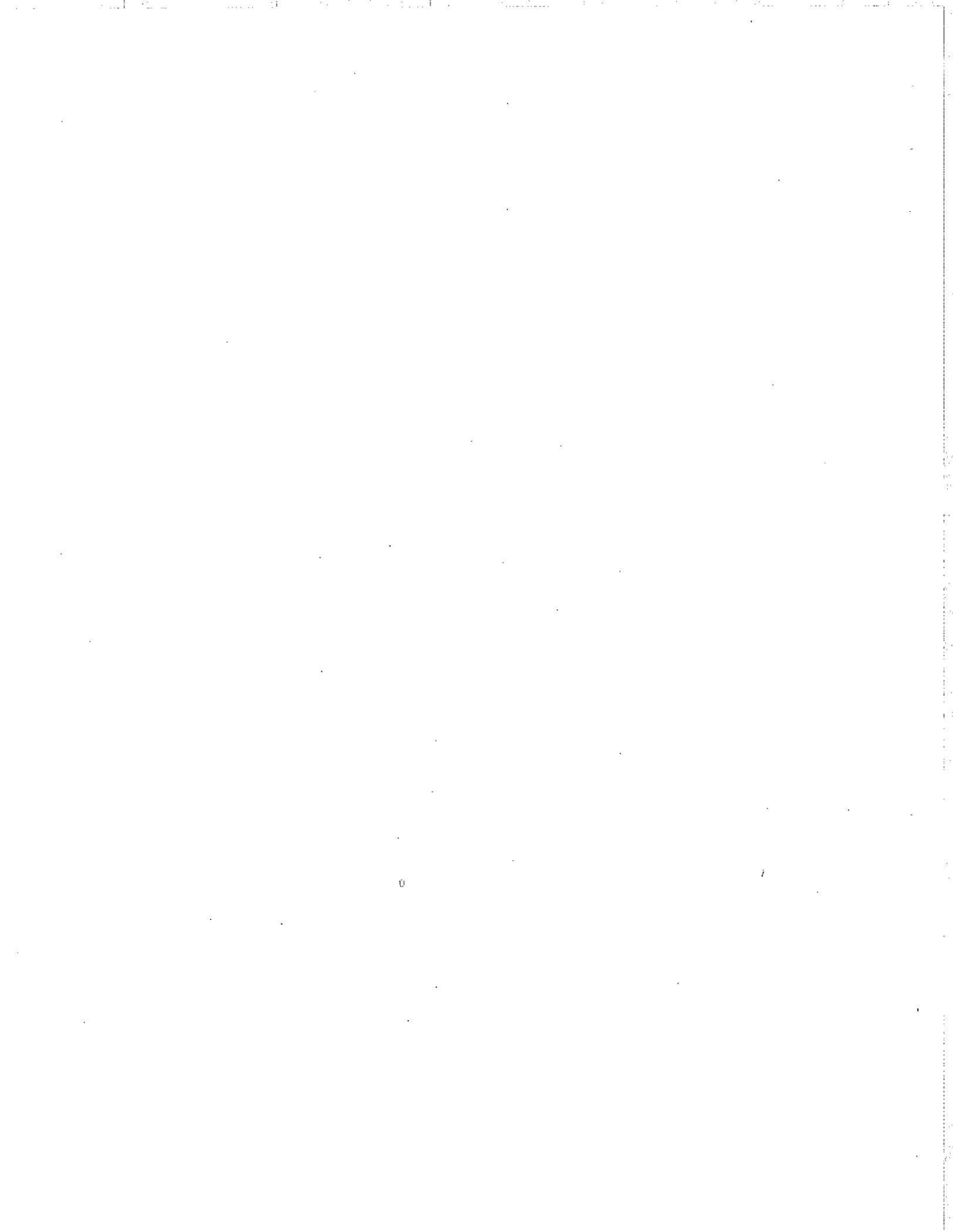


TOWNSHIP OF WYCKOFF
BERGEN COUNTY, NEW JERSEY
REPORT OF AUDIT
YEAR ENDED DECEMBER 31, 2013



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TOWNSHIP OF WYCKOFF

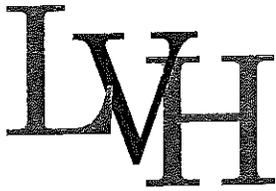
COUNTY OF BERGEN

PART I

REPORT ON AUDIT OF FINANCIAL STATEMENTS

YEAR ENDED DECEMBER 31, 2013





LERCH, VINCI & HIGGINS, LLP

CERTIFIED PUBLIC ACCOUNTANTS
REGISTERED MUNICIPAL ACCOUNTANTS

DIETER P. LERCH, CPA, RMA, PSA
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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, 2013 and 2012, 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, 2013, 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, 2013 and 2012, 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 15 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, 2013 and 2012. The LOSAP Trust Fund financial activities are included in the Township’s Trust Funds, and represent 41 percent and 43 percent of the assets and liabilities, respectively, of the Township’s Trust Funds as of December 31, 2013 and 2012.

Qualified Opinion on Regulatory Basis of Accounting

In our opinion, except for the possible effects of such adjustments, if any, as might have been determined to be necessary had the LOSAP Trust Fund financial statements been audited as described in the “Basis for Qualified Opinion on Regulatory Basis of Accounting” paragraph above, the financial statements – regulatory basis referred to above present fairly, in all material respects, the financial position – regulatory basis of the various funds and account group of the Township of Wyckoff as of December 31, 2013 and 2012, 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, 2013 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

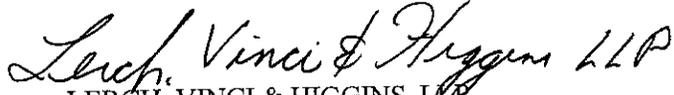
Our audit was conducted for the purpose of forming an opinion on the financial statements of the Township of Wyckoff as a whole. The supplementary schedules listed in the table of contents, and the supplementary data and letter of comments and recommendations section are presented for purposes of additional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

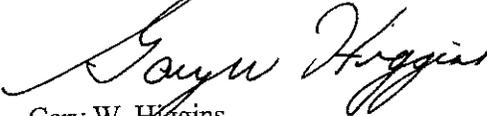
The supplementary schedules listed in the table of contents are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the financial statements. Such information has been subjected to the auditing procedures applied in 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 April 1, 2014 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
April 1, 2014

TOWNSHIP OF WYCKOFF
 COMPARATIVE BALANCE SHEETS - REGULATORY BASIS
 CURRENT FUND
 AS OF DECEMBER 31, 2013 AND 2012

	<u>Reference</u>	<u>2013</u>	<u>2012</u>
ASSETS			
Cash	A-4	\$ 5,581,136	\$ 5,215,166
Cash - Change Fund	A-5	<u>500</u>	<u>500</u>
		<u>5,581,636</u>	<u>5,215,666</u>
Grants Receivable	A-11	10,629	7,889
Due from State of NJ - Senior Citizen/Veteran Deduction	A-6	<u>2,475</u>	<u>1,250</u>
		<u>13,104</u>	<u>9,139</u>
Receivables and Other Assets with Full Reserves			
Taxes Receivable	A-7	371,210	442,469
Tax Title Liens	A-8	8,400	4,090
Property Acquired for Taxes - Assessed Valuation	A-9	36,700	36,700
Revenue Accounts Receivable	A-10	42,025	9,275
Due from Other Trust Fund	B-8	2,950	
Due from Animal Control Trust Fund	B-6	<u>12,309</u>	<u>3,827</u>
		<u>473,594</u>	<u>496,361</u>
Deferred Charges			
Special Emergency Authorization	A-26	<u>552,128</u>	<u>-</u>
Total Assets		<u>\$ 6,620,462</u>	<u>\$ 5,721,166</u>

TOWNSHIP OF WYCKOFF
COMPARATIVE BALANCE SHEETS - REGULATORY BASIS
CURRENT FUND
AS OF DECEMBER 31, 2013 AND 2012

	<u>Reference</u>	<u>2013</u>	<u>2012</u>
LIABILITIES, RESERVES AND FUND BALANCE			
Liabilities			
Appropriation Reserves	A-3, A-12	\$ 739,650	\$ 820,863
Encumbrances Payable	A-13	691,012	247,827
County Taxes Payable	A-15		41,609
Prepaid Taxes	A-14	361,254	447,960
Tax Overpayments	A-18	60,228	14,060
Reserve for Library Property Tax Relief	A-23	388,070	388,070
Reserve for Tax Appeals	A-19	650,000	152,699
Reserve for Payroll Account	A-25	334	2,290
Reserve for Revaluation	A-27	107,496	
Unappropriated Grant Reserves	A-21	33,264	36,609
Appropriated Grant Reserves	A-20	53,900	71,045
Special Emergency Notes Payable	A-28	552,128	
Fees Payable	A-24	9,217	8,318
Due to Municipal Open Space Trust Fund	A-22	<u>1,444</u>	<u>1,021</u>
		3,647,997	2,232,371
Reserve for Receivables and Other Assets	A	473,594	496,361
Fund Balance	A-1	<u>2,498,871</u>	<u>2,992,434</u>
Total Liabilities, Reserves and Fund Balance		<u>\$ 6,620,462</u>	<u>\$ 5,721,166</u>

TOWNSHIP OF WYCKOFF
COMPARATIVE STATEMENTS OF OPERATIONS AND CHANGES IN FUND BALANCE -
REGULATORY BASIS - CURRENT FUND
FOR THE YEARS ENDED DECEMBER 31, 2013 AND 2012

REVENUE AND OTHER INCOME REALIZED	<u>Reference</u>	<u>2013</u>	<u>2012</u>
Fund Balance Utilized	A-2	\$ 1,750,000	\$ 1,750,000
Miscellaneous Revenue Anticipated	A-2	4,100,187	3,570,644
Receipts from Delinquent Taxes	A-2	442,469	381,491
Receipts from Current Taxes	A-2	73,995,222	73,800,349
Non Budget Revenue	A-2	402,120	431,599
Other Credits to Income			
Unexpended Balance of Appropriation Reserves	A-12	333,073	415,518
Appropriated Grants Cancelled	A-20	400	214
Statutory Excess- Animal Control Fund	B-6	8,471	3,827
		<u>81,031,942</u>	<u>80,353,642</u>
Total Income			
EXPENDITURES			
Budget Appropriations			
Operations			
Salaries and Wages	A-3	6,183,432	5,962,006
Other Expenses	A-3	8,125,666	7,384,321
Capital Improvements	A-3	644,500	540,000
Municipal Debt Service	A-3	472,019	408,714
Deferred Charges and Statutory Expenditures -			
Municipal	A-3	1,439,783	1,459,813
Other Debits			
Regional School Taxes	A-17	18,232,207	18,268,086
Local School Taxes	A-16	34,719,594	33,954,803
County Taxes	A-15	9,898,150	9,844,839
Municipal Open Space Tax	A-22	242,834	242,411
Prior Year Senior Citizen/Veterans Disallowed	A-6	1,500	
Refund of Prior Year Revenue	A-4	356,516	181,489
Interfunds Advanced	A	11,432	3,827
		<u>80,327,633</u>	<u>78,250,309</u>
Total Expenditures			
Excess in Revenue		704,309	2,103,333
Adjustments to Income Before Fund Balance:			
Expenditures Included Above Which are by Statute			
Deferred to Budget of Succeeding Year	A-26	552,128	-
Excess in Revenue to Fund Balance		1,256,437	2,103,333
FUND BALANCE, JANUARY 1	A	<u>2,992,434</u>	<u>2,639,101</u>
		4,248,871	4,742,434
Decreased by:			
Utilized as Anticipated Revenue	A-2	<u>1,750,000</u>	<u>1,750,000</u>
FUND BALANCE, DECEMBER 31,	A	<u>\$ 2,498,871</u>	<u>\$ 2,992,434</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, 2013

	Reference	2013 Anticipated Budget	Added by NJS 40A:4-87	Realized in 2013	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		85,714	\$ 15,714
Fees and Permits					
Other	A-2	160,000		176,042	16,042
Fines and Costs - Municipal Court	A-10	100,000		109,795	9,795
Interest and Costs on Taxes	A-10	100,000		112,297	12,297
Interest on Investments	A-2	3,000		6,214	3,214
Lease of Township Property	A-10	35,960		35,960	
Cable Franchise Fee	A-10	224,941		224,942	1
Lease of Cell Tower Space #1	A-10	167,200		175,508	8,308
Lease of Cell Tower Space #2	A-10	143,959		148,480	4,521
Lease of Cell Tower Space #3	A-10	31,050		32,137	1,087
Lease of Cell Monopole AT&T	A-10	19,611		27,689	8,078
Energy Receipts Tax	A-10	1,093,271		1,093,271	
Uniform Construction Code Fees	A-10	360,000		506,189	146,189
Police Dispatching Services Agreement - Midland Park	A-10	270,693		270,694	1
CFO Shared Services Agreement - Borough of New Milford	A-10	25,500		25,500	
Recreation Fees	A-10	510,000		553,450	43,450
Uniform Fire Safety Act	A-10	15,500		23,429	7,929
Reserve for Library Property Tax Relief	A-23	388,070		388,070	
Public and Private Revenues:					
Reserve for Recycling Tonnage Grant	A-21	28,151		28,151	
Reserve for Drunk Driving Enforcement Fund	A-21	5,566		5,566	
Reserve for Body Armor Fund	A-21	2,513		2,513	
Reserve for Municipal Alcohol Rehabilitation	A-21	378		378	
Municipal Alliance Grant	A-11	11,677		11,677	
Clean Cool Air Grant	A-11	1,000		1,000	
Drive Sober or Get Pulled Over	A-11		\$ 4,400	4,400	
Municipal Alcohol Rehabilitation Program	A-11		739	739	
Clean Communities Program	A-11	-	32,882	32,882	-
Total Miscellaneous Revenues	A-1	3,785,540	38,021	4,100,187	276,626
Receipts from Delinquent Taxes	A-7	380,000	-	442,469	62,469
Amount to be Raised by Taxes for Support of Municipal Budget:					
Local Taxes for Municipal Purposes	A-2	10,420,626		10,963,321	542,695
Minimum Library Tax	A-2	1,439,116	-	1,439,116	-
Total Amount to be Raised by Taxes		11,859,742	-	12,402,437	542,695
Budget Totals		\$ 17,775,282	\$ 38,021	18,695,093	\$ 881,790
Non-Budget Revenue	A-2, A-4			402,120	

