

**BOROUGH OF WANAQUE**  
**COUNTY OF PASSAIC**  
**FINANCIAL STATEMENTS WITH**  
**SUPPLEMENTARY INFORMATION**  
**DECEMBER 31, 2015**

**(WITH INDEPENDENT AUDITOR'S REPORT THEREON)**

**BOROUGH OF WANAQUE**

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**BOROUGH OF WANAQUE**

**PART I**

**REPORT ON EXAMINATION OF FINANCIAL STATEMENTS**

**AND SUPPLEMENTARY DATA**

**YEAR ENDED DECEMBER 31, 2015**

# Ferraioli, Wielkotz, Cerullo & Cuva, P.A.

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## INDEPENDENT AUDITOR'S REPORT

The Honorable Mayor and  
Members of the Borough Council  
Borough of Wanaque  
Wanaque, New Jersey 07465

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

We have audited the accompanying balance sheets - regulatory basis of the various funds and account group of the Borough of Wanaque in the County of Passaic, as of December 31, 2015 and 2014, the related statement 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, 2015, and the related notes to the financial statements, which collectively comprise the Borough's basic financial statements as listed in the table of contents.

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

Management is responsible for the preparation and fair presentation of these financial statements in accordance with the basis of accounting 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 audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America, the audit requirements prescribed by the Division of Local Government Services, Department of Community Affairs, State of New Jersey (the "Division"), and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement.



The Honorable Mayor and  
Members of the Borough Council  
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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.

The Length of Service Awards Program of the Borough of Wanaque has not been audited, and we were not engaged to audit The Length of Service Awards Program financial statements as part of our audit of the Borough's financial statements.

***Basis for Adverse Opinion on U.S. Generally Accepted Accounting Principles***

As described in Note 1 of the financial statements, the financial statements are prepared by the Borough of Wanaque on the basis of the financial reporting provisions 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 New Jersey.

The effects on the financial statements of the variances between the regulatory basis of accounting described in Note 1 and accounting principles generally accepted in the United States of America, although not reasonably determinable, are presumed to be material.

***Adverse Opinion on U.S. Generally Accepted Accounting Principles***

In our opinion, because of the significance of the matter discussed in the "Basis for Adverse Opinion on U.S. Generally Accepted Accounting Principles" paragraph, the financial statements referred to above do not present fairly, in accordance with accounting principles generally accepted in the United States of America, the financial position of each fund of the Borough of Wanaque as of December 31, 2015 and 2014, or changes in financial position for the years then ended.

The Honorable Mayor and  
Members of the Borough Council  
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### **Basis for Qualified Opinion on Regulatory Basis of Accounting**

The Borough's records of fixed assets have not been updated for additions and deletions for several years as required by N.J.A.C. 5:30-5.6 and we were unable to satisfy ourselves as to the correct carrying value of the general fixed assets by other auditing procedures.

In addition, as described in Note 16 of the financial statements, the Borough participates in a Length of Service Award Program (LOSAP) for its volunteer fire and rescue personnel. The amount reflected in the trust fund statements of \$1,310,156.79 and \$1,261,434.72 for 2015 and 2014, respectively, were not audited and, therefore, we express no opinion on the LOSAP program.

### ***Opinion on Regulatory Basis of Accounting***

In our opinion, except for the effects of the matters described in the "Basis for Qualified Opinion on Regulatory Basis of Accounting" paragraph, the financial statements referred to above, present fairly, in all material respects, the regulatory basis balances sheets and account group as of December 31, 2015 and 2014, the regulatory basis statements of operations for the years then ended and the regulatory basis statements of revenues and expenditures for the year ended December 31, 2015 in accordance with the basis of financial reporting prescribed by the Division of Local Government Services, Department of Community Affairs, State of New Jersey as described in Note 1.

### ***Other Matters***

#### ***Other Information***

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Borough of Wanaque's basic financial statements. The supplementary information listed in the table of contents and the letter of comments and recommendations section are presented for purposes of additional analysis and are not a required part of the basic financial statements.

The supplemental information listed in the table of contents is the responsibility of management and were derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the supplemental information listed in the table of contents is fairly stated, in all material respects, in relation to the basic financial statements as a whole.

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



The Honorable Mayor and  
Members of the Borough Council  
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**Other Reporting Required by *Government Auditing Standards***

In accordance with *Government Auditing Standards*, we have also issued our report dated July 22, 2016 on our consideration of the Borough of Wanaque'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 Borough of Wanaque's internal control over financial reporting and compliance.



Charles J. Ferraioli, Jr., C.P.A.  
Registered Municipal Accountant  
No. 388



FERRAIOLI, WIELKOTZ, CERULLO & CUVA, P.A.  
Certified Public Accountants  
Pompton Lakes, New Jersey

July 22, 2016



Comparative Balance Sheet - Regulatory Basis

Current Fund

December 31,

<u>Assets</u>	<u>Ref.</u>	<u>2015</u>	<u>2014</u>
<b>Current Fund:</b>			
Cash	A-4	5,418,591.18	4,765,204.11
Change Fund	A-6	625.00	625.00
Due from State of New Jersey:			
Senior Citizen and Veteran Deductions	A-7	7,576.48	7,488.70
		<u>5,426,792.66</u>	<u>4,773,317.81</u>
<b>Receivables and Other Assets with Full Reserves:</b>			
Delinquent Taxes Receivable	A-8	482,158.07	427,689.51
Tax Title Liens Receivable	A-9	125,518.38	460,304.37
Property Acquired for Taxes -			
Assessed Valuation	A-10	388,475.00	388,475.00
Revenue Accounts Receivable	A-11	24,744.60	66,506.54
Due from Passaic County	A-12	8,788.08	8,665.55
Interfund Receivables:			
Animal Control Trust Fund	A-13	16.69	
Payroll Fund	A-13	7,837.11	16,947.34
Public Assistance Fund	A-13	3.06	20.96
Assessment Trust Fund	A-13	66,993.13	
Sewer Operating Fund	A-13		28,811.43
		<u>1,104,534.12</u>	<u>1,397,420.70</u>
<b>Deferred Charges:</b>			
Special Emergency Authorization	A-14		118,492.71
			<u>118,492.71</u>
		<u>6,531,326.78</u>	<u>6,289,231.22</u>
<b>Federal and State Grant Fund:</b>			
State Grants Receivable	A-22	232,002.08	3,788.08
Interfund - Current Fund	A-25	274,777.80	277,632.98
		<u>506,779.88</u>	<u>281,421.06</u>
<b>Total Assets</b>		<u><u>7,038,106.66</u></u>	<u><u>6,570,652.28</u></u>

The accompanying "Notes to Financial Statements" are an integral part of these Financial Statements.

## Comparative Balance Sheet - Regulatory Basis

## Current Fund

December 31,

	<u>Ref.</u>	<u>2015</u>	<u>2014</u>
<u>Liabilities, Reserves and Fund Balance</u>			
Current Fund:			
Appropriation Reserves	A-3/A-15	250,502.92	292,090.28
Encumbrances Payable	A-16	165,911.28	113,287.05
Prepaid Taxes	A-17	230,317.57	147,502.38
Interfunds Payable			
Animal Control Trust Fund	A-13		255.23
Other Trust Fund	A-13	326,966.61	856,309.53
Assessment Trust Fund	A-13		3,145.77
Federal and State Grant Fund	A-13	274,777.80	277,632.98
Water Operating Fund	A-13	45,220.25	55,270.32
Sewer Capital Fund	A-13		50,000.00
General Capital Fund	A-13	100,672.08	514,011.92
Local School Tax Payable	A-18	180.00	181.50
Regional School Tax Payable	A-19	9,487.62	9,487.38
County Taxes Payable	A-20		35,279.14
Deposits for Redemption of Tax Sale Certificates	A-21	626,800.63	16,110.72
Tax Overpayments	A-21	533.32	17,633.34
Due to State of NJ:			
Marriage Surcharge	A-21		275.00
Building Surcharge	A-21	4,644.00	1,094.00
Reserve for:			
Revaluation / Tax Map	A-21	60,134.15	60,134.15
Tax Appeals	A-21	57,938.95	61,846.56
Police Law Enforcement	A-21	56.64	56.64
Project D.A.R.E.	A-21	21,642.11	20,710.80
P.I.L.O.T. Service Charge	A-21	670,258.79	205,846.00
Fire Prevention Bureau	A-21	20,528.85	20,528.85
		<u>2,866,573.57</u>	<u>2,758,689.54</u>
Reserve for Receivables	Contra	1,104,534.12	1,397,420.70
Fund Balance	A-1	<u>2,560,219.09</u>	<u>2,133,120.98</u>
		<u>6,531,326.78</u>	<u>6,289,231.22</u>
Federal and State Grant Fund:			
Appropriated Reserve for Grants	A-23	465,640.00	241,457.20
Unappropriated Reserve for Grants	A-24	41,139.88	39,963.86
		<u>506,779.88</u>	<u>281,421.06</u>
Total Liabilities, Reserves and Fund Balance		<u>7,038,106.66</u>	<u>6,570,652.28</u>

The accompanying "Notes to Financial Statements" are an integral part of these Financial Statements.

Comparative Statement of Operations and Changes in Fund Balance - Regulatory Basis

Current Fund

Year Ended December 31,

	<u>Ref.</u>	<u>2015</u>	<u>2014</u>
Revenues and Other Income:			
Fund Balance Utilized	A-2	888,500.00	835,000.00
Miscellaneous Revenue Anticipated	A-2	2,427,547.90	1,992,594.98
Receipts from Delinquent Taxes	A-2	720,541.90	402,433.48
Receipts from Current Taxes	A-2	39,871,698.45	39,360,423.69
Non-Budget Revenue	A-2	62,766.11	142,470.37
Due From Passaic County	A-12	8,665.55	8,981.52
Other Credits to Income:			
Interfunds Returned	A-13	45,779.73	44,751.19
Unexpended Balance of Appropriation Reserves	A-15	161,739.83	289,889.70
Canceled Tax Overpayments	A-21	15,108.46	
		<hr/>	<hr/>
Total Revenues and Other Income		44,202,347.93	43,076,544.93
Expenditures:			
Budget and Emergency Appropriations:			
Operations:			
Salaries and Wages	A-3	4,658,560.00	4,503,475.00
Other Expenses	A-3	4,841,965.86	4,746,191.80
Capital Improvement Fund	A-3	200,000.00	314,000.00
Municipal Debt Service	A-3	1,225,428.24	1,223,889.29
Deferred Charges and Statutory Expenditures -			
Municipal	A-3	1,230,003.71	1,340,329.35
Refund of Prior Years Revenue	A-4	695.00	11,250.00
Due From Passaic County	A-12	8,788.08	8,665.55
Interfund Advances	A-13	74,849.99	45,779.73
Municipal Open Space	A-13	112,225.20	112,923.41
Local District School Tax	A-18	13,919,890.00	13,600,242.00
Regional High School Tax	A-19	7,071,779.50	7,454,415.00
County Taxes including Added Taxes	A-20	9,542,564.24	9,141,170.87
		<hr/>	<hr/>
Total Expenditures		42,886,749.82	42,502,332.00

Comparative Statement of Operations and Changes in Fund Balance - Regulatory Basis

Current Fund

Year Ended December 31,

	<u>Ref.</u>	<u>2015</u>	<u>2014</u>
Excess (Deficit) Revenue Over Expenditures		1,315,598.11	574,212.93
Adjustment to Income Before Fund Balance - Expenditures Included above Which are by Statute Deferred Charges to Budget of Succeeding Year			
Statutory Excess to Fund Balance		1,315,598.11	574,212.93
Fund Balance, January 1,	A	<u>2,133,120.98</u>	<u>2,393,908.05</u>
		3,448,719.09	2,968,120.98
Decreased by:			
Fund Balance Utilized as Budget Revenue		<u>888,500.00</u>	<u>835,000.00</u>
Fund Balance, December 31,	A	<u><u>2,560,219.09</u></u>	<u><u>2,133,120.98</u></u>

The accompanying "Notes to Financial Statements" are an integral part of these Financial Statements.

**Borough of Wanaque , N.J.**  
**Statement of Revenues - Regulatory Basis**

**Current Fund**

**Year Ended December 31, 2015**

	<u>Ref.</u>	<u>Budget</u>	<u>Realized</u>	<u>Excess or (Deficit)</u>
Fund Balance Anticipated	A-1	<u>888,500.00</u>	<u>888,500.00</u>	
Miscellaneous Revenues:				
Licenses:				
Alcoholic Beverages	A-11	12,000.00	12,240.00	240.00
Licenses - Other	A-2	5,800.00	5,797.00	(3.00)
Fees & Permits	A-2	13,300.00	11,807.47	(1,492.53)
Fines and Costs:				
Municipal Court	A-11	213,500.00	207,745.11	(5,754.89)
Interest and Costs on Taxes	A-5	70,000.00	276,784.84	206,784.84
Interest on Investments	A-11	7,800.00	14,872.62	7,072.62
Consolidated Municipal Property Tax Relief Aid	A-4	73,125.00	73,125.00	
Energy Receipts Tax	A-4	829,233.00	829,233.00	
Garden State Trust PILOT	A-4	4,385.00	4,385.00	
Uniform Construction Code Fees	A-11	83,000.00	199,409.00	116,409.00
Interlocal Agreements				
Street Lighting Contract	A-12	9,000.00	8,788.08	(211.92)
Township of Lyndhurst - QPA Services	A-11	21,000.00	21,000.00	
Township of Lyndhurst - Recreation Services	A-11	10,000.00	10,000.00	
Borough of Riverdale - Construction Code Services	A-11	40,000.00	40,000.00	
Clean Communities Program	A-22	16,978.48	16,978.48	
Recycling Tonnage Grant	A-22	12,714.00	12,714.00	
Passaic County Open Space				
Memorial Field	A-22	30,000.00	30,000.00	
Tremont Park	A-22	20,000.00	20,000.00	
Aid to Firefighters Grant	A-22	133,334.00	133,334.00	
Municipal Alliance	A-22	44,880.00	44,880.00	
Over the Limit Under Arrest	A-22	8,000.00	8,000.00	
Body Armor Replacement Fund	A-22	2,271.38	2,271.38	
Cable TV	A-11	57,510.00	57,510.00	
Uniform Fire Safety Act	A-11	16,870.00	17,094.62	224.62
Library Services	A-11	22,000.00	22,000.00	
Hotel Occupancy Fee	A-11	66,000.00	71,114.07	5,114.07
Social Services Rent	A-11	77,000.00	79,008.00	2,008.00
Cellular Tower Lease	A-11	176,000.00	192,456.23	16,456.23
Wanaque BOE Field Reimbursement	A-11	5,000.00	5,000.00	
Total Miscellaneous Revenues	A-1	2,080,700.86	2,427,547.90	346,847.04
Receipts from Delinquent Taxes	A-1/A-2	400,000.00	720,541.90	320,541.90
Subtotal General Revenues		<u>3,369,200.86</u>	<u>4,036,589.80</u>	<u>667,388.94</u>
Amount to be Raised by Taxes for Support of Municipal Budget - Local Tax for Municipal Purposes Including Reserve for Uncollected Taxes	A-2	<u>9,703,522.71</u>	<u>10,103,032.01</u>	<u>399,509.30</u>
Budget Totals		<u>13,072,723.57</u>	<u>14,139,621.81</u>	<u>1,066,898.24</u>
Non-Budget Revenue	A-1/A-2		<u>62,766.11</u>	<u>62,766.11</u>
		<u>13,072,723.57</u>	<u>14,202,387.92</u>	<u>1,129,664.35</u>
Adopted Budget	A-3	12,844,509.57		
Appropriated by N.J.S. 40A:4-87	A-3	228,214.00		
		<u>13,072,723.57</u>		

The accompanying "Notes to Financial Statements" are an integral part of these Financial Statements.

**Borough of Wanaque , N.J.**  
**Statement of Revenues - Regulatory Basis**  
**Current Fund**  
**Year Ended December 31, 2015**

Analysis of Realized Revenues

	<u>Ref.</u>	
Revenue from Collections	A-1/A-8	39,871,698.45
Allocated to School and County Taxes	A-8	<u>30,615,722.44</u>
Balance for Support of Municipal Budget Appropriations		9,255,976.01
Add : Appropriation - Reserve for Uncollected Taxes	A-3	<u>847,056.00</u>
Amount for Support of Municipal Budget Appropriations	A-2	<u><u>10,103,032.01</u></u>
Receipts from Delinquent Taxes:		
Delinquent Taxes	A-2,A-8	408,173.45
Tax Title Liens	A-9	<u>312,368.45</u>
	A-2	<u><u>720,541.90</u></u>
Licenses - Other:		
Clerk	A-11	3,670.00
Board of Health	A-11	<u>2,127.00</u>
	A-2	<u><u>5,797.00</u></u>
Fees & Permits		
Clerk	A-11	862.97
Police	A-11	2,028.50
Board of Health	A-11	<u>8,916.00</u>
	A-2	<u><u>11,807.47</u></u>

Analysis of Non-budget Revenues

	<u>Ref.</u>	
Miscellaneous Revenues Not Anticipated:		
Senior Citizen and Veterans Administrative Fee		2,362.26
Refund of Prior Year Expenditures		5,886.71
Interest and Costs on Assessments		964.10
Use of Borough Property		3,022.50
DMV Inspections		2,700.00
Sale of Assets		324.00
Various Refunds and Miscellaneous		<u>47,506.54</u>
	A-4	<u>62,766.11</u>
	A-2	<u><u>62,766.11</u></u>

The accompanying "Notes to Financial Statements" are an integral part of these Financial Statements.

Borough of Wanauque, N.J.

Statement of Expenditures - Regulatory Basis

Current Fund

Year Ended December 31, 2015

	<u>General Appropriations</u>	<u>Ref.</u>	<u>Budget</u>	<u>Budget After Modification</u>	<u>Paid or Charged</u>	<u>Reserved</u>	<u>Unexpended Balance Cancelled</u>
General Government Functions							
Administrative and Executive							
Salaries and Wages			84,000.00	84,000.00	84,000.00		
Other Expenses			53,350.00	52,350.00	51,948.61	401.39	
Mayor and Council							
Salaries and Wages			39,000.00	39,000.00	39,000.00		
Other Expenses			3,750.00	3,750.00	3,658.90	91.10	
Municipal Clerk							
Salaries and Wages			163,250.00	163,250.00	163,250.00		
Other Expenses			28,600.00	28,600.00	28,529.90	70.10	
Elections							
Salaries & Wages			2,500.00	2,500.00	2,500.00		
Other Expenses			4,000.00	4,000.00	3,750.00	250.00	
Financial Administration:							
Salaries & Wages			118,400.00	118,400.00	117,255.44	1,144.56	
Other Expenses			19,150.00	19,150.00	18,933.19	216.81	
Data Processing			15,500.00	29,600.00	29,594.86	5.14	
Miscellaneous Other Expenses			49,000.00	49,000.00	49,000.00		
Collection of Taxes							
Salaries and Wages			68,550.00	68,550.00	68,550.00		
Other Expenses			6,700.00	6,200.00	6,163.56	36.44	
Assessment of Taxes							
Salaries and Wages			54,800.00	54,800.00	54,800.00		
Other Expenses			12,775.00	12,775.00	12,746.27	28.73	
Legal Services and Costs							
Other Expenses			108,000.00	128,000.00	127,251.19	748.81	
Engineering Services and Costs							
Other Expenses			47,400.00	47,400.00	8,750.00	38,650.00	

Borough of Wanauque, N.J.

Statement of Expenditures - Regulatory Basis

Current Fund

Year Ended December 31, 2015

<u>General Appropriations</u>	<u>Ref.</u>	<u>Budget</u>	<u>Budget After Modification</u>	<u>Paid or Charged</u>	<u>Reserved</u>	<u>Unexpended Balance Cancelled</u>
Planning Board						
Salaries and Wages		5,725.00	6,125.00	6,125.00		
Other Expenses		10,075.00	10,075.00	10,001.63	73.37	
Board of Adjustment						
Salaries and Wages		5,725.00	6,125.00	6,125.00		
Other Expenses		3,175.00	3,175.00	3,014.53	160.47	
Insurance:						
Other Insurance Premiums		373,701.00	334,501.00	333,939.40	561.60	
Group Insurance for Employees		1,160,261.00	1,160,261.00	1,109,533.79	50,727.21	
Health Benefit Waiver		93,000.00	93,000.00	91,342.13	1,657.87	
Police						
Salaries and Wages		3,202,800.00	3,267,000.00	3,267,000.00		
Other Expenses		165,500.00	149,500.00	144,288.01	5,211.99	
Police Vehicles		38,000.00	76,000.00	71,935.00	4,065.00	
911 Dispatch Services		9,500.00	9,500.00	9,266.00	234.00	
Emergency Management Services:						
Salaries and Wages		14,925.00	14,925.00	14,925.00		
Other Expenses		4,850.00	2,850.00	2,450.00	400.00	
First Aid Organization Contribution		44,000.00	44,000.00	43,937.98	62.02	
Fire						
Salaries and Wages		4,000.00	4,000.00	4,000.00		
Clothing Allowance		25,000.00	21,600.00	21,600.00		
Miscellaneous Other Expenses		71,875.00	71,875.00	71,721.59	153.41	
Uniform Fire Safety Act (Ch. 383, P.L. 1983)						
Salaries and Wages		33,660.00	33,660.00	33,660.00		
Other Expenses		3,650.00	3,650.00	2,884.83	765.17	
Municipal Prosecutor						
Retainer		23,000.00	23,000.00	23,000.00		

Borough of Wanaque, N.J.

Statement of Expenditures - Regulatory Basis

Current Fund

Year Ended December 31, 2015

General Appropriations	Ref.	Budget	Budget After Modification	Paid or Charged	Reserved	Unexpended Balance Cancelled
Road Repair and Maintenance						
Salaries and Wages		412,750.00	412,750.00	412,750.00		
Other Expenses		186,300.00	186,300.00	186,299.32	0.68	
Public Buildings and Grounds						
Other Expenses		213,750.00	228,750.00	228,734.02	15.98	
Garbage and Trash Removal						
Other Expenses		671,000.00	631,500.00	630,005.22	1,494.78	
Municipal Services Act (P.L. 1993, CH. 6)						
Garbage and Trash Removal		25,000.00	25,000.00		25,000.00	
Other Expenses						
Recycling						
Other Expenses		185,000.00	177,000.00	168,306.75	8,693.25	
Board of Health						
Salaries and Wages		86,500.00	86,500.00	86,500.00		
Other Expenses		110,000.00	109,000.00	107,957.77	1,042.23	
Parks and Playgrounds:						
Salaries and Wages		4,450.00	4,450.00	4,450.00		
Other Expenses						
Golden Agers		9,500.00	9,500.00	9,450.00	50.00	
Miscellaneous Other Expenses		33,340.00	33,340.00	27,827.31	5,512.69	
Municipal Court:						
Salaries and Wages		111,750.00	115,650.00	113,292.50	2,357.50	
Other Expenses		9,800.00	8,300.00	6,882.67	1,417.33	
Uniform Construction Code Officials						
Salaries and Wages		77,325.00	78,325.00	78,325.00		
Other Expenses		6,600.00	6,600.00	5,927.66	672.34	
Electrical Inspector						
Salaries and Wages		13,700.00	13,700.00	13,700.00		

Borough of Wanaque, N.J.

Statement of Expenditures - Regulatory Basis

Current Fund

Year Ended December 31, 2015

<u>General Appropriations</u>	<u>Ref.</u>	<u>Budget</u>	<u>Budget After Modification</u>	<u>Paid or Charged</u>	<u>Reserved</u>	<u>Unexpended Balance Cancelled</u>
Plumbing Inspector		13,700.00	13,700.00	13,700.00		
Salaries and Wages						
Fire Sub-Code Official		7,650.00	7,650.00	7,650.00		
Salaries and Wages						
Celebration of Public Events		11,500.00	11,500.00	11,491.27	8.73	
Other Expenses		60,000.00	39,000.00	39,000.00		
Street Lighting		43,000.00	41,600.00	41,597.57	2.43	
Telephone		80,000.00	65,000.00	63,233.89	1,766.11	
Gasoline						
Total Operations within "CAPS"		8,543,762.00	8,551,262.00	8,397,512.76	153,749.24	
Detail:						
Salaries and Wages	A-1	4,525,160.00	4,595,060.00	4,591,557.94	3,502.06	
Other Expenses	A-1	4,018,602.00	3,956,202.00	3,805,954.82	150,247.18	
Deferred Charges and Statutory Expenditures - Municipal within "CAPS"						
Statutory Expenditures:						
Contribution to:						
Public Employee Retirement System		193,031.00	193,031.00	193,030.00	1.00	
Social Security System (O.A.S.I.)		176,000.00	168,500.00	168,413.72	86.28	
Police and Firemen's Retirement System of NJ		654,980.00	654,980.00	654,980.00		
Defined Contribution Retirement Plan		8,000.00	8,000.00	4,218.79	3,781.21	
Total Deferred Charged and Statutory Expenditures - Municipal within "CAPS"	A-1	1,032,011.00	1,024,511.00	1,020,642.51	3,868.49	
Total General Appropriations for Municipal Purposes within "CAPS"		9,575,773.00	9,575,773.00	9,418,155.27	157,617.73	

Borough of Wanaque, N.J.

Statement of Expenditures - Regulatory Basis

Current Fund

Year Ended December 31, 2015

<u>General Appropriations</u>	<u>Ref.</u>	<u>Budget</u>	<u>Budget After Modification</u>	<u>Paid or Charged</u>	<u>Reserved</u>	<u>Unexpended Balance Cancelled</u>
Operations - Excluded from "CAPS"						
Maintenance of Free Public Library		419,347.00	419,347.00	419,347.00		
Increase in Group Insurance 1977 Cap Exc.					31,739.00	
Group Insurance for Employees		31,739.00	31,739.00			
Reserve for Tax Appeals		50,000.00	50,000.00	50,000.00		
Emergency Services Volunteer Length of Service Award Program		60,000.00	60,000.00		60,000.00	
Interlocal Municipal Service Agreements:						
Street Lighting		9,000.00	9,000.00	9,000.00		
Other Expenses						
Borough of Lyndhurst - QPA		21,000.00	21,000.00	21,000.00		
Salaries & Wages						
Borough of Lyndhurst - Recreation		2,500.00	2,500.00	2,500.00		
Salaries & Wages		7,500.00	7,500.00	7,500.00		
Other Expenses						
Borough of Ringwood		40,000.00	40,000.00	38,853.81	1,146.19	
Municipal Court						
Borough of Riverdale-Uniform Construction Code Officials		40,000.00	40,000.00	40,000.00		
Salaries & Wages						
Public and Private Programs Offset by Revenues						
Clean Communities Program		16,978.48	16,978.48	16,978.48		
Over the Limit Under Arrest		8,000.00	8,000.00	8,000.00		
Municipal Alliance		44,880.00	44,880.00	44,880.00		
Recycling Tonnage Grant		12,714.00	12,714.00	12,714.00		
Aid to Firefighters Grant		133,334.00	133,334.00	133,334.00		
Passaic County Open Space:						
Memorial Field		30,000.00	30,000.00	30,000.00		
Tremont Park		20,000.00	20,000.00	20,000.00		

Borough of Wanaque, N.J.

Statement of Expenditures - Regulatory Basis

Current Fund

Year Ended December 31, 2015

General Appropriations	Ref.	Budget	Budget After Modification	Paid or Charged	Reserved	Unexpended Balance Cancelled
Body Armor Replacement Program		2,271.38	2,271.38	2,271.38		
Total Operations - Excluded from "CAPS"		949,263.86	949,263.86	856,378.67	92,885.19	
Detail:						
Salaries & Wages	A-1	63,500.00	63,500.00	63,500.00		
Other Expenses	A-1	885,763.86	885,763.86	792,878.67	92,885.19	
Capital Improvements:						
Capital Improvement Fund		200,000.00	200,000.00	200,000.00		
Total Capital Improvements Excluded from "CAPS"	A-1	200,000.00	200,000.00	200,000.00		
Municipal Debt Service:						
Payment of Bond Principal		733,000.00	733,000.00	733,000.00		
Payment of Bond Anticipation Notes		5,590.00	5,590.00	5,590.00		
Interest on Bonds		393,465.00	393,465.00	341,133.19		52,331.81
Interest on Notes		123,296.00	123,296.00	119,120.08		4,175.92
Green Trust Loan Program:						
Loan Repayments for Principal and Interest		39,787.00	39,787.00	26,584.97		13,202.03
Total Municipal Debt Service-Excluded from "CAPS"	A-1	1,295,138.00	1,295,138.00	1,225,428.24		69,709.76
Deferred Charges:						
Special Emergency Authorizations		118,492.71	118,492.71	118,492.71		
Deferred Charges to Future Tax-Unfunded		55,000.00	55,000.00	55,000.00		
Ord 18-0-10 Acquisition of Vehicles		32,000.00	32,000.00	32,000.00		
Deficit in Assessment Cash						
Total Deferred Charges - Municipal - Excluded from "CAPS"	A-1	205,492.71	205,492.71	205,492.71		

Borough of Wanaque, N.J.

Statement of Expenditures - Regulatory Basis

Current Fund

Year Ended December 31, 2015

	<u>Ref.</u>	<u>Budget</u>	<u>Budget After Modification</u>	<u>Paid or Charged</u>	<u>Reserved</u>	<u>Unexpended Balance Cancelled</u>
Total General Appropriations for Municipal Purposes Excluded from "CAPS"		<u>2,649,894.57</u>	<u>2,649,894.57</u>	<u>2,487,299.62</u>	<u>92,885.19</u>	<u>69,709.76</u>
Subtotal General Appropriations		<u>12,225,667.57</u>	<u>12,225,667.57</u>	<u>11,905,454.89</u>	<u>250,502.92</u>	<u>69,709.76</u>
Reserve for Uncollected Taxes		<u>847,056.00</u>	<u>847,056.00</u>	<u>847,056.00</u>		
Total General Appropriations		<u>13,072,723.57</u>	<u>13,072,723.57</u>	<u>12,752,510.89</u>	<u>250,502.92</u>	<u>69,709.76</u>
Adopted Budget Appropriated by (N.J.S. 40A:4-87)	A-2 A-2		<u>12,844,509.57</u> <u>228,214.00</u>			
			<u>13,072,723.57</u>			
Analysis of Paid or Charged						
Reserve for Uncollected Taxes	A-2			<u>847,056.00</u>		
Cash Disbursed	A-4			<u>11,302,873.04</u>		
Deferred Charges						
Special Emergency Authorization	A-14			<u>118,492.71</u>		
Encumbrances Payable	A-16			<u>165,911.28</u>		
Reserve for Tax Appeals	A-21			<u>50,000.00</u>		
Reserve for Federal and State Grants	A-23			<u>268,177.86</u>		
				<u>12,752,510.89</u>		

The accompanying "Notes to Financial Statements" are an integral part of these Financial Statements.

## Comparative Balance Sheet - Regulatory Basis

## Trust Funds

December 31,

<u>Assets</u>	<u>Ref.</u>	<u>2015</u>	<u>2014</u>
<b>Assessment Trust Fund</b>			
Cash	B-4, B-5	51,151.31	5,108.44
Assessments Receivable	B-6	7,697.80	17,601.77
Interfund - Current Fund	B-7		3,145.77
Prospective Assessments Funded	B-8	1,119,300.00	337,000.00
		<u>1,178,149.11</u>	<u>362,855.98</u>
<b>Animal Control Trust Fund:</b>			
Cash	B-4	404.46	1,013.78
Interfund - Current Fund	B-7		255.23
		<u>404.46</u>	<u>1,269.01</u>
<b>Other Trust Funds:</b>			
Cash	B-4	1,723,638.17	1,629,844.25
Interfund - Current Fund	B-7	326,966.61	856,309.53
Interfund - Water Capital Fund	B-15	200,000.00	200,000.00
Interfund - Payroll Fund	B-15	6,901.80	18,020.19
		<u>2,257,506.58</u>	<u>2,704,173.97</u>
<b>Recreation Trust Fund</b>			
Cash	B-4	25,321.49	33,823.24
		<u>25,321.49</u>	<u>33,823.24</u>
<b>Payroll Agency Trust Fund</b>			
Cash	B-4	61,411.18	78,463.41
		<u>61,411.18</u>	<u>78,463.41</u>
<b>Emergency Services Volunteer Length of Service Award Program (Unaudited)</b>			
Cash in Plan	B-4	1,245,756.79	1,199,334.72
Contributions Receivable	B-19	64,400.00	62,100.00
		<u>1,310,156.79</u>	<u>1,261,434.72</u>
<b>Total Assets</b>		<u><u>4,832,949.61</u></u>	<u><u>4,442,020.33</u></u>

The accompanying "Notes to Financial Statements" are an integral part of these Financial Statements.

