

TOWNSHIP OF WYCKOFF
BERGEN COUNTY, NEW JERSEY
REPORT OF AUDIT
YEAR ENDED DECEMBER 31, 2012

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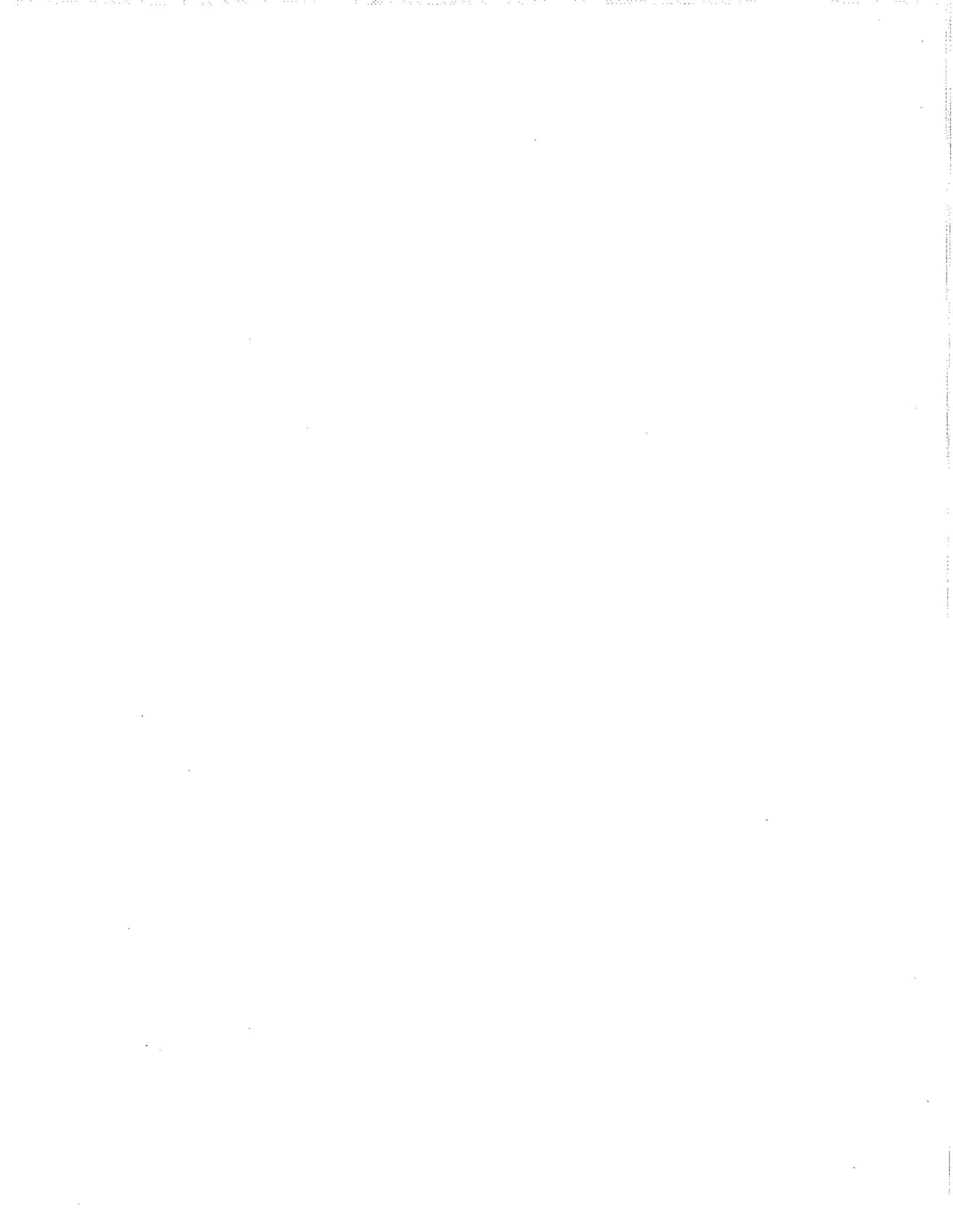
TOWNSHIP OF WYCKOFF

COUNTY OF BERGEN

PART I

REPORT ON AUDIT OF FINANCIAL STATEMENTS

YEAR ENDED DECEMBER 31, 2012



LERCH, VINCI & HIGGINS, LLP

CERTIFIED PUBLIC ACCOUNTANTS
REGISTERED MUNICIPAL ACCOUNTANTS

17 - 17 ROUTE 208
FAIR LAWN, NJ 07410
TELEPHONE (201) 791-7100
FACSIMILE (201) 791-3035
WWW.LVHCPA.COM

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

ELIZABETH A. SHICK, CPA, RMA, PSA
ANDREW PARENTE, CPA, RMA, PSA
ROBERT W. HAAG, CPA, PSA
DEBORAH K. LERCH, CPA, PSA
DEBRA GOLLE, CPA
CINDY JANACEK, CPA, RMA
RALPH M. PICONE, CPA, RMA, PSA
EDWARD N. KERE, CPA
LORI T. MANUKIAN, CPA, PSA
MARK SACO, CPA

INDEPENDENT AUDITOR'S REPORT

Honorable Mayor and Township Committee
Township of Wyckoff
Wyckoff, New Jersey

Report on the Financial Statements

We have audited the accompanying balance sheets - regulatory basis of the various funds and account group of the Township of Wyckoff, as of December 31, 2012 and 2011, 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, 2012, 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 principles 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. 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 of 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 and presented by the Township of Wyckoff on the basis of financial accounting and reporting principles 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 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 requirement that the Township of Wyckoff prepare and present its financial statements on the regulatory basis of accounting as discussed in the "Basis for Adverse Opinion on U.S. Generally Accepted Accounting Principles" paragraph above, 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, 2012 and 2011, 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 13 of the financial statements, the financial statements – regulatory basis of the Length of Service Award 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, 2012 and 2011. The LOSAP Trust Fund financial activities are included in the Township's Trust Funds, and represent 43 percent and 31 percent of the assets and liabilities, respectively, of the Township's Trust Funds as of December 31, 2012 and 2011.

Qualified Opinion on Regulatory Basis of Accounting

In our opinion, except for the 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, 2012 and 2011, and the results of operations and changes in fund balance – regulatory basis of such funds for the years then ended and the revenues – regulatory basis and expenditures – regulatory basis of the various funds for the year ended December 31, 2012 in accordance with the basis of financial accounting and reporting principles 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

Required Supplementary Information

The Township has not presented a management's discussion and analysis that accounting principles generally accepted in the United States of America require to be presented to supplement the basic financial statements. Such missing information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards

Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. A management discussion and analysis is not required by the financial accounting and reporting principles and practices prescribed by the Division of Local Government Services, Department of Community Affairs, State of New Jersey to supplement the regulatory basis financial statements and therefore it has not been presented by management. Our opinion on the financial statements – regulatory basis is not affected by this missing information.

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

Other Reporting Required by *Government Auditing Standards*

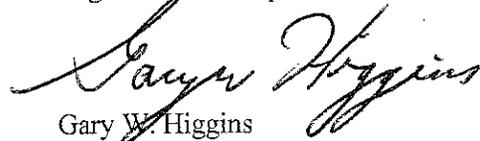
In accordance with Government Auditing Standards, we have also issued our report dated June 5, 2013 on our consideration of the Township of Wyckoff's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with Government Auditing Standards in considering the Township of Wyckoff's internal control over financial reporting and compliance.



LERCH, VINCI & HIGGINS, LLP

Certified Public Accountants

Registered Municipal Accountants



Gary W. Higgins

Registered Municipal Accountant

RMA Number CR00405

Fair Lawn, New Jersey
June 5, 2013

TOWNSHIP OF WYCKOFF
COMPARATIVE BALANCE SHEETS - REGULATORY BASIS
CURRENT FUND
AS OF DECEMBER 31, 2012 AND 2011

	<u>Reference</u>	<u>2012</u>	<u>2011</u>
ASSETS			
Cash	A-4	\$ 5,215,166	\$ 4,239,627
Cash - Change Fund	A-5	<u>500</u>	<u>500</u>
		<u>5,215,666</u>	<u>4,240,127</u>
Grants Receivable	A-11	7,889	7,182
Due from State of NJ - Senior Citizen/Veteran Deduction	A-6	<u>1,250</u>	<u>-</u>
		<u>9,139</u>	<u>7,182</u>
Receivables and Other Assets with Full Reserves			
Taxes Receivable	A-7	442,469	412,769
Tax Title Liens	A-8	4,090	2,860
Property Acquired for Taxes - Assessed Valuation	A-9	36,700	36,700
Revenue Accounts Receivable	A-10	9,275	6,315
Due from Animal Control Fund	B-6	<u>3,827</u>	<u>-</u>
		<u>496,361</u>	<u>458,644</u>
Deferred Charges			
Emergency Authorization	A-26	<u>-</u>	<u>122,920</u>
Total Assets		<u>\$ 5,721,166</u>	<u>\$ 4,828,873</u>

TOWNSHIP OF WYCKOFF
COMPARATIVE BALANCE SHEETS - REGULATORY BASIS
CURRENT FUND
AS OF DECEMBER 31, 2012 AND 2011

	<u>Reference</u>	<u>2012</u>	<u>2011</u>
LIABILITIES, RESERVES AND FUND BALANCE			
Liabilities			
Appropriation Reserves	A-3, A-12	\$ 820,863	\$ 890,274
Encumbrances Payable	A-13	247,827	99,268
County Taxes Payable	A-15	41,609	73,521
Prepaid Taxes	A-14	447,960	408,568
Tax Overpayments	A-18	14,060	8,032
Reserve for Library Property Tax Relief	A-23	388,070	
Reserve for Tax Appeals	A-19	152,699	152,699
Reserve for Payroll Account	A-25	2,290	
Unappropriated Grant Reserves	A-21	36,609	68,235
Appropriated Grant Reserves	A-20	71,045	20,971
Due to State of NJ - Senior Citizen/Veteran Deduction	A-6		2,573
Fees Payable	A-24	8,318	6,987
Due to Municipal Open Space Trust Fund	A-22	<u>1,021</u>	<u>-</u>
		2,232,371	1,731,128
Reserve for Receivables and Other Assets	A	496,361	458,644
Fund Balance	A-1	<u>2,992,434</u>	<u>2,639,101</u>
Total Liabilities, Reserves and Fund Balance		<u>\$ 5,721,166</u>	<u>\$ 4,828,873</u>

TOWNSHIP OF WYCKOFF
COMPARATIVE STATEMENTS OF OPERATIONS AND CHANGES IN FUND BALANCE -
REGULATORY BASIS - CURRENT FUND
FOR THE YEARS ENDED DECEMBER 31, 2012 AND 2011

REVENUE AND OTHER INCOME REALIZED	<u>Reference</u>	<u>2012</u>	<u>2011</u>
Fund Balance Utilized	A-2	\$ 1,750,000	\$ 1,515,000
Miscellaneous Revenue Anticipated	A-2	3,570,644	3,630,358
Receipts from Delinquent Taxes	A-2	381,491	459,050
Receipts from Current Taxes	A-2	73,800,349	72,537,087
Non Budget Revenue	A-2	431,599	325,451
Other Credits to Income			
Unexpended Balance of Appropriation Reserves	A-12	415,518	241,417
Appropriated Grants Cancelled	A-20	214	232
Statutory Excess- Animal Control Fund	B-6	<u>3,827</u>	<u>-</u>
 Total Income		 <u>80,353,642</u>	 <u>78,708,595</u>
 EXPENDITURES			
Budget Appropriations			
Operations			
Salaries and Wages	A-3	5,962,006	5,762,323
Other Expenses	A-3	7,384,321	7,460,228
Capital Improvements	A-3	540,000	608,700
Municipal Debt Service	A-3	408,714	369,592
Deferred Charges and Statutory Expenditures -			
Municipal	A-3	1,459,813	1,500,525
Other Debits			
Regional School Taxes	A-17	18,268,086	17,969,041
Local School Taxes	A-16	33,954,803	33,377,346
County Taxes	A-15	9,844,839	9,688,128
Municipal Open Space Tax	A-22	242,411	241,420
Refund of Prior Year Revenue	A-4	181,489	
Interfunds Advanced	A	<u>3,827</u>	<u>-</u>
 Total Expenditures		 <u>78,250,309</u>	 <u>76,977,303</u>
 Excess in Revenue		 2,103,333	 1,731,292
Adjustments to Income Before Fund Balance:			
Expenditures Included Above Which are by Statute			
Deferred to Budget of Succeeding Year	A-26	<u>-</u>	<u>122,920</u>
 Excess in Revenue to Fund Balance		 2,103,333	 1,854,212
FUND BALANCE, JANUARY 1	A	<u>2,639,101</u>	<u>2,299,889</u>
		4,742,434	4,154,101
Decreased by:			
Utilized as Anticipated Revenue	A-2	<u>1,750,000</u>	<u>1,515,000</u>
FUND BALANCE, DECEMBER 31,	A	<u>\$ 2,992,434</u>	<u>\$ 2,639,101</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, 2012

	Reference	2012 Anticipated Budget	Added by NJS 40A:4-87	Realized in 2012	Excess or (Deficit)
Fund Balance Anticipated	A-2	\$ 1,750,000	-	\$ 1,750,000	-
Miscellaneous Revenues					
Township Clerk - Licenses					
Alcoholic Beverages	A-10	17,500		17,500	
Other	A-10	70,000		76,351	\$ 6,351
Fees and Permits					
Other	A-2	103,000		205,645	102,645
Fines and Costs - Municipal Court	A-10	100,000		119,827	19,827
Interest and Costs on Taxes	A-10	100,000		111,129	11,129
Interest on Investments	A-2	3,000		6,375	3,375
Lease of Township Property	A-10	35,960		35,960	
Cable Franchise Fee	A-10	224,834		224,834	
Lease of Cell Tower Space #1	A-10	164,600		167,200	2,600
Lease of Cell Tower Space #2	A-10	134,277		143,959	9,682
Lease of Cell Tower Space #3	A-10	30,000		31,050	1,050
Lease of Cell Monopole AT&T	A-10	26,000		19,611	(6,389)
Consolidated Municipal Property Tax Relief	A-10	20,812		20,812	
Energy Receipts Tax	A-10	1,072,459		1,072,459	
Uniform Construction Code Fees	A-10	360,000		379,585	19,585
Police Dispatching Services Agreement - Midland Park	A-10	273,867		273,866	(1)
CFO Shared Services Agreement - Borough of New Milford	A-10	25,000		25,000	
Recreation Fees	A-10	455,000		512,187	57,187
Uniform Fire Safety Act	A-10	15,500		19,680	4,180
Public and Private Revenues:					
Reserve for Recycling Tonnage Grant	A-21	30,508		30,508	
Reserve for Drunk Driving Enforcement Fund	A-21	5,580		5,580	
Reserve for Body Armor Fund	A-21	2,459		2,459	
Reserve for Clean Communities Program	A-21	28,496		28,496	
Reserve for Over the Limit Under Arrest	A-21	1,191		1,191	
Clean Communities Program	A-11	28,580		28,580	
Drive Sober Get Pulled Over	A-11		\$ 4,400	4,400	
Alcohol Traffic Safety	A-11		4,400	4,400	
Sustainable NJ	A-11	-	2,000	2,000	-
Total Miscellaneous Revenues	A-1	3,328,623	10,800	3,570,644	231,221
Receipts from Delinquent Taxes	A-2	413,000	-	381,491	(31,509)
Amount to be Raised by Taxes for Support of Municipal Budget:					
Local Taxes for Municipal Purposes	A-2	10,262,611		11,500,354	1,237,743
Minimum Library Tax	A-2	1,489,856	-	1,489,856	-
Total Amount to be Raised by Taxes		11,752,467	-	12,990,210	1,237,743
Budget Totals		\$ 17,244,090	\$ 10,800	18,692,345	\$ 1,437,455
Non-Budget Revenue	A-2, A-4			431,599	

The Accompanying Notes are an Integral Part of these Financial Statements \$ 19,123,944

TOWNSHIP OF WYCKOFF
STATEMENT OF REVENUES - REGULATORY BASIS - CURRENT FUND
FOR THE YEAR ENDED DECEMBER 31, 2012

	<u>Reference</u>	
ANALYSIS OF REALIZED REVENUES		
Allocation of Current Tax Collections		
Revenue from Collections	A-7	\$ 73,800,349
Less: Allocated to School, County and Open Space Taxes	A-15, A-16, A-17, A-22	<u>62,310,139</u>
		11,490,210
 Add: Appropriation "Reserve for Uncollected Taxes"	 A-3	 <u>1,500,000</u>
 Amount for Support of Municipal Budget Appropriations	 A-2	 <u>\$ 12,990,210</u>
 Fees and Permits - Other		
Tax Collector		\$ 1,127
Board of Health		49,010
Code Enforcement		109,040
Police Department		15,223
Planning Board		5,545
Board of Adjustment		<u>25,700</u>
	A-2, A-10	<u>\$ 205,645</u>
 Interest on Investments and Deposits		
Revenue Accounts Receivable	A-10	\$ 6,118
Received from General Capital Fund	C-9	2
Received from Other Trust Fund	B-8	245
Received from Animal Control Fund	B-6	<u>10</u>
	A-2	<u>\$ 6,375</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, 2012