The Accompanying Notes are an Integral Part of these Financial Statements

\$ 19,097,213

TOWNSHIP OF WYCKOFF
STATEMENT OF REVENUES - REGULATORY BASIS - CURRENT FUND
FOR THE YEAR ENDED DECEMBER 31, 2013

	<u>Reference</u>	
ANALYSIS OF REALIZED REVENUES		
Allocation of Current Tax Collections		
Revenue from Collections	A-7	\$ 74,645,222
Less: Transferred to Reserve for Tax Appeals	A-19	<u>650,000</u>
		73,995,222
Less: Allocated to School, County and Open Space Taxes	A-15, A-16, A-17, A-22	<u>63,092,785</u>
		10,902,437
Add: Appropriation "Reserve for Uncollected Taxes"	A-3	<u>1,500,000</u>
Amount for Support of Municipal Budget Appropriations	A-2	<u>\$ 12,402,437</u>
Fees and Permits - Other		
Tax Collector		\$ 397
Board of Health		40,240
Code Enforcement		104,759
Police Department		11,806
Planning Board		3,315
Board of Adjustment		<u>15,525</u>
	A-2, A-10	<u>\$ 176,042</u>
Interest on Investments and Deposits		
Revenue Accounts Receivable	A-10	\$ 6,015
Received from General Capital Fund	C-9	6
Received from Other Trust Fund	B-8	182
Received from Animal Control Fund	B-6	<u>11</u>
	A-2	<u>\$ 6,214</u>

TOWNSHIP OF WYCKOFF
STATEMENT OF REVENUES - REGULATORY BASIS - CURRENT FUND
FOR THE YEAR ENDED DECEMBER 31, 2013

Reference

Analysis of Non-Budget Revenue		\$	66,514
Recyclables - Paper/Plastic/Metal			141,847
FEMA Reimbursement - Hurricane Sandy			76,132
Library Reimbursements			50,260
Sale of Municipal Assets			14,062
Settlement of Judgement			2,735
Senior Citizen/Veteran Administrative Payment			<u>50,570</u>
Miscellaneous		\$	<u>402,120</u>
	A-2		
	A-4	Cash Receipts	\$ 399,170
	B-8	Due from Other Trust Fund	<u>2,950</u>
			\$ <u>402,120</u>

The Accompanying Notes are an Integral Part of these Financial Statements

TOWNSHIP OF WYCKOFF
STATEMENT OF EXPENDITURES - REGULATORY BASIS - CURRENT FUND
FOR THE YEAR ENDED DECEMBER 31, 2013

	2013 Appropriated		2013 Expended		Cancelled
	Budget	Budget After Modification	Paid or Charged	Reserved	
OPERATIONS - WITHIN "CAPS"					
GENERAL GOVERNMENT					
Administrative and Executive					
Salaries and Wages					
Other Expenses	\$ 248,050	\$ 248,050	\$ 243,955	\$ 4,095	
Township Clerk	20,800	24,800	24,293	507	
Salaries and Wages					
Other Expenses	149,242	149,242	143,420	5,822	
Financial Administration	63,500	63,500	63,091	409	
Salaries and Wages					
Other Expenses	150,438	150,438	150,438		
Audit Services	21,000	21,000	19,984	1,016	
Revenue Administration and Tax Collection	28,750	23,750	23,750		
Salaries and Wages					
Other Expenses	89,076	89,076	89,076	-	
Elections	9,000	9,000	7,741	1,259	
Other Expenses					
Assessment of Taxes	17,000	17,000	12,567	4,433	
Salaries and Wages					
Other Expenses	136,251	136,251	125,000	11,251	
Revaluation	190,750	190,750	163,496	27,254	
Environmental Commission: NJSA 40:56A-1		552,128	552,128		
Other Expenses					
Legal Services and Costs	1,000	1,000	290	710	
Other Expenses					
Engineering Services	85,500	85,500	80,900	4,600	
Other Expenses					
Public Buildings and Grounds	15,500	10,500	3,991	6,509	
Salaries and Wages					
Other Expenses	67,996	67,996	67,996		
Shade Tree Commission	155,500	155,500	148,009	7,491	
Other Expenses					
Land Use Administration:	4,000	6,500	6,500	-	
Planning Board					
Salaries and Wages					
Other Expenses	26,295	26,295	26,295	-	
Board of Adjustment:	17,100	25,100	22,349	2,751	
Other Expenses					
Insurances	5,200	8,200	4,884	3,316	
General Liability Insurance					
Workers Compensation Insurance	264,191	253,191	228,699	24,492	
Employee Health Benefits Insurance	213,964	213,964	213,964	-	
Health Benefit Waivers	1,629,500	1,629,500	1,565,221	64,279	
Unemployment Compensation Insurance	22,000	23,800	22,519	1,281	
Police	100	100	100		
Salaries and Wages					
Other Expenses	3,290,426	3,290,426	3,257,614	32,812	
Public Safety: Volunteer First Aid Squad	130,600	152,600	148,993	3,607	
Emergency Management Services:	37,128	37,128	37,128		
Other Expenses					
Public Safety: Volunteer Fire Department	500	500	100	400	
Other Expenses					
Uniform Fire Safety Act	85,500	85,500	67,045	18,455	
Life Hazard Use Fees (PL 1983)					
Salaries and Wages					
Other Expenses	14,842	14,842	14,842		
Radio Communications Contract	2,000	2,000	1,414	586	
Recreation and Recreation Education	13,000	13,000	10,983	2,017	
Salaries and Wages					
Other Expenses	153,289	153,289	152,194	1,095	
Park Maintenance	325,000	325,000	315,242	9,758	
Salaries and Wages					
Other Expenses	67,996	67,996	67,996		
Celebration of Public Events	104,500	106,500	105,787	713	
Other Expenses					
	5,500	5,500	5,500	-	

The Accompanying Notes are an Integral Part of these Financial Statements

TOWNSHIP OF WYCKOFF
STATEMENT OF EXPENDITURES - REGULATORY BASIS - CURRENT FUND
FOR THE YEAR ENDED DECEMBER 31, 2013

	<u>2013 Appropriated</u>		<u>2013 Expended</u>		<u>Cancelled</u>
	<u>Budget</u>	<u>Budget After Modification</u>	<u>Paid or Charged</u>	<u>Reserved</u>	
OPERATIONS - WITHIN "CAPS"					
GENERAL GOVERNMENT (CONTINUED)					
Recycling					
Other Expenses	\$ 244,650	\$ 244,650	\$ 229,812	\$ 14,838	
Sanitation/Garbage and Trash Removal					
Other Expenses	415,000	415,000	415,000		
Road Repairs and Maintenance					
Salaries and Wages	1,139,868	1,139,868	1,097,832	42,036	
Other Expenses	282,500	282,500	189,523	92,977	
Vehicle Maintenance					
Other Expenses	140,000	142,500	124,095	18,405	
CDL Mandate					
Other Expenses	750	750	462	288	
Board of Health					
Salaries and Wages	12,301	12,301	12,301	-	
Other Expenses	87,200	87,200	78,373	8,827	
Animal Control					
Other Expenses	14,320	14,320	10,310	4,010	
Condo Services Act					
Other Expenses	4,000	4,000	3,777	223	
Construction Code Official					
Salaries and Wages	304,329	304,329	304,329	-	
Other Expenses	34,000	34,000	32,636	1,364	
PEOSHA Mandate					
Hepatitis B (P.L. 1985 c. 516)	4,150	4,150	4,150		
Respiratory Protection	22,000	22,000	20,491	1,509	
Municipal Court					
Salaries and Wages	74,837	75,337	74,606	731	
Other Expenses	6,600	6,600	5,022	1,578	
Municipal Prosecutor					
Other Expenses	9,700	10,700	9,060	1,640	
Public Defender					
Other Expenses	4,300	5,300	5,100	200	
Utilities:					
Electricity	75,000	83,000	76,689	6,311	
Street Lighting	180,000	177,600	163,094	14,506	
Telephone	46,000	53,000	53,000	-	
Water	7,000	7,000	1,472	5,528	
Natural Gas	50,000	40,000	33,513	6,487	
Fire Hydrants	59,000	58,500	58,440	60	
Gasoline	160,000	150,500	122,122	28,378	
Landfill and Solid Waste Disposal	455,000	435,000	365,563	69,437	
Total Operations Within "CAPS"	11,694,489	12,246,517	11,686,266	560,251	-
Detail:					
Salaries and Wages	5,925,236	5,925,736	5,827,894	97,842	-
Other Expenses	5,769,253	6,320,781	5,858,372	462,409	-
Deferred Charges and Statutory Expenditures -					
Municipal Within "CAPS"					
Statutory Charges					
Public Employees Retirement System	319,756	319,756	319,756		
Social Security System (O.A.S.I.)	445,000	445,000	428,380	16,620	
Police and Firemen's Retirement System of NJ	675,027	675,027	675,027	-	-
Total Deferred Charges and Statutory Expenditures - Municipal Within "CAPS"	1,439,783	1,439,783	1,423,163	16,620	-
Total General Appropriations for Municipal Purposes Within "CAPS"	13,134,272	13,686,300	13,109,429	576,871	-

The Accompanying Notes are an Integral Part of these Financial Statements

TOWNSHIP OF WYCKOFF
STATEMENT OF EXPENDITURES - REGULATORY BASIS - CURRENT FUND
FOR THE YEAR ENDED DECEMBER 31, 2013

	<u>2013 Appropriated</u>		<u>2013 Expended</u>		
	<u>Budget</u>	<u>Budget After Modification</u>	<u>Paid or Charged</u>	<u>Reserved</u>	<u>Cancelled</u>
OPERATIONS - EXCLUDED FROM "CAPS"					
Recycling Tax	\$ 24,000	\$ 24,000	\$ 18,353	\$ 5,647	
Affordable Housing					
Salaries and Wages	40,766	40,766	40,766		
Other Expenses	15,500	15,500	1,967	13,533	
Tax Appeal Interest	10,000	10,000	4,413	5,587	
911 Emergency Service Contract	16,600	16,600	8,588	8,012	
Maintenance of Free Public Library (Ch. 82, P.L. 1985)	1,439,116	1,439,116	1,439,116		
Length of Service Award Program (LOSAP)	<u>130,000</u>	<u>130,000</u>	<u>-</u>	<u>130,000</u>	<u>-</u>
Total Other Operations Excluded from "CAPS"	<u>1,675,982</u>	<u>1,675,982</u>	<u>1,513,203</u>	<u>162,779</u>	<u>-</u>
Interlocal Municipal Service Agreements					
Regionalized Dispatch Service - Midland Park					
Salaries and Wages	216,930	216,930	216,930		
Other Expenses	53,763	53,763	53,763		
CFO Shared Services-Borough of New Milford	<u>25,500</u>	<u>25,500</u>	<u>25,500</u>	<u>-</u>	<u>-</u>
Total Interlocal Municipal Service Agreements	<u>296,193</u>	<u>296,193</u>	<u>296,193</u>	<u>-</u>	<u>-</u>
Public and Private Programs Offset by Revenues					
Reserve for Body Armor Fund Grant	2,513	2,513	2,513		
Reserve for Recycling Tonnage Grant	28,151	28,151	28,151		
Reserve for Drunk Driving Enforcement Fund	5,566	5,566	5,566		
Reserve for Municipal Alcohol Rehabilitation	378	378	378		
Municipal Alliance Program - State Share	11,677	11,677	11,677		
Municipal Alliance Program - Local Share	3,100	3,100	3,100		
Clean Cool Air Grant	1,000	1,000	1,000		
Drive Sober Get Pulled Over		4,400	4,400		
Municipal Alcohol Rehabilitation Program		739	739		
Clean Communities Program	<u>-</u>	<u>32,882</u>	<u>32,882</u>	<u>-</u>	<u>-</u>
Total Public and Private Programs Offset by Revenues	<u>52,385</u>	<u>90,406</u>	<u>90,406</u>	<u>-</u>	<u>-</u>
Total Operations Excluded from "CAPS"	<u>2,024,560</u>	<u>2,062,581</u>	<u>1,899,802</u>	<u>162,779</u>	<u>-</u>
Detail:					
Salaries and Wages	257,696	257,696	257,696		
Other Expenses	<u>1,766,864</u>	<u>1,804,885</u>	<u>1,642,106</u>	<u>162,779</u>	<u>-</u>
CAPITAL IMPROVEMENTS - EXCLUDED FROM "CAPS"					
Capital Improvement Fund	<u>644,500</u>	<u>644,500</u>	<u>644,500</u>	<u>-</u>	<u>-</u>
Total Capital Improvements Excluded from "CAPS"	<u>644,500</u>	<u>644,500</u>	<u>644,500</u>	<u>-</u>	<u>-</u>

TOWNSHIP OF WYCKOFF
STATEMENT OF EXPENDITURES - REGULATORY BASIS - CURRENT FUND
FOR THE YEAR ENDED DECEMBER 31, 2013

	<u>2013 Appropriated</u>		<u>2013 Expended</u>		
	<u>Budget</u>	<u>Budget After Modification</u>	<u>Paid or Charged</u>	<u>Reserved</u>	<u>Cancelled</u>
MUNICIPAL DEBT SERVICE - EXCLUDED FROM "CAPS"					
Payment of Bond Anticipation Notes and Capital Notes	\$ 456,500	\$ 456,500	\$ 456,500		
Interest on Notes	15,450	15,550	15,519	-	\$ 31
Total Municipal Debt Service Excluded from "CAPS"	<u>471,950</u>	<u>472,050</u>	<u>472,019</u>	<u>-</u>	<u>31</u>
Total General Appropriations for Municipal Purposes Excluded from "CAPS"	<u>3,141,010</u>	<u>3,179,131</u>	<u>3,016,321</u>	<u>\$ 162,779</u>	<u>31</u>
Subtotal General Appropriations	16,275,282	16,865,431	16,125,750	739,650	31
Reserve for Uncollected Taxes	1,500,000	1,500,000	1,500,000	-	-
Total General Appropriations	<u>\$ 17,775,282</u>	<u>\$ 18,365,431</u>	<u>\$ 17,625,750</u>	<u>\$ 739,650</u>	<u>\$ 31</u>
<u>Reference</u>	A-2			A	

**TOWNSHIP OF WYCKOFF
STATEMENT OF EXPENDITURES - REGULATORY BASIS - CURRENT FUND
FOR THE YEAR ENDED DECEMBER 31, 2013**

	<u>Reference</u>	<u>Budget After Modification</u>	<u>Paid or Charged</u>
Adopted Budget	A-2	\$ 17,775,282	
Additional Appropriations (N.J.S.A. 40A:4-87)	A-2	38,021	
Special Emergency Authorization	A-26	<u>552,128</u>	
		<u>\$ 18,365,431</u>	
Cash Disbursed	A-4		\$ 15,207,812
Encumbrances Payable	A-13		275,404
Transferred To Appropriated Grant Reserves	A-20		90,406
Reserve for Revaluation	A-27		552,128
Reserve for Uncollected Taxes	A-2		<u>1,500,000</u>
			<u>\$ 17,625,750</u>