## Comparative Balance Sheet - Regulatory Basis

## Trust Funds

December 31,

<u>Liabilities, Reserves &amp; Fund Balance</u>	<u>Ref.</u>	<u>2015</u>	<u>2014</u>
<b>Assessment Trust Fund</b>			
Interfund - Current Fund	B-7	66,993.13	
Assessment Serial Bonds	B-9	838,000.00	161,000.00
Reserve for Assessments and Liens	B-10	256,997.80	195,442.05
Fund Balance	B-1	<u>16,158.18</u>	<u>6,413.93</u>
		<u>1,178,149.11</u>	<u>362,855.98</u>
<b>Animal Control Trust Fund:</b>			
Interfund - Current Fund	B-7	16.69	
Reserve for Animal Control Expenditures	B-11	<u>387.77</u>	<u>1,269.01</u>
		<u>404.46</u>	<u>1,269.01</u>
<b>Other Trust Fund:</b>			
Developers Escrow	B-13	57,209.12	51,588.28
Various Reserves	B-13	1,947,662.38	1,781,428.54
Reserve for Municipal Open Space	B-14	248,459.28	139,737.15
Interfund - General Capital Fund	B-15	<u>4,175.80</u>	<u>731,420.00</u>
		<u>2,257,506.58</u>	<u>2,704,173.97</u>
<b>Recreation Trust Fund:</b>			
Reserve for Recreation Expenditures	B-16	<u>25,321.49</u>	<u>33,823.24</u>
<b>Payroll Agency Trust Fund</b>			
Interfund - Current Fund	B-7	7,837.11	16,947.34
Payroll Deductions Payable	B-17	46,672.27	43,495.88
Interfund - Other Trust Fund	B-18	<u>6,901.80</u>	<u>18,020.19</u>
		<u>61,411.18</u>	<u>78,463.41</u>
<b>Emergency Services Volunteer Length of Service Award Program (Unaudited)</b>			
Net Assets Available for Benefits	B-20	<u>1,310,156.79</u>	<u>1,261,434.72</u>
		<u>1,310,156.79</u>	<u>1,261,434.72</u>
<b>Total Liabilities, Reserves and Fund Balances</b>		<u><u>4,832,949.61</u></u>	<u><u>4,442,020.33</u></u>

The accompanying "Notes to Financial Statements" are an integral part of these Financial Statements.

**Borough of Wanaque, N.J.**

**Comparative Schedule of Fund Balance - Regulatory Basis**

**Assessment Trust Fund**

**December 31,**

	<u>Ref.</u>	<u>2015</u>	<u>2014</u>
Balance - January 1,	B	6,413.93	4,253.79
Increased by:			
Collection of Unpledged Assessments	B-10	<u>9,744.25</u>	<u>2,160.14</u>
Balance - December 31,	B	<u><u>16,158.18</u></u>	<u><u>6,413.93</u></u>

The accompanying "Notes to Financial Statements" are an integral part of these Financial Statements.

**Borough of Wanaque, N.J.**

**Schedule of Revenues - Regulatory Basis**

**Assessment Trust Fund**

**Year Ended December 31, 2015**

	<u>Ref.</u>	<u>Budget Revenue</u>	<u>Realized</u>
Assessment Cash	B-3	<u>66,000.00</u>	<u>66,000.00</u>
		<u>66,000.00</u>	<u>66,000.00</u>

**Schedule of Expenditures - Regulatory Basis**

**Assessment Trust Fund**

**Year Ended December 31, 2015**

	<u>Ref.</u>	<u>Budget Appropriation</u>	<u>Expended</u>
Payment of Bond Principal	B-2	<u>66,000.00</u>	<u>66,000.00</u>

The accompanying "Notes to Financial Statements" are an integral part of these Financial Statements.

## Borough of Wanaque, N.J.

## Comparative Balance Sheet - Regulatory Basis

## General Capital Fund

December 31,

<u>Assets</u>	<u>Ref.</u>	<u>2015</u>	<u>2014</u>
Cash	C-2/C-3	1,682,616.64	4,741,186.09
Various Grants Receivable	C-4	507,427.31	378,017.07
Deferred Charges to Future Taxation:			
Funded	C-5	16,377,299.68	5,655,865.33
Deferred Charges to Future Taxation:			
Unfunded	C-6	1,232,349.98	12,935,689.98
Prospective Assessments Raised by Taxation	C-7		39,300.00
Interfund - Current Fund	C-15	100,672.08	514,011.92
Interfund - Water Operating Fund	C-15	25,667.60	17,985.00
Interfund - Other Trust Fund	C-15	4,175.80	731,420.00
Total Assets		<u>19,930,209.09</u>	<u>25,013,475.39</u>
<u>Liabilities, Reserves and Fund Balance</u>			
General Serial Bonds	C-8	16,190,000.00	5,446,000.00
Bond Anticipation Notes	C-9		12,329,590.00
Loan Payable - DEP. - Back Beach Phase II	C-10		13,070.83
Loan Payable - NJDEP Green Trust	C-11	187,299.68	196,794.50
Improvement Authorizations:			
Funded	C-12	1,111,446.17	521,847.74
Unfunded	C-12	801,216.65	4,393,629.18
Capital Improvement Fund	C-13	128,750.00	100,000.00
Reserve for:			
Debt Service	C-14	55,653.53	55,653.53
Bond Issue Costs	C-14	21,066.51	
Special Needs Housing	C-14	795,859.00	795,859.00
Prospective Assessments Raised by Taxation	contra		39,300.00
Interfund - Sewer Capital Fund	C-15		315,600.59
Interfund - Water Capital Fund	C-15		467,265.40
Fund Balance	C-1	638,917.55	338,864.62
Total Liabilities, Reserves and Fund Balance		<u>19,930,209.09</u>	<u>25,013,475.39</u>

Footnote: There were \$1,232,349.98 of Bonds and Notes Authorized But Not Issued on December 31, 2015 per Exhibit C-16

The accompanying "Notes to the Financial Statements" are an integral part of these Financial Statements.

Borough of Wanaque , N.J.

Comparative Schedule of Fund Balance - Regulatory Basis

General Capital Fund

December 31,

	<u>Ref.</u>	<u>2015</u>	<u>2014</u>
Balance - January 1,	C	338,864.62	289,792.85
Increased by:			
Canceled Funded Improvement Authorizations	C-12	300,052.93	
Premium on Sale of Bond Anticipation Notes			<u>49,071.77</u>
Balance - December 31,	C,C-3	<u>638,917.55</u>	<u>338,864.62</u>

The accompanying "Notes to the Financial Statements" are an integral part of these Financial Statemen

## Borough of Wanaque, N.J.

## Comparative Balance Sheet - Regulatory Basis

## Water Utility Fund

December 31,

	<u>Ref</u>	<u>2015</u>	<u>2014</u>
<u>Assets</u>			
<b>Operating Fund:</b>			
Cash	D-5	1,484,428.00	639,740.94
Change Fund	D-6	100.00	100.00
Interfund - Current Fund	D-9	45,220.25	55,270.32
Interfund - Water Utility Capital Fund	D-9	122.19	57,609.52
		<u>1,529,870.44</u>	<u>752,720.78</u>
Receivables with Full Reserves:			
Consumers Account Receivable	D-10	193,709.97	203,074.50
Water Liens Receivable	D-11		4,064.72
		<u>193,709.97</u>	<u>207,139.22</u>
<b>Total Operating Fund</b>		<u>1,723,580.41</u>	<u>959,860.00</u>
<b>Capital Fund:</b>			
Cash	D-5/D-8	112,242.42	30,142.72
Fixed Capital	D-12	10,099,319.16	8,635,748.87
Fixed Capital Authorized and Uncompleted	D-13	1,390,000.00	2,046,009.94
Interfund - General Capital Fund	D-26		467,265.40
Due from CDBG	D-28	100,000.00	
		<u>11,701,561.58</u>	<u>11,179,166.93</u>
<b>Total Capital Fund</b>		<u>11,701,561.58</u>	<u>11,179,166.93</u>
<b>Total Assets</b>		<u>13,425,141.99</u>	<u>12,139,026.93</u>

The accompanying "Notes to the Financial Statements" are an integral part of these Financial Statements.

## Borough of Wanaque, N.J.

## Comparative Balance Sheet - Regulatory Basis

## Water Utility Fund

December 31,

	<u>Ref</u>	<u>2015</u>	<u>2014</u>
<u>Liabilities, Reserves and Fund Balance</u>			
<b>Operating Fund:</b>			
Interfund - Sewer Operating Fund	D-9	169,596.15	258,723.66
Interfund - General Capital Fund	D-9	25,667.60	17,985.00
Appropriation Reserve	D-4/D-14	54,745.43	80,482.24
Encumbrances Payable	D-15	52,972.18	5,622.87
Accrued Interest on Bonds	D-16	87,051.80	80,801.83
Accrued Interest on Notes	D-17	3,278.80	3,278.80
Security Deposits Payable	D-18	375.00	375.00
Reserve for Water Improvement Escrow	D-19	41,605.46	41,422.58
Water Rent Overpayments	D-20	399.41	310.70
Reserve for Legal Settlement	D-29	900,000.00	
		<u>1,335,691.83</u>	<u>489,002.68</u>
Reserve for Receivables	Contra	193,709.97	207,139.22
Fund Balance	D-1	194,178.61	263,718.10
<b>Total Operating Fund</b>		<u>1,723,580.41</u>	<u>959,860.00</u>
<b>Capital Fund:</b>			
Serial Bonds Payable	D-21	4,281,000.00	3,867,000.00
Bond Anticipation Notes	D-22		742,260.00
Improvement Authorizations:			
Funded	D-23	100,396.87	183,710.48
Unfunded	D-23	810,683.68	247,488.09
Capital Improvement Fund	D-24	29,946.22	29,946.22
Reserve for Amortization	D-25	5,818,319.16	5,418,748.87
Interfund - Water Utility Operating Fund	D-26	122.19	57,609.52
Interfund - Other Trust Fund	D-26	200,000.00	200,000.00
Reserve for Deferred Amortization	D-27	350,000.00	428,749.94
Fund Balance	D-2	111,093.46	3,653.81
<b>Total Capital Fund</b>		<u>11,701,561.58</u>	<u>11,179,166.93</u>
<b>Total Liabilities, Reserves and Fund Balances</b>		<u>13,425,141.99</u>	<u>12,139,026.93</u>

The fixed capital reported is taken from the municipal records and does not necessarily reflect the true condition of such fixed capital.

There were \$1,040,000.00 of bonds and notes authorized but not issued on December 31, 2015 per Exhibit D-30.

The accompanying "Notes to the Financial Statements" are an integral part of these Financial Statements.

## Borough of Wanaque, N.J.

## Comparative Statement of Operations and Changes in Fund Balance - Regulatory Basis

## Water Utility Operating Fund

Year Ended December 31,

	<u>Ref.</u>	<u>2015</u>	<u>2014</u>
Revenue and Other Income Realized:			
Surplus Anticipated	D-3	197,160.53	125,640.00
Rents	D-3	1,652,157.87	1,649,674.20
Miscellaneous Revenue	D-3	23,240.92	1,242.75
Interlocal Service Agreement - WBSA	D-3	180,000.00	180,000.00
PCIA Interest Rebate	D-3	54,329.24	55,667.26
Other Credits to Income:			
Unexpended Balance of Appropriation Reserves	D-14	<u>67,903.01</u>	<u>39,322.53</u>
Total Income		<u>2,174,791.57</u>	<u>2,051,546.74</u>
Expenditures:			
Operating	D-4	1,375,000.00	1,207,190.00
Capital Improvements	D-4	50,000.00	30,000.00
Debt Service	D-4	524,187.53	470,565.27
Deferred Charges and Statutory Expenditures	D-4	<u>97,983.00</u>	<u>80,076.00</u>
Total Expenditures		<u>2,047,170.53</u>	<u>1,787,831.27</u>
Excess in Revenue over Expenditures		127,621.04	263,715.47
Expenditures Included Above Which are by Statute Deferred Charges to Budget of Succeeding Years			
Statutory Excess to Surplus		127,621.04	263,715.47
Fund Balance - January 1,	D	<u>263,718.10</u>	<u>125,642.63</u>
		391,339.14	389,358.10
Decreased by:			
Utilized as Anticipated Revenue		<u>197,160.53</u>	<u>125,640.00</u>
Fund Balance - December 31,	D	<u><u>194,178.61</u></u>	<u><u>263,718.10</u></u>

The accompanying "Notes to the Financial Statements" are an integral part of these Financial Statements.

Borough of Wanaque, N.J.

Comparative Statement of Capital Surplus - Regulatory Basis

Water Capital Fund

Year Ended December 31,

	<u>Ref.</u>	<u>2015</u>	<u>2014</u>
Balance - January 1,	D	3,653.81	699.62
Increased by:			
Premium on Sale of Bond Anticipation Notes			2,954.19
Funded Improvement Authorizations Canceled	D-23	<u>107,439.65</u>	<u>                    </u>
Balance - December 31,	D	<u>111,093.46</u>	<u>3,653.81</u>

The accompanying "Notes to the Financial Statements" are an integral part of these Financial Statements.

## Borough of Wanaque, N.J.

## Statement of Revenues - Regulatory Basis

## Water Utility Operating Fund

Year Ended December 31, 2015

	<u>Ref.</u>	<u>Anticipated</u>	<u>Realized</u>	<u>Excess (Deficit)</u>
Operating Surplus Anticipated	D-1	197,160.53	197,160.53	
Rents	D-1,D-7	1,649,500.00	1,652,157.87	2,657.87
Interlocal Service Agreement - Sewer Utility	D-1, D-5	180,000.00	180,000.00	
PCIA Interest Rebate	D-1, D-5	30,000.00	54,329.24	24,329.24
Miscellaneous	D-1		<u>23,240.92</u>	<u>23,240.92</u>
Budget Totals		<u>2,056,660.53</u>	<u>2,106,888.56</u>	<u>50,228.03</u>
		D-4		
<u>Analysis Realized Revenues</u>				
Miscellaneous:				
Interest on Deposits:			1,945.27	
Late Interest Charge			21,244.42	
Miscellaneous			<u>51.23</u>	
	D-5		<u>23,240.92</u>	

The accompanying "Notes to the Financial Statements" are an integral part of these Financial Statements.

## Borough of Wanaque, N.J.

## Statement of Expenditures - Regulatory Basis

## Water Utility Operating Fund

Year Ended December 31, 2015

	Ref.	Appropriated		Expended	Unexpended Balance Canceled
		Budget	Budget After Modification	Paid or Charged	
Operating:					
Salaries and Wages		650,000.00	650,000.00	649,179.15	820.85
Other Expenses		650,000.00	650,000.00	648,256.57	1,743.43
Purchase of Water		<u>75,000.00</u>	<u>75,000.00</u>	<u>72,823.43</u>	<u>2,176.57</u>
Total Operating	D-1	<u>1,375,000.00</u>	<u>1,375,000.00</u>	<u>1,370,259.15</u>	<u>4,740.85</u>
Capital Improvements:					
Capital Outlay		<u>50,000.00</u>	<u>50,000.00</u>		<u>50,000.00</u>
Total Capital Improvements	D-1	<u>50,000.00</u>	<u>50,000.00</u>		<u>50,000.00</u>
Debt Service:					
Payment of Bond Principal		286,000.00	286,000.00	286,000.00	
Payment of Bond Anticipation Notes		9,750.00	9,750.00	260.00	9,490.00
Interest on Bonds		68,830.83	68,830.83	68,830.83	
Interest on Notes		7,422.60	7,422.60	7,422.60	
PCIA Loan Principal Payment		25,000.00	25,000.00	25,000.00	
PCIA Loan Interest Payment		<u>136,674.10</u>	<u>136,674.10</u>	<u>136,674.10</u>	
Total Debt Service	D-1	<u>533,677.53</u>	<u>533,677.53</u>	<u>524,187.53</u>	<u>9,490.00</u>
Deferred Charges and Statutory Expenditures:					
Statutory Expenditures:					
Contribution to:					
Public Employees' Retirement System		48,258.00	48,258.00	48,258.00	
Social Security System (O.A.S.I.)		<u>49,725.00</u>	<u>49,725.00</u>	<u>49,720.42</u>	<u>4.58</u>
Total Deferred Charges and Statutory Expenditures	D-1	<u>97,983.00</u>	<u>97,983.00</u>	<u>97,978.42</u>	<u>4.58</u>
		<u>2,056,660.53</u>	<u>2,056,660.53</u>	<u>1,992,425.10</u>	<u>54,745.43</u>
			D-3		D
Cash Disbursed	D-5			1,733,947.99	
Encumbrances Payable	D-15			52,972.18	
Interest on Bonds	D-16			<u>205,504.93</u>	
				<u>1,992,425.10</u>	

The accompanying "Notes to the Financial Statements" are an integral part of these Financial Statements.

## Borough of Wanaque, N.J.

## Comparative Balance Sheet - Regulatory Basis

## Sewer Utility Fund

December 31,

	<u>Ref</u>	<u>2015</u>	<u>2014</u>
<u>Assets</u>			
<b>Operating Fund:</b>			
Cash	E-4	781,253.94	549,996.37
Interfund - Water Operating Fund	E-7	<u>169,596.15</u>	<u>258,723.66</u>
		<u>950,850.09</u>	<u>808,720.03</u>
Receivables with Full Reserves:			
Consumers Account Receivable	E-8	436,641.74	466,870.58
Sewer Liens Receivable	E-9		3,539.97
Connection Fees Receivable	E-10	<u>4,679.17</u>	<u>4,679.17</u>
		<u>441,320.91</u>	<u>475,089.72</u>
Deferred Charges:			
Operating Deficit	E-24		<u>188,907.94</u>
<b>Total Operating Fund</b>		<u>1,392,171.00</u>	<u>1,472,717.69</u>
<b>Capital Fund:</b>			
Cash	E-4/E-6	1,962,348.89	1,951,109.64
Fixed Capital	E-11	13,772,138.73	13,772,138.73
Fixed Capital Authorized and Uncompleted	E-12	2,413,158.50	2,413,158.50
Due from Passaic County - Community			
Development Block Grant	E-20	1,794.41	1,794.41
Interfund - General Capital Fund	E-21		315,600.59
Interfund - Current Fund	E-21		50,000.00
Interfund - Sewer Utility Operating Fund	E-21	<u>368,191.97</u>	<u>13,830.63</u>
<b>Total Capital Fund</b>		<u>18,517,632.50</u>	<u>18,517,632.50</u>
<b>Total Assets</b>		<u>19,909,803.50</u>	<u>19,990,350.19</u>

The accompanying "Notes to the Financial Statements" are an integral part of these Financial Statements.

Borough of Wanaque, N.J.

Comparative Balance Sheet - Regulatory Basis

Sewer Utility Fund

December 31,

	<u>Ref</u>	<u>2015</u>	<u>2014</u>
<u>Liabilities, Reserves and Fund Balance</u>			
<b>Operating Fund:</b>			
Interfund - Sewer Utility Capital Fund	E-7	368,191.97	13,830.63
Interfund - Current Fund	E-7		28,811.43
Appropriation Reserve	E-3/E-13	4,000.00	50,899.29
Encumbrances Payable	E-14	33,119.69	
Sewer Overpayments	E-15	753.72	805.82
Reserve for Sewer Improvement Escrow	E-15	45,000.00	45,000.00
Reserve for O&M Requirement	E-15	57,000.00	57,000.00
Accrued Interest on Bonds	E-16	12,825.00	16,700.00
		<u>520,890.38</u>	<u>213,047.17</u>
Reserve for Receivables	Contra	441,320.91	475,089.72
Fund Balance	E-1	<u>429,959.71</u>	<u>784,580.80</u>
<b>Total Operating Fund</b>		<u>1,392,171.00</u>	<u>1,472,717.69</u>
<b>Capital Fund:</b>			
Serial Bonds Payable	E-17	5,922,261.35	6,592,261.35
Improvement Authorizations:			
Funded	E-18	1,562,408.97	1,562,408.97
Reserve for Amortization	E-19	9,905,640.88	9,235,640.88
Bond & Debt Service Reserve Fund	E-22	769,926.30	769,926.30
Deferred Reserve for Amortization	E-23	<u>357,395.00</u>	<u>357,395.00</u>
<b>Total Capital Fund</b>		<u>18,517,632.50</u>	<u>18,517,632.50</u>
<b>Total Liabilities, Reserves and Fund Balances</b>		<u>19,909,803.50</u>	<u>19,990,350.19</u>

The fixed capital reported is taken from the municipal records and does not necessarily reflect the true condition of such fixed capital.

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

The accompanying "Notes to the Financial Statements" are an integral part of these Financial Statements.

## Borough of Wanaque, N.J.

## Comparative Statement of Operations and Changes in Fund Balance - Regulatory Basis

## Sewer Utility Operating Fund

Year Ended December 31,

	<u>Ref.</u>	<u>2015</u>	<u>2014</u>
Revenue and Other Income Realized:			
Surplus Anticipated	E-2	506,732.94	75,400.00
Rents	E-2	4,162,480.23	4,060,813.01
Miscellaneous Anticipated	E-2	19,825.29	19,358.13
Other Credits to Income:			
Unexpended Balance of			
Appropriation Reserves	E-13	48,806.33	5,920.92
Total Income		<u>4,737,844.79</u>	<u>4,161,492.06</u>
Expenditures:			
Operating	E-3	3,550,000.00	3,430,000.00
Capital Improvements	E-3		75,000.00
Debt Service	E-3	846,825.00	845,400.00
Deferred Charges	E-3	188,907.94	
Total Expenditures		<u>4,585,732.94</u>	<u>4,350,400.00</u>
Excess in Revenue over Expenditures		152,111.85	
Deficit in Revenue over Expenditures			188,907.94
Expenditures Included Above Which are by Statute			
Deferred Charges to Budget of Succeeding Years			
Operating Deficit to be Raised in Budget of			
Succeeding Year	E-24		<u>188,907.94</u>
Statutory Excess to Surplus		152,111.85	
Fund Balance - January 1,	E	<u>784,580.80</u>	<u>859,980.80</u>
		936,692.65	859,980.80
Decreased by:			
Utilized as Anticipated Revenue		<u>506,732.94</u>	<u>75,400.00</u>
Fund Balance - December 31,	E	<u>429,959.71</u>	<u>784,580.80</u>

The accompanying "Notes to the Financial Statements" are an integral part of these Financial Statements.

## Borough of Wanaque, N.J.

## Statement of Revenues - Regulatory Basis

## Sewer Utility Operating Fund

Year Ended December 31, 2015

	<u>Ref.</u>	<u>Anticipated</u>	<u>Realized</u>	<u>Excess (Deficit)</u>
Operating Surplus Anticipated	E-1	506,732.94	506,732.94	
Rents	E-1,E-5	4,060,000.00	4,162,480.23	102,480.23
Miscellaneous	E-1	<u>19,000.00</u>	<u>19,825.29</u>	<u>825.29</u>
Budget Totals		<u>4,585,732.94</u> E-3	<u>4,689,038.46</u>	<u>103,305.52</u>
<u>Analysis Realized Revenues</u>				
Miscellaneous:				
Interest on Deposits			14,184.64	
Connection Fees			<u>5,640.65</u>	
		E-4	<u>19,825.29</u>	

The accompanying "Notes to the Financial Statements" are an integral part of these Financial Statements.

## Borough of Wanaque, N.J.

## Statement of Expenditures - Regulatory Basis

## Sewer Utility Operating Fund

Year Ended December 31, 2015

	Ref.	Appropriated		Expended	Reserved
		Budget	Budget After Modification	Paid or Charged	
Operating:					
Other Expenses		120,000.00	120,000.00	120,000.00	
Interlocal Water Utility		180,000.00	180,000.00	180,000.00	
Interlocal WVRSA		<u>3,250,000.00</u>	<u>3,250,000.00</u>	<u>3,246,000.00</u>	4,000.00
Total Operating	E-1	<u>3,550,000.00</u>	<u>3,550,000.00</u>	<u>3,546,000.00</u>	4,000.00
Debt Service:					
Payment of Bond Principal		670,000.00	670,000.00	670,000.00	
Interest on Bonds		<u>176,825.00</u>	<u>176,825.00</u>	<u>176,825.00</u>	
Total Debt Service	E-1	<u>846,825.00</u>	<u>846,825.00</u>	<u>846,825.00</u>	
Deferred Charges and Statutory Expenditures:					
Deferred Charges:					
Deficit in Operations in Prior Years		<u>188,907.94</u>	<u>188,907.94</u>	<u>188,907.94</u>	
Total Deferred Charges and Statutory Expenditures	E-1	<u>188,907.94</u>	<u>188,907.94</u>	<u>188,907.94</u>	
		<u>4,585,732.94</u>	<u>4,585,732.94</u>	<u>4,581,732.94</u>	<u>4,000.00</u>
			E-2		E
Cash Disbursed	E-4			4,182,880.31	
Encumbrances Payable	E-14			33,119.69	
Interest on Bonds	E-16			176,825.00	
Deficit in Operations in Prior Years	E-24			<u>188,907.94</u>	
				<u>4,581,732.94</u>	

The accompanying "Notes to the Financial Statements" are an integral part of these Financial Statements.

**Borough of Wanaque , N.J.**  
**Comparative Balance Sheet - Regulatory Basis**  
**Public Assistance Fund**  
**December 31,**

	<u>Ref.</u>	<u>2015</u>	<u>2014</u>
<u>Assets</u>			
Cash	F-1	1,498.79	1,516.69
Total Assets		1,498.79	1,516.69
<u>Liabilities</u>			
Reserve for Public Assistance		1,495.73	1,495.73
Interfund - Current Fund		3.06	20.96
Total Liabilities		1,498.79	1,516.69

The accompanying "Notes to Financial Statements" are an integral part of these financial statements.

Borough of Wanaque, N.J.

Statement of General Fixed Assets - Regulatory Basis

December 31, 2015

	<u>2015</u>	<u>2014</u>
<u>General Fixed Assets:</u>		
Land	2,372,300.00	2,372,300.00
Buildings	1,247,700.00	1,247,700.00
Machinery and Equipment	<u>1,826,872.00</u>	<u>1,826,872.00</u>
	<u>5,446,872.00</u>	<u>5,446,872.00</u>
 Investment in Fixed Assets	 <u>5,446,872.00</u>	 <u>5,446,872.00</u>

See accompanying notes to financial statements.

**BOROUGH OF WANAQUE, N.J.**  
**Notes to Financial Statements**  
**Years Ended December 31, 2015 and 2014**

**NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

The Governmental Accounting Standards Board (GASB) is the accepted standard-setting body for establishing governmental accounting and financial reporting principles. The GASB Codification establishes seven fund types and two account groups 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 financial statements of the Borough of Wanaque have been prepared in conformity with accounting principles and practices prescribed by the Division of Local Government Services, Department of Community Affairs, State of New Jersey (the "Division") which is a comprehensive basis of accounting other than accounting principles generally accepted in the United States of America. 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 Borough accounts for its financial transactions through the following separate funds which differ from the fund structure required by GAAP.

**A. Reporting Entity**

The Borough of Wanaque (the "Borough") operates under a Mayor/Council form of government. The Borough's major operations include public safety, road repair and maintenance, sanitation, fire protection, recreation and parks, health services, and general administrative services.

GASB has issued Statement No. 14 which requires the financial reporting entity to include both the primary government and those component units for which the primary government is financially accountable. Financial accountability is defined as appointment of a voting majority of the component unit's board, and either a) the ability to impose will by the primary government, or b) the possibility that the component unit will provide a financial benefit to or impose a financial burden on the primary government.

However, 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 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 Borough do not include the Free Public Library, Volunteer Fire Department and the First Aid Squad which are considered component units under GAAP. Complete financial statements of the above components can be obtained by contacting the Treasurer of the respective entity.

**BOROUGH OF WANAQUE, N.J.**  
**Notes to Financial Statements**  
**Years Ended December 31, 2015 and 2014**  
**(continued)**

**NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, (continued)**

**B. Measurement Focus, Basis of Accounting and Basis of Presentation**

The Borough 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 Borough functions or activities. An account group, on the other hand, is designed to provide accountability for certain assets and liabilities that are not recorded in those Funds.

The Borough has the following funds and account groups:

Current Fund - This fund accounts for resources and expenditures for governmental operations of a general nature, including Federal and State grants.

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

Other Trust Fund - This fund is established to account for the assets and resources which are also held by the Borough as a trustee or agent for individuals, private organizations, other governments and/or other funds.

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

Assessment Trust Fund - This fund is used to account for receivables arising from assessments for benefits accruing from local improvements. It also deals with indebtedness or other obligations arising from the transfer from capital fund of the liability of such indebtedness.

Payroll Fund - Receipts and disbursements of payroll withholdings that the Borough collects on behalf of various agencies as their agents.

Emergency Services Volunteer Length of Service Award Program - This fund is used to account for the cumulative amount of each participant's length of service awards, including any income, gains, losses or increases or decreases in market value attributable to the investment of the participant's length of service awards.

**BOROUGH OF WANAQUE, N.J.**  
**Notes to Financial Statements**  
**Years Ended December 31, 2015 and 2014**  
**(continued)**

**NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, (continued)**

**B. Measurement Focus, Basis of Accounting and Basis of Presentation, (continued)**

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

Water Operating and Water Capital Funds - Account for the operations and acquisition of capital facilities of the municipality-owned water utility.

Sewer Operating and Sewer Capital Funds - Account for the operations and acquisition of capital facilities of the municipality-owned sewer utility.

Public Assistance Fund - This fund is used to account for the receipt and disbursement of funds that provide assistance to certain residents of the Borough pursuant to Title 44 of New Jersey Statutes. Effective July 1, 2010, the Borough transferred administration of the general assistance program to Passaic County Board of Social Services. The funds remaining in the Public Assistance Fund are to be used to assist certain residents who do not qualify for the general assistance program.

General Fixed Asset Account Group - To account for all fixed assets of the Borough. The Borough's infrastructure is not reported in the group.

**Basis of Accounting**

A modified accrual basis of accounting is followed by the Borough of Wanaque. 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 for municipalities by the Division differ in certain respects from accounting principles generally accepted in the United States of America (GAAP) applicable to local government units. The more significant differences are as follows:

Property Tax Revenues - Real property taxes are assessed locally, based upon the assessed value of the property. The tax bill includes a levy for Municipal, County, and School purposes. The bills are mailed annually in June for that calendar year's levy. Taxes are payable in four quarterly installments on February 1, May 1, August 1, and November 1. The amounts of the first and second installments are determined as one quarter of the total tax levied against the property for the preceding year. The installment due the third and fourth quarters is determined by taking the current year levy less the amount previously charged for the first and second installments, with the remainder being divided equally. If

**BOROUGH OF WANAQUE, N.J.**  
**Notes to Financial Statements**  
**Years Ended December 31, 2015 and 2014**  
**(continued)**

**NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, (continued)**

**B. Measurement Focus, Basis of Accounting and Basis of Presentation, (continued)**

**Basis of Accounting, (continued)**

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. 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 Borough. 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 tax sale. Annual in rem tax foreclosure proceedings are instituted to enforce the tax collection or acquisition of title to the property by the Borough. 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 taxes 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, reduced by an allowance for doubtful accounts.