	<u>Reference</u>	
Analysis of Non-Budget Revenue		
Recyclables - Paper/Plastic/Metal		\$ 56,933
FEMA Reimbursement - October 2011 Snowstorm		110,000
FEMA Reimbursement - Hurricane Irene		12,205
Miscellaneous		<u>252,461</u>
	A-2, A-4	<u>\$ 431,599</u>

TOWNSHIP OF WYCKOFF
STATEMENT OF EXPENDITURES - REGULATORY BASIS - CURRENT FUND
FOR THE YEAR ENDED DECEMBER 31, 2012

	<u>2012 Appropriated</u>		<u>2012 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	\$ 243,911	\$ 243,911	\$ 237,473	\$ 6,438	
Other Expenses	24,000	24,000	21,961	2,039	
Township Clerk					
Salaries and Wages	151,473	151,473	142,690	8,783	
Other Expenses	63,500	63,500	60,756	2,744	
Financial Administration					
Salaries and Wages	146,166	146,166	146,166		
Other Expenses	19,500	19,500	19,500		
Audit Services					
Other Expenses	28,750	28,750	28,750		
Revenue Administration and Tax Collection					
Salaries and Wages	86,608	86,608	86,496	112	
Other Expenses	9,700	9,700	6,742	2,958	
Elections					
Other Expenses	17,000	17,000	15,021	1,979	
Assessment of Taxes					
Salaries and Wages	130,235	130,235	120,199	10,036	
Other Expenses	160,550	228,550	196,878	31,672	
Environmental Commission: NJSA 40:56A-1					
Other Expenses	1,000	1,000	1,000		
Legal Services and Costs					
Other Expenses	77,500	85,500	83,410	2,090	
Engineering Services					
Other Expenses	15,500	10,500	7,051	3,449	
Public Buildings and Grounds					
Salaries and Wages	66,112	66,112	66,112		
Other Expenses	155,500	155,500	146,420	9,080	
Shade Tree Commission					
Other Expenses	6,000	6,000	2,070	3,930	
Land Use Administration:					
Planning Board					
Salaries and Wages	23,259	24,059	24,024	35	
Other Expenses	17,100	16,600	13,885	2,715	
Board of Adjustment:					
Other Expenses	5,184	6,684	6,579	105	
Insurances					
General Liability Insurance	263,144	254,144	227,784	26,360	
Workers Compensation Insurance	218,375	218,375	218,374	1	
Employee Health Benefits Insurance	1,467,100	1,438,300	1,418,654	19,646	
Health Benefit Waivers	23,000	23,000	22,088	912	
Unemployment Compensation Insurance	100	100	100		
Police					
Salaries and Wages	3,143,548	3,143,548	3,109,447	34,101	
Other Expenses	130,600	130,600	122,081	8,519	
Public Safety: Volunteer First Aid Squad					
Other Expenses	36,400	36,400	36,400		
Emergency Management Services:					
Other Expenses	500	500		500	
Public Safety: Volunteer Fire Department					
Other Expenses	85,500	85,500	85,500		
Uniform Fire Safety Act					
Life Hazard Use Fees (PL 1983)					
Salaries and Wages	14,431	14,431	14,431		
Other Expenses	2,000	2,000	1,320	680	
Radio Communications Contract					
Other Expenses	13,000	13,000	10,983	2,017	
Recreation and Recreation Education					
Salaries and Wages	149,106	149,106	148,086	1,020	
Other Expenses	305,000	305,000	271,194	33,806	
Park Maintenance					
Salaries and Wages	66,112	66,112	66,112		
Other Expenses	104,500	104,500	93,820	10,680	
Celebration of Public Events					
Other Expenses	6,500	6,500	4,816	1,684	

TOWNSHIP OF WYCKOFF
STATEMENT OF EXPENDITURES - REGULATORY BASIS - CURRENT FUND
FOR THE YEAR ENDED DECEMBER 31, 2012

	2012 Appropriated		2012 Expended		Cancelled
	Budget	Budget After Modification	Paid or Charged	Reserved	
OPERATIONS - WITHIN "CAPS"					
GENERAL GOVERNMENT (CONTINUED)					
Recycling					
Other Expenses	\$ 147,100	\$ 147,100	\$ 128,214	\$ 18,886	
Sanitation/Garbage and Trash Removal					
Other Expenses	510,000	509,000	509,000		
Road Repairs and Maintenance					
Salaries and Wages	1,081,377	1,081,377	961,187	120,190	
Other Expenses	282,500	253,700	110,087	143,613	
Vehicle Maintenance					
Other Expenses	140,000	154,500	151,014	3,486	
CDL Mandate					
Other Expenses	1,500	1,500	353	1,147	
Board of Health					
Salaries and Wages	12,018	12,018	10,651	1,367	
Other Expenses	86,200	86,200	80,405	5,795	
Animal Control					
Other Expenses	14,320	14,320	10,200	4,120	
Condo Services Act					
Other Expenses	3,600	3,900	3,891	9	
Construction Code Official					
Salaries and Wages	322,551	322,551	320,258	2,293	
Other Expenses	15,000	15,000	12,862	2,138	
PEOSHA Mandate					
Hepatitis B (P.L. 1985 c. 516)	4,150	4,150	4,150		
Respiratory Protection	20,000	23,000	22,965	35	
Municipal Court					
Salaries and Wages	71,181	72,681	72,447	234	
Other Expenses	6,550	6,550	5,043	1,507	
Municipal Prosecutor					
Other Expenses	9,700	9,700	8,183	1,517	
Public Defender					
Other Expenses	4,300	5,300	4,665	635	
Utilities:					
Electricity	75,000	65,000	51,494	13,506	
Street Lighting	180,000	180,000	169,240	10,760	
Telephone	46,000	56,000	47,971	8,029	
Water	7,000	7,000	6,676	324	
Natural Gas	50,000	40,000	20,180	19,820	
Fire Hydrants	55,000	55,000	54,034	966	
Gasoline	160,000	160,000	148,415	11,585	
Landfill and Solid Waste Disposal	455,000	439,500	392,284	47,216	-
Total Operations Within "CAPS"	11,237,511	11,237,511	10,590,242	647,269	-
Detail:					
Salaries and Wages	5,708,088	5,710,388	5,525,779	184,609	-
Other Expenses	5,529,423	5,527,123	5,064,463	462,660	-
Deferred Charges and Statutory Expenditures - Municipal Within "CAPS"					
Statutory Charges					
Public Employees Retirement System	325,598	325,598	325,598		
Social Security System (O.A.S.I.)	445,000	445,000	411,025	33,975	
Police and Firemen's Retirement System of NJ	566,295	566,295	566,295	-	-
Total Deferred Charges and Statutory Expenditures - Municipal Within "CAPS"	1,336,893	1,336,893	1,302,918	33,975	-
Total General Appropriations for Municipal Purposes Within "CAPS"	12,574,404	12,574,404	11,893,160	681,244	-

TOWNSHIP OF WYCKOFF
STATEMENT OF EXPENDITURES - REGULATORY BASIS - CURRENT FUND
FOR THE YEAR ENDED DECEMBER 31, 2012

	2012 Appropriated		2012 Expended		Cancelled
	Budget	Budget After Modification	Paid or Charged	Reserved	
OPERATIONS - EXCLUDED FROM "CAPS"					
Recycling Tax	\$ 24,000	\$ 24,000	\$ 17,705	\$ 6,295	
Affordable Housing					
Salaries and Wages	42,023	42,023	41,423	600	
Other Expenses	8,000	8,000	1,069	6,931	
Employee Health Benefits					
911 Emergency Service Contract	16,456	16,456	8,588	7,868	
Maintenance of Free Public Library (Ch. 82, P.L. 1985)	1,489,856	1,489,856	1,489,856		
Length of Service Award Program (LOSAP)	122,000	122,000	4,075	117,925	-
Total Other Operations Excluded from "CAPS"	1,702,335	1,702,335	1,562,716	139,619	-
Interlocal Municipal Service Agreements					
Regionalized Dispatch Service - Midland Park					
Salaries and Wages	209,595	209,595	209,595		
Other Expenses	64,272	64,272	64,272		
CFO Shared Services-Borough of New Milford	25,000	25,000	25,000	-	-
Total Interlocal Municipal Service Agreements	298,867	298,867	298,867	-	-
Public and Private Programs Offset by Revenues					
Reserve for Body Armor Fund Grant	2,459	2,459	2,459		
Reserve for Recycling Tonnage Grant	30,508	30,508	30,508		
Reserve for Drunk Driving Enforcement Fund	5,580	5,580	5,580		
Reserve for Clean Communities Program	28,496	28,496	28,496		
Reserve for Over the Limit Under Arrest	1,191	1,191	1,191		
Clean Communities Program	28,580	28,580	28,580		
Sustainable NJ		2,000	2,000		
Drive Sober Get Pulled Over		4,400	4,400		
Alcohol Traffic Safety	-	4,400	4,400		
Total Public and Private Programs Offset by Revenues	96,814	107,614	107,614	-	-
Total Operations Excluded from "CAPS"	2,098,016	2,108,816	1,969,197	139,619	-
Detail:					
Salaries and Wages	251,618	251,618	251,018	600	-
Other Expenses	1,846,398	1,857,198	1,718,179	139,019	-
CAPITAL IMPROVEMENTS - EXCLUDED FROM "CAPS"					
Capital Improvement Fund	540,000	540,000	540,000	-	-
Total Capital Improvements Excluded from "CAPS"	540,000	540,000	540,000	-	-

TOWNSHIP OF WYCKOFF
STATEMENT OF EXPENDITURES - REGULATORY BASIS - CURRENT FUND
FOR THE YEAR ENDED DECEMBER 31, 2012

	2012 Appropriated		2012 Expended		
	<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	\$ 399,500	\$ 399,500	\$ 399,500	-	\$ 36
Interest on Notes	<u>9,250</u>	<u>9,250</u>	<u>9,214</u>	-	<u>36</u>
Total Municipal Debt Service Excluded from "CAPS"	<u>408,750</u>	<u>408,750</u>	<u>408,714</u>	-	<u>36</u>
DEFERRED CHARGES-EXCLUDED FROM "CAPS"					
Emergency Authorizations	<u>122,920</u>	<u>122,920</u>	<u>122,920</u>	-	-
Total Deferred Charges-Excluded from "CAPS"	<u>122,920</u>	<u>122,920</u>	<u>122,920</u>	-	-
Total General Appropriations for Municipal Purposes Excluded from "CAPS"	<u>3,169,686</u>	<u>3,180,486</u>	<u>3,040,831</u>	\$ 139,619	<u>36</u>
Subtotal General Appropriations	15,744,090	15,754,890	14,933,991	820,863	36
Reserve for Uncollected Taxes	<u>1,500,000</u>	<u>1,500,000</u>	<u>1,500,000</u>	-	-
Total General Appropriations	<u>\$ 17,244,090</u>	<u>\$ 17,254,890</u>	<u>\$ 16,433,991</u>	<u>\$ 820,863</u>	<u>\$ 36</u>
<u>Reference</u>	A-2			A	

TOWNSHIP OF WYCKOFF
STATEMENT OF EXPENDITURES - REGULATORY BASIS - CURRENT FUND
FOR THE YEAR ENDED DECEMBER 31, 2012

	<u>Reference</u>	<u>Budget After Modification</u>	<u>Paid or Charged</u>
Adopted Budget	A-2	\$ 17,244,090	
Additional Appropriations (N.J.S.A. 40A:4-87)	A-2	<u>10,800</u>	
		<u>\$ 17,254,890</u>	
Cash Disbursed	A-4		\$ 14,455,630
Encumbrances Payable	A-13		247,827
Transferred To Appropriated Grant Reserves	A-20		107,614
Deferred Charges	A-26		122,920
Reserve for Uncollected Taxes	A-2		<u>1,500,000</u>
			<u>\$ 16,433,991</u>

TOWNSHIP OF WYCKOFF
COMPARATIVE BALANCE SHEETS - REGULATORY BASIS - TRUST FUNDS
AS OF DECEMBER 31, 2012 AND 2011

	<u>Reference</u>	<u>2012</u>	<u>2011</u>
ASSETS			
ANIMAL CONTROL TRUST FUND			
Cash	B-3	\$ 34,837	\$ 29,412
OTHER TRUST FUND			
Cash	B-3	1,590,584	1,390,824
MUNICIPAL OPEN SPACE TRUST FUND			
Cash	B-3	223,687	1,206,615
Due from Current Fund	B-11	1,021	-
		<u>224,708</u>	<u>1,206,615</u>
LENGTH OF SERVICE AWARD PROGRAM FUND (UNAUDITED)			
Investments	B	1,258,520	1,047,432
Contributions Receivable	B	126,500	119,600
		<u>1,385,020</u>	<u>1,167,032</u>
Total Assets		<u>\$ 3,235,149</u>	<u>\$ 3,793,883</u>
 LIABILITIES, RESERVES AND FUND BALANCE			
ANIMAL CONTROL TRUST FUND			
Reserve for Dog License Expenditures	B-4	\$ 30,468	\$ 28,771
Due to Current Fund	B-6	3,827	
Due to the State of New Jersey	B-5	542	641
		<u>34,837</u>	<u>29,412</u>
OTHER TRUST FUND			
Miscellaneous Reserves	B-7	1,490,355	1,287,378
Reserve for Payroll Deductions Payable	B-12	99,739	99,686
Due to the State of New Jersey	B-9	490	3,760
		<u>1,590,584</u>	<u>1,390,824</u>
OPEN SPACE TRUST FUND			
Reserve for Municipal Open Space Trust Fund	B-10	224,708	1,206,615
LENGTH OF SERVICE AWARD PROGRAM FUND (UNAUDITED)			
Reserve for LOSAP	B	1,385,020	1,167,032
Total Liabilities, Reserves and Fund Balance		<u>\$ 3,235,149</u>	<u>\$ 3,793,883</u>

TOWNSHIP OF WYCKOFF
STATEMENT OF REVENUES - REGULATORY BASIS - OPEN SPACE TRUST FUND
FOR THE YEAR ENDED DECEMBER 31, 2012

	Reference	Anticipated (Memo)		2012 Realized	Excess or (Deficit)
		Budget	Budget After Modification		
Amount to be Raised by Taxation	B-10	\$ 241,390	\$ 241,390	\$ 242,411	\$ 1,021
Trust Fund Balance Anticipated		-	1,204,000	1,204,000	-
		<u>\$ 241,390</u>	<u>\$ 1,445,390</u>	1,446,411	<u>\$ 1,021</u>
Non-Budget Revenue	B-10			238	
				<u>\$ 1,446,649</u>	
Analysis of Non-Budget Revenue					
Interest on Investments and Deposits				<u>\$ 238</u>	

EXHIBIT B-2

STATEMENT OF EXPENDITURES - REGULATORY BASIS - OPEN SPACE TRUST FUND
FOR THE YEAR ENDED DECEMBER 31, 2012

	Reference	Appropriated (Memo)		Paid or Charged	Excess or (Deficit)
		Budget	Budget After Modification		
Reserve for Future Use	B-10	\$ 241,390	\$ 241,390	\$ 20,556	\$ 220,834
Down Payments on Improvements		-	1,204,000	1,204,000	-
		<u>\$ 241,390</u>	<u>\$ 1,445,390</u>	<u>\$ 1,224,556</u>	<u>\$ 220,834</u>

TOWNSHIP OF WYCKOFF
 COMPARATIVE BALANCE SHEETS - REGULATORY BASIS
 GENERAL CAPITAL FUND
 AS OF DECEMBER 31, 2012 AND 2011

	<u>Reference</u>	<u>2012</u>	<u>2011</u>
ASSETS			
Cash	C-2,C-3	\$ 737,211	\$ 517,678
Grants Receivable	C-4	151,348	233,552
Deferred Charges to Future Taxation - Unfunded	C-5	<u>1,271,500</u>	<u>1,405,000</u>
 Total Assets		 <u>\$ 2,160,059</u>	 <u>\$ 2,156,230</u>
 LIABILITIES, RESERVES AND FUND BALANCE			
Bond Anticipation Notes Payable	C-10	1,271,500	880,000
Encumbrances Payable	C-8	308,359	62,957
Capital Improvement Fund	C-7	85,767	133,528
Improvement Authorizations			
Funded	C-6	392,120	511,577
Unfunded	C-6	26,001	491,856
Fund Balance	C-1	<u>76,312</u>	<u>76,312</u>
 Total Liabilities, Reserves and Fund Balance		 <u>\$ 2,160,059</u>	 <u>\$ 2,156,230</u>

There were bonds and notes authorized but not issued at December 31, 2012 and 2011 amounting to \$-0- and \$525,000, respectively (Exhibit C-11).