TOWNSHIP OF WYCKOFF
COMPARATIVE BALANCE SHEETS - REGULATORY BASIS - TRUST FUNDS
AS OF DECEMBER 31, 2013 AND 2012

	<u>Reference</u>	<u>2013</u>	<u>2012</u>
ASSETS			
ANIMAL CONTROL TRUST FUND			
Cash	B-3	\$ 41,898	\$ 34,837
OTHER TRUST FUND			
Cash	B-3	<u>2,090,764</u>	<u>1,590,584</u>
MUNICIPAL OPEN SPACE TRUST FUND			
Cash	B-3	465,532	223,687
Due from Current Fund	B-11	<u>1,444</u>	<u>1,021</u>
		<u>466,976</u>	<u>224,708</u>
LENGTH OF SERVICE AWARD PROGRAM TRUST FUND (UNAUDITED)			
Investments	B	1,670,636	1,258,520
Contributions Receivable	B	<u>120,750</u>	<u>126,500</u>
		<u>1,791,386</u>	<u>1,385,020</u>
Total Assets		<u>\$ 4,391,024</u>	<u>\$ 3,235,149</u>
LIABILITIES, RESERVES AND FUND BALANCE			
ANIMAL CONTROL TRUST FUND			
Reserve for Dog License Expenditures	B-4	\$ 28,926	\$ 30,468
Due to Current Fund	B-6	12,309	3,827
Due to the State of New Jersey	B-5	<u>663</u>	<u>542</u>
		<u>41,898</u>	<u>34,837</u>
OTHER TRUST FUND			
Miscellaneous Reserves	B-7	1,980,909	1,490,355
Reserve for Payroll Deductions Payable	B-12	104,175	99,739
Due to Current Fund	B-8	2,950	
Due to the State of New Jersey	B-9	<u>2,730</u>	<u>490</u>
		<u>2,090,764</u>	<u>1,590,584</u>
MUNICIPAL OPEN SPACE TRUST FUND			
Reserve for Municipal Open Space Trust Fund	B-10	<u>466,976</u>	<u>224,708</u>
LENGTH OF SERVICE AWARD PROGRAM TRUST FUND (UNAUDITED)			
Reserve for LOSAP	B	<u>1,791,386</u>	<u>1,385,020</u>
Total Liabilities, Reserves and Fund Balance		<u>\$ 4,391,024</u>	<u>\$ 3,235,149</u>

The Accompanying Notes are in Integral Part of these Financial Statements

TOWNSHIP OF WYCKOFF
STATEMENT OF REVENUES - REGULATORY BASIS - MUNICIPAL OPEN SPACE TRUST FUND
FOR THE YEAR ENDED DECEMBER 31, 2013

	Reference	<u>Anticipated (Memo)</u>		2013 Realized	Excess or (Deficit)
		Budget	Budget After Modification		
Amount to be Raised by Taxation	B-10	\$ 241,390	\$ 241,390	\$ 242,834	\$ 1,444
		<u>\$ 241,390</u>	<u>\$ 241,390</u>	242,834	<u>\$ 1,444</u>
Non-Budget Revenue	B-10			<u>309</u>	
				<u>\$ 243,143</u>	
Analysis of Non-Budget Revenue					
Interest on Deposits				<u>\$ 309</u>	

EXHIBIT B-2

STATEMENT OF EXPENDITURES - REGULATORY BASIS - MUNICIPAL OPEN SPACE TRUST FUND
FOR THE YEAR ENDED DECEMBER 31, 2013

	Reference	<u>Appropriated (Memo)</u>		Paid or Charged	Excess or (Deficit)
		Budget	Budget After Modification		
Reserve for Future Use	B-10	\$ 241,390	\$ 241,390	\$ 875	\$ 240,515
		<u>\$ 241,390</u>	<u>\$ 241,390</u>	<u>\$ 875</u>	<u>\$ 240,515</u>

TOWNSHIP OF WYCKOFF
COMPARATIVE BALANCE SHEETS - REGULATORY BASIS
GENERAL CAPITAL FUND
AS OF DECEMBER 31, 2013 AND 2012

	<u>Reference</u>	<u>2013</u>	<u>2012</u>
ASSETS			
Cash	C-2,C-3	\$ 1,030,931	\$ 737,211
Grants Receivable	C-4	192,204	151,348
Deferred Charges to Future Taxation - Unfunded	C-5	<u>1,365,550</u>	<u>1,271,500</u>
 Total Assets		 <u>\$ 2,588,685</u>	 <u>\$ 2,160,059</u>
 LIABILITIES, RESERVES AND FUND BALANCE			
Bond Anticipation Notes Payable	C-10	1,365,550	1,271,500
Encumbrances Payable	C-8	671,816	308,359
Capital Improvement Fund	C-7	11,317	85,767
Improvement Authorizations			
Funded	C-6	434,255	392,120
Unfunded	C-6	29,435	26,001
Fund Balance	C-1	<u>76,312</u>	<u>76,312</u>
 Total Liabilities, Reserves and Fund Balance		 <u>\$ 2,588,685</u>	 <u>\$ 2,160,059</u>

There were no bonds and notes authorized but not issued at December 31, 2013 and 2012.

TOWNSHIP OF WYCKOFF
COMPARATIVE STATEMENTS OF CHANGES IN FUND BALANCE - REGULATORY BASIS
GENERAL CAPITAL FUND
FOR THE YEARS ENDED DECEMBER 31, 2013 AND 2012

	<u>Reference</u>	<u>2013</u>	<u>2012</u>
Balance, January 1	C	\$ <u>76,312</u>	\$ <u>76,312</u>
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, 2013 AND 2012

	<u>Reference</u>	<u>2013</u>	<u>2012</u>
ASSETS			
OPERATING FUND			
Cash	D-4	\$ 575,040	\$ 129,219
Receivables With Full Reserves Consumer Accounts Receivable	D-6	51,990	58,034
Total Operating Fund		<u>627,030</u>	<u>187,253</u>
CAPITAL FUND			
Cash	D-4, D-5	434,419	455,749
Fixed Capital	D-13	150,000	
Fixed Capital Authorized and Uncompleted	D-15	150,000	300,000
Total Capital Fund		<u>734,419</u>	<u>755,749</u>
Total Assets		<u>\$ 1,361,449</u>	<u>\$ 943,002</u>
 LIABILITIES, RESERVES AND FUND BALANCE			
OPERATING FUND			
Appropriation Reserves	D-3, D-7	\$ 360,485	\$ 28,343
Encumbrances Payable	D-8	2,718	
Prepaid Sewer Rents	D-12	2,330	1,866
Overpayments	D-9	4,211	6,753
		369,744	36,962
Reserve for Receivables	D	51,990	58,034
Fund Balance	D-1	205,296	92,257
Total Operating Fund		<u>627,030</u>	<u>187,253</u>
CAPITAL FUND			
Capital Improvement Fund	D-11	305,916	300,916
Improvement Authorizations-Funded	D-10	128,503	154,833
Reserved for Amortization	D-14	150,000	
Deferred Reserve for Amortization	D-16	150,000	300,000
Total Capital Fund		<u>734,419</u>	<u>755,749</u>
Total Liabilities, Reserves and Fund Balance		<u>\$ 1,361,449</u>	<u>\$ 943,002</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, 2013 AND 2012

	<u>Reference</u>	<u>2013</u>	<u>2012</u>
REVENUES AND OTHER INCOME REALIZED			
Sewer Rents	D-2	\$ 2,124,002	\$ 2,053,835
Interest and Costs on Sewer Charges	D-2	4,577	6,820
Other Credits to Income			
Non Budget Revenue	D-2	15,302	24,636
Unexpended Balance of Appropriation Reserves	D-7	<u>26,838</u>	<u>350</u>
 Total Income		 <u>2,170,719</u>	 <u>2,085,641</u>
 EXPENDITURES			
Budget Appropriations			
Operating	D-3	2,052,680	2,004,662
Capital Improvements	D-3	5,000	
Deferred Charges and Statutory Expenditures	D-3	<u>-</u>	<u>61,004</u>
 Total Expenditures		 <u>2,057,680</u>	 <u>2,065,666</u>
 Excess in Revenues		 113,039	 19,975
 FUND BALANCE, JANUARY 1	 D	 <u>92,257</u>	 <u>72,282</u>
 FUND BALANCE, DECEMBER 31	 D	 <u>\$ 205,296</u>	 <u>\$ 92,257</u>

TOWNSHIP OF WYCKOFF
 STATEMENT OF REVENUES - REGULATORY BASIS
 SEWER UTILITY OPERATING FUND
 FOR THE YEAR ENDED DECEMBER 31, 2013

	<u>Reference</u>	2013 <u>Anticipated</u>	2013 <u>Realized</u>	Excess or <u>(Deficit)</u>
Sewer Rents	D-1-D-6	\$ 2,053,680	\$ 2,124,002	\$ 70,322
Interest and Costs on Sewer Charges	D-1,D-4	<u>4,000</u>	<u>4,577</u>	<u>577</u>
		<u>\$ 2,057,680</u>	2,128,579	<u>\$ 70,899</u>
Non-Budget Revenue	D-1,D-4		<u>15,302</u>	
			<u>\$ 2,143,881</u>	

TOWNSHIP OF WYCKOFF
STATEMENT OF EXPENDITURES - REGULATORY BASIS
SEWER UTILITY OPERATING FUND
FOR THE YEAR ENDED DECEMBER 31, 2013

	<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	\$ 64,495	\$ 64,495	
Other Expenses	1,991,885	1,988,185	1,627,700	\$ 360,485
CAPITAL IMPROVEMENTS				
Capital Improvement Fund	<u>5,000</u>	<u>5,000</u>	<u>5,000</u>	<u>-</u>
	<u>\$ 2,057,680</u>	<u>\$ 2,057,680</u>	<u>\$ 1,697,195</u>	<u>\$ 360,485</u>

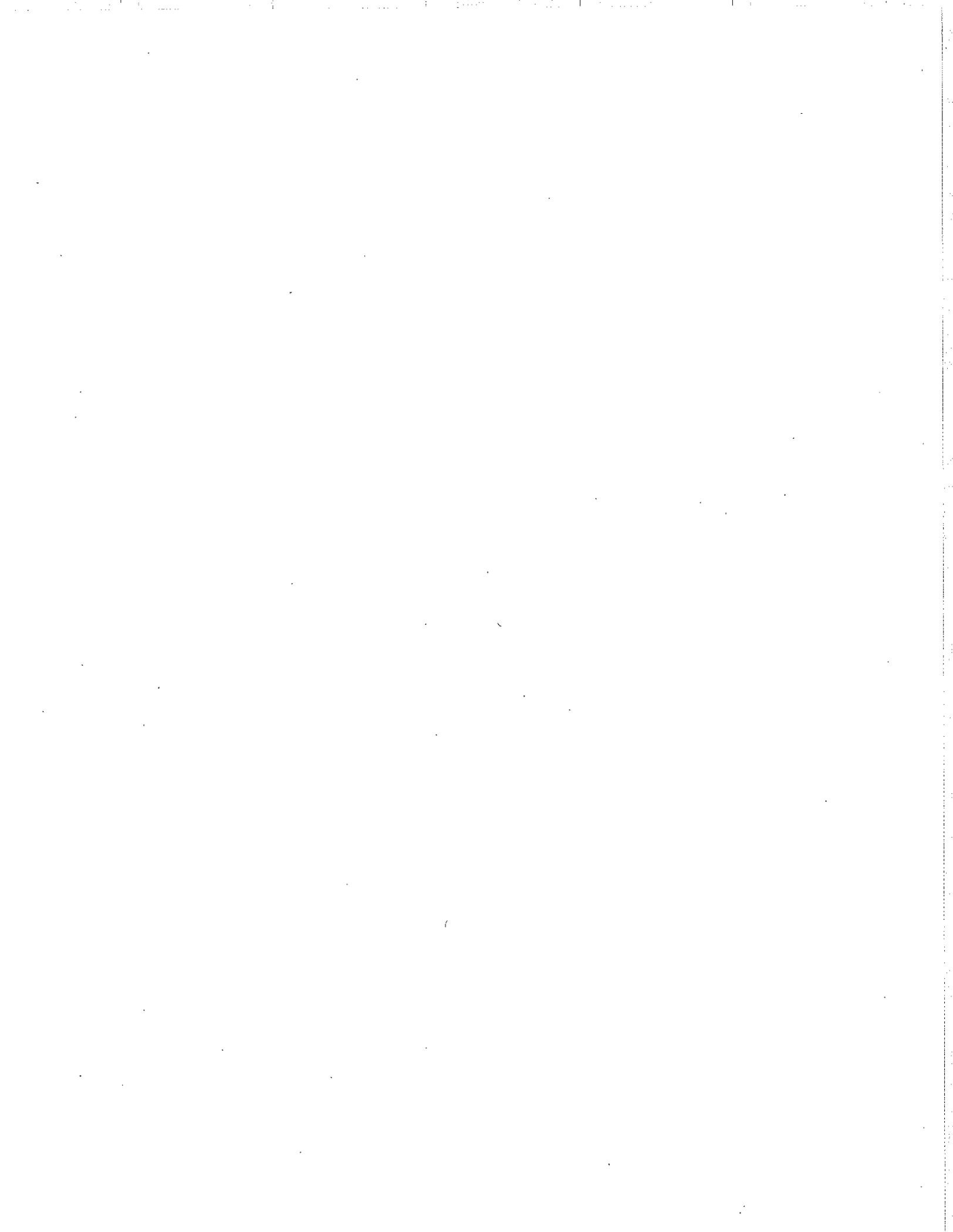
	<u>Reference</u>	D-2	D-2	D
Cash Disbursed	D-4			\$ 1,694,477
Encumbrances Payable	D-8			<u>2,718</u>
				<u>\$ 1,697,195</u>

**TOWNSHIP OF WYCKOFF
COMPARATIVE BALANCE SHEETS - REGULATORY BASIS
GENERAL FIXED ASSETS ACCOUNT GROUP
AS OF DECEMBER 31, 2013 AND 2012**

	<u>2013</u>	<u>2012</u> (Restated)
ASSETS		
Land	\$ 9,040,300	\$ 9,040,300
Buildings	2,275,875	2,223,400
Vehicles and Equipment	<u>7,809,443</u>	<u>7,555,080</u>
Total Assets	<u>\$ 19,125,618</u>	<u>\$ 18,818,780</u>
RESERVES		
Investment in General Fixed Assets	<u>\$ 19,125,618</u>	<u>\$ 18,818,780</u>
Total Reserves	<u>\$ 19,125,618</u>	<u>\$ 18,818,780</u>

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NOTES TO FINANCIAL STATEMENTS



**TOWNSHIP OF WYCKOFF
NOTES TO FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2013 AND 2012**

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

A. Reporting Entity

The Township of Wyckoff (the "Township") was incorporated in 1926 and operates under an elected (Mayor/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 and 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.