Miscellaneous Revenues - Miscellaneous revenues are recognized on a cash basis. Receivables for the miscellaneous items that are susceptible to accrual are recorded with offsetting reserves on the balance sheet of the Borough's Current Fund and Water Operating Fund. GAAP requires such revenues to be recognized in the accounting period when they become susceptible to accrual.

Grant Revenues - Federal and State grants, entitlements or shared revenues received for purposes normally financed through the Current Fund are recognized when anticipated in the Borough's budget. GAAP requires such revenues to be recognized in the accounting period when they become susceptible to accrual.

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 for the current fund and water operating fund. Budget amounts presented in the accompanying financial statements represent amounts adopted by the Borough and approved by the State Division of Local Government Services per N.J.S.A. 40A:4 et seq.

**BOROUGH OF WANAQUE, N.J.**  
**Notes to Financial Statements**  
**Years Ended December 31, 2015 and 2014**  
**(continued)**

**NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, (continued)**

**B. Measurement Focus, Basis of Accounting and Basis of Presentation, (continued)**

**Basis of Accounting, (continued)**

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

General Capital Fund	Public Assistance Fund
Trust Fund	Water Capital Fund
Sewer Capital Fund	

The governing body shall introduce and approve the annual budget not later than February 10, of the fiscal year. The budget shall be adopted not 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. Emergency appropriations, those made after the adoption of the budget and determination of the tax rate, may be authorized by the governing body of the municipality. 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 2015, the Borough Council increased the original budget by \$228,214.00 for additional aid allotted the Borough. In addition, several budget transfers were approved by the governing body.

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 canceled 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, which should be recognized when due.

**BOROUGH OF WANAQUE, N.J.**  
**Notes to Financial Statements**  
**Years Ended December 31, 2015 and 2014**  
**(continued)**

**NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, (continued)**

B. Measurement Focus, Basis of Accounting and Basis of Presentation, (continued)

Basis of Accounting, (continued)

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

Appropriation Reserves - 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.

Compensated Absences - Expenditures relating to obligations for unused vested accumulated vacation and sick pay are not recorded until paid. GAAP requires that the amount that would normally be liquidated with expendable available financial resources be recorded as an expenditure in the operating funds and the remaining obligations be recorded as a long-term obligation.

Property Acquired for Taxes - Is recorded in the Current Fund at the assessed valuation when such property was acquired and fully reserved. GAAP requires such property to be recorded in the General Fixed Assets Account Group at market 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.

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.

Cash and Investments - Cash includes amounts in demand deposits as well as short-term investments with a maturity date within one year of the date acquired by the government. Investments are stated at cost and are limited by N.J.S.A. 40A:5-15.1(a).

**BOROUGH OF WANAQUE, N.J.**  
**Notes to Financial Statements**  
**Years Ended December 31, 2015 and 2014**  
**(continued)**

**NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, (continued)**

**B. Measurement Focus, Basis of Accounting and Basis of Presentation, (continued)**

**Basis of Accounting, (continued)**

Deferred Charges to Future Taxation Funded and Unfunded - Upon the authorization of capital projects, the Borough establishes deferred charges for the costs of the capital projects to be raised by future taxation. Funded deferred charges relate to permanent debt issued, whereas unfunded deferred charges relate to temporary or nonfunding of the authorized cost of capital projects. According to N.J.S.A. 40A:2-4, the Borough may levy taxes on all taxable property within the local unit to repay the debt. Annually, the Borough raises the debt requirements for that particular year in the current budget. As the funds are raised by taxation, the deferred charges are reduced.

General Fixed Assets - The Borough of Wanaque has developed during the year 1999 a fixed asset accounting and reporting system, as promulgated by the Division of Local Government Services, which differs in certain respects from generally accepted accounting principles.

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 drainage systems are not capitalized.

No depreciation has been provided for in the financial statements.

Expenditures for construction in progress are recorded in the Capital Funds until such time as the construction is completed and put into operation.

Fixed assets acquired through grants in aid or contributed capital have not been accounted for separately.

GAAP requires that fixed assets be capitalized at historical or estimated historical cost if actual historical cost is not available.

Use of Estimates - The preparation of financial statements requires management of the Borough 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 revenues and expenses during the reporting period. Accordingly, actual results could differ from those estimates.

**BOROUGH OF WANAQUE, N.J.**  
**Notes to Financial Statements**  
**Years Ended December 31, 2015 and 2014**  
**(continued)**

**NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, (continued)**

**B. Measurement Focus, Basis of Accounting and Basis of Presentation, (continued)**

**Basis of Accounting, (continued)**

Comparative Data - Comparative data for the prior year has been presented in the accompanying balance sheets and statements of operations in order to provide an understanding of changes in the Borough'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.

**Recent Accounting Pronouncements**

In June 2012, the Governmental Accounting Standards Board (GASB) issued GASB Statement No. 68, Accounting and Financial Reporting for Pensions – an amendment of GASB Statement No. 27. This statement, which is effective for fiscal periods beginning after June 15, 2014, will not have any effect on the entity's financial reporting. However, the provisions of this statement required significant modifications to the disclosure requirements related to the entity's proportionate share of the cost-sharing defined benefit plans reported at the State of New Jersey level.

In April of 2013, the Government Accounting Standards Board issued GASB Statement No. 70, Accounting and Financial Reporting for Nonexchange Financial Guarantees. The objective of this Statement is to improve accounting and financial reporting by state and local governments that extend and receive nonexchange financial guarantees. This Statement is effective for reporting periods beginning after June 15, 2013 and will not have any impact on the entity's financial statement disclosures.

In November 2013, the Government Accounting Standards Board issued GASB Statement No. 71, Pension Transition for Contributions Made Subsequent to the Measurement Date – an amendment of GASB Statement No. 68. The provisions of this statement are required to be applied simultaneously with the provisions of Statement 68 which is effective for periods beginning after June 15, 2014. The provisions of this Statement required significant modifications to the disclosure requirements related to the entity's proportionate share of the cost-sharing defined benefit plans reported at the State of New Jersey level.

**BOROUGH OF WANAQUE, N.J.**  
**Notes to Financial Statements**  
**Years Ended December 31, 2015 and 2014**  
**(continued)**

**NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, (continued)**

**B. Measurement Focus, Basis of Accounting and Basis of Presentation, (continued)**

**Recent Accounting Pronouncements, (continued)**

In February 2015, the Government Accounting Standards Board issued GASB Statement No. 72, Fair Value Measurement and Application. This Statement addresses accounting and financial reporting issues related to fair value measurements. The definition of *fair value* is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. This Statement also provides guidance for determining a fair value measurement for financial reporting purposes. This Statement also provides guidance for applying fair value to certain investments and disclosures related to all fair value measurements. This Statement is effective for periods beginning after June 15, 2015. The Borough is currently reviewing what effect, if any, this Statement might have on future financial statements.

In June 2015, the Government Accounting Standards Board issued GASB Statement No. 73, Accounting and Financial Reporting for Pensions and Related Assets That Are Not Within the Scope of GASB Statement 68 and Amendments to Certain Provisions of GASB Statements 67 and 68. This Statement is effective for periods beginning after June 15, 2015 – except those provisions that address employers and governmental nonemployer contributing entities for pensions that are not within the scope of Statement 68, which are effective for financial statements for periods beginning after June 15, 2016. The Borough is currently reviewing what effect, if any, this Statement might have on future financial statements.

In June 2015, the Government Accounting Standards Board issued GASB Statement No. 74, Financial Reporting for Postemployment Benefit Plans Other Than Pension Plans. This Statement applies to OPEB plans and basically parallels GASB Statement 67 and replaces GASB Statement 43 and is effective for periods beginning after June 15, 2016. The Borough is currently reviewing what effect, if any, this Statement might have on future financial statements.

In June 2015, the Government Accounting Standards Board issued GASB Statement No. 75, Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions. This Statement applies to government employers who provided OPEB plans to their employees and basically parallels GASB Statement 68 and replaces GASB Statement 45. The Statement is effective for periods beginning after June 15, 2017. The Borough is currently reviewing what effect, if any, this Statement might have on future financial statements.

**BOROUGH OF WANAQUE, N.J.**  
**Notes to Financial Statements**  
**Years Ended December 31, 2015 and 2014**  
**(continued)**

**NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, (continued)**

**B. Measurement Focus, Basis of Accounting and Basis of Presentation, (continued)**

**Recent Accounting Pronouncements, (continued)**

In June 2015, the Government Accounting Standards Board issued GASB Statement No. 76, *The Hierarchy of Generally Accepted Accounting Principles for State and Local Governments*, which reduces the GAAP hierarchy to two categories of authoritative GAAP from the four categories under GASB Statement No. 55, *The Hierarchy of Generally Accepted Accounting Principles for State and Local Governments*. The first category of authoritative GAAP consists of GASB Statements of Governmental Accounting Standards. The second category comprises GASB Technical Bulletins and Implementation Guides, as well as guidance from the American Institute of Certified Public Accountants that is cleared by the GASB. This Statement is effective for periods beginning after June 15, 2015. The Borough is currently reviewing what effect, if any, this Statement might have on future financial statements.

In August 2015, the Government Accounting Standards Board issued GASB Statement No. 77, *Tax Abatement Disclosures*, which improve financial reporting by giving users of financial statements essential information that is not consistently or comprehensively reported to the public at present. Disclosure of information about the nature and magnitude of tax abatements will make these transactions more transparent to financial statement users. As a result, users will be better equipped to understand (1) how tax abatements affect a government's future ability to raise resources and meet its financial obligations and (2) the impact those abatements have on a government's financial position and economic condition. The Borough is currently reviewing what effect, if any, this Statement might have on future financial statements.

In December 2015, the Government Accounting Standards Board issued GASB Statement No. 78, *Pensions Provided Through Certain Multiple-Employer Defined Benefit Pension Plans*. The objective of this Statement is to address a practice issue regarding the scope and applicability of Statement No. 68, *Accounting and Financial Reporting for Pensions*. This issue is associated with pensions provided through certain multiple-employer defined benefit pension plans and to state or local governmental employers whose employees are provided with such pensions. This Statement is effective for reporting periods beginning after December 15, 2015. The Borough is currently reviewing what effects, if any, this Statement might have on future financial statements.

**BOROUGH OF WANAQUE, N.J.**  
**Notes to Financial Statements**  
**Years Ended December 31, 2015 and 2014**  
**(continued)**

**NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, (continued)**

**B. Measurement Focus, Basis of Accounting and Basis of Presentation, (continued)**

**Recent Accounting Pronouncements, (continued)**

In December 2015, the Government Accounting Standards Board issued GASB Statement No. 79, Certain External Investment Pools and Pool Participants. This Statement addresses accounting and financial reporting for certain external investment pools and pool participants. Specifically, it established criteria for an external investment pool to qualify for making the election to measure all of its investments at amortized cost for financial reporting purposes. This Statement is effective for periods beginning after June 15, 2015, and for certain provisions, periods beginning after December 15, 2015. The Borough is currently reviewing what effects, if any, this Statement might have on future financial statements.

**C. Basic Financial Statements**

The GASB Codification also defines the financial statements of a governmental unit to be presented in the general purpose financial statements to be in accordance with GAAP. The Borough presents the financial statements listed in the table of contents which are required by the Division and which differ from the financial statements required by GAAP. In addition, the Division requires the financial statements listed in the table of contents to be referenced to the supplementary schedules. This practice differs from GAAP.

**NOTE 2. CASH, CASH EQUIVALENTS AND INVESTMENTS**

**Cash**

**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 Borough's policy is based on New Jersey Statutes requiring cash be deposited only in New Jersey based banking institutions that participate in New Jersey Governmental Depository Protection Act (GUDPA) or in qualified investments established in New Jersey Statutes 40A:5-15.1(a) that are treated as cash equivalents. As of December 31, 2015, \$-0- of the Borough's bank balance of \$13,390,823.58 was exposed to custodial credit risk.

**BOROUGH OF WANAQUE, N.J.**  
**Notes to Financial Statements**  
**Years Ended December 31, 2015 and 2014**  
**(continued)**

**NOTE 2. CASH, CASH EQUIVALENTS AND INVESTMENTS, (continued)**

**Investments**

**Investment Rate Risk**

The Borough 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. However, New Jersey Statutes 40A:5-15.1(a) limits the length of time for most investments to 397 days.

**Credit Risk**

New Jersey Statutes 40A:5-15.1(a) limits municipal investments to those specified in the Statutes. The type of allowance investments are Bonds of the United States of America, bonds or other obligations of the towns or bonds or other obligations of the local unit or units within which the town is located: obligations of federal agencies not exceeding 397 days; government money market mutual funds; the State of New Jersey Cash Management Plan; local government investment pools; or repurchase of fully collateralized securities.

**Concentration of Credit Risk**

The Borough places no limit on the amount the Borough may invest in any one issuer.

**Unaudited Investments**

As more fully described in Note 16, the Borough has created a Length of Service Award Program (LOSAP) for emergency service volunteers. The LOSAP investments are similar to those allowed in a deferred compensation program as specified in NJSA 43:15B-1 et. seq. except that all investments are retained in the name of the Borough. All investments are valued at fair value. In accordance with NJAC 5:30-14.37, the investments are maintained by VALIC, which is an authorized provider approved by the Division of Local Government Services. The balance in the account on December 31, 2015 and 2014 amounted to \$1,245,756.79 and \$1,199,334.72, respectively.

The following investments represent 5% or more of the total invested with VALIC on December 31, 2015 and 2014:

	<u>2015</u>	<u>2014</u>
Fixed Income	\$381,156.10	\$362,696.65
Index Funds	277,428.74	250,583.87
Growth Funds	180,862.65	173,921.03
Value Funds	214,607.28	220,677.78
All Others	<u>191,702.02</u>	<u>191,455.39</u>
Total	<u>\$1,245,756.79</u>	<u>\$1,199,334.72</u>

**BOROUGH OF WANAQUE, N.J.**  
**Notes to Financial Statements**  
**Years Ended December 31, 2015 and 2014**  
**(continued)**

**NOTE 3. MUNICIPAL DEBT**

Long-term debt as of December 31, 2015 consisted of the following:

	<u>Balance</u> <u>Dec. 31, 2014</u>	<u>Additions</u>	<u>Reductions</u>	<u>Ending</u> <u>Balance</u>	<u>Amounts Due</u> <u>Within</u> <u>One Year</u>
Bonds Payable:					
General Obligation Debt	\$5,446,000.00	\$15,615,000.00	\$4,871,000.00	\$16,190,000.00	\$625,000.00
Trust Assessment	161,000.00	774,000.00	97,000.00	838,000.00	107,000.00
Water Utility	3,867,000.00	1,802,000.00	1,388,000.00	4,281,000.00	150,000.00
Sewer Utility	6,592,261.35		670,000.00	5,922,261.35	695,000.00
Other Liabilities:					
Compensated Absences Payable	713,500.09	59,214.21	85,889.02	686,825.28	
Deferred Pension Liability	268,745.00		19,082.00	249,663.00	20,668.00
New Jersey:					
Back Beach Park Phase II Loan	13,070.83		13,070.83	0.00	
Green Trust Loan	<u>196,794.50</u>		<u>9,494.82</u>	<u>187,299.68</u>	<u>9,685.67</u>
	<u>\$17,258,371.77</u>	<u>\$18,250,214.21</u>	<u>\$7,153,536.67</u>	<u>\$28,355,049.31</u>	<u>\$1,607,353.67</u>

The Local Bond Law governs the issuance of bonds and notes to finance capital expenditures. General obligation bonds have been issued for the general capital fund. All bonds are retired in serial installments within the statutory period of usefulness. Bonds issued by the Borough are general obligation bonds, backed by the full faith and credit of the Borough. Bond anticipation notes, which are issued to temporarily finance capital projects, must be paid off within ten years and five months or retired by the issuance of bonds.

**BOROUGH OF WANAQUE, N.J.**  
**Notes to Financial Statements**  
**Years Ended December 31, 2015 and 2014**  
**(continued)**

**NOTE 3. MUNICIPAL DEBT, (continued)**

The Borough's debt is summarized as follows:

SUMMARY OF MUNICIPAL DEBT

	<u>Year 2015</u>	<u>Year 2014</u>	<u>Year 2013</u>
<u>Issued:</u>			
Assessment Bonds	\$838,000.00	\$161,000.00	\$230,000.00
General Bonds, Notes and Loans	16,377,299.68	17,985,455.33	10,731,027.73
Water Utility - Bonds, Notes and Loans	4,281,000.00	4,609,260.00	4,904,015.00
Sewer Utility - Bonds, Notes and Loans	<u>5,922,261.35</u>	<u>6,592,261.35</u>	<u>7,237,261.35</u>
Total Issued	<u>27,418,561.03</u>	<u>29,347,976.68</u>	<u>23,102,304.08</u>
<u>Less:</u>			
Funds Temporarily Held to Pay			
Bonds and Notes:			
General	<u>55,653.53</u>	<u>57,493.81</u>	<u>93,437.06</u>
Net Debt Issued	<u>27,362,907.50</u>	<u>29,290,482.87</u>	<u>23,008,867.02</u>
<u>Authorized But Not Issued</u>			
General Bonds and Notes	1,232,349.98	606,099.98	8,825,099.98
Water Bonds and Notes	<u>1,040,000.00</u>	<u>225,000.00</u>	<u>                    </u>
Total Authorized But Not Issued	<u>2,272,349.98</u>	<u>831,099.98</u>	<u>8,825,099.98</u>
<u>Less Deductions:</u>			
Self Liquidating	<u>11,243,261.35</u>	<u>9,029,944.15</u>	<u>12,141,276.35</u>
Net Bonds and Notes Issued and Authorized But Not Issued	<u>\$18,391,996.13</u>	<u>\$21,091,638.70</u>	<u>\$19,692,690.65</u>

**BOROUGH OF WANAQUE, N.J.**  
**Notes to Financial Statements**  
**Years Ended December 31, 2015 and 2014**  
**(continued)**

**NOTE 3. MUNICIPAL DEBT, (continued)**

SUMMARY OF STATUTORY DEBT CONDITION - ANNUAL DEBT STATEMENTS

The summarized statement of debt condition which follows is prepared in accordance with the required method of setting up the Annual Debt Statement and indicates a statutory net debt of 1.462%.

	<u>Gross Debt</u>	<u>Deductions</u>	<u>Net Debt</u>
Local School District Debt	\$13,115,000.00	\$13,115,000.00	\$0.00
Regional High School District Debt	689,665.00	689,665.00	0.00
Water Utility Debt	5,321,000.00	5,321,000.00	0.00
Sewer Utility Debt	5,922,261.35	5,922,261.35	0.00
General Debt	<u>18,447,649.66</u>	<u>55,653.53</u>	<u>18,391,996.13</u>
	<u>\$43,495,576.01</u>	<u>\$25,103,579.88</u>	<u>\$18,391,996.13</u>

Net Debt \$18,391,996.13 divided by Equalized Valuation Basis per N.J.S. 40A:2-2 as amended, \$1,257,725,168.67 equals 1.462%.

BORROWING POWER UNDER N.J.S. 40A:2-6 AS AMENDED

3 ½% of Equalized Valuation Basis (Municipal)	\$44,020,380.90
Net Debt	<u>18,391,996.13</u>
Remaining Borrowing Power	<u>\$25,628,384.77</u>

**BOROUGH OF WANAQUE, N.J.**  
**Notes to Financial Statements**  
**Years Ended December 31, 2015 and 2014**  
**(continued)**

**NOTE 3. MUNICIPAL DEBT, (continued)**

CALCULATION OF "SELF-LIQUIDATING PURPOSE", WATER UTILITY  
PER N.J.S.A. 40A:2-45

Cash receipts from fees, rents or other charges for year		\$2,106,888.56
Deductions:		
Operating and Maintenance Cost	\$1,472,983.00	
Debt Service per Water Account	<u>524,187.53</u>	
Total Deductions		<u>1,997,170.53</u>
 Excess in Revenue		 <u>\$109,718.03</u>

CALCULATION OF "SELF-LIQUIDATING PURPOSE", SEWER UTILITY  
PER N.J.S.A. 40A:2-45

Cash receipts from fees, rents or other charges for year		\$4,689,038.46
Deductions:		
Operating and Maintenance Cost	\$3,550,000.00	
Debt Service per Sewer Account	<u>846,825.00</u>	
Total Deductions		<u>4,396,825.00</u>
 Deficit in Revenue		 <u>\$292,213.46</u>

Footnote: If there is an "excess in revenue", all such utility debt is deductible. If there is a "Deficit", then the utility debt is not deductible to the extent of twenty times such deficit amount or the total debt service, whichever is smaller.

The foregoing debt information is not in agreement with the annual debt statement filed by the Chief Financial Officer.

**BOROUGH OF WANAQUE, N.J.**  
**Notes to Financial Statements**  
**Years Ended December 31, 2015 and 2014**  
**(continued)**

**NOTE 3. MUNICIPAL DEBT, (continued)**

The Borough's long term debt consisted of the following at December 31, 2015:

<u>Paid by Current Fund</u>	<u>Debt Outstanding</u>
General Serial Bonds - General Improvement Bonds of 2007 with an interest rate of 4.125%-4.25% issued August 9, 2007, due in installments through February 1, 2027	\$575,000.00
General Serial Bonds - General Improvement Bonds of 2015 with an interest rate of 2.25%-3.25% issued February 26, 2015, due in installments through February 1, 2035	11,580,000.00
General Refunding Bonds of 2015 with an interest rate of 3.00%-4.00% issued February 26, 2015, due in installments through February 1, 2027	4,035,000.00
Loan Payable - Green Trust Loan - State of New Jersey dated April 26, 2012 with an interest rate of 2.00% payable in semiannual installments through January 26, 2032	<u>187,299.68</u>
Total Current Fund	<u>16,377,299.68</u>
 <u>Paid by Water Utility Fund</u>	
Water Serial Bonds - Water Utility Bonds of 2007 with an interest rate of 4.125%-4.25% issued August 9, 2007, due in installments through February 1, 2027	250,000.00
Water Loan Program Bonds of 2010 with an interest rate of 1.66%-6.54% issued July 28, 2010, due in installments through August 1, 2031	2,229,000.00
Water Serial Bonds - Water Utility Bonds of 2015 with an interest rate of 2.25%-3.125% issued February 26, 2015, due in installments through February 1, 2032	742,000.00
Water Refunding Bonds of 2015 with an interest rate of 3.00%-4.00% issued February 26, 2015, due in installments through February 1, 2027	<u>1,060,000.00</u>
Total Water Utility Fund	<u>4,281,000.00</u>
 <u>Paid By Sewer Utility Fund</u>	
Sewer Revenue Bonds - Series 2008A with an interest rate of 4.77%-5.16% issued September 16, 2008, due in installments through December 1, 2028	2,137,261.35
Sewer Revenue Refunding Bonds - Series 2008B with an interest rate of 3.50%-4.25% issued September 16, 2008, due in installments through December 1, 2021	2,630,000.00
Sewer Revenue Refunding Bonds - Series 2011 with an interest rate of 3.00%-4.00% issued September 7, 2011, due in installments through December 1, 2017	<u>1,155,000.00</u>
Total Sewer Utility Fund	<u>5,922,261.35</u>

**BOROUGH OF WANAUKE, N.J.**  
**Notes to Financial Statements**  
**Years Ended December 31, 2015 and 2014**  
**(continued)**

**NOTE 3. MUNICIPAL DEBT, (continued)**

	<u>Debt Outstanding</u>
<u>Paid by Trust Assessment Fund</u>	
Assessment Serial Bonds - Assessment Serial Bonds of 2007 with an interest rate of 4.125%-4.25% issued August 9, 2007 due in installments through February 1, 2027	\$64,000.00
Assessment Serial Bonds - Assessment Serial Bonds of 2015 with an interest rate of 2.25%-3.00% issued February 26, 2015 due in installments through February 1, 2025	744,000.00
Assessment Refunding Bonds of 2015 with an interest rate of 3.00% issued February 26, 2015, due February 1, 2018	<u>30,000.00</u>
Total Trust Assessment Fund	<u>838,000.00</u>
	<u>\$27,418,561.03</u>

General Capital and Water Capital Serial Bonds are direct obligations of the Borough for which its full faith and credit are pledged, and are payable from taxes levied on all taxable property located within the Borough and/or Water Utility Revenues.

In addition to the above, the Borough had authorized but not issued debt as follows:

General Capital	<u>\$1,232,349.98</u>
Water Capital	<u>\$1,040,000.00</u>

**SCHEDULE OF ANNUAL DEBT SERVICE FOR PRINCIPAL AND INTEREST  
FOR BONDED DEBT ISSUED AND OUTSTANDING**

Calendar Year	<u>Assessment Trust</u>		<u>General</u>	
	<u>Principal</u>	<u>Interest</u>	<u>Principal</u>	<u>Interest</u>
2016	\$107,000.00	\$20,911.50	\$634,685.67	\$504,757.19
2017	107,000.00	17,845.13	659,880.35	484,496.87
2018	105,000.00	14,895.00	760,078.95	463,529.53
2019	75,000.00	12,570.00	780,281.53	442,464.45
2020	75,000.00	10,695.00	830,488.20	418,495.28
2021-2025	369,000.00	24,971.25	5,120,689.19	1,635,909.44
2026-2030			4,071,515.50	833,501.87
2031-2035			<u>3,519,680.29</u>	<u>280,394.90</u>
	<u>\$838,000.00</u>	<u>\$101,887.88</u>	<u>\$16,377,299.68</u>	<u>\$5,063,549.53</u>

**BOROUGH OF WANAQUE, N.J.**  
**Notes to Financial Statements**  
**Years Ended December 31, 2015 and 2014**  
**(continued)**

**NOTE 3. MUNICIPAL DEBT, (continued)**

**SCHEDULE OF ANNUAL DEBT SERVICE FOR PRINCIPAL AND INTEREST**  
**FOR BONDED DEBT ISSUED AND OUTSTANDING, (continued)**

Calendar Year	<u>Water Utility</u>		<u>Sewer Utility</u>	
	<u>Principal</u>	<u>Interest</u>	<u>Principal</u>	<u>Interest</u>
2016	\$150,000.00	\$200,910.10	\$695,000.00	\$153,900.00
2017	205,000.00	193,972.60	535,000.00	126,100.00
2018	265,000.00	186,666.35	605,000.00	104,700.00
2019	290,000.00	177,300.85	625,000.00	80,500.00
2020	345,000.00	165,978.35	650,000.00	55,500.00
2021-2025	1,490,000.00	612,566.75	2,036,194.50	1,557,493.00
2026-2030	1,270,000.00	289,236.75	776,066.85	1,248,933.15
2031-2035	<u>266,000.00</u>	<u>14,880.23</u>		
	<u>\$4,281,000.00</u>	<u>\$1,841,511.98</u>	<u>\$5,922,261.35</u>	<u>\$3,327,126.15</u>

**NOTE 4. BOND ANTICIPATION NOTES**

The Borough issues bond anticipation notes to temporarily fund various capital projects prior to the issuance of serial bonds. The term of the notes cannot exceed one year but the notes may be renewed from time to time for a period not exceeding one year. Generally, such notes must be paid no later than the first day of the fifth month following the close of the tenth fiscal year following the date of the original notes. The State of New Jersey also prescribes that on or before the third anniversary date of the original note a payment of an amount at least equal to the first legally payable installment of the bonds in anticipation of which such notes were issued be paid or retired. A second and third legal installment must be paid if the notes are to be renewed beyond the fourth and fifth anniversary date of the original issuance.

On December 31, 2015, the Borough had \$-0- in outstanding general capital bond anticipation notes and \$-0- water capital bond anticipation notes.

**BOROUGH OF WANAQUE, N.J.**  
**Notes to Financial Statements**  
**Years Ended December 31, 2015 and 2014**  
**(continued)**

**NOTE 4. BOND ANTICIPATION NOTES, (continued)**

	<u>Beginning Balance</u>	<u>Additions</u>	<u>Reductions</u>	<u>Ending Balance</u>
Notes Payable:				
TD Securities	<u>\$13,071,850.00</u>	<u>\$0.00</u>	<u>\$13,071,850.00</u>	<u>\$0.00</u>

**NOTE 5. LOAN AGREEMENTS**

The Borough has entered into a loan agreement with the State of New Jersey for Back Beach Park Improvements, Phase II. The loan is payable in 32 semiannual payments from the date of the final consummation of the loan. The funds have been provided through the 1987 Green Trust Program. The loan of \$360,000.00 is at an interest rate of 2.00% under loan number 1613-91-042. Drawdowns of the \$360,000.00 loan were initiated in 1995. Installment payments of principal and interest on this loan are due on March 14 and September 14 of each year.

The Borough has also entered into a loan agreement with the State of New Jersey for Memorial Field Lighting Replacement. The loan is payable in 39 semiannual payments from the date of the final consummation of the loan. The funds have been provided through the Green Trust Program. The loan of \$215,226.58 is at an interest rate of 2.00% under loan number 1613-08-031. Drawdowns of the \$215,226.58 loan were initiated in 2012. Installment payments of principal and interest on this loan are due on January 26 and July 26 of each year.

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

Certain expenditures are required to be deferred to budgets of succeeding years. At December 31, 2015, the Borough had no deferred charges.

**NOTE 7. LOCAL AND REGIONAL HIGH SCHOOL TAXES**

Regulations provide for the deferral of not more than 50% of the annual levy when school taxes are raised for a school year and have not been requisitioned by the School District.

**BOROUGH OF WANAQUE, N.J.**  
**Notes to Financial Statements**  
**Years Ended December 31, 2015 and 2014**  
**(continued)**

**NOTE 7. LOCAL AND REGIONAL HIGH SCHOOL TAXES, (continued)**

The calculation of the Regional High School Tax balances and deferrals are as follows:

	<u>Regional High School Taxes</u>	
	<u>Balance</u> <u>Dec. 31, 2015</u>	<u>Balance</u> <u>Dec. 31, 2014</u>
Balance of Tax	\$3,530,009.12	\$3,560,745.38
Deferred	<u>3,520,521.50</u>	<u>3,551,258.00</u>
Taxes Payable	<u>\$ 9,487.62</u>	<u>\$ 9,487.38</u>

Local school taxes have been raised on a calendar year basis and there is no deferred liability at December 31, 2015.

**NOTE 8. PENSION PLANS**

Description of Systems:

Substantially all of the Borough's employees participate in one of the following contributory defined benefit public employee retirement systems which have been established by State statute: the Police and Firemen's Retirement System (PFRS) or the Public Employees' Retirement System (PERS). These systems are sponsored and administered by the State of New Jersey. The Public Employees' Retirement System and the Police and Firemen's Retirement System (PFRS) are considered a cost sharing multiple-employer plans. According to the State of New Jersey Administrative Code, all obligations of the systems will be assumed by the State of New Jersey should the systems terminate.

The Public Employees' Retirement System was established in January, 1955 under the provisions of N.J.S.A. 43:15A to provide coverage including post-retirement health care to certain qualified members. Membership is mandatory for substantially all full time employees of the State or any county, municipality, school district or public agency provided the employee is not required to be a member of another State-administered retirement system. Vesting occurs after 8-10 years of service and 25 years for health care coverage. Members are eligible for retirement at age 60 with an annual benefit generally determined to be 1/55th

**BOROUGH OF WANAQUE, N.J.**  
**Notes to Financial Statements**  
**Years Ended December 31, 2015 and 2014**  
**(continued)**

**NOTE 8. PENSION PLANS, (continued)**

Description of Systems: (continued)

*Public Employees' Retirement System (PERS)*

of the average annual compensation for the highest three fiscal years' compensation for each year of membership during years of creditable service. Early retirement is available to those under age 60 with 25 or more years of credited service. Members are always fully vested for their own contributions and, after three years of service credit, become vested for 2% of related interest earned on contributions. In case of death before retirement, members' beneficiaries are entitled to full interest credited to the members' accounts.