TOWNSHIP OF WYCKOFF
COMPARATIVE STATEMENTS OF CHANGES IN FUND BALANCE - REGULATORY BASIS
GENERAL CAPITAL FUND
FOR THE YEARS ENDED DECEMBER 31, 2012 AND 2011

	<u>Reference</u>	<u>2012</u>	<u>2011</u>
Balance, January 1	C	\$ 76,312	\$ 76,312
Balance, December 31	C	<u>\$ 76,312</u>	<u>\$ 76,312</u>

TOWNSHIP OF WYCKOFF
COMPARATIVE BALANCE SHEETS - REGULATORY BASIS
SEWER UTILITY FUND
AS OF DECEMBER 31, 2012 AND 2011

	<u>Reference</u>	<u>2012</u>	<u>2011</u> (Restated)
ASSETS			
OPERATING FUND			
Cash	D-4	\$ 129,219	\$ 22,386
Receivables With Full Reserves Consumer Accounts Receivable	D-6	<u>58,034</u>	<u>42,372</u>
Deferred Charges - Operating Deficit	D-9	<u>-</u>	<u>61,004</u>
Total Operating Fund		<u>187,253</u>	<u>125,762</u>
CAPITAL FUND			
Cash	D-4, D-5	455,749	557,392
Fixed Capital Authorized and Uncompleted	D-14	<u>300,000</u>	<u>150,000</u>
Total Capital Fund		<u>755,749</u>	<u>707,392</u>
Total Assets		<u>\$ 943,002</u>	<u>\$ 833,154</u>
 LIABILITIES, RESERVES AND FUND BALANCE			
OPERATING FUND			
Appropriation Reserves	D-3,D-7	\$ 28,343	\$ 5,705
Encumbrances Payable	D-8		122
Prepaid Sewer Rents	D-13	1,866	471
Overpayments	D-10	<u>6,753</u>	<u>4,810</u>
		36,962	11,108
Reserve for Receivables	D	58,034	42,372
Fund Balance	D-1	<u>92,257</u>	<u>72,282</u>
Total Operating Fund		<u>187,253</u>	<u>125,762</u>
CAPITAL FUND			
Capital Improvement Fund	D-12	300,916	450,916
Improvement Authorizations-Funded	D-11	154,833	106,476
Deferred Reserve for Amortization	D-15	<u>300,000</u>	<u>150,000</u>
Total Capital Fund		<u>755,749</u>	<u>707,392</u>
Total Liabilities, Reserves and Fund Balance		<u>\$ 943,002</u>	<u>\$ 833,154</u>

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, 2012 AND 2011

	<u>Reference</u>	<u>2012</u>	<u>2011</u>
REVENUES AND OTHER INCOME REALIZED			
Fund Balance Utilized	D-2		\$ 25,000
Sewer Rents	D-2	\$ 2,053,835	1,963,404
Interest and Costs on Sewer Charges	D-2	6,820	4,451
Other Credits to Income			
Non Budget Revenue	D-2	24,636	19,118
Unexpended Balance of Appropriation Reserves	D-7	<u>350</u>	<u>4,053</u>
Total Income		<u>2,085,641</u>	<u>2,016,026</u>
EXPENDITURES			
Budget Appropriations			
Operating	D-3	2,004,662	2,017,635
Capital Improvements	D-3		5,000
Deferred Charges and Statutory Expenditures	D-3	<u>61,004</u>	<u>54,395</u>
Total Expenditures		<u>2,065,666</u>	<u>2,077,030</u>
Excess in Revenues		19,975	
Deficit in Revenues			(61,004)
Adjustments to Income Before Surplus:			
Deficit in Operations to be Raised in Budget of Succeeding Year	D-9	<u>-</u>	<u>\$ 61,004</u>
FUND BALANCE, JANUARY 1	D	<u>72,282</u>	<u>\$ 97,282</u>
		92,257	97,282
Decreased by:			
Utilized as Anticipated Revenue	D-1	<u>-</u>	<u>25,000</u>
FUND BALANCE, DECEMBER 31	D	<u>\$ 92,257</u>	<u>\$ 72,282</u>

TOWNSHIP OF WYCKOFF
STATEMENT OF REVENUES - REGULATORY BASIS
SEWER UTILITY OPERATING FUND
FOR THE YEAR ENDED DECEMBER 31, 2012

	<u>Reference</u>	2012 <u>Anticipated</u>	2012 <u>Realized</u>	Excess or <u>(Deficit)</u>
Sewer Rents	D-1-D-6	\$ 2,061,666	\$ 2,053,835	\$ (7,831)
Interest and Costs on Sewer Charges	D-1,D-4	<u>4,000</u>	<u>6,820</u>	<u>2,820</u>
		<u>\$ 2,065,666</u>	2,060,655	<u>\$ (5,011)</u>
Non-Budget Revenue	D-1,D-4		<u>24,636</u>	
			<u>\$ 2,085,291</u>	

**TOWNSHIP OF WYCKOFF
STATEMENT OF EXPENDITURES - REGULATORY BASIS
SEWER UTILITY OPERATING FUND
FOR THE YEAR ENDED DECEMBER 31, 2012**

	<u>Appropriated</u>		<u>Expended</u>	
	<u>Budget</u>	<u>Budget After Modification</u>	<u>Paid or Charged</u>	<u>Reserved</u>
OPERATING				
Salaries and Wages	\$ 60,795	\$ 59,795	\$ 59,145	\$ 650
Other Expenses	1,943,867	1,944,867	1,917,174	27,693
DEFERRED CHARGES AND STATUTORY EXPENDITURES				
Operating Deficit	<u>61,004</u>	<u>61,004</u>	<u>61,004</u>	<u>-</u>
	<u>\$ 2,065,666</u>	<u>\$ 2,065,666</u>	<u>\$ 2,037,323</u>	<u>\$ 28,343</u>

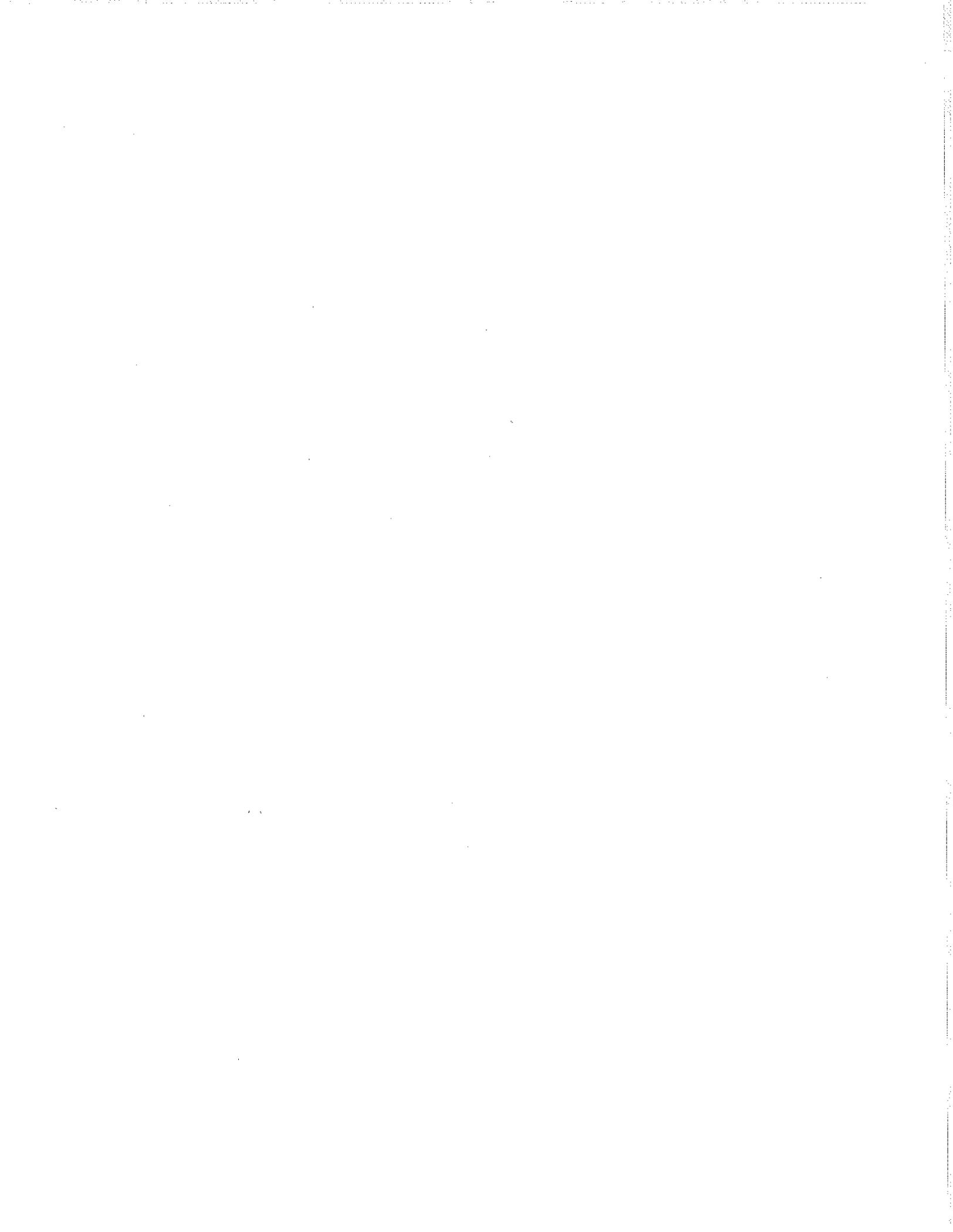
	<u>Reference</u>	D-2	D-2	D
Cash Disbursed	D-4			\$ 1,976,319
Deferred Charges - Operating Deficit	D-9			<u>61,004</u>
				<u>\$ 2,037,323</u>

TOWNSHIP OF WYCKOFF
 COMPARATIVE BALANCE SHEETS - REGULATORY BASIS
 GENERAL FIXED ASSETS ACCOUNT GROUP
 AS OF DECEMBER 31, 2012 AND 2011

	<u>2012</u>	<u>2011</u>
ASSETS		
Land	\$ 9,040,300	\$ 5,940,300
Buildings	2,223,400	2,223,400
Vehicles and Equipment	<u>6,977,080</u>	<u>7,041,392</u>
Total Assets	<u>\$ 18,240,780</u>	<u>\$ 15,205,092</u>
RESERVES		
Investment in General Fixed Assets	<u>\$ 18,240,780</u>	<u>\$ 15,205,092</u>
Total Reserves	<u>\$ 18,240,780</u>	<u>\$ 15,205,092</u>

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NOTES TO FINANCIAL STATEMENTS



TOWNSHIP OF WYCKOFF
NOTES TO FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2012 AND 2011

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

A. 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.

B. Reporting Entity

The Township of Wyckoff (the "Township") was incorporated in 1926 and operates under an elected Mayor/Council form of government. 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, or volunteer ambulance squad, 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.

C. Measurement Focus, Basis of Accounting and Financial Statement Presentation

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.

TOWNSHIP OF WYCKOFF
NOTES TO FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2012 AND 2011

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

C. Measurement Focus, Basis of Accounting and Financial Statement Presentation (Continued)

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

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

Sewer Utility Fund - This fund is used to account for the revenues and expenditures for the operation of the Township's sanitary sewerage system and the assets and liabilities relative to such activities. 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 fund. The Township's infrastructure is not reported in the account group.

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.

TOWNSHIP OF WYCKOFF
NOTES TO FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2012 AND 2011

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

C. Measurement Focus, Basis of Accounting and Financial Statement Presentation (Continued)

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:

Property Tax Revenues - Real property taxes are assessed locally, based upon the assessed value of the property. The tax bill includes a levy for Municipal, County, and School purposes. The bills are mailed annually in June for that calendar year's levy. Taxes are payable in four quarterly installments on February 1, May 1, August 1, and November 1. The amounts of the first and second installments are determined as one-quarter of the total tax levied against the property for the preceding year. The installment due the third and fourth quarters is determined by taking the current year levy less the amount previously charged for the first and second installments, with the remainder being divided equally. If unpaid on these dates, the amount due becomes delinquent and subject to interest at 8% per annum, or 18% on any delinquency amount in excess of \$1,500. 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 June 30, of each fiscal year. County taxes are paid quarterly on February 15, May 15, August 15 and November 15, to the County by the Township. When unpaid taxes or any municipal lien, or part thereof, on real property, remains in arrears on April first in the year following the calendar year levy when the same became in arrears, the collector in the municipality shall, subject to the provisions of the New Jersey Statutes, enforce the lien by placing the property on a standard tax sale. The Township also has the option when unpaid taxes or any municipal lien, or part thereof, on real property remains in arrears on the 11th day of the eleventh month in the fiscal year when the taxes or lien became in arrears, the collector in the municipality shall, subject to the provisions of the New Jersey Statutes, enforce the lien by placing property on an accelerated tax sale, provided that the sale is conducted and completed no earlier than in the last month of the fiscal year. The Township may institute annual in rem tax foreclosure proceedings to enforce the tax collection or acquisition of title to the property. In accordance with the accounting principles prescribed by the State of New Jersey, current and delinquent taxes are realized as revenue when collected. Since delinquent taxes and liens are fully reserved, no provision has been made to estimate that portion of the tax receivable and tax title liens that are uncollectible. GAAP requires property tax revenues to be recognized in the accounting period when they become susceptible to accrual (i.e., when they are both levied and available), reduced by an allowance for doubtful accounts.

Miscellaneous Revenues - 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 Rents - 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.

TOWNSHIP OF WYCKOFF
NOTES TO FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2012 AND 2011

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

C. Measurement Focus, Basis of Accounting and Financial Statement Presentation (Continued)

Grant and Similar Award Revenues - 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.

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 per N.J.S.A. 40A:4 et seq.

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

Trust Funds (with the exception of the Municipal Open Space Trust Fund)
General Capital Fund
Sewer Utility Capital Fund

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 2012 and 2011 the Township Council increased the original budget by \$10,800 and \$129,560, respectively. The 2012 increase was funded by additional aid allotted to the Township. The 2011 increase was funded by additional aid allotted to the Township of \$6,640 and an emergency authorization of \$122,920. In addition, the governing body approved several budget transfers during 2012 and 2011.

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.

TOWNSHIP OF WYCKOFF
NOTES TO FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2012 AND 2011

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

C. Measurement Focus, Basis of Accounting and Financial Statement Presentation (Continued)

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.

Operating Deficits – Deficits resulting from expenditures and other debits which exceed cash revenues, other realized revenues and credits to income in such fiscal year are recorded as deferred charges on the balance sheet of the respective operating fund at year end and are required to be funded in the succeeding year's budget. GAAP does not permit the deferral of operating deficits at year end.

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

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

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

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.

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.

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.

TOWNSHIP OF WYCKOFF
 NOTES TO FINANCIAL STATEMENTS
 YEARS ENDED DECEMBER 31, 2012 AND 2011

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

C. Measurement Focus, Basis of Accounting and Financial Statement Presentation (Continued)

General Fixed Assets (Continued)

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.

Fixed Assets purchased after December 31, 1985 are stated as cost. Donated fixed assets are recorded at estimated fair market value at the date of donation.

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 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.

Reclassifications - Certain reclassifications have been made to the December 31, 2011 balances to conform to the December 31, 2012 presentation.

**TOWNSHIP OF WYCKOFF
NOTES TO FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2012 AND 2011**

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

C. Measurement Focus, Basis of Accounting and Financial Statement Presentation (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.

D. 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.

NOTE 2 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.

Deposits

The Township's deposits are insured through either the Federal Deposit Insurance Corporation (FDIC), Securities Investor Protection Corporation (SIPC) or New Jersey's Governmental Unit Deposit Protection Act (GUDPA). The Township is required to deposit their funds in a depository which is protecting such funds pursuant to GUDPA. The New Jersey Governmental Unit Deposit Protection Act requires all banks doing business in the State of New Jersey to pledge collateral equal to at least 5% of the average amount of its public deposits and 100% of the average amount of its public funds in excess of the lesser of 75% of its capital funds or \$200 million for all deposits not covered by the FDIC.

