	<u>Improvement Description</u>	<u>Date</u>	<u>Amount</u>	<u>Balance January 1, 2018</u>	<u>Additions by: Ordinance</u>	<u>Balance December 31, 2018</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	-	100,000	100,000
				<u>\$ 150,000</u>	<u>\$ 250,000</u>	<u>\$ 400,000</u>

EXHIBIT D-14

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

<u>Ordinance Number</u>	<u>Improvement Description</u>	<u>Date of Ordinance</u>	<u>Amount</u>	<u>Balance, January 1, 2018</u>	<u>Transfer from Deferred Reserve for Amortization</u>	<u>Balance, December 31, 2018</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	-	100,000	100,000
				<u>\$ 150,000</u>	<u>\$ 250,000</u>	<u>\$ 400,000</u>

EXHIBIT D-15

**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, 2018</u>	<u>Deferred Reserve for Authorization</u>	<u>Transfer to Fixed Capital</u>	<u>Balance December 31, 2018</u>
1693	Various Sewer Improvements	8/7/2012	\$ 150,000	\$ 150,000		\$ 150,000	
1768	Various Sewer Improvements	4/28/2015	100,000	100,000		100,000	
1849	Various Sewer Improvements	6/5/2018	300,000	-	\$ 300,000	-	\$ 300,000
				<u>\$ 250,000</u>	<u>\$ 300,000</u>	<u>\$ 250,000</u>	<u>\$ 300,000</u>

EXHIBIT D-16

**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, 2018</u>	<u>Fixed Capital Authorized and Uncompleted</u>	<u>Transfer to Reserve for Amortization</u>	<u>Balance, December 31, 2018</u>
1693	Various Sewer Improvements	8/7/2012	\$ 150,000	\$ 150,000		\$ 150,000	
1768	Various Sewer Improvements	4/28/2015	100,000	100,000		100,000	
1849	Various Sewer Improvements	6/5/2018	300,000	-	\$ 300,000	-	\$ 300,000
				<u>\$ 250,000</u>	<u>\$ 300,000</u>	<u>\$ 250,000</u>	<u>\$ 300,000</u>

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

Balance, January 1, 2018	\$ 50,013
Increased by:	
Contracts Payable	<u>40,000</u>
	90,013
Decreased by:	
Cash Disbursements	<u>50,013</u>
Balance, December 31, 2018	<u>\$ 40,000</u>

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



# 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  
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ELIZABETH A. SHICK, CPA, RMA, PSA  
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DEBRA GOLLE, CPA  
MARK SACO, CPA  
SHERYL M. LEHDIG, 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 Council  
Township of Wyckoff  
Wyckoff, New Jersey

We have audited, in accordance with the auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in Government Auditing Standards issued by the Comptroller General of the United States and audit requirements prescribed by the Division of Local Government Services, Department of Community Affairs, State of New Jersey, the financial statements – regulatory basis of the Township of Wyckoff as of and for the year ended December 31, 2018, and the related notes to the financial statements, and have issued our report thereon dated July 18, 2019. 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*  
LERCH, VINCI & HIGGINS, LLP  
Certified Public Accountants  
Registered Municipal Accountants

*Gary W. Higgins*  
Gary W. Higgins  
Registered Municipal Accountant  
RMA Number CR00405

Fair Lawn, New Jersey  
July 18, 2019

SCHEDULE A

TOWNSHIP OF WYCKOFF  
 SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS  
 FOR YEAR ENDED DECEMBER 31, 2018

Grant Year	Account Number	Federal CFDA Number	Grant Award	Grant Award Received	Balance, January 1, 2018	2018 Revenue Realized	Expenditures	Cancelled	Balance, December 31, 2018	(Memo) Cumulative Expenditures
U.S. Dept. of Transportation (Passed through NJ Dept of Transportation)										
	Drunk Driving Enforcement Fund									
2015	066-1160-100-057-XX	20.601	\$ 4,647		\$ 1,598		\$ 1,598		\$ 2,161	\$ 4,647
2016	066-1160-100-057-XX	20.601	3,137		3,137		976			976
2017	066-1160-100-057-XX	20.601	1,510	\$ 1,510	1,510				1,510	-
2018	066-1160-100-057-XX	20.601	1,511	1,511						
U.S. Dept of Homeland Security (Passed through NJ Depart of Law and Public Safety)										
	Drive Sober Get Pulled Over									
2017	066-1160-100-157-XX	20.616	5,500		391			\$ 391		5,109
2017	066-1160-100-157-XX	20.616	5,500	3,053	5,500		3,054	2,446		3,054
2018	066-1160-100-157-XX	20.616	5,500			\$ 5,500			5,500	
2017	066-1160-100-158-XX	20.616	5,500		34			34		5,466
2018	066-1200-100-C27	97.036	77,643	77,643		77,643	77,643			77,643
2015	066-1200-100-XXX-XX	97.039	75,000		32,840	-	-	32,840	-	42,160
					<u>\$ 45,010</u>	<u>\$ 83,143</u>	<u>\$ 83,271</u>	<u>\$ 35,711</u>	<u>\$ 9,171</u>	