Chapter 103, P.L. 2007 amended the early retirement reduction formula for members hired on or after July 1, 2007 and retiring with 25 years of service to be reduced by 1% for every year between age 55 and 60, plus 3% for every year under age 55.

Chapter 89, P.L. 2008 increased the PERS eligibility age for unreduced benefits from age 60 to age 62 for members hired on or after November 1, 2008; increased the minimum annual compensation required for membership eligibility for new members. Also, it amended the early retirement reduction formula for members hired on or after November 1, 2008 and retiring with 25 years of service to be reduced by 1% for every year between age 55 and 62, plus 3% for every year under age 55.

Chapter 1, P.L. 2010, effective May 21, 2010, changed the membership eligibility criteria for new members of PERS from the amount of compensation to the number of hours worked weekly. Also, it returned the benefit multiplier for new members of PERS to 1/60 from 1/55, and it provided that new members of PERS have the retirement allowance calculated using the average annual compensation for the last five years of service instead of the last three years of service. New members of PERS will no longer receive pension service credit from more than one employer. Pension service credit will be earned for the highest paid position only. This law also closed the Prosecutors Part of the PERS to new members and repealed the law for new members that provided a non-forfeitable right to receive a pension based on the laws of the retirement system in place at the time 5 years of pension service credit is attained. The law also requires the State to make its full pension contribution, defined as 1/7th of the required amount, beginning in fiscal year 2012.

Chapter 3, P.L. 2010, effective May 21, 2010, replaced the accidental and ordinary disability retirement for new members of PERS with disability insurance coverage similar to that provided by the State to individuals enrolled in the State's Defined Contribution Retirement Program.

**BOROUGH OF WANAQUE, N.J.**  
**Notes to Financial Statements**  
**Years Ended December 31, 2015 and 2014**  
**(continued)**

**NOTE 8. PENSION PLANS, (continued)**

Description of Systems: (continued)

*Public Employees' Retirement System (PERS)*, (continued)

Chapter 78, P.L. 2011, provides that new members of PERS hired on or after June 28, 2011 (Tier 5 members) will need 30 years of creditable service and age 65 for receipt of the early retirement benefit without a reduction of  $\frac{1}{4}$  of 1% for each month that the member is under age 65. Tier 5 members will be eligible for a service retirement benefit at age 65.

*Police and Firemens' Retirement System (PFRS)*

The Police and Firemens' Retirement System was established in July 1944 under the provisions of N.J.S.A. 43:16A to provide retirement, death and disability benefits to its members. Membership is mandatory for all full time county and municipal police and firemen, and state firemen or officer employees with police powers appointed after June 30, 1944.

Enrolled members of the Police and Firemens' Retirement System may retire at age 55 with no minimum service requirement. The annual allowance is equal to 2% of the members' final compensation for each year of service up to 30 years, plus 1% of each year of creditable service over 30 years. Final compensation equals the compensation for the final year of service prior to retirement. Special retirement is permitted to members who have 25 or more years of creditable service in the system.

Benefits fully vest on reaching 10 years of service. Members are always fully vested for their own contributions. In the case of death before retirement, members' beneficiaries are entitled to full payment of members' contributions.

Chapter 1, P.L. 2010, effective May 21, 2010, eliminated the provision in PFRS that would permit a member to retire, at any age after 25 years of service credit, on a special retirement allowance of 70% of final compensation after the retirement system reaches a funded level of 104%. Also, for new members of PFRS, the law capped the maximum compensation that can be used to calculate a pension from the plan at the annual wage contribution base for Social Security, and requires the pension to be calculated using a three year average annual compensation instead of the last year's salary.

**BOROUGH OF WANAQUE, N.J.**  
**Notes to Financial Statements**  
**Years Ended December 31, 2015 and 2014**  
**(continued)**

**NOTE 8. PENSION PLANS, (continued)**

Description of Systems: (continued)

*Police and Firemens' Retirement System (PFRS)*, (continued)

The State of New Jersey, Department of the Treasury, Division of Pensions and Benefits, issues publicly available financial reports that include the financial statements and required supplementary information for PERS and PFRS. The financial reports may be obtained by writing to the State of New Jersey, Department of the Treasury, Divisions of Pensions and Benefits, P.O. Box 295, Trenton, NJ 08625-0295.

Defined Contribution Retirement Program

The Defined Contribution Retirement Program (DCRP) was established on July 1, 2007 for certain public employees under the provisions of Chapter 92, P.L. 2007 and Chapter 103, P.L. 2007. The program provides eligible members, with a minimum base salary of \$1,500.00 or more, with a tax-sheltered, defined contribution retirement benefit, in addition to life insurance and disability coverage. The DCRP is jointly administered by the Division of Pensions and Benefits and Prudential Financial.

If the eligible elected or appointed official will earn less than \$5,000.00 annually, the official may choose to waiver participation in the DCRP for that office or position. The waiver is irrevocable.

This retirement program is a new pension system where the value of the pension is based on the amount of the contribution made by the employee, employer and through investment earnings. It is similar to a Deferred Compensation Program where the employee has a portion of tax deferred salary placed into an account that the employee manages through investment option provided by the employer.

The law requires that three classes of employees enroll in the DCRP detailed as follows:

All elected officials taking office on or after July 1, 2007, except that a person who is reelected to an elected office held prior to that date without a break in service may retain in the PERS.

A Governor appointee with advice and consent of the Legislature or who serves at the pleasure of the Governor only during that Governor's term of office.

**BOROUGH OF WANAQUE, N.J.**  
**Notes to Financial Statements**  
**Years Ended December 31, 2015 and 2014**  
**(continued)**

**NOTE 8. PENSION PLANS, (continued)**

Description of Systems: (continued)

Defined Contribution Retirement Program, (continued)

Other employees commencing service after July 1, 2007, pursuant to an appointment by an elected official or elected governing body which include the statutory untenured Chief Administrative Officer such as the Business Administrator, Borough Administrator, or Municipal or Borough Manager, Department Heads, Legal Counsel, Municipal or Borough Engineer, Municipal Prosecutor and the Municipal Court Judge.

Notwithstanding the foregoing requirements, other employees who hold a professional license or certificate or meet other exceptions are permitted to remain to join or remain in PERS.

Contributions made by employees for DCRP are currently at 5.5% of the base wages. Member contributions are matched by a 3.0% employer contribution.

Significant Legislation

On March 17, 2009, the legislative of the State of New Jersey enacted Public Laws 2009, c.19(S-21) the "Pension Deferral Program". This law allows the Division of Pensions and Benefits to provide non-state government pension system employers the option of paying their full amount, or an amount that reflects a 50 percent reduction of the normal and accrued liability component of the Public Employees' Retirement System and/or the Police and Firemen's Retirement System obligation for payment due to the State Fiscal Year ending June 30, 2009. The amount deferred will be repaid starting in April 2012 over a 15-year period at 8¼ percent. The amount will fluctuate based on pension system investment earnings on the deferred amount. The local employer is allowed to payoff the obligation at any time prior to April 2012. The Borough of Wanaque opted for this deferral in the amount of \$315,277.00.

Of this amount, \$80,352.00 represents the Public Employees' Retirement System deferral and \$234,925.00 represents the Police and Firemen's Retirement System deferral. The outstanding balance at December 31, 2015 for PERS is \$63,487.00 and PFRS is \$186,176.00. The principal amounts that are due in 2016 are \$5,343.00 for PFRS and \$15,325.00 for PERS.

**BOROUGH OF WANAQUE, N.J.**  
**Notes to Financial Statements**  
**Years Ended December 31, 2015 and 2014**  
**(continued)**

**NOTE 8. PENSION PLANS, (continued)**

Description of Systems: (continued)

Contribution Requirements

The contribution policy is set by laws of the State of New Jersey and, in most retirement systems, contributions are required by active members and contributing employers. Plan member and employer contributions may be amended by State of New Jersey legislation. The pension funds provide for employee contributions based on 5.5% for PERS. This amount will increase to 6.5% plus an additional 1% phased in over 7 years beginning 2012 and 8.5% for PFRS, which increased to 10% in October 2011, of the employee's annual compensation, as defined by law. Employers are required to contribute at an actuarially determined rate in all Funds except the SACT. The actuarially determined employer contribution includes funding for cost-of-living adjustments and noncontributory death benefits in the PERS and PFRS. In the PERS and PFRS, the employer contribution includes funding for post-retirement medical premiums.

The Borough's contribution to the various plans, equal to the required contributions for each year, were as follows:

<u>Year</u>	<u>PERS</u>	<u>PFRS</u>	<u>DCRP</u>
2015	\$241,288.00	\$654,980.00	\$4,218.79
2014	232,182.00	605,679.00	712.91
2013	242,596.00	583,495.00	

Statement No's 68 and 71 require a state or local government employer to recognize a net pension liability measured as of a date (the measurement date) no earlier than the end of its prior fiscal year. However, since the financial statements are prepared on another comprehensive basis of accounting, the net pension liability of the various pension systems is not recorded in the financial statements and is only required to be disclosed in the notes to the financial statements.

**BOROUGH OF WANAQUE, N.J.**  
**Notes to Financial Statements**  
**Years Ended December 31, 2015 and 2014**  
**(continued)**

**NOTE 8. PENSION PLANS, (continued)**

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

**Public Employees Retirement System (PERS)**

At December 31, 2015, the Borough had a liability of \$6,440,068.00 for its proportionate share of the PERS net pension liability. The net pension liability was measured as of June 30, 2015, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of that date. The Borough's proportion of the net pension liability was based on a projection of the Borough's long-term share of contributions to the pension plan relative to the projected contributions of all participating governmental entities, actuarially determined. At June 30, 2015, the Borough's proportion was .0286888305 percent, which was an increase/(decrease) of .0009068064 percent from its proportion measured as of June 30, 2014.

For the year ended December 31, 2015, the Borough recognized pension expense of \$241,288.00. At December 31, 2015, deferred outflows of resources and deferred inflows of resources related to PERS from the following sources:

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Difference in actual and expected experience	\$153,637.00	\$
Changes of assumptions	691,612.00	
Net difference between projected and actual earnings on pension plan investments		103,544.00
Changes in proportion and differences between Borough contributions and proportionate share of contributions	<u>144,041.00</u>	<u>190,059.00</u>
Total	<u>\$989,290.00</u>	<u>\$293,603.00</u>

**BOROUGH OF WANAQUE, N.J.**  
**Notes to Financial Statements**  
**Years Ended December 31, 2015 and 2014**  
**(continued)**

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

**Public Employees Retirement System (PERS), (continued)**

Amounts reported as deferred outflows of resources related to pensions resulting from contributions subsequent to the measurement date (June 30, 2015) will be recognized as a reduction of the net pension liability in the subsequent year. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

Year ended June 30:	
2016	\$135,028
2017	135,028
2018	135,028
2019	215,053
2020	121,569

**Additional Information**

Local Group Collective balances at June 30, 2015 and June 30, 2014 are as follows:

	<u>June 30, 2015</u>	<u>June 30, 2014</u>
Collective deferred outflows of resources	\$3,578,755,666	\$952,194,675
Collective deferred inflows of resources	993,410,455	1,479,224,662
Collective net pension liability	22,447,996,119	18,722,735,003
Borough's Proportion	.0286888305%	.0277820241%

**BOROUGH OF WANAQUE, N.J.**  
**Notes to Financial Statements**  
**Years Ended December 31, 2015 and 2014**  
**(continued)**

**NOTE 8. PENSION PLANS, (continued)**

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

**Public Employees Retirement System (PERS), (continued)**

**Actuarial Assumptions**

The total pension liability for the June 30, 2015 measurement date was determined by an actuarial valuation as of July 1, 2014, which rolled forward to June 30, 2015. This actuarial valuation used the following assumptions, applied to all periods in the measurement.

Inflation	3.04 Percent
Salary Increases:	
2012-2021	2.15-4.40 Percent (based on age)
Thereafter	3.15-5.40 Percent (based on age)
Investment Rate of Return	7.90 Percent

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

**Mortality Rates**

Mortality rates were based on the RP-2000 Combined Healthy Male and Female Mortality Tables (setback one year for females) with adjustments for mortality improvements from the base year of 2012 based on Projection Scale AA.

**BOROUGH OF WANAQUE, N.J.**  
**Notes to Financial Statements**  
**Years Ended December 31, 2015 and 2014**  
**(continued)**

**NOTE 8. PENSION PLANS, (continued)**

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

**Public Employees Retirement System (PERS), (continued)**

**Long-Term Rate of Return**

In accordance with State statute, the long-term expected rate of return on plan investments is determined by the State Treasurer, after consultation with the Directors of the Division of Investments and Division of Pensions and Benefits, the board of trustees and the actuaries. Best estimates of arithmetic real rates of return for each major asset class included in PERS's target asset allocation as of June 30, 2015 are summarized in the following table:

<u>Asset Class</u>	<u>Target Allocation</u>	<u>Long-Term Expected Real Rate of Return</u>
Cash	5.00%	1.04%
U.S. Treasuries	1.75%	1.64%
Investment Grade Credit	10.00%	1.79%
Mortgages	2.10%	1.62%
High Yield Bonds	2.00%	4.03%
Inflation-Indexed Bonds	1.50%	3.25%
Broad U.S. Equities	27.25%	8.52%
Developed Foreign Markets	12.00%	6.88%
Emerging Market Equities	6.40%	10.00%
Private Equity	9.25%	12.41%
Hedge Funds/Absolute Returns	12.00%	4.72%
Real Estate (Property)	2.00%	6.83%
Commodities	1.00%	5.32%
Global Debt ex US	3.50%	-0.40%
REIT	4.25%	5.12%

**BOROUGH OF WANAQUE, N.J.**  
**Notes to Financial Statements**  
**Years Ended December 31, 2015 and 2014**  
**(continued)**

**NOTE 8. PENSION PLANS, (continued)**

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

**Public Employees Retirement System (PERS), (continued)**

**Discount Rate**

The discount rate used to measure the total pension liability was 4.90% and 5.39% as of June 30, 2015 and 2014, respectively. This single blended discount rate was based on the long-term expected rate of return on pension plan investments of 7.9%, and a municipal bond rate of 3.80% and 4.29% as of June 30, 2015 and 2014, respectively, based on the Bond Buyer GO 20-Bond Municipal Bond Index which includes tax-exempt general obligation municipal bonds with an average rating of AA/Aa or higher. The projection of cash flows used to determine the discount rate assumed that contributions from plan members will be made at the current member contribution rates and that contributions from employers will be made based on the average of the last five years of contributions made in relation to the last five years of recommended contributions. Based on those assumptions, the plan's fiduciary net position was projected to be available to make projected future benefit payments of current plan members through 2033. Therefore, the long-term expected rate of return on plan investments was applied to projected benefit payments through 2033, and the municipal bond rate was applied to projected benefit payments after that date in determining the total pension liability.

**Sensitivity of the Collective Net Pension Liability to Changes in the Discount Rate**

The following presents the collective net pension liability of the participating employers as of June 30, 2015, respectively, calculated using the discount rate as disclosed above as well as what the collective net pension liability would be if it was calculated using a discount rate that is 1 -percentage point lower or 1- percentage-point higher than the current rate:

	June 30, 2015		
	1%	At Current	1%
	Decrease	Discount Rate	Increase
	<u>3.90%</u>	<u>4.90%</u>	<u>5.90%</u>
Borough's proportionate share of the pension liability	\$8,004,216	\$6,440,068	\$5,128,697

**Pension Plan Fiduciary Net Position**

Detailed information about the pension plan's fiduciary net position is available in the separately issued Financial Report for the State of New Jersey Public Employees Retirement System (PERS). The financial report may be accessed at [www.state.nj.us/treasury/pensions](http://www.state.nj.us/treasury/pensions).

**BOROUGH OF WANAQUE, N.J.**  
**Notes to Financial Statements**  
**Years Ended December 31, 2015 and 2014**  
**(continued)**

**NOTE 8. PENSION PLANS, (continued)**

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

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

At December 31, 2015, the Borough had a liability of \$13,733,921.00 for its proportionate share of the PFRS net pension liability. The net pension liability was measured as of June 30, 2015, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of that date. The Borough's proportion of the net pension liability was based on a projection of the Borough's long-term share of contributions to the pension plan relative to the projected contributions of all participating governmental entities, actuarially determined. At June 30, 2015, the Borough's proportion was .0824537497 percent, which was an increase/(decrease) of .00017689485 percent from its proportion measured as of June 30, 2014.

For the year ended December 31, 2015, the Borough recognized pension expense of \$654,980.00. At December 31, 2015, deferred outflows of resources and deferred inflows of resources related to PFRS from the following sources:

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Difference in actual and expected experience	\$	\$118,459.00
Changes of assumptions	2,535,623.00	
Net difference between projected and actual earnings on pension plan investments		239,027.00
Changes in proportion and differences between Borough contributions and proportionate share of contributions	<u>616,361.00</u>	<u>                    </u>
Total	<u>\$3,151,984.00</u>	<u>\$357,486.00</u>

Amounts reported as deferred outflows of resources related to pensions resulting from contributions subsequent to the measurement date (June 30, 2015) will be recognized as a reduction of the net pension liability in the subsequent year. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

Year ended June 30:	
2016	\$413,668
2017	413,668
2018	413,668
2019	678,273
2020	258,860

**BOROUGH OF WANAQUE, N.J.**  
**Notes to Financial Statements**  
**Years Ended December 31, 2015 and 2014**  
**(continued)**

**NOTE 8. PENSION PLANS, (continued)**

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

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

**Additional Information**

Local Group Collective balances at June 30, 2015 and June 30, 2014 are as follows:

	<u>June 30, 2015</u>	<u>June 30, 2014</u>
Collective deferred outflows of resources	\$3,512,729,953	\$750,532,959
Collective deferred inflows of resources	871,083,367	1,561,923,934
Collective net pension liability	16,656,514,197	13,933,627,178
Borough's Proportion	.0824537497%	.0806848012 %

**Actuarial Assumptions**

The total pension liability for the June 30, 2015 measurement date was determined by an actuarial valuation as of July 1, 2014, which rolled forward to June 30, 2015. This actuarial valuation used the following assumptions, applied to all periods in the measurement.

Inflation	3.04 Percent
Salary Increases:	
2012-2021	2.60-9.48 Percent (based on age)
Thereafter	3.60-10.48 Percent (based on age)
Investment Rate of Return	7.90 Percent

**Mortality Rates**

Mortality rates were based on the RP-2000 Combined Healthy Mortality Tables projected one year using Projection Scale AA and one year using Projection Scale BB for male service retirements with adjustments for mortality improvements from the base year based on Projection Scale BB. Mortality rates were based on the RP-2000 Combined Healthy Mortality Tables projected fourteen years using Projection Scale BB for female service retirements and beneficiaries with adjustments for mortality improvements from the base year of 2014 based on Projection Scale BB.

**BOROUGH OF WANAQUE, N.J.**  
**Notes to Financial Statements**  
**Years Ended December 31, 2015 and 2014**  
**(continued)**

**NOTE 8. PENSION PLANS, (continued)**

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

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

**Long-Term Rate of Return**

In accordance with State statute, the long-term expected rate of return on plan investments is determined by the State Treasurer, after consultation with the Directors of the Division of Investments and Division of Pensions and Benefits, the board of trustees and the actuaries. Best estimates of arithmetic real rates of return for each major asset class included in PFRS's target asset allocation as of June 30, 2015 are summarized in the following table:

<u>Asset Class</u>	<u>Target Allocation</u>	<u>Long-Term Expected Real Rate of Return</u>
Cash	5.00%	1.04%
U.S. Treasuries	1.75%	1.64%
Investment Grade Credit	10.00%	1.79%
Mortgages	2.10%	1.62%
High Yield Bonds	2.00%	4.03%
Inflation-Indexed Bonds	1.50%	3.25%
Broad U.S. Equities	27.25%	8.52%
Developed Foreign Markets	12.00%	6.88%
Emerging Market Equities	6.40%	10.00%
Private Equity	9.25%	12.41%
Hedge Funds/Absolute Returns	12.00%	4.72%
Real Estate (Property)	2.00%	6.83%
Commodities	1.00%	5.32%
Global Debt ex US	3.50%	-0.40%
REIT	4.25%	5.12%

**Discount Rate**

The discount rate used to measure the total pension liability was 5.79% and 5.39% as of June 30, 2015 and 2014, respectively. This single blended discount rate was based on the long-term expected rate of return on pension plan investments of 7.9%, and a municipal bond rate of 3.80% and 4.629% as of June 30, 2015 and 2014, respectively, based on the Bond

**BOROUGH OF WANAQUE, N.J.**  
**Notes to Financial Statements**  
**Years Ended December 31, 2015 and 2014**  
**(continued)**

**NOTE 8. PENSION PLANS, (continued)**

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

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

Buyer GO 20-Bond Municipal Bond Index which includes tax-exempt general obligation municipal bonds with an average rating of AA/Aa or higher. The projection of cash flows used to determine the discount rate assumed that contributions from plan members will be made at the current member contribution rates and that contributions from employers will be made based on the average of the last five years of contributions made in relation to the last five years of recommended contributions. Based on those assumptions, the plan's fiduciary net position was projected to be available to make projected future benefit payments of current plan members through 2045. Therefore, the long-term expected rate of return on plan investments was applied to projected benefit payments through 2045, and the municipal bond rate was applied to projected benefit payments after that date in determining the total pension liability.

**Sensitivity of the Collective Net Pension Liability to Changes in the Discount Rate**

The following presents the collective net pension liability of the participating employers as of June 30, 2015 respectively, calculated using the discount rate as disclosed above as well as what the collective net pension liability would be if it was calculated using a discount rate that is 1 -percentage point lower or 1- percentage-point higher than the current rate:

	June 30, 2015		
	1% Decrease <u>4.79%</u>	At Current Discount Rate <u>5.79%</u>	1% Increase <u>6.79%</u>
Borough's proportionate share of the pension liability	\$19,693,474	\$13,733,921	\$11,060,952

**Pension Plan Fiduciary Net Position**

Detailed information about the pension plan's fiduciary net position is available in the separately issued Financial Report for the State of New Jersey Police and Firemen's Retirement System (PFRS). The financial report may be accessed at [www.state.nj.us/treasury/pensions](http://www.state.nj.us/treasury/pensions).

**BOROUGH OF WANAQUE, N.J.**  
**Notes to Financial Statements**  
**Years Ended December 31, 2015 and 2014**  
**(continued)**

**NOTE 9. OTHER POST EMPLOYMENT BENEFITS**

In addition to the pension benefits described in Note 8, the Borough provides post employment health care benefits in accordance with the provisions of Ch. 88, P.L. 1974 as amended by Chapter 436, P.L. 1981, at its cost.

**Plan Description**

The Borough of Wanaque contributes to the State Health Benefits Program (SHBP) a cost-sharing, multi-employer defined benefit post-employment healthcare plan administered by the State of New Jersey Division of Pensions and Benefits. The SHBP was established in 1961 under N.J.S.A. 52:14-17.25 et seq. to provide health benefits to State employees, retirees, and their dependents.

The SHBP was extended to employees, retirees, and dependents of participating local public employers in 1964. Local employers must adopt a resolution to participate in the SHBP. Rules governing the operation and administration of the program are found in Title 17, Chapter 9 of the New Jersey Administrative Code. SHBP provides medical, prescription drugs, mental health/substance abuse, and Medicare Part B reimbursement to retirees and their covered dependents.

The State Health Benefits Commission is the executive body established by statute to be responsible for the operation of the SHBP. The State of New Jersey Division of Pensions and Benefits issues a publicly available financial report that includes financial statements and required supplementary information for the SHBP. That report may be obtained by writing to: State of New Jersey Division of Pensions and Benefits, P.O. Box 295, Trenton, NJ 08625-0295 or by visiting their website at <http://www.state.nj.us/treasury/pensions/gasb-43-sept2008.pdf>

**Plan Coverage**

Any employee who retires after twenty-five (25) years or more of service within a state administered pension system shall be entitled to be continued in the above health insurance coverage on a family-plan basis, with the cost thereof to be paid by the Borough.

**Funding Policy**

Participating employers are contractually required to contribute based on the amount of premiums attributable to their retirees. Post-retirement medical benefits under the plan have been funded on a pay-as-you-go basis since 1994. Prior to 1994, medical benefits were funded on an actuarial basis.

**BOROUGH OF WANAQUE, N.J.**  
**Notes to Financial Statements**  
**Years Ended December 31, 2015 and 2014**  
**(continued)**

**NOTE 9. OTHER POST EMPLOYMENT BENEFITS, (continued)**

Contributions to pay for the health premiums of participating employees in the SHBP are billed to the Borough of on a monthly basis. The rates charges by the system for the year ended December 31, 2015 were as follows:

The Borough of Wanaque's contributions to SHBP for post-retirement benefits for the year ended December 31, 2015 was \$308,769.52 which equaled the required contributions for the year.

**NOTE 10. FUND BALANCES**

Fund balances as of December 31, 2015 that have been anticipated as revenue in the 2016 budget is as follows:

Current Fund	\$952,500.00
Water Operating Fund	74,453.00
Sewer Operating Fund	345,583.33

**NOTE 11. FIXED ASSETS**

The Borough of Wanaque implemented a fixed asset accounting system during 1999. The Borough did not update their fixed assets for additions and deletions for the year. The balance as of December 31, 2015 and December 31, 2014 are as follows:

	<u>Balance</u> <u>Dec. 31, 2015</u>	<u>Balance</u> <u>Dec. 31, 2014</u>
Land	\$2,372,300.00	\$2,372,300.00
Buildings	1,247,700.00	1,247,700.00
Machinery and Equipment	<u>1,826,872.00</u>	<u>1,826,872.00</u>
	<u>\$5,446,872.00</u>	<u>\$5,446,872.00</u>

**NOTE 12. ACCRUED SICK AND VACATION BENEFITS**

The Borough permits all employees to accrue unused vacation and sick pay, which may be taken as time off or paid at a later date at an agreed-upon rate. It is estimated that the current cost of such unpaid compensation approximates \$686,825.28 as of December 31, 2015. The Division of Local Government Services, Department of Community Affairs, State of New Jersey does not allow this amount to be reported either as an expenditure or liability.

**BOROUGH OF WANAQUE, N.J.**  
**Notes to Financial Statements**  
**Years Ended December 31, 2015 and 2014**  
**(continued)**

**NOTE 13. DUE TO/FROM OTHER FUNDS**

Balances due to/from other funds at December 31, 2015 consist of the following:

\$7,837.11	Due to Current Fund from Payroll Fund for excess deposit.
3.06	Due to Current Fund from Public Assistance Fund for interest earned.
16.69	Due to Current Fund from Animal Control Trust Fund for interest earned.
66,993.13	Due to Current Fund from Assessment Trust Fund for assessment expenditures paid by Current Fund.
274,777.80	Due to Federal and State Grant Fund from Current Fund for grant receipts deposited in Current Fund.
100,672.08	Due to General Capital Fund from Current Fund for General Capital receipts deposited in Current Fund.
25,667.60	Due to General Capital Fund from Water Operating Fund for Water Operating expenditures paid by General Capital Fund.
4,175.80	Due to General Capital Fund from Other Trust Fund for Other Trust expenditures paid by General Capital Fund and improvement authorization.
122.19	Due to Water Operating Fund from Water Capital Fund for interest earned.
45,220.25	Due to Water Operating Fund from Current Fund for Water Operating Fund receipts deposited in Current Fund.
326,966.61	Due to Other Trust Fund from Current Fund for Other Trust receipts deposited in Current Fund.
6,901.80	Due to Other Trust Fund from Payroll Fund for Other Trust Fund receipts deposited in the Payroll Fund.
200,000.00	Due to Other Trust Fund from Water Capital Fund for short term loan.
368,191.97	Due to Sewer Capital Fund from Sewer Operating Fund for Sewer Capital Fund receipts deposited in Sewer Operating Fund.
<u>169,596.15</u>	Due to Sewer Operating Fund from Water Operating Fund for Water Operating Fund receipts deposited in Sewer Operating Fund.
<u>\$1,597,142.24</u>	

It is anticipated that all interfunds will be liquidated during the fiscal year.

**BOROUGH OF WANAQUE, N.J.**  
**Notes to Financial Statements**  
**Years Ended December 31, 2015 and 2014**  
**(continued)**

**NOTE 14. RISK MANAGEMENT**

The Borough is exposed to various risks of loss related to general liability, automobile coverage, damage and destruction of assets; errors and omissions; injuries to employees; and natural disasters. The Borough has obtained insurance coverage to guard against these events which will provide minimum exposure to the Borough should they occur. During the 2015 calendar year, the Borough did not incur claims in excess of their coverage and the amount of coverage did not significantly decrease.

The Borough of Wanaque is a member of the North Jersey Intergovernmental Joint Insurance Fund (the "JIF"). The JIF is a self-administered group of municipalities established for the purpose of providing certain low-cost general liability, automobile liability, property and workers' compensation insurance coverage for member municipalities. The Borough of Wanaque pays an annual assessment to the JIF and should it be determined that payments received by the JIF are deficient, additional assessments may be levied.

The JIF can declare and return excess surplus to members upon approval of the State of New Jersey Department of Insurance. These distributions would be divided amongst the members in the same ratio as their individual assessment relates to the total assessment of the membership body. In accordance with Statement No. 10 of the Government Accounting Standards Board, these distributions may be issued to reduce the amount recorded for membership expense in the year in which the distribution was declared.

Financial statements for the Funds are available at the office of the Funds' Administrator, Inservco, Inc.

The Borough of Wanaque continues to carry commercial insurance coverage for all other risks of loss, including employee health and accident insurance. Settled claims resulting from these risks have not exceeded commercial insurance coverage in any of the past three fiscal years.

**NOTE 15. TAXES COLLECTED IN ADVANCE**

Taxes collected in advance are recorded as cash liabilities in the financial statements. Following is a comparison of the liability for the previous two years:

	<u>Balance</u> <u>Dec 31, 2015</u>	<u>Balance</u> <u>Dec 31, 2014</u>
Prepaid Taxes	<u>\$230,317.57</u>	<u>\$147,502.38</u>
Cash Liability for Taxes Collected in Advance	<u>\$230,317.57</u>	<u>\$147,502.38</u>

**BOROUGH OF WANAQUE, N.J.**  
**Notes to Financial Statements**  
**Years Ended December 31, 2015 and 2014**  
**(continued)**

**NOTE 16. EMERGENCY SERVICES VOLUNTEER LENGTH OF SERVICE AWARD PLAN (LOSAP)**

On March 21, 2002, the Division of Local Government Services approved the Borough's LOSAP plan, provided by Variable Annuity Life Insurance Company (VALIC). The purpose of this plan is to enhance the Borough's ability to retain and recruit volunteer firefighters and volunteer members of emergency service squads.

VALIC will provide for the benefit of participants, a multi-fund variable annuity contract as its funding vehicle. The plan shall have minimum and maximum contribution requirements as follows: the minimum contribution for each participating active volunteer member shall be \$100 per year of active emergency service and the maximum contribution for each active volunteer member shall be \$1,150 per year of active emergency service, subject to periodic increases as permitted by N.J.A.C. 5:30-14.9. The Borough's contribution shall be included in the current years budget.

All amounts awarded under a length of service award plan shall remain the asset of the sponsoring agency; the obligation of the sponsoring agency to participating volunteers shall be contractual only; and no preferred or special interest in the awards made shall accrue to such participants. Such money shall be subject to the claims of the sponsoring agency's general creditors until distributed to any or all participants.

We have reviewed the plan for the year ended December 31, 2015 in accordance with the American Institute of Certified Public Accountants (AICPA) Statement on Standards for Accounting and Review Services.

