

BOROUGH OF WANAQUE
COUNTY OF PASSAIC
FINANCIAL STATEMENTS WITH
SUPPLEMENTARY INFORMATION
DECEMBER 31, 2016

(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, 2016

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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, 2016 and 2015, 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, 2016, 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.



An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

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

As described in Note 1 of the financial statements, the financial statements are prepared by the 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, 2016 and 2015, or changes in financial position for the years then ended.

Basis for Qualified Opinion on Regulatory Basis of Accounting

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 \$1,335,250.04 and \$1,310,156.79 for 2016 and 2015, 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, 2016 and 2015, 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, 2016 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.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated March 27, 2017 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



The Honorable Mayor and
Members of the Borough Council
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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

March 27, 2017



Borough of Wanaque, N.J.

Comparative Balance Sheet - Regulatory Basis

Current Fund

December 31,

<u>Assets</u>	<u>Ref.</u>	<u>2016</u>	<u>2015</u>
Current Fund:			
Cash	A-4	4,468,115.63	5,418,591.18
Change Fund	A-6	625.00	625.00
Due from State of New Jersey:			
Senior Citizen and Veteran Deductions	A-7	7,068.29	7,576.48
		<u>4,475,808.92</u>	<u>5,426,792.66</u>
Receivables and Other Assets with Full Reserves:			
Delinquent Taxes Receivable	A-8	406,960.72	482,158.07
Tax Title Liens Receivable	A-9	146,056.59	125,518.38
Property Acquired for Taxes -			
Assessed Valuation	A-10	388,475.00	388,475.00
Revenue Accounts Receivable	A-11	38,385.15	24,744.60
Due from Passaic County	A-12	8,146.80	8,788.08
Interfund Receivables:			
Animal Control Trust Fund	A-13	5.62	16.69
Payroll Fund	A-13	16,358.36	7,837.11
Public Assistance Fund	A-13	3.03	3.06
Assessment Trust Fund	A-13	15,500.19	66,993.13
		<u>1,019,891.46</u>	<u>1,104,534.12</u>
		<u>5,495,700.38</u>	<u>6,531,326.78</u>
Federal and State Grant Fund:			
State Grants Receivable	A-21	69,528.91	232,002.08
Interfund - Current Fund	A-24	290,629.22	274,777.80
		<u>360,158.13</u>	<u>506,779.88</u>
Total Assets		<u><u>5,855,858.51</u></u>	<u><u>7,038,106.66</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>2016</u>	<u>2015</u>
<u>Liabilities, Reserves and Fund Balance</u>			
Current Fund:			
Appropriation Reserves	A-3/A-14	203,164.33	250,502.92
Encumbrances Payable	A-15	175,111.68	165,911.28
Prepaid Taxes	A-16	170,869.92	230,317.57
Interfunds Payable			
Other Trust Fund	A-13	112,262.70	326,966.61
Federal and State Grant Fund	A-13	290,629.22	274,777.80
Water Operating Fund	A-13		45,220.25
General Capital Fund	A-13		100,672.08
Local School Tax Payable	A-17	22,894.00	180.00
Regional School Tax Payable	A-18	9,487.62	9,487.62
County Taxes Payable	A-19	28,272.02	
Deposits for Redemption of Tax Sale Certificates	A-20	111,733.44	626,800.63
Tax Overpayments	A-20	5,532.20	533.32
Due to State of NJ:			
Building Surcharge	A-20		4,644.00
Reserve for:			
Revaluation / Tax Map	A-20	60,134.15	60,134.15
Tax Appeals	A-20		57,938.95
Police Law Enforcement	A-20	56.64	56.64
Project D.A.R.E.	A-20	22,531.80	21,642.11
P.I.L.O.T. Service Charge	A-20	670,258.79	670,258.79
Fire Prevention Bureau	A-20	20,528.85	20,528.85
		<u>1,903,467.36</u>	<u>2,866,573.57</u>
Reserve for Receivables	Contra	1,019,891.46	1,104,534.12
Fund Balance	A-1	<u>2,572,341.56</u>	<u>2,560,219.09</u>
		<u>5,495,700.38</u>	<u>6,531,326.78</u>
Federal and State Grant Fund:			
Appropriated Reserve for Grants	A-22	327,608.94	465,640.00
Unappropriated Reserve for Grants	A-23	32,549.19	41,139.88
		<u>360,158.13</u>	<u>506,779.88</u>
Total Liabilities, Reserves and Fund Balance		<u><u>5,855,858.51</u></u>	<u><u>7,038,106.66</u></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>2016</u>	<u>2015</u>
Revenues and Other Income:			
Fund Balance Utilized	A-2	952,500.00	888,500.00
Miscellaneous Revenue Anticipated	A-2	2,138,358.06	2,427,547.90
Receipts from Delinquent Taxes	A-2	456,662.51	720,541.90
Receipts from Current Taxes	A-2	40,539,205.97	39,871,698.45
Non-Budget Revenue	A-2	64,723.20	62,766.11
Due From Passaic County			8,665.55
Other Credits to Income:			
Interfunds Returned	A-13	74,849.99	45,779.73
Canceled Grant Reserves	A-13	1,620.20	
Unexpended Balance of Appropriation Reserves	A-14	126,076.41	161,739.83
Canceled Tax Overpayments			15,108.46
		<u>44,353,996.34</u>	<u>44,202,347.93</u>
Total Revenues and Other Income			
Expenditures:			
Budget and Emergency Appropriations:			
Operations:			
Salaries and Wages	A-3	4,809,480.00	4,658,560.00
Other Expenses	A-3	4,920,230.42	4,841,965.86
Capital Improvement Fund	A-3	250,000.00	200,000.00
Municipal Debt Service	A-3	1,160,354.37	1,225,428.24
Deferred Charges and Statutory Expenditures -			
Municipal	A-3	1,270,200.00	1,230,003.71
Refund of Prior Years Revenue	A-4	47,828.26	695.00
Due From Passaic County			8,788.08
Interfund Advances	A-13	31,867.20	74,849.99
Canceled Grants Receivable	A-13	1,620.20	
Municipal Open Space	A-13	112,412.47	112,225.20
Local District School Tax	A-17	14,282,718.00	13,919,890.00
Regional High School Tax	A-18	7,143,038.50	7,071,779.50
County Taxes including Added Taxes	A-19	9,359,624.45	9,542,564.24
		<u>43,389,373.87</u>	<u>42,886,749.82</u>
Total Expenditures			

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

Current Fund			
Year Ended December 31,			
	<u>Ref.</u>	<u>2016</u>	<u>2015</u>
Excess (Deficit) Revenue Over Expenditures		964,622.47	1,315,598.11
Adjustment to Income Before Fund Balance - Expenditures Included above Which are by Statute Deferred Charges to Budget of Succeeding Year		<u> </u>	<u> </u>
Statutory Excess to Fund Balance		964,622.47	1,315,598.11
Fund Balance, January 1,	A	<u>2,560,219.09</u>	<u>2,133,120.98</u>
		3,524,841.56	3,448,719.09
Decreased by:			
Fund Balance Utilized as Budget Revenue		<u>952,500.00</u>	<u>888,500.00</u>
Fund Balance, December 31,	A	<u><u>2,572,341.56</u></u>	<u><u>2,560,219.09</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, 2016

	Ref.	Budget	Realized	Excess or (Deficit)
Fund Balance Anticipated	A-1	952,500.00	952,500.00	
Miscellaneous Revenues:				
Licenses:				
Alcoholic Beverages	A-11	12,240.00	11,000.00	(1,240.00)
Licenses - Other	A-2	5,800.00	4,841.00	(959.00)
Fees & Permits	A-2	11,800.00	10,680.10	(1,119.90)
Fines and Costs:				
Municipal Court	A-11	207,700.00	222,091.51	14,391.51
Interest and Costs on Taxes	A-5	70,000.00	98,913.57	28,913.57
Interest on Investments	A-11	14,600.00	10,881.06	(3,718.94)
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	199,400.00	272,784.00	73,384.00
Interlocal Agreements				
Street Lighting Contract	A-12	8,600.00	8,788.08	188.08
Township of Lyndhurst - QPA Services	A-11	31,000.00	31,000.00	
Township of Lyndhurst - Recreation Services	A-11			
Borough of Riverdale - Construction Code Services	A-11	40,000.00	40,000.00	
Clean Communities Program	A-21	20,637.50	20,637.50	
Recycling Tonnage Grant	A-21	5,983.85	5,983.85	
Highlands Protection Fund	A-21	6,593.75	6,593.75	
Click It or Ticket	A-21	5,000.00	5,000.00	
Municipal Alliance	A-21	44,880.00	44,880.00	
Alcohol Education and Rehabilitation Fund	A-21	235.73	235.73	
Body Armor Replacement Fund	A-21	2,689.05	2,689.05	
Cable TV	A-11	58,210.00	58,210.00	
Uniform Fire Safety Act	A-11	17,000.00	16,605.90	(394.10)
Library Services	A-11	22,000.00		(22,000.00)
Hotel Occupancy Fee	A-11	71,100.00	74,832.63	3,732.63
Social Services Rent	A-11	79,008.00	80,148.00	1,140.00
Cellular Tower Lease	A-11	180,000.00	199,819.33	19,819.33
Wanaque BOE Field Reimbursement	A-11	5,000.00	5,000.00	
Total Miscellaneous Revenues	A-1	2,026,220.88	2,138,358.06	112,137.18
Receipts from Delinquent Taxes	A-1/A-2	456,000.00	456,662.51	662.51
Subtotal General Revenues		3,434,720.88	3,547,520.57	112,799.69
Amount to be Raised by Taxes for Support of Municipal Budget - Local Tax for Municipal Purposes Including Reserve for Uncollected Taxes	A-2	9,915,544.02	10,394,417.05	478,873.03
Budget Totals		13,350,264.90	13,941,937.62	591,672.72
Non-Budget Revenue	A-1/A-2		64,723.20	64,723.20
		<u>13,350,264.90</u>	<u>14,006,660.82</u>	<u>656,395.92</u>
Adopted Budget	A-3	13,305,384.90		
Appropriated by N.J.S. 40A:4-87	A-3	44,880.00		
		<u>13,350,264.90</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, 2016

<u>Analysis of Realized Revenues</u>		
	<u>Ref.</u>	
Revenue from Collections	A-1/A-8	40,539,205.97
Allocated to School and County Taxes	A-8	<u>30,999,788.92</u>
Balance for Support of Municipal Budget Appropriations		9,539,417.05
Add : Appropriation - Reserve for Uncollected Taxes	A-3	<u>855,000.00</u>
Amount for Support of Municipal Budget Appropriations	A-2	<u><u>10,394,417.05</u></u>
Receipts from Delinquent Taxes:		
Delinquent Taxes	A-2,A-8	456,088.38
Tax Title Liens	A-9	<u>574.13</u>
	A-2	<u><u>456,662.51</u></u>
Licenses - Other:		
Clerk	A-11	2,635.00
Board of Health	A-11	<u>2,206.00</u>
	A-2	<u><u>4,841.00</u></u>
Fees & Permits		
Clerk	A-11	804.60
Police	A-11	1,716.90
Board of Health	A-11	<u>8,158.60</u>
	A-2	<u><u>10,680.10</u></u>

Analysis of Non-budget Revenues

	<u>Ref.</u>	
Miscellaneous Revenues Not Anticipated:		
Revenue Accounts Receivable		
Old Void Checks		1,278.00
Senior Citizen and Veterans Administrative Fee		2,275.51
Developer Applications		18,501.00
Interest and Costs on Assessments		422.46
Use of Borough Property		3,338.50
DMV Inspections		2,150.00
Flu Reimbursements		28,334.90
Various Refunds and Miscellaneous		<u>8,422.83</u>
	A-4	<u>64,723.20</u>
	A-2	<u><u>64,723.20</u></u>

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

Borough of Wanaque, N.J.

Statement of Expenditures - Regulatory Basis

Current Fund

Year Ended December 31, 2016

	<u>Ref.</u>	<u>Budget</u>	<u>Budget After Modification</u>	<u>Paid or Charged</u>	<u>Reserved</u>	<u>Unexpended Balance Cancelled</u>
<u>General Appropriations</u>						
General Government Functions						
Administrative and Executive						
Salaries and Wages		89,880.00	89,880.00	88,159.44	1,720.56	
Other Expenses		53,350.00	53,350.00	53,080.41	269.59	
Mayor and Council						
Salaries and Wages		39,000.00	39,000.00	38,999.48	0.52	
Other Expenses		3,750.00	3,750.00	3,381.00	369.00	
Municipal Clerk						
Salaries and Wages		174,200.00	175,500.00	175,500.00		
Other Expenses		28,600.00	31,100.00	30,934.42	165.58	
Elections						
Salaries & Wages		2,500.00	2,500.00	2,355.69	144.31	
Other Expenses		4,000.00	4,000.00	3,979.90	20.10	
Financial Administration:						
Salaries & Wages		123,025.00	123,025.00	117,172.19	5,852.81	
Other Expenses		4,800.00	5,300.00	4,990.93	309.07	
Data Processing		29,600.00	19,300.00	19,180.31	119.69	
Miscellaneous Other Expenses		49,000.00	49,000.00	43,902.50	5,097.50	
Collection of Taxes						
Salaries and Wages		65,425.00	65,425.00	65,325.00	100.00	
Other Expenses		7,850.00	5,850.00	3,978.70	1,871.30	
Assessment of Taxes						
Salaries and Wages		55,500.00	55,500.00	55,141.40	358.60	
Other Expenses		12,725.00	22,725.00	22,643.81	81.19	
Legal Services and Costs						
Other Expenses		253,000.00	243,000.00	191,093.57	11,906.43	40,000.00
Engineering Services and Costs						
Other Expenses		20,000.00	49,000.00	48,587.06	412.94	

Borough of Wanaque, N.J.

Statement of Expenditures - Regulatory Basis

Current Fund

Year Ended December 31, 2016

	<u>Ref.</u>	<u>Budget</u>	<u>Budget After Modification</u>	<u>Paid or Charged</u>	<u>Reserved</u>	<u>Unexpended Balance Cancelled</u>
<u>General Appropriations</u>						
Planning Board						
Salaries and Wages		6,065.00	6,065.00	6,065.00		
Other Expenses		15,575.00	8,075.00	6,640.50	1,434.50	
Board of Adjustment						
Salaries and Wages		6,065.00	6,065.00	6,065.00		
Other Expenses		3,175.00	3,175.00	2,480.50	694.50	
Insurance:						
Other Insurance Premiums		373,701.00	358,577.00	311,609.47	46,967.53	
Group Insurance for Employees		1,227,295.54	1,209,795.54	1,153,255.10	11,540.44	45,000.00
Health Benefit Waiver		93,000.00	93,124.00	93,123.82	0.18	
Police						
Salaries and Wages		3,359,000.00	3,379,000.00	3,377,774.16	1,225.84	
Other Expenses		155,700.00	165,700.00	165,513.25	186.75	
Police Vehicles		38,000.00	78,800.00	75,414.13	3,385.87	
911 Dispatch Services		9,500.00	9,500.00	9,451.00	49.00	
Emergency Management Services:						
Salaries and Wages		8,600.00	8,600.00	8,164.26	435.74	
Other Expenses		4,250.00	3,000.00	2,645.26	354.74	
First Aid Organization Contribution		47,000.00	49,500.00	47,165.65	2,334.35	
Fire						
Salaries and Wages		4,000.00	4,000.00	4,000.00		
Clothing Allowance		25,000.00	25,000.00	24,750.00	250.00	
Miscellaneous Other Expenses		107,875.00	109,125.00	108,995.62	129.38	
Uniform Fire Safety Act (Ch. 383, P.L. 1983)						
Salaries and Wages		34,350.00	34,350.00	34,062.63	287.37	
Other Expenses		3,650.00	3,650.00	3,316.56	333.44	
Municipal Prosecutor Retainer		27,500.00	27,500.00	27,499.94	0.06	

Borough of Wanaque, N.J.