Bank balances for interest bearing accounts are insured up to \$250,000 in the aggregate by the FDIC for each bank. Under the Dodd-Frank Wall Street Reform and Consumer Protection Act, temporary unlimited deposit insurance coverage was provided for non-interest bearing accounts from December 31, 2010 through December 31, 2012. SIPC replaces cash claims up to a maximum of \$250,000 for each failed brokerage firm. At December 31, 2012 and 2011, the book value of the Township's deposits were \$8,386,953 and \$7,964,434 and bank and brokerage firm balances of the Township's deposits amounted to \$8,290,210 and \$8,216,213, 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>2012</u>	<u>2011</u>
Insured	\$ 8,175,864	\$ 6,895,316
Uninsured and Collateralized	114,346	1,320,897
	<u>\$ 8,290,210</u>	<u>\$ 8,216,213</u>

**TOWNSHIP OF WYCKOFF
NOTES TO FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2012 AND 2011**

NOTE 2 DEPOSITS AND INVESTMENTS (Continued)

Deposits (Continued)

Custodial Credit Risk – Deposits – Custodial credit risk is the risk that in the event of a bank failure, the government's deposits may not be returned to it. The Township does not have a formal policy for custodial credit risk. As of December 31, 2012 and 2011, the Township's bank balances of \$114,346 and \$1,320,897 were exposed to custodial credit risk as follows:

	<u>2012</u>	<u>2011</u>
Uninsured and Collateralized		
Collateral held by pledging financial institution's trust department not in the Township's name	\$ 114,346	\$ 1,320,897

Investments

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

As of December 31, 2012 and 2011, the Township had the following investments:

	Fair Value (Unaudited)	
	<u>2012</u>	<u>2011</u>
Investment:		
Length of Service Award Program (LOSAP)	\$ 1,258,520	\$ 1,047,432

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, 2012 and 2011, \$1,258,520 and \$1,047,432 of the Township's investments were exposed to custodial credit risk as follows:

	Fair Value (LOSAP) Unaudited	
	<u>2012</u>	<u>2011</u>
Uninsured and Collateralized:		
Collateral held by pledging financial institution's trust department but not in the Township's name	\$ 1,258,520	\$ 1,047,432

**TOWNSHIP OF WYCKOFF
NOTES TO FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2012 AND 2011**

NOTE 2 DEPOSITS AND INVESTMENTS (Continued)

Investments (Continued)

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

Credit Risk – State law limits investments as noted above (N.J.S.A. 40A:5-15.1). The Township does not have an investment policy that would further limit its investment choices. As of December 31, 2012 and 2011, the Township’s LOSAP investment in Lincoln Financial Group was rated Baa2 by Moody’s Investors 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 quoted market prices.

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

NOTE 3 TAXES AND UTILITY RENTS RECEIVABLE

Receivables at December 31, 2012 consisted of the following:

	<u>Current</u>	<u>Sewer</u>	<u>Total</u>
<u>2012</u>			
Property Taxes	\$ 442,469		\$ 442,469
Tax Title Liens	4,090		4,090
Utility Rents	-	\$ 58,034	58,034
	<u>\$ 446,559</u>	<u>\$ 58,034</u>	<u>\$ 504,593</u>

In 2012, the Township collected \$381,491 and \$42,372 from delinquent taxes and utility rents, which represented 92% and 100% of the adjusted delinquent tax and sewer charges receivable at December 31, 2011.

	<u>Current</u>	<u>Sewer</u>	<u>Total</u>
<u>2011</u>			
Property Taxes	\$ 412,769		\$ 412,769
Tax Title Liens	2,860		2,860
Utility Rents	-	\$ 42,372	42,372
	<u>\$ 415,629</u>	<u>\$ 42,372</u>	<u>\$ 458,001</u>

**TOWNSHIP OF WYCKOFF
NOTES TO FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2012 AND 2011**

NOTE 3 TAXES AND UTILITY RENTS RECEIVABLE (Continued)

In 2011, the Township collected \$459,050 and \$40,368 from delinquent taxes and utility rents, which represented 99% and 100% of the delinquent tax and sewer charges receivable at December 31, 2010.

NOTE 4 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.

The Township's debt is summarized as follows:

	<u>2012</u>	<u>2011</u>
Issued		
General		
Notes	\$ 1,271,500	\$ 880,000
Authorized But Not Issued		
General		
Notes	<u>-</u>	<u>525,000</u>
Net Notes Issued and Authorized But Not Issued	<u>\$ 1,271,500</u>	<u>\$ 1,405,000</u>

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 .02% and .03% at December 31, 2012 and 2011.

	<u>Gross Debt</u>	<u>Deductions</u>	<u>Net Debt</u>
<u>2012</u>			
General Debt	\$ 1,271,500		\$ 1,271,500
School Debt	<u>34,991,500</u>	<u>\$ 34,991,500</u>	<u>-</u>
Total	<u>\$ 36,263,000</u>	<u>\$ 34,991,500</u>	<u>\$ 1,271,500</u>
	<u>Gross Debt</u>	<u>Deductions</u>	<u>Net Debt</u>
<u>2011</u>			
General Debt	\$ 1,405,000		\$ 1,405,000
School Debt	<u>36,190,222</u>	<u>\$ 36,190,222</u>	<u>-</u>
Total	<u>\$ 37,595,222</u>	<u>\$ 36,190,222</u>	<u>\$ 1,405,000</u>

TOWNSHIP OF WYCKOFF
 NOTES TO FINANCIAL STATEMENTS
 YEARS ENDED DECEMBER 31, 2012 AND 2011

NOTE 4 MUNICIPAL DEBT (Continued)

Short-Term Debt (Continued)

	Rate (%)	Maturity Date	Balance, December 31, 2010	Additions	Reductions	Balance, December 31, 2011
<u>2011</u>						
General Capital Fund						
<u>Purpose</u>						
Fire Pumper	1.05%	8/7/2012	\$ 288,800	\$ 192,800	\$ 288,800	\$ 192,800
Culvert Reconstruction	1.05%	8/7/2012	56,316	37,116	56,316	37,116
Road Resurfacing	1.05%	8/7/2012	376,884	252,084	376,884	252,084
Police Desk Upgrade/Rescue Truck	1.05%	8/7/2012	470,000	398,000	470,000	398,000
Purchase of Excavator and Trailer	0.80%	8/9/2011	47,675	-	47,675	-
			<u>\$ 1,239,675</u>	<u>\$ 880,000</u>	<u>\$ 1,239,675</u>	<u>\$ 880,000</u>

The purpose of these short-time 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.

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

NOTE 5 FIXED ASSETS

General Fixed Assets

The following is a summary of changes in the general fixed assets account group for the years ended December 31, 2012 and 2011.

	Balance December 31, 2011	Increases	Decreases	Balance, December 31, 2012
<u>2012</u>				
Land	\$ 5,940,300	\$ 3,100,000		\$ 9,040,300
Buildings	2,223,400			2,223,400
Vehicles and Equipment	7,041,392	275,902	\$ 340,214	6,977,080
	<u>\$ 15,205,092</u>	<u>\$ 3,375,902</u>	<u>\$ 340,214</u>	<u>\$ 18,240,780</u>

TOWNSHIP OF WYCKOFF
 NOTES TO FINANCIAL STATEMENTS
 YEARS ENDED DECEMBER 31, 2012 AND 2011

NOTE 4 MUNICIPAL DEBT (Continued)

	Balance December 31, 2010	Increases	Decreases	Adjustments	Balance, December 31, 2011
2011					
Land	\$ 5,995,900			\$ (55,600)	\$ 5,940,300
Buildings	2,223,400				2,223,400
Vehicles and Equipment	6,765,100	\$ 276,292	-	-	7,041,392
	<u>\$ 14,984,400</u>	<u>\$ 276,292</u>	<u>\$ -</u>	<u>\$ (55,600)</u>	<u>\$ 15,205,092</u>

NOTE 6 DUE TO/FROM OTHER FUNDS

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

	2012		2011	
	Due from Other Funds	Due to Other Funds	Due from Other Funds	Due to Other Funds
Current Fund	\$ 3,827	\$ 1,021		
Trust Fund				
Municipal Open Space Fund	1,021			
Animal Control Fund	-	3,827	-	-
Total	<u>\$ 4,848</u>	<u>\$ 4,848</u>	<u>NONE</u>	<u>NONE</u>

The above balances are the result of expenditures being paid by one fund on behalf of another.

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

**TOWNSHIP OF WYCKOFF
NOTES TO FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2012 AND 2011**

NOTE 7 FUND BALANCES APPROPRIATED

Under the regulatory basis of accounting, fund balances in the Current Fund and 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>2012</u>	Utilized in Subsequent <u>Year's Budget</u>	Fund Balance December 31, <u>2011</u>	Utilized in Subsequent <u>Year's Budget</u>
Current Fund				
Cash Surplus	\$ 2,983,295	\$ 1,750,000	\$ 2,508,999	\$ 1,750,000
Non-Cash Surplus	<u>9,139</u>	<u>-</u>	<u>130,102</u>	<u>-</u>
	<u>\$ 2,992,434</u>	<u>\$ 1,750,000</u>	<u>\$ 2,639,101</u>	<u>\$ 1,750,000</u>
Sewer Utility Operating Fund				
Cash Surplus	\$ 92,257		\$ 11,278	
Non-Cash Surplus	<u>-</u>	<u>-</u>	<u>61,004</u>	<u>-</u>
	<u>\$ 92,257</u>	<u>\$ -</u>	<u>\$ 72,282</u>	<u>\$ -</u>

NOTE 8 DEFERRED CHARGES TO BE RAISED IN SUCCEEDING BUDGETS

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>2012</u>			
NONE			
<u>2011</u>			
Current Fund			
Emergency Authorization	\$ 122,920	\$ 122,920	
Sewer Utility Operating Fund Operating Deficit	<u>61,004</u>	<u>61,004</u>	<u>\$ -</u>
	<u>\$ 183,924</u>	<u>\$ 183,924</u>	<u>\$ -</u>

**TOWNSHIP OF WYCKOFF
NOTES TO FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2012 AND 2011**

NOTE 9 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 June 30, 1944. Membership is mandatory for such employees with vesting occurring after 10 years of membership.

Public Employees' Retirement System (PERS) – established in January 1955, under the provisions of N.J.S.A. 43:15A to provide coverage, including post-retirement healthcare for those eligible employees whose local employers elected to do so, to substantially all full-time employees of the State or any county, municipality, school district, or public agency provided the employee is not a member of another State-administered retirement system. Membership is mandatory for such employees and vesting occurs after 10 years of service for pension benefits and, if applicable, 25 years for post-retirement healthcare coverage.

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.

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.

Basis of Accounting

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

**TOWNSHIP OF WYCKOFF
NOTES TO FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2012 AND 2011**

NOTE 9 EMPLOYEE RETIREMENT SYSTEMS (Continued)

Investment Valuation

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

The State of New Jersey, Department of the Treasury, Division of Investment, issues publicly available financial reports that include the financial statements of the State of New Jersey Cash Management Fund, Common Pension Fund A, Common Pension Fund B, Common Pension Fund D and Common Pension Fund E. The financial reports 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.

Significant Legislation

P.L. 2011, c.78, effective June 28, 2011, made various changes to the manner in which PERS and PFRS operate and to the benefit provisions of those systems.

- For new members of PERS hired on or after June 28, 2011 (Tier 5 members), the years of creditable service needed for early retirement benefits increased from 25 to 30 years and the early retirement age increased from 55 to 65.
- The eligibility age to qualify for a service retirement in the PERS increased from age 62 to 65 for Tier 5 members.
- The annual benefit under special retirement for new PFRS members enrolled after June 28, 2011 (Tier 3 members), decreased from 65 percent of final compensation to 60 percent of final compensation after 25 years of service and from 70 percent of final compensation to 65 percent of final compensation after 30 or more years of service.
- It increased the active member contribution rates as follows: PERS active member rates increase from 5.5 percent of annual compensation to 6.5 percent plus an additional 1 percent phased-in over 7 years; PFRS active member rates increase from 8.5 percent to 10 percent. For Fiscal Year 2012, the member contribution rates increase in October 2011. The phase-in of the additional incremental member contributions for PERS members will take place in July of each subsequent fiscal year.
- The payment of automatic cost-of-living adjustment (COLA) additional increases to current and future retirees and beneficiaries was suspended. COLA increases may be reactivated at a future date as permitted by this law.
- It changed the method for amortizing the pension systems' unfunded accrued liability (from a level percent of pay method to a level dollar of pay method).

**TOWNSHIP OF WYCKOFF
NOTES TO FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2012 AND 2011**

NOTE 9 EMPLOYEE RETIREMENT SYSTEMS (Continued)

Funded Status and Funding Progress

As of July 1, 2011, the most recent actuarial valuation date, the aggregate funded ratio for all the State administered retirement systems, including PERS and PFRS is 67.5 percent with an unfunded actuarial accrued liability of \$41.7 billion. The aggregate funded ratio and unfunded accrued liability for the State-funded systems is 65.2 percent and \$30.1 billion, and the aggregate funded ratio and unfunded accrued liability for local PERS and PFRS is 77.5 percent and \$11.6 billion, respectively.

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

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

Actuarial Methods and Assumptions

In the July 1, 2011 actuarial valuation, the projected unit credit was used as the actuarial cost method, and the five year average of market value was used as the asset valuation method for the retirement systems. The actuarial assumptions included (a) a revised investment rate of return for all the retirement systems from 8.25 percent to 7.95 percent; and (b) revised projected salary increases which vary by fund (6.32% for PFRS and 4.52% for PERS)

Employer and Employee Pension Contributions

The contribution policy is set by laws of the State of New Jersey and contributions are required by active members and participating employers. Plan members and employer contributions may be amended by State of New Jersey legislation, with the amount of contributions by the State of New Jersey contingent upon the annual Appropriations Act. As defined, the various retirement systems require employee contributions based on 6.50% for PERS and 10.0% for PFRS of employees' annual compensation.

TOWNSHIP OF WYCKOFF
 NOTES TO FINANCIAL STATEMENTS
 YEARS ENDED DECEMBER 31, 2012 AND 2011

NOTE 9 EMPLOYEE RETIREMENT SYSTEMS (Continued)

Annual Pension Cost (APC)

For PFRS and PERS, which are cost sharing multi-employer defined benefit pension plans, annual pension cost equals contributions made.

During the years ended December 31, 2012, 2011 and 2010, 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 year:

<u>Year Ended</u> <u>December 31</u>	<u>PFRS</u>	<u>PERS</u>
2012	\$ 566,295	\$ 325,598
2011	724,665	324,390
2010	661,258	262,703

NOTE 10 POST-RETIREMENT MEDICAL BENEFITS

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

As a result of implementing Governmental Accounting Standards Board (GASB) Statement No. 43, *Financial Reporting for Post-employment Benefit Plans Other than Pension Plans* (OPEB), effective for Fiscal Year 2007, the State Health Benefits Program (SHBP), and the Prescription Drug Program (PDP), and Post-Retirement Medical (PRM) of the PERS and the Teachers' Pension and Annuity (TPAF) are combined and reported as Pension and Other Employee Benefit Trust Funds in the State's Comprehensive Annual Financial Report (CAFR). Specifically, SHBP-State, PDP-State, and the PRM of the PERS are combined and reported as Health Benefits Program Fund – State classified as a single employer plan. The SHBP-Local, PDP-Local, and the PRM of the TPAF-Local are combined and reported as a Health Benefits Program Fund –Local Government classified as a cost sharing multiple-employer plan. The post-retirement benefit programs had a total of 547 state and local participating employers and contributing entities for Fiscal Year 2012.

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

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

**TOWNSHIP OF WYCKOFF
NOTES TO FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2012 AND 2011**

NOTE 10 POST-RETIREMENT MEDICAL BENEFITS (Continued)

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.

Basis of Accounting

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

Significant Legislation

P.L. 2011, c.78, effective October 2011, sets new employee contribution requirements towards the cost of employer-provided health benefit coverage. Employees are required to contribute a certain percentage of the cost of coverage. The rate of contribution is determined based on the employee's annual salary and the selected level of coverage. The increased employee contributions will be phased in over a 4-year period for those employed prior to this new legislation's effective date with a minimum contribution required to be at least 1.5% of salary.

Investment Valuation

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

Funded Status and Funding Progress

As of July 1, 2011, the most recent actuarial valuation date, the State had a \$48.9 billion unfunded actuarial liability for other postemployment benefits (OPEB) which is made up of \$18.0 billion for state active and retired members and \$30.9 billion for education employees and retirees that become the obligation of the State of New Jersey upon retirement.

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

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

Actuarial Methods and Assumptions

In the July 1, 2011 actuarial valuation, the projected unit credit was used as the actuarial cost method, and the market value was used as asset valuation method for the OPEB. The actuarial assumptions included 4.50 percent for investment rate of return for the OPEB.