**NOTE 17. DISSOLUTION OF WANAQUE BOROUGH SEWERAGE AUTHORITY**

On September 14, 2009, the Borough of Wanaque passed Ordinance number 15-0-09 which dissolved the Wanaque Borough Sewerage Authority effective December 31, 2009. As of January 1, 2010, all assets, liabilities and equity of the Authority were transferred to the Borough of Wanaque.

**BOROUGH OF WANAQUE, N.J.**  
**Notes to Financial Statements**  
**Years Ended December 31, 2015 and 2014**  
**(continued)**

**NOTE 18. COMMITMENTS AND CONTINGENT LIABILITIES**

We are advised by Borough Counsel that the Borough is involved in several suits that are either covered by insurance or not material to the financial statements.

The Borough is involved in several tax appeals. The tax refund exposure is not known at this time.

**NOTE 19. SUBSEQUENT EVENT**

The Borough has evaluated subsequent events through July 22, 2016, the date which the financial statements were available to be issued and no other items were noted for disclosure.

**SUPPLEMENTARY DATA**

**COMPARATIVE SCHEDULE OF TAX RATE INFORMATION**

	<b><u>2015</u></b>	<b><u>2014</u></b>	<b><u>2013*</u></b>
<b><u>Tax Rate:</u></b>	<b><u>3.596</u></b>	<b><u>3.525</u></b>	<b><u>3.483</u></b>
<b>Apportionment of Tax Rate:</b>			
Municipal	.82859	.828	.8198
Municipal Open Space	.010	.010	.010
County	.8504	.8093	.7318
Local School	1.2416	1.2086	1.1856
Regional High School	.628	.6312	.6972
Library	.03743	.0379	.0386

<b><u>Assessed Valuation:</u></b>			
2015	<b><u>\$1,121,190,100.00</u></b>		
2014		<b><u>\$1,125,319,500.00</u></b>	
2013			<b><u>\$1,119,721,200.00</u></b>

\*Revaluation

**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>Currently</u>	
		<u>Cash</u>	<u>Percentage of</u>
<u>Year</u>	<u>Tax Levy</u>	<u>Collections</u>	<u>Collection</u>
2015	\$40,356,377.17	\$39,871,698.45	98.80%
2014	39,821,180.55	39,360,423.69	98.84
2013	39,083,402.96	38,540,572.29	98.61

**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>Dec. 31</u>	<u>Amount of</u>	<u>Amount of</u>	<u>Total</u>	<u>Percentage</u>
	<u>Tax Title Liens</u>	<u>Delinquent</u>	<u>Delinquent</u>	<u>of Tax Levy</u>
		<u>Taxes</u>		
2015	\$125,518.38	\$482,158.07	\$607,676.45	1.51%
2014	460,304.37	427,689.51	887,993.88	2.23
2013	415,523.11	420,820.65	836,343.76	2.14

**PROPERTY ACQUIRED BY TAX TITLE LIEN LIQUIDATION**

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>
2015	\$388,475.00
2014	388,475.00
2013	388,475.00

**COMPARATIVE SCHEDULE OF FUND BALANCES**

<u>Current Fund</u>		
<u>Year</u>	<u>Balance Dec. 31,</u>	<u>Utilized in Budget of Succeeding Year</u>
2015	\$2,560,219.09	\$952,500.00
2014	2,133,120.98	888,500.00
2013	2,393,870.19	835,000.00
2012	347,761.98	-0-
2011	28,377.55	-0-

<u>Water Utility Operating Fund</u>		
<u>Year</u>	<u>Balance Dec. 31,</u>	<u>Utilized in Budget of Succeeding Year</u>
2015	\$194,178.61	\$74,453.00
2014	263,718.10	197,160.53
2013	125,642.63	125,640.00
2012	152,841.19	152,841.00
2011	150,326.23	101,181.00

<u>Sewer Utility Operating Fund</u>		
<u>Year</u>	<u>Balance Dec. 31,</u>	<u>Utilized in Budget of Succeeding Year</u>
2015	\$429,959.71	\$345,583.33
2014	784,580.80	506,732.94
2013	859,980.80	75,400.00
2012	491,116.51	235,702.04
2011	407,594.33	174,530.00

**COMPARISON OF WATER UTILITY LEVIES**

<u>Year</u>	<u>Levy</u>	<u>Cash Collections*</u>
2015	\$1,638,728.62	\$1,648,093.15
2014	1,671,538.83	1,649,674.20
2013	1,608,217.22	1,622,985.88
2012	1,488,530.91	1,462,051.42
2011	1,421,116.75	1,453,497.21

**COMPARISON OF SEWER UTILITY LEVIES**

<u>Year</u>	<u>Levy</u>	<u>Cash Collections*</u>
2015	\$4,128,711.42	\$4,158,940.26
2014	4,097,067.74	4,060,813.01
2013	4,125,487.69	4,274,610.62
2012	4,305,749.09	4,013,135.26
2011	4,026,448.11	3,972,634.04

\*Includes collections of prior years levy.

OFFICIALS IN OFFICE AND SURETY BONDS

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

<u>Name</u>	<u>Title</u>	<u>Amount of Bond*</u>
Daniel Mahler	Mayor	
Thomas Balunis	Councilman	
Dominick Cortellessa	Councilman	
Edward Leonard	Councilman	
Donald D. Pasquariello	Councilman	
Robert Pettet	Councilman	
Eric Willse	Councilman	
Thomas F. Carroll	Administrator	
Katherine Falone	Borough Clerk	
Ann Smolen	Tax Collector	
Mary Ann Brindisi	Chief Financial Officer	
Joseph Perconti	Magistrate	
Kathleen Gallanthen	Court Administrator	
Thomas Norton	Police Chief	
Jeffrey Brusco	Building Inspector	
Brian Townsend	Tax Assessor	
Richard A. Alaimo Associates	Engineers	
Anthony Fiorello	Attorney	
Ralph Fava	Prosecutor	
Charles J. Ferraioli, Jr.	Auditor	

\*Covered under New Jersey Intergovernmental Insurance Fund.

Adequacy of insurance coverage is the responsibility of the Borough.

Borough of Wanaque

Schedule of Expenditures of Federal Awards

For the Year Ended December 31, 2015

Federal Grantor/Pass-Through Grantor/Program	Federal CFDA Number	Pass-Through Entity ID Number	Grant Year	Grant Award	Balance Jan. 1, 2015	Receipts/Revenues	Expended	Balance Dec. 31, 2015	Cumulative Expenditures
<u>Federal and State Grant Fund</u>									
<u>U.S. Department of Transportation:</u>									
Pass Through NJ Department of Law & Public Safety:									
Impaired Driving Countermeasure	20.601	066-1160-100-157	2015		3,600.00		3,600.00		3,600.00
			2014		4,400.00		4,400.00		4,400.00
Click It or Tick It	20.602	066-1160-100-157	2009	4,400.00	4,000.00			4,000.00	400.00
National Priority Safety Program	20.616	066-1160-100-157	2016	5,000.00		5,000.00			
					12,000.00	5,000.00	8,000.00	4,000.00	
<u>U.S. Department of Homeland Security:</u>									
Assistance to Firefighters	97.044		2015	133,334.00			13,060.00	(13,060.00)	13,060.00
Pass Through NJ Department of Law & Public Safety:									
Buffer Zone Protection Program	97.078		2010	100,150.00					99,693.92
<u>U.S. Environmental Protection Agency:</u>									
Pass Through NJ Department of Environmental Protection									
Municipal Stormwater Regulation	66.605		2007	10,207.00	10,207.00			10,207.00	
			2006	10,207.00	6,340.93			6,340.93	3,866.07
					16,547.93			16,547.93	
<b>Total Federal and State Grant Fund</b>					28,547.93	5,000.00	21,060.00	7,487.93	

Borough of Wanaque

Schedule of Expenditures of Federal Awards

For the Year Ended December 31, 2015

Federal Grantor/Pass-Through Grantor/Program	Federal CFDA Number	Pass-Through Entity ID Number	Grant Year	Grant Award	Balance Jan. 1, 2015	Receipts/Revenues	Expended	Balance Dec. 31, 2015	Cumulative Expenditures
<u>Water Capital Fund</u>									
U.S. Department of HUD: Pass Through County of Passaic: Community Development Block Grant	14.218		2015	100,000.00					
<b>Total Water Capital Fund</b>									
<u>Sewer Capital Fund</u>									
U.S. Department of HUD: Pass Through County of Passaic: Community Development Block Grant	14.218		2014	100,000.00					98,205.59
<b>Total Sewer Capital Fund</b>									
<b>Total Federal Awards</b>					28,547.93	5,000.00	21,060.00	7,487.93	

Note: This schedule was not subject to an audit in accordance with the Uniform Guidance

Borough of Wanaque

Schedule of Expenditures of State Financial Assistance

For the Year Ended December 31, 2015

State Grantor/Pass-Through Grantor/Program	Pass-Through Entity ID Number	Grant Year	Grant Award	Balance Jan. 1, 2015	Receipts/Revenues	Expended	Balance Dec. 31, 2015	MEMO Cumulative Expenditures
<u>Federal and State Grant Fund</u>								
<u>NJ Department of Environmental Protection:</u>								
Clean Communities	4900-765-004	2015	20,637.50		20,637.50		20,637.50	
		2014	16,978.48	16,978.48			16,978.48	
		2013	18,104.76	18,104.76			18,104.76	
		2012	15,420.37	15,420.37			15,420.37	
		2011	15,679.08	15,679.08			15,679.08	
		2010	14,857.02	14,857.02			14,857.02	
		2009	14,275.14	14,275.14			14,275.14	
		2008	11,130.06	11,130.06			11,130.06	
		2007	1,045.96	1,045.96			1,045.96	
		2006	10,400.73	10,400.73		8,602.18	1,798.55	8,602.18
		2005	9,485.67	239.25		239.25	1,798.55	9,485.67
				<u>118,130.85</u>	<u>20,637.50</u>	<u>8,841.43</u>	<u>129,926.92</u>	
<u>Recycling Tonnage Grant</u>	4910-100-224	2016	5,983.85		5,983.85		5,983.85	
		2015	12,714.00	12,714.00			12,714.00	
		2014	11,154.63	11,154.63			11,154.63	
		2013	13,718.10	13,718.10			13,718.10	
		2012	6,191.44	6,191.44			6,191.44	
		2011	18,493.22	18,493.22			18,493.22	
		2010	8,388.11	8,388.11			8,388.11	
		2009	4,761.43	4,761.43			4,761.43	
				<u>75,420.93</u>	<u>5,983.85</u>		<u>81,404.78</u>	

Borough of Wanaque

Schedule of Expenditures of State Financial Assistance

For the Year Ended December 31, 2015

State Grantor/Pass-Through Grantor/Program	Pass-Through Entity ID Number	Grant Year	Grant Award	Balance Jan. 1, 2015	Receipts/Revenues	Expended	Balance Dec. 31, 2015	MEMO Cumulative Expenditures
<u>NJ Department of Health:</u>								
Alcohol Education Rehabilitation	9735-760-001	2015	235.73		235.73		235.73	
		2014	738.85	738.85			738.85	
		2013	1,834.74	1,834.74			1,834.74	
		2012	1,887.71	1,887.71			1,887.71	
		2011	653.55	653.55			653.55	
		2010	374.82	374.82			374.82	
		2009	570.30	570.30			570.30	
		2008	2,186.83	2,186.83			2,186.83	
		2007	2,620.00	1,260.07		275.00	985.07	1,634.93
				<u>9,506.87</u>	<u>235.73</u>	<u>275.00</u>	<u>9,467.60</u>	
<u>Pass Through County of Passaic:</u>								
Tobacco Grant		2004	5,214.60	(2,982.00)			(2,982.00)	2,982.00
<u>NJ Division of Highway Traffic Safety:</u>								
Drunk Driving Enforcement Fund	6400-100-078	2014	10,003.36	6,748.47		626.50	6,121.97	3,881.39
<u>NJ Highlands Water Protection</u>								
		2015	6,593.75		6,593.75		6,593.75	
		2008	55,259.28	38,639.28			38,639.28	16,620.00
				<u>38,639.28</u>	<u>6,593.75</u>		<u>45,233.03</u>	

Borough of Wanaque

Schedule of Expenditures of State Financial Assistance

For the Year Ended December 31, 2015

State Grantor/Pass-Through Grantor/Program	Pass-Through Entity ID Number	Grant Year	Grant Award	Balance Jan. 1, 2015	Receipts/Revenues	Expended	Balance Dec. 31, 2015	MEMO Cumulative Expenditures
<u>Safety:</u>								
Body Armor Replacement	066-1020-718-001	2016	2,689.05		2,689.05		2,689.05	
		2015	2,271.38	2,271.38	2,271.38			2,271.38
		2014	2,897.47	1,349.27	1,349.27			2,897.47
				<u>3,620.65</u>	<u>3,620.65</u>		<u>2,689.05</u>	
<u>Council on Alcoholism and Drug Abuse:</u>								
Pass Through County of Morris Municipal Drug Alliance		2015	44,880.00			9,571.48	(9,571.48)	9,571.48
<b>Total Federal and State Grant Fund</b>				<u>249,085.05</u>	<u>36,139.88</u>	<u>22,935.06</u>	<u>262,289.87</u>	
<u>General Capital Fund</u>								
<u>NJ Department of Transportation:</u>								
Highway Planning and Construction Phelan and 6th 5th Ave Westbrook Rd 1st and 2nd Street Melrose and Furnace Ave Laura Ave Phase II	078-6320-480	2015	205,000.00			205,000.00	(205,000.00)	205,000.00
		2013	205,000.00	123,142.37	75,589.76	54,174.94	144,557.19	54,174.94
		2013	230,000.00	(174,248.58)	24,618.27		(198,866.85)	198,866.85
		2009	211,000.00	(32,199.50)			(32,199.50)	211,000.00
		2009	200,000.00	2,788.84			2,788.84	196,439.60
		2008	257,000.00	(80,516.87)	75,589.76	283,793.21	(288,720.32)	223,811.62
<b>Total General Capital Fund</b>				<u>(80,516.87)</u>	<u>75,589.76</u>	<u>283,793.21</u>	<u>(288,720.32)</u>	
<b>Total State Awards</b>				<u>168,568.18</u>	<u>111,729.64</u>	<u>306,728.27</u>	<u>(26,430.45)</u>	

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

## Borough of Wanaque , N.J.

## Schedule of Cash - Treasurer

## Current Fund

Year Ended December 31, 2015

	<u>Ref.</u>	<u>Current Fund</u>
Balance - December 31, 2014	A	4,765,204.11
Increased by Receipts:		
Consolidated Municipal Property Tax Relief Aid	A-2	73,125.00
Energy Receipts Tax	A-2	829,233.00
Garden State Trust PILOT	A-2	4,385.00
Miscellaneous Revenue Not Anticipated	A-2	62,766.11
Tax Collector	A-5	41,810,220.43
Revenue Accounts Receivable	A-11	1,010,946.24
Due From Passaic County - Street Lighting	A-12	8,665.55
Interfunds	A-13	686,273.85
Various Cash Liabilities and Reserves	A-21	<u>439,103.67</u>
		<u>44,924,718.85</u>
		49,689,922.96
Decreased by Disbursements:		
Refund Prior Years Revenue	A-1	695.00
Current Year Budget Appropriations	A-3	11,302,873.04
Interfunds	A-13	1,836,558.32
Appropriation Reserves	A-15	243,637.50
Local District School Taxes	A-18	13,919,891.50
Regional High School Taxes	A-19	7,071,779.26
County Taxes Payable	A-20	9,577,843.38
Various Cash Liabilities and Reserves	A-21	<u>318,053.78</u>
		<u>44,271,331.78</u>
Balance - December 31, 2015	A	<u><u>5,418,591.18</u></u>

**Borough of Wanaque , N.J.**  
**Schedule of Cash - Collector-Treasurer**  
**Current Fund**  
**Year Ended December 31, 2015**

	<u>Ref.</u>		
<b>Increased by Receipts:</b>			
Interest and Costs on Taxes	A-2	276,784.84	
Due from NJ Senior Citizens & Vets	A-7	118,112.89	
Property Taxes Receivable	A-8	40,014,168.85	
Tax Title Liens	A-11	312,368.45	
Prepaid Taxes	A-17	230,317.57	
Deposits for Redemption of Tax Sale Certificates	A-21	840,321.72	
Tax Overpayments	A-21	18,146.11	
			41,810,220.43
 <b>Decreased by Disbursements:</b>			
Paid to Treasurer	A-4		41,810,220.43

Borough of Wanaque , N.J.

Schedule of Cash - Change Fund

Current Fund

Year Ended December 31, 2015

	<u>Ref.</u>	
Balance - December 31, 2014	A	<u>625.00</u>
Balance - December 31, 2015	A	<u>625.00</u>
<u>Analysis of Balance:</u>		
Health		25.00
Water Clerk		100.00
Sewer Clerk		100.00
Municipal Court		200.00
Tax Collector		<u>200.00</u>
		<u>625.00</u>

## Borough of Wanaque , N.J.

**Schedule of Amount Due From State of New Jersey  
for Senior Citizens' and Veterans Deductions - CH. 73 P.L. 1976**

**Current Fund**

**Year Ended December 31, 2015**

	<u>Ref.</u>	
Balance - December 31, 2014	A	7,488.70
Increased by:		
Senior Citizens' Deductions Per Tax Billing		22,500.00
Veterans' Deductions Per Tax Billing		95,750.00
Senior Citizens' and Veterans' Allowed by Tax Collector		5,250.00
		<u>123,500.00</u>
Less: Senior Citizens Deduction Disallowed		<u>5,299.33</u>
	A-8	<u>118,200.67</u>
		125,689.37
Decreased by:		
Cash Receipts	A-5	<u>118,112.89</u>
Balance - December 31, 2015	A	<u><u>7,576.48</u></u>

Borough of Wanaque, N.J.

Schedule of Taxes Receivable and Analysis of Property Tax Levy

Current Fund

Year Ended December 31, 2015

Year	Balance, Dec. 31, 2014	Added Taxes	Levy	2014	2015	Senior Citizen and Veteran Deductions	Transferred to Tax Title Liens	Canceled	Balance, Dec. 31, 2015
prior 2015	427,689.51	38,268.04	40,318,109.13	147,502.38	413,040.57	(4,867.12)	132.02	3,933.59	15,450.45
	<u>427,689.51</u>	<u>38,268.04</u>	<u>40,318,109.13</u>	<u>147,502.38</u>	<u>39,601,128.28</u>	<u>123,067.79</u>	<u>9,602.64</u>	<u>8,368.46</u>	<u>466,707.62</u>
	A			A-2/A-17	A-2/A-5	A-2/A-7	A-9		A

Analysis of Tax Levy

Tax yield:	Ref.
General Purpose Tax	40,318,109.13
Added Tax (R.S. 54:4-63.1 et seq.)	38,268.04
	<u>40,356,377.17</u>
Tax Levy:	
Municipal Open Space Tax	112,119.00
Added Municipal Open Space Tax	106.20
	<u>112,225.20</u>
Local District School Tax	13,919,890.00
Regional High School Tax	7,041,043.00
County Tax	9,533,506.22
Added County Taxes	9,058.02
	<u>9,542,564.24</u>
Local Tax for Municipal Purposes	30,615,722.44
Additional Taxes	9,703,522.71
	<u>37,132.02</u>
	<u>9,740,654.73</u>
	<u>40,356,377.17</u>

Borough of Wanaque , N.J.

Schedule of Tax Title Liens

Current Fund

Year Ended December 31, 2015

	<u>Ref.</u>	
Balance - December 31, 2014	A	460,304.37
Increased by:		
Interest and Costs on Tax Sale		370.46
Transfer from Taxes Receivable	A-8	<u>9,734.66</u>
		<u>10,105.12</u>
		470,409.49
Decreased by:		
Canceled		32,522.66
Tax Liens Paid	A-2, A-5	<u>312,368.45</u>
		<u>344,891.11</u>
Balance - December 31, 2015	A	<u><u>125,518.38</u></u>

Schedule of Property Acquired for  
Taxes Assessed Valuation

Current Fund

Year Ended December 31, 2015

	<u>Ref.</u>	
Balance - December 31, 2014	A	<u><u>388,475.00</u></u>
Balance - December 31, 2015	A	<u><u>388,475.00</u></u>

Borough of Wanaque , N.J.

Schedule of Revenue Accounts Receivable

Current Fund

Year Ended December 31, 2015

	Ref.	Balance Dec. 31, 2014	Accrued	Collected	Balance Dec. 31, 2015
Clerk:					
Licenses:					
Alcoholic Beverages	A-2		12,240.00	12,240.00	
Other	A-2		3,670.00	3,670.00	
Fees and Permits	A-2		862.97	862.97	
Health Department					
Licenses:					
Other	A-2		2,127.00	2,127.00	
Fees and Permits	A-2		8,916.00	8,916.00	
Police Department					
Fees and Permits	A-2		2,170.15	2,028.50	141.65
Municipal Court :					
Fines and Costs	A-2	20,286.88	202,099.67	207,745.11	14,641.44
Construction Code					
Fees	A-2		199,409.00	199,409.00	
Township of Lyndhurst -					
QPA Services	A-2		21,000.00	21,000.00	
Recreation Services	A-2		10,000.00	10,000.00	
Borough of Riverdale -					
Construction Code Services	A-2		40,000.00	40,000.00	
Uniform Fire Safety Act	A-2		17,094.62	17,094.62	
Library Services	A-2		22,000.00	22,000.00	
Hotel Occupancy Fee	A-2		71,114.07	71,114.07	
Social Services Rent	A-2		79,008.00	79,008.00	
Pilot Program	A-21	43,892.12		43,892.12	
Cable TV	A-2		57,510.00	57,510.00	
Cellular Tower Lease	A-2	2,318.55	200,085.25	192,456.23	9,947.57
Wanaque BOE Field Maintenance	A-2		5,000.00	5,000.00	
Interest on Investments and Deposits	A-2	8.99	14,877.57	14,872.62	13.94
		<u>66,506.54</u>	<u>969,184.30</u>	<u>1,010,946.24</u>	<u>24,744.60</u>
		A		A-4	A

**Borough of Wanaque , N.J.**  
**Schedule of Due from County of Passaic**  
**Current Fund**  
**Year Ended December 31, 2015**

	<u>Ref.</u>	
Balance - December 31, 2014	A, A-1	8,665.55
Increased by:		
Street Lighting Contract Fees	A-2	<u>8,788.08</u>
		17,453.63
Decreased by:		
Receipts	A-4	<u>8,665.55</u>
Balance - December 31, 2015	A, A-1	<u><u>8,788.08</u></u>

## Borough of Wanaque , N.J.

## Schedule of Interfunds

## Current Fund

## Year Ended December 31, 2015

	Ref.	Due From/(To)			Due From/(To)
		Balance Dec. 31, 2014	Increased	Decreased	Balance Dec. 31, 2015
Other Trust	A	(856,309.53)	347,905.97	877,248.89	(326,966.61)
Public Assistance	A	20.96	3.06	20.96	3.06
General Capital Fund	A	(514,011.92)	120,244.36	533,584.20	(100,672.08)
Animal Control Trust	A	(255.23)		271.92	16.69
Payroll Fund	A	16,947.34	7,837.11	16,947.34	7,837.11
Assessment Trust Fund	A	(3,145.77)	762.67	70,901.57	66,993.13
Water Operating Fund	A	(55,270.32)	45,220.25	55,270.32	(45,220.25)
Sewer Operating Fund	A	28,811.43		28,811.43	
Sewer Capital Fund		(50,000.00)		50,000.00	
State and Federal Grant Fund	A	(277,632.98)	238,586.07	241,441.25	(274,777.80)
		<u>(1,710,846.02)</u>	<u>760,559.49</u>	<u>1,874,497.88</u>	<u>(672,786.75)</u>
<u>Analysis</u>					
Due to Current Fund	A/A-1	45,779.73			74,849.99
Due From Current Fund	A	<u>(1,756,649.09)</u>			<u>(747,636.74)</u>
		<u>(1,710,869.36)</u>			<u>(672,786.75)</u>
Municipal Open Space Tax	A-1, A-8		112,225.20		
Disbursed	A-4		7,840.17	1,828,718.15	
Received	A-4		<u>640,494.12</u>	<u>45,779.73</u>	
			<u>760,559.49</u>	<u>1,874,497.88</u>	

Borough of Wanaque, N.J.

Schedule of Deferred Charges

N.J.S. 40A:4-55 Special Emergency

Year Ended December 31, 2015

<u>Date</u>	<u>Purpose</u>	<u>Net Amount</u>	<u>1/5 of</u> <u>Net Amount</u>	<u>Balance,</u> <u>Dec. 31,</u> <u>2014</u>	<u>Reduced</u> <u>in</u> <u>2015</u>	<u>Balance,</u> <u>Dec. 31,</u> <u>2015</u>
12/13/10	Revaluation / Tax Map	375,000.00	75,000.00	65,000.00	65,000.00	
06/13/11	Revaluation / Tax Map	75,000.00	15,000.00	30,000.00	30,000.00	
09/12/11	Hurricane Damage	185,492.71	37,098.54	5,492.71	5,492.71	
11/19/12	Hurricane Sandy Damage	30,000.00	6,000.00	18,000.00	18,000.00	
				<u>118,492.71</u>	<u>118,492.71</u>	<u>A</u>
				<u>A</u>	<u>A-3</u>	<u>A</u>

## Borough of Wanaque , N.J.

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## Schedule of Appropriation Reserves

## Current Fund

Year Ended December 31, 2015

<u>Appropriations</u>	Balance Dec. 31, <u>2014</u>	Balance after Transfers and <u>Encumbrances</u>	Paid or <u>Charged</u>	Balance <u>Lapsed</u>
General Government:				
Administrative and Executive				
Salaries and Wages	119.40	119.40		119.40
Other Expenses	16.16	16.16		16.16
Municipal Clerk				
Salaries and Wages	399.21	399.21		399.21
Other Expenses	319.58	1,244.11	1,210.75	33.36
Elections				
Salaries and Wages	539.79	539.79	500.00	39.79
Financial Administration				
Salaries and Wages	912.11	912.11		912.11
Other Expenses	959.43	1,127.09	611.08	516.01
Data Processing	118.26	3,268.26	3,226.24	42.02
Miscellaneous Other Expenses	17,077.75	17,077.75	6,000.00	11,077.75
Collection of Taxes				
Salaries and Wages	89.90	89.90		89.90
Other Expenses	1,400.15	1,587.80	187.65	1,400.15
Assessment of Taxes				
Salaries and Wages	1,107.43	82.43		82.43
Other Expenses	3,171.40	3,171.40		3,171.40
Legal Services				
Other Expenses	1,972.05	1,972.05	1,407.15	564.90
Engineering Services and Costs				
Other Expenses	27.50	11,972.50	7,587.25	4,385.25
Planning Board				
Other Expenses	8.37	308.37	300.00	8.37
Insurance				
Other Insurance Premiums	33.10	33.10		33.10
Employee Group Health	60,119.22	60,119.22		60,119.22
Health Benefit Waiver	76.57	76.57		76.57
Police				
Salaries and Wages	36,217.99	26,267.99	10,723.24	15,544.75
Other Expenses	13,570.21	19,018.47	10,764.98	8,253.49
Police Vehicles	5.48	5.48		5.48
911 Dispatch Services		9,500.00	9,085.00	415.00

## Borough of Wanaque , N.J.

## Schedule of Appropriation Reserves

## Current Fund

Year Ended December 31, 2015

	Balance Dec. 31, <u>2014</u>	Balance after Transfers and <u>Encumbrances</u>	<u>Paid or Charged</u>	Balance <u>Lapsed</u>
Emergency Management Services				
Salaries and Wages	67.98	67.98		67.98
First Aid Organization Contribution	6,110.80	7,330.54	2,406.05	4,924.49
Fire				
Other Expenses	3,731.17	13,081.41	12,248.58	832.83
Uniform Fire Safety Act (Ch. 383, P.L. 1983)				
Other Expenses	1,061.28	1,723.78	562.50	1,161.28
Municipal Prosecutor				
Retainer	813.90	813.90		813.90
Road Repair and Maintenance				
Salaries and Wages	3,874.85	3,874.85		3,874.85
Other Expenses	4,556.18	5,370.53	4,028.38	1,342.15
Public Buildings and Grounds				
Other Expenses	6.48	13,773.86	13,644.66	129.20
Garbage and Trash Removal				
Other Expenses	0.06	53,490.99	53,490.99	
Municipal Services Act (P.L. 1993, CH. 6)				
Garbage and Trash Removal				
Other Expenses	20,008.48	20,008.48	20,008.48	
Recycling				
Other Expenses		12,140.00	10,140.00	2,000.00
Board Of Health:				
Salaries and Wages	2,202.75	432.75		432.75
Other Expenses	1,872.73	2,328.83	482.56	1,846.27
Parks and Playgrounds				
Other Expenses				
Golden Agers	26.47	226.47	200.00	26.47
Miscellaneous Other Expenses	2,522.59	2,768.59	2,768.00	0.59
Municipal Court				
Salaries and Wages	5,102.64	5,102.64		5,102.64
Other Expenses	792.94	837.93	727.95	109.98
Uniform Construction Code Officials				
Salaries and Wages	828.68	828.68		828.68
Other Expenses	671.33	671.33		671.33
Plumbing Inspector				
Salaries and Wages	776.63	776.63		776.63

Borough of Wanaque , N.J.

Schedule of Appropriation Reserves

Current Fund

Year Ended December 31, 2015

	Balance Dec. 31, <u>2014</u>	Balance after Transfers and <u>Encumbrances</u>	Paid or <u>Charged</u>	Balance <u>Lapsed</u>
Fire Sub-Code Official				
Salaries and Wages	49.12	49.12		49.12
Gasoline	11,764.81	13,183.24	418.43	12,764.81
Telephone	1,639.59	2,091.63	323.93	1,767.70
Street Lighting	12,009.76	12,156.01	8,483.65	3,672.36
Emergency Services Volunteer Length of Service Award Program	70,000.00	70,000.00	62,100.00	7,900.00
Interlocal - Borough of Lyndhurst - QPA Salaries and Wages	836.00	836.00		836.00
Interlocal - Borough of Lyndhurst - Recreation Other Expenses	<u>2,502.00</u>	<u>2,502.00</u>		<u>2,502.00</u>
	<u>292,090.28</u>	<u>405,377.33</u>	<u>243,637.50</u>	<u>161,739.83</u>
	A		A-4	A-1
		Ref.		
Appropriation Reserves		above	292,090.28	
Transfer from Reserve for Encumbrances		A-16	<u>113,287.05</u>	
			<u>405,377.33</u>	

**Borough of Wanaque , N.J.**  
**Schedule of Encumbrances Payable**

**Current Fund**

**Year Ended December 31, 2015**

	<u>Ref.</u>	
Balance - December 31, 2014	A	113,287.05
Increased by:		
Transfer from Current Appropriations	A-3	<u>165,911.28</u> 279,198.33
Decreased by:		
Transferred to Appropriation Reserves	A-15	<u>113,287.05</u>
Balance - December 31, 2015	A	<u><u>165,911.28</u></u>

**Schedule of Prepaid Taxes**

**Current Fund**

**Year Ended December 31, 2015**

Balance - December 31, 2014	A	147,502.38
Increased by:		
Receipts - Prepaid 2016 Taxes	A-5	<u>230,317.57</u> 377,819.95
Decreased by:		
Applied to 2015 Taxes	A-8	<u>147,502.38</u>
Balance - December 31, 2015	A	<u><u>230,317.57</u></u>

## Borough of Wanaque , N.J.

## Schedule of Local District School Tax

## Current Fund

## Year Ended December 31, 2015

	<u>Ref.</u>	
Balance - December 31, 2014	A	181.50
Increased by:		
Levy Calendar Year , 2015	A-8	<u>13,919,890.00</u>
		13,920,071.50
Decreased by:		
Payments	A-4	<u>13,919,891.50</u>
Balance - December 31, 2015	A	<u><u>180.00</u></u>
2015 Liability for Local District School Tax:		
Tax Paid		13,919,891.50
Tax Payable December 31, 2015		<u>180.00</u>
		13,920,071.50
Less Tax Payable December 31, 2014		<u>181.50</u>
Amount Charged to 2015 Operations	A-1	<u><u>13,919,890.00</u></u>

**Borough of Wanaque , N.J.**  
**Schedule of Regional High School Tax**

**Current Fund**

**Year Ended December 31, 2015**

	<u>Ref.</u>		
Balance - December 31, 2014			
School Tax Payable		9,487.38	
School Tax Deferred		<u>3,551,258.00</u>	3,560,745.38
Increased by:			
Levy School Year - July 1, 2015 to June 30, 2016	A-8		<u>7,041,043.00</u>
			10,601,788.38
Decreased by:			
Payments	A-4		<u>7,071,779.26</u>
Balance - December 31, 2015			
School Tax Payable	A	9,487.62	
School Tax Deferred		<u>3,520,521.50</u>	<u>3,530,009.12</u>
2015 Liability for Regional High School Tax			
Tax Paid			7,071,779.26
Tax Payable December 31, 2015			<u>9,487.62</u>
			7,081,266.88
Less Tax Payable December 31, 2014			<u>9,487.38</u>
Amount Charged to 2015 Operations	A-1		<u>7,071,779.50</u>

**Borough of Wanaque , N.J.**  
**Schedule of County Taxes Payable**  
**Current Fund**  
**Year Ended December 31, 2015**

	<u>Ref.</u>		
Balance - December 31, 2014	A		35,279.14
Increased by:			
Tax Levy -2015			
County Tax		9,533,506.22	
Added and Omitted Taxes		<u>9,058.02</u>	
	A-1/A-8		<u>9,542,564.24</u>
			9,577,843.38
Decreased by:			
Payments	A-4		<u>9,577,843.38</u>
Balance - December 31, 2015	A		<u><u>0.00</u></u>

Borough of Wanaque, N.J.