B. Description of Regulatory Basis of Accounting

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

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

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, 2013 AND 2012

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

C. Basis of Presentation – Financial Statements

The Township has the following funds and account group:

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

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

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

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

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

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

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

Sewer Utility Fund - This fund is used to account for the revenues and expenditures for the operation of the Township's sanitary sewerage system and the assets and liabilities relative to such activities. Acquisition or improvement of capital facilities and other capital assets for the sewer utility is accounted for in the capital section of the fund.

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

Comparative Data - Comparative data for the prior year has been presented in the accompanying financial statements in order to provide an understanding of changes in the 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.

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.

**TOWNSHIP OF WYCKOFF
NOTES TO FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2013 AND 2012**

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

D. Measurement Focus and Basis of Accounting

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

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

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

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

Property Tax Revenues/Receivables - Real property taxes are assessed locally, based upon the assessed value of the property. The tax bill includes a levy for Municipal, County, and School purposes. The bills are mailed annually in June for that calendar year's levy. Taxes are payable in four quarterly installments on February 1, May 1, August 1, and November 1. The amounts of the first and second installments are determined as one-quarter of the total tax levied against the property for the preceding year. The installment due the third and fourth quarters is determined by taking the current year levy less the amount previously charged for the first and second installments, with the remainder being divided equally. If unpaid on these dates, the amount due becomes delinquent and subject to interest at 8% per annum, or 18% on any delinquency amount in excess of \$1,500. A penalty of up to 6% of the delinquency may be imposed on a taxpayer with a delinquency in excess of \$10,000 who fails to pay that delinquency prior to the end of the fiscal year in which the charges become delinquent. The school levy is turned over to the Board of Education as expenditures are incurred, and the balance, if any, must be transferred as of 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.

TOWNSHIP OF WYCKOFF
NOTES TO FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2013 AND 2012

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

D. Measurement Focus and Basis of Accounting (Continued)

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

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

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

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

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

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

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

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

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

TOWNSHIP OF WYCKOFF
NOTES TO FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2013 AND 2012

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

D. Measurement Focus and Basis of Accounting (Continued)

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

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

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

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 balance in the Reserve for Amortization and Deferred Reserve for Amortization accounts in the Utility Capital Fund represents charges to operations for the costs of acquisitions of property, equipment and improvements. The utility does not record depreciation on fixed assets.

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

TOWNSHIP OF WYCKOFF
NOTES TO FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2013 AND 2012

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

D. Measurement Focus and Basis of Accounting (Continued)

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 may have been made to the December 31, 2012 balances to conform to the December 31, 2013 presentation.

NOTE 2 STEWARDSHIP, COMPLIANCE AND ACCOUNTABILITY

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

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

Trust Funds (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 2013 and 2012 the Township Council increased the original budget by \$590,149 and \$10,800, respectively. The 2013 increase was funded by additional aid to the Township and a special emergency authorization for the revaluation of property. The 2012 increase was funded by additional aid allotted to the Township. In addition, the governing body approved several budget transfers during 2013 and 2012.

**TOWNSHIP OF WYCKOFF
NOTES TO FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2013 AND 2012**

NOTE 3 DEPOSITS AND INVESTMENTS

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

A. 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, 2013 and 2012, the book value of the Township's deposits were \$10,220,220 and \$8,386,953 and bank and brokerage firm balances of the Township's deposits amounted to \$10,407,433 and \$8,290,210, 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>2013</u>	<u>2012</u>
Insured	\$ 10,293,023	\$ 8,175,864
Uninsured and Collateralized	<u>114,410</u>	<u>114,346</u>
	<u>\$ 10,407,433</u>	<u>\$ 8,290,210</u>

Custodial Credit Risk – Deposits – Custodial credit risk is the risk that in the event of a bank failure, the government's deposits may not be returned to it. The Township does not have a formal policy for custodial credit risk. As of December 31, 2013 and 2012, the Township's bank balances of \$114,410 and \$114,346 were exposed to custodial credit risk as follows:

	<u>2013</u>	<u>2012</u>
Uninsured and Collateralized		
Collateral held by pledging financial institution's trust department not in the Township's name	<u>\$ 114,410</u>	<u>\$ 114,346</u>

TOWNSHIP OF WYCKOFF
 NOTES TO FINANCIAL STATEMENTS
 YEARS ENDED DECEMBER 31, 2013 AND 2012

NOTE 3 DEPOSITS AND INVESTMENTS (Continued)

B. Investments

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

As of December 31, 2013 and 2012, the Township had the following investments:

	Fair Value (Unaudited)	
	<u>2013</u>	<u>2012</u>
Investment:		
Length of Service Award Program (LOSAP)	\$ 1,670,636	\$ 1,258,520

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, 2013 and 2012, \$1,670,636 and \$1,258,520 of the Township’s investments was exposed to custodial credit risk as follows:

	Fair Value (LOSAP) Unaudited	
	<u>2013</u>	<u>2012</u>
Uninsured and Collateralized:		
Collateral held by pledging financial institution's trust department but not in the Township's name	\$ 1,670,636	\$ 1,258,520

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, 2013 and 2012, the Township’s LOSAP investment in Lincoln Financial Group was rated Baa2 by Moody’s Investors Service.

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

**TOWNSHIP OF WYCKOFF
NOTES TO FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2013 AND 2012**

NOTE 3 DEPOSITS AND INVESTMENTS (Continued)

B. Investments (Continued)

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

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

NOTE 4 TAXES AND UTILITY RENTS RECEIVABLE

Receivables at December 31, 2013 consisted of the following:

	<u>Current</u>	<u>Sewer</u>	<u>Total</u>
<u>2013</u>			
Property Taxes	\$ 371,210		\$ 371,210
Tax Title Liens	8,400		8,400
Utility Rents	<u>-</u>	<u>\$ 51,990</u>	<u>51,990</u>
	<u>\$ 379,610</u>	<u>\$ 51,990</u>	<u>\$ 431,600</u>

In 2013, the Township collected \$442,469 and \$58,034 from delinquent taxes and utility rents, which represented 99% and 100% of the delinquent tax, water and sewer charges receivable at December 31, 2012.

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	<u>-</u>	<u>\$ 58,034</u>	<u>58,034</u>
	<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 delinquent tax, water and sewer charges receivable at December 31, 2011.

**TOWNSHIP OF WYCKOFF
 NOTES TO FINANCIAL STATEMENTS
 YEARS ENDED DECEMBER 31, 2013 AND 2012**

NOTE 5 DUE TO/FROM OTHER FUNDS

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

	<u>2013</u>		<u>2012</u>	
	<u>Due from Other Funds</u>	<u>Due to Other Funds</u>	<u>Due from Other Funds</u>	<u>Due to Other Funds</u>
Current Fund	\$ 15,259	\$ 1,444	\$ 3,827	\$ 1,021
Trust Funds				
Other Trust Fund		2,950		
Municipal Open Space	1,444		1,021	
Animal Control Fund	<u>-</u>	<u>12,309</u>	<u>-</u>	<u>3,827</u>
 Total	 <u>\$ 16,703</u>	 <u>\$ 16,703</u>	 <u>\$ 4,848</u>	 <u>\$ 4,848</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.

NOTE 6 DEFERRED CHARGES TO BE RAISED IN SUCCEEDING BUDGETS

Under the regulatory basis of accounting, certain expenditures are required to be deferred to budgets of succeeding years. At December 31, the following deferred charge is reported on the Current Fund balance sheet:

	<u>Balance December 31,</u>	<u>Subsequent Year Budget Appropriation</u>	<u>Balance</u>
<u>2013</u>			
Current Fund			
Special Emergency Authorization (40A:4-55)	<u>\$ 552,128</u>	<u>\$ 110,500</u>	<u>\$ 441,628</u>

2012

NONE

**TOWNSHIP OF WYCKOFF
NOTES TO FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2013 AND 2012**

NOTE 7 FUND BALANCES APPROPRIATED

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

	Fund Balance December 31, <u>2013</u>	Utilized in Subsequent <u>Year's Budget</u> (A)	Fund Balance December 31, <u>2012</u>	Utilized in Subsequent <u>Year's Budget</u>
Current Fund				
Cash Surplus	\$ 2,485,767	\$ 1,550,000	\$ 2,983,295	\$ 1,750,000
Non-Cash Surplus	<u>13,104</u>	<u>-</u>	<u>9,139</u>	<u>-</u>
	<u>\$ 2,498,871</u>	<u>\$ 1,550,000</u>	<u>\$ 2,992,434</u>	<u>\$ 1,750,000</u>
Sewer Utility Operating Fund				
Cash Surplus	\$ 205,296		\$ 92,257	
Non-Cash Surplus	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
	<u>\$ 205,296</u>	<u>\$ -</u>	<u>\$ 92,257</u>	<u>\$ -</u>

(A) The above fund balance amounts appropriated represent the surplus anticipated in the 2014 introduced municipal budget. The 2014 municipal budget has not been legally adopted as of the date of audit.

TOWNSHIP OF WYCKOFF
 NOTES TO FINANCIAL STATEMENTS
 YEARS ENDED DECEMBER 31, 2013 AND 2012

NOTE 8 FIXED ASSETS

A. General Fixed Assets

The following is a summary of changes in the General Fixed Assets Account Group for the years ended December 31, 2013 and 2012.

	Balance December 31, <u>2012</u> (Restated)	<u>Increases</u>	<u>Decreases</u>	Balance, December 31, <u>2013</u>
<u>2013</u>				
Land	\$ 9,040,300			\$ 9,040,300
Buildings	2,223,400	\$ 52,475		2,275,875
Vehicles and Equipment	<u>7,555,080</u>	<u>254,363</u>	<u>-</u>	<u>7,809,443</u>
	<u>\$ 18,818,780</u>	<u>\$ 306,838</u>	<u>\$ -</u>	<u>\$ 19,125,618</u>
	Balance December 31, <u>2011</u> (Restated)	<u>Increases</u>	<u>Decreases</u>	Balance, December 31, <u>2012</u> (Restated)
<u>2012</u>				
Land	\$ 5,940,300	\$ 3,100,000		\$ 9,040,300
Buildings	2,223,400			2,223,400
Vehicles and Equipment	<u>7,619,392</u>	<u>275,902</u>	<u>\$ 340,214</u>	<u>7,555,080</u>
	<u>\$ 15,783,092</u>	<u>\$ 3,375,902</u>	<u>\$ 340,214</u>	<u>\$ 18,818,780</u>

**TOWNSHIP OF WYCKOFF
 NOTES TO FINANCIAL STATEMENTS
 YEARS ENDED DECEMBER 31, 2013 AND 2012**

NOTE 8 FIXED ASSETS (Continued)

B. Sewer Utility Fund Fixed Assets

The following is a summary of changes in the utility fund fixed assets for the years ended December 31, 2013 and 2012.

<u>Sewer Utility Fund</u>	Balance December 31, <u>2012</u>	<u>Increases</u>	<u>Decreases</u>	Balance, December 31, <u>2013</u>
<u>2013</u>				
Fixed Capital				
Various Improvements	\$ -	\$ 150,000	\$ -	\$ 150,000

Sewer Utility Fund

2012

None

NOTE 9 MUNICIPAL DEBT

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

The Township's debt is summarized as follows:

	<u>2013</u>	<u>2012</u>
Issued		
General		
Notes	\$ 1,365,550	\$ 1,271,500
 Net Notes Issued	 \$ 1,365,550	 \$ 1,271,500

TOWNSHIP OF WYCKOFF
 NOTES TO FINANCIAL STATEMENTS
 YEARS ENDED DECEMBER 31, 2013 AND 2012

NOTE 9 MUNICIPAL DEBT (Continued)

Statutory Net Debt

The statement of debt condition that follows is extracted from the Township's Annual Debt Statement and indicates a statutory net debt of .03% and .02% at December 31, 2013 and 2012, respectively.

	<u>Gross Debt</u>	<u>Deductions</u>	<u>Net Debt</u>
<u>2013</u>			
General Debt	\$ 1,365,550		\$ 1,365,550
School Debt	<u>34,796,301</u>	<u>\$ 34,796,301</u>	<u>-</u>
Total	<u>\$ 36,161,851</u>	<u>\$ 34,796,301</u>	<u>\$ 1,365,550</u>
	<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>

Statutory Borrowing Power

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

	<u>2013</u>	<u>2012</u>
3-1/2% of Equalized Valuation Basis (Municipal)	\$ 152,489,782	\$ 156,141,406
Net Debt	<u>1,365,550</u>	<u>1,271,500</u>
Remaining Borrowing Power	<u>\$ 151,124,232</u>	<u>\$ 154,869,906</u>

TOWNSHIP OF WYCKOFF
 NOTES TO FINANCIAL STATEMENTS
 YEARS ENDED DECEMBER 31, 2013 AND 2012

NOTE 9 MUNICIPAL DEBT (Continued)

A. Short-Term Debt

The Township's short-term debt activity for the years ended December 31, 2013 and 2012 was as follows:

Bond Anticipation Notes

	Rate (%)	Maturity Date	Balance, December 31, 2012	Additions	Reductions	Balance, December 31, 2013
2013						
<u>Purpose</u>						
<u>General Capital Fund</u>						
Fire Pumper	1.45%	8/6/2013	\$ 69,560		\$ 69,560	
Culvert Reconstruction	1.45%	8/6/2013	13,400		13,400	
Road Resurfacing	1.45%	8/6/2013	99,040		99,040	
Police Desk Upgrade/Rescue Truck	0.75%	8/4/2014	298,500	\$ 199,000	298,500	\$ 199,000
Various Capital Improvements	0.75%	8/4/2014	266,000	266,000	266,000	266,000
Refunding Tax Appeals	0.88%	1/28/2014	525,000	350,000	525,000	350,000
Purchase of a Fire Pumper Truck	0.75%	8/4/2014	-	550,550	-	550,550
			<u>\$ 1,271,500</u>	<u>\$ 1,365,550</u>	<u>\$ 1,271,500</u>	<u>\$ 1,365,550</u>
			Balance, December 31, 2011	Additions	Reductions	Balance, December 31, 2012
2012						
<u>Purpose</u>						
<u>General Capital Fund</u>						
Fire Pumper	1.45%	8/6/2013	\$ 192,800	\$ 69,560	\$ 192,800	\$ 69,560
Culvert Reconstruction	1.45%	8/6/2013	37,116	13,400	37,116	13,400
Road Resurfacing	1.45%	8/6/2013	252,084	99,040	252,084	99,040
Police Desk Upgrade/Rescue Truck	1.45%	8/6/2013	398,000	298,500	398,000	298,500
Various Capital Improvements	1.45%	8/6/2013		266,000		266,000
Refunding Tax Appeals	0.90%	1/30/2013	-	525,000	-	525,000
			<u>\$ 880,000</u>	<u>\$ 1,271,500</u>	<u>\$ 880,000</u>	<u>\$ 1,271,500</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.