TOWNSHIP OF WYCKOFF
NOTES TO FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2012 AND 2011

NOTE 10 POST-RETIREMENT MEDICAL BENEFITS (Continued)

Post-Retirement Medical Benefits Contribution

P.L. 1987, c. 384 and P.L. 1990, c.6 required the Public Employees' Retirement System to fund post-retirement medical benefits for those State and participating local government employees who retire after accumulating 25 years of credited service or on a disability retirement. As of June 30, 2012, there were 97,661 retirees receiving post-retirement medical benefits and the State contributed \$958.9 million on their behalf. The cost of these benefits is funded through contributions by the State and participating local governments in accordance with P.L. 1994, c.62. Funding of post-retirement medical benefits changed from a pre-funding basis to a pay-as-you-go basis beginning in Fiscal Year 1994.

P.L. 1977, c. 136 provides for the State and participating local governments to pay health benefits on a pay-as-you-go basis for all enrolled retired employees, regardless of retirement date, under two provisions. The first is for employees whose pensions are based on 25 years or more of credited service (except those who elect a deferred retirement). The second is for retired employees who are eligible for a disability retirement regardless of years of service. The State and participating local governments contributed \$112.6 million for 8,810 eligible retired members for Fiscal Year 2012. This benefit covers the Police and Firemen's Retirement System.

P.L. 1997, c. 330 provides paid post-retirement health benefits to qualified retirees of the Police and Firemen's Retirement System and to dependents of qualified retirees. The State and participating local governments are responsible for 80 percent of the premium for the category of coverage elected by the retiree under the State managed care plan or a health maintenance organization participating in the program, whichever provides the lower charge. The State and participating local governments contributed \$36.6 million in Fiscal Year 2012 to provide benefits under Chapter 330 to qualified retirees.

The State sets the employer contribution rate based on a pay-as-you-go basis rather than the *annual required contribution of the employers (ARC)*, an amount actuarially determined in accordance with the parameters of GASB Statement 45. The ARC represents a level of funding that, if paid on an ongoing basis, is projected to cover normal cost each year and amortize any unfunded actuarial liabilities (or funding excess) of the plan over a period not to exceed thirty years. The Township's contributions to the State Health Benefits Program Fund-Local Government for post-retirement benefits for the years ended December 31, 2012, 2011 and 2010 were \$454,586, \$431,555 and \$392,470, respectively, which equaled the required contributions for each year. In addition, the Township's reimbursements to eligible retired employees for Medicare Part B insurance coverage for the years ended December 31, 2012, 2011 and 2010 were \$31,169, \$32,198 and \$30,077, respectively.

NOTE 11 RISK MANAGEMENT

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

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

**TOWNSHIP OF WYCKOFF
NOTES TO FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2012 AND 2011**

NOTE 11 RISK MANAGEMENT (Continued)

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>
2012	\$ 100	\$ 17,146	\$ 17,042	\$ 64,972
2011	100	10,997	32,637	64,768
2010	100	14,555	25,366	86,308

NOTE 12 CONTINGENT LIABILITIES

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

Pending Tax Appeals - Various tax appeal cases were pending in the New Jersey Tax Court at December 31, 2012 and 2011. 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, 2012 and 2011, the Township reserved \$152,699 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.

**TOWNSHIP OF WYCKOFF
NOTES TO FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2012 AND 2011**

NOTE 12 CONTINGENT LIABILITIES (Continued)

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, 2012 and 2011, 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 13 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 First Aid Organization, come from contributions made solely by the Township on behalf of those volunteers who meet the criteria of a plan created by the governing body.

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

The Township of Wyckoff has contributed \$1,150 for 2012 and 2011, for each eligible volunteer fire department member into the Plan. The Township also contributed \$1,150 for 2012 and 2011 for each eligible volunteer first aid squad members into the Plan.

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.

**TOWNSHIP OF WYCKOFF
 NOTES TO FINANCIAL STATEMENTS
 YEARS ENDED DECEMBER 31, 2012 AND 2011**

NOTE 13 LENGTH OF SERVICE AWARD PROGRAM (LOSAP)-UNAUDITED (Continued)

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 Funds.

NOTE 14 CONSTRUCTION AND OTHER SIGNIFICANT COMMITMENTS

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

<u>2012</u>	<u>Capital Project</u>	<u>Construction Commitment</u>	<u>Estimated Date of Date of Completion</u>
	Barrier Free Access Improvements	\$77,602	2013

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

<u>2012</u>	<u>Purpose</u>	<u>Remaining Commitment</u>
	Purchase of Public Works Truck	\$167,937

NOTE 15 HURRICANE SANDY

On October 29, 2012 Hurricane Sandy, the largest Atlantic hurricane on record made landfall in New Jersey and resulted in severe damage in numerous communities and a federal disaster was declared throughout the State. The Township has incurred costs in the cleanup and recovery from this federal disaster. The Federal Emergency Management Agency ("FEMA") provides emergency grant assistance (voluntary nonexchange transaction) to help government's cope with losses. Although the Township has applied for reimbursement from FEMA, the total amount to be received in conjunction with this event is not considered to be measurable with sufficient reliability and therefore has not been recognized in the financial statements as of December 31, 2012. As of December 31, 2012, the Township has not received any FEMA reimbursements relating to Hurricane Sandy which have been reflected in the financial statements.

NOTE 16 RESTATEMENT

The Sewer Utility Capital Fund Fixed Capital Authorized and Uncompleted account and Deferred Reserve for Amortization account were restated to reflect the omission of Ordinance 1561 in the amount of \$150,000. The improvement authorization in the amount of \$150,000 funded by the Capital Improvement Fund in the amount of \$150,000 was recorded previously.

NOTE 17 SUBSEQUENT EVENTS

Debt Authorized

On May 7, 2013 the Township adopted a bond ordinance authorizing the issuance of \$550,550 in bonds or bond anticipation notes to fund the purchase of 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.

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CURRENT FUND

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

Balance, December 31, 2011		\$ 4,239,627
Increased by Receipts:		
Taxes Receivable	\$ 73,623,272	
Non-Budget Revenues	431,599	
State of NJ - Senior Citizens' and Vet. Deductions	146,177	
Revenue Accounts Receivable	3,462,773	
Grants Receivable	30,918	
Prepaid Taxes	447,960	
Unappropriated Grant Reserves	36,608	
Tax Overpayments	144,675	
Reserve for Payroll Account	3,450,795	
Fees Payable	30,485	
Reserve for Library Property Tax Relief	388,070	
Receipts from Animal Control Fund	10	
Receipts from Other Trust Fund	245	
Receipts from General Capital Fund	<u>2</u>	
		<u>82,193,589</u>
		86,433,216
Decreased by Disbursements:		
2012 Budget Appropriations	14,455,630	
2011 Appropriation Reserves	480,078	
Encumbrances Payable	93,946	
County Taxes Payable	9,876,751	
Local District School Taxes Payable	33,954,803	
Regional School Taxes Payable	18,268,086	
Tax Overpayments	138,647	
Reserve for Payroll Account	3,448,505	
Appropriated Grant Reserves	49,571	
Payments to Municipal Open Space Trust Fund	241,390	
Fees Payable	29,154	
Refund of Prior Year Revenue	<u>181,489</u>	
		<u>81,218,050</u>
Balance, December 31, 2012		<u>\$ 5,215,166</u>

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

	Balance, December 31, <u>2011</u>	Balance, December 31, <u>2012</u>
Tax Collector	\$ 500	\$ 500
	<u>\$ 500</u>	<u>\$ 500</u>

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

Balance, December 31, 2011 (Due To)	\$ 2,573
Increased by:	
Cash Received	<u>146,177</u>
	148,750
Decreased by:	
Senior Citizens /Veterans Deductions Per Tax Billings - 2012	\$ 147,500
Senior Citizens /Veterans Deductions Per Tax Collector - 2012	<u>2,500</u>
	<u>150,000</u>
Balance, December 31, 2012 (Due From)	<u>\$ 1,250</u>

TOWNSHIP OF WYCKOFF
STATEMENT OF TAXES RECEIVABLE

Year	Balance, December 31, 2011	2012 Levy	2011 Collections	2012	Senior Citizens' and Veterans' Deductions Allowed	Cancelled	Transferred to Tax Title Liens	Balance, December 31, 2012
2011	\$ 412,769	-	\$ -	\$ 381,491	-	-	-	\$ 31,278
2012	412,769	-	-	381,491	-	-	-	31,278
	-	\$ 74,371,347	\$ 408,568	73,241,781	\$ 150,000	\$ 158,577	\$ 1,230	411,191
	\$ 412,769	\$ 74,371,347	\$ 408,568	\$ 73,623,272	\$ 150,000	\$ 158,577	\$ 1,230	\$ 442,469

Analysis of 2012 Property Tax Levy

Tax Yield	
General Purpose Tax	\$ 74,058,476
Added Taxes	312,871
	<u>\$ 74,371,347</u>
Tax Levy	
County Taxes	\$ 9,803,230
Due County for Added and Omitted Taxes	41,609
	<u>9,844,839</u>
Municipal Open Space Preservation	241,390
Due Municipal Open Space for Added and Omitted Taxes	1,021
	<u>242,411</u>
Regional High School Tax	18,268,086
Local District School Tax	33,954,803
	<u>62,310,139</u>
Local Tax for Municipal Purposes	11,752,467
Add Additional Tax Levied	308,741
	<u>12,061,208</u>
	<u>\$ 74,371,347</u>

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

Balance, December 31, 2011	\$	2,860
Increased by:		
Transfers from Taxes Receivable		1,230
Balance, December 31, 2012	\$	4,090

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

Balance, December 31, 2011	\$	36,700
Balance, December 31, 2012	\$	36,700

STATEMENT OF REVENUE ACCOUNTS RECEIVABLE

	Balance, December 31, <u>2011</u>	Accrued in <u>2012</u>	<u>Collected</u>	Balance, December 31, <u>2012</u>
Township Clerk - Licenses				
Alcoholic Beverages		\$ 17,500	\$ 17,500	
Other		76,351	76,351	
Fees and Permits				
Other		205,645	205,645	
Fines and Costs - Municipal Court	\$ 6,315	122,787	119,827	\$ 9,275
Interest and Costs on Taxes		111,129	111,129	
Interest on Investments		6,118	6,118	
Lease of Township Property		35,960	35,960	
Cable Franchise Fee		224,834	224,834	
Lease of Cell Tower Space #1		167,200	167,200	
Lease of Cell Tower Space #2		143,959	143,959	
Lease of Cell Tower Space #3		31,050	31,050	
Lease of Cell Monopole AT&T		19,611	19,611	
Consolidated Municipal Property Tax Relief		20,812	20,812	
Energy Receipts Tax		1,072,459	1,072,459	
Uniform Construction Code Fees		379,585	379,585	
Police Dispatching Services Agreement - Midland Park		273,866	273,866	
CFO Shared Services Agreement - Borough of New Milford		25,000	25,000	
Recreation Fees		512,187	512,187	
Uniform Fire Safety Act	-	19,680	19,680	-
	\$ 6,315	\$ 3,465,733	\$ 3,462,773	\$ 9,275

**TOWNSHIP OF WYCKOFF
STATEMENT OF GRANTS RECEIVABLE**

	Balance, December 31, <u>2011</u>	Revenue <u>Realized</u>	<u>Received</u>	<u>Cancelled</u>	Balance, December 31, <u>2012</u>
Municipal Alliance - 2009/10 Grant	\$ 7,182				\$ 7,182
2012 Clean Communities Program		\$ 28,580	\$ 28,007	573	
Drive Sober Get Pulled Over		4,400	911		\$ 3,489
Alcohol Traffic Safety		4,400			4,400
Sustainable NJ	-	2,000	2,000	-	-
	<u>\$ 7,182</u>	<u>\$ 39,380</u>	<u>\$ 30,918</u>	<u>\$ 7,755</u>	<u>\$ 7,889</u>
			Appropriated Grant Reserves	<u>\$ 7,755</u>	

TOWNSHIP OF WYCKOFF
STATEMENT OF 2011 APPROPRIATION RESERVES

	Balance, December 31, <u>2011</u>	Prior Year Encumbrances Cancelled	Balance After Modification	Paid or Charged	Balance Lapsed
SALARIES AND WAGES					
Administrative and Executive	\$ 346		\$ 346	\$ 346	
Municipal Clerk	1,051		1,051	651	\$ 400
Financial Administration	2,083		2,083		2,083
Revenue Administration and Tax Collection	835		835		835
Board of Adjustment	20		20		20
Police	32,015		32,015	24,020	7,995
Recreation	1,817		1,817	450	1,367
Road Repairs and Maintenance	82,106		82,106	82,106	
Health and Human Services	382		382		382
Construction Code Official	5,576		5,576	1,264	4,312
Municipal Court	4,526		4,526	667	3,859
Affordable Housing	620		620	275	345
OTHER EXPENSES					
Administrative and Executive	1,394		1,394	1,394	
Municipal Clerk	1,166		1,166	1,166	
Financial Administration	123	\$ 3	126		126
Audit Services	1,250		1,250	1,200	50
Revenue Administration and Tax Collection	1,048		1,048	134	914
Elections	256		256		256
Assessment of Taxes	3,856		3,856	3,856	
Environmental Commission: NJSA 40:56A-1	590		590		590
Legal Services and Costs	41,949		41,949	31,219	10,730
Engineering Services	2,230	4,746	6,976		6,976
Public Buildings and Grounds	4,098		4,098	4,098	
Shade Tree Commission	21,330		21,330	285	21,045
Planning Board	3,183		3,183		3,183
Board of Adjustment	333		333	333	
General Liability Insurance	13,803		13,803		13,803
Employee Health Benefits Insurance	88,178	493	88,671		88,671
Health Benefit Waivers	12,639		12,639		12,639
Police	29,172		29,172	2,044	27,128
Emergency Management Services	350		350	50	300
Public Safety Volunteer Fire Department	4,801		4,801	4,667	134
Life Hazard Use Fees (Uniform Fire Safety)	831		831	62	769
Radio Communications Contract	1,192		1,192		1,192
Recreation	5,428		5,428	1,214	4,214
Park Maintenance	14,240		14,240	3,097	11,143
Celebration of Public Events	15		15		15
Recycling	25,418		25,418	16,746	8,672
Sanitation	1,000		1,000		1,000

**TOWNSHIP OF WYCKOFF
STATEMENT OF 2011 APPROPRIATION RESERVES**

	Balance, December 31, <u>2011</u>	Prior Year Encumbrances <u>Cancelled</u>	Balance After <u>Modification</u>	Paid or <u>Charged</u>	Balance <u>Lapsed</u>
OTHER EXPENSES (Continued)					
Road Repair and Maintenance	\$ 84,658		\$ 84,658	\$ 84,657	\$ 1
Vehicular Maintenance	2,163		2,163	1,742	421
CDL Mandate	1,253		1,253		1,253
Health and Human Services	8,248		8,248	1,460	6,788
Animal Control	3,945		3,945		3,945
Condo Services Act	48		48		48
Municipal Prosecutor	56		56		56
Public Defender	880		880		880
Construction Code Official	5,652		5,652	118	5,534
Utilities					
Electricity	17,819		17,819	5,110	12,709
Street Lighting	39,561		39,561	19,111	20,450
Telephone	397	\$ 5	402		402
Water	1,824		1,824	1,748	76
Natural Gas	14,859		14,859	7,659	7,200
Fire Hydrants	66		66		66
Gasoline	5,140		5,140	4,909	231
Landfill and Solid Waste Disposal	72,625		72,625	54,128	18,497
Recycling Tax	5,818		5,818	1,567	4,251
Social Security System (OASI)	75,024		75,024		75,024
Municipal Court	2,825	75	2,900		2,900
Affordable Housing	6,566		6,566		6,566
LOSAP	121,213		121,213	116,525	4,688
Hepatitis B	374		374		374
Interlocal Services Agreements - 911 Services	8,010	-	8,010	-	8,010
	<u>\$ 890,274</u>	<u>\$ 5,322</u>	<u>\$ 895,596</u>	<u>\$ 480,078</u>	<u>\$ 415,518</u>

**TOWNSHIP OF WYCKOFF
STATEMENT OF ENCUMBRANCES PAYABLE
CURRENT FUND**

Balance, December 31, 2011		\$	99,268
Increased by:			
Charges to 2012 Appropriations			<u>247,827</u>
			347,095
Decreased by:			
Restored to 2011 Appropriation Reserves	\$	5,322	
Cash Disbursements		<u>93,946</u>	
			<u>99,268</u>
Balance, December 31, 2012		\$	<u>247,827</u>

STATEMENT OF PREPAID TAXES

Balance, December 31, 2011		\$	408,568
Increased by:			
Collection of 2013 Taxes			<u>447,960</u>
			856,528
Decreased by:			
Application to 2012 Taxes Receivable			<u>408,568</u>
Balance, December 31, 2012		\$	<u>447,960</u>

STATEMENT OF COUNTY TAXES PAYABLE

Balance, December 31, 2011		\$	73,521
Increased by:			
2012 Tax Levy	\$	9,690,549	
2012 Open Space Preservation		112,681	
2012 Added and Omitted Taxes		<u>41,609</u>	
			<u>9,844,839</u>
			9,918,360
Decreased by:			
Cash Disbursed			<u>9,876,751</u>
Balance, December 31, 2012		\$	<u>41,609</u>