Schedule of Various Cash Liabilities and Reserves

Current Fund

Year Ended December 31, 2015

<u>Liabilities and Reserves</u>	Balance Dec. 31, 2014	Increased	Decreased	Balance Dec. 31, 2015
<u>Liabilities:</u>				
Deposits for Redemption of Tax Sale Certificates	16,110.72	840,321.72	229,631.81	626,800.63
Tax Overpayments	17,633.34	18,146.11	35,246.13	533.32
Due to State of N.J. Marriage Surcharge	275.00	1,350.00	1,625.00	
Due to State of N.J. Building Surcharge	1,094.00	13,114.00	9,564.00	4,644.00
<u>Reserves for:</u>				
Revaluation / Tax Map	60,134.15			60,134.15
Police Law Enforcement	56.64			56.64
Project D.A.R.E.	20,710.80	4,119.00	3,187.69	21,642.11
Pilot	205,846.00	464,412.79		670,258.79
Tax Appeals	61,846.56	50,000.00	53,907.61	57,938.95
Fire Prevention Bureau	20,528.85			20,528.85
	<u>404,236.06</u>	<u>1,391,463.62</u>	<u>333,162.24</u>	<u>1,462,537.44</u>
	A			A
	<u>Ref.</u>			
Canceled Tax Overpayments	A-1		15,108.46	
Appropriations Payable	A-3	50,000.00		
Receipts	A-4	439,103.67		
Disbursed	A-4		318,053.78	
Tax Overpayments	A-5	18,146.11		
Deposits for Redemption of Tax Sale Certificates	A-5	840,321.72		
Revenue Accounts Receivable	A-11	43,892.12		
		<u>1,391,463.62</u>	<u>333,162.24</u>	

## Borough of Wanaque , N.J.

## Schedule of Grants Receivable

## Federal and State Grant Fund

Year Ended December 31, 2015

<u>Grant</u>	<u>Balance, Dec. 31, 2014</u>	<u>Budget Revenue</u>	<u>Received</u>	<u>Balance, Dec. 31, 2015</u>
Local Grants				
Passaic County Open Space - Memorial Field		30,000.00		30,000.00
Passaic County Open Space - Tremont Park		20,000.00		20,000.00
		<u>50,000.00</u>		<u>50,000.00</u>
Federal Grants:				
Over the Limit Under Arrest		8,000.00	8,000.00	
Aid to Firefighter's Grant		133,334.00		133,334.00
Buffer Zone Protection Program	806.08			806.08
	<u>806.08</u>	<u>141,334.00</u>	<u>8,000.00</u>	<u>134,140.08</u>
State Grants:				
Division of Criminal Justice - Body Armor Grant		2,271.38	2,271.38	
Passaic County Tobacco Grant	2,982.00			2,982.00
Clean Communities Program		16,978.48	16,978.48	
Recycling Tonnage Grant		12,714.00	12,714.00	
Municipal Alliance		44,880.00		44,880.00
	<u>2,982.00</u>	<u>76,843.86</u>	<u>31,963.86</u>	<u>47,862.00</u>
	<u>3,788.08</u>	<u>268,177.86</u>	<u>39,963.86</u>	<u>232,002.08</u>
	A	A-2	A-24	A

## Borough of Wanaque , N.J.

## Schedule of Appropriated Reserves for Grants

## Federal and State Grant Fund

## Year Ended December 31, 2015

<u>Grant</u>	<u>Balance, Dec. 31, 2014</u>	<u>Transfer From 2015 Budget</u>	<u>Expended</u>	<u>Balance, Dec. 31, 2015</u>
<b>Local Grants</b>				
Passaic County Open Space - Memorial Field		30,000.00		30,000.00
Passaic County Open Space - Tremont Park		20,000.00		20,000.00
		<u>50,000.00</u>		<u>50,000.00</u>
<b>Federal Grants</b>				
Over the Limit or Under Arrest		8,000.00	8,000.00	
Aid to Firefighter's Grant		133,334.00	13,060.00	120,274.00
Click It or Ticket	4,000.00			4,000.00
Buffer Zone Protection Program	806.08			806.08
Municipal Stormwater Grant	16,547.93			16,547.93
	<u>21,354.01</u>	<u>141,334.00</u>	<u>21,060.00</u>	<u>141,628.01</u>
<b>State Grants:</b>				
Clean Communities Program	101,152.37	16,978.48	8,841.43	109,289.42
Body Armor Fund	1,349.27	2,271.38	3,620.65	
Alcohol Education and Rehabilitation Fund	9,506.87		275.00	9,231.87
Drunk Driving Enforcement Fund	6,748.47		626.50	6,121.97
Recycling Tonnage Grant	62,706.93	12,714.00		75,420.93
Municipal Alliance		44,880.00	9,571.48	35,308.52
NJ Highlands Water Protection	38,639.28			38,639.28
	<u>220,103.19</u>	<u>76,843.86</u>	<u>22,935.06</u>	<u>274,011.99</u>
	<u>241,457.20</u>	<u>268,177.86</u>	<u>43,995.06</u>	<u>465,640.00</u>
	A	A-3	A-25	A

Borough of Wanaque, N.J.

Schedule of Unappropriated Reserves for Grants

Federal and State Grant Fund

Year Ended December 31, 2015

<u>Grant</u>	<u>Balance, Dec. 31, 2014</u>	<u>Transfer To 2015 Budget</u>	<u>Received</u>	<u>Balance, Dec. 31, 2015</u>
Federal Grants:				
Over the Limit Under Arrest	8,000.00	8,000.00	5,000.00	5,000.00
Click It or Ticket	<u>8,800.00</u>	<u>8,000.00</u>	<u>5,000.00</u>	<u>5,000.00</u>
State Grants:				
Highlands Protection Fund			6,593.75	6,593.75
Alcohol Education and Rehabilitation Fund			235.73	235.73
Body Armor Fund	2,271.38	2,271.38	2,689.05	2,689.05
Recycling Tonnage Grant	12,714.00	12,714.00	5,983.85	5,983.85
Clean Communities	16,978.48	16,978.48	20,637.50	20,637.50
	<u>31,963.86</u>	<u>31,963.86</u>	<u>36,139.88</u>	<u>36,139.88</u>
	<u>39,963.86</u>	<u>39,963.86</u>	<u>41,139.88</u>	<u>41,139.88</u>
	A	A-22	A-25	A

Borough of Wanaque , N.J.

Schedule of Due from Current Fund

Federal and State Grant Fund

Year Ended December 31, 2015

	<u>Ref.</u>	
Balance - December 31, 2014	A	277,632.98
Increased by:		
Unappropriated Reserves	A-24	<u>41,139.88</u>
		318,772.86
Decreased by:		
Federal and State Grant Expenditures	A-23	<u>43,995.06</u>
Balance - December 31, 2015	A	<u><u>274,777.80</u></u>

## Borough of Wanaque, N.J.

## Schedule of Cash

## Trust Funds

Year Ended December 31, 2015

	Ref.	Assessment Trust Fund	Animal Control Fund	Other Trust Funds	Recreation Trust Fund	Payroll Agency Fund	L.O.S.A.P.
Balance - December 31, 2014	B	5,108.44	1,013.78	1,629,844.25	33,823.24	78,463.41	1,199,334.72
Increased by Receipts:							
Assessments Receivable	B-6	9,903.97					
Interfund - Current Fund	B-7	70,138.90	271.92	1,053,448.89		7,837.11	
Budget Appropriation	B-10	32,000.00					
Animal Control Fees	B-11		17,615.40				
Due to State of New Jersey	B-12		1,485.60				
Other Trust Funds	B-13			717,356.15			
Municipal Open Space Tax	B-14			112,897.93			
Interfunds	B-15			22,195.99			
Recreation Trust	B-16				82,996.41		
Payroll Deductions Payable	B-17					6,879,750.59	
Interfund - Other Trust Fund	B-18					7,812.16	
Contributions Receivable	B-19						62,100.00
Net Assets Available for Benefits	B-20						1,664.25
Total Receipts		<u>112,042.87</u>	<u>19,372.92</u>	<u>1,905,898.96</u>	<u>82,996.41</u>	<u>6,895,399.86</u>	<u>63,764.25</u>
		<u>117,151.31</u>	<u>20,386.70</u>	<u>3,535,743.21</u>	<u>116,819.65</u>	<u>6,973,863.27</u>	<u>1,263,098.97</u>
Decreased by Disbursements:							
Interfund - Current Fund	B-7			524,105.97		16,947.34	
Assessment Bonds	B-9	66,000.00					
Reserve for Animal Control Trust							
Fund Expenditures	B-11		18,496.64				
Due to State of New Jersey	B-12		1,485.60				
Other Trust Funds	B-13			545,501.47			
Municipal Open Space	B-14			4,175.80			
Interfunds	B-15			738,321.80			
Recreation Trust	B-16				91,498.16		
Payroll Deductions Payable	B-17					6,876,574.20	
Net Assets Available for Benefits	B-20						17,342.18
Total Disbursements		<u>66,000.00</u>	<u>19,982.24</u>	<u>1,812,105.04</u>	<u>91,498.16</u>	<u>6,912,452.09</u>	<u>17,342.18</u>
Balance - December 31, 2015	B	<u>51,151.31</u>	<u>404.46</u>	<u>1,723,638.17</u>	<u>25,321.49</u>	<u>61,411.18</u>	<u>1,245,756.79</u>

**Borough of Wanaque, N.J.**  
**Analysis of Assessment Cash**  
**Assessment Trust Fund**  
**Year Ended December 31, 2015**

	<u>Ref.</u>	
Pledged to Assessment Serial		
Bonds of 2007		(32,000.00)
Interfund - Current Fund	B-7	66,993.13
Fund Balance	B-1	<u>16,158.18</u>
		<u>51,151.31</u>
		B

Borough of Wanaque, N.J.

Schedule of Assessments Receivable

Year Ended December 31, 2015

<u>Ordinance Number</u>	<u>Improvement Description</u>	<u>Date of Confirmation</u>	<u>Balance Dec. 31, 2014</u>	<u>Collected</u>	<u>Balance Dec. 31, 2015</u>	<u>Balance Pledged to Reserve</u>
2-0-97/	Improvement to the Sanitary					
5-0-98	Sewerage Collection System	7/14/2003	17,442.05	9,744.25	7,697.80	7,697.80
13-0-01	Construction of Sidewalks on Ringwood Avenue	4/18/2005	159.72	159.72		
			<u>17,601.77</u>	<u>9,903.97</u>	<u>7,697.80</u>	<u>7,697.80</u>
			B	B-4	B	

**Borough of Wanaque, N.J.**

**Schedule of Interfund - Current Fund**

**Year Ended December 31, 2015**

	Due to/(from) Balance <u>Dec. 31, 2014</u>	<u>Increased</u>	<u>Decreased</u>	Due to/(from) Balance <u>Dec. 31, 2015</u>
Animal Control Trust Fund	(255.23)		271.92	16.69
Assessment Trust Fund	(3,145.77)		70,138.90	66,993.13
Payroll Agency Fund	16,947.34	7,837.11	16,947.34	7,837.11
Other Trust Fund	<u>(856,309.53)</u>	<u>524,105.97</u>	<u>1,053,448.89</u>	<u>(326,966.61)</u>
	<u>(842,763.19)</u>	<u>531,943.08</u>	<u>1,140,807.05</u>	<u>(252,119.68)</u>
	B			B
		<u>Ref.</u>		
Cash Receipts - Assessment Trust Fund		B-4	70,138.90	
Cash Receipts - Animal Control Trust		B-4	271.92	
Cash Receipts - Other Trust Fund		B-4	1,053,448.89	
Cash Receipts - Payroll Fund		B-4	7,837.11	
Cash Disbursements - Other Trust Fund		B-4	524,105.97	
Cash Disbursements - Payroll Fund		B-4	<u>16,947.34</u>	
			<u>531,943.08</u>	<u>1,140,807.05</u>

Borough of Wanaque, N.J.

Schedule of Prospective Assessments Funded

Year Ended December 31, 2015

<u>Improvement Description</u>	<u>Ord. Number</u>	<u>Balance Dec. 31, 2014</u>	<u>Bonded in 2015</u>	<u>Funded from Capital Improvement Fund</u>	<u>Refunded</u>	<u>Balance Dec. 31, 2015</u>	<u>Bonds</u>	<u>Balance Pledged to Reserve</u>
Ringwood Ave Sidewalks	8-0-03	337,000.00	30,000.00		31,000.00	336,000.00	126,000.00	210,000.00
Ringwood Ave Sidewalks	10-0-10		744,000.00	39,300.00		783,300.00	744,000.00	39,300.00
		<u>337,000.00</u>	<u>774,000.00</u>	<u>39,300.00</u>	<u>31,000.00</u>	<u>1,119,300.00</u>	<u>870,000.00</u>	<u>249,300.00</u>
		B	B-9	B-10	B-9	B		

Borough of Wanaque, N.J.

Schedule of Assessment Serial Bonds Payable

Year Ended December 31, 2015

Purpose	Date of Issue	Original Issue	Maturities of Bonds Outstanding, December 31, 2015	Interest Rate	Balance, Dec. 31, 2014	Increased	Decreased	Balance, Dec. 31, 2015
Construction of Sidewalks - Ringwood Avenue	02/15/04	200,000.00		3.80%	34,000.00	34,000.00		
Ringwood Avenue Sidewalks	08/09/07	319,000.00	02/01/16-17 02/01/18	4.125%-4.20%	127,000.00	63,000.00		64,000.00
Ringwood Avenue Sidewalks	02/26/15	744,000.00	02/01/16-24 02/01/25	2.25%-3.00%		744,000.00		744,000.00
Ringwood Avenue Sidewalks Refunding	02/26/15	30,000.00	02/01/18	3.00%		30,000.00		30,000.00
					<u>161,000.00</u>	<u>774,000.00</u>	<u>97,000.00</u>	<u>838,000.00</u>
					B			B
				Refunded	Ref.			
				Prospective Assessments	B-8	30,000.00	31,000.00	
				Cash Disbursements	B-8	744,000.00	66,000.00	
					B-4	<u>774,000.00</u>	<u>97,000.00</u>	

Borough of Wanaque, N.J.

Schedule of Reserve for Assessments and Liens

Year Ended December 31, 2015

<u>Ordinance Number</u>	<u>Improvement Description</u>	<u>Balance Dec. 31, 2014</u>	<u>Costs Raised Prior to Assessment</u>	<u>Collections to Surplus</u>	<u>Budget Appropriation</u>	<u>Balance Dec. 31, 2015</u>
<u>Assessments Receivable</u>						
2-0-97/	Improvement to the Sanitary	17,442.05		9,744.25		7,697.80
5-0-98	Sewerage Collection System					
		<u>17,442.05</u>		<u>9,744.25</u>		<u>7,697.80</u>
<u>Prospective Assessments Funded</u>						
8-0-03	Ringwood Avenue Sidewalks	178,000.00			32,000.00	210,000.00
10-0-10	Ringwood Avenue Sidewalks		39,300.00			39,300.00
		<u>178,000.00</u>	<u>39,300.00</u>		<u>32,000.00</u>	<u>249,300.00</u>
		<u>195,442.05</u>	<u>39,300.00</u>	<u>9,744.25</u>	<u>32,000.00</u>	<u>256,997.80</u>
		B	B-8	B-1	B-4	B

Borough of Wanaque, N.J.

Schedule of Deficit in/Reserve for Animal Control Fund Expenditures

Year Ended December 31, 2015

	<u>Ref.</u>	
Balance - December 31, 2014	B	1,269.01
Increased by:		
Collections		
Dog License Fees - 2015		14,362.40
Cat License Fees - 2015		2,172.00
Late Charge Fees		1,040.00
Miscellaneous		41.00
	B-4	<u>17,615.40</u>
		18,884.41
Decreased by:		
Expenditures R.S. 4:19-15.11	B-4	<u>18,496.64</u>
Balance - December 31, 2015	B	<u><u>387.77</u></u>

License Fees Collected

<u>Year</u>	
2014	13,987.60
2013	13,876.00
	<u><u>27,863.60</u></u>

Schedule of Due to State Department of Health

Year Ended December 31, 2015

	<u>Ref.</u>	
Increased by:		
State Fees Collected	B-4	<u><u>1,485.60</u></u>
Decreased by:		
Paid to State	B-4	<u><u>1,485.60</u></u>

## Borough of Wanaque, N.J.

## Schedule of Other Trust Funds

Year Ended December 31, 2015

	Balance <u>Dec. 31, 2014</u>	<u>Increased</u>	<u>Decreased</u>	Balance <u>Dec. 31, 2015</u>
Developers Escrow	51,588.28	43,612.48	37,991.64	57,209.12
Parkside @Wanaque Escrow	201,779.71	12.38	195,201.01	6,591.08
Lakeland Village		123,438.33		123,438.33
Christmas Tree Escrow	300.00		300.00	
Reserve for:				
Unemployment	90,839.25	6,556.29	4,553.56	92,841.98
Parking Offenses Adjudication Act	3,773.01	256.00		4,029.01
Welcome Bricks		1,600.00	565.00	1,035.00
Recycling	141,435.38	30,917.81	14,749.14	157,604.05
Flexible Spending Account	3,886.51	10,606.89	16,299.94	(1,806.54)
Performance Bonds	750.00	96,439.44	96,439.44	750.00
Sprint Lease	10,802.81	5.42		10,808.23
Cingular Lease	10,000.00			10,000.00
Haskell Tank Lease	5,633.24	2.81		5,636.05
Wanaque Housing Trust	362,487.38	723.45	3,317.34	359,893.49
Soil Removal Permits	5,454.90			5,454.90
Sidewalk/Road Opening	9,526.25	1,579.40	1,684.40	9,421.25
Developer Agreements	38,400.00			38,400.00
State Housing Rehabilitation	31,883.00			31,883.00
Security Deposit	4,566.67			4,566.67
Picnic		6,500.00		6,500.00
Bid Specs	300.00			300.00
Municipal Alliance	2,727.97	5.45		2,733.42
L.O.S.A.P.	16,650.00			16,650.00
Redevelopment	630.00			630.00
Tax Sale Premiums	820,500.00	395,100.00	174,400.00	1,041,200.00
Snow Removal	18,852.46			18,852.46
Fire Penalty	250.00			250.00
	<u>1,833,016.82</u>	<u>717,356.15</u>	<u>545,501.47</u>	<u>2,004,871.50</u>
	B	B-4	B-4	B

Borough of Wanaque, N.J.

Reserve for Municipal Open Space

Year Ended December 31, 2015

	<u>Ref.</u>	
Balance - December 31, 2014	B	139,737.15
Increased by:		
2015 Tax Levy		112,119.00
2015 Added Taxes		106.20
Interest Earned		<u>672.73</u>
	B-4	<u>112,897.93</u>
		252,635.08
Decreased by:		
Expenditures	B-4	<u>4,175.80</u>
Balance - December 31, 2015	B	<u><u>248,459.28</u></u>

Borough of Wanaque, N.J.

Schedule of Interfunds

Trust Funds

Year Ended December 31, 2015

	Due to/(from) Balance <u>Dec. 31, 2014</u>	<u>Increased</u>	<u>Decreased</u>	Due to/(from) Balance <u>Dec. 31, 2015</u>
General Capital Fund	731,420.00	4,175.80	731,420.00	4,175.80
Water Capital Fund	(200,000.00)			(200,000.00)
Payroll Fund	<u>(18,020.19)</u>	<u>6,901.80</u>	<u>18,020.19</u>	<u>(6,901.80)</u>
	<u>513,399.81</u>	<u>11,077.60</u>	<u>749,440.19</u>	<u>(202,726.00)</u>
	B			B
	<u>Ref.</u>			
Cash Receipts	B-4	4,175.80	18,020.19	
Cash Disbursements	B-4	<u>6,901.80</u>	<u>731,420.00</u>	
		<u>11,077.60</u>	<u>749,440.19</u>	

Schedule of Reserve for Recreation

Trust Funds

Year Ended December 31, 2015

	<u>Ref.</u>	
Balance - December 31, 2014	B	33,823.24
Increased by:		
Cash Receipts	B-4	<u>82,996.41</u>
		116,819.65
Decreased by:		
Cash Disbursements	B-4	<u>91,498.16</u>
Balance - December 31, 2015	B	<u>25,321.49</u>

## Borough of Wanaque, N.J.

## Schedule of Payroll Deductions

## Payroll Fund

Year Ended December 31, 2015

	<u>Balance</u> <u>Dec. 31, 2014</u>	<u>Receipts</u>	<u>Disbursed</u>	<u>Balance</u> <u>Dec. 31, 2015</u>
Federal Withholding		714,730.05	714,730.05	
Social Security / Medicare		469,831.01	469,831.01	
State Withholding		203,147.38	203,147.38	
Unemployment Insurance		20,832.47	20,832.47	
Union Dues	(23.10)	7,508.10	7,485.00	
P.E.R.S.	17,341.18	441,342.53	442,958.01	15,725.70
P.E.R.S. Contributory Insurance	732.94	9,042.81	8,887.53	888.22
P.F.R.S.	25,007.16	963,494.43	962,680.53	25,821.06
P.F.R.S. Annuity	532.92	7,997.45	7,877.81	652.56
D.C.R.P.	2,425.35	8,220.43	6,593.50	4,052.28
College Savings		8,800.00	9,150.00	(350.00)
Life Insurance		520.80	520.80	
Deferred Compensation	100.00	144,988.19	145,088.19	
Flexible Spending Account	595.83	9,999.72	10,595.55	
Long Term Disability Insurance	(3,216.40)	33,344.41	30,245.56	(117.55)
Employee Share Health Ins.		114,117.21	114,117.21	
Net Payroll		<u>3,721,833.60</u>	<u>3,721,833.60</u>	
	<u>43,495.88</u>	<u>6,879,750.59</u>	<u>6,876,574.20</u>	<u>46,672.27</u>
	B	B-4	B-4	B

Borough of Wanaque, N.J.

Schedule of Due to Other Trust Fund

Payroll Fund

Year Ended December 31, 2015

	<u>Ref.</u>	
Balance - December 31, 2014	B	18,020.19
Increased by:		
Cash Receipts	B-4	<u>7,812.16</u>
		25,832.35
Decreased by:		
Cash Disbursements	B-4	<u>18,930.55</u>
Balance - December 31, 2015	B	<u><u>6,901.80</u></u>

Borough of Wanaque, N.J.

Statement of Contributions Receivable

Year Ended December 31, 2015

	<u>Ref.</u>	
Balance - December 31, 2014	B	62,100.00
Increased by:		
Borough Contributions	B-20	<u>64,400.00</u>
		126,500.00
Decreased by:		
Receipts	B-4	<u>62,100.00</u>
Balance - December 31, 2015	B	<u><u>64,400.00</u></u>

Borough of Wanaque, N.J.

Statement of Net Assets Available for Benefits

Year Ended December 31, 2015

	<u>Ref.</u>		
Balance - December 31, 2014	B		1,261,434.72
Increased by:			
Borough Contributions	B-19	64,400.00	
Gain or (Loss)	B-4	<u>1,664.25</u>	
			<u>66,064.25</u>
Decreased by:			
Distributions	B-4		<u>17,342.18</u>
Balance - December 31, 2015	B		<u><u>1,310,156.79</u></u>

Borough of Wanaque , N.J.

Schedule of General Capital Cash - Treasurer

Year Ended December 31, 2015

	<u>Ref.</u>		
Balance - December 31, 2014	C		4,741,186.09
Increased by Receipts:			
Grant Receivable	C-4	75,589.76	
Deferred Charges Unfunded	C-6	804,590.00	
Serial Bonds Payable	C-8	11,580,000.00	
Capital Improvement Fund	C-13	200,000.00	
Various Liabilities	C-15	50,154.80	
Interfunds	C-15	<u>1,269,469.92</u>	
			<u>13,979,804.48</u>
			18,720,990.57
Decreased by Disbursements:			
Bond Anticipation Notes	C-9	12,329,590.00	
Improvement Authorizations	C-12	3,760,261.17	
Various Liabilities	C-15	29,088.29	
Interfunds	C-15	<u>919,434.47</u>	
			<u>17,038,373.93</u>
Balance - December 31, 2015	C		<u><u>1,682,616.64</u></u>

## Borough of Wanaque , N.J.

## Analysis of General Capital Cash

Year Ended December 31, 2015

	<u>Ref.</u>	
Fund Balance	C-1	638,917.55
Various Receivables	C-4	(507,427.31)
Various Reserves	C-14	872,579.04
Interfund - Current Fund	C-15	(100,672.08)
Interfund - Other Trust Fund	C-15	(4,175.80)
Interfund - Water Operating Fund	C-15	(25,667.60)

## Improvement Authorizations:

## Ordinance

<u>Number</u>	<u>Improvement Description</u>	
19-0-99	Provision of Affordable Housing	(36,000.00)
11-0-07	Improvement of Laura Ave (Phase I)	9,820.49
13-0-07	Improvement of the Haskell Firehouse	818.54
19-0-08	Haskell Firehouse Addition	5,802.82
22-0-08	Acquisition of Ambulance	535.00
08-0-09	Laura Avenue Reconstruction II	54,915.35
9-0-10	Improvement Of Ringwood Ave	1,309.64
10-0-10	Ringwood Ave Sidewalks	433,099.77
11-0-10	2nd Avenue Drainage System Improvement	(22,099.98)
18-0-10	Acquisition of Vehicles	(57,530.45)
12-0-11	Improvement of Various Roads	4,037.51
16-0-12	Purchase of Property	11,617.90
20-0-12	Improvement of Various Roads	9,724.68
07-0-13	Improvement of Westbrook Road	188,658.63
08-0-13	Various Improvements	64,530.78
10-0-14	Improvement of Various Roads	(193,783.68)
13-0-14	Improvement of Various Roads	202,075.06
6-0-15	Improvement of Various Roads	(99,745.41)
9-0-15	Improvement of Various Roads	37,000.00
10-0-15	Acquisition of New Equipment	(21,973.81)
11-0-15	Purchase of Fire Equipment	12,500.00
19-0-15	Reconstruction of Roofs	75,000.00

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 1,682,616.64
 

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C

Borough of Wanaque, N.J.

Schedule of Various Grants Receivable

Year Ended December 31, 2015

	<u>Balance, Dec. 31, 2014</u>	<u>Grants Approved</u>	<u>Cash Received</u>	<u>Balance, Dec. 31, 2015</u>
State of NJ - D.O.T. - 1st & 2nd St (Ord. 7-0-09)	32,199.50			32,199.50
State of NJ - D.O.T. - Laura Ave (Phase II) (Ord. 8-0-09)	33,188.38			33,188.38
State of NJ - D.O.T. - Westbrook Rd (Ord. 7-0-13)	230,000.00			230,000.00
State of NJ - D.O.T. - 5th Avenue (Ord. 13-0-14)	81,857.63		75,589.76	6,267.87
State of NJ - D.O.T. - Phelan & 6th (Ord. 6-0-15)		205,000.00		205,000.00
NJ Transportation Trust - Melrose & Furnace (Ord. 25-0-09)	771.56			771.56
	<u>378,017.07</u>	<u>205,000.00</u>	<u>75,589.76</u>	<u>507,427.31</u>
	C	C-12	C-2	C/C-3

**Borough of Wanaque , N.J.**

**Schedule of Deferred Charges to Future  
Taxation - Funded**

**Year Ended December 31, 2015**

	<u>Ref.</u>	
Balance - December 31, 2014	C	5,655,865.33
Increased by:		
Refunded	C-8	4,035,000.00
Improvement Costs Funded by:		
Serial Bonds Issued	C-6	<u>11,580,000.00</u>
		<u>15,615,000.00</u>
		21,270,865.33
Decreased by:		
Refunded	C-8	4,138,000.00
Budget Appropriations		
Serial Bonds Payable	C-8	733,000.00
Loan Payable - Back Beach Phase II	C-10	13,070.83
Loan Payable - NJDEP Green Trust	C-11	<u>9,494.82</u>
		<u>4,893,565.65</u>
Balance - December 31, 2015	C	<u><u>16,377,299.68</u></u>

Borough of Wanaque, N.J.

Schedule of Deferred Charges to Future Taxation - Unfunded

Year Ended December 31, 2015

Analysis of Balance - Dec. 31, 2015

Ordinance Number	Improvement Description	Balance, Dec. 31, 2014	2015 Authorizations	Transferred to Deferred Taxation Funded	Decreased by	Balance, Dec. 31, 2015	Expended	Unexpended Improvement Authorization
<u>General Improvements</u>								
19-0-99	Provision of Affordable Housing	36,000.00				36,000.00	36,000.00	
10-0-07	Improvement of Various Roads	265,260.00		260,010.00	5,250.00			
11-0-07	Improvement of Laura Ave (Phase I)	155,340.00		155,340.00				
12-0-07	Acquisition of Fire Truck	610,520.00		610,520.00				
13-0-07	Improvement of the Haskell Firehouse	161,370.00		161,370.00				
05-0-08	Athletic Field Improvements	417,580.00		417,580.00				
22-0-08	Acquisition of Ambulance	102,000.00		102,000.00				
25-0-09	Improvement of Melrose & Furnace Ave	97,290.00		97,290.00				
09-0-10	Improvement of Ringwood Ave	766,890.00		766,890.00				
11-0-10	2nd Avenue Drainage System	22,099.98			55,000.00	22,099.98	22,099.98	469.55
18-0-10	Acquisition of New Vehicles	113,000.00				58,000.00	57,530.45	
12-0-11	Improvement of Various Roads	315,000.00		315,000.00				
04-0-12	Construction of New Municipal Building	4,452,000.00		4,452,000.00				
20-0-12	Improvement of Various Roads	95,000.00		95,000.00				
07-0-13	Improvement of Westbrook Rd	198,000.00		198,000.00				
08-0-13	Various Improvements	481,500.00		481,500.00				
09-0-13	Construction of New Municipal Building	3,467,500.00		3,467,500.00				
10-0-14	Improvement of Various Roads	281,250.00				281,250.00	193,783.68	87,466.32
13-0-14	Improvement of Various Roads	153,750.00				153,750.00		153,750.00
06-0-15	Improvement of Various Roads		141,250.00			141,250.00	99,745.41	41,504.59
09-0-15	Improvement of Various Roads		333,000.00			333,000.00		333,000.00
10-0-15	Acquisition of New Equipment		207,000.00			207,000.00	21,973.81	185,026.19
<u>Local Improvements</u>								
10-0-10	Ringwood Ave Sidewalks	744,340.00			744,340.00			
		12,935,689.98	681,250.00	11,580,000.00	804,590.00	1,232,349.98	431,133.33	801,216.65
		C	C-12,C-16	C-5	C-2	C		C-12

Borough of Wanaque, N.J.