Statement of Expenditures - Regulatory Basis

Current Fund

Year Ended December 31, 2016

	<u>Ref.</u>	<u>Budget</u>	<u>Budget After Modification</u>	<u>Paid or Charged</u>	<u>Reserved</u>	<u>Unexpended Balance Cancelled</u>
<u>General Appropriations</u>						
Road Repair and Maintenance						
Salaries and Wages		425,000.00	412,340.00	410,214.63	2,125.37	
Other Expenses		187,600.00	157,600.00	157,354.10	245.90	
Public Buildings and Grounds						
Other Expenses		228,750.00	259,950.00	259,848.11	101.89	
Garbage and Trash Removal						
Other Expenses		671,000.00	635,000.00	630,407.96	4,592.04	
Municipal Services Act (P.L. 1993, CH. 6)						
Garbage and Trash Removal						
Other Expenses		28,000.00	28,000.00	11,457.40	16,542.60	
Recycling						
Other Expenses		185,000.00	177,600.00	173,338.88	4,261.12	
Board of Health						
Salaries and Wages		88,600.00	88,600.00	88,544.50	55.50	
Other Expenses		112,400.00	115,060.00	114,998.56	61.44	
Parks and Playgrounds:						
Salaries and Wages		4,550.00	4,550.00	4,550.00		
Other Expenses						
Golden Agers		9,500.00	9,500.00	9,200.00	300.00	
Miscellaneous Other Expenses		35,840.00	35,840.00	27,831.89	8,008.11	
Municipal Court:						
Salaries and Wages		122,255.00	127,255.00	120,770.50	6,484.50	
Other Expenses		9,800.00	9,559.00	9,191.19	367.81	
Uniform Construction Code Officials						
Salaries and Wages		71,000.00	81,000.00	77,516.97	3,483.03	
Other Expenses		27,550.00	27,550.00	22,923.40	4,626.60	
Electrical Inspector						
Salaries and Wages		14,000.00	14,000.00	14,000.00		

Borough of Wanaque, N.J.

Statement of Expenditures - Regulatory Basis

Current Fund

Year Ended December 31, 2016

	<u>Ref.</u>	<u>Budget</u>	<u>Budget After Modification</u>	<u>Paid or Charged</u>	<u>Reserved</u>	<u>Unexpended Balance Cancelled</u>
<u>General Appropriations</u>						
Plumbing Inspector		14,000.00	14,000.00	14,000.00		
Salaries and Wages						
Fire Sub-Code Official		7,825.00	7,825.00	7,751.82	73.18	
Salaries and Wages						
Celebration of Public Events		11,500.00	11,500.00	9,992.96	1,507.04	
Other Expenses		45,400.00	45,400.00	45,400.00		
Street Lighting		43,000.00	43,000.00	41,588.28	1,411.72	
Telephone		75,000.00	53,000.00	46,953.32	6,046.68	
Gasoline						
Total Operations within "CAPS"		8,983,076.54	8,977,935.54	8,734,232.13	158,703.41	85,000.00
Detail:						
Salaries and Wages	A-1	4,714,840.00	4,738,480.00	4,716,132.67	22,347.33	
Other Expenses	A-1	4,268,236.54	4,239,455.54	4,018,099.46	136,356.08	85,000.00
Deferred Charges and Statutory Expenditures - Municipal within "CAPS"						
Statutory Expenditures:						
Contribution to:						
Public Employee Retirement System		207,184.00	212,084.00	212,075.46	8.54	
Social Security System (O.A.S.I.)		179,520.00	179,520.00	179,383.24	136.76	
Police and Firemen's Retirement System of NJ		705,596.00	705,596.00	705,596.00		
Defined Contribution Retirement Plan		8,000.00	8,000.00	3,685.10	4,314.90	
Total Deferred Charged and Statutory Expenditures - Municipal within "CAPS"	A-1	1,100,300.00	1,105,200.00	1,100,739.80	4,460.20	
Total General Appropriations for Municipal Purposes within "CAPS"		10,083,376.54	10,083,135.54	9,834,971.93	163,163.61	85,000.00

Borough of Wanaque, N.J.

Statement of Expenditures - Regulatory Basis

Current Fund

Year Ended December 31, 2016

<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		411,914.00	411,914.00	411,914.00		
Reserve for Tax Appeals		180,000.00	180,000.00	180,000.00		
Emergency Services Volunteer Length of Service Award Program		40,000.00	40,000.00		40,000.00	
Interlocal Municipal Service Agreements:						
Street Lighting						
Other Expenses		8,600.00	8,600.00	8,600.00		
Borough of Lyndhurst - QPA						
Salaries & Wages		31,000.00	31,000.00	31,000.00		
Borough of Ringwood						
Municipal Court		39,000.00	39,241.00	39,240.28	0.72	
Borough of Riverdale-Uniform Construction Code Officials						
Salaries & Wages		40,000.00	40,000.00	40,000.00		
Public and Private Programs Offset by Revenues						
Clean Communities Program		20,637.50	20,637.50	20,637.50		
Municipal Alliance		44,880.00	44,880.00	44,880.00		
Alcohol Education & Rehab. Grant		235.73	235.73	235.73		
Recycling Tonnage Grant		5,983.85	5,983.85	5,983.85		
Click It or Ticket		5,000.00	5,000.00	5,000.00		
Highlands Protection Fund		6,593.75	6,593.75	6,593.75		
Body Armor Replacement Program		2,689.05	2,689.05	2,689.05		
Total Operations - Excluded from "CAPS"		836,533.88	836,774.88	796,774.16	40,000.72	
Detail:						
Salaries & Wages	A-1	71,000.00	71,000.00	71,000.00		
Other Expenses	A-1	765,533.88	765,774.88	725,774.16	40,000.72	

Borough of Wanaque, N.J.

Statement of Expenditures - Regulatory Basis

Current Fund

Year Ended December 31, 2016

<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>
Capital Improvements:						
Capital Improvement Fund		250,000.00	250,000.00	250,000.00		
Total Capital Improvements Excluded from "CAPS"	A-1	250,000.00	250,000.00	250,000.00		
Municipal Debt Service:						
Payment of Bond Principal		625,000.00	625,000.00	625,000.00		
Interest on Bonds		521,971.00	521,971.00	521,970.89		0.11
Green Trust Loan Program:						
Loan Repayments for Principal and Interest		13,383.48	13,383.48	13,383.48		
Total Municipal Debt Service-Excluded from "CAPS"	A-1	1,160,354.48	1,160,354.48	1,160,354.37		0.11
Deferred Charges:						
Deferred Charges to Future Tax-Unfunded						
Ord 18-0-10 Acquisition of Vehicles		58,000.00	58,000.00	58,000.00		
Deficit in Assessment Cash		107,000.00	107,000.00	107,000.00		
Total Deferred Charges - Municipal - Excluded from "CAPS"	A-1	165,000.00	165,000.00	165,000.00		
Total General Appropriations for Municipal Purposes Excluded from "CAPS"		2,411,888.36	2,412,129.36	2,372,128.53	40,000.72	0.11

Borough of Wanaque, N.J.

Statement of Expenditures - Regulatory Basis

Current Fund

Year Ended December 31, 2016

<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>
Subtotal General Appropriations		<u>12,495,264.90</u>	<u>12,495,264.90</u>	<u>12,207,100.46</u>	<u>203,164.33</u>	<u>85,000.11</u>
Reserve for Uncollected Taxes		<u>855,000.00</u>	<u>855,000.00</u>	<u>855,000.00</u>		
Total General Appropriations		<u>13,350,264.90</u>	<u>13,350,264.90</u>	<u>13,062,100.46</u>	<u>203,164.33</u>	<u>85,000.11</u>
Adopted Budget Appropriated by (N.J.S. 40A:4-87)	A-2		13,305,384.90			
	A-2		44,880.00			
			<u>13,350,264.90</u>			
<u>Analysis of Paid or Charged</u>						
Reserve for Uncollected Taxes	A-2			855,000.00		
Cash Disbursed	A-4			11,765,968.90		
Encumbrances Payable	A-15			175,111.68		
Reserve for Tax Appeals	A-20			180,000.00		
Reserve for Federal and State Grants	A-22			86,019.88		
				<u>13,062,100.46</u>		

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

Comparative Balance Sheet - Regulatory Basis

Trust Funds

December 31,

	Ref.	2016	2015
<u>Assets</u>			
Assessment Trust Fund			
Cash	B-4, B-5	560.50	51,151.31
Assessments Receivable	B-6	6,795.67	7,697.80
Prospective Assessments Funded	B-8	1,012,300.00	1,119,300.00
		<u>1,019,656.17</u>	<u>1,178,149.11</u>
Animal Control Trust Fund:			
Cash	B-4	1,003.37	404.46
		<u>1,003.37</u>	<u>404.46</u>
Other Trust Funds:			
Cash	B-4	1,480,589.26	1,723,638.17
Interfund - Current Fund	B-7	112,262.70	326,966.61
Interfund - Water Capital Fund	B-15	200,000.00	200,000.00
Interfund - Payroll Fund	B-15	14,325.02	6,901.80
		<u>1,807,176.98</u>	<u>2,257,506.58</u>
Recreation Trust Fund			
Cash	B-4	26,730.75	25,321.49
		<u>26,730.75</u>	<u>25,321.49</u>
Payroll Agency Trust Fund			
Cash	B-4	81,849.04	61,411.18
		<u>81,849.04</u>	<u>61,411.18</u>
Emergency Services Volunteer Length of Service Award Program (Unaudited)			
Cash in Plan	B-4	1,268,550.04	1,245,756.79
Contributions Receivable	B-19	66,700.00	64,400.00
		<u>1,335,250.04</u>	<u>1,310,156.79</u>
Total Assets		<u>4,271,666.35</u>	<u>4,832,949.61</u>

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

Comparative Balance Sheet - Regulatory Basis

Trust Funds

December 31,

	Ref.	2016	2015
<u>Liabilities, Reserves & Fund Balance</u>			
Assessment Trust Fund			
Interfund - Current Fund	B-7	15,500.19	66,993.13
Assessment Serial Bonds	B-9	731,000.00	838,000.00
Reserve for Assessments and Liens	B-10	256,095.67	256,997.80
Fund Balance	B-1	<u>17,060.31</u>	<u>16,158.18</u>
		<u>1,019,656.17</u>	<u>1,178,149.11</u>
Animal Control Trust Fund:			
Interfund - Current Fund	B-7	5.62	16.69
Reserve for Animal Control Expenditures	B-11	996.35	387.77
Due to State Department of Health	B-13	<u>1.40</u>	<u></u>
		<u>1,003.37</u>	<u>404.46</u>
Other Trust Fund:			
Developers Escrow	B-13	72,550.44	57,209.12
Various Reserves	B-13	1,560,695.91	1,947,662.38
Reserve for Municipal Open Space	B-14	173,930.63	248,459.28
Interfund - General Capital Fund	B-15	<u></u>	<u>4,175.80</u>
		<u>1,807,176.98</u>	<u>2,257,506.58</u>
Recreation Trust Fund:			
Reserve for Recreation Expenditures	B-16	<u>26,730.75</u>	<u>25,321.49</u>
Payroll Agency Trust Fund			
Interfund - Current Fund	B-7	16,358.36	7,837.11
Payroll Deductions Payable	B-17	51,165.66	46,672.27
Interfund - Other Trust Fund	B-18	<u>14,325.02</u>	<u>6,901.80</u>
		<u>81,849.04</u>	<u>61,411.18</u>
Emergency Services Volunteer Length of Service Award Program (Unaudited)			
Net Assets Available for Benefits	B-20	<u>1,335,250.04</u>	<u>1,310,156.79</u>
		<u>1,335,250.04</u>	<u>1,310,156.79</u>
Total Liabilities, Reserves and Fund Balances		<u><u>4,271,666.35</u></u>	<u><u>4,832,949.61</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>2016</u>	<u>2015</u>
Balance - January 1,	B	16,158.18	6,413.93
Increased by:			
Collection of Unpledged Assessments	B-10	<u>902.13</u>	<u>9,744.25</u>
Balance - December 31,	B	<u><u>17,060.31</u></u>	<u><u>16,158.18</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, 2016

	<u>Ref.</u>	<u>Budget Revenue</u>	<u>Realized</u>
Assessment Cash	B-3	<u>107,000.00</u>	<u>107,000.00</u>
		<u>107,000.00</u>	<u>107,000.00</u>

Schedule of Expenditures - Regulatory Basis

Assessment Trust Fund

Year Ended December 31, 2016

	<u>Ref.</u>	<u>Budget Appropriation</u>	<u>Expended</u>
Payment of Bond Principal	B-2	<u>107,000.00</u>	<u>107,000.00</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,

	Ref.	2016	2015
<u>Assets</u>			
Cash	C-2/C-3	25,977.66	1,682,616.64
Various Grants Receivable	C-4	717,066.96	507,427.31
Deferred Charges to Future Taxation:			
Funded	C-5	15,742,614.01	16,377,299.68
Deferred Charges to Future Taxation:			
Unfunded	C-6	4,767,349.98	1,232,349.98
Interfund - Water Capital Fund	C-12	131,425.99	
Interfund - Current Fund	C-12		100,672.08
Interfund - Water Operating Fund	C-12		25,667.60
Interfund - Other Trust Fund	C-12		4,175.80
Total Assets		<u>21,384,434.60</u>	<u>19,930,209.09</u>
<u>Liabilities, Reserves and Fund Balance</u>			
General Serial Bonds	C-7	15,565,000.00	16,190,000.00
Loan Payable - NJDEP Green Trust	C-8	177,614.01	187,299.68
Improvement Authorizations:			
Funded	C-9	1,042,817.20	1,111,446.17
Unfunded	C-9	3,585,756.80	801,216.65
Capital Improvement Fund	C-10	139,925.00	128,750.00
Reserve for:			
Debt Service	C-11	55,653.53	55,653.53
Bond Issue Costs	C-11	21,066.51	21,066.51
Special Needs Housing	C-11	795,859.00	795,859.00
Fund Balance	C-1	<u>742.55</u>	<u>638,917.55</u>
Total Liabilities, Reserves and Fund Balance		<u>21,384,434.60</u>	<u>19,930,209.09</u>

Footnote: There were \$4,767,349.98 of Bonds and Notes Authorized But Not Issued on
December 31, 2016 per Exhibit C-13

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>2016</u>	<u>2015</u>
Balance - January 1,	C	638,917.55	338,864.62
Increased by:			
Canceled Funded Improvement Authorizations			300,052.93
Premium on Sale of Bond Anticipation Notes			
		<u>638,917.55</u>	<u>638,917.55</u>
Decreased by:			
Appropriated to Finance Improvement Authorizations	C-9	<u>638,175.00</u>	
Balance - December 31,	C,C-3	<u><u>742.55</u></u>	<u><u>638,917.55</u></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>2016</u>	<u>2015</u>
<u>Assets</u>			
Operating Fund:			
Cash	D-5	534,870.69	1,484,428.00
Change Fund	D-6	100.00	100.00
Interfund - Sewer Operating Fund	D-9	256,315.73	
Interfund - Current Fund	D-9		45,220.25
Interfund - Water Utility Capital Fund	D-9		122.19
		<u>791,286.42</u>	<u>1,529,870.44</u>
Receivables with Full Reserves:			
Consumers Account Receivable	D-10	<u>201,017.43</u>	<u>193,709.97</u>
		<u>201,017.43</u>	<u>193,709.97</u>
Total Operating Fund		<u>992,303.85</u>	<u>1,723,580.41</u>
 Capital Fund:			
Cash	D-5/D-8	274,486.06	112,242.42
Fixed Capital	D-11	10,099,319.16	10,099,319.16
Fixed Capital Authorized and Uncompleted	D-12	2,170,000.00	1,390,000.00
Due from CDBG	D-26	<u>100,000.00</u>	<u>100,000.00</u>
Total Capital Fund		<u>12,643,805.22</u>	<u>11,701,561.58</u>
Total Assets		<u>13,636,109.07</u>	<u>13,425,141.99</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>2016</u>	<u>2015</u>
<u>Liabilities, Reserves and Fund Balance</u>			
Operating Fund:			
Interfund - Sewer Operating Fund	D-9		169,596.15
Interfund - General Capital Fund	D-9		25,667.60
Appropriation Reserve	D-4/D-13	49,501.46	54,745.43
Encumbrances Payable	D-14	82,144.08	52,972.18
Accrued Interest on Bonds	D-15	82,800.00	87,051.80
Accrued Interest on Notes	D-16		3,278.80
Security Deposits Payable	D-17	375.00	375.00
Reserve for Water Improvement Escrow	D-18	182,139.38	41,605.46
Water Rent Overpayments	D-19	1,431.54	399.41
Reserve for Legal Settlement	D-27	130,550.30	900,000.00
		<u>528,941.76</u>	<u>1,335,691.83</u>
Reserve for Receivables	Contra	201,017.43	193,709.97
Fund Balance	D-1	<u>262,344.66</u>	<u>194,178.61</u>
Total Operating Fund		<u>992,303.85</u>	<u>1,723,580.41</u>
Capital Fund:			
Serial Bonds Payable	D-20	4,131,000.00	4,281,000.00
Improvement Authorizations:			
Funded	D-21	636,988.43	100,396.87
Unfunded	D-21	305,031.96	810,683.68
Capital Improvement Fund	D-22	29,946.22	29,946.22
Reserve for Amortization	D-23	5,968,319.16	5,818,319.16
Interfund - Water Utility Operating Fund	D-24		122.19
Interfund - Other Trust Fund	D-24	200,000.00	200,000.00
Interfund - General Capital Fund	D-24	131,425.99	
Reserve for Deferred Amortization	D-25	1,130,000.00	350,000.00
Fund Balance	D-2	<u>111,093.46</u>	<u>111,093.46</u>
Total Capital Fund		<u>12,643,805.22</u>	<u>11,701,561.58</u>
Total Liabilities, Reserves and Fund Balances		<u>13,636,109.07</u>	<u>13,425,141.99</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, 2016 per Exhibit D-28.