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

SCHEDULE B

TOWNSHIP OF WYCKOFF  
 SCHEDULE OF EXPENDITURES OF STATE FINANCIAL ASSISTANCE  
 FOR THE YEAR ENDED DECEMBER 31, 2018

State Grant Program	Grant Number	Grant Year	Grant Award	Grant Amount Received	Balance, January 1, 2018	2018 Revenue	Expended	Adjustments/ (Cancelled)	Balance, December 31, 2018	(Memo) Cumulative Expenditures
Clean Communities Program	4900-752-178810-60	2017	\$ 36,538		\$ 15,652		\$ 15,652			\$ 36,538
		2018	34,952	\$ 34,952		\$ 34,952	12,387		\$ 22,565	12,387
Recycling Tonnage Grant	N/A	2017	32,625			32,625	32,625			32,625
Municipal Alliance Program - State Share	N/A	2018	11,677		11,677		414		11,263	414
		2017	11,677		4,468			\$ 4,468		11,677
Alcohol Education and Rehabilitation	N/A	2015	748		748				748	
		2017	64			64			64	
Department of Transportation										
Improvements to Lafayette Ave - Ord #1851	078-6320-480-AM2	2018	215,000	119,285		215,000	190,408		24,592	190,408
Improvements to Crescent Ave - Ord #1798	078-6320-480-AMF	2016	155,500	43,735	4,764				4,764	150,736
Crescent Ave Rehabilitation - Ord #1835	078-6320-480-AMQ	2017	165,627	124,220	165,627	-	165,627	-	-	165,627
					<u>\$ 202,936</u>	<u>\$ 282,641</u>	<u>\$ 417,113</u>	<u>\$ 4,468</u>	<u>\$ 63,996</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, 2018**

**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	\$ 5,500	\$ 67,641	\$ 73,141
Other Trust Fund	77,643		77,643
General Capital Fund	<u>-</u>	<u>215,000</u>	<u>215,000</u>
Total Financial Awards	<u>\$ 83,143</u>	<u>\$ 282,641</u>	<u>\$ 365,784</u>

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

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

**TOWNSHIP OF WYCKOFF**

**PART III**

**SUPPLEMENTARY DATA**

**LETTER OF COMMENTS AND RECOMMENDATIONS**

**YEAR ENDED DECEMBER 31, 2018**

**TOWNSHIP OF WYCKOFF  
SUPPLEMENTARY DATA**

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

	<u>Year 2018</u>		<u>Year 2017</u>	
	<u>Amount</u>	<u>Percent</u>	<u>Amount</u>	<u>Percent</u>
<b>REVENUES AND OTHER INCOME</b>				
Fund Balance Utilized	\$ 2,350,000	2.58 %	\$ 2,000,000	2.22 %
Miscellaneous - From Other Than Local Property Tax Levies	4,403,897	4.84	5,143,380	5.70
Collection of Delinquent Taxes and Tax Title Liens	390,773	0.43	363,962	0.40
Collection of Current Tax Levy	83,281,500	91.49	82,025,945	90.84
Other Credits	598,957	0.66	757,493	0.84
	<u>91,025,127</u>	<u>100.00 %</u>	<u>90,290,780</u>	<u>100.00 %</u>
<b>EXPENDITURES</b>				
Budget Expenditures				
Municipal Purposes	18,220,543	20.53	18,126,328	20.72
County Taxes	11,407,982	12.85	11,669,865	13.35
Local School Taxes	38,854,969	43.78	38,124,128	43.60
Regional School Taxes	20,024,741	22.56	19,269,609	22.04
Municipal Open Space Taxes	235,846	0.27	234,721	0.27
Other Debits	832	0.01	22,432	0.02
	<u>88,744,913</u>	<u>100.00 %</u>	<u>87,447,083</u>	<u>100.00 %</u>
Excess in Revenues	2,280,214		2,843,697	
Adjustments to Income Before Fund Balance:				
Expenditures Included Above Which are by Statute Deferred to Budget of Succeeding Year	<u>50,000</u>		<u>-</u>	
Statutory Excess in Revenue to Fund Balance	2,330,214		2,843,697	
Fund Balance, January 1	<u>4,616,480</u>		<u>3,772,783</u>	
	6,946,694		6,616,480	
Less Utilization as Anticipated Revenue	<u>2,350,000</u>		<u>2,000,000</u>	
Fund Balance, December 31	<u>\$ 4,596,694</u>		<u>\$ 4,616,480</u>	