Schedule of Prospective Assessments Raised By Taxation

Year Ended December 31, 2015

<u>Ordinance Number</u>	<u>Improvement Description</u>	<u>Balance Dec. 31, 2014</u>	<u>Funded and Transferred to Trust</u>	<u>Balance Dec. 31, 2015</u>
10-0-10	Ringwood Ave Sidewalks	<u>39,300.00</u>	<u>39,300.00</u>	<u>                    </u>
		<u>39,300.00</u>	<u>39,300.00</u>	<u>                    </u>
		C	reserve	C

Borough of Wanaque, N.J.

Schedule of General Serial Bonds Payable

Year Ended December 31, 2015

Purpose	Date of Issue	Original Issue	Maturities of Bonds Outstanding, December 31, 2015		Interest Rate	Balance, Dec. 31, 2014	Increased	Decreased	Balance, Dec. 31, 2015
			Date	Amount					
General Improvement Bonds of 2004	02/15/04	2,747,000.00			3.80%	483,000.00		483,000.00	
General Improvement Bonds of 2007	08/09/07	5,938,000.00	02/01/16	275,000.00					
			02/01/17	300,000.00	4.125%-4.25%	4,963,000.00		4,388,000.00	575,000.00
Refunding Bonds of 2015	02/26/15	4,035,000.00	02/01/18	375,000.00					
			02/01/19	370,000.00					
			02/01/20	395,000.00					
			02/01/21	415,000.00					
			02/01/22	440,000.00					
			02/01/23	465,000.00					
			02/01/24	485,000.00					
			02/01/25	510,000.00					
			02/01/26	485,000.00					
			02/01/27	95,000.00	3.00%-4.00%		4,035,000.00		4,035,000.00

Borough of Wanaque, N.J.

Schedule of General Serial Bonds Payable

Year Ended December 31, 2015

Purpose	Date of Issue	Original Issue	Maturities of Bonds Outstanding, December 31, 2015	Interest Rate	Balance, Dec. 31, 2014	Increased	Decreased	Balance, Dec. 31, 2015
General Improvement Bonds of 2015	02/26/15	11,580,000.00	02/01/16-17 350,000.00 02/01/18 375,000.00 02/01/19 400,000.00 02/01/20 425,000.00 02/01/21 475,000.00 02/01/22 500,000.00 02/01/23 525,000.00 02/01/24-25 625,000.00 02/01/26 630,000.00 02/01/27-35 700,000.00	2.25%-3.25%		11,580,000.00		11,580,000.00
					<u>5,446,000.00</u>	<u>15,615,000.00</u>	<u>4,871,000.00</u>	<u>16,190,000.00</u>
					C			C
					Ref.			
		Cash Receipts			C-2	11,580,000.00		
		Budget Appropriation			C-5		733,000.00	
		Refunded			C-5	4,035,000.00	4,138,000.00	
						<u>15,615,000.00</u>	<u>4,871,000.00</u>	

Borough of Wanaque, N.J.

Schedule of Bond Anticipation Notes

Year Ended December 31, 2015

Ordinance Number	Improvement Description	Original Amount Issued	Original Date of Issue	Date of Maturity	Rate of Interest	Balance,	Balance,
						Dec. 31, 2014	Dec. 31, 2015
10-0-07	Improvement of Various Roads	315,000.00	03/06/09	02/27/15	1.00%	265,260.00	265,260.00
11-0-07	Improvement of Laura Ave Phase I	184,500.00	03/06/09	02/27/15	1.00%	155,340.00	155,340.00
12-0-07	Acquisition of Fire Truck	725,000.00	03/06/09	02/27/15	1.00%	610,520.00	610,520.00
13-0-07	Improvement of Haskell Firehouse	180,000.00	03/06/09	02/27/15	1.00%	161,370.00	161,370.00
05-0-08	Improvement of Athletic Fields	755,000.00	03/06/09	02/27/15	1.00%	122,580.00	122,580.00
22-0-08	Acquisition of Ambulance	153,000.00	03/06/09	02/27/15	1.00%	102,000.00	102,000.00
25-0-09	Impr. of Melrose & Furnace Ave	108,750.00	03/04/10	02/27/15	1.00%	97,290.00	97,290.00
09-0-10	Ringwood Ave Road Improvements	809,500.00	03/03/11	02/27/15	1.00%	766,890.00	766,890.00
10-0-10	Ringwood Ave Sidewalk Improve.	785,700.00	03/03/11	02/27/15	1.00%	744,340.00	744,340.00
05-0-08	Improvement of Athletic Fields	295,000.00	03/01/12	02/27/15	1.00%	295,000.00	295,000.00
12-0-11	Improvement of Various Roads	315,000.00	03/01/12	02/27/15	1.00%	315,000.00	315,000.00
20-0-12	Improvement of Various Roads	95,000.00	02/28/13	02/27/15	1.00%	95,000.00	95,000.00
04-0-12	Construction of Municipal Building	4,452,000.00	02/27/14	02/27/15	1.00%	4,452,000.00	4,452,000.00
07-0-13	Improvement of Westbrook Road	198,000.00	02/27/14	02/27/15	1.00%	198,000.00	198,000.00
08-0-13	Various Improvements	481,500.00	02/27/14	02/27/15	1.00%	481,500.00	481,500.00
09-0-13	Construction of Municipal Building	3,467,500.00	02/27/14	02/27/15	1.00%	3,467,500.00	3,467,500.00
						<u>12,329,590.00</u>	<u>12,329,590.00</u>
						C	C
						C-2	C

Borough of Wanaque , N.J.

Schedule of Loan Payable

Department of Environmental Protection & Energy

Back Beach Improvements Phase II

Year Ended December 31, 2015

	<u>Ref.</u>	
Balance - December 31, 2014	C	13,070.83
Decreased by:		
2015 Budget Appropriation	C-5	<u>13,070.83</u>
Balance - December 31, 2015	C	<u><u>                    </u></u>

Borough of Wanaque , N.J.

Schedule of Loan Payable

Department of Environmental Protection & Energy

Green Trust Loan

Year Ended December 31, 2015

	<u>Ref.</u>	
Balance - December 31, 2014	C	196,794.50
Decreased by:		
2015 Budget Appropriation	C-5	<u>9,494.82</u>
Balance - December 31, 2015	C	<u><u>187,299.68</u></u>

<u>Payment Number</u>	<u>Payment Date</u>	<u>Interest</u>	<u>Principal</u>	<u>Loan Balance</u>
7	01/26/16	1,873.00	4,818.74	182,480.94
8	07/26/16	1,824.81	4,866.93	177,614.01
9	01/26/17	1,776.14	4,915.60	172,698.41
10	07/26/17	1,726.98	4,964.75	167,733.66
11	01/26/18	1,677.34	5,014.40	162,719.26
12	07/26/18	1,627.19	5,064.55	157,654.71
13	01/26/19	1,576.55	5,115.19	152,539.52
14	07/26/19	1,525.40	5,166.34	147,373.18
15	01/26/20	1,473.73	5,218.01	142,155.17
16	07/26/20	1,421.55	5,270.19	136,884.98
17	01/26/21	1,368.85	5,322.89	131,562.09
18	07/26/21	1,315.62	5,376.12	126,185.97
19	01/26/22	1,261.86	5,429.88	120,756.09
20	07/26/22	1,207.56	5,484.18	115,271.91
21	01/26/23	1,152.72	5,539.02	109,732.89
22	07/26/23	1,097.33	5,594.41	104,138.48
23	01/26/24	1,041.39	5,650.35	98,488.13
24	07/26/24	984.88	5,706.86	92,781.27
25	01/26/25	927.81	5,763.92	87,017.35
26	07/26/25	870.17	5,821.56	81,195.79
27	01/26/26	811.96	5,879.78	75,316.01
28	07/26/26	753.16	5,938.58	69,377.43
29	01/26/27	693.77	5,997.96	63,379.47
30	07/26/27	633.79	6,057.94	57,321.53
31	01/26/28	573.22	6,118.52	51,203.01
32	07/26/28	512.03	6,179.71	45,023.30
33	01/26/29	450.23	6,241.50	38,781.80
34	07/26/29	387.82	6,303.92	32,477.88
35	01/26/30	324.78	6,366.96	26,110.92
36	07/26/30	261.11	6,430.63	19,680.29
37	01/26/31	196.80	6,494.93	13,185.36
38	07/26/31	131.85	6,559.88	6,625.48
39	01/26/32	66.25	6,625.48	0.00
		<u>33,527.65</u>	<u>187,299.68</u>	

Borough of Wanaque, N.J.

Schedule of Improvement Authorizations

Year Ended December 31, 2015

Ordinance Number	Improvement Description	Ordinance Amount	Balance, Dec. 31, 2014		2015 Authorizations	Paid or Charged	Canceled	Balance, Dec. 31, 2015	
			Funded	Unfunded				Funded	Unfunded
<u>General Improvements</u>									
7-0-03	Improvement Of Ringwood Ave	950,000.00	65,079.87			65,079.87			
11-0-03	Refunding Tax Appeals	205,000.00	4,350.00			4,350.00			
11-0-07	Improvement of Laura Ave (Phase I)	455,000.00		77,652.75		22,500.00	45,332.26	9,820.49	
12-0-07	Acquisition of Fire Truck	975,000.00		33,299.20			33,299.20		
13-0-07	Improvement of the Haskell Firehouse	200,000.00		818.54				818.54	
03-0-08	Laura Avenue Reconstruction II	118,000.00	11,612.85			7,500.00	11,612.85		
05-0-08	Improvement of Athletic Fields	1,200,000.00		38,290.28			30,790.28		
19-0-08	Haskell Firehouse Addition	115,000.00	5,802.82					5,802.82	
22-0-08	Acquisition of Ambulance	170,000.00		535.00				535.00	
08-0-09	Laura Avenue Reconstruction II	257,000.00	54,915.35					54,915.35	
25-0-09	Improvement of Melrose & Furnace Ave	325,000.00	3,560.40	108,750.00			112,310.40		
28-0-09	Improvement of Memorial Field	350,000.00	44,316.42				44,316.42		
6-0-10	Haskell Facade Improvement Program	167,000.00	22,380.00				22,380.00		
9-0-10	Improvement Of Ringwood Ave	850,000.00		24,287.73		22,978.09		1,309.64	469.55
18-0-10	Acquisition of Vehicles	210,000.00		469.55					
4-0-11	Reconstruction of Wanaque Ave	230,000.00	11.52				11.52		
12-0-11	Improvement of Various Roads	350,000.00		6,927.51		2,890.00		4,037.51	
06-0-12	Construction of Municipal Building	425,000.00	24,923.71			24,923.71			
16-0-12	Purchase of Property	320,000.00	13,367.90			1,750.00		11,617.90	
20-0-12	Improvement of Various Roads	190,000.00		22,284.68		12,560.00		9,724.68	
7-0-13	Improvement of Westbrook Road	450,000.00	15,276.90	198,000.00		24,618.27		188,658.63	
8-0-13	Various Improvements	535,000.00		75,870.97		11,340.19		64,530.78	
9-0-13	Construction of Municipal Building	3,650,000.00	3,132,126.88			3,132,126.88			87,466.32
10-0-14	Improvement of Various Roads	375,000.00	87,466.32			54,174.94		202,075.06	153,750.00
13-0-14	Improvement of Various Roads	410,000.00	256,250.00	153,750.00		328,495.41		37,000.00	41,504.59
6-0-15	Improvement of Various Roads	370,000.00			370,000.00				
9-0-15	Improvement of Various Roads	370,000.00			370,000.00				
10-0-15	Acquisition of New Equipment	230,000.00			230,000.00				
11-0-15	Purchase of Fire Equipment	12,500.00			12,500.00				
19-0-15	Reconstruction of Roofs	75,000.00			75,000.00				



**Borough of Wanaque , N.J.**  
**Schedule of Capital Improvement Fund**  
**Year Ended December 31, 2015**

	<u>Ref.</u>	
Balance - December 31, 2014	C	100,000.00
Increased by:		
Budget Appropriation	C-2	200,000.00
Decreased by:		
Appropriated to Finance Improvement Authorizations	C-12	<u>171,250.00</u>
Balance - December 31, 2015	C/C-3	<u><u>128,750.00</u></u>

Borough of Wanaque , N.J.

Schedule of Various Liabilities

Year Ended December 31, 2015

	<u>Balance,</u> <u>Dec. 31, 2014</u>	<u>Increased by</u> <u>Receipts</u>	<u>Decreased by</u> <u>Disbursements</u>	<u>Balance,</u> <u>Dec. 31, 2015</u>
Reserve for Debt Service	55,653.53			55,653.53
Reserve for Bond Issue Costs		50,154.80	29,088.29	21,066.51
Reserve for Special Needs Housing	795,859.00			795,859.00
	<hr/>	<hr/>	<hr/>	<hr/>
	<u>851,512.53</u>	<u>50,154.80</u>	<u>29,088.29</u>	<u>872,579.04</u>
	C	C-2	C-2	C,C-3

Borough of Wanaque , N.J.

Schedule of Interfunds

General Capital Fund

Year Ended December 31, 2015

		Due From/(To) Balance			Due From/(To) Balance
	<u>Ref.</u>	<u>Dec. 31, 2014</u>	<u>Increased</u>	<u>Decreased</u>	<u>Dec. 31, 2015</u>
Current Fund	C	514,011.92	124,710.08	538,049.92	100,672.08
Other Trust Fund	C	731,420.00	4,175.80	731,420.00	4,175.80
Sewer Capital Fund	C	(315,600.59)		315,600.59	
Water Capital Fund	C	(467,265.40)		467,265.40	
Water Operating Fund	C	<u>17,985.00</u>	<u>7,682.60</u>		<u>25,667.60</u>
		<u>480,550.93</u>	<u>136,568.48</u>	<u>2,052,335.91</u>	<u>130,515.48</u>
		<u>Ref.</u>			
Cash Disbursements		C-2	136,568.48	782,865.99	
Cash Receipts		C-2		<u>1,269,469.92</u>	
			<u>136,568.48</u>	<u>2,052,335.91</u>	

Borough of Wanaque, N.J.

Schedule of Bonds and Notes Authorized But Not Issued

Year Ended December 31, 2015

Ordinance Number	Improvement Description	Balance,	2015	Decreased	Balance,
		Dec. 31, 2014	Authorizations		Dec. 31, 2015
<u>General Improvements:</u>					
19-0-99	Provision of Affordable Housing	36,000.00			36,000.00
11-0-10	2nd Avenue Drainage System Improvement	22,099.98			22,099.98
18-0-10	Acquisition of Vehicles	113,000.00		55,000.00	58,000.00
10-0-14	Improvement of Various Roads	281,250.00			281,250.00
13-0-14	Improvement of Various Roads	153,750.00			153,750.00
06-0-15	Improvement of Various Roads		141,250.00		141,250.00
09-0-15	Improvement of Various Roads		333,000.00		333,000.00
10-0-15	Acquisition of New Equipment		207,000.00		207,000.00
		<u>606,099.98</u>	<u>681,250.00</u>	<u>55,000.00</u>	<u>1,232,349.98</u>
			C-6		Footnote C
			Budget Appropriation	55,000.00	
				<u>55,000.00</u>	

## Borough of Wanaque, N.J.

## Schedule of Cash

## Water Utility Fund

Year Ended December 31, 2015

	<u>Ref.</u>	<u>Operating</u>	<u>Capital</u>
Balance - December 31, 2014	D	<u>639,740.94</u>	<u>30,142.72</u>
Increased by Receipts:			
Miscellaneous Revenue	D-3	23,240.92	
Interlocal Service Agreement - WBSA	D-3	180,000.00	
PCIA Interest Rebate	D-3	54,329.24	
Collector	D-7	1,653,105.83	
Interfunds	D-9	290,158.59	
Reserve for Water Improvements	D-19	182.88	
Serial Bonds	D-22		742,000.00
Interfunds	D-26		467,387.59
Reserve for Legal Settlement	D-29	<u>900,000.00</u>	
		<u>3,101,017.46</u>	<u>1,209,387.59</u>
		<u>3,740,758.40</u>	<u>1,239,530.31</u>
Decreased by Disbursements:			
Budget Appropriations	D-4	1,733,947.99	
Interfunds	D-9	304,066.10	
Appropriation Reserves	D-14	18,202.10	
Interest on Bonds	D-16	199,254.96	
Water Rent Overpayments	D-20	859.25	
Bond Anticipation Notes	D-22		742,000.00
Improvement Authorizations	D-23		327,678.37
Interfunds	D-26		<u>57,609.52</u>
		<u>2,256,330.40</u>	<u>1,127,287.89</u>
Balance - December 31, 2015	D	<u><u>1,484,428.00</u></u>	<u><u>112,242.42</u></u>

Borough of Wanaque, N.J.

Schedule of Change Funds

Water Utility Fund

Year Ended December 31, 2015

<u>Office</u>	Balance <u>Dec. 31, 2015</u>	Balance <u>Dec. 31, 2014</u>
Water Utility Collector	100.00	100.00
	<u>D</u>	<u>D</u>

Schedule of Water Utility Collector Cash

Water Utility Fund

Year Ended December 31, 2015

	<u>Ref.</u>		
Increased by Receipts:			
Consumer Accounts Receivable	D-3,D-10	1,648,093.15	
Water Liens	D-3,D-11	4,064.72	
Water Rents Overpayments	D-20	<u>947.96</u>	
			<u>1,653,105.83</u>
Decreased by Disbursements:			
Payment to Treasurer	D-5		<u>1,653,105.83</u>

Borough of Wanaque, N.J.

Schedule of Water Utility Capital Cash

Water Utility Fund

Year Ended December 31, 2015

	<u>Ref.</u>	
Fund Balance	D-2	111,093.46
Capital Improvement Fund	D-24	29,946.22
Interfund - Water Operating Fund	D-26	122.19
Interfund - Current Fund	D-27	200,000.00
Due from CDBG	D-28	(100,000.00)
<u>Improvement Authorizations</u>		
5-0-11 Water System Improvements to Wanaque Ave and Butler Place		31,376.87
14-0-14 Improvements to the Water Supply and Distribution System		(208,337.92)
5-0-15 Improvements to the Water Supply and Distribution System		(2,978.40)
7-0-15 Improvements to the Water Supply and Distribution System		69,020.00
8-0-15 Improvements to the Water Supply and Distribution System		(18,000.00)
		<hr/>
	D	<u><u>112,242.42</u></u>

**Borough of Wanaque, N.J.**

**Schedule of Interfunds**

**Water Utility Operating Fund**

**Year Ended December 31, 2015**

	Due to/(from) Balance <u>Dec. 31, 2014</u>	<u>Increased</u>	<u>Decreased</u>	Due to/(from) Balance <u>Dec. 31, 2015</u>
Water Capital Fund	(57,609.52)	122.19	57,609.52	(122.19)
General Capital Fund	17,985.00	7,682.60		25,667.60
Sewer Operating Fund	258,723.66	169,596.15	258,723.66	169,596.15
Current Fund	<u>(55,270.32)</u>	<u>45,220.25</u>	<u>55,270.32</u>	<u>(45,220.25)</u>
	<u>163,828.82</u>	<u>222,621.19</u>	<u>371,603.50</u>	<u>149,921.31</u>
	D			D
	<u>Ref.</u>			
Cash Receipts	D-5	177,278.75	112,879.84	
Cash Disbursements	D-5	<u>45,342.44</u>	<u>258,723.66</u>	
		<u>222,621.19</u>	<u>371,603.50</u>	

Borough of Wanaque, N.J.

Schedule of Consumer Accounts Receivable

Water Utility Operating Fund

Year Ended December 31, 2015

	<u>Ref.</u>	
Balance - December 31, 2014	D	203,074.50
Increased by:		
Water Rents Levied		<u>1,638,728.62</u>
		1,841,803.12
Decreased by:		
Collections	D-7	<u>1,648,093.15</u>
Balance - December 31, 2015	D	<u><u>193,709.97</u></u>

Schedule of Water Liens

Water Utility Operating Fund

Year Ended December 31, 2015

	<u>Ref.</u>	
Balance - December 31, 2014	D	4,064.72
Decreased by:		
Collections	D-7	<u>4,064.72</u>
Balance - December 31, 2015	D	<u><u>          </u></u>

## Borough of Wanaque, N.J.

## Schedule of Fixed Capital

## Water Utility Capital Fund

Year Ended December 31, 2015

<u>Description</u>	<u>Balance</u>	<u>Additions</u>	<u>Balance</u>
	<u>Dec. 31, 2014</u>	<u>Ordinance</u>	<u>Dec. 31, 2015</u>
Garage and Building	14,242.56		14,242.56
Plant, Reservoir, Mains and Wells	7,703,082.83	1,463,570.29	9,166,653.12
Pay Loader	12,928.00		12,928.00
Meters	171,581.12		171,581.12
Supplies	3,308.50		3,308.50
Hydrants	17,596.10		17,596.10
Trucks	290,525.40		290,525.40
Automobile	19,850.00		19,850.00
General Equipment	397,445.28		397,445.28
Compactor	1,188.00		1,188.00
Other	4,001.08		4,001.08
	<u>8,635,748.87</u>	<u>1,463,570.29</u>	<u>10,099,319.16</u>
	D	D-13	D

Borough of Wanaque, N.J.

Schedule of Fixed Capital Authorized and Uncompleted

Water Utility Capital Fund

Year Ended December 31, 2015

Ordinance Number	Improvement Description	Ordinance Date	Amount	Balance,	2015	Costs to	Canceled	Balance, Dec. 31, 2015
				Dec. 31, 2014	Authorizations			
28-0-06	Improvements to the Water Supply and Distribution System	12/11/06	900,000.00	900,000.00		893,380.31	6,619.69	
9-0-09	Improvement to Laura Ave Phase II	05/11/09	90,000.00	90,000.00			90,000.00	
11-0-09	Haskell Tank Rehabilitation	06/08/09	32,009.94	32,009.94		31,115.92	894.02	
17-0-09	Improvements to the Water Supply and Distribution System	09/14/09	400,000.00	400,000.00		400,000.00		
26-0-09	Improvements to the Water Supply and Distribution System	12/14/09	120,000.00	120,000.00		110,074.06	9,925.94	
5-0-11	Water System Improvements to Wanaque Avenue and Butler Place	04/18/11	200,000.00	200,000.00				200,000.00
14-0-11	Replace Check Valves at Conklimtown Road Booster Station	07/11/11	29,000.00	29,000.00		29,000.00		
14-0-14	Improvements to the Water Supply and Distribution System	10/06/14	275,000.00	275,000.00				275,000.00
5-0-15	Improvements to the Water Supply and Distribution System	05/11/15	210,000.00		210,000.00			210,000.00
7-0-15	Improvements to the Water Supply and Distribution System	05/11/15	380,000.00		380,000.00			380,000.00
8-0-15	Improvements to the Water Supply and Distribution System	06/15/15	325,000.00		325,000.00			325,000.00
				<u>2,046,009.94</u>	<u>915,000.00</u>	<u>1,463,570.29</u>	<u>107,439.65</u>	<u>1,390,000.00</u>
				D	D-23	D-12		D
				Reserve for Amortization		Ref.	13,445.63	
				Deferred Reserve for Amortization		D-25	93,994.02	
						D-27	<u>107,439.65</u>	

Borough of Wanaque, N.J.

Schedule of 2014 Appropriation Reserves

Water Utility Operating Fund

Year Ended December 31, 2015

	Balance Dec. 31, 2014	Balance After Transfers and Encumbrances	Paid or Charged	Balance Lapsed
Operating:				
Salaries and Wages	14,606.24	14,606.24		14,606.24
Other Expenses	32,151.96	36,951.81	17,053.48	19,898.33
Purchase of Water	1,888.37	2,711.39	1,148.62	1,562.77
Capital Improvements				
Capital Outlay	30,000.00	30,000.00		30,000.00
Statutory Expenditures:				
Contribution to:				
Social Security System (O.A.S.I.)	1,835.67	1,835.67		1,835.67
	<u>80,482.24</u>	<u>86,105.11</u>	<u>18,202.10</u>	<u>67,903.01</u>
	D		D-4	D-1
	<u>Ref.</u>			
Appropriation Reserves	above	80,482.24		
Transfer from Reserve for Encumbrances	D-15	<u>5,622.87</u>		
		<u>86,105.11</u>		

Schedule of Reserve for Encumbrances

Water Utility Operating Fund

Year Ended December 31, 2015

	<u>Ref.</u>	
Balance - December 31, 2014	D	5,622.87
Increased by:		
Charges Against Current Year Appropriations	D-4	<u>52,972.18</u>
		58,595.05
Decreased by:		
Transferred to Appropriation Reserves	D-14	<u>5,622.87</u>
Balance - December 31, 2015	D	<u>52,972.18</u>

**Borough of Wanaque, N.J.**

**Schedule of Accrued Interest on Bonds**

**Water Utility Operating Fund**

**Year Ended December 31, 2015**

	<u>Ref.</u>	
Balance - December 31, 2014	D	80,801.83
Increased by:		
Budget Appropriation for Interest on Bonds	D-4	<u>205,504.93</u>
		286,306.76
Decreased by:		
Interest Paid	D-5	<u>199,254.96</u>
Balance - December 31, 2015	D	<u><u>87,051.80</u></u>

**Schedule of Accrued Interest on Notes**

**Water Utility Operating Fund**

**Year Ended December 31, 2015**

	<u>Ref.</u>	
Balance - December 31, 2014	D	<u><u>3,278.80</u></u>
Balance - December 31, 2015	D	<u><u>3,278.80</u></u>

## Borough of Wanaque, N.J.

## Schedule of Security Deposits Payable

## Water Utility Operating Fund

## Year Ended December 31, 2015

	<u>Ref.</u>	
Balance - December 31, 2014	D	<u>375.00</u>
Balance - December 31, 2015	D	<u>375.00</u>

## Schedule of Reserve for Water Improvements

## Water Utility Operating Fund

## Year Ended December 31, 2015

	<u>Ref.</u>	
Balance - December 31, 2014	D	41,422.58
Increased by:		
Receipts	D-4	<u>182.88</u>
Balance - December 31, 2015	D	<u>41,605.46</u>

## Schedule of Water Rent Overpayments

## Water Utility Operating Fund

## Year Ended December 31, 2015

	<u>Ref.</u>	
Balance - December 31, 2014	D	310.70
Increased by:		
Receipts	D-6	<u>947.96</u>
		1,258.66
Decreased by:		
Disbursements	D-4	<u>859.25</u>
Balance - December 31, 2015	D	<u>399.41</u>

Borough of Wanaque, N.J.

Schedule of Water Serial Bonds Payable

Water Utility Capital Fund

Year Ended December 31, 2015

Purpose	Date of Issue	Original Issue	Maturities of Bonds Outstanding Dec. 31, 2015		Interest Rate	Balance, Dec. 31, 2014	Issued	Decreased	Balance, Dec. 31, 2015
			Date	Amount					
Water Bonds of 2004	02/15/04	901,000.00			3.80%	246,000.00		246,000.00	
Water Bonds of 2007	08/09/07	1,487,000.00	02/01/16	100,000.00					
			02/01/17-21	150,000.00	4.125-4.25%	1,367,000.00		1,117,000.00	250,000.00
Loan Program Bonds of 2010	07/28/10	2,304,000.00	8/1/2016-17	25,000.00					
			08/01/18	80,000.00					
			08/01/19	100,000.00					
			08/01/20-24	150,000.00					
			08/01/25-26	125,000.00					
			08/01/27-30	200,000.00					
			08/01/31	199,000.00	1.66-6.54%	2,254,000.00		25,000.00	2,229,000.00
Refunding Water Bonds of 2015	02/26/15	1,060,000.00	02/01/18-21	150,000.00					
			02/01/22	125,000.00					
			02/01/23	100,000.00					
			02/01/24	95,000.00					
			02/01/25-26	45,000.00					
			02/01/27	50,000.00	3%-4%		1,060,000.00		1,060,000.00

Borough of Wanaque, N.J.

Schedule of Water Serial Bonds Payable

Water Utility Capital Fund

Year Ended December 31, 2015

Purpose	Date of Issue	Original Issue	Maturities of Bonds Outstanding		Interest Rate	Balance, Dec. 31, 2014	Issued	Decreased	Balance, Dec. 31, 2015
			Date	Amount					
Water Bonds of 2015	02/26/15	742,000.00	02/01/16	25,000.00					
			02/01/17	30,000.00					
			02/01/18	35,000.00					
			02/01/19	40,000.00					
			02/01/20	45,000.00					
			02/01/21-30	50,000.00					
			02/01/31	40,000.00					
			02/01/32	27,000.00	2.25-3.125%		742,000.00		742,000.00
						3,867,000.00	1,802,000.00	1,388,000.00	4,281,000.00
						D			D
						Ref.			
					Refunded	D-25	1,060,000.00	1,077,000.00	
					Budget Appropriation	D-25		311,000.00	
					Cash Receipts	D-5	742,000.00		
							1,802,000.00	1,388,000.00	

Borough of Wanaque, N.J.

Schedule of Water Capital Bond Anticipation Notes

Water Utility Capital Fund

Year Ended December 31, 2015

<u>Ordinance Number</u>	<u>Improvement Description</u>	<u>Original Date of Issue</u>	<u>Date of Maturity</u>	<u>Interest Rate</u>	<u>Balance, Dec. 31, 2014</u>	<u>Decreased</u>	<u>Balance, Dec. 31, 2015</u>
4-0-08	Improvement to Haskell Tank	03/06/09	02/27/15	1.00%	625,310.00	625,310.00	
26-0-09	Improve. to the Water Supply and Distribution System	03/04/10	02/27/15	1.00%	116,950.00	116,950.00	
					<u>742,260.00</u>	<u>742,260.00</u>	<u>D</u>
					<u>D</u>		<u>D</u>
					<u>Ref.</u>		
					Cash	742,000.00	
					Paid by 2015 Budget Appropriation	<u>260.00</u>	
						<u>742,260.00</u>	

Borough of Wanaque, N.J.

Schedule of Improvement Authorizations

Water Utility Capital Fund

Year Ended December 31, 2015

Ordinance Number	Improvement Description	Ordinance Date	Amount	Balance Dec. 31, 2014		2015 Authorizations	Paid or Charged	Canceled	Balance Dec. 31, 2015	
				Funded	Unfunded				Funded	Unfunded
28-0-06	Improvement to the Water Supply and Distribution System	12/11/06	900,000.00	9,258.19			2,638.50	6,619.69		
9-0-09	Improvement to Laura Ave Phase II	05/11/09	90,000.00	90,000.00				90,000.00		
11-0-09	Haskell Tank Rehabilitation	06/08/09	32,009.94	894.02				894.02		
17-0-09	Improvements to the Water Supply and Distribution System	09/14/09	400,000.00	639.80			639.80			
26-0-09	Improvements to the Water Supply and Distribution System	12/14/09	120,000.00		22,488.09		12,562.15	9,925.94		
5-0-11	Water System Improvements to Wanaque Ave and Butler Place	04/18/11	200,000.00	31,376.87						31,376.87
14-0-11	Replace Check Valves at Conklingtown Road Booster Station	07/11/11	29,000.00	1,541.60			1,541.60			
14-0-14	Improvements to the Water Supply and Distribution System	10/06/14	275,000.00	50,000.00	225,000.00		258,337.92			16,662.08
5-0-15	Improvements to the Water Supply and Distribution System	05/11/15	210,000.00			210,000.00	2,978.40			207,021.60
7-0-15	Improvements to the Water Supply and Distribution System	05/11/15	380,000.00			380,000.00	30,980.00			280,000.00
8-0-15	Improvements to the Water Supply and Distribution System	06/15/15	325,000.00			325,000.00	18,000.00			307,000.00
				183,710.48	247,488.09	915,000.00	327,678.37	107,439.65		100,396.87
				D	D	D-13	D-5	D-2	D	D
										810,683.68

Borough of Wanaque, N.J.