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>2016</u>	<u>2015</u>
Revenue and Other Income Realized:			
Surplus Anticipated	D-3	74,453.00	197,160.53
Rents	D-3	1,642,152.04	1,652,157.87
Miscellaneous Revenue	D-3	19,513.85	23,240.92
Interlocal Service Agreement - WBSA	D-3	180,000.00	180,000.00
PCIA Interest Rebate	D-3	53,214.96	54,329.24
Other Credits to Income:			
Unexpended Balance of			
Appropriation Reserves	D-13	51,223.40	67,903.01
Canceled Accrued Interest on Notes	D-16	3,278.80	
Total Income		<u>2,023,836.05</u>	<u>2,174,791.57</u>
Expenditures:			
Operating	D-4	1,385,000.00	1,375,000.00
Capital Improvements	D-4	50,000.00	50,000.00
Debt Service	D-4	349,421.00	524,187.53
Deferred Charges and			
Statutory Expenditures	D-4	<u>96,796.00</u>	<u>97,983.00</u>
Total Expenditures		<u>1,881,217.00</u>	<u>2,047,170.53</u>
Excess in Revenue over Expenditures		142,619.05	127,621.04
Expenditures Included Above Which are by Statute			
Deferred Charges to Budget of Succeeding Years			
Statutory Excess to Surplus		142,619.05	127,621.04
Fund Balance - January 1,	D	<u>194,178.61</u>	<u>263,718.10</u>
		336,797.66	391,339.14
Decreased by:			
Utilized as Anticipated Revenue		<u>74,453.00</u>	<u>197,160.53</u>
Fund Balance - December 31,	D	<u><u>262,344.66</u></u>	<u><u>194,178.61</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>2016</u>	<u>2015</u>
Balance - January 1,	D	111,093.46	3,653.81
Increased by:			
Funded Improvement Authorizations Canceled		<u> </u>	<u>107,439.65</u>
Balance - December 31,	D	<u>111,093.46</u>	<u>111,093.46</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, 2016

	<u>Ref.</u>	<u>Anticipated</u>	<u>Realized</u>	<u>Excess (Deficit)</u>
Operating Surplus Anticipated	D-1	74,453.00	74,453.00	
Rents	D-1,D-7	1,649,600.00	1,642,152.04	(7,447.96)
Interlocal Service Agreement - Sewer Utility	D-1, D-5	180,000.00	180,000.00	
PCIA Interest Rebate	D-1, D-5	27,164.00	53,214.96	26,050.96
Miscellaneous	D-1		19,513.85	19,513.85
Budget Totals		<u>1,931,217.00</u>	<u>1,969,333.85</u>	<u>38,116.85</u>
		D-4		

Analysis Realized Revenues

Miscellaneous:

Interest on Deposits:

2,884.34

Late Interest Charge

16,559.81

Miscellaneous

69.70

D-5

19,513.85

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, 2016

	Ref.	Appropriated		Expended	Unexpended	
		Budget	Budget After Modification	Paid or Charged	Reserved	Balance Canceled
Operating:						
Salaries and Wages		625,000.00	625,000.00	558,509.23	26,490.77	40,000.00
Other Expenses		735,000.00	735,000.00	719,023.91	5,976.09	10,000.00
Purchase of Water		75,000.00	75,000.00	70,497.72	4,502.28	
Total Operating	D-1	1,435,000.00	1,435,000.00	1,348,030.86	36,969.14	50,000.00
Capital Improvements:						
Capital Outlay		50,000.00	50,000.00	40,546.00	9,454.00	
Total Capital Improvements	D-1	50,000.00	50,000.00	40,546.00	9,454.00	
Debt Service:						
Payment of Bond Principal		125,000.00	125,000.00	125,000.00		
Interest on Bonds		64,500.00	64,500.00	64,500.00		
PCIA Loan Principal Payment		25,000.00	25,000.00	25,000.00		
PCIA Loan Interest Payment		134,921.00	134,921.00	134,921.00		
Total Debt Service	D-1	349,421.00	349,421.00	349,421.00		
Deferred Charges and Statutory Expenditures:						
Statutory Expenditures:						
Contribution to:						
Public Employees' Retirement System		51,796.00	51,796.00	51,796.00		
Social Security System (O.A.S.I.)		45,000.00	45,000.00	41,921.68	3,078.32	
Total Deferred Charges and Statutory Expenditures	D-1	96,796.00	96,796.00	93,717.68	3,078.32	
		<u>1,931,217.00</u>	<u>1,931,217.00</u>	<u>1,831,715.54</u>	<u>49,501.46</u>	<u>50,000.00</u>
			D-3		D	
Cash Disbursed	D-5			1,550,150.46		
Encumbrances Payable	D-14			82,144.08		
Interest on Bonds	D-15			199,421.00		
				<u>1,831,715.54</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>2016</u>	<u>2015</u>
<u>Liabilities, Reserves and Fund Balance</u>			
Operating Fund:			
Interfund - Sewer Utility Capital Fund	E-7	359,995.83	368,191.97
Interfund - Water Operating Fund	E-7	256,315.73	
Appropriation Reserve	E-3/E-12	15.65	4,000.00
Encumbrances Payable	E-13		33,119.69
Sewer Overpayments	E-14	1,779.39	753.72
Reserve for Sewer Improvement Escrow	E-14	45,000.00	45,000.00
Reserve for O&M Requirement	E-14	57,000.00	57,000.00
Accrued Interest on Bonds	E-15	10,508.33	12,825.00
		<u>730,614.93</u>	<u>520,890.38</u>
Reserve for Receivables	Contra	476,065.79	441,320.91
Fund Balance	E-1	<u>678,623.45</u>	<u>429,959.71</u>
Total Operating Fund		<u>1,885,304.17</u>	<u>1,392,171.00</u>
Capital Fund:			
Serial Bonds Payable	E-16	5,227,261.35	5,922,261.35
Improvement Authorizations:			
Funded	E-17	1,562,408.97	1,562,408.97
Reserve for Amortization	E-18	10,600,640.88	9,905,640.88
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>
Total Capital Fund		<u>18,517,632.50</u>	<u>18,517,632.50</u>
Total Liabilities, Reserves and Fund Balances		<u>20,402,936.67</u>	<u>19,909,803.50</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, 2016.

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>2016</u>	<u>2015</u>
Revenue and Other Income Realized:			
Surplus Anticipated	E-2	345,583.33	506,732.94
Rents	E-2	4,067,337.92	4,162,480.23
Miscellaneous Anticipated	E-2	720,909.15	19,825.29
Other Credits to Income:			
Unexpended Balance of Appropriation Reserves	E-12	3,875.00	48,806.33
Total Income		<u>5,137,705.40</u>	<u>4,737,844.79</u>
Expenditures:			
Operating	E-3	3,680,000.00	3,550,000.00
Debt Service	E-3	846,583.33	846,825.00
Deferred Charges			188,907.94
Prepaid Expenses	E-21	16,875.00	
Total Expenditures		<u>4,543,458.33</u>	<u>4,585,732.94</u>
Excess in Revenue over Expenditures		594,247.07	152,111.85
Deficit in Revenue over Expenditures			
Expenditures Included Above Which are by Statute Deferred Charges to Budget of Succeeding Years			
Statutory Excess to Surplus		594,247.07	152,111.85
Fund Balance - January 1,	E	<u>429,959.71</u>	<u>784,580.80</u>
		1,024,206.78	936,692.65
Decreased by:			
Utilized as Anticipated Revenue		<u>345,583.33</u>	<u>506,732.94</u>
Fund Balance - December 31,	E	<u>678,623.45</u>	<u>429,959.71</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, 2016

	<u>Ref.</u>	<u>Anticipated</u>	<u>Realized</u>	<u>Excess (Deficit)</u>
Operating Surplus Anticipated	E-1	345,583.33	345,583.33	
Rents	E-1,E-5	4,162,000.00	4,067,337.92	(94,662.08)
Miscellaneous	E-1	<u>19,000.00</u>	<u>720,909.15</u>	<u>701,909.15</u>
Budget Totals		<u>4,526,583.33</u>	<u>5,133,830.40</u>	<u>607,247.07</u>
		E-3		

Analysis Realized Revenues

Miscellaneous:

Interest on Deposits	23,490.95
Late Interest Charge	6,969.20
Connection Fees	<u>690,449.00</u>

E-4	<u>720,909.15</u>
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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, 2016

	Ref.	Appropriated		Expended	Reserved
		Budget	Budget After Modification	Paid or Charged	
Operating:					
Other Expenses		150,000.00	150,000.00	149,984.35	15.65
Interlocal Water Utility		180,000.00	180,000.00	180,000.00	
Interlocal WVRSA		3,350,000.00	3,350,000.00	3,350,000.00	
Total Operating	E-1	<u>3,680,000.00</u>	<u>3,680,000.00</u>	<u>3,679,984.35</u>	<u>15.65</u>
Debt Service:					
Payment of Bond Principal		695,000.00	695,000.00	695,000.00	
Interest on Bonds		<u>151,583.33</u>	<u>151,583.33</u>	<u>151,583.33</u>	
Total Debt Service	E-1	<u>846,583.33</u>	<u>846,583.33</u>	<u>846,583.33</u>	
		<u>4,526,583.33</u>	<u>4,526,583.33</u>	<u>4,526,567.68</u>	<u>15.65</u>
			E-2		E
Cash Disbursed	E-4			4,374,984.35	
Interest on Bonds	E-15			<u>151,583.33</u>	
				<u>4,526,567.68</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>2016</u>	<u>2015</u>
<u>Assets</u>			
Cash	F-1	<u>1,498.76</u>	<u>1,498.79</u>
Total Assets		<u><u>1,498.76</u></u>	<u><u>1,498.79</u></u>
<u>Liabilities</u>			
Reserve for Public Assistance		<u>1,495.73</u>	<u>1,495.73</u>
Interfund - Current Fund		<u>3.03</u>	<u>3.06</u>
Total Liabilities		<u><u>1,498.76</u></u>	<u><u>1,498.79</u></u>

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, 2016

	<u>2016</u>	<u>2015</u>
<u>General Fixed Assets:</u>		
Land	5,931,300.00	2,372,300.00
Buildings	8,922,100.00	1,247,700.00
Machinery and Equipment	<u>5,823,308.00</u>	<u>1,826,872.00</u>
	<u>20,676,708.00</u>	<u>5,446,872.00</u>
 Investment in Fixed Assets	 <u>20,676,708.00</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, 2016 and 2015

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, 2016 and 2015
(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, 2016 and 2015
(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, 2016 and 2015
(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, 2016 and 2015
(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 2016, the Borough Council increased the original budget by \$44,880.00 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, 2016 and 2015
(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, 2016 and 2015
(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, 2016 and 2015
(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 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.

BOROUGH OF WANAQUE, N.J.
Notes to Financial Statements
Years Ended December 31, 2016 and 2015
(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. 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.

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 2016, 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

BOROUGH OF WANAQUE, N.J.
Notes to Financial Statements
Years Ended December 31, 2016 and 2015
(continued)

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

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

Recent Accounting Pronouncements, (continued)

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, 2016. The Borough is currently reviewing what effects, if any, this Statement might have on future financial statements.

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.

In January 2016, the Government Accounting Standards Board issued GASB Statement No. 80, Blending Requirements for Certain Component Units, which provides clarity about how certain component units incorporated as not-for-profit corporations should be presented in the financial statements of the primary state or local government. The Borough does not believe this Statement will have any effect on future financial statements.

In March 2016, the Government Accounting Standards Board issued GASB Statement No. 81, Irrevocable Split-Interest Agreements. The objective of this Statement is to improve accounting and financial reporting for irrevocable split-interest agreements by providing recognition and measurement guidance for situations in which a government is a beneficiary of the agreement. The Borough does not believe this Statement will have any effect on future financial statements.

In March 2016, the Government Accounting Standards Board issued GASB Statement No. 82, Pension Issues - an Amendment of GASB Statements No. 67, No. 68 and No. 73. The objective of this Statement is to address certain issues that have been raised with respect to Statement No. 67, *Financial Reporting for Pension Plans*, No. 68, *Accounting and Financial Reporting for Pensions*, and 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

BOROUGH OF WANAQUE, N.J.
Notes to Financial Statements
Years Ended December 31, 2016 and 2015
(continued)

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

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

effective for reporting periods beginning after June 15, 2016. Specifically, this Statement addresses issues regarding (1) the presentation of payroll-related measures in required supplementary information, (2) the selection of assumptions and the treatment of deviations from the guidance in an Actuarial Standard of Practice.

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, 2016, \$0- of the Borough's bank balance of \$10,484,704.99 was exposed to custodial credit risk.

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.

BOROUGH OF WANAQUE, N.J.
Notes to Financial Statements
Years Ended December 31, 2016 and 2015
(continued)

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

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, 2016 and 2015 amounted to \$1,268,550.04 and \$1,245,756.79, respectively.