TOWNSHIP OF WYCKOFF
 NOTES TO FINANCIAL STATEMENTS
 YEARS ENDED DECEMBER 31, 2013 AND 2012

NOTE 9 MUNICIPAL DEBT (Continued)

B. Short-Term Debt (Continued)

Bond Anticipation Notes (Continued)

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

NOTE 10 CONSTRUCTION AND OTHER SIGNIFICANT COMMITMENTS

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

<u>2013</u>	<u>Capital Project</u>	<u>Construction Commitment</u>	<u>Estimated Date of Completion</u>
None			
<u>2012</u>			
	Barrier Free Access Improvements	\$77,602	2013

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

<u>2013</u>	<u>Purpose</u>	<u>Remaining Commitment</u>
	Purchase of Fire Apparatus	\$584,223
	Revaluation Services	415,000
<u>2012</u>		
	Purchase of Public Works Truck	167,937

**TOWNSHIP OF WYCKOFF
NOTES TO FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2013 AND 2012**

NOTE 11 EMPLOYEE RETIREMENT SYSTEMS

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

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 and refunds are recognized when due and payable in accordance with the terms of the retirement systems.

**TOWNSHIP OF WYCKOFF
NOTES TO FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2013 AND 2012**

NOTE 11 EMPLOYEE RETIREMENT SYSTEMS (Continued)

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.

This new legislation's provisions impacting employee pension and health benefits include:

- 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 2013, the PERS member contribution rate was 6.64%. 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).

Investment Valuation

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

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

Funded Status and Funding Progress

As of July 1, 2012, the most recent actuarial valuation date, the aggregate funded ratio for all the State administered retirement systems, including PERS and PFRS, is 64.5 percent with an unfunded actuarial accrued liability of \$47.2 billion. The aggregate funded ratio and unfunded accrued liability for the State-funded systems is 56.7 percent and \$34.4 billion, respectively and the aggregate funded ratio and unfunded accrued liability for local PERS and PFRS is 76.1 percent and \$12.8 billion, respectively.

**TOWNSHIP OF WYCKOFF
 NOTES TO FINANCIAL STATEMENTS
 YEARS ENDED DECEMBER 31, 2013 AND 2012**

NOTE 11 EMPLOYEE RETIREMENT SYSTEMS (Continued)

Funded Status and Funding Progress (Continued)

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

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

Actuarial Methods and Assumptions

In the July 1, 2012 actuarial valuations, the date of the most recent actuarial valuations, the projected unit credit was used as actuarial cost method, and the five year average of market value was used as asset valuation method for pension trust funds. The actuarial assumptions included (a) 7.90% for investment rate of return for all the retirement systems and (b) changes to projected salary increases, which vary by fund.

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% plus an additional 1% phased-in over 7 years beginning in July 2012 for PERS and 10.0% for PFRS of employees' annual compensation. The member contribution for PERS was 6.64% in fiscal year 2013.

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, 2013, 2012 and 2011, the Township, was required to contribute for normal cost pension contributions, accrued liability pension contributions, and non-contributory life insurance premiums the following amounts which equaled the required contributions for each respective year:

<u>Year Ended</u> <u>December 31</u>	<u>PFRS</u>	<u>PERS</u>
2013	\$ 675,027	\$ 319,756
2012	566,295	325,598
2011	724,665	324,390

**TOWNSHIP OF WYCKOFF
NOTES TO FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2013 AND 2012**

NOTE 12 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 Teacher's Pension and Annuity (TPAF) are combined and reported as Pension and Other Employee Benefit Trust Funds in the State's Comprehensive Annual Financial Report (CAFR). Specifically, SHBP-State, PDP-State, and the PRM of the PERS are combined and reported as Health Benefits Program Fund – State classified as a single employer plan. The SHBP-Local, PDP-Local, and the PRM of the TPAF-Local are combined and reported as Health Benefits Program Fund –Local Government classified as a cost sharing multiple-employer plan. The post-retirement benefit programs had a total of 585 state and local participating employers and contributing entities for Fiscal Year 2013.

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

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

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

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. For those employed on or after June 28, 2011 the 4-year phase in does not apply, and contributions based on the full percentage rate of contribution are required.

**TOWNSHIP OF WYCKOFF
NOTES TO FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2013 AND 2012**

NOTE 12 POST-RETIREMENT MEDICAL BENEFITS (Continued)

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, 2012, the most recent actuarial valuation date, the State had a \$51.5 billion unfunded actuarial liability for other postemployment benefits (OPEB) which is made up of \$19.3 billion for state active and retired members and \$32.2 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, 2012 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.

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, 2013, there were 100,134 retirees receiving post-retirement medical benefits, and the State contributed \$1.07 billion on their behalf. The cost of these benefits is funded through contributions by the State and participating local governments in accordance with P.L. 1994, c.62. Funding of post-retirement medical benefits changed from a pre-funding basis to a pay-as-you-go basis beginning in Fiscal Year 1994.

P.L. 1977, c. 136 provides for the State and participating local governments to pay health benefits on a pay-as-you-go basis for all enrolled retired employees, regardless of retirement date, under two provisions. The first is for employees whose pensions are based on 25 years or more of credited service (except those who elect a deferred retirement). The second is for retired employees who are eligible for a disability retirement regardless of years of service. The State and participating local governments contributed \$139.8 million for 9,404 eligible retired members for Fiscal Year 2013. 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 \$38.0 million in Fiscal Year 2013 to provide benefits under Chapter 330 to qualified retirees.

**TOWNSHIP OF WYCKOFF
NOTES TO FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2013 AND 2012**

NOTE 12 POST-RETIREMENT MEDICAL BENEFITS (Continued)

Post-Retirement Medical Benefits Contribution (Continued)

The State sets the employer contribution rate based on a pay-as-you-go basis rather than the *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, 2013, 2012 and 2011 were \$523,554, \$454,586 and \$431,555, respectively, which equaled the required contributions for each year (or were not available). In addition, the Township's reimbursements to eligible retired employees for Medicare Part B insurance coverage for the years ended December 31, 2013, 2012 and 2011 were \$33,988, \$31,169 and \$32,198, respectively.

NOTE 13 RISK MANAGEMENT

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

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

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

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

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

**TOWNSHIP OF WYCKOFF
NOTES TO FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2013 AND 2012**

NOTE 13 RISK MANAGEMENT (Continued)

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>
2013	\$ 100	\$ 14,714	\$ 26,142	\$ 53,544
2012	100	17,146	17,042	64,972
2011	100	10,997	32,637	64,768

NOTE 14 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, 2013 and 2012. 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, 2013 and 2012, the Township reserved \$650,000 and \$152,699, respectively in the Current Fund for tax appeals pending in the New Jersey Tax Court. Funding of any ultimate liability would be provided for in succeeding years' budget or from fund balance.

Federal and State Awards - The Township participates in a number of federal and state programs that are fully or partially funded by grants received from other governmental units. Expenditures financed by grants are subject to audit by the appropriate grantor government. If expenditures are disallowed due to noncompliance with grant program regulations, the Township may be required to reimburse the grantor government. As of December 31, 2013 and 2012, 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 15 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.

**TOWNSHIP OF WYCKOFF
 NOTES TO FINANCIAL STATEMENTS
 YEARS ENDED DECEMBER 31, 2013 AND 2012**

NOTE 15 LENGTH OF SERVICE AWARD PROGRAM (LOSAP)-UNAUDITED (Continued)

The first year of eligibility for entrance into the Plan was calendar year 2000. The tax deferred income benefits for emergency services volunteers, consisting of the Volunteer Fire Department and the Volunteer First Aid Squad, 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 2013 and 2012, respectively, for each eligible Volunteer Fire Department member and Volunteer First Aid Squad member.

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

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

Vesting and Benefits

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

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

Reporting Requirements

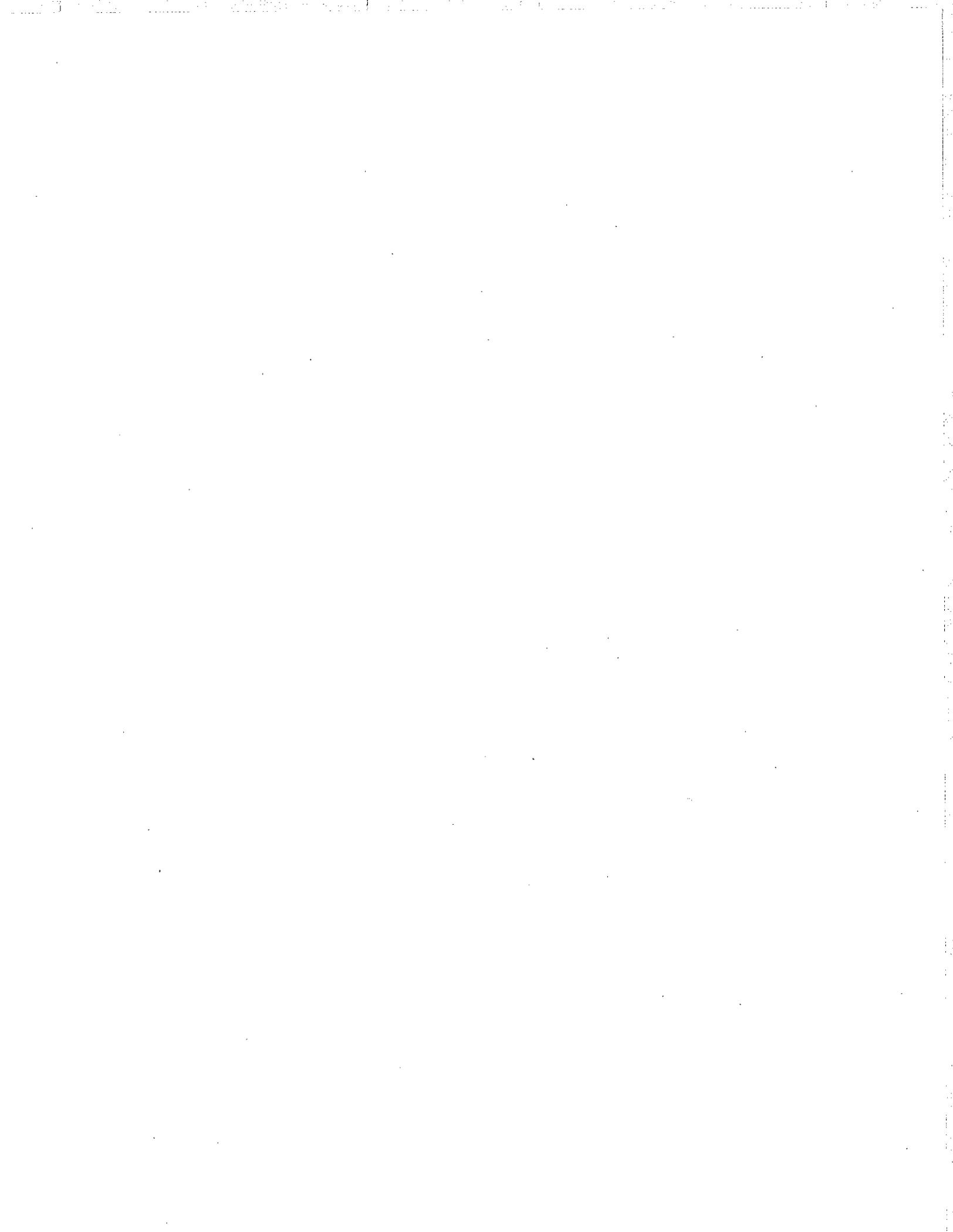
The New Jersey Administrative Code NJAC 5:30-14.49 requires that the Township perform a separate review report of the plan in accordance with the American Institute of Certified Public Accountants (AICPA) Statements on Standards for Accounting and Auditing Review Services. Since a review does not constitute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

NOTE 16 RESTATEMENT

The December 31, 2012 vehicles and equipment in the General Fixed Assets Account Group have been restated to include certain assets previously omitted from the accounting records:

	<u>Previously Reported</u>	<u>Adjustment</u>	<u>Restated Amount</u>
Vehicles and Equipment	\$ 6,977,080	\$ 578,000	\$ 7,555,080
Investment in General Fixed Assets	\$ 18,240,780	\$ 578,000	\$ 18,818,780

CURRENT FUND



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

Balance, December 31, 2012		\$ 5,215,166
Increased by Receipts:		
Taxes Receivable	\$ 74,501,731	
Non-Budget Revenues	399,170	
State of NJ - Senior Citizens' and Vet. Deductions	135,275	
Revenue Accounts Receivable	3,624,612	
Grants Receivable	42,329	
Prepaid Taxes	361,254	
Unappropriated Grant Reserves	33,263	
Tax Overpayments	358,199	
Reserve for Payroll Account	6,944,601	
Fees Payable	36,551	
Reserve for Library Property Tax Relief	388,070	
Special Emergency Notes	552,128	
Receipts from Other Trust Fund	182	
Receipts from General Capital Fund	6	
	<u>87,377,371</u>	
		92,592,537
Decreased by Disbursements:		
2013 Budget Appropriations	15,207,812	
2012 Appropriation Reserves	490,093	
Encumbrances Payable	245,524	
County Taxes Payable	9,939,759	
Local District School Taxes Payable	34,719,594	
Regional School Taxes Payable	18,232,207	
Tax Overpayments	312,031	
Reserve for Payroll Account	6,946,557	
Appropriated Grant Reserves	101,399	
Payments to Municipal Open Space Trust Fund	242,411	
Reserve for Tax Appeals	152,699	
Fees Payable	35,652	
Reserve for Revaluation	29,147	
Refund of Prior Year Revenue	356,516	
	<u>87,011,401</u>	
Balance, December 31, 2013		<u>\$ 5,581,136</u>

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

	Balance, December 31, <u>2012</u>	Balance, December 31, <u>2013</u>
Tax Collector	\$ 500	\$ 500
	<u>\$ 500</u>	<u>\$ 500</u>

EXHIBIT A-6

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

Balance, December 31, 2012		\$ 1,250
Increased by:		
Senior Citizens /Veterans Deductions Per Tax Billings - 2013		<u>141,000</u>
		142,250
Decreased by:		
Senior Citizens/Veterans Disallowed Per Tax Collector - 2013	\$ 3,000	
Senior Citizens/Veterans Disallowed Per State Tax Audit	1,500	
Cash Received	<u>135,275</u>	
		<u>139,775</u>
Balance, December 31, 2013		<u>\$ 2,475</u>

TOWNSHIP OF WYCKOFF
STATEMENT OF TAXES RECEIVABLE

Year	Balance, December 31, 2012	2013 Levy	Senior Citizens' and Veterans' Deductions Disallowed	Senior Citizens' and Veterans' Deductions Allowed	Cancelled	Transferred to Tax Title Liens	Balance, December 31, 2013
2011	\$ 31,278						
2012	411,191			411,191			
	442,469			442,469			
2013		\$ 75,376,440	\$ 3,000	\$ 74,059,262	\$ 358,235	\$ 1,773	\$ 371,210
	\$ 442,469	\$ 75,376,440	\$ 3,000	\$ 74,501,731	\$ 358,235	\$ 1,773	\$ 371,210