Schedule of Capital Improvement Fund

Water Utility Capital Fund

Year Ended December 31, 2015

	<u>Ref.</u>	
Balance - December 31, 2014	D	<u>29,946.22</u>
Balance - December 31, 2015	D, D-8	<u>29,946.22</u>

Schedule of Reserve for Amortization

Water Utility Capital Fund

Year Ended December 31, 2015

	<u>Ref.</u>	
Balance - December 31, 2014	D	5,418,748.87
Increased by:		
Refunding	D-21	17,000.00
Serial Bonds Paid by Budget	D-21	311,000.00
Transferred from Deferred Reserve	D-28	<u>85,015.92</u>
		<u>413,015.92</u>
		5,831,764.79
Decreased by		
Canceled Improvement Authorization	D-12	<u>13,445.63</u>
Balance - December 31, 2015	D	<u>5,818,319.16</u>

**Borough of Wanaque, N.J.**

**Schedule of Interfunds**

**Water Utility Capital Fund**

**Year Ended December 31, 2015**

	Due to/(from) Balance <u>Dec. 31, 2014</u>	<u>Increased</u>	<u>Decreased</u>	Due to/(from) Balance <u>Dec. 31, 2015</u>
Water Operating Fund	57,609.52	122.19	57,609.52	122.19
Other Trust Fund	200,000.00			200,000.00
General Capital Fund	<u>(467,265.40)</u>		<u>467,265.40</u>	
	<u>(209,655.88)</u>	<u>122.19</u>	<u>524,874.92</u>	<u>200,122.19</u>
	D			D
	<u>Ref.</u>			
Cash Receipts	D-5	122.19	467,265.40	
Cash Disbursements	D-5		<u>57,609.52</u>	
		<u>122.19</u>	<u>524,874.92</u>	

Borough of Wanaque, N.J.

Schedule of Deferred Reserve for Amortization

Water Utility Capital Fund

Year Ended December 31, 2015

Ordinance Number	Improvement Description	Date of Ordinance	Balance, Dec. 31, 2014	Fixed Capital Authorized	Transferred to Reserve for Amortization	Notes Paid from Operating Budget	Canceled	Balance, Dec. 31, 2015
4-0-08	Improvement to Haskell Tank	03/10/08	24,690.00		24,900.00	210.00		
9-0-09	Improvement to Laura Ave Phase II	05/11/09	90,000.00				90,000.00	
11-0-09	Haskell Tank Rehabilitation	06/08/09	32,009.94		31,115.92		894.02	
26-0-09	Improvements to the Water Supply and Distribution System	12/14/09	3,050.00			50.00	3,100.00	
5-0-11	Water System Improvements to Wanaque Ave and Butler Place	04/18/11	200,000.00					200,000.00
14-0-11	Replace Check Valves at Conklingtown Road Booster Station	07/11/11	29,000.00		29,000.00			
14-0-14	Improvements to the Water Supply and Distribution System	10/06/14	50,000.00					50,000.00
7-0-15	Improvements to the Water Supply and Distribution System	05/11/15		100,000.00				100,000.00
			428,749.94	100,000.00	85,015.92	260.00	93,994.02	350,000.00
			D	D-28	D-25	D-22	D-26	D

**Borough of Wanaque, N.J.**  
**Schedule of Due from CDBG**  
**Water Utility Capital Fund**  
**Year Ended December 31, 2015**

	<u>Ref.</u>	
Increased by:		
Grant Awards	D-27	<u>100,000.00</u>
Balance - December 31, 2015	D	<u><u>100,000.00</u></u>

Borough of Wanaque, N.J.

Schedule of Reserve for Legal Settlement

Water Utility Operating Fund

Year Ended December 31, 2015

	<u>Ref.</u>	
Increased by:		
Cash Receipts	D-5	<u>900,000.00</u>
Balance - December 31, 2015	D	<u><u>900,000.00</u></u>

Borough of Wanaque, N.J.

Schedule of Bonds and Notes Authorized But Not Issued

Year Ended December 31, 2015

<u>Ordinance Number</u>	<u>Improvement Description</u>	<u>Balance, Dec. 31, 2014</u>	<u>2015 Authorizations</u>	<u>Balance, Dec. 31, 2015</u>
14-0-14	Improvements to the Water Supply and Distribution System	225,000.00		225,000.00
5-0-15	Improvements to the Water Supply and Distribution System		210,000.00	210,000.00
7-0-15	Improvements to the Water Supply and Distribution System		280,000.00	280,000.00
8-0-15	Improvements to the Water Supply and Distribution System		325,000.00	325,000.00
		<u>225,000.00</u>	<u>815,000.00</u>	<u>1,040,000.00</u>

Footnote D

## Borough of Wanaque, N.J.

## Schedule of Cash

## Sewer Utility Fund

Year Ended December 31, 2015

	<u>Ref.</u>	<u>Operating</u>	<u>Capital</u>
Balance - December 31, 2014	E	<u>549,996.37</u>	<u>1,951,109.64</u>
Increased by Receipts:			
Miscellaneous Revenue	E-2	19,825.29	
Collector	E-5	4,162,480.23	
Interfunds	E-7	624,324.25	
Various Cash Liabilities and Reserves	E-15	753.72	
Interfunds	E-21		<u>376,839.84</u>
		<u>4,807,383.49</u>	<u>376,839.84</u>
		<u>5,357,379.86</u>	<u>2,327,949.48</u>
Decreased by Disbursements:			
Budget Appropriations	E-3	4,182,880.31	
Interfunds	E-7	209,646.83	
Appropriation Reserves	E-13	2,092.96	
Various Cash Liabilities and Reserves	E-15	805.82	
Interest on Bonds	E-16	180,700.00	
Interfunds	E-21		<u>365,600.59</u>
		<u>4,576,125.92</u>	<u>365,600.59</u>
Balance - December 31, 2015	E	<u><u>781,253.94</u></u>	<u><u>1,962,348.89</u></u>

## Borough of Wanaque, N.J.

## Schedule of Sewer Utility Collector Cash

## Sewer Utility Fund

Year Ended December 31, 2015

	<u>Ref.</u>		
Increased by Receipts:			
Consumer Accounts Receivable	E-2,E-8	4,158,940.26	
Sewer Liens	E-9	<u>3,539.97</u>	
			<u>4,162,480.23</u>
Decreased by Disbursements:			
Payment to Treasurer	E-4		<u>4,162,480.23</u>

## Schedule of Sewer Utility Capital Cash

## Sewer Utility Fund

Year Ended December 31, 2015

Due from Passaic County - CDBG	<u>Ref.</u> E-20	(1,794.41)
Interfund - Sewer Operating Fund	E-21	(368,191.97)
Bond & Debt Service Reserve Fund	E-22	769,926.30
<u>Improvement Authorizations</u>		
	<u>Improvement Description</u>	
	Force Mains and Interceptors	1,325,248.59
13-0-01	Purchase of Utility Truck	1,947.40
1-0-13	Sewer Improvements	
	Monroe & Jefferson Streets	89,548.94
7-0-14	Reconstruction of Sanitary Sewer	
	Lateral and Mains	145,664.04
		<u>1,962,348.89</u>
	E	

**Borough of Wanaque, N.J.**

**Schedule of Interfunds**

**Sewer Utility Operating Fund**

**Year Ended December 31, 2015**

	Due to/(from) Balance <u>Dec. 31, 2014</u>	<u>Increased</u>	<u>Decreased</u>	Due to/(from) Balance <u>Dec. 31, 2015</u>
Sewer Capital Fund	13,830.63	365,600.59	11,239.25	368,191.97
Water Operating Fund	(258,723.66)	169,596.15	258,723.66	(169,596.15)
Current Fund	<u>28,811.43</u>		<u>28,811.43</u>	
	<u>(216,081.60)</u>	<u>535,196.74</u>	<u>298,774.34</u>	<u>198,595.82</u>
	E			E
	<u>Ref.</u>			
Cash Receipts	E-4	365,600.59	258,723.66	
Cash Disbursements	E-4	<u>169,596.15</u>	<u>40,050.68</u>	
		<u>535,196.74</u>	<u>298,774.34</u>	

Borough of Wanaque, N.J.

Schedule of Consumer Accounts Receivable

Sewer Utility Operating Fund

Year Ended December 31, 2015

	<u>Ref.</u>	
Balance - December 31, 2014	E	466,870.58
Increased by:		
Sewer Rents Levied		<u>4,128,711.42</u>
		4,595,582.00
Decreased by:		
Collections	E-5	<u>4,158,940.26</u>
Balance - December 31, 2015	E	<u><u>436,641.74</u></u>

Schedule of Sewer Liens

Sewer Utility Operating Fund

Year Ended December 31, 2015

	<u>Ref.</u>	
Balance - December 31, 2014	D	3,539.97
Decreased by:		
Collections	E-5	<u>3,539.97</u>
Balance - December 31, 2015	E	<u><u>          </u></u>

Borough of Wanaque, N.J.

Schedule of Connection Fees Receivable

Sewer Utility Operating Fund

Year Ended December 31, 2015

	<u>Ref.</u>	
Balance - December 31, 2014	E	<u>4,679.17</u>
Balance - December 31, 2015	E	<u>4,679.17</u>

**Exhibit E-11**

**Borough of Wanaque, N.J.**

**Schedule of Fixed Capital**

**Sewer Utility Capital Fund**

**Year Ended December 31, 2015**

<u>Description</u>	<u>Balance Dec. 31, 2014</u>	<u>Balance Dec. 31, 2015</u>
Force Mains and Interceptors	13,724,733.73	13,724,733.73
Trucks	<u>47,405.00</u>	<u>47,405.00</u>
	<u>13,772,138.73</u>	<u>13,772,138.73</u>
	E	E

Borough of Wanaque, N.J.

Schedule of Fixed Capital Authorized and Uncompleted

Sewer Utility Capital Fund

Year Ended December 31, 2015

<u>Ordinance Number</u>	<u>Improvement Description</u>	<u>Ordinance Date</u>	<u>Amount</u>	<u>Balance, Dec. 31, 2014</u>	<u>Balance, Dec. 31, 2015</u>
13-0-11	Force Mains and Interceptors	Transferred from WBSA		1,503,158.50	1,503,158.50
	Purchase of Utility Truck	07/11/11	40,000.00	40,000.00	40,000.00
1-0-13	Sewer Improvements				
	Monroe & Jefferson Streets	02/11/13	420,000.00	420,000.00	420,000.00
7-0-14	Reconstruction of Sanitary Sewer				
	Lateral and Mains	05/12/14	450,000.00	450,000.00	450,000.00
				<u>2,413,158.50</u>	<u>2,413,158.50</u>
				E	E

Borough of Wanaque, N.J.

Schedule of 2014 Appropriation Reserves

Sewer Utility Operating Fund

Year Ended December 31, 2015

	Balance Dec. 31, 2014	Balance After Transfers and <u>Encumbrances</u>	Paid or <u>Charged</u>	Balance <u>Lapsed</u>
Operating:				
Salaries and Wages				
Other Expenses	304.29	304.29		304.29
Interlocal WVRSA	23,000.00	23,000.00	2,092.96	20,907.04
Capital Improvements				
Capital Outlay	27,595.00	27,595.00		27,595.00
	<u>50,899.29</u>	<u>50,899.29</u>	<u>2,092.96</u>	<u>48,806.33</u>
	E	E	E-4	E-1

Borough of Wanaque, N.J.

Schedule of Reserve for Encumbrances

Sewer Utility Operating Fund

Year Ended December 31, 2015

	<u>Ref.</u>	
Balance - December 31, 2014	E	
Increased by:		
Charges Against Current Year		
Appropriations	E-3	<u>33,119.69</u>
Balance - December 31, 2015	E	<u><u>33,119.69</u></u>

Borough of Wanaque, N.J.

Schedule of Various Cash Liabilities and Reserves

Sewer Utility Operating Fund

Year Ended December 31, 2015

	<u>Balance</u> <u>Dec. 31, 2014</u>	<u>Increased</u>	<u>Decreased</u>	<u>Balance</u> <u>Dec. 31, 2015</u>
Sewer Overpayments	805.82	753.72	805.82	753.72
Reserve for O&M Requirements	57,000.00			57,000.00
Reserve for Sewer Improvements	<u>45,000.00</u>			<u>45,000.00</u>
	<u>102,805.82</u>	<u>753.72</u>	<u>805.82</u>	<u>102,753.72</u>
	E			E
	<u>Ref.</u>			
Cash Receipts	E-4	753.72		
Cash Disbursements	E-4		<u>805.82</u>	
		<u>753.72</u>	<u>805.82</u>	

**Borough of Wanaque, N.J.**  
**Schedule of Accrued Interest on Bonds**  
**Sewer Utility Operating Fund**  
**Year Ended December 31, 2015**

	<u>Ref.</u>	
Balance - December 31, 2014	E	16,700.00
Increased by:		
Budget Appropriation for Interest on Bonds	E-3	<u>176,825.00</u>
		193,525.00
Decreased by:		
Interest Paid	E-4	<u>180,700.00</u>
Balance - December 31, 2015	E	<u><u>12,825.00</u></u>



Borough of Wanaque, N.J.

Schedule of Improvement Authorizations

Sewer Utility Capital Fund

Year Ended December 31, 2015

<u>Ordinance Number</u>	<u>Improvement Description</u>	<u>Ordinance Date</u>	<u>Amount</u>	<u>Balance Dec. 31, 2014</u>		<u>Balance Dec. 31, 2015</u>	
				<u>Funded</u>	<u>Unfunded</u>	<u>Funded</u>	<u>Unfunded</u>
	Force Mains and Interceptors	Transferred from WBSA		1,325,248.59		1,325,248.59	
13-0-11	Purchase of Utility Truck	07/11/11	40,000.00	1,947.40		1,947.40	
1-0-13	Sewer Improvements Monroe & Jefferson Streets	02/11/13	420,000.00	89,548.94		89,548.94	
7-0-14	Reconstruction of Sanitary Sewer Lateral and Mains	05/12/14	450,000.00	145,664.04		145,664.04	
				<u>1,562,408.97</u>	<u>E</u>	<u>1,562,408.97</u>	<u>E</u>

**Borough of Wanaque, N.J.**  
**Schedule of Reserve for Amortization**  
**Sewer Utility Capital Fund**  
**Year Ended December 31, 2015**

	<u>Ref.</u>	
Balance - December 31, 2014	E	9,235,640.88
Increased by:		
Serial Bonds Paid by Budget	E-17	<u>670,000.00</u>
Balance - December 31, 2015	E	<u><u>9,905,640.88</u></u>

**Borough of Wanaque, N.J.**

**Schedule of Due from Passaic County - Community Development Block Grant**

**Sewer Utility Capital Fund**

**Year Ended December 31, 2015**

	<u>Ref.</u>	
Balance - December 31, 2014	E	<u>1,794.41</u>
Balance - December 31, 2015	E	<u>1,794.41</u>

Borough of Wanaque, N.J.

Schedule of Interfunds

Sewer Utility Capital Fund

Year Ended December 31, 2015

	Due to/(from) Balance <u>Dec. 31, 2014</u>	<u>Increased</u>	<u>Decreased</u>	Due to/(from) Balance <u>Dec. 31, 2015</u>
Sewer Operating Fund	(13,830.63)	365,600.59	11,239.25	(368,191.97)
Current Fund	(50,000.00)		50,000.00	
General Capital Fund	(315,600.59)		315,600.59	
	<u>(379,431.22)</u>	<u>365,600.59</u>	<u>376,839.84</u>	<u>(368,191.97)</u>
	E			E
	<u>Ref.</u>			
Cash Receipts	E-4		376,839.84	
Cash Disbursements	E-4	<u>365,600.59</u>		
		<u>365,600.59</u>	<u>376,839.84</u>	

Borough of Wanaque, N.J.

Schedule of Bond & Debt Service Reserve Fund

Sewer Utility Capital Fund

Year Ended December 31, 2015

	<u>Ref.</u>	
Balance - December 31, 2014	E	<u>769,926.30</u>
Balance - December 31, 2015	E	<u>769,926.30</u>

Borough of Wanaque, N.J.

Schedule of Deferred Reserve for Amortization

Water Utility Capital Fund

Year Ended December 31, 2015

<u>Ordinance Number</u>	<u>Improvement Description</u>	<u>Date of Ordinance</u>	<u>Balance, Dec. 31,2014</u>	<u>Balance, Dec. 31,2015</u>
13-0-01	Purchase of Utility Truck	07/11/11	40,000.00	40,000.00
1-0-13	Sewer Improvements Monroe & Jefferson Streets	02/11/13	217,395.00	217,395.00
7-0-14	Reconstruction of Sanitary Sewer Lateral and Mains	05/12/14	100,000.00	100,000.00
			357,395.00	357,395.00
			E	D

**Borough of Wanaque, N.J.**  
**Schedule of Deferred Charges**  
**Sewer Utility Operating Fund**  
**Year Ended December 31, 2015**

	Balance <u>Dec. 31, 2014</u>	Reduced in <u>2015</u>	Balance <u>Dec. 31, 2015</u>
Operating Deficit	188,907.94	188,907.94	
	188,907.94	188,907.94	
	E	E-3	E

**Borough of Wanaque , N.J.**

**Schedule of Cash-Treasurer**

**Public Assistance Fund**

**Year Ended December 31, 2015**

	<u>Ref.</u>	<u>Total</u>	<u>P.A.T.F. Account #1</u>	<u>P.A.T.F. Account #2</u>
Balance - December 31, 2014	F	<u>1,516.69</u>	<u>1,504.55</u>	<u>12.14</u>
Increased by Receipts:				
Other Receipts		3.06	2.92	0.14
Intrafund Transfer		<u>139.55</u>		<u>139.55</u>
		<u>142.61</u>	<u>2.92</u>	<u>139.69</u>
		<u>1,659.30</u>	<u>1,507.47</u>	<u>151.83</u>
Decreased by Disbursements:				
Due Current Fund		20.96	8.86	12.10
Intrafund Transfer		<u>139.55</u>	<u>139.55</u>	
		<u>160.51</u>	<u>148.41</u>	<u>12.10</u>
Balance - December 31, 2015	F	<u><u>1,498.79</u></u>	<u><u>1,359.06</u></u>	<u><u>139.73</u></u>

Borough of Wanaque , N.J.

Schedule of Public Assistance Cash and Reconciliation

Per N.J.S.A. 40A:5-5

Public Assistance Fund

Year Ended December 31, 2015

	<u>Ref.</u>	
Balance - December 31, 2015	F-1	1,498.79
Increased by:		
Cash Receipts Record		<u>1.35</u>
Balance - June 13, 2016		<u><u>1,500.14</u></u>

<u>Reconciliation - June 13, 2016</u>	<u>P.A.T.F. Account #1</u>	<u>P.A.T.F. Account #2</u>	<u>TOTAL</u>
Balance on Deposit per Statement of: Lakeland State Bank Checking	1,360.26	139.88	1,500.14
Less: Outstanding Checks	<u>          </u>	<u>          </u>	<u>          </u>
Balance - June 13, 2016	<u><u>1,360.26</u></u>	<u><u>139.88</u></u>	<u><u>1,500.14</u></u>

**Borough of Wanaque , N.J.**  
**Schedule of Cash-Treasurer**  
**Public Assistance Fund**  
**Year Ended December 31, 2015**

	<u>Ref.</u>	
Balance - December 31, 2014	F-1	1,516.69
Increased by Receipts:		
Cash Receipts Record	F-1	<u>142.61</u>
		1,659.30
Decreased by Disbursements:		
Cash Disbursements Record	F-1	<u>160.51</u>
Balance - December 31, 2015	F-1	<u><u>1,498.79</u></u>

	<u>P.A.T.F.</u> <u>Account #1</u>	<u>P.A.T.F.</u> <u>Account #2</u>	<u>TOTAL</u>
<u>Reconciliation - December 31, 2015</u>			
Balance on Deposit per Statement of: Lakeland State Bank Checking	1,359.06	139.73	1,498.79
Less: Outstanding Checks	<u>                    </u>	<u>                    </u>	<u>                    </u>
Balance - December 31, 2015	<u><u>1,359.06</u></u>	<u><u>139.73</u></u>	<u><u>1,498.79</u></u>

Borough of Wanaque , N.J.

Schedule of Revenues - Cash Basis

Public Assistance Fund

Year Ended December 31, 2015

	<u>Total</u>	<u>P.A.T.F. Account #1</u>	<u>P.A.T.F. Account #2</u>
Interest Earned	3.06	2.92	0.14
Total Revenues (P.A.T.F.)	3.06	2.92	0.14
Intrafund Transfer	139.55		139.55
Total Receipts	<u>142.61</u>	<u>2.92</u>	<u>139.69</u>
	F-1		

Schedule of Expenditures - Cash Basis

Public Assistance Fund

Year Ended December 31, 2015

	<u>Total</u>	<u>P.A.T.F. Account #1</u>	<u>P.A.T.F. Account #2</u>
Interfund - Current Fund	20.96	8.86	12.10
Intrafund Transfer	139.55	139.55	
Total Disbursements (P.A.T.F.)	<u>160.51</u>	<u>148.41</u>	<u>12.10</u>
	F-1		

BOROUGH OF WANAQUE

PART II

LETTERS ON COMPLIANCE AND ON INTERNAL CONTROL

GENERAL COMMENTS AND RECOMMENDATIONS

YEAR ENDED DECEMBER 31, 2015

# Ferraioli, Wielkotz, Cerullo & Cuva, P.A.

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## INDEPENDENT AUDITOR'S REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING AND ON COMPLIANCE AND OTHER MATTERS OF FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE WITH GOVERNMENT AUDITING STANDARDS

The Honorable Mayor and  
Members of the Borough Council  
Borough of Wanaque  
Wanaque, New Jersey 07465

We have audited, in accordance with auditing standards generally accepted in the United States of America; audit requirements as prescribed by the Division of Local Government Services, Department of Community Affairs, State of New Jersey; and the standards applicable to financial audits contained in Government Auditing Standards, issued by the Comptroller General of the United States, the financial statements-regulatory basis of the Borough of Wanaque in the County of Passaic as of and for the year ended December 31, 2015 and the related notes to the financial statements, and have issued our report thereon dated July 22, 2016, which was adverse due to being presented in accordance with New Jersey regulatory basis of accounting. The regulatory basis opinion was qualified for the omission of the fixed asset account group.

### **Internal Control Over Financial Reporting**

In planning and performing our audit of the financial statements-regulatory basis, we considered the Borough of Wanaque's internal control over financial reporting to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements-regulatory basis, but not for the purpose of expressing an opinion on the effectiveness of the Borough of Wanaque's internal control. Accordingly, we do not express an opinion on the effectiveness of the Borough of Wanaque'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 combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected on a timely basis. A



Honorable Mayor and  
Members of the Borough Council  
Page 2.

*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.

We did identify certain immaterial deficiencies in internal control that we have reported to management of the Borough of Wanaque in the accompany comments and recommendations section of this report.

### **Compliance and Other Matters**

As part of obtaining reasonable assurance about whether the Borough of Wanaque's financial statements-regulatory basis are free of 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*.

However, we noted certain immaterial instances of noncompliance that we have reported to the management of the Borough of Wanaque in the accompanying comments and recommendations section of this report.

### **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 Borough of Wanaque'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 Borough of Wanaque's internal controls and compliance. Accordingly, this communication is not suitable for any other purpose.



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July 22, 2016



## GENERAL COMMENTS

N.J.S.A. 40A:11-4 states "Every contract awarded by the contracting agent for the provision or performance of any goods or services, the cost of which in the aggregate exceeds the bid threshold, shall be awarded only by resolution of the governing body of the contracting unit to the lowest responsible bidder after public advertising for bids and bidding therefor, except as is provided otherwise in this act or specifically by any other law."

Effective April 17, 2000 and thereafter the bid thresholds in accordance with N.J.S.A. 40A:11-3 (as amended) is \$17,500.00 and \$25,000.00 with a qualified purchasing agent. On July 1, 2010 the threshold was increased to \$36,000.00 and on July 1, 2015 increased to \$40,000.00 with a qualified purchasing agent.

N.J.S.A. 40A:11-2 contains definitions for terms used throughout N.J.S.A. 40A:11-1 et seq. and was amended under P.L. 1999, c.440. It includes as subsection (23) the term 'competitive contracting', which is defined as "the method described in sections 1 through 5 of P.L. 1999, c.440 (C.40:11-4.1 through C.40A:11-4.5) of contracting for specialized goods and services in which formal proposals are solicited from vendors' formal proposals are evaluated by the purchasing agent or counsel; and the governing body awards a contract to a vendor or vendors from among the formal proposals received."

N.J.S.A. 40A:11-3 was amended with P.L. 1999, c.440 to raise the bid threshold and require award by governing body resolution. "When the cost or price of any contract awarded by the purchasing agent in the aggregate does not exceed in a contract year the total sum of \$17,500, the contract may be awarded by a purchasing agent when so authorized by ordinance or resolution as appropriate to the contracting unit, of the governing body of the contracting unit without public advertising for bids and bidding therefore, except that the governing body may adopt an ordinance or resolution to set a lower threshold for the receipt of public bids or the solicitation of competitive quotations." The Borough increased the bid threshold to \$36,000.00 and \$40,000.00, respectively, as allowed by law for having a qualified purchasing agent.

N.J.S.A. 40A:11-15 was amended with P.L. 1999, c.440 to extend the base contract period. "Any contract made pursuant to this section may be awarded for a period of 24 consecutive months, except that contracts for professional services pursuant to paragraph (1) of subsection (a) of N.J.S.A. 40A:11-5 may be awarded for a period not exceeding 12 consecutive months."

The governing body of the Municipality has the responsibility of determining whether the expenditures in any category will exceed the bid threshold within the contract year. Where question arises as to whether any contract or agreement might result in violation of the statute, the Borough 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:

- Improvements to 5<sup>th</sup> Avenue and Leonard Place
- 2015 Road Resurfacing Program
- 2 Power Stretchers
- Water Mains

Resolutions were adopted authorizing the awarding of contracts and agreements for "Professional Services" N.J.S. 40A:11-5.

**GENERAL COMMENTS, (continued)**

Inasmuch as the system of records did not provide for an accumulation of payments for categories for the performance of any work or the furnishing or hiring of any material or supplies, the results of such an accumulation could not reasonably be ascertained. Disbursements were reviewed, however, to determine whether any clear cut violation existed. No violations were disclosed.

Our examination of expenditures did not reveal any individual payments, contracts or agreements in excess of the statutory threshold "for the performance of any work or the furnishing or hiring of any materials or supplies," other than those where bids had been previously sought by public advertisement or where a resolution had been previously adopted under the provisions of N.J.S. 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 nonpayment of taxes or assessments on or before the date when they would become delinquent.

The governing body on January 5, 2015 adopted the following resolution authorizing interest to be charged on delinquent taxes:

"Resolved that interest on Tax Title Liens be 8% per annum and interest on delinquent taxes be 8% per annum on amounts less than \$1,500.00 and on any amount in excess of \$1,500.00 the rate shall be 18%."

"Be it further resolved that a grace period of ten (10) days shall be provided within which the installment of taxes may be received without charge for interest."

**Delinquent Taxes and Tax Title Liens**

The last tax sale was held on September 16, 2015.

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 receivable on December 31 of the last three years.

<u>Year</u>	<u>Number of Liens</u>
2015	27
2014	28
2013	26

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 taxpaying basis.

## **GENERAL COMMENTS, (continued)**

### **Verification of Delinquent Taxes and Other Charges**

A test verification of delinquent charges and current payments was made in accordance with the regulations of the Division of Local Government Services, including the mailing of verification notices. In addition, we used analytical review procedures to satisfy the validity of the receivables.

The result of the test, which was made as of December 31, 2015, is not yet known but a separate report will be rendered if any irregularities develop.

### **General Fixed Assets**

Our review of the fixed asset recording and reporting system revealed that the fixed asset report was not updated for additions and deletions during 2015. Properly maintaining the fixed asset accounting system will safeguard the Borough's assets from misuse or theft.

### **School Taxes Payable**

The amount due to the local and regional school districts, as of December 31, 2015, was verified by the school secretary.

### **Revenue**

Receipts from licenses, fees, permits, etc., for all departments, including the Municipal Court, were checked to the extent deemed appropriated to the records maintained.

### **Expenditures**

In connection with the expenditures, vouchers were examined to the extent deemed necessary to determine that the vouchers carried properly executed certifications as required by statute.

In several instances, purchases were made prior to approval.

In some instances, vouchers were missing required authorized signatures.

In two instances, late charges were assessed and paid on utility invoices.

Political Contribution Disclosure Forms were not submitted by all vendors required to submit them.

Expenses for the construction of the municipal building are higher than appropriated funds.

An examination was made of the employees' compensation records to determine that salaries were paid in conformity with amounts of salaries and wages authorized in the ordinance.

A new temporary employee hire was not appointed in the minutes.

## GENERAL COMMENTS, (continued)

### Expenditures, (continued)

Some employees were not being paid according to the Borough's salary resolution.

In two instances, an employee's time card was not approved.

One employee eligible to be enrolled in the DCPR was not enrolled.

In two instances, employees receiving health benefits did not have the employee share of the health benefit deducted from their pay.

### Other

In two instances, widow of veteran applications were missing an authorized signature of approval.

In one instance, there was no application or supporting documentation on file for a tax exempt veteran.

The Analysis of General Capital Fund Cash includes cash deficits for ordinances over 5 years old.

There is a balance on the Schedule of Deferred Charges to Future Taxation – Unfunded over 5 years old where the project has been completed.

There is a deficit in Assessment Fund cash for the 2007 Assessment Bonds.

There are numerous old grant receivable and reserve balances that should be collected, spent or cancelled.

## RECOMMENDATIONS

It is recommended:

- \*1. That the General Fixed Asset Accounting System be updated for additions and disposals made during the year.
- \*2. That all purchases be made only after proper approval.
- \*3. That all vouchers contain the proper authorized signatures.
4. That all utility bills be paid in a timely manner to avoid late charges.
- \*5. That all vendors required to submit a Political Disclosure Form submit them.
6. That all expenses for the new municipal building be reviewed and proper action taken.
7. That all employee hires be recorded in the minutes.

**RECOMMENDATIONS, (continued)**

8. That all employees be paid according to the Borough's salary resolution.
- \*9. That all employee's time cards be approved by the department head.
- \*10. That all eligible employees be enrolled in the DCRP.
11. That all employees receiving health benefits have the employee share deducted from their pay.
12. That the tax assessor's signature of approval be on all widow of veteran applications.
13. That supporting documentation be available for audit for tax exempt veterans.
- \*14. That cash deficits for ordinances over 5 years old be funded.
- \*15. That Deferred Charges to Future Taxation - Unfunded over 5 years old where the project has been completed be funded.
- \*16. That the deficit in Assessment Fund cash be funded.
- \*17. That old grant receivable and reserve balances be reviewed and proper action be taken.

**STATUS OF PRIOR YEAR AUDIT RECOMMENDATIONS**

A review was performed on all prior year recommendations and corrective action was taken on all items except those marked with an (\*).

The problems and weaknesses noted in our review were not of such magnitude that they would affect our ability to express an opinion on the financial statements taken as a whole.

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



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