The following investments represent 5% or more of the total invested with VALIC on December 31, 2016 and 2015:

	<u>2016</u>	<u>2015</u>
Fixed Income	\$347,663.53	\$381,156.10
Index Funds	291,609.36	277,428.74
Growth Funds	184,505.67	180,862.65
Value Funds	257,901.59	214,607.28
All Others	<u>186,869.89</u>	<u>191,702.02</u>
Total	<u>\$1,268,550.04</u>	<u>\$1,245,756.79</u>

BOROUGH OF WANAQUE, N.J.
Notes to Financial Statements
Years Ended December 31, 2016 and 2015
(continued)

NOTE 3. MUNICIPAL DEBT

Long-term debt as of December 31, 2016 consisted of the following:

	<u>Balance</u> <u>Dec. 31, 2015</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	\$16,190,000.00	\$	\$625,000.00	\$15,565,000.00	\$650,000.00
Trust Assessment	838,000.00		107,000.00	731,000.00	107,000.00
Water Utility	4,281,000.00		150,000.00	4,131,000.00	205,000.00
Sewer Utility	5,922,261.35		695,000.00	5,227,261.35	535,000.00
Other Liabilities:					
Compensated Absences Payable	686,825.28	97,807.07	33,627.49	751,004.86	
Deferred Pension Liability	249,663.00		20,668.00	228,995.00	22,525.00
Green Trust Loan	<u>187,299.68</u>		<u>9,685.67</u>	<u>177,614.01</u>	<u>9,880.35</u>
	<u>\$28,355,049.31</u>	<u>\$97,807.07</u>	<u>\$1,640,981.16</u>	<u>\$26,811,875.22</u>	<u>\$1,529,405.35</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, 2016 and 2015
(continued)

NOTE 3. MUNICIPAL DEBT, (continued)

The Borough's debt is summarized as follows:

SUMMARY OF MUNICIPAL DEBT

	<u>Year 2016</u>	<u>Year 2015</u>	<u>Year 2014</u>
<u>Issued:</u>			
Assessment Bonds	\$731,000.00	\$838,000.00	\$161,000.00
General Bonds, Notes and Loans	15,742,614.01	16,377,299.68	17,985,455.33
Water Utility - Bonds, Notes and Loans	4,131,000.00	4,281,000.00	4,609,260.00
Sewer Utility - Bonds, Notes and Loans	<u>5,227,261.35</u>	<u>5,922,261.35</u>	<u>6,592,261.35</u>
Total Issued	<u>25,831,875.36</u>	<u>27,418,561.03</u>	<u>29,347,976.68</u>
<u>Less:</u>			
Funds Temporarily Held to Pay			
Bonds and Notes:			
General	<u>55,653.53</u>	<u>55,653.53</u>	<u>57,493.81</u>
Net Debt Issued	<u>25,776,221.83</u>	<u>27,362,907.50</u>	<u>29,290,482.87</u>
<u>Authorized But Not Issued</u>			
General Bonds and Notes	4,767,349.98	1,232,349.98	606,099.98
Water Bonds and Notes	<u>1,040,000.00</u>	<u>1,040,000.00</u>	<u>225,000.00</u>
Total Authorized But Not Issued	<u>5,807,349.98</u>	<u>2,272,349.98</u>	<u>831,099.98</u>
<u>Less Deductions:</u>			
Self Liquidating	<u>10,398,261.35</u>	<u>11,243,261.35</u>	<u>9,029,944.15</u>
Net Bonds and Notes Issued and Authorized But Not Issued	<u>\$21,185,310.46</u>	<u>\$18,391,996.13</u>	<u>\$21,091,638.70</u>

BOROUGH OF WANAQUE, N.J.
Notes to Financial Statements
Years Ended December 31, 2016 and 2015
(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 1.694%.

	<u>Gross Debt</u>	<u>Deductions</u>	<u>Net Debt</u>
Local School District Debt	\$12,395,000.00	\$12,395,000.00	\$0.00
Regional High School District Debt	569,930.61	569,930.61	0.00
Water Utility Debt	5,171,000.00	5,171,000.00	0.00
Sewer Utility Debt	5,227,261.35	5,227,261.35	0.00
General Debt	<u>21,240,963.99</u>	<u>55,653.53</u>	<u>21,185,310.46</u>
	<u>\$44,604,155.95</u>	<u>\$23,418,845.49</u>	<u>\$21,185,310.46</u>

Net Debt \$21,185,310.46 divided by Equalized Valuation Basis per N.J.S. 40A:2-2 as amended, \$1,250,292,726.00 equals 1.694%.

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

3 ½% of Equalized Valuation Basis (Municipal)	\$43,760,245.41
Net Debt	<u>21,185,310.46</u>
Remaining Borrowing Power	<u>\$22,574,934.95</u>

BOROUGH OF WANAQUE, N.J.
Notes to Financial Statements
Years Ended December 31, 2016 and 2015
(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		\$1,969,333.85
Deductions:		
Operating and Maintenance Cost	\$1,481,796.00	
Debt Service per Water Account	<u>349,421.00</u>	
Total Deductions		<u>1,831,217.00</u>
 Excess in Revenue		 <u>\$138,116.85</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		\$5,133,830.40
Deductions:		
Operating and Maintenance Cost	\$3,680,000.00	
Debt Service per Sewer Account	<u>846,583.33</u>	
Total Deductions		<u>4,526,583.33</u>
 Excess in Revenue		 <u>\$607,247.07</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, 2016 and 2015
(continued)

NOTE 3. MUNICIPAL DEBT, (continued)

The Borough's long term debt consisted of the following at December 31, 2016:

<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	\$300,000.00
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	11,230,000.00
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>177,614.01</u>
Total Current Fund	<u>15,742,614.01</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	150,000.00
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	2,204,000.00
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	717,000.00
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>4,131,000.00</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	2,595,000.00
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>495,000.00</u>
Total Sewer Utility Fund	<u>5,227,261.35</u>

BOROUGH OF WANAQUE, N.J.
Notes to Financial Statements
Years Ended December 31, 2016 and 2015
(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	\$32,000.00
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	669,000.00
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>731,000.00</u>
	<u>\$25,831,875.36</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>\$4,767,349.98</u>
Water Capital	<u>\$1,040,000.00</u>

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

<u>Calendar Year</u>	<u>Assessment Trust</u>		<u>General</u>	
	<u>Principal</u>	<u>Interest</u>	<u>Principal</u>	<u>Interest</u>
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	75,000.00	8,820.00	900,699.01	390,834.47
2022-2026	294,000.00	16,151.25	5,346,808.54	1,463,840.09
2027-2031			3,657,751.95	714,815.40
2032-2035			<u>2,806,625.48</u>	<u>180,316.25</u>
	<u>\$731,000.00</u>	<u>\$80,976.38</u>	<u>\$15,742,614.01</u>	<u>\$4,558,792.34</u>

BOROUGH OF WANAQUE, N.J.
Notes to Financial Statements
Years Ended December 31, 2016 and 2015
(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>
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	350,000.00	151,125.85	675,000.00	28,687.50
2022-2026	1,360,000.00	546,644.25	1,653,629.70	1,956,370.30
2027-2031	1,289,000.00	218,491.75	483,631.65	821,368.25
2032-2035	<u>27,000.00</u>	<u>421.88</u>		
	<u>\$4,131,000.00</u>	<u>\$1,640,601.88</u>	<u>\$5,227,261.35</u>	<u>\$3,173,226.05</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, 2016, the Borough had \$-0- in outstanding general capital bond anticipation notes, water capital bond anticipation notes and sewer capital bond anticipation notes.

BOROUGH OF WANAQUE, N.J.
Notes to Financial Statements
Years Ended December 31, 2016 and 2015
(continued)

NOTE 5. LOAN AGREEMENTS

The Borough has 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, 2016, 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.

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

	<u>Regional High School Taxes</u>	
	<u>Balance</u>	<u>Balance</u>
	<u>Dec. 31, 2016</u>	<u>Dec. 31, 2015</u>
Balance of Tax	\$3,632,004.62	\$3,530,009.12
Deferred	<u>3,622,517.00</u>	<u>3,520,521.50</u>
Taxes Payable	<u>\$ 9,487.62</u>	<u>\$ 9,487.62</u>

Local school taxes have been raised on a calendar year basis and there is no deferred liability at December 31, 2016.

BOROUGH OF WANAQUE, N.J.
Notes to Financial Statements
Years Ended December 31, 2016 and 2015
(continued)

NOTE 8. PENSION PLANS

Description of Plans:

Borough employees participate in one of the two contributory, defined benefit public employee retirement systems: the State of New Jersey Public Employees' Retirement System (PERS) or the State of New Jersey Police and Firemen's Retirement System (PFRS); or the Defined Contribution Retirement Program (DCRP), a tax-qualified defined contribution money purchase pension plan under Internal Revenue Code (IRC) 401(a).

Public Employees' Retirement System (PERS)

Plan Description

The State of New Jersey Public Employees' Retirement System (PERS) is a cost-sharing multiple-employer defined benefit pension plan administered by the State of New Jersey, Division of Pensions and Benefits (the "Division"). For additional information about the PERS, please refer to the Division's Comprehensive Annual Financial Report (CAFR) which can be found at www.state.nj.us/treasury/pensions/annrpts.shtml.

Benefits Provided

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

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

Service retirement benefits of 1/55th of final average salary for each year of service credit is available to Tiers 1 and 2 members upon reaching age 60 and to Tier 3 members upon reaching age 62. Service retirement benefits of 1/60th of final average salary for each year of service credit is available to Tier 4 members upon reaching age 62 and to Tier 5 members upon reaching age 65. Early retirement benefits are available to Tiers 1 and 2 members before reaching age 60, to Tiers 3 and 4 before age 62 with 25 or more years of service credit and Tier 5 with 30 or more years of service credit before age 65. Benefits are reduced by a fraction of a percent for each month that a member retires prior to the age at which a

BOROUGH OF WANAQUE, N.J.
Notes to Financial Statements
Years Ended December 31, 2016 and 2015
(continued)

NOTE 8. PENSION PLANS, (continued)

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

Benefits Provided, (continued)

member can receive full early retirement benefits in accordance with their respective tier. Tier 1 members can receive an unreduced benefit from age 50 to age 60 if they have at least 25 years of service. Deferred retirement is available to members who have at least 10 years of service credit and have not reached the service retirement age for the respective tier.

Police and Firemens' Retirement System (PFRS)

Plan Description

The State of New Jersey Police and Firemen's Retirement System (PFRS), is a cost-sharing multiple-employer defined benefit pension plan administered by the State of New Jersey Division of Pensions and Benefits (the "Division"). For additional information about the PFRS, please refer to the Division's Comprehensive Annual Financial Report (CAFR) which can be found at www.state.nj.us/treasury/pensions/annrpts.shtml.

The vesting and benefit provisions are set by N.J.S.A. 43:16A. PFRS provides retirement, death and disability benefits. All benefits vest after ten years of service, except for disability benefits, which vest after 4 years of service. The following represents the membership tiers for PFRS:

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

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

BOROUGH OF WANAQUE, N.J.
Notes to Financial Statements
Years Ended December 31, 2016 and 2015
(continued)

NOTE 8. PENSION PLANS, (continued)

Defined Contribution Retirement Program

Prudential Financial jointly administers the DCRP investments with the NJ Division of Pensions and Benefits. If an employee is ineligible to enroll in the PERS or PFRS, the employee may be eligible to enroll in the DCRP. DCRP provides eligible members with a tax-sheltered, defined contribution retirement benefit, along with life insurance and disability coverage. Vesting is immediate upon enrollment for members of the DCRP.

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

Employers are required to contribute at an actuarially determined rate. Employee contributions are based on percentages of 5.50% for DCRP of employees' annual compensation, as defined. The DCRP was established July 1, 2007, under the provisions of Chapter 92, P.L. 2007 and expanded under the provisions of Chapter 89, P.L. 2008. Employee contributions for DCRP are matched by a 3% 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 Firemens' Retirement System deferral. The outstanding balance at December 31, 2016 for PERS is \$58,144.00 and PFRS is \$170,851.00. The principal amounts that are due in 2016 are \$5,829.00 for PFRS and \$16,696.00 for PFRS.

BOROUGH OF WANAQUE, N.J.
Notes to Financial Statements
Years Ended December 31, 2016 and 2015
(continued)

NOTE 8. PENSION PLANS, (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>
2016	\$258,980.00	\$705,596.00	\$4,314.90
2015	241,288.00	654,980.00	4,218.79
2014	232,182.00	605,679.00	712.91

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. The following pension information is as of June 30, 2015 which is the latest information available. This information is eighteen months prior to December 31, 2016. GASB Statement No. 68 requires that the information be no more than twelve months prior to the employer's fiscal year end. No modification of the Independent Auditor's Report is being made since the State of New Jersey Division of Local Government Services is permitting the regulatory basis financial statements of Municipal, County and Library's to be issued with unmodified opinion's until such time current pension information is available.

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, 2016, 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

BOROUGH OF WANAQUE, N.J.
Notes to Financial Statements
Years Ended December 31, 2016 and 2015
(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)

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, 2016, the Borough recognized pension expense of \$258,980.00. At December 31, 2016, deferred outflows of resources and deferred inflows of resources related to PERS from the following sources:

	Deferred Outflows of <u>Resources</u>	Deferred Inflows of <u>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	144,041.00	190,059.00
Borough contributions subsequent to the measurement date	<u>263,040.00</u>	<u> </u>
Total	<u>\$1,252,330.00</u>	<u>\$293,603.00</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	\$135,028
2017	135,028
2018	135,028
2019	215,053
2020	121,569

BOROUGH OF WANAQUE, N.J.
Notes to Financial Statements
Years Ended December 31, 2016 and 2015
(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)

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%

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

BOROUGH OF WANAQUE, N.J.
Notes to Financial Statements
Years Ended December 31, 2016 and 2015
(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)

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.

Long-Term Rate of Return

In accordance with State statute, the long-term expected rate of return on plan investments (7.90% at June 30, 2015) 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. The long-term expected rate of return was determined using a building block method in which best-estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. Best estimates of arithmetic real rates of return for each major asset class included in 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, 2016 and 2015
(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% Decrease <u>3.90%</u>	At Current Discount Rate <u>4.90%</u>	1% Increase <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.

BOROUGH OF WANAQUE, N.J.
Notes to Financial Statements
Years Ended December 31, 2016 and 2015
(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, 2016, 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, 2016, the Borough recognized pension expense of \$705,596.00. At December 31, 2016, 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	616,361.00	
Borough contribution subsequent to the measurement date	<u>671,069.00</u>	<u> </u>
Total	<u>\$3,823,053.00</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, 2016 and 2015
(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, 2016 and 2015
(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 (7.90% at June 30, 2015) 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. The long-term expected rate of return was determined using a building block method in which best-estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. Best estimates of arithmetic real rates of return for each major asset class included in 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%

BOROUGH OF WANAQUE, N.J.
Notes to Financial Statements
Years Ended December 31, 2016 and 2015
(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)

Discount Rate

The discount rate used to measure the total pension liability was 5.79% and 6.32% 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 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	At Current Discount Rate	1% Increase
Borough's proportionate share of the pension liability	4.79% \$19,693,474	5.79% \$13,733,921	6.79% \$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.

BOROUGH OF WANAQUE, N.J.
Notes to Financial Statements
Years Ended December 31, 2016 and 2015
(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, 2016 and 2015
(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, 2016 were as follows:

The Borough of Wanaque's contributions to SHBP for post-retirement benefits for the year ended December 31, 2016 was \$342,578.28 which equaled the required contributions for the year.

NOTE 10. FUND BALANCES

Fund balances as of December 31, 2016 that have been anticipated as revenue in the 2017 budget is as follows:

Current Fund	\$995,000.00
Water Operating Fund	104,896.04
Sewer Operating Fund	388,316.67

NOTE 11. FIXED ASSETS

The Borough of Wanaque implemented a fixed asset accounting system during 1999. The Borough had a company come in to update their fixed asset inventory in 2016. The balance as of December 31, 2016 and December 31, 2015 are as follows:

	Updated Fixed Asset Balance	Balance
	<u>Dec. 31, 2016</u>	<u>Dec. 31, 2015</u>
Land	\$5,931,300.00	\$2,372,300.00
Buildings	8,922,100.00	1,247,700.00
Machinery and Equipment	<u>5,823,308.00</u>	<u>1,826,872.00</u>
	<u>\$20,676,708.00</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 \$751,004.86 as of December 31, 2016. 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, 2016 and 2015
(continued)

NOTE 13. DUE TO/FROM OTHER FUNDS

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

\$16,358.36	Due to Current Fund from Payroll Fund for excess deposit.
3.03	Due to Current Fund from Public Assistance Fund for interest earned.
5.62	Due to Current Fund from Animal Control Trust Fund for interest earned.
15,500.19	Due to Current Fund from Assessment Trust Fund for assessment expenditures paid by Current Fund.
290,629.22	Due to Federal and State Grant Fund from Current Fund for grant receipts deposited in Current Fund.
131,425.99	Due to General Capital Fund from Water Capital Fund for Water Capital expenditures paid by General Capital Fund.
256,315.73	Due to Water Operating Fund from Sewer Operating Fund for Water Operating Fund receipts deposited in Sewer Operating Fund.
112,262.70	Due to Other Trust Fund from Current Fund for Other Trust receipts deposited in Current Fund.
14,325.02	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.
<u>359,995.83</u>	Due to Sewer Capital Fund from Sewer Operating Fund for Sewer Capital Fund receipts deposited in Sewer Operating Fund.
<u>\$1,396,821.69</u>	

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

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.