Analysis of 2013 Property Tax Levy

Tax Yield	
General Purpose Tax	\$ 74,928,316
Added Taxes	448,124
	<u>\$ 75,376,440</u>
Tax Levy	
County Taxes	\$ 9,839,012
Due County for Added and Omitted Taxes	59,138
	<u>9,898,150</u>
Municipal Open Space Preservation	241,390
Due Municipal Open Space for Added and Omitted Taxes	1,444
	<u>242,834</u>
Regional High School Tax	18,232,207
Local District School Tax	34,719,594
	<u>63,092,785</u>
Local Tax for Municipal Purposes	11,859,742
Add Additional Tax Levied	423,913
	<u>12,283,655</u>
	<u>\$ 75,376,440</u>

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

Balance, December 31, 2012		\$ 4,090
Increased by:		
Transfers from Taxes Receivable	\$ 1,773	
Adjustments	<u>2,537</u>	
		<u>4,310</u>
Balance, December 31, 2013		<u>\$ 8,400</u>

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

Balance, December 31, 2012		<u>\$ 36,700</u>
Balance, December 31, 2013		<u>\$ 36,700</u>

STATEMENT OF REVENUE ACCOUNTS RECEIVABLE

	Balance, December 31, <u>2012</u>	Accrued in 2013	Collected	Balance, December 31, <u>2013</u>
Township Clerk - Licenses				
Alcoholic Beverages		\$ 17,500	\$ 17,500	
Other		85,714	85,714	
Fees and Permits				
Other		176,042	176,042	
Fines and Costs - Municipal Court	\$ 9,275	109,950	109,795	\$ 9,430
Interest and Costs on Taxes		112,297	112,297	
Interest on Deposits		6,015	6,015	
Lease of Township Property		35,960	35,960	
Cable Franchise Fee		224,942	224,942	
Lease of Cell Tower Space #1		175,508	175,508	
Lease of Cell Tower Space #2		181,075	148,480	32,595
Lease of Cell Tower Space #3		32,137	32,137	
Lease of Cell Monopole AT&T		27,689	27,689	
Energy Receipts Tax		1,093,271	1,093,271	
Uniform Construction Code Fees		506,189	506,189	
Police Dispatching Services Agreement - Midland Park		270,694	270,694	
CFO Shared Services Agreement - Borough of New Milford		25,500	25,500	
Recreation Fees		553,450	553,450	
Uniform Fire Safety Act	-	23,429	23,429	-
	<u>\$ 9,275</u>	<u>\$ 3,657,362</u>	<u>\$ 3,624,612</u>	<u>\$ 42,025</u>

**TOWNSHIP OF WYCKOFF
STATEMENT OF GRANTS RECEIVABLE**

	Balance, December 31, <u>2012</u>	Revenue <u>Realized</u>	<u>Received</u>	<u>Cancelled</u>	Balance, December 31, <u>2013</u>
Municipal Alliance Program		\$ 11,677	\$ 5,448		\$ 6,229
Clean Communities Program		32,882	32,882		
Drive Sober Get Pulled Over	\$ 4,400	4,400	2,260	\$ 2,140	4,400
Alcohol Traffic Safety	3,489			3,489	
Clean Cool Air Grant		1,000	1,000		
Municipal Alcohol Rehabilitation	-	<u>739</u>	<u>739</u>	-	-
	<u>\$ 7,889</u>	<u>\$ 50,698</u>	<u>\$ 42,329</u>	<u>\$ 5,629</u>	<u>\$ 10,629</u>
			Appropriated Grant Reserves	<u>\$ 5,629</u>	

**TOWNSHIP OF WYCKOFF
STATEMENT OF 2012 APPROPRIATION RESERVES**

	Balance, December 31, <u>2012</u>	Prior Year Encumbrances <u>Cancelled</u>	Balance After <u>Modification</u>	Paid or <u>Charged</u>	Balance <u>Lapsed</u>
SALARIES AND WAGES					
Administrative and Executive	\$ 6,438		\$ 6,438	\$ 1,021	\$ 5,417
Township Clerk	8,783		8,783	825	7,958
Revenue Administration and Tax Collection	112		112		112
Assessment of Taxes	10,036		10,036		10,036
Planning Board	35		35	35	
Police	34,101		34,101	23,445	10,656
Recreation	1,020		1,020	1,020	
Road Repairs and Maintenance	120,190		120,190	87,134	33,056
Health and Human Services	1,367		1,367		1,367
Construction Code Official	2,293		2,293	1,707	586
Municipal Court	234		234	234	
Affordable Housing	600		600		600
OTHER EXPENSES					
Administrative and Executive	2,039	\$ 508	2,547		2,547
Township Clerk	2,744		2,744	1,081	1,663
Revenue Administration and Tax Collection	2,958		2,958		2,958
Elections	1,979		1,979		1,979
Assessment of Taxes	31,672		31,672	14,203	17,469
Legal Services and Costs	2,090		2,090	990	1,100
Engineering Services	3,449		3,449	656	2,793
Public Buildings and Grounds	9,080		9,080	3,533	5,547
Shade Tree Commission	3,930		3,930		3,930
Planning Board	2,715		2,715	654	2,061
Board of Adjustment	105		105	105	
General Liability Insurance	26,360		26,360		26,360
Workers Compensation	1		1		1
Employee Health Benefits Insurance	19,646		19,646		19,646
Health Benefit Waivers	912		912		912
Police	8,519		8,519	1,015	7,504
Emergency Management Services	500		500		500
Public Safety Volunteer Fire Department		289	289		289
Life Hazard Use Fees (Uniform Fire Safety)	680	24	704		704
Radio Communications Contract	2,017		2,017		2,017
Recreation	33,806		33,806	3,309	30,497
Park Maintenance	10,680		10,680	10,634	46
Celebration of Public Events	1,684		1,684		1,684
Recycling	18,886		18,886		18,886

TOWNSHIP OF WYCKOFF
STATEMENT OF 2012 APPROPRIATION RESERVES

	Balance, December 31, <u>2012</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	\$ 143,613		\$ 143,613	\$ 141,813	\$ 1,800
Vehicular Maintenance	3,486		3,486	947	2,539
CDL Mandate	1,147		1,147		1,147
Health and Human Services	5,795		5,795	1,285	4,510
Animal Control	4,120		4,120		4,120
Condo Services Act	9		9		9
Municipal Prosecutor	1,517	\$ 293	1,810		1,810
Public Defender	635		635		635
Construction Code Official	2,138		2,138	265	1,873
PEOSHA - Respiratory Protection	35	1,087	1,122		1,122
Utilities					
Electricity	13,506		13,506	2,716	10,790
Street Lighting	10,760		10,760	6,760	4,000
Telephone	8,029		8,029	3,736	4,293
Water	324		324	186	138
Natural Gas	19,820		19,820	7,739	12,081
Fire Hydrants	966		966		966
Gasoline	11,585		11,585	10,174	1,411
Landfill and Solid Waste Disposal	47,216		47,216	46,954	262
Recycling Tax	6,295		6,295	1,442	4,853
Social Security System (OASI)	33,975		33,975		33,975
Municipal Court	1,507	102	1,609		1,609
Affordable Housing	6,931		6,931		6,931
LOSAP	117,925		117,925	114,475	3,450
Interlocal Services Agreements - 911 Services	7,868	-	7,868	-	7,868
	<u>\$ 820,863</u>	<u>\$ 2,303</u>	<u>\$ 823,166</u>	<u>\$ 490,093</u>	<u>\$ 333,073</u>

**TOWNSHIP OF WYCKOFF
STATEMENT OF ENCUMBRANCES PAYABLE**

Balance, December 31, 2012		\$ 247,827
Increased by:		
Charges to 2013 Appropriations	\$ 275,404	
Charges to Appropriated Grant Reserves	123	
Charges to Reserve for Revaluation	<u>415,485</u>	
		<u>691,012</u>
		938,839
Decreased by:		
Restored to 2012 Appropriation Reserves	2,303	
Cash Disbursements	<u>245,524</u>	
		<u>247,827</u>
Balance, December 31, 2013		<u>\$ 691,012</u>

EXHIBIT A-14

STATEMENT OF PREPAID TAXES

Balance, December 31, 2012		\$ 447,960
Increased by:		
Collection of 2014 Taxes		<u>361,254</u>
		809,214
Decreased by:		
Application to 2013 Taxes Receivable		<u>447,960</u>
Balance, December 31, 2013		<u>\$ 361,254</u>

EXHIBIT A-15

STATEMENT OF COUNTY TAXES PAYABLE

Balance, December 31, 2012		\$ 41,609
Increased by:		
2013 Tax Levy	\$ 9,731,163	
2013 Open Space Preservation	107,849	
2013 Added and Omitted Taxes	<u>59,138</u>	
		<u>9,898,150</u>
		9,939,759
Decreased by:		
Cash Disbursed		<u>9,939,759</u>
Balance, December 31, 2013		<u>\$ -</u>

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

Increased by:	
Levy - Calendar Year 2013	\$ <u>34,719,594</u>
Decreased by:	
Cash Disbursed	\$ <u>34,719,594</u>

STATEMENT OF REGIONAL HIGH SCHOOL DISTRICT SCHOOL TAXES PAYABLE

Increased by:	
Levy - Calendar Year 2013	\$ <u>18,232,207</u>
Decreased by:	
Cash Disbursed	\$ <u>18,232,207</u>

STATEMENT OF TAX OVERPAYMENTS

Balance, December 31, 2012	\$ 14,060
Increased by:	
Cash Receipts	<u>358,199</u>
	372,259
Decreased by:	
Cash Disbursements	<u>312,031</u>
Balance, December 31, 2013	\$ <u>60,228</u>

STATEMENT OF RESERVE FOR TAX APPEALS

Balance, December 31, 2012	\$ 152,699
Increased by:	
Transferred from 2013 Taxes Collected	<u>650,000</u>
	802,699
Decreased by:	
Cash Disbursements	<u>152,699</u>
Balance, December 31, 2013	\$ <u>650,000</u>

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

	Balance, December 31, <u>2012</u>	Budget <u>Appropriation</u>	<u>Expended</u>	<u>Cancelled</u>	Balance, December 31, <u>2013</u>
Clean Communities Grant	\$ 43,189	\$ 32,882	\$ 52,541		\$ 23,530
Municipal Alliance Against Alcohol and Drug Abuse					
Grant		11,677	6,962		4,715
Municipal Share		3,100	411		2,689
Drunk Driving Enforcement Fund	10,496	5,566	5,892		10,170
Body Armor Grant	5,883	2,513			8,396
Over the Limit Under Arrest	1,139				1,139
Drive Sober Get Pulled Over	4,400	4,400	4,191	\$ 2,140	2,469
Alcohol Traffic Safety	3,889			3,889	
Sustainable NJ	2,049		2,049		
Clean Cool Air Grant		1,000	208		792
Alcohol Education and Rehabilitation		1,117	1,117		
NWBCUA Recycling Tonnage Grant	-	28,151	28,151	-	-
	<u>\$ 71,045</u>	<u>\$ 90,406</u>	<u>\$ 101,522</u>	<u>\$ 6,029</u>	<u>\$ 53,900</u>
			Cash Disbursements \$ 101,399		
			Encumbrances Payable 123		
			<u>\$ 101,522</u>		
			Cancelled to Operations \$ 400		
			Cancelled to Grants Receivable 5,629		
			<u>\$ 6,029</u>		

EXHIBIT A-21

STATEMENT OF UNAPPROPRIATED GRANT RESERVES

	Balance, December 31, <u>2012</u>	Cash <u>Receipts</u>	Realized as 2013 Anticipated <u>Revenue</u>	Balance, December 31, <u>2013</u>
Recycling Assistance Grant	\$ 28,151	\$ 27,771	28,151	\$ 27,771
Drunk Driving Enforcement Fund	5,566	5,492	5,566	5,492
Alcohol Rehabilitation	378		378	
Body Armor Grant	2,514	-	2,513	1
	<u>\$ 36,609</u>	<u>\$ 33,263</u>	<u>\$ 36,608</u>	<u>\$ 33,264</u>

EXHIBIT A-22

STATEMENT OF DUE TO MUNICIPAL OPEN SPACE TRUST FUND

Balance, December 31, 2012	\$ 1,021
Increased by:	
2013 Tax Levy	\$ 241,390
2013 Added Taxes	1,444
	<u>242,834</u>
	243,855
Decreased by:	
Cash Disbursements	<u>242,411</u>
Balance, December 31, 2013	<u>\$ 1,444</u>

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

Balance, December 31, 2012		\$	388,070
Increased by:			
Cash Receipts			388,070
			776,140
Decreased by:			
Anticipated as 2013 Revenue			388,070
Balance, December 31, 2013		\$	388,070

EXHIBIT A-24

STATEMENT OF FEES PAYABLE

	Balance, December 31, <u>2012</u>	Cash <u>Receipts</u>	Cash <u>Disbursements</u>	Balance, December 31, <u>2013</u>
Uniform Construction Code-DCA	\$ <u>8,318</u>	\$ <u>36,551</u>	\$ <u>35,652</u>	\$ <u>9,217</u>

EXHIBIT A-25

STATEMENT OF RESERVE FOR PAYROLL

Balance, December 31, 2012		\$	2,290
Increased by:			
Cash Receipts			6,944,601
			6,946,891
Decreased by:			
Cash Disbursements			6,946,557
Balance, December 31, 2013		\$	334

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

<u>Date</u>	<u>Purpose</u>	Net Amount <u>Authorized</u>	1/5 of Net Amount <u>Authorized</u>	Amount Resulting from 2013	Balance December 31, 2013
9/13/2013	Revaluation of Real Property	\$ 552,128	\$ 110,426	\$ 552,128	\$ 552,128
				<u>\$ 552,128</u>	<u>\$ 552,128</u>

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

Increased by:		
Transferred from 2013 Budget Appropriation		\$ 552,128
Decreased by:		
Cash Disbursements	\$ 29,147	
Encumbrances Payable	<u>415,485</u>	
		<u>444,632</u>
Balance, December 31, 2013		<u>\$ 107,496</u>

STATEMENT OF SPECIAL EMERGENCY NOTE PAYABLE

Increased by:		
Special Emergency Notes Issued		<u>\$ 552,128</u>
Balance, December 31, 2013		<u>\$ 552,128</u>