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

Increased by:	
Levy - Calendar Year 2012	<u>\$ 33,954,803</u>
Decreased by:	
Cash Disbursed	<u>\$ 33,954,803</u>

EXHIBIT A-17

STATEMENT OF REGIONAL HIGH SCHOOL DISTRICT SCHOOL TAXES PAYABLE

Increased by:	
Levy - Calendar Year 2012	<u>\$ 18,268,086</u>
Decreased by:	
Cash Disbursed	<u>\$ 18,268,086</u>

EXHIBIT A-18

STATEMENT OF TAX OVERPAYMENTS

Balance, December 31, 2011	\$ 8,032
Increased by:	
Cash Receipts	<u>144,675</u>
	152,707
Decreased by:	
Cash Disbursements	<u>138,647</u>
Balance, December 31, 2012	<u>\$ 14,060</u>

EXHIBIT A-19

STATEMENT OF RESERVE FOR TAX APPEALS

Balance, December 31, 2011	<u>\$ 152,699</u>
Balance, December 31, 2012	<u>\$ 152,699</u>

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

	Balance, December 31, <u>2011</u>	Budget <u>Appropriation</u>	<u>Expended</u>	<u>Cancelled</u>	Balance, December 31, <u>2012</u>
Clean Communities Grant		\$ 57,076	\$ 13,314	\$ 573	\$ 43,189
Municipal Alliance Against Alcohol and Drug Abuse Grant	\$ 7,182			7,182	
Municipal Share	214			214	
Drunk Driving Enforcement Fund	6,086	5,580	1,170		10,496
Body Armor Grant	3,424	2,459			5,883
Over the Limit Under Arrest	1,825	1,191	1,877		1,139
Sustainable NJ	1,000		951		49
Drive Sober Get Pulled Over		4,400			4,400
Alcohol Traffic Safety		4,400	511		3,889
Sustainable NJ		2,000			2,000
Alcohol Education and Rehabilitation	1,240		1,240		
NWBCUA Recycling Tonnage Grant	-	30,508	30,508	-	-
	<u>\$ 20,971</u>	<u>\$ 107,614</u>	<u>\$ 49,571</u>	<u>\$ 7,969</u>	<u>\$ 71,045</u>
				Cancelled to Operations \$ 214	
				Cancelled to Grants Receivable 7,755	
				<u>\$ 7,969</u>	

EXHIBIT A-21

STATEMENT OF UNAPPROPRIATED GRANT RESERVES

	Balance, December 31, <u>2011</u>	Cash <u>Receipts</u>	Realized as 2012 Anticipated <u>Revenue</u>	Balance, December 31, <u>2012</u>
Clean Communities Grant	\$ 28,496		\$ 28,496	
Recycling Assistance Grant	30,508	\$ 28,151	30,508	\$ 28,151
Drunk Driving Enforcement Fund	5,580	5,566	5,580	5,566
Over the Limit Under Arrest	1,191		1,191	
Alcohol Rehabilitation		378		378
Body Armor Grant	2,460	2,513	2,459	2,514
	<u>\$ 68,235</u>	<u>\$ 36,608</u>	<u>\$ 68,234</u>	<u>\$ 36,609</u>

EXHIBIT A-22

STATEMENT OF DUE TO OPEN SPACE TRUST FUND

Increased by:			
2012 Tax Levy		\$ 241,390	
2012 Added Taxes		1,021	
		<u>\$ 242,411</u>	
			242,411
Decreased by:			
Cash Disbursements			<u>241,390</u>
Balance, December 31, 2012			<u>\$ 1,021</u>

**TOWNSHIP OF WYCKOFF
STATEMENT OF RESERVE FOR LIBRARY PROPERTY TAX RELIEF**

Increased by:	
Cash Receipts	\$ <u>388,070</u>
Balance, December 31, 2012	\$ <u>388,070</u>

STATEMENT OF FEES PAYABLE

	Balance, December 31, <u>2011</u>	Cash <u>Receipts</u>	Cash <u>Disbursements</u>	Balance, December 31, <u>2012</u>
Uniform Construction Code-DCA	\$ <u>6,987</u>	\$ <u>30,485</u>	\$ <u>29,154</u>	\$ <u>8,318</u>

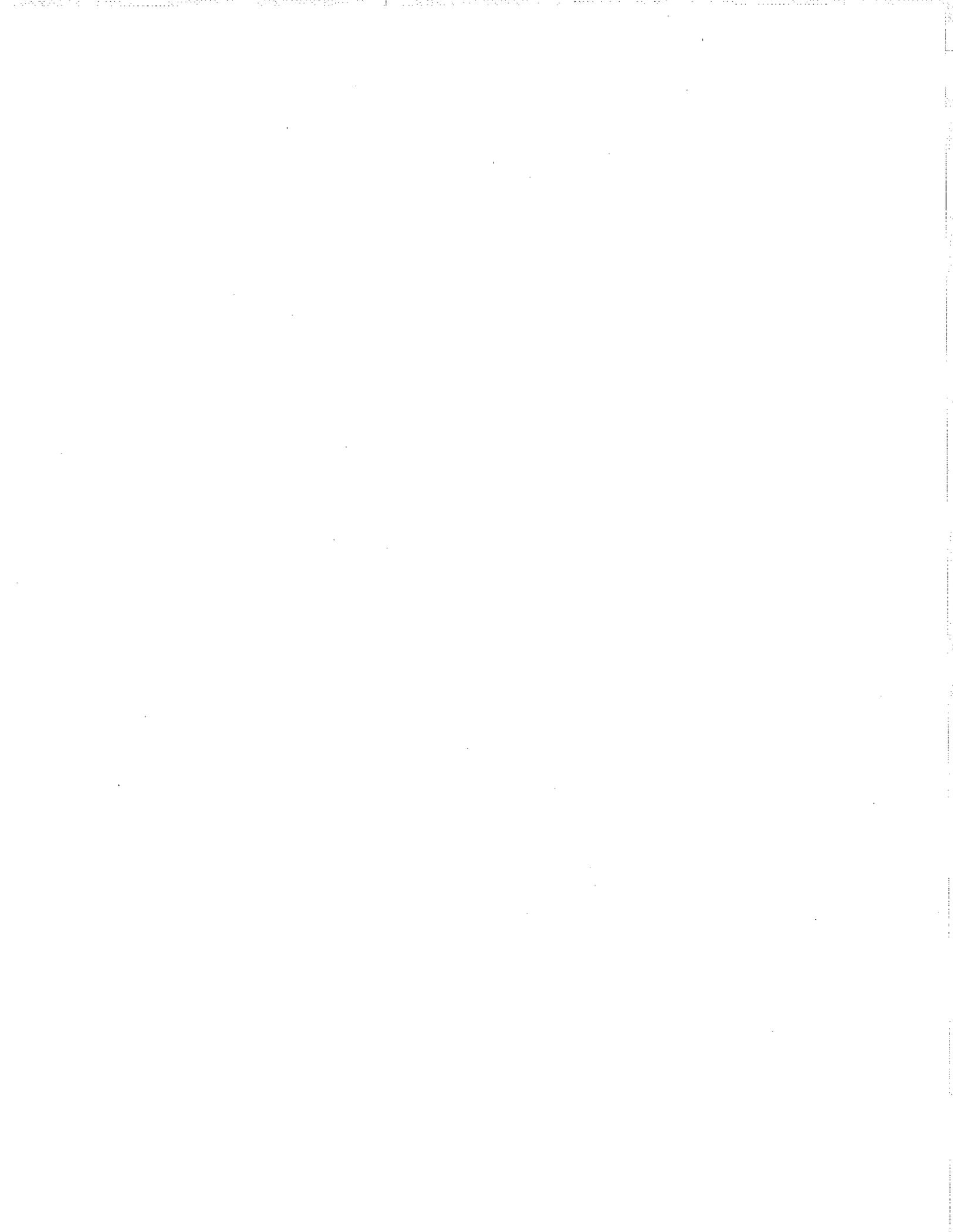
STATEMENT OF RESERVE FOR PAYROLL

Increased by:	
Cash Receipts	\$ 3,450,795
Decreased by:	
Cash Disbursements	<u>3,448,505</u>
Balance, December 31, 2012	\$ <u>2,290</u>

**TOWNSHIP OF WYCKOFF
STATEMENT OF DEFERRED CHARGES**

<u>Purpose</u>	Balance December 31, <u>2011</u>	Amount Raised in <u>2012 Budget</u>	Balance December 31, <u>2012</u>
Emergency Authorization	\$ 122,920	\$ 122,920	\$ -
	<u>\$ 122,920</u>	<u>\$ 122,920</u>	<u>\$ -</u>

TRUST FUND



TOWNSHIP OF WYCKOFF
STATEMENT OF TRUST CASH - TREASURER

	<u>Animal Control</u> <u>Fund</u>	<u>Other</u> <u>Trust Fund</u>	<u>Open Space</u> <u>Trust Fund</u>
Balance, December 31, 2011	\$ 29,412	\$ 1,390,824	\$ 1,206,615
Increased by Receipts:			
State of New Jersey Dog License Fees Collected	\$ 2,172		
Interest on Investments and Deposits	10	\$ 245	\$ 238
Receipts from Current Fund			241,390
Payroll and Payroll Deductions		5,019,911	
Miscellaneous Reserves		954,655	
Dog License Fees	<u>16,282</u>	<u>-</u>	<u>-</u>
	<u>18,464</u>	<u>5,974,811</u>	<u>241,628</u>
	47,876	7,365,635	1,448,243
Decreased by Disbursements:			
Expenditures Under R.S. 4:19-15.11	10,758		
Due to State of New Jersey	2,271	3,760	
Payments to Current Fund	10	245	
Payments to General Capital Fund			1,204,000
Municipal Open Space Expenditures			20,556
Payroll and Payroll Deductions		5,019,858	
Miscellaneous Reserves	<u>-</u>	<u>751,188</u>	<u>-</u>
	<u>13,039</u>	<u>5,775,051</u>	<u>1,224,556</u>
Balance, December 31, 2012	<u>\$ 34,837</u>	<u>\$ 1,590,584</u>	<u>\$ 223,687</u>

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

Balance, December 31, 2011		\$ 28,771
Increased by:		
Dog License Fees		
Municipal Share	\$ 14,582	
Late Fees	1,660	
Lost Tags	<u>40</u>	
		<u>16,282</u>
		45,053
Decreased by:		
Expenditures Under R.S. 4:19-15-11	10,758	
Statutory Excess - Due to Current Fund	<u>3,827</u>	
		<u>14,585</u>
Balance, December 31, 2012		<u>\$ 30,468</u>

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

Balance, December 31, 2011	\$	641
Increased by:		
Dog License Fees Collected		2,172
		2,813
Decreased by:		
Payments Made to State of New Jersey		2,271
Balance, December 31, 2012	\$	542

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

Increased by:		
Interest Earned	\$	10
Statutory Excess		3,827
	\$	3,837
Decreased by:		
Payments to Current Fund		10
Balance, December 31, 2012	\$	3,827

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

	Balance, December 31, <u>2011</u>	<u>Increases</u>	<u>Decreases</u>	Balance, December 31, <u>2012</u>
Special Deposits	\$ 321,685	\$ 281,874	\$ 174,967	\$ 428,592
Snow Removal Escrow		126,783	77,818	48,965
Developer's Escrow	156,203	18,390	29,461	145,132
Performance Bonds	403,680	64,660	26,272	442,068
Gardens of Wyckoff Bequest	114,281	65		114,346
Unemployment	64,768	17,246	17,042	64,972
Affordable Housing	39,251	43		39,294
Community Development	926	1		927
Flexible Spending		1,002		1,002
Escrow Deposits Payable	<u>186,584</u>	<u>444,591</u>	<u>426,118</u>	<u>205,057</u>
	<u>\$ 1,287,378</u>	<u>\$ 954,655</u>	<u>\$ 751,678</u>	<u>\$ 1,490,355</u>

Cash Disbursements	\$ 751,188
Due to State of New Jersey-Unemployment	<u>490</u>
	<u>\$ 751,678</u>

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

Increased by:	
Interest Earned	\$ 245
Decreased by:	
Payments to Current Fund	<u>245</u>
Balance, December 31, 2012	<u>\$ -</u>

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

Balance, December 31, 2011	\$	3,760
Increased by:		
Unemployment Claims		490
		4,250
Decreased By:		
Cash Disbursements		3,760
		490
Balance, December 31, 2012	\$	490

EXHIBIT B-10

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

Balance, December 31, 2011	\$	1,206,615
Increased by:		
Interest on Investments and Deposits	\$	238
2012 Municipal Open Space Tax Levy		241,390
2012 Added Municipal Open Space Tax Levy		1,021
		242,649
		1,449,264
Decreased by:		
Payments to General Capital Fund - Finance Improvement Authorization	1,204,000	
Cash Disbursements		20,556
		1,224,556
Balance, December 31, 2012	\$	224,708

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

Increased by:		
2012 Municipal Open Space Tax Levy	\$ 241,390	
2012 Added Municipal Open Space Tax Levy	<u>1,021</u>	
		<u>242,411</u>
		242,411
Decreased by:		
Cash Receipts		<u>241,390</u>
Balance, December 31, 2012		<u>\$ 1,021</u>

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

Balance, December 31, 2011		\$ 99,686
Increased by:		
Cash Receipts		<u>5,019,911</u>
		5,119,597
Decreased by:		
Cash Disbursements		<u>5,019,858</u>
Balance, December 31, 2012		<u>\$ 99,739</u>

GENERAL CAPITAL FUND

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

Balance, December 31, 2011		\$ 517,678
Increased by Receipts:		
Interest on Investments and Deposits	\$ 2	
Grants Receivable	1,965,498	
Bond Anticipation Note Proceeds	791,000	
Receipts from Municipal Open Space Trust Fund	1,204,000	
Current Fund Budget Appropriations:		
Capital Improvement Fund	<u>540,000</u>	
		<u>4,500,500</u>
		5,018,178
Decreased by Disbursements:		
Improvement Authorizations	4,226,364	
Encumbrances Payable	54,601	
Payments to Current Fund	<u>2</u>	
		<u>4,280,967</u>
Balance, December 31, 2012		<u>\$ 737,211</u>

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

		Balance, December 31, <u>2012</u>
Fund Balance		\$ 76,312
Capital Improvement Fund		85,767
Encumbrances Payable		308,359
Grants Receivable		(151,348)
Ord.		
<u>No.</u>	<u>Improvement Authorizations</u>	
1287/1308	Acquisition of Land	3,426
1469	Roller Hockey Rink Rehab	2,000
1584	Various Capital Improvements	37,393
1601	Various Capital Improvements	25,740
1602	Ballfield Improvement	4,926
1619/1646/1688	Field Enhancement	104,000
1622	Various Capital Improvements	19,510
1645	Various Capital Improvements	66,563
1647/1690	Purchase of DPW Dump Truck With Plow	6,663
1664	Refunding Bond -Tax Appeals	19,338
1665	Town Hall ADA Automatic Doors	23,746
1687	Various Capital Improvements	54,816
1692	Pulis Ave Turf Field	<u>50,000</u>
		<u>\$ 737,211</u>

**TOWNSHIP OF WYCKOFF
STATEMENT OF GRANTS RECEIVABLE**

Balance, December 31, 2011		\$ 233,552
Increased by:		
Grant Awards		<u>1,909,000</u>
		2,142,552
Decreased by:		
Cash Receipts	\$ 1,965,498	
Cancelled	<u>25,706</u>	
		<u>1,991,204</u>
Balance, December 31, 2012		<u>\$ 151,348</u>
Community Development Block Grant - Ordinance #1630 - Town Hall ADA Ramp		\$ 26,348
Community Development Block Grant - Ordinance #1665 - Town Hall ADA Automatic Doors		75,000
County of Bergen - Ordinance #1692 - Pulis Ave. Turf Field		<u>50,000</u>
		<u>\$ 151,348</u>

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

Ord. No.	<u>Improvement Description</u>	Balance, December 31, 2011	2012 Authori- zations	Bond Anticipation Notes Paid by Budget Appropriation 2012	Balance, December 31, 2012	Bond Anticipation Notes	Unexpended Improvement Authorization
		\$ 192,800		\$ 123,240	\$ 69,560	\$ 69,560	
1442/1446	Fire Pumper			23,716	13,400	13,400	
1445	Culvert Reconstruction	37,116		153,044	99,040	99,040	
1471	Road Resurfacing	252,084		99,500	298,500	298,500	
1603	Police Desk Upgrade/Rescue Truck	398,000			525,000	525,000	
1664	Refunding Bond - Tax Appeals	525,000		-	266,000	266,000	
1647/1690	Purchase of DPW Dump Truck With Plow	-	\$ 266,000		-	-	
		\$ 1,405,000	\$ 266,000	\$ 399,500	\$ 1,271,500	\$ 1,271,500	\$ -
						Improvement Authorizations - Unfunded	\$ 26,001
						Less: Unexpended Proceeds	
						Ord 1664	19,338
						Ord 1647/1690	6,663
						\$ -	\$ -