BOROUGH OF WANAQUE, N.J.
Notes to Financial Statements
Years Ended December 31, 2016 and 2015
(continued)

NOTE 14. RISK MANAGEMENT, (continued)

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:

	Balance <u>Dec 31, 2016</u>	Balance <u>Dec 31, 2015</u>
Prepaid Taxes	<u>\$170,869.92</u>	<u>\$230,317.57</u>
Cash Liability for Taxes Collected in Advance	<u>\$170,869.92</u>	<u>\$230,317.57</u>

BOROUGH OF WANAQUE, N.J.
Notes to Financial Statements
Years Ended December 31, 2016 and 2015
(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, 2016 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, 2016 and 2015
(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 March 27, 2017, 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

	<u>2016</u>	<u>2015</u>	<u>2014</u>
<u>Tax Rate:</u>	3.648	3.596	3.525
Apportionment of Tax Rate:			
Municipal	.8484	.82859	.828
Municipal Open Space	.010	.010	.010
County	.8324	.8504	.8093
Local School	1.2741	1.2416	1.2086
Regional High School	.6463	.628	.6312
Library	.0368	.03743	.0379
 <u>Assessed Valuation:</u>			
2016	\$1,121,074,300.00		
2015		\$1,121,190,100.00	
2014			\$1,125,319,500.00

*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>Year</u>	<u>Tax Levy</u>	<u>Currently</u>	
		<u>Cash Collections</u>	<u>Percentage of Collection</u>
2016	\$41,020,395.26	\$40,539,205.97	98.83%
2015	40,356,377.17	39,871,698.45	98.80
2014	39,821,180.55	39,360,423.69	98.84

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 Tax Title Liens</u>	<u>Amount of Delinquent Taxes</u>	<u>Total Delinquent</u>	<u>Percentage of Tax Levy</u>
2016	\$146,056.59	\$406,960.72	\$553,017.31	1.35%
2015	125,518.38	482,158.07	607,676.45	1.51
2014	460,304.37	427,689.51	887,993.88	2.23

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>
2016	\$388,475.00
2015	388,475.00
2014	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>
2016	\$2,572,341.56	\$995,000.00
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-

<u>Water Utility Operating Fund</u>		
<u>Year</u>	<u>Balance Dec. 31.</u>	<u>Utilized in Budget of Succeeding Year</u>
2016	\$262,344.66	\$104,896.04
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

<u>Sewer Utility Operating Fund</u>		
<u>Year</u>	<u>Balance Dec. 31.</u>	<u>Utilized in Budget of Succeeding Year</u>
2016	\$678,623.45	\$388,316.67
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

COMPARISON OF WATER UTILITY LEVIES

<u>Year</u>	<u>Levy</u>	<u>Cash Collections*</u>
2016	\$1,649,459.50	\$1,642,152.04
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

COMPARISON OF SEWER UTILITY LEVIES

<u>Year</u>	<u>Levy</u>	<u>Cash Collections*</u>
2016	\$4,085,207.80	\$4,067,337.92
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

*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 Cortellesa	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	
Robert Kronyak	Police Chief	
David Hammerle	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, 2016

Federal Grantor/Pass-Through Grantor/Program	Federal CFDA Number	Pass-Through Entity ID Number	Grant Year	Grant Award	Balance Jan. 1, 2016	Receipts/Revenues	Expended	Balance Dec. 31, 2016	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	20.616	066-1160-100-157	2016	5,000.00	5,000.00	5,000.00	5,000.00	5,000.00	5,000.00
			2015	5,000.00					
Click It or Tick It	20.602	066-1160-100-157	2009	4,400.00	4,000.00			4,000.00	400.00
					9,000.00	5,000.00	5,000.00	9,000.00	
<u>U.S. Department of Homeland Security:</u>									
Assistance to Firefighters	97.044		2015	133,334.00	(13,060.00)	132,259.00	119,952.60	(753.60)	133,012.60
<u>Pass Through NJ Department of Law & Public Safety:</u>									
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	
Total Federal and State Grant Fund					12,487.93	137,259.00	124,952.60	24,794.33	

Borough of Wanaque

Schedule of Expenditures of Federal Awards

For the Year Ended December 31, 2016

Federal Grantor/Pass-Through Grantor/Program	Federal CFDA Number	Pass-Through Entity ID Number	Grant Year	Grant Award	Balance Jan. 1, 2016	Receipts/Revenues	Expended	Balance Dec. 31, 2016	Cumulative Expenditures
<u>General Capital Fund</u>									
U.S. Department of Homeland Security Pass Through NI Department of Law & Public Safety: Hazard Mitigation Program	97.039		2016	75,000.00					
Total General Capital Fund									
<u>Water Capital Fund</u>									
U.S. Department of HUD: Pass Through County of Passaic: Community Development Block Grant	14.218		2016 2015	100,000.00 100,000.00		100,000.00 100,000.00	100,000.00 200,000.00	(100,000.00) (100,000.00)	100,000.00
Total Water Capital Fund									
<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
Total Sewer Capital Fund									
Total Federal Awards									
				12,487.93	237,259.00	324,952.60	(75,205.67)		

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, 2016

State Grantor/Pass-Through Grantor/Program	Pass-Through Entity ID Number	Grant Year	Grant Award	Balance Jan. 1, 2016	Receipts/Revenues	Expended	Audit Adjustments	Balance Dec. 31, 2016	MEMO Cumulative Expenditures	
<u>Federal and State Grant Fund</u> <u>NJ Department of Environmental Protection:</u> Clean Communities	4900-765-004	2016	23,593.87		23,593.87			23,593.87		
		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			2,779.69		11,495.45	2,779.69
		2008	11,130.06	11,130.06			11,130.06			11,130.06
		2007	1,045.96	1,045.96			1,045.96			1,045.96
2006	10,400.73	10,400.73			1,798.55			10,400.73		
				129,926.92	23,593.87	16,754.26		136,766.53		
Recycling Tonnage Grant	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		
					81,404.78				81,404.78	

Borough of Wanaque

Schedule of Expenditures of State Financial Assistance

For the Year Ended December 31, 2016

State Grantor/Pass-Through Grantor/Program	Pass-Through Entity ID Number	Grant Year	Grant Award	Balance Jan. 1, 2016	Receipts/Revenues	Expended	Audit Adjustments	Balance Dec. 31, 2016	MEMO Cumulative Expenditures
NJ Department of Health: Alcohol Education Rehabilitation	9735-760-001	2016	1,450.35		1,450.35			1,450.35	
		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	985.07			985.07		1,634.93
			9,467.60		1,450.35			10,917.95	
Pass Through County of Passaic: Tobacco Grant		2004	5,214.60	(2,982.00)				(2,982.00)	5,214.60
NJ Division of Highway Traffic Safety: Drunk Driving Enforcement Fund	6400-100-078	2014	10,003.36	6,121.97		2,117.33		4,004.64	5,998.72
NJ Highlands Water Protection		2015	6,593.75	6,593.75				6,593.75	
		2008	55,259.28	38,639.28			38,639.28		16,620.00
				45,233.03				45,233.03	
NJ Department of Law and Public Safety: Body Armor Replacement	066-1020-718-001	2017	2,504.97		2,504.97			2,504.97	
		2016	2,689.05	2,689.05			2,689.05		2,689.05
			2,689.05		2,504.97			2,504.97	

Borough of Wanaque

Schedule of Expenditures of State Financial Assistance

For the Year Ended December 31, 2016

Pass-Through Entity ID Number	Grant Year	Grant Award	Balance Jan. 1, 2016	Receipts/ Revenues	Expended	Audit Adjustments	Balance Dec. 31, 2016	MEMO Cumulative Expenditures
State Grantor/Pass-Through Grantor/Program								
Council on Alcoholism and Drug Abuse:								
Pass Through County of Morris Municipal Drug Alliance	2015	44,880.00		214.17	12,229.18		(12,015.01)	12,229.18
	2015	43,259.80	(9,571.48)	43,259.80	33,688.32			43,259.80
			(9,571.48)	43,473.97	45,917.50		(12,015.01)	
Total Federal and State Grant Fund			262,289.87	71,023.16	67,478.14		265,834.89	
<u>General Capital Fund</u>								
NJ Department of Transportation: Highway Planning and Construction								
078-6320-480								
Various Roads	2016	180,000.00						205,000.00
Phelan and 6th 5th Ave	2015	205,000.00	(205,000.00)				(205,000.00)	75,589.76
Westbrook Rd	2013	205,000.00	144,557.19					198,866.85
1st and 2nd Street	2013	230,000.00	(198,866.85)	45,360.35	21,414.82	(123,142.37)	(30,364.13)	211,000.00
Melrose and Furnace Ave	2009	211,000.00	(32,199.50)			123,142.37	(32,199.50)	200,000.00
Laura Ave Phase II	2009	200,000.00	2,788.84		3,560.40		(771.56)	200,000.00
	2008	257,000.00			31,331.46		(31,331.46)	255,143.08
			(288,720.32)	45,360.35	56,306.68		(299,666.65)	
Total General Capital Fund			(288,720.32)	45,360.35	56,306.68		(299,666.65)	
Total State Awards			(26,430.45)	116,383.51	123,784.82		(33,831.76)	

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, 2016

	<u>Ref.</u>	<u>Current Fund</u>
Balance - December 31, 2015	A	5,418,591.18
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	64,723.20
Tax Collector	A-5	41,382,893.21
Revenue Accounts Receivable	A-11	1,037,893.53
Due From Passaic County - Street Lighting	A-12	8,788.08
Interfunds	A-13	288,232.45
Various Cash Liabilities and Reserves	A-20	<u>16,550.00</u>
		<u>43,705,823.47</u>
		49,124,414.65
Decreased by Disbursements:		
Refund Prior Years Revenue	A-1	47,828.26
Current Year Budget Appropriations	A-3	11,765,968.90
Interfunds	A-13	702,406.95
Appropriation Reserves	A-14	290,337.79
Local District School Taxes	A-17	14,260,004.00
Regional High School Taxes	A-18	7,143,038.50
County Taxes Payable	A-19	9,331,352.43
Various Cash Liabilities and Reserves	A-20	<u>1,115,362.19</u>
		<u>44,656,299.02</u>
Balance - December 31, 2016	A	<u><u>4,468,115.63</u></u>

Borough of Wanaque , N.J.

Schedule of Cash - Collector-Treasurer

Current Fund

Year Ended December 31, 2016

	<u>Ref.</u>		
Increased by Receipts:			
Interest and Costs on Taxes	A-2	98,913.57	
Due from NJ Senior Citizens & Vets	A-7	113,775.35	
Property Taxes Receivable	A-8	40,651,709.62	
Tax Title Liens	A-11	574.13	
Prepaid Taxes	A-16	170,869.92	
Deposits for Redemption of Tax Sale Certificates	A-20	272,298.92	
Tax Overpayments	A-20	<u>74,751.70</u>	
			<u><u>41,382,893.21</u></u>
Decreased by Disbursements:			
Paid to Treasurer	A-4		<u><u>41,382,893.21</u></u>

Borough of Wanaque , N.J.

Schedule of Cash - Change Fund

Current Fund

Year Ended December 31, 2016

	<u>Ref.</u>	
Balance - December 31, 2015	A	<u>625.00</u>
Balance - December 31, 2016	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, 2016

	<u>Ref.</u>	
Balance - December 31, 2015	A	7,576.48
Increased by:		
Senior Citizens' Deductions Per Tax Billing		21,250.00
Veterans' Deductions Per Tax Billing		94,500.00
Senior Citizens' and Veterans' Allowed by Tax Collector		<u>2,750.00</u>
		118,500.00
Less: Senior Citizens Deduction Disallowed		<u>5,232.84</u>
	A-8	<u>113,267.16</u>
		120,843.64
Decreased by:		
Cash Receipts	A-5	<u>113,775.35</u>
Balance - December 31, 2016	A	<u><u>7,068.29</u></u>

Borough of Wanaque, N.J.

Schedule of Taxes Receivable and Analysis of Property Tax Levy

Current Fund

Year Ended December 31, 2016

Year	Balance, Dec. 31, 2015	Added Taxes	Levy	Collected	2015	2016	Senior Citizen and Veteran Deductions	Transferred to Tax Title Liens	Canceled	Balance, Dec. 31, 2016
prior 2016	482,158.07	123,604.73	40,896,790.53	230,317.57	460,313.03	(4,224.65)	5,420.97	2,428.66	18,220.06	
	482,158.07	123,604.73	40,896,790.53	230,317.57	40,651,709.62	113,267.16	14,570.09	77,878.54	388,740.66	
	A			A-2/A-16	A-2/A-5	A-2/A-7	A-9		80,307.20	406,960.72

Analysis of Tax Levy

Tax yield:	Ref.
General Purpose Tax	40,896,790.53
Added Tax (R.S. 54:4-63.1 et seq.)	123,604.73
	<u>41,020,395.26</u>
Tax Levy:	
Municipal Open Space Tax	112,107.00
Added Municipal Open Space Tax	305.47
	<u>112,412.47</u>
Local District School Tax	14,282,718.00
Regional High School Tax	7,245,034.00
County Tax	9,331,352.43
Added County Taxes	<u>28,272.02</u>
	<u>9,359,624.45</u>
Local Tax for Municipal Purposes	30,999,788.92
Additional Taxes	9,915,544.02
	<u>105,062.32</u>
	<u>10,020,606.34</u>
	<u>41,020,395.26</u>

Borough of Wanaque , N.J.

Schedule of Tax Title Liens

Current Fund

Year Ended December 31, 2016

Balance - December 31, 2015	<u>Ref.</u> A		125,518.38
Increased by:			
Interest and Costs on Tax Sale		1,121.28	
Transfer from Taxes Receivable	A-8	<u>19,991.06</u>	
			<u>21,112.34</u>
			146,630.72
Decreased by:			
Tax Liens Paid	A-2, A-5		<u>574.13</u>
Balance - December 31, 2016	A		<u><u>146,056.59</u></u>

Schedule of Property Acquired for
Taxes Assessed Valuation

Current Fund

Year Ended December 31, 2016

Balance - December 31, 2015	<u>Ref.</u> A	<u>388,475.00</u>
Balance - December 31, 2016	A	<u><u>388,475.00</u></u>

Borough of Wanaque , N.J.