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TRUST FUND

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

	Animal Control Trust Fund	Other Trust Fund	Municipal Open Space Trust Fund
Balance, December 31, 2012	\$ 34,837	\$ 1,590,584	\$ 223,687
Increased by Receipts:			
State of New Jersey Dog License Fees Collected	\$ 2,422		
Interest on Deposits	11	\$ 182	\$ 309
Receipts from Current Fund			242,411
Current Fund Receipts		2,950	
Payroll and Payroll Deductions		5,501,164	
Miscellaneous Reserves		1,447,491	
Dog License Fees	<u>17,713</u>	<u>-</u>	<u>-</u>
	<u>20,146</u>	<u>6,951,787</u>	<u>242,720</u>
	54,983	8,542,371	466,407
Decreased by Disbursements:			
Expenditures Under			
R.S. 4:19-15.11	10,784		
Due to State of New Jersey	2,301	23,902	
Payments to Current Fund		182	
Municipal Open Space Expenditures			875
Payroll and Payroll Deductions		5,496,728	
Miscellaneous Reserves	<u>-</u>	<u>930,795</u>	<u>-</u>
	<u>13,085</u>	<u>6,451,607</u>	<u>875</u>
Balance, December 31, 2013	<u>\$ 41,898</u>	<u>\$ 2,090,764</u>	<u>\$ 465,532</u>

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

Balance, December 31, 2012		\$ 30,468
Increased by:		
Dog License Fees		
Municipal Share	\$ 15,798	
Late Fees	1,860	
Lost Tags	<u>55</u>	
		<u>17,713</u>
		48,181
Decreased by:		
Expenditures Under R.S. 4:19-15-11	10,784	
Statutory Excess - Due to Current Fund	<u>8,471</u>	
		<u>19,255</u>
Balance, December 31, 2013		<u>\$ 28,926</u>

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

Balance, December 31, 2012	\$	542
Increased by:		
Dog License Fees Collected		2,422
		2,964
Decreased by:		
Payments Made to State of New Jersey		2,301
Balance, December 31, 2013	\$	663

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

Balance, December 31, 2012	\$	3,827
Increased by:		
Interest on Deposits	\$	11
Statutory Excess		8,471
		8,482
Balance, December 31, 2013	\$	12,309

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

	Balance, December 31, <u>2012</u>	<u>Increases</u>	<u>Decreases</u>	Balance, December 31, <u>2013</u>
Special Deposits	\$ 428,592	\$ 584,134	\$ 302,048	\$ 710,678
Snow Removal Escrow	48,965	617,999	360,557	306,407
Developer's Escrow	145,132	10,073	21,082	134,123
Performance Bonds	442,068	16,653	44,988	413,733
Gardens of Wyckoff Bequest	114,346	64		114,410
Unemployment	64,972	14,714	26,142	53,544
Affordable Housing	39,294	40		39,334
Community Development	927	1		928
Flexible Spending	1,002	2		1,004
Escrow Deposits Payable	<u>205,057</u>	<u>203,811</u>	<u>202,120</u>	<u>206,748</u>
	<u>\$ 1,490,355</u>	<u>\$ 1,447,491</u>	<u>\$ 956,937</u>	<u>\$ 1,980,909</u>
		Cash Disbursements	\$ 930,795	
		Due to State of New Jersey-Unemployment	<u>26,142</u>	
			<u>\$ 956,937</u>	

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

Increased by:		
Interest on Deposits	\$ 182	
Current Fund Receipts Deposited in Other Trust Fund	<u>2,950</u>	\$ 3,132
Decreased by:		
Payments to Current Fund		<u>182</u>
Balance, December 31, 2013		<u>\$ 2,950</u>

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

Balance, December 31, 2012		\$ 490
Increased by:		
Unemployment Claims		26,142
		26,632
Decreased By:		
Cash Disbursements		23,902
Balance, December 31, 2013		\$ 2,730

EXHIBIT B-10

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

Balance, December 31, 2012		\$ 224,708
Increased by:		
Interest on Deposits	\$ 309	
2013 Municipal Open Space Tax Levy	241,390	
2013 Added Municipal Open Space Tax Levy	1,444	
		243,143
		467,851
Decreased by:		
Cash Disbursements		875
Balance, December 31, 2013		\$ 466,976

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

Balance, December 31, 2012		\$ 1,021
Increased by:		
2013 Municipal Open Space Tax Levy	\$ 241,390	
2013 Added Municipal Open Space Tax Levy	<u>1,444</u>	
		<u>242,834</u>
		243,855
Decreased by:		
Cash Receipts		<u>242,411</u>
Balance, December 31, 2013		<u>\$ 1,444</u>

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

Balance, December 31, 2012		\$ 99,739
Increased by:		
Cash Receipts		<u>5,501,164</u>
		5,600,903
Decreased by:		
Cash Disbursements		<u>5,496,728</u>
Balance, December 31, 2013		<u>\$ 104,175</u>

GENERAL CAPITAL FUND

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

Balance, December 31, 2012		\$ 737,211
Increased by Receipts:		
Interest on Deposits	\$ 6	
Grants Receivable	129,144	
Bond Anticipation Note Proceeds	550,550	
Current Fund Budget Appropriations:		
Capital Improvement Fund	<u>644,500</u>	
		<u>1,324,200</u>
		2,061,411
Decreased by Disbursements:		
Improvement Authorizations	722,115	
Encumbrances Payable	308,359	
Payments to Current Fund	<u>6</u>	
		<u>1,030,480</u>
Balance, December 31, 2013		<u>\$ 1,030,931</u>

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

		Balance, December 31, 2013
Fund Balance		\$ 76,312
Capital Improvement Fund		11,317
Encumbrances Payable		671,816
Grants Receivable		(192,204)
Ord. No.	<u>Improvement Authorizations</u>	
1287/1308	Acquisition of Land	3,426
1469	Roller Hockey Rink Rehab	2,000
1584	Various Capital Improvements	22,505
1601	Various Capital Improvements	14,481
1602	Ballfield Improvement	4,926
1619/1646/1688	Field Enhancement	54,995
1622	Various Capital Improvements	10,222
1645	Various Capital Improvements	36,133
1647/1690	Purchase of DPW Dump Truck With Plow	6,663
1664	Refunding Bond -Tax Appeals	19,338
1665	Town Hall ADA Automatic Doors	22,204
1687	Various Capital Improvements	49,225
1710	Purchase of a Fire Pumper Truck	3,434
1711	Vehicle Repairs and Rehabilitation	82
1712	Various Capital Improvements	200,974
1714	Reconstruction of Newton Road	12,780
1719	Improvements to Russell Farms Community Park	302
		<u>\$ 1,030,931</u>

TOWNSHIP OF WYCKOFF
STATEMENT OF GRANTS RECEIVABLE

Balance, December 31, 2012	\$ 151,348
Increased by:	
Grant Awards	<u>170,000</u>
	321,348
Decreased by:	
Cash Receipts	<u>129,144</u>
Balance, December 31, 2013	<u>\$ 192,204</u>
Community Development Block Grant - Ordinance #1665 - Town Hall ADA Automatic Doors	\$ 22,204
New Jersey Transportation Trust Fund Municipal Aid - Ordinance #1714 - Reconstruction of Newton Road	150,000
Bergen County Open Space Trust Fund - Ordinance #1719 - Improvement to Russell Farms Community Park	<u>20,000</u>
	<u>\$ 192,204</u>

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

Ord. No.	Improvement Description	Balance, December 31, 2012	2013 Authorizations	Bond Anticipation Notes Paid by		Balance, December 31, 2013	Analysis of Balance, December 31, 2013	
				2013 Budget Appropriation	2013		Bond Anticipation Notes	Unexpended Improvement Authorization
1442/1446	Fire Pumper	\$ 69,560		\$ 69,560				
1445	Culvert Reconstruction	13,400		13,400				
1471	Road Resurfacing	99,040		99,040				
1603	Police Desk Upgrade/Rescue Truck	298,500		99,500	\$ 199,000	\$ 199,000		
1664	Refunding Bond -Tax Appeals	525,000		175,000	350,000	350,000		
1647/1690	Purchase of DPW Dump Truck With Plow	266,000			266,000	266,000		
1710	Purchase of Fire Pumper Truck	-	\$ 550,550	-	550,550	550,550		
		<u>\$ 1,271,500</u>	<u>\$ 550,550</u>	<u>\$ 456,500</u>	<u>\$ 1,365,550</u>	<u>\$ 1,365,550</u>	<u>\$</u>	<u>\$</u>
							Improvement Authorizations - Unfunded	\$ 29,435
							Less: Unexpended Proceeds	
							Ord 1647/1690	6,663
							Ord 1664	19,338
							Ord 1710	3,434
								<u>\$ -</u>

TOWNSHIP OF WYCKOFF
STATEMENT OF IMPROVEMENT AUTHORIZATIONS

2013 Authorizations

Ord. No.	Improvement Description	Balance, December 31, 2012		Capital Improvement Fund	Deferred Charges to Future Taxation		Grants Receivable	Expended		Balance, December 31, 2013	
		Funded	Unfunded		Unfunded	Funded		Funded	Unfunded	Funded	Unfunded
1287/1308	Acquisition of Land	\$ 3,426								\$ 3,426	
1469	Roller Hockey Rink Rehab	2,000								2,000	
1584	Various Capital Improvements	37,393					\$	14,888		22,505	
1601	Various Capital Improvements	25,740						11,259		14,481	
1602	Ballfield Improvement	4,926						49,005		4,926	
1619/1646/168	Field Enhancement	104,000						9,288		54,995	
1622	Various Capital Improvements	19,510						30,430		10,222	
1645	Various Capital Improvements	66,563								36,133	
1647/1690	Purchase of DPW Dump Truck With Plow		\$ 6,663								\$ 6,663
1664	Refunding Bond - Tax Appeals		19,338								19,338
1665	Town Hall ADA Automatic Doors	23,746						1,542		22,204	
1687	Various Capital Improvements	54,816						5,591		49,225	
1692	Pulis Ave Turf Field	50,000						50,000			
1710	Purchase of a Fire Pumper Truck			\$ 74,450	\$ 550,550			621,566			3,434
1711	Vehicle Repairs and Rehabilitation			20,000				19,918		82	
1712	Various Capital Improvements			624,500				423,526		200,974	
1714	Reconstruction of Newton Road					\$	150,000	137,220		12,780	
1719	Improvements to Russell Farms Community Park						20,000	19,698		302	
		\$ 392,120	\$ 26,001	\$ 718,950	\$ 550,550	\$ 170,000	\$ 1,393,931	\$ 434,255	\$ 29,435		

Encumbrances Payable \$ 671,816
Cash Disbursements 722,115
\$ 1,393,931

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

Balance, December 31, 2012	\$	85,767
Increased by:		
2013 Budget Appropriations		<u>644,500</u>
		730,267
Decreased by:		
Appropriations to Finance Improvement Authorizations		<u>718,950</u>
Balance, December 31, 2013	\$	<u>11,317</u>

EXHIBIT C-8

STATEMENT OF ENCUMBRANCES PAYABLE

Balance, December 31, 2012	\$	308,359
Increased by:		
Charges to Improvement Authorizations		<u>671,816</u>
		980,175
Decreased by:		
Cash Disbursements		<u>308,359</u>
Balance, December 31, 2013	\$	<u>671,816</u>

EXHIBIT C-9

STATEMENT OF DUE TO CURRENT FUND

Increased by:		
Interest on Deposits	\$	6
Decreased by:		
Payments to Current Fund		<u>6</u>
Balance, December 31, 2013	\$	<u>-</u>

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SEWER UTILITY FUND



TOWNSHIP OF WYCKOFF
STATEMENT OF SEWER UTILITY CASH

	<u>Operating</u>	<u>Capital</u>
Balance, December 31, 2012	\$ 129,219	\$ 455,749
Increased by Receipts:		
Overpayments	\$ 4,211	
Prepaid Sewer Rents	2,330	
Consumer Rents Accounts Receivable (Net of Refunds)	2,115,383	
Capital Improvement Fund		\$ 5,000
Interest and Costs on Sewer Charges	4,577	
Miscellaneous Revenues Not Anticipated	<u>15,302</u>	<u>5,000</u>
	2,141,803	460,749
Decreased by Disbursements:		
2013 Budget Appropriations	1,694,477	
2012 Appropriation Reserves	1,505	
Improvement Authorizations	<u>-</u>	<u>26,330</u>
	<u>1,695,982</u>	<u>26,330</u>
Balance, December 31, 2013	<u>\$ 575,040</u>	<u>\$ 434,419</u>

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

	December 31, <u>2013</u>
Capital Improvement Fund	\$ 305,916
Ordinance	
#1693 Various Improvements	<u>128,503</u>
	<u>\$ 434,419</u>

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

Balance, December 31, 2012		\$ 58,034
Increased by:		
Sewer Rents Levied		<u>2,117,958</u>
		2,175,992
Decreased by:		
Overpayments Applied	\$ 6,753	
Prepaid Sewer Rents	1,866	
Collections	<u>2,115,383</u>	
		<u>2,124,002</u>
Balance, December 31, 2013		<u>\$ 51,990</u>

TOWNSHIP OF WYCKOFF
SEWER UTILITY OPERATING FUND
STATEMENT OF APPROPRIATION RESERVES

	Balance, December 31, <u>2012</u>	Balance After <u>Transfers</u>	Paid or <u>Charged</u>	Balance <u>Lapsed</u>
OPERATING				
Salaries and Wages	\$ 650	\$ 650		\$ 650
Other Expenses	<u>27,693</u>	<u>27,693</u>	<u>\$ 1,505</u>	<u>26,188</u>
	<u>\$ 28,343</u>	<u>\$ 28,343</u>	<u>\$ 1,505</u>	<u>\$ 26,838</u>
		Cash Disbursements	<u>\$ 1,505</u>	

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

Increased by:		
Charges to 2013 Budget Appropriations	\$	2,718
 Balance, December 31, 2013	 \$	 2,718

**SEWER UTILITY OPERATING FUND
STATEMENT OF OVERPAYMENTS**

Balance, December 31, 2012	\$	6,753
Increased by:		
Cash Receipts		4,211
		10,964
Decreased by:		
Applied to Consumer Accounts Receivable		6,753
 Balance, December 31, 2013	 \$	 4,211

TOWNSHIP OF WYCKOFF
SEWER UTILITY CAPITAL FUND
STATEMENT OF IMPROVEMENT AUTHORIZATIONS

Ordinance Number	Improvement Description	Balance, December 31, 2012		Expended	Balance, December 31, 2013	
		Funded	Unfunded		Funded	Unfunded
1561	Various Improvements	\$ 4,833		\$ 4,833		
1693	Various Improvements	150,000	-	21,497	\$ 128,503	-
		<u>\$ 154,833</u>	<u>\$ -</u>	<u>\$ 26,330</u>	<u>\$ 128,503</u>	<u>\$ -</u>

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

Balance, December 31, 2012	\$ 300,916
Increased by:	
2013 Budget Appropriation	<u>5,000</u>
Balance, December 31, 2013	<u>\$ 305,916</u>