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

Balance, December 31, 2011		\$ 133,528
Increased by:		
2012 Budget Appropriations	\$ 540,000	
Improvement Authorizations Cancelled	<u>3,239</u>	
		<u>543,239</u>
		676,767
Decreased by:		
Appropriations to Finance Improvement Authorizations		<u>591,000</u>
Balance, December 31, 2012		<u>\$ 85,767</u>

STATEMENT OF ENCUMBRANCES PAYABLE

Balance, December 31, 2011		\$ 62,957
Increased by:		
Charges to Improvement Authorizations		<u>308,359</u>
		371,316
Decreased by:		
Cancelled	\$ 8,356	
Cash Disbursements	<u>54,601</u>	
		<u>62,957</u>
Balance, December 31, 2012		<u>\$ 308,359</u>

STATEMENT OF DUE TO CURRENT FUND

Increased by:		
Interest Earned		\$ 2
Decreased by:		
Payments to Current Fund		<u>2</u>
Balance, December 31, 2012		<u>\$ -</u>

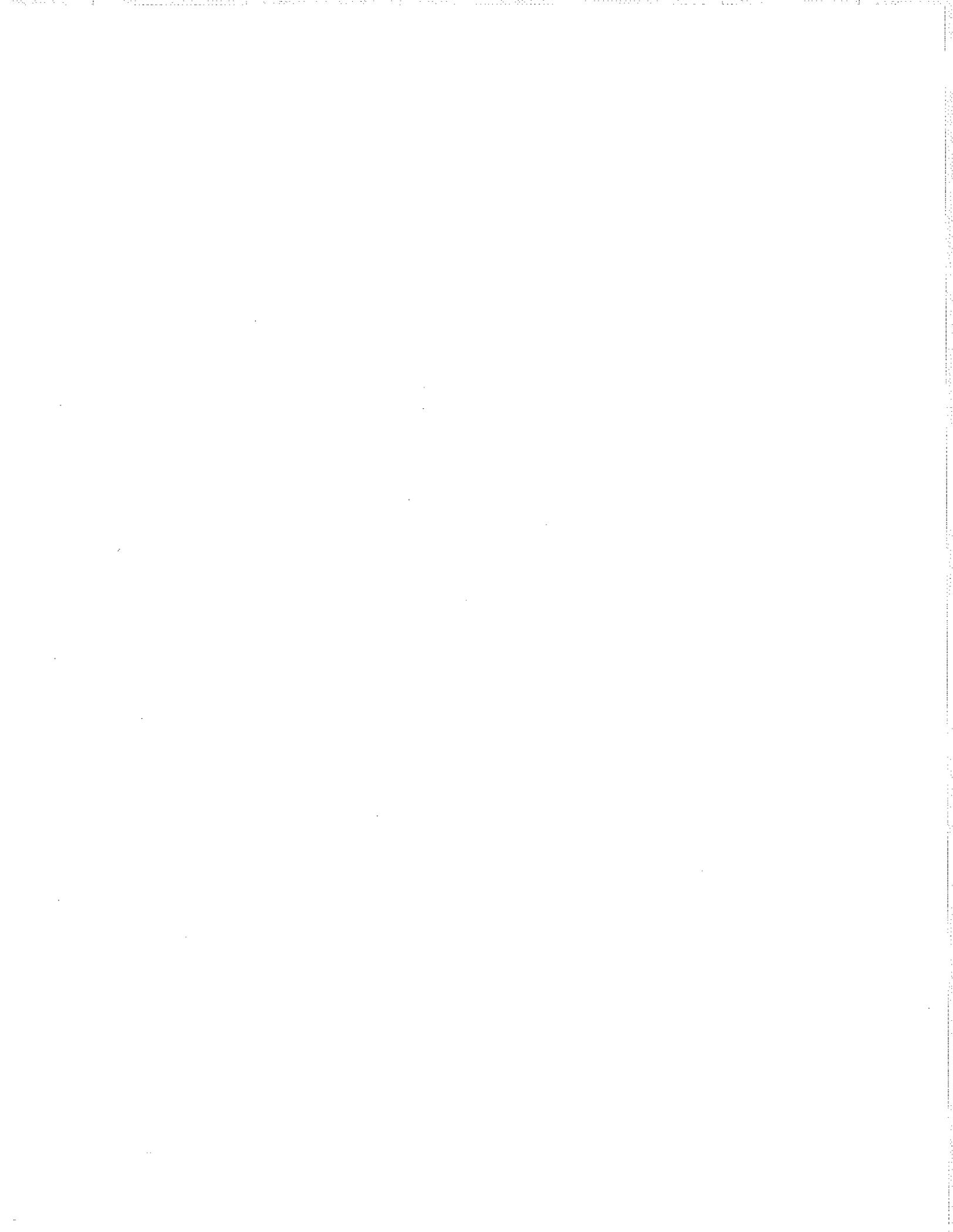
**TOWNSHIP OF WYCKOFF
STATEMENT OF BOND ANTICIPATION NOTES**

<u>Ordinance #</u>	<u>Improvement Description</u>	<u>Original Amount of Issue</u>	<u>Original Date of Issue</u>	<u>Date of Issue</u>	<u>Date of Maturity</u>	<u>Interest Rate</u>	<u>Balance December 31, 2011</u>	<u>Increase</u>	<u>Decrease</u>	<u>Balance December 31, 2012</u>
1442/1446	Fire Pumper	\$ 869,000	8/17/2005	8/8/2011 8/7/2012	8/7/2012 8/6/2013	1.05% 1.45%	\$ 192,800	\$ 69,560	\$ 192,800	\$ 69,560
1445	Culvert Reconstruction	142,500	8/17/2005	8/8/2011 8/7/2012	8/7/2012 8/6/2013	1.05% 1.45%	37,116	13,400	37,116	13,400
1471	Road Resurfacing	950,000	8/17/2005	8/8/2011 8/7/2012	8/7/2012 8/6/2013	1.05% 1.45%	252,084	99,040	252,084	99,040
1603	Police Desk Upgrade/Rescue Truck	527,500	8/12/2009	8/8/2011 8/7/2012	8/7/2012 8/6/2013	1.05% 1.45%	398,000	298,500	398,000	298,500
1647/1690	Various Capital Improvements	266,000	8/7/2012	8/7/2012	8/6/2013	1.45%	266,000	266,000		266,000
1664	Refunding Tax Appeals	525,000	1/30/2012	1/31/2012	1/30/2013	.90%	-	525,000	-	525,000
							<u>\$ 880,000</u>	<u>\$ 1,271,500</u>	<u>\$ 880,000</u>	<u>\$ 1,271,500</u>
							Paid by Budget Appropriation			
								New Issues	\$ 791,000	
								Renewals	480,500	480,500
									<u>\$ 1,271,500</u>	<u>\$ 880,000</u>

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

Ord. No.	<u>Improvement Description</u>	Balance, December 31, <u>2011</u>	2012 <u>Authorizations</u>	Notes <u>Issued</u>	Balance, December 31, <u>2012</u>
1664	Refunding Tax Appeals	\$ 525,000		\$ 525,000	
1647/1690	Various Capital Improvements	-	\$ 266,000	266,000	-
		<u>\$ 525,000</u>	<u>\$ 266,000</u>	<u>\$ 791,000</u>	<u>\$ -</u>

SEWER UTILITY FUND



TOWNSHIP OF WYCKOFF
STATEMENT OF SEWER UTILITY CASH

	<u>Operating</u>	<u>Capital</u>
Balance, December 31, 2011	\$ 22,386	\$ 557,392
Increased by Receipts:		
Overpayments	\$ 6,753	
Prepaid Sewer Rents	1,866	
Consumer Rents Accounts Receivable (Net of Refunds)	2,048,554	
Interest and Costs on Sewer Charges	6,820	
Miscellaneous Revenues Not Anticipated	<u>24,636</u>	
	<u>2,088,629</u>	<u>-</u>
	2,111,015	557,392
Decreased by Disbursements:		
2012 Budget Appropriations	1,976,319	
2011 Appropriation Reserves	5,477	
Improvement Authorizations	<u>-</u>	
	<u>\$ 101,643</u>	
	<u>1,981,796</u>	<u>101,643</u>
Balance, December 31, 2012	<u>\$ 129,219</u>	<u>\$ 455,749</u>

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

	December 31, <u>2012</u>
Capital Improvement Fund	\$ 300,916
Ordinance	
#1561 Various Improvements	4,833
#1693 Various Improvements	<u>150,000</u>
	<u>\$ 455,749</u>

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

Balance, December 31, 2011		\$ 42,372
Increased by:		
Sewer Rents Levied		<u>2,069,497</u>
		2,111,869
Decreased by:		
Overpayments Applied	\$ 4,810	
Prepaid Sewer Rents	471	
Collections	<u>2,048,554</u>	
		<u>2,053,835</u>
Balance, December 31, 2012		<u>\$ 58,034</u>

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

	Balance, December 31, <u>2011</u>	Balance After <u>Transfers</u>	Paid or <u>Charged</u>	Balance <u>Lapsed</u>
OPERATING				
Other Expenses	\$ 3,908	\$ 5,477	\$ 5,477	
STATUTORY EXPENDITURES				
Social Security System	<u>1,797</u>	<u>350</u>	-	\$ 350
	<u>\$ 5,705</u>	<u>\$ 5,827</u>	<u>\$ 5,477</u>	<u>\$ 350</u>
Appropriation Reserves		\$ 5,705		
Encumbrances Payable		<u>122</u>		
		<u>\$ 5,827</u>		
			Cash Disbursements	<u>\$ 5,477</u>

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

Balance, December 31, 2011	\$ 122
Decreased by:	
Transferred to 2011 Appropriation Reserves	<u>122</u>
Balance, December 31, 2012	<u>\$ -</u>

**SEWER UTILITY OPERATING FUND
STATEMENT OF DEFERRED CHARGES-OPERATING DEFICIT**

Balance, December 31, 2011	\$ 61,004
Decreased by:	
Amount Raised in 2012 Budget	<u>61,004</u>
Balance, December 31, 2012	<u>\$ -</u>

**SEWER UTILITY OPERATING FUND
STATEMENT OF OVERPAYMENTS**

Balance, December 31, 2011	\$ 4,810
Increased by:	
Cash Receipts	<u>6,753</u>
	11,563
Decreased by:	
Applied to Consumer Accounts Receivable	<u>4,810</u>
Balance, December 31, 2012	<u>\$ 6,753</u>

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

Ordinance Number	Improvement Description	Balance, December 31, 2011		2012 Authorizations		Balance, December 31, 2012	
		Funded	Unfunded	Expended	Unfunded	Funded	Unfunded
1561	Various Improvements	\$ 106,476	-	\$ 101,643	\$ 4,833	\$ 154,833	\$ -
1693	Various Improvements	-	\$ 150,000	-	150,000	154,833	4,833
		<u>\$ 106,476</u>	<u>\$ 150,000</u>	<u>\$ 101,643</u>	<u>\$ 154,833</u>	<u>\$ 154,833</u>	<u>\$ 4,833</u>

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

Balance, December 31, 2011	\$ 450,916
Decreased by:	
Appropriated to Finance Improvement Authorization	<u>150,000</u>
Balance, December 31, 2012	<u>\$ 300,916</u>

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

Balance, December 31, 2011	\$ 471
Increased by:	
Cash Receipts	<u>1,866</u>
	2,337
Decreased by:	
Applied to Consumer Accounts Receivable	<u>471</u>
Balance, December 31, 2012	<u>\$ 1,866</u>

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

<u>Ordinance Number</u>	<u>Improvement Description</u>	<u>Date</u>	<u>Amount</u>	<u>Balance December 31, 2011 (Restated)</u>	<u>2011 Authorizations</u>	<u>Transferred to Fixed Capital</u>	<u>Balance December 31, 2012</u>
1561	Various Improvements	6/19/2007	\$ 150,000	\$ 150,000			\$ 150,000
1693	Various Improvements	8/7/2012	150,000	-	150,000	-	150,000
				\$ 150,000	\$ 150,000	\$ -	\$ 300,000

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

<u>Ordinance Number</u>	<u>Improvement Description</u>	<u>Date of Ordinance</u>	<u>Balance, December 31, 2011 (Restated)</u>	<u>2012 Authorizations</u>	<u>Balance, December 31, 2012</u>
1561	Various Improvements	6/19/2007	\$ 150,000		\$ 150,000
1693	Various Improvements	8/7/2007	-	150,000	150,000
			\$ 150,000	\$ 150,000	\$ 300,000

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TOWNSHIP OF WYCKOFF
PART II
GOVERNMENT AUDITING STANDARDS



LERCH, VINCI & HIGGINS, LLP

CERTIFIED PUBLIC ACCOUNTANTS
REGISTERED MUNICIPAL ACCOUNTANTS

17 - 17 ROUTE 208

FAIR LAWN, NJ 07410

TELEPHONE (201) 791-7100

FACSIMILE (201) 791-3035

WWW.LVHCPA.COM

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

ELIZABETH A. SHICK, CPA, RMA, PSA
ANDREW PARENTE, CPA, RMA, PSA
ROBERT W. HAAG, CPA, PSA
DEBORAH K. LERCH, CPA, PSA
DEBRA GOLLE, CPA
CINDY JANACEK, CPA, RMA
RALPH M. PICONE, CPA, RMA, PSA
EDWARD N. KERE, CPA
LORI T. MANUKIAN, CPA, PSA
MARK SACO, 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 Township Committee
Township of Wyckoff
Wyckoff, New Jersey

We have audited, in accordance with the auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in Government Auditing Standards issued by the Comptroller General of the United States and audit requirements prescribed by the Division of Local Government Services, Department of Community Affairs, State of New Jersey, the financial statements – regulatory basis of the Township of Wyckoff as of and for the year ended December 31, 2012, and the related notes to the financial statements, and have issued our report thereon dated June 5, 2013. Our report on the financial statements – regulatory basis indicated that the financial statements were not prepared and presented in accordance with accounting principles generally accepted in the United States of America but rather prepared and presented 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 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 qualified on the regulatory basis of accounting because of the presentation of the unaudited LOSAP Trust Fund financial statements.

Internal Control over Financial Reporting

Management of the Township of Wyckoff is responsible for establishing and maintaining effective 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 to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinion on the financial statements but not for the purpose of expressing an opinion on the effectiveness of the Township of Wyckoff's internal control. Accordingly, we do not express an opinion on the effectiveness of the Township of Wyckoff's internal control.