Schedule of Revenue Accounts Receivable

Current Fund

Year Ended December 31, 2016

	<u>Ref.</u>	<u>Balance Dec. 31, 2015</u>	<u>Accrued</u>	<u>Collected</u>	<u>Balance Dec. 31, 2016</u>
Clerk:					
Licenses:					
Alcoholic Beverages	A-2		11,000.00	11,000.00	
Other	A-2		2,635.00	2,635.00	
Fees and Permits	A-2		804.60	804.60	
Health Department					
Licenses:					
Other	A-2		2,206.00	2,206.00	
Fees and Permits	A-2		8,158.60	8,158.60	
Police Department					
Fees and Permits	A-2	141.65	1,650.85	1,716.90	75.60
Municipal Court :					
Fines and Costs	A-2	14,641.44	220,773.37	222,091.51	13,323.30
Construction Code					
Fees	A-2		272,784.00	272,784.00	
Township of Lyndhurst -					
QPA Services	A-2		31,000.00	31,000.00	
Borough of Riverdale -					
Construction Code Services	A-2		40,000.00	40,000.00	
Uniform Fire Safety Act	A-2		16,605.90	16,605.90	
Library Services	A-2		22,000.00		22,000.00
Hotel Occupancy Fee	A-2		74,832.63	74,832.63	
Social Services Rent	A-2		80,148.00	80,148.00	
Cable TV	A-2		58,210.00	58,210.00	
Cellular Tower Lease	A-2	9,947.57	192,842.10	199,819.33	2,970.34
Wanaque BOE Field Maintenance	A-2		5,000.00	5,000.00	
Interest on Investments and Deposits	A-2	13.94	10,883.03	10,881.06	15.91
		<u>24,744.60</u>	<u>1,051,534.08</u>	<u>1,037,893.53</u>	<u>38,385.15</u>
		A		A-4	A

Borough of Wanaque , N.J.
Schedule of Due from County of Passaic
Current Fund
Year Ended December 31, 2016

	<u>Ref.</u>	
Balance - December 31, 2015	A	8,788.08
Increased by:		
Street Lighting Contract Fees		<u>8,146.80</u>
		16,934.88
Decreased by:		
Receipts	A-2,A-4	<u>8,788.08</u>
Balance - December 31, 2016	A	<u><u>8,146.80</u></u>

Borough of Wanaque, N.J.

Schedule of Interfunds

Current Fund

Year Ended December 31, 2016

	Ref.	Due From/(To) Balance		Due From/(To) Balance	
		Dec. 31, 2015	Increased	Decreased	Dec. 31, 2016
Other Trust	A	(326,966.61)	112,412.47	327,116.38	(112,262.70)
Public Assistance	A	3.06	3.03	3.06	3.03
General Capital Fund	A	(100,672.08)		100,672.08	
Animal Control Trust	A	16.69	5.62	16.69	5.62
Payroll Fund	A	7,837.11	8,521.25		16,358.36
Assessment Trust Fund	A	66,993.13	55,000.00	106,492.94	15,500.19
Water Operating Fund	A	(45,220.25)		45,220.25	
Sewer Operating Fund	A				
Sewer Capital Fund					
State and Federal Grant Fund	A	(274,777.80)	183,339.96	167,488.54	(290,629.22)
		<u>(672,786.75)</u>	<u>359,282.33</u>	<u>747,009.94</u>	<u>(371,024.72)</u>
<u>Analysis</u>					
Due to Current Fund	A/A-1	74,849.99			31,867.20
Due From Current Fund	A	<u>(747,636.74)</u>			<u>(402,891.92)</u>
		<u>(672,786.75)</u>			<u>(371,024.72)</u>
Municipal Open Space Tax	A-1, A-8		112,412.47		
Canceled Grant Reserves	A-1			1,620.20	
Canceled Grant Receivables	A-1		1,620.20		
Disbursed	A-4		63,529.90	638,877.05	
Received	A-4		181,719.76	106,512.69	
			<u>359,282.33</u>	<u>747,009.94</u>	

Borough of Wanaque , N.J.

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Schedule of Appropriation Reserves

Current Fund

Year Ended December 31, 2016

<u>Appropriations</u>	Balance Dec. 31, <u>2015</u>	Balance after Transfers and <u>Encumbrances</u>	Paid or <u>Charged</u>	Balance <u>Lapsed</u>
General Government:				
Administrative and Executive				
Other Expenses	401.39	1,838.63	1,738.63	100.00
Mayor and Council				
Other Expenses	91.10	139.04	47.94	91.10
Municipal Clerk				
Other Expenses	70.10	172.22	163.06	9.16
Elections				
Other Expenses	250.00			
Financial Administration				
Salaries and Wages	1,144.56	1,144.56	531.34	613.22
Other Expenses	216.81	444.72	444.72	
Data Processing	5.14	1,335.14	1,335.14	
Miscellaneous Other Expenses		24,915.00	2,180.00	22,735.00
Collection of Taxes				
Other Expenses	36.44	294.60	258.16	36.44
Assessment of Taxes				
Other Expenses	28.73	196.14	57.51	138.63
Legal Services				
Other Expenses	748.81	15,226.48	15,211.87	14.61
Engineering Services and Costs				
Other Expenses	38,650.00	40,102.50	40,082.50	20.00
Planning Board				
Other Expenses	73.37	73.37		73.37
Board of Adjustment				
Other Expenses	160.47	160.47		160.47
Insurance				
Other Insurance Premiums	561.60	561.60		561.60
Employee Group Health	50,727.21	50,734.30		50,734.30
Health Benefit Waiver	1,657.87	1,657.87		1,657.87
Police				
Other Expenses	5,211.99	19,272.40	17,288.40	1,984.00
Police Vehicles	4,065.00	4,710.00	4,065.00	645.00
911 Dispatch Services	234.00	234.00		234.00

Borough of Wanaque , N.J.

Schedule of Appropriation Reserves

Current Fund

Year Ended December 31, 2016

	Balance Dec. 31, <u>2015</u>	Balance after Transfers and <u>Encumbrances</u>	Paid or <u>Charged</u>	Balance <u>Lapsed</u>
Emergency Management Services				
Other Expenses	400.00	200.00	200.00	
First Aid Organization Contribution	62.02	9,993.28	9,017.23	976.05
Fire				
Other Expenses	153.41	2,882.66	2,382.66	500.00
Uniform Fire Safety Act (Ch. 383, P.L. 1983)				
Other Expenses	765.17	577.21	162.04	415.17
Road Repair and Maintenance				
Other Expenses	0.68	12,806.12	12,757.29	48.83
Public Buildings and Grounds				
Other Expenses	15.98	2,382.40	2,255.79	126.61
Garbage and Trash Removal				
Other Expenses	1,494.78	55,638.40	54,143.62	1,494.78
Municipal Services Act (P.L. 1993, CH. 6)				
Garbage and Trash Removal				
Other Expenses	25,000.00	25,000.00	25,000.00	
Recycling				
Other Expenses	8,693.25	16,813.25	16,779.07	34.18
Board Of Health:				
Other Expenses	1,042.23	1,901.33	1,246.83	654.50
Parks and Playgrounds				
Other Expenses				
Golden Agers	50.00	1,300.00	1,250.00	50.00
Miscellaneous Other Expenses	5,512.69	11,597.69	10,606.00	991.69
Municipal Court				
Salaries and Wages	2,357.50	2,357.50		2,357.50
Other Expenses	1,417.33	1,115.61	398.28	717.33
Uniform Construction Code Officials				
Other Expenses	672.34	445.37	258.09	187.28
Gasoline	1,766.11	5,961.28	5,461.97	499.31
Telephone	2.43	3,206.85	2,754.85	452.00
Street Lighting		2,259.80	2,259.80	
Celebration of Public Events				
Other Expenses	8.73	8.73		8.73

Borough of Wanaque , N.J.

Schedule of Appropriation Reserves

Current Fund

Year Ended December 31, 2016

	Balance Dec. 31, 2015	Balance after Transfers and <u>Encumbrances</u>	Paid or <u>Charged</u>	Balance <u>Lapsed</u>
Contribution to:				
Social Security System (O.A.S.A.)	86.28	86.28		86.28
Public Employee Retirement System	1.00	1.00		1.00
Defined Contribution Retirement Plan	3,781.21	3,781.21		3,781.21
Group Insurance for Employees	31,739.00	31,739.00		31,739.00
Emergency Services Volunteer Length of Service Award Program	60,000.00	60,000.00	60,000.00	
Interlocal - Borough of Ringwood Municipal Court	<u>1,146.19</u>	<u>1,146.19</u>		<u>1,146.19</u>
	<u>250,502.92</u>	<u>416,414.20</u>	<u>290,337.79</u>	<u>126,076.41</u>
	A		A-4	A-1
		Ref. above		
Appropriation Reserves		250,502.92		
Transfer from Reserve for Encumbrances		<u>165,911.28</u>		
		<u>416,414.20</u>		

Borough of Wanaque , N.J.

Schedule of Encumbrances Payable

Current Fund

Year Ended December 31, 2016

	<u>Ref.</u>	
Balance - December 31, 2015	A	165,911.28
Increased by:		
Transfer from Current Appropriations	A-3	175,111.68
		<u>341,022.96</u>
Decreased by:		
Transferred to Appropriation Reserves	A-14	165,911.28
		<u>165,911.28</u>
Balance - December 31, 2016	A	<u><u>175,111.68</u></u>

Schedule of Prepaid Taxes

Current Fund

Year Ended December 31, 2016

Balance - December 31, 2015	A	230,317.57
Increased by:		
Receipts - Prepaid 2017 Taxes	A-5	170,869.92
		<u>401,187.49</u>
Decreased by:		
Applied to 2016 Taxes	A-8	230,317.57
		<u>230,317.57</u>
Balance - December 31, 2016	A	<u><u>170,869.92</u></u>

Borough of Wanaque , N.J.

Schedule of Local District School Tax

Current Fund

Year Ended December 31, 2016

	<u>Ref.</u>	
Balance - December 31, 2015	A	180.00
Increased by:		
Levy Calendar Year , 2016	A-8	<u>14,282,718.00</u>
		14,282,898.00
Decreased by:		
Payments	A-4	<u>14,260,004.00</u>
Balance - December 31, 2016	A	<u><u>22,894.00</u></u>
2016 Liability for Local District School Tax:		
Tax Paid		14,260,004.00
Tax Payable December 31, 2016		<u>22,894.00</u>
		14,282,898.00
Less Tax Payable December 31, 2015		<u>180.00</u>
Amount Charged to 2016 Operations	A-1	<u><u>14,282,718.00</u></u>

Borough of Wanaque , N.J.

Schedule of Regional High School Tax

Current Fund

Year Ended December 31, 2016

	<u>Ref.</u>		
Balance - December 31, 2015			
School Tax Payable		9,487.62	
School Tax Deferred		<u>3,520,521.50</u>	
			3,530,009.12
Increased by:			
Levy School Year - July 1, 2016 to June 30, 2017	A-8		<u>7,245,034.00</u>
			10,775,043.12
Decreased by:			
Payments	A-4		<u>7,143,038.50</u>
Balance - December 31, 2016			
School Tax Payable	A	9,487.62	
School Tax Deferred		<u>3,622,517.00</u>	
			<u><u>3,632,004.62</u></u>
2016 Liability for Regional High School Tax			
Tax Paid			7,143,038.50
Tax Payable December 31, 2016			<u>9,487.62</u>
			7,152,526.12
Less Tax Payable December 31, 2015			<u>9,487.62</u>
Amount Charged to 2016 Operations	A-1		<u><u>7,143,038.50</u></u>

Borough of Wanaque , N.J.
Schedule of County Taxes Payable
Current Fund
Year Ended December 31, 2016

Ref.

Increased by:			
Tax Levy -2016			
County Tax		9,331,352.43	
Added and Omitted Taxes		<u>28,272.02</u>	
	A-1/A-8		<u>9,359,624.45</u>
			9,359,624.45
Decreased by:			
Payments	A-4		<u>9,331,352.43</u>
Balance - December 31, 2016	A		<u><u>28,272.02</u></u>

Borough of Wanaque , N.J.

Schedule of Various Cash Liabilities and Reserves

Current Fund

Year Ended December 31, 2016

<u>Liabilities and Reserves</u>	<u>Balance Dec. 31, 2015</u>	<u>Increased</u>	<u>Decreased</u>	<u>Balance Dec. 31, 2016</u>
<u>Liabilities:</u>				
Deposits for Redemption of Tax Sale Certificates	626,800.63	272,298.92	787,366.11	111,733.44
Tax Overpayments	533.32	74,751.70	69,752.82	5,532.20
Due to State of N.J. Marriage Surcharge		1,550.00	1,550.00	
Due to State of N.J. Building Surcharge	4,644.00	10,365.00	15,009.00	
<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.	21,642.11	4,635.00	3,745.31	22,531.80
Pilot	670,258.79			670,258.79
Tax Appeals	57,938.95	180,000.00	237,938.95	
Fire Prevention Bureau	20,528.85			20,528.85
	<u>1,462,537.44</u>	<u>543,600.62</u>	<u>1,115,362.19</u>	<u>890,775.87</u>
	A			A
	<u>Ref.</u>			
Appropriations Payable	A-3	180,000.00		
Receipts	A-4	16,550.00		
Disbursed	A-4		1,115,362.19	
Tax Overpayments	A-5	74,751.70		
Deposits for Redemption of Tax Sale Certificates	A-5	272,298.92		
		<u>543,600.62</u>	<u>1,115,362.19</u>	

Borough of Wanaque , N.J.

Schedule of Grants Receivable

Federal and State Grant Fund

Year Ended December 31, 2016

<u>Grant</u>	<u>Balance, Dec. 31, 2015</u>	<u>Budget Revenue</u>	<u>Received</u>	<u>Canceled</u>	<u>Balance, Dec. 31, 2016</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>30,000.00</u>		<u>20,000.00</u>
Federal Grants:					
Click It or Ticket		5,000.00	5,000.00		
Aid to Firefighter's Grant	133,334.00		132,259.00		1,075.00
Buffer Zone Protection Program	806.08				806.08
	<u>134,140.08</u>	<u>5,000.00</u>	<u>137,259.00</u>		<u>1,881.08</u>
State Grants:					
Alcohol Education and Rehabilitation Fund		235.73	235.73		
Highlands Protection Fund		6,593.75	6,593.75		
Division of Criminal Justice - Body Armor Grant		2,689.05	2,689.05		
Passaic County Tobacco Grant	2,982.00				2,982.00
Clean Communities Program		20,637.50	20,637.50		
Recycling Tonnage Grant		5,983.85	5,983.85		
Municipal Alliance	44,880.00	44,880.00	43,473.97	1,620.20	44,665.83
	<u>47,862.00</u>	<u>81,019.88</u>	<u>79,613.85</u>	<u>1,620.20</u>	<u>47,647.83</u>
	<u>232,002.08</u>	<u>86,019.88</u>	<u>246,872.85</u>	<u>1,620.20</u>	<u>69,528.91</u>
	A	A-2		A-24	A
	<u>Ref.</u>				
Transfer from Unappropriated Reserve for Grants	A-23		41,139.88		
Interfund - Current Fund	A-24		<u>205,732.97</u>		
			<u>246,872.85</u>		

Borough of Wanaque, N.J.

Schedule of Appropriated Reserves for Grants

Federal and State Grant Fund

Year Ended December 31, 2016

<u>Grant</u>	<u>Balance, Dec. 31, 2015</u>	<u>Transfer From 2016 Budget</u>	<u>Expended</u>	<u>Canceled</u>	<u>Balance, Dec. 31, 2016</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>30,000.00</u>		<u>20,000.00</u>
Federal Grants					
Over the Limit or Under Arrest					
Aid to Firefighter's Grant	120,274.00		119,952.60		321.40
Click It or Ticket	4,000.00	5,000.00	5,000.00		4,000.00
Buffer Zone Protection Program	806.08				806.08
Municipal Stormwater Grant	16,547.93				16,547.93
	<u>141,628.01</u>	<u>5,000.00</u>	<u>124,952.60</u>		<u>21,675.41</u>
State Grants:					
Clean Communities Program	109,289.42	20,637.50	16,754.26		113,172.66
Body Armor Fund		2,689.05	2,689.05		
Alcohol Education and Rehabilitation Fund	9,231.87	235.73			9,467.60
Drunk Driving Enforcement Fund	6,121.97		2,117.33		4,004.64
Recycling Tonnage Grant	75,420.93	5,983.85			81,404.78
Municipal Alliance	35,308.52	44,880.00	45,917.50	1,620.20	32,650.82
Highlands Protection Fund		6,593.75			6,593.75
NJ Highlands Water Protection	38,639.28				38,639.28
	<u>274,011.99</u>	<u>81,019.88</u>	<u>67,478.14</u>	<u>1,620.20</u>	<u>285,933.53</u>
	<u>465,640.00</u>	<u>86,019.88</u>	<u>222,430.74</u>	<u>1,620.20</u>	<u>327,608.94</u>
	A	A-3	A-24	A-24	A

Borough of Wanaque, N.J.