**TOWNSHIP OF WYCKOFF  
SUPPLEMENTARY DATA**

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

	<u>Year 2018</u>		<u>Year 2017</u>	
	<u>Amount</u>	<u>Percent</u>	<u>Amount</u>	<u>Percent</u>
<b>REVENUES AND OTHER INCOME</b>				
Fund Balance Utilized	\$ 100,000	4.22 %	\$ 550,000	19.52 %
Collection of Sewer Rents	2,205,219	93.11	2,200,704	78.09
Interest and Costs on Sewer Charges	10,109	0.43	10,408	0.37
Other Credits to Income:				
Miscellaneous Revenue Not Anticipated	29,642	1.25	28,513	1.01
Unexpended Balance of Appropriation Reserves	<u>23,436</u>	<u>0.99</u>	<u>28,540</u>	<u>1.01</u>
 Total Revenues and Other Income	 <u>2,368,406</u>	 <u>100.00</u> %	 <u>2,818,165</u>	 <u>100.00</u> %
<b>EXPENDITURES</b>				
Budget Appropriations				
Operating	1,953,440	84.81	1,853,947	69.86
Capital Improvements	350,000	15.19	250,000	9.42
Surplus (General Budget)	<u>-</u>	<u>-</u>	<u>550,000</u>	<u>20.72</u>
 Total Expenditures	 <u>2,303,440</u>	 <u>100.00</u> %	 <u>2,653,947</u>	 <u>100.00</u> %
 Excess in Revenues	 64,966		 164,218	
 Fund Balance, January 1	 <u>\$ 1,725,558</u>		 <u>\$ 2,111,340</u>	
	1,790,524		2,275,558	
 Decreased by				
Utilized as Anticipated Revenue	<u>100,000</u>		<u>550,000</u>	
 Fund Balance, December 31	 <u>\$ 1,690,524</u>		 <u>\$ 1,725,558</u>	



**TOWNSHIP OF WYCKOFF  
SUPPLEMENTARY DATA**

**Comparative Schedule of Tax Rate Information**

	<u>2018</u>	<u>2017</u>	<u>2016</u>
Tax Rate	<u>\$1.782</u>	<u>\$1.760</u>	<u>\$1.732</u>

Apportionment of Tax Rate

Municipal	.287	.283	.281
County	.242	.249	.240
Local School	.827	.816	.803
Regional School	.426	.412	.408

Assessed Valuation

2018	<u>\$4,699,781,200</u>	
2017		<u>\$4,673,512,400</u>
2016		<u>\$4,645,626,700</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>
2018	\$ 84,020,293	\$ 83,481,500	99.35%
2017	82,621,565	82,025,945	99.27%
2016	80,755,382	80,228,322	99.34%

**Property Acquired by Tax Title Lien Foreclosure**

No properties have been acquired in 2018 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>
2018	\$36,700
2017	36,700
2016	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>
2018	\$ 19,531	\$ 378,236	\$ 397,767	0.47%
2017	15,317	385,482	400,799	0.49%
2016	13,537	363,962	377,499	0.47%

**Comparison of Sewer Utility Billings**

<u>Year</u>	<u>Levy</u>	<u>Collections *</u>	<u>Percent of Collection</u>
2018	\$2,198,050	\$2,205,219	100.32%
2017	2,207,891	2,200,704	99.67%
2016	2,156,361	2,149,403	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	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
	2014	3,227,149	1,850,000
Sewer Utility Operating Fund	2018	\$1,690,524	\$200,000
	2017	1,725,558	100,000
	2016	2,111,340	550,000
	2015	1,193,677	-0-
	2014	834,177	-0-

**TOWNSHIP OF WYCKOFF  
SUPPLEMENTARY DATA**

**OFFICIALS IN OFFICE AND SURETY BONDS AS OF DECEMBER 31, 2018**

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

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

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

**TOWNSHIP OF WYCKOFF  
SUPPLEMENTARY DATA**

**General Comments**

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

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

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

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

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

Road Improvements  
Fire Equipment

Recreation Equipment

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, 2018, 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 2018 taxes and utility charges was held on October 25, 2018 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>
2018	4
2017	4
2016	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**

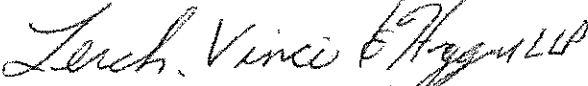
**RECOMMENDATIONS**

There are none.

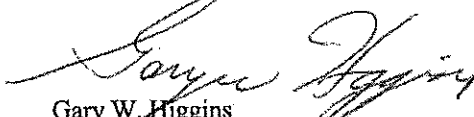
No recommendations were reported in the prior year audit.

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



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



Gary W. Higgins  
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RMA Number CR00405