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

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

Compliance and Other Matters

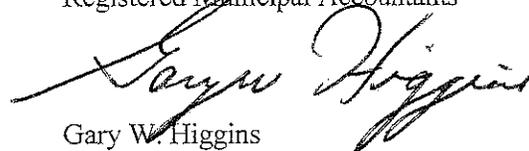
As part of obtaining reasonable assurance about whether the Township of Wyckoff's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct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

Purpose of this Report

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



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



Gary W. Higgins
Registered Municipal Accountant
RMA Number CR00405

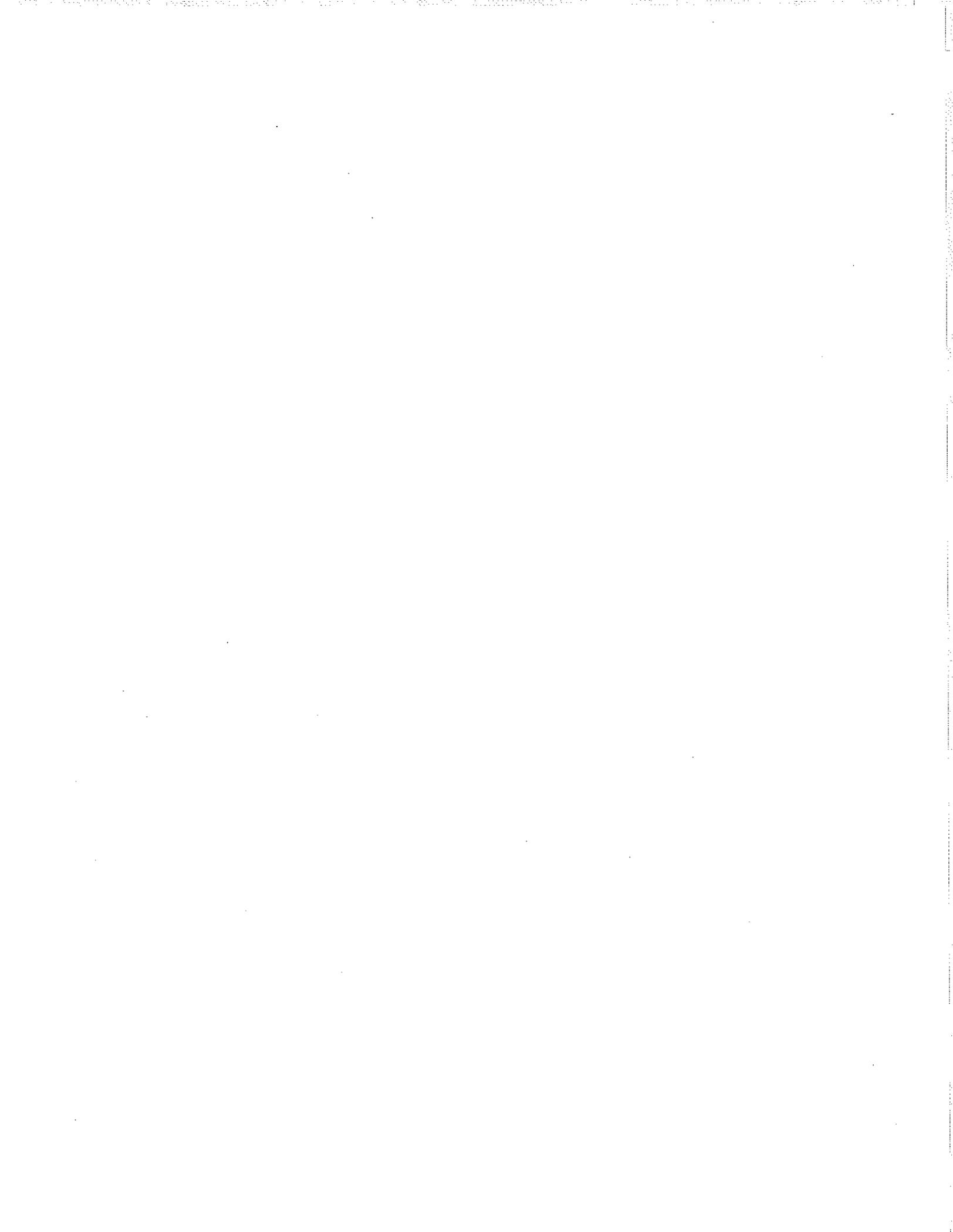
Fair Lawn, New Jersey
June 5, 2013

TOWNSHIP OF WYCKOFF
 SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
 FOR YEAR ENDED DECEMBER 31, 2012

Grant Year	Account Number	Federal CFDA Number	Grant Award	Grant Award Received	Balance, December 31, 2011	2012 Revenue Realized	Expenditures	Balance, December 31, 2012	(Memo) Cumulative Expenditures
U.S. Dept. of Transportation									
(Passed through NJ Dept of Transportation)									
2009	066-1160-100-057-XX	20.601	\$ 4,046	\$	\$ 1,366	\$	\$ 1,170	\$ 196	\$ 3,850
2010	066-1160-100-057-XX	20.601	4,720		4,720			4,720	
2011	066-1160-100-057-XX	20.601	5,580	5,580		5,580		5,580	
2012	066-1160-100-057-XX	20.601	5,566						5,566
2011	078-6320-480-AKN/AKS	20.205	150,000	37,500	16,490		16,490		150,000
U.S. Dept of Homeland Security									
(Passed through NJ Dept of Law and Public Safety)									
2012	066-1200-100-A77	97.036	110,000	110,000		110,000	110,000		110,000
2012	066-1200-100-A70	97.036	12,205	12,205		12,205	12,205		12,205
U.S. Department of Housing and Urban Development									
Community Development Block Grant									
(Passed through County of Bergen)									
2010	Not Applicable	14.218	80,346	53,998	80,346		80,346		80,346
2011	Not Applicable	14.218	75,000		75,000		51,254	23,746	51,254
					<u>\$ 177,922</u>	<u>\$ 127,785</u>	<u>\$ 271,465</u>	<u>\$ 34,242</u>	<u>\$ 413,221</u>

Note - This schedule was not subject to an audit in accordance with OMB Circular A-133.

**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, 2012**

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 schedule 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	\$ 127,785	\$ 102,034	\$ 229,819
Total Financial Awards	<u>\$ 127,785</u>	<u>\$ 102,034</u>	<u>\$ 229,819</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.

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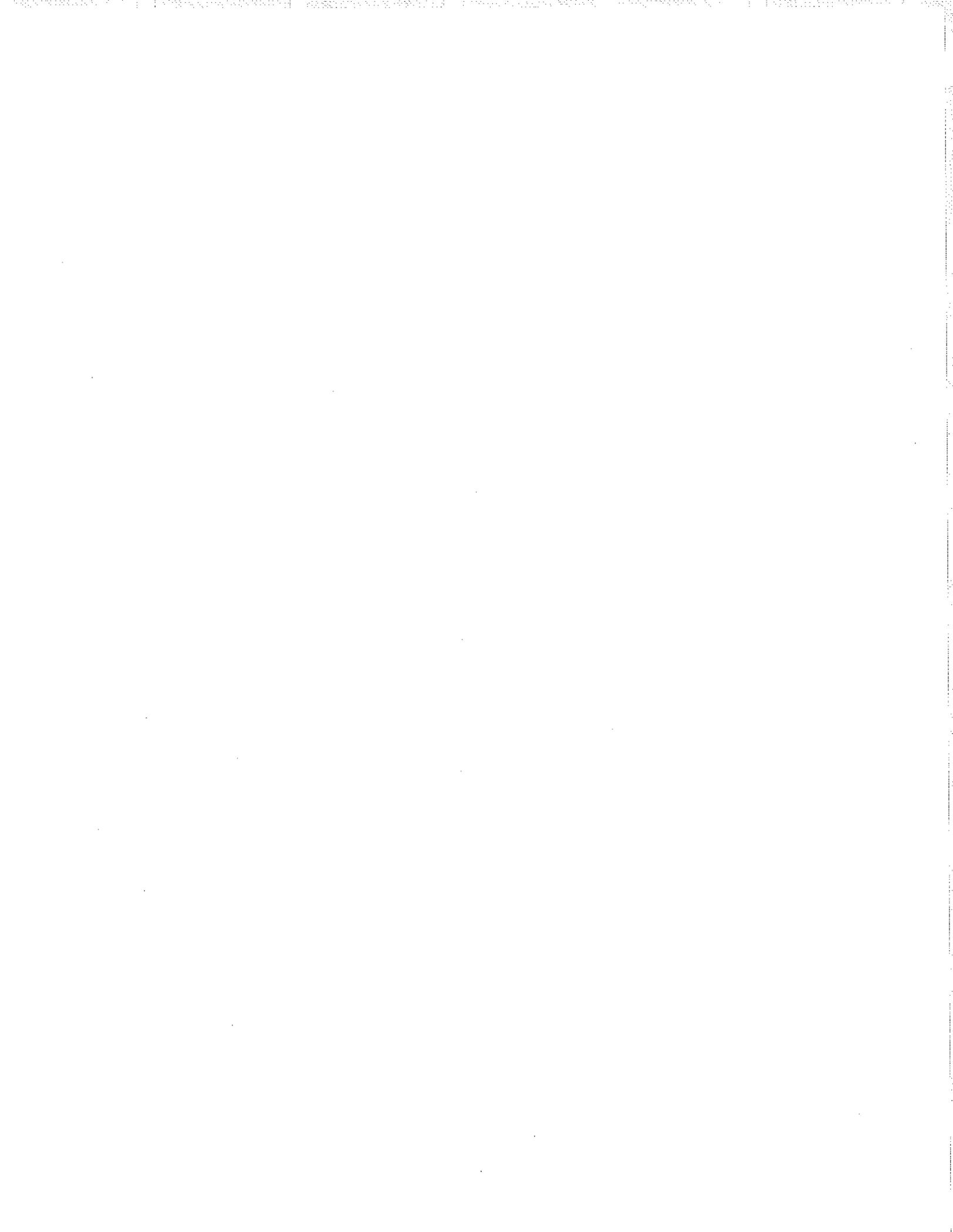
TOWNSHIP OF WYCKOFF

PART III

SUPPLEMENTARY DATA

LETTER OF COMMENTS AND RECOMMENDATIONS

YEAR ENDED DECEMBER 31, 2012



**TOWNSHIP OF WYCKOFF
SUPPLEMENTARY DATA**

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

	<u>Year 2012</u>		<u>Year 2011</u>	
	<u>Amount</u>	<u>Percent</u>	<u>Amount</u>	<u>Percent</u>
REVENUE AND OTHER INCOME REALIZED				
Fund Balance Utilized	\$ 1,750,000	2.18 %	\$ 1,515,000	1.92 %
Miscellaneous - From Other Than Local Property Tax Levies	4,002,243	4.98	3,955,809	5.03
Collection of Delinquent Taxes and Tax Title Liens	381,491	0.47	459,050	0.58
Collection of Current Tax Levy	73,800,349	91.84	72,537,087	92.16
Other Credits	<u>419,559</u>	<u>0.52</u>	<u>241,649</u>	<u>0.31</u>
 Total Income	 <u>80,353,642</u>	 <u>100.00 %</u>	 <u>78,708,595</u>	 <u>100.00 %</u>
 EXPENDITURES				
Budget Expenditures				
Municipal Purposes	15,754,854	20.13	15,701,368	20.40 %
County Taxes	9,844,839	12.58	9,688,128	12.59
Local School Taxes	33,954,803	43.39	33,377,346	43.36
Regional School Taxes	18,268,086	23.35	17,969,041	23.34
Municipal Open Space Taxes	242,411	0.31	241,420	0.31
Other Expenditures	<u>185,316</u>	<u>0.24</u>	<u>-</u>	<u>-</u>
 Total Expenditures	 <u>78,250,309</u>	 <u>100.00 %</u>	 <u>76,977,303</u>	 <u>100.00 %</u>
 Excess in Revenue	 2,103,333		 1,731,292	
Adjustments to Income Before Fund Balance:				
Expenditures Included Above Which are by Statute Deferred to Budget of Succeeding Year	 <u>-</u>		 <u>122,920</u>	
 Excess in Revenue to Fund Balance	 2,103,333		 1,854,212	
 Fund Balance, January 1	 <u>2,639,101</u>		 <u>2,299,889</u>	
	4,742,434		4,154,101	
 Less Utilization as Anticipated Revenue	 <u>1,750,000</u>		 <u>1,515,000</u>	
 Fund Balance, December 31	 <u>\$ 2,992,434</u>		 <u>\$ 2,639,101</u>	

**TOWNSHIP OF WYCKOFF
SUPPLEMENTARY DATA**

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

	<u>Year 2012</u>		<u>Year 2011</u>	
	<u>Amount</u>	<u>Percent</u>	<u>Amount</u>	<u>Percent</u>
REVENUE AND OTHER INCOME REALIZED				
Fund Balance Utilized			\$ 25,000	1.24 %
Collection of Sewer Rents	\$ 2,053,835	98.48 %	1,963,404	97.39
Interest and Costs on Sewer Charges	6,820	0.33	4,451	0.22
Other Credits to Income:				
Miscellaneous Revenue Not Anticipated	24,636	1.18	19,118	0.95
Unexpended Balance of Appropriation Reserves	<u>350</u>	<u>0.02</u>	<u>4,053</u>	<u>0.20</u>
 Total Income	 <u>2,085,641</u>	 <u>100.00</u> %	 <u>2,016,026</u>	 <u>100.00</u> %
 EXPENDITURES				
Budget Appropriations				
Operating	2,004,662	97.05	2,017,635	97.14
Capital Improvements		-	5,000	0.24
Deferred Charges and Statutory Expenditures	<u>61,004</u>	<u>2.95</u>	<u>54,395</u>	<u>2.62</u>
 Total Expenditures	 <u>2,065,666</u>	 <u>100.00</u> %	 <u>2,077,030</u>	 <u>100.00</u> %
 Excess in Revenues	 19,975			
 Deficit in Revenues			\$ (61,004)	
 Adjustments to Revenue Before Surplus:				
Deficit in Operations to be Raised in Budget of Succeeding Year	 <u>\$ -</u>		 <u>\$ 61,004</u>	
 Fund Balance, January 1	 <u>\$ 72,282</u>		 <u>\$ 97,282</u>	
	92,257		97,282	
 Less Utilization as Anticipated Revenue	 <u>-</u>		 <u>25,000</u>	
 Fund Balance, December 31	 <u>\$ 92,257</u>		 <u>\$ 72,282</u>	

**TOWNSHIP OF WYCKOFF
SUPPLEMENTARY DATA**

Comparative Schedule of Tax Rate Information

	<u>2012</u>	<u>2011</u>	<u>2010</u>
Tax Rate	<u>\$1.534</u>	<u>\$1.518</u>	<u>\$1.474</u>
<u>Apportionment of Tax Rate</u>			
Municipal	.247	.240	.233
County	.204	.207	.200
Local School	.704	.696	.677
Regional School	.379	.375	.364

Assessed Valuation

2012	<u>\$4,827,801,547</u>	
2011		<u>\$4,793,628,601</u>
2010		<u>\$4,778,704,350</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>
2012	\$ 74,371,347	\$ 73,800,349	99.23%
2011	73,319,924	72,613,684	99.03%
2010	70,813,962	70,233,095	99.17%

Property Acquired by Tax Title Lien Foreclosure

No properties have been acquired in 2012 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>
2012	\$36,700
2011	36,700
2010	87,800

**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>
2012	\$ 4,090	\$ 442,469	\$ 446,559	0.60%
2011	2,860	412,769	415,629	0.56%
2010	2,708	459,050	461,758	0.65%

Comparison of Sewer Utility Billings

<u>Year</u>	<u>Levy</u>	<u>Collections *</u>
2012	\$2,069,497	\$2,053,835
2011	1,965,408	1,963,404
2010	1,882,230	1,884,604

* 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	2012	\$2,992,434	\$1,750,000
	2011	2,639,101	1,750,000
	2010	2,299,889	1,515,000
	2009	2,373,496	1,900,000
	2008	2,568,238	2,070,000
Sewer Utility Operating Fund	2012	92,257	-0-
	2011	72,282	-0-
	2010	97,282	25,000
	2009	164,047	102,000
	2008	259,047	95,000

**TOWNSHIP OF WYCKOFF
SUPPLEMENTARY DATA**

OFFICIALS IN OFFICE AND SURETY BONDS AS OF DECEMBER 31, 2012

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>
Christopher DePhillips	Mayor		
Kevin Rooney	Township Committee		
Brian Scanlan	Township Committee		
Douglas Christie	Township Committee		
Rudy Boonstra	Township Committee		
Robert Shannon	Administrator	\$1,000,000	Municipal Excess Liability Joint Insurance Fund
Joyce Santimauro	Township Clerk		
Diana McLeod	Chief Financial Officer, Tax Collector	\$1,000,000	Municipal Excess Liability Joint Insurance Fund
Pamela Steele	Tax Assessor		
Robert Landel	Township Attorney		
Russell Teschon	Municipal Judge	\$1,000,000	Municipal Excess Liability Joint Insurance Fund
Paulette Scandone	Court Administrator	\$1,000,000	Municipal Excess Liability Joint Insurance Fund

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

**TOWNSHIP OF WYCKOFF
SUPPLEMENTARY DATA**

General Comments

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

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

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 \$36,000. The Township's Administrator is qualified and the Township, by resolution, has increased the bid threshold to \$36,000.

The Governing Body of the Municipality has the responsibility of determining whether the expenditures in any category will exceed \$36,000 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:

Recreation Equipment	Acquisition of DPW Trucks
Barrier Free Access Improvements	Solid Waste and Recycling Collection
Snow Plowing	

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 \$36,000 "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, 2012, 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.

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 2012 taxes and utility charges was held on October 25, 2012 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>
2012	2
2011	2
2010	2

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

It is suggested that continued efforts be made by the Court Administrator to eliminate tickets outstanding in excess of six months on the "Tickets Assigned But Not Issued Report" and all tickets on the "Tickets Issued But Not Assigned Report".

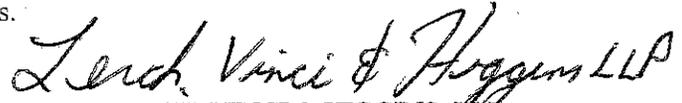
TOWNSHIP OF WYCKOFF
SUPPLEMENTARY DATA

RECOMMENDATIONS

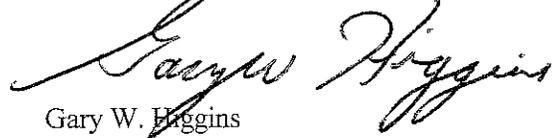
There are none.

A review was performed on all prior year's recommendations and corrective action was taken on all.

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



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



Gary W. Higgins
Registered Municipal Accountant
RMA Number CR00405