Schedule of Unappropriated Reserves for Grants

Federal and State Grant Fund

Year Ended December 31, 2016

<u>Grant</u>	<u>Balance, Dec. 31, 2015</u>	<u>Transfer To 2016 Budget</u>	<u>Received</u>	<u>Balance, Dec. 31, 2016</u>
Federal Grants:				
Over the Limit Under Arrest	5,000.00	5,000.00	5,000.00	5,000.00
Click It or Ticket	<u>5,000.00</u>	<u>5,000.00</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	1,450.35	1,450.35
Body Armor Fund	2,689.05	2,689.05	2,504.97	2,504.97
Recycling Tonnage Grant	5,983.85	5,983.85		
Clean Communities	20,637.50	20,637.50	23,593.87	23,593.87
	<u>36,139.88</u>	<u>36,139.88</u>	<u>27,549.19</u>	<u>27,549.19</u>
	41,139.88	41,139.88	32,549.19	32,549.19
	<u>A</u>	<u>A-21</u>	<u>A-24</u>	<u>A</u>

Borough of Wanaque , N.J.

Schedule of Due from Current Fund

Federal and State Grant Fund

Year Ended December 31, 2016

	<u>Ref.</u>		
Balance - December 31, 2015	A		274,777.80
Increased by:			
Federal and State Grant Receipts	A-21	205,732.97	
Canceled Receivable	A-21	1,620.20	
Unappropriated Reserves	A-23	<u>32,549.19</u>	
			<u>239,902.36</u>
			514,680.16
Decreased by:			
Canceled Appropriated Reserves	A-22	1,620.20	
Federal and State Grant Expenditures	A-22	<u>222,430.74</u>	
			<u>224,050.94</u>
Balance - December 31, 2016	A		<u><u>290,629.22</u></u>

Borough of Wanaque, N.J.

Schedule of Cash

Trust Funds

Year Ended December 31, 2016

	Ref.	Assessment Trust Fund	Animal Control Fund	Other Trust Funds	Recreation Trust Fund	Payroll Agency Fund	L.O.S.A.P.
Balance - December 31, 2015	B	51,151.31	404.46	1,723,638.17	25,321.49	61,411.18	1,245,756.79
Increased by Receipts:							
Assessments Receivable	B-6	902.13					
Interfund - Current Fund	B-7	55,507.06	5.62	1,059,393.74		8,521.25	
Prospective Assessments	B-8	107,000.00					
Animal Control Fees	B-11		16,041.20				
Due to State of New Jersey	B-12		1,411.80				
Other Trust Funds	B-13			612,680.54			
Municipal Open Space Tax	B-14			112,531.03			
Recreation Trust	B-16				93,894.19		
Payroll Deductions Payable	B-17					7,081,475.40	
Interfund - Other Trust Fund	B-18					7,423.22	
Contributions Receivable	B-19						64,400.00
Net Assets Available for Benefits	B-20						95,514.02
Total Receipts		163,409.19	17,458.62	1,784,605.31	93,894.19	7,097,419.87	159,914.02
		214,560.50	17,863.08	3,508,243.48	119,215.68	7,158,831.05	1,405,670.81
Decreased by Disbursements:							
Interfund - Current Fund	B-7	107,000.00	16.69	844,689.83			
Assessment Bonds	B-9	107,000.00					
Reserve for Animal Control Trust							
Fund Expenditures	B-11		15,432.62				
Due to State of New Jersey	B-12		1,410.40				
Other Trust Funds	B-13			984,305.69			
Municipal Open Space	B-14			187,059.68			
Interfunds	B-15			11,599.02			
Recreation Trust	B-16				92,484.93		
Payroll Deductions Payable	B-17					7,076,982.01	
Net Assets Available for Benefits	B-20						137,120.77
Total Disbursements		214,000.00	16,859.71	2,027,654.22	92,484.93	7,076,982.01	137,120.77
Balance - December 31, 2016	B	560.50	1,003.37	1,480,589.26	26,730.75	81,849.04	1,268,550.04

Borough of Wanaque, N.J.
Analysis of Assessment Cash
Assessment Trust Fund
Year Ended December 31, 2016

	<u>Ref.</u>	
Pledged to Assessment Serial		
Bonds of 2007		(32,000.00)
Interfund - Current Fund	B-7	15,500.19
Fund Balance	B-1	<u>17,060.31</u>
		<u>560.50</u>
		B

Borough of Wanaque, N.J.

Schedule of Assessments Receivable

Year Ended December 31, 2016

<u>Ordinance Number</u>	<u>Improvement Description</u>	<u>Date of Confirmation</u>	<u>Balance Dec. 31, 2015</u>	<u>Collected</u>	<u>Balance Dec. 31, 2016</u>	<u>Balance Pledged to Reserve</u>
2-0-97/ 5-0-98	Improvement to the Sanitary Sewerage Collection System	7/14/2003	7,697.80	902.13	6,795.67	6,795.67
			<u>7,697.80</u>	<u>902.13</u>	<u>6,795.67</u>	<u>6,795.67</u>
			B	B-4	B	

Borough of Wanaque, N.J.

Schedule of Interfund - Current Fund

Year Ended December 31, 2016

	Due to/(from) Balance			Due to/(from) Balance
	<u>Dec. 31, 2015</u>	<u>Increased</u>	<u>Decreased</u>	<u>Dec. 31, 2016</u>
Animal Control Trust Fund	16.69	5.62	16.69	5.62
Assessment Trust Fund	66,993.13	55,507.06	107,000.00	15,500.19
Payroll Agency Fund	7,837.11	8,521.25		16,358.36
Other Trust Fund	<u>(326,966.61)</u>	<u>844,689.83</u>	<u>1,059,393.74</u>	<u>(112,262.70)</u>
	<u>(252,119.68)</u>	<u>908,723.76</u>	<u>1,166,410.43</u>	<u>(80,398.53)</u>
	B			B

	<u>Ref.</u>		
Cash Receipts - Assessment Trust Fund	B-4	55,507.06	
Cash Receipts - Animal Control Trust	B-4	5.62	
Cash Receipts - Other Trust Fund	B-4		1,059,393.74
Cash Receipts - Payroll Fund	B-4	8,521.25	
Cash Disbursements - Assessment Trust Fund	B-4		107,000.00
Cash Disbursements - Animal Control Trust	B-4		16.69
Cash Disbursements - Other Trust Fund	B-4	<u>844,689.83</u>	
		<u>908,723.76</u>	<u>1,166,410.43</u>

Borough of Wanaque, N.J.

Schedule of Prospective Assessments Funded

Year Ended December 31, 2016

<u>Improvement Description</u>	<u>Ord. Number</u>	<u>Balance Dec. 31, 2015</u>	<u>Budget Appropriation</u>	<u>Balance Dec. 31, 2016</u>	<u>Bonds</u>	<u>Balance Pledged to Reserve</u>
Ringwood Ave Sidewalks	8-0-03	336,000.00	32,000.00	304,000.00	94,000.00	210,000.00
Ringwood Ave Sidewalks	10-0-10	783,300.00	75,000.00	708,300.00	669,000.00	39,300.00
		<u>1,119,300.00</u>	<u>107,000.00</u>	<u>1,012,300.00</u>	<u>763,000.00</u>	<u>249,300.00</u>
		B	B-4	B		

Borough of Wanaque, N.J.

Schedule of Assessment Serial Bonds Payable

Year Ended December 31, 2016

Purpose	Date of Issue	Original Issue	Maturities of Bonds Outstanding, December 31, 2016		Interest Rate	Balance, Dec. 31, 2015	Decreased	Balance, Dec. 31, 2016
			Date	Amount				
Ringwood Avenue Sidewalks	08/09/07	319,000.00	02/01/17	32,000.00	4.125%-4.20%	64,000.00	32,000.00	32,000.00
Ringwood Avenue Sidewalks	02/26/15	744,000.00	02/01/17-24 02/01/25	75,000.00 69,000.00	2.25%-3.00%	744,000.00	75,000.00	669,000.00
Ringwood Avenue Sidewalks Refunding	02/26/15	30,000.00	02/01/18	30,000.00	3.00%	30,000.00		30,000.00
						<u>838,000.00</u>	<u>107,000.00</u>	<u>731,000.00</u>
						B	B-4	B

Borough of Wanaque, N.J.

Schedule of Reserve for Assessments and Liens

Year Ended December 31, 2016

Ordinance Number	Improvement Description	Collections	
		Balance Dec. 31, 2015	to Surplus Dec. 31, 2016
<u>Assessments Receivable</u>			
2-0-97/	Improvement to the Sanitary		
5-0-98	Sewerage Collection System	7,697.80	902.13
		<u>7,697.80</u>	<u>902.13</u>
			<u>6,795.67</u>
<u>Prospective Assessments Funded</u>			
8-0-03	Ringwood Avenue Sidewalks	210,000.00	210,000.00
10-0-10	Ringwood Avenue Sidewalks	39,300.00	39,300.00
		<u>249,300.00</u>	<u>249,300.00</u>
		<u>256,997.80</u>	<u>902.13</u>
		<u>B</u>	<u>B-1</u>
			<u>256,095.67</u>
			<u>B</u>

Borough of Wanaque, N.J.

Schedule of Deficit in/Reserve for Animal Control Fund Expenditures

Year Ended December 31, 2016

	<u>Ref.</u>	
Balance - December 31, 2015	B	387.77
Increased by:		
Collections		
Dog License Fees - 2016		13,344.20
Cat License Fees - 2016		2,272.00
Late Charge Fees		405.00
Miscellaneous		20.00
	B-4	<u>16,041.20</u>
		16,428.97
Decreased by:		
Expenditures R.S. 4:19-15.11	B-4	<u>15,432.62</u>
Balance - December 31, 2016	B	<u><u>996.35</u></u>

License Fees Collected

<u>Year</u>	
2015	14,362.40
2014	<u>13,987.60</u>
	<u><u>28,350.00</u></u>

Schedule of Due to State Department of Health

Year Ended December 31, 2016

	<u>Ref.</u>	
Increased by:		
State Fees Collected	B-4	1,411.80
Decreased by:		
Paid to State	B-4	<u>1,410.40</u>
Balance - December 31, 2016	B	<u><u>1.40</u></u>

Borough of Wanaque, N.J.

Schedule of Other Trust Funds

Year Ended December 31, 2016

	Balance <u>Dec. 31, 2015</u>	<u>Increased</u>	<u>Decreased</u>	Balance <u>Dec. 31, 2016</u>
Developers Escrow	57,209.12	122,191.02	106,849.70	72,550.44
Parkside @Wanaque Escrow	6,591.08	3.29		6,594.37
Lakeland Village	123,438.33	55.42	102,352.30	21,141.45
Reserve for:				
Unemployment	92,841.98	7,686.19	4,086.27	96,441.90
Parking Offenses Adjudication Act	4,029.01	148.00		4,177.01
Welcome Bricks	1,035.00		1,035.00	
Recycling	157,604.05	25,076.34	30,251.06	152,429.33
Flexible Spending Account	(1,806.54)	6,380.90	6,600.70	(2,026.34)
Performance Bonds	750.00			750.00
Sprint Lease	10,808.23	5.42		10,813.65
Cingular Lease	10,000.00			10,000.00
Haskell Tank Lease	5,636.05	2.81		5,638.86
Wanaque Housing Trust	359,893.49	714.88	5,611.32	354,997.05
Soil Removal Permits	5,454.90			5,454.90
Sidewalk/Road Opening	9,421.25	900.00	800.00	9,521.25
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		13,000.00
Bid Specs	300.00			300.00
Municipal Alliance	2,733.42	5.26	1,819.34	919.34
L.O.S.A.P.	16,650.00	82,011.01	4,400.00	94,261.01
Redevelopment	630.00			630.00
Tax Sale Premiums	1,041,200.00	361,000.00	720,500.00	681,700.00
Snow Removal	18,852.46			18,852.46
Fire Penalty	250.00			250.00
	<u>2,004,871.50</u>	<u>612,680.54</u>	<u>984,305.69</u>	<u>1,633,246.35</u>
	B	B-4	B-4	B

Borough of Wanaque, N.J.

Reserve for Municipal Open Space

Year Ended December 31, 2016

	<u>Ref.</u>	
Balance - December 31, 2015	B	248,459.28
Increased by:		
2016 Tax Levy		112,107.00
2016 Added Taxes		305.47
Interest Earned		<u>118.56</u>
	B-4	<u>112,531.03</u>
		360,990.31
Decreased by:		
Expenditures	B-4	<u>187,059.68</u>
Balance - December 31, 2016	B	<u><u>173,930.63</u></u>

Borough of Wanaque, N.J.

Schedule of Interfunds

Trust Funds

Year Ended December 31, 2016

	Due to/(from) Balance <u>Dec. 31, 2015</u>	<u>Increased</u>	<u>Decreased</u>	Due to/(from) Balance <u>Dec. 31, 2016</u>
General Capital Fund	4,175.80		4,175.80	
Water Capital Fund	(200,000.00)			(200,000.00)
Payroll Fund	(6,901.80)	7,423.22		(14,325.02)
	<u>(202,726.00)</u>	<u>7,423.22</u>	<u>4,175.80</u>	<u>(214,325.02)</u>
	B			B
	<u>Ref.</u>			
Cash Disbursements	B-4	<u>7,423.22</u>	<u>4,175.80</u>	
		<u>7,423.22</u>	<u>4,175.80</u>	

Schedule of Reserve for Recreation

Trust Funds

Year Ended December 31, 2016

	<u>Ref.</u>	
Balance - December 31, 2015	B	25,321.49
Increased by:		
Cash Receipts	B-4	<u>93,894.19</u>
		119,215.68
Decreased by:		
Cash Disbursements	B-4	<u>92,484.93</u>
Balance - December 31, 2016	B	<u>26,730.75</u>

Borough of Wanaque, N.J.
Schedule of Payroll Deductions
Payroll Fund
Year Ended December 31, 2016

	<u>Balance</u> <u>Dec. 31, 2015</u>	<u>Receipts</u>	<u>Disbursed</u>	<u>Balance</u> <u>Dec. 31, 2016</u>
Federal Withholding		757,581.25	757,581.25	
Social Security / Medicare		472,952.78	472,952.78	
State Withholding		215,368.63	215,368.63	
Unemployment Insurance		19,739.35	19,739.35	
Union Dues		23,155.00	23,155.00	
P.E.R.S.	15,725.70	464,967.98	463,970.38	16,723.30
P.E.R.S. Contributory Insurance	888.22	9,069.58	9,177.24	780.56
P.F.R.S.	25,821.06	1,037,630.94	1,034,430.14	29,021.86
P.F.R.S. Annuity	652.56	8,782.56	8,703.24	731.88
D.C.R.P.	4,052.28	8,241.02	8,944.49	3,348.81
College Savings	(350.00)	6,850.00	6,500.00	
Life Insurance		520.80	520.80	
Deferred Compensation		148,216.90	148,216.90	
Flexible Spending Account		6,374.85	6,374.85	
Long Term Disability Insurance	(117.55)	31,534.82	30,858.02	559.25
Employee Share Health Ins.		171,012.63	171,012.63	
Net Payroll		<u>3,699,476.31</u>	<u>3,699,476.31</u>	
	<u>46,672.27</u>	<u>7,081,475.40</u>	<u>7,076,982.01</u>	<u>51,165.66</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, 2016

	<u>Ref.</u>	
Balance - December 31, 2015	B	6,901.80
Increased by:		
Cash Receipts	B-4	<u>7,423.22</u>
Balance - December 31, 2016	B	<u><u>14,325.02</u></u>

Borough of Wanaque, N.J.