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

Balance, December 31, 2012	\$ 1,866
Increased by:	
Cash Receipts	<u>2,330</u>
	4,196
Decreased by:	
Applied to Consumer Accounts Receivable	<u>1,866</u>
Balance, December 31, 2013	<u>\$ 2,330</u>

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

<u>Ordinance Number</u>	<u>Improvement Description</u>	<u>Date</u>	<u>Amount</u>	<u>Balance December 31, 2012</u>	<u>Transferred from Fixed Capital Authorized and Uncompleted</u>	<u>Balance December 31, 2013</u>
1561	Various Improvements	6/19/2007	\$ 150,000	\$ -	\$ 150,000	\$ 150,000
				\$ -	\$ 150,000	\$ 150,000

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

<u>Ordinance Number</u>	<u>Improvement Description</u>	<u>Date of Ordinance</u>	<u>Amount</u>	<u>Balance, December 31, 2012</u>	<u>Transferred from Deferred Reserve for Amortization</u>	<u>Balance, December 31, 2013</u>
1561	Various Improvements	6/19/2007	\$ 150,000	\$ -	\$ 150,000	\$ 150,000
				\$ -	\$ 150,000	\$ 150,000

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

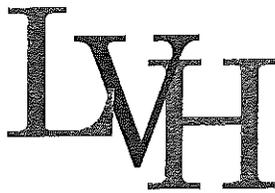
<u>Ordinance Number</u>	<u>Improvement Description</u>	<u>Date</u>	<u>Amount</u>	<u>Balance December 31, 2012</u>	<u>Transferred to Fixed Capital</u>	<u>Balance December 31, 2013</u>
1561	Various Improvements	6/19/2007	\$ 150,000	\$ 150,000	\$ 150,000	\$ 150,000
1693	Various Improvements	8/7/2012	150,000	150,000	-	-
				<u>\$ 300,000</u>	<u>\$ 150,000</u>	<u>\$ 150,000</u>

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

<u>Ordinance Number</u>	<u>Improvement Description</u>	<u>Date of Ordinance</u>	<u>Amount</u>	<u>Balance, December 31, 2012</u>	<u>Transferred to Reserve for Amortization</u>	<u>Balance, December 31, 2013</u>
1561	Various Improvements	6/19/2007	\$ 150,000	\$ 150,000	\$ 150,000	\$ 150,000
1693	Various Improvements	8/7/2007	150,000	150,000	-	-
				<u>\$ 300,000</u>	<u>\$ 150,000</u>	<u>\$ 150,000</u>

TOWNSHIP OF WYCKOFF
PART II
GOVERNMENT AUDITING STANDARDS





LERCH, VINCI & HIGGINS, LLP

CERTIFIED PUBLIC ACCOUNTANTS
REGISTERED MUNICIPAL ACCOUNTANTS

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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, 2013, and the related notes to the financial statements, and have issued our report thereon dated April 1, 2014. Our report on the financial statements – regulatory basis was modified to indicate 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 modified on the regulatory basis of accounting because of the presentation of the unaudited LOSAP Trust Fund financial statements.

Internal Control over Financial Reporting

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

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

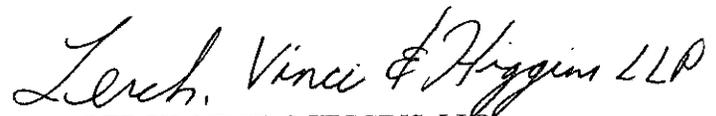
Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies. Given these limitations, during our audit we did not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

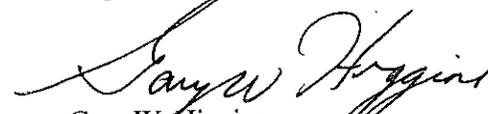
Compliance and Other Matters

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

Purpose of this Report

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


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


Gary W. Higgins
Registered Municipal Accountant
RMA Number CR00405

Fair Lawn, New Jersey
April 1, 2014

TOWNSHIP OF WYCKOFF
 SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
 FOR YEAR ENDED DECEMBER 31, 2013

Grant Year	Account Number	Federal CFDA Number	Grant Award	Grant Award Received	Balance, December 31, 2012	2013 Revenue Realized	Expenditures	Balance, December 31, 2013	(Memo) Cumulative Expenditures
U.S. Dept. of Transportation									
(Passed through NJ Dept of Transportation)									
2009	066-1160-100-057-XX	20.601	\$ 4,046		\$ 196	\$	\$ 196		\$ 4,046
2010	066-1160-100-057-XX	20.601	4,720		4,720		4,720		4,720
2011	066-1160-100-057-XX	20.601	5,580		5,580		976	4,604	976
2012	066-1160-100-057-XX	20.601	5,566			5,566		5,566	
2013	066-1160-100-057-XX	20.601	5,492	5,492					
2013	078-6320-480-AKN/AKS	20.205	150,000			150,000	137,220	12,780	137,220
U.S. Dept of Homeland Security									
(Passed through NJ Dept of Law and Public Safety)									
2013	066-1200-100-A92	97.036	258,751	258,751		258,751	238,751		258,751
U.S. Department of Housing and Urban Development									
Community Development Block Grant									
(Passed through County of Bergen)									
2011	Not Applicable	14.218	75,000		23,746		1,542	22,204	52,796
									\$ 458,509
									\$ 414,317
									\$ 403,405
									\$ 45,154

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

**TOWNSHIP OF WYCKOFF
SCHEDULE OF EXPENDITURES OF STATE FINANCIAL ASSISTANCE
FOR THE YEAR ENDED DECEMBER 31, 2013**

State Grant Program	Grant Number	Grant Year	Grant Award	Grant Amount Received	Balance, December 31, 2012	2013 Revenue	Expended	Cancelled	Balance, December 31, 2013	(Memo) Cumulative Expenditures
Clean Communities Program	4900-752-178810-60	2013	\$ 32,882	\$ 32,882	\$ 28,007	\$ 32,882	\$ 9,352		\$ 23,530	\$ 9,352
		2012	28,580		28,007		28,007			28,580
		2011	28,496		15,182		15,182			28,496
Recycling Tonnage Grant	N/A	2013	27,771	27,771						
		2012	28,151		28,151		28,151			28,151
Clean Cool Air Grant	N/A	2013	1,000	1,000		1,000	208		792	208
Municipal Alliance Program - State Share	N/A	2013	11,677	5,448		11,677	6,962		4,715	6,962
Municipal Alliance Program - Township Share	N/A	2013	3,100			3,100	411		2,689	411
Body Armor Replacement Grant	N/A	2012	2,513			2,513			2,513	
		2011	2,459		2,459				2,459	
		2010	1,110		1,110				1,110	
		2010	2,314		2,314				2,314	
Sustainable NJ	N/A	2012	2,000		2,000		2,000			2,000
		2011	1,000		49		49			1,000
Drive Sober Get Pulled Over	N/A	2012	4,400	2,260	4,400	4,400	4,191	209	2,469	4,191
		2013	4,400					1,931		
Alcohol Traffic Safety	N/A	2012	4,400		3,889			3,889		511
Alcohol Education and Rehab	N/A	2013	739	739		739	739			739
		2012	378			378	378			378
Over the Limit Under Arrest	N/A	2011	1,139		1,139				1,139	52
N/A - Not Available					\$ 60,549	\$ 84,840	\$ 95,630	\$ 6,029	\$ 43,730	\$ 111,031

Note - This schedule was not subject to an audit in accordance with NJ OMB Circular 04-04.

**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, 2013**

NOTE 1 GENERAL

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

NOTE 2 BASIS OF ACCOUNTING

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

NOTE 3 RELATIONSHIP TO FINANCIAL STATEMENTS

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

	<u>Federal</u>	<u>State</u>	<u>Total</u>
Current Fund	<u>\$ 414,317</u>	<u>\$ 84,840</u>	<u>\$ 499,157</u>
Total Financial Awards	<u>\$ 414,317</u>	<u>\$ 84,840</u>	<u>\$ 499,157</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, 2013



**TOWNSHIP OF WYCKOFF
SUPPLEMENTARY DATA**

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

	<u>Year 2013</u>		<u>Year 2012</u>	
	<u>Amount</u>	<u>Percent</u>	<u>Amount</u>	<u>Percent</u>
REVENUE AND OTHER INCOME REALIZED				
Fund Balance Utilized	\$ 1,750,000	2.16 %	\$ 1,750,000	2.18 %
Miscellaneous - From Other Than Local Property Tax Levies	4,502,307	5.56	4,002,243	4.98
Collection of Delinquent Taxes and Tax Title Liens	442,469	0.55	381,491	0.47
Collection of Current Tax Levy	73,995,222	91.32	73,800,349	91.84
Other Credits	<u>341,944</u>	<u>0.42</u>	<u>419,559</u>	<u>0.52</u>
 Total Income	 <u>81,031,942</u>	 <u>100.00</u> %	 <u>80,353,642</u>	 <u>100.00</u> %
EXPENDITURES				
Budget Expenditures				
Municipal Purposes	16,865,400	21.00	15,754,854	20.13 %
County Taxes	9,898,150	12.32	9,844,839	12.58
Local School Taxes	34,719,594	43.22	33,954,803	43.39
Regional School Taxes	18,232,207	22.70	18,268,086	23.35
Municipal Open Space Taxes	242,834	0.30	242,411	0.31
Other Expenditures	<u>369,448</u>	<u>0.46</u>	<u>185,316</u>	<u>0.24</u>
 Total Expenditures	 <u>80,327,633</u>	 <u>100.00</u> %	 <u>78,250,309</u>	 <u>100.00</u> %
Excess in Revenue	704,309		2,103,333	
Adjustments to Income Before Fund Balance:				
Expenditures Included Above Which are by Statute Deferred to Budget of Succeeding Year	<u>552,128</u>		<u>-</u>	
Excess in Revenue to Fund Balance	1,256,437		2,103,333	
Fund Balance, January 1	<u>2,992,434</u>		<u>2,639,101</u>	
	4,248,871		4,742,434	
Less Utilization as Anticipated Revenue	<u>1,750,000</u>		<u>1,750,000</u>	
Fund Balance, December 31	<u>\$ 2,498,871</u>		<u>\$ 2,992,434</u>	

**TOWNSHIP OF WYCKOFF
SUPPLEMENTARY DATA**

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

	<u>Year 2013</u>		<u>Year 2012</u>	
	<u>Amount</u>	<u>Percent</u>	<u>Amount</u>	<u>Percent</u>
REVENUE AND OTHER INCOME REALIZED				
Collection of Sewer Rents	\$ 2,124,002	97.85 %	\$ 2,053,835	98.48
Interest and Costs on Sewer Charges	4,577	0.21	6,820	0.33
Other Credits to Income:				
Miscellaneous Revenue Not Anticipated	15,302	0.70	24,636	1.18
Unexpended Balance of Appropriation Reserves	<u>26,838</u>	<u>1.24</u>	<u>350</u>	<u>0.02</u>
 Total Income	 <u>2,170,719</u>	 <u>100.00</u> %	 <u>2,085,641</u>	 <u>100.00</u> %
EXPENDITURES				
Budget Appropriations				
Operating	2,052,680	99.76	2,004,662	97.05
Capital Improvements	5,000	0.24	-	-
Deferred Charges and Statutory Expenditures	<u>-</u>	<u>-</u>	<u>61,004</u>	<u>2.95</u>
 Total Expenditures	 <u>2,057,680</u>	 <u>100.00</u> %	 <u>2,065,666</u>	 <u>100.00</u> %
 Excess in Revenues	 113,039		 19,975	
 Fund Balance, January 1	 <u>\$ 92,257</u>		 <u>\$ 72,282</u>	
 Fund Balance, December 31	 <u>\$ 205,296</u>		 <u>\$ 92,257</u>	

**TOWNSHIP OF WYCKOFF
SUPPLEMENTARY DATA**

Comparative Schedule of Tax Rate Information

	<u>2013</u>	<u>2012</u>	<u>2011</u>
Tax Rate	<u>\$1.555</u>	<u>\$1.534</u>	<u>\$1.518</u>

Apportionment of Tax Rate

Municipal	.250	.247	.240
County	.205	.204	.207
Local School	.721	.704	.696
Regional School	.379	.379	.375

Assessed Valuation

2013	<u>\$4,818,540,343</u>	
2012		<u>\$4,827,801,547</u>
2011		<u>\$4,793,628,601</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>
2013	\$ 75,376,440	\$ 74,645,222	99.02%
2012	74,371,347	73,800,349	99.23%
2011	73,319,924	72,613,684	99.03%

Property Acquired by Tax Title Lien Foreclosure

No properties have been acquired in 2013 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>
2013	\$36,700
2012	36,700
2011	36,700

**TOWNSHIP OF WYCKOFF
SUPPLEMENTARY DATA**

Delinquent Taxes and Tax Title Liens

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

<u>December 31 Year</u>	<u>Tax Title Liens</u>	<u>Amount of Delinquent Taxes</u>	<u>Total Delinquent</u>	<u>Percentage of Tax Levy</u>
2013	\$ 8,400	\$ 371,210	\$ 379,610	0.50%
2012	4,090	442,469	446,559	0.60%
2011	2,860	412,769	415,629	0.56%

Comparison of Sewer Utility Billings

<u>Year</u>	<u>Levy</u>	<u>Collections *</u>
2013	\$2,117,958	\$2,124,002
2012	2,069,497	2,053,835
2011	1,965,408	1,963,404

* 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		
2013	\$2,498,871	\$1,550,000
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
Sewer Utility Operating Fund		
2013	205,296	-0-
2012	92,257	-0-
2011	72,282	-0-
2010	97,282	25,000
2009	164,047	102,000

**TOWNSHIP OF WYCKOFF
SUPPLEMENTARY DATA**

OFFICIALS IN OFFICE AND SURETY BONDS AS OF DECEMBER 31, 2013

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>
Rudy Boonstra	Mayor		
Kevin Rooney	Township Committee		
Brian Scanlan	Township Committee		
Haakon Jepsen	Township Committee		
Douglas Christie	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:

Construction of DPW Pole Building	Improvements to Newtown Road
Recreation Equipment	Revaluation of Property
Purchase of Fire Apparatus	Drainage System Installation and Connection
Supply of Drainage Materials	

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, 2013, 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 2013 taxes and utility charges was held on October 24, 2013 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>
2013	4
2012	3
2011	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.

TOWNSHIP OF WYCKOFF
SUPPLEMENTARY DATA

RECOMMENDATIONS

There are none.

No recommendations were reported in the prior year audit.

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

Leuch, Vinci & Higgins LLP
LERCH, VINCI & HIGGINS, LLP
Certified Public Accountants
Registered Municipal Accountants

Gary W. Higgins

Gary W. Higgins
Registered Municipal Accountant
RMA Number CR00405