Statement of Contributions Receivable

Year Ended December 31, 2016

	<u>Ref.</u>	
Balance - December 31, 2015	B	64,400.00
Increased by:		
Borough Contributions	B-20	<u>66,700.00</u>
		131,100.00
Decreased by:		
Receipts	B-4	<u>64,400.00</u>
Balance - December 31, 2016	B	<u><u>66,700.00</u></u>

Borough of Wanaque, N.J.

Statement of Net Assets Available for Benefits

Year Ended December 31, 2016

	<u>Ref.</u>	
Balance - December 31, 2015	B	1,310,156.79
Increased by:		
Borough Contributions	B-19	66,700.00
Gain or (Loss)	B-4	<u>95,514.02</u>
		<u>162,214.02</u>
Decreased by:		
Distributions	B-4	<u>137,120.77</u>
Balance - December 31, 2016	B	<u><u>1,335,250.04</u></u>

Borough of Wanaque , N.J.

Schedule of General Capital Cash - Treasurer

Year Ended December 31, 2016

	<u>Ref.</u>		
Balance - December 31, 2015	C		1,682,616.64
Increased by Receipts:			
Grant Receivable	C-4	45,360.35	
Deferred Charges Unfunded	C-6	58,000.00	
Capital Improvement Fund	C-10	250,000.00	
Interfunds	C-12	<u>130,515.48</u>	
			<u>483,875.83</u>
			2,166,492.47
Decreased by Disbursements:			
Improvement Authorizations	C-9	2,009,088.82	
Interfunds	C-12	<u>131,425.99</u>	
			<u>2,140,514.81</u>
Balance - December 31, 2016	C		<u><u>25,977.66</u></u>

Borough of Wanaque , N.J.

Analysis of General Capital Cash

Year Ended December 31, 2016

	<u>Ref.</u>	
Fund Balance	C-1	742.55
Various Receivables	C-4	(717,066.96)
Various Reserves	C-11	872,579.04
Interfund - Water Capital Fund	C-12	(131,425.99)

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	1,856.92
9-0-10	Improvement Of Ringwood Ave	287.73
10-0-10	Ringwood Ave Sidewalks	193,971.27
11-0-10	2nd Avenue Drainage System Improvement	(22,099.98)
18-0-10	Acquisition of Vehicles	469.55
12-0-11	Improvement of Various Roads	648.58
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	76,342.61
09-0-13	Construction of Municipal Building	192,116.18
10-0-14	Improvement of Various Roads	(280,699.35)
13-0-14	Improvement of Various Roads	38,725.85
6-0-15	Improvement of Various Roads	193,590.00
9-0-15	Improvement of Various Roads	(314,951.89)
10-0-15	Acquisition of New Equipment	(162,558.41)
11-0-15	Purchase of Fire Equipment	5,647.08
19-0-15	Reconstruction of Roofs	10,842.00
10-0-16	Improvement of Various Roads	(365,283.55)
14-0-16	Various Improvements	33,000.00
18-0-16	Acquisition of Two Fire Trucks	50,000.00
26-0-16	Improvement of Various Roads	207,000.00

 25,977.66

C

Borough of Wanaque, N.J.

Schedule of Various Grants Receivable

Year Ended December 31, 2016

	<u>Balance, Dec. 31, 2015</u>	<u>Grants Approved</u>	<u>Cash Received</u>	<u>Audit Adjustment</u>	<u>Balance, Dec. 31, 2016</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		45,360.35	(123,142.37)	61,497.28
State of NJ - D.O.T. - 5th Avenue (Ord. 13-0-14)	6,267.87			123,142.37	129,410.24
State of NJ - D.O.T. - Phelan & 6th (Ord. 6-0-15)	205,000.00				205,000.00
State of NJ - D.O.T. - Various Roads (Ord. 26-0-16)		180,000.00			180,000.00
NJ Transportation Trust - Melrose & Furnace (Ord. 25-0-09)	771.56				771.56
FEMA (Ord. 14-0-16)		75,000.00			75,000.00
	<u>507,427.31</u>	<u>255,000.00</u>	<u>45,360.35</u>		<u>717,066.96</u>
	C	C-9	C-2		C/C-3

Borough of Wanaque , N.J.

Schedule of Deferred Charges to Future
Taxation - Funded

Year Ended December 31, 2016

	<u>Ref.</u>	
Balance - December 31, 2015	C	16,377,299.68
Decreased by:		
Budget Appropriations		
Serial Bonds Payable	C-7	625,000.00
Loan Payable - NJDEP Green Trust	C-8	<u>9,685.67</u>
		<u>634,685.67</u>
Balance - December 31, 2016	C	<u><u>15,742,614.01</u></u>

Borough of Wanque , N.J.

Schedule of Deferred Charges to Future Taxation - Unfunded

Year Ended December 31, 2016

Analysis of Balance - Dec. 31, 2011

Ordinance Number	Improvement Description	Balance,	2016	Decreased by	Canceled	Balance,	Expended	Unexpended Improvement Authorization
		Dec. 31, 2015	Authorizations			Dec. 31, 2016		
<u>General Improvements</u>								
19-0-99	Provision of Affordable Housing	36,000.00				36,000.00	36,000.00	
11-0-10	2nd Avenue Drainage System	22,099.98				22,099.98	22,099.98	
18-0-10	Acquisition of New Vehicles	58,000.00		58,000.00				550.65
10-0-14	Improvement of Various Roads	281,250.00				281,250.00		153,750.00
13-0-14	Improvement of Various Roads	153,750.00				153,750.00		141,250.00
06-0-15	Improvement of Various Roads	141,250.00				141,250.00		18,048.11
09-0-15	Improvement of Various Roads	333,000.00				333,000.00		44,441.59
10-0-15	Acquisition of New Equipment	207,000.00				207,000.00		59,716.45
10-0-16	Improvement of Various Roads		425,000.00			425,000.00		85,000.00
14-0-16	Various Improvements		120,000.00		35,000.00	85,000.00		1,850,000.00
17-0-16	Infrastructure Improvements		1,850,000.00			1,850,000.00		990,000.00
18-0-16	Acquisition of Two Fire Trucks		990,000.00			990,000.00		243,000.00
26-0-16	Improvement of Various Roads		243,000.00			243,000.00		
		<u>1,232,349.98</u>	<u>3,628,000.00</u>	<u>58,000.00</u>	<u>35,000.00</u>	<u>4,767,349.98</u>	<u>58,099.98</u>	<u>3,585,756.80</u>
		C	C-9,C-13	C-2	C-9	C		C-9

Borough of Wanaque, N.J.

Schedule of Loan Payable

Department of Environmental Protection & Energy

Green Trust Loan

Year Ended December 31, 2016

	<u>Ref.</u>	
Balance - December 31, 2015	C	187,299.68
Decreased by:		
2016 Budget Appropriation	C-5	<u>9,685.67</u>
Balance - December 31, 2016	C	<u>177,614.01</u>

<u>Payment Number</u>	<u>Payment Date</u>	<u>Interest</u>	<u>Principal</u>	<u>Loan Balance</u>
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>29,829.84</u>	<u>177,614.01</u>	

Borough of Wanaque, N.J.

Schedule of Improvement Authorizations

Year Ended December 31, 2016

Ordinance Number	Improvement Description	Ordinance Amount	Balance, Dec. 31, 2015		2016 Authorizations	Paid or Charged	Canceled	Balance, Dec. 31, 2016	
			Funded	Unfunded				Funded	Unfunded
<u>General Improvements</u>									
11-0-07	Improvement of Laura Ave (Phase I)	455,000.00	9,820.49					9,820.49	
13-0-07	Improvement of the Haskell Firehouse	200,000.00	818.54					818.54	
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			53,058.43		1,856.92	
9-0-10	Improvement Of Ringwood Ave	850,000.00	1,309.64		1,021.91			287.73	
18-0-10	Acquisition of Vehicles	210,000.00		469.55				469.55	
12-0-11	Improvement of Various Roads	350,000.00	4,037.51		3,388.93			648.58	
16-0-12	Purchase of Property	320,000.00	11,617.90					11,617.90	
20-0-12	Improvement of Various Roads	190,000.00	9,724.68					9,724.68	
7-0-13	Improvement of Westbrook Road	450,000.00	188,658.63			112,316.02		76,342.61	
8-0-13	Various Improvements	535,000.00	64,530.78			64,530.78			
9-0-13	Construction of Municipal Building	3,650,000.00			(192,116.18)			192,116.18	
10-0-14	Improvement of Various Roads	375,000.00		87,466.32	86,915.67				550.65
13-0-14	Improvement of Various Roads	410,000.00	202,075.06	153,750.00	163,349.21			38,725.85	153,750.00
6-0-15	Improvement of Various Roads	370,000.00		41,504.59	(293,335.41)			193,590.00	141,250.00
9-0-15	Improvement of Various Roads	370,000.00	37,000.00	333,000.00	351,951.89				18,048.11
10-0-15	Acquisition of New Equipment	230,000.00		185,026.19	140,584.60				44,441.59
11-0-15	Purchase of Fire Equipment	12,500.00	12,500.00		6,852.92			5,647.08	
19-0-15	Reconstruction of Roofs	75,000.00	75,000.00		64,158.00			10,842.00	
9-0-16	Purchase of Real Property				570,000.00				59,716.45
10-0-16	Improvement of Various Roads				500,000.00				85,000.00
12-0-16	Purchase of Equipment				125,000.00				1,850,000.00
14-0-16	Various Improvements				225,000.00		35,000.00	33,000.00	990,000.00
17-0-16	Infrastructure Improvements				1,850,000.00				243,000.00
18-0-16	Acquisition of Two Fire Trucks				1,040,000.00			50,000.00	
26-0-16	Improvement of Various Roads				450,000.00			207,000.00	

Borough of Wanaque , N.J.
Schedule of Capital Improvement Fund
Year Ended December 31, 2016

	<u>Ref.</u>	
Balance - December 31, 2015	C	128,750.00
Increased by:		
Budget Appropriation	C-2	250,000.00
Decreased by:		
Appropriated to Finance Improvement Authorizations	C-9	<u>238,825.00</u>
Balance - December 31, 2016	C/C-3	<u><u>139,925.00</u></u>

Borough of Wanaque , N.J.

Schedule of Various Liabilities

Year Ended December 31, 2016

	Balance, <u>Dec. 31, 2015</u>	Balance, <u>Dec. 31, 2016</u>
Reserve for Debt Service	55,653.53	55,653.53
Reserve for Bond Issue Costs	21,066.51	21,066.51
Reserve for Special Needs Housing	795,859.00	795,859.00
	<hr/>	<hr/>
	<u>872,579.04</u>	<u>872,579.04</u>
	C	C,C-3

Borough of Wanaque , N.J.

Schedule of Interfunds

General Capital Fund

Year Ended December 31, 2016

		Due From/(To) Balance Dec. 31, 2015	Increased	Decreased	Due From/(To) Balance Dec. 31, 2016
	<u>Ref.</u>				
Current Fund	C	100,672.08		100,672.08	
Other Trust Fund	C	4,175.80		4,175.80	
Water Capital Fund	C		131,425.99		131,425.99
Water Operating Fund	C	25,667.60		25,667.60	
		<u>130,515.48</u>	<u>131,425.99</u>	<u>130,515.48</u>	<u>131,425.99</u>
	<u>Ref.</u>				
Cash Disbursements	C-2		131,425.99		
Cash Receipts	C-2			130,515.48	
			<u>131,425.99</u>	<u>130,515.48</u>	

Borough of Wanaque, N.J.

Schedule of Bonds and Notes Authorized But Not Issued

Year Ended December 31, 2016

Ordinance Number	Improvement Description	Balance,	2016	Balance,
		Dec. 31, 2015	Authorizations	Dec. 31, 2016
			Decreased	
<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	58,000.00	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
10-0-16	Improvement of Various Roads		425,000.00	425,000.00
14-0-16	Various Improvements		120,000.00	85,000.00
17-0-16	Infrastructure Improvements		1,850,000.00	1,850,000.00
18-0-16	Acquisition of Two Fire Trucks		990,000.00	990,000.00
26-0-16	Improvement of Various Roads		243,000.00	243,000.00
		<u>1,232,349.98</u>	<u>3,628,000.00</u>	<u>4,767,349.98</u>
			C-6	Footnote C
			Cancelled	35,000.00
			Budget Appropriation	58,000.00
				<u>93,000.00</u>

Borough of Wanaque, N.J.

Schedule of Cash

Water Utility Fund

Year Ended December 31, 2016

	<u>Ref.</u>	<u>Operating</u>	<u>Capital</u>
Balance - December 31, 2015	D	<u>1,484,428.00</u>	<u>112,242.42</u>
Increased by Receipts:			
Miscellaneous Revenue	D-3	19,513.85	
Interlocal Service Agreement - WBSA	D-3	180,000.00	
PCIA Interest Rebate	D-3	53,214.96	
Collector	D-7	1,645,331.96	
Interfunds	D-9	725,225.02	
Reserve for Water Improvements	D-18	140,533.92	
Improvement Authorizations	D-21		680,000.00
Interfunds	D-24		811,308.57
Due from CDBG	D-26		100,000.00
		<u>2,763,819.71</u>	<u>1,591,308.57</u>
		<u>4,248,247.71</u>	<u>1,703,550.99</u>
Decreased by Disbursements:			
Budget Appropriations	D-4	1,550,150.46	
Interfunds	D-9	1,131,462.06	
Appropriation Reserves	D-13	56,494.21	
Interest on Bonds	D-15	203,672.80	
Water Rent Overpayments	D-19	2,147.79	
Improvement Authorizations	D-21		749,060.16
Interfunds	D-24		680,004.77
Reserve for Legal Settlement	D-27	769,449.70	
		<u>3,713,377.02</u>	<u>1,429,064.93</u>
Balance - December 31, 2016	D	<u><u>534,870.69</u></u>	<u><u>274,486.06</u></u>

Borough of Wanaque, N.J.

Schedule of Change Funds

Water Utility Fund

Year Ended December 31, 2016

<u>Office</u>	<u>Balance Dec. 31, 2016</u>	<u>Balance Dec. 31, 2015</u>
Water Utility Collector	<u>100.00</u>	<u>100.00</u>
	D	D

Schedule of Water Utility Collector Cash

Water Utility Fund

Year Ended December 31, 2016

	<u>Ref.</u>		
Increased by Receipts:			
Consumer Accounts Receivable	D-3,D-10	1,642,152.04	
Water Rents Overpayments	D-19	<u>3,179.92</u>	
			<u>1,645,331.96</u>
Decreased by Disbursements:			
Payment to Treasurer	D-5		<u>1,645,331.96</u>

Borough of Wanaque, N.J.

Schedule of Water Utility Capital Cash

Water Utility Fund

Year Ended December 31, 2016

	<u>Ref.</u>	
Fund Balance	D-2	111,093.46
Capital Improvement Fund	D-22	29,946.22
Interfund - General Capital Fund	D-24	131,425.99
Interfund - Current Fund	D-24	200,000.00
Due from CDBG	D-26	(100,000.00)
 <u>Improvement Authorizations</u>		
5-0-11 Water System Improvements to Wanaque Ave and Butler Place		25,657.83
14-0-14 Improvements to the Water Supply and Distribution System		(221,857.92)
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		(228,503.00)
8-0-15 Improvements to the Water Supply and Distribution System		(281,628.72)
8-0-16 Replacement of Mater Mains		161,330.60
13-0-16 Replacement of Mater Mains		450,000.00
	D	274,486.06

Borough of Wanaque, N.J.

Schedule of Interfunds

Water Utility Operating Fund

Year Ended December 31, 2016

	Due to/(from) Balance <u>Dec. 31, 2015</u>	<u>Increased</u>	<u>Decreased</u>	Due to/(from) Balance <u>Dec. 31, 2016</u>
Water Capital Fund	(122.19)	679,882.58	680,004.77	
General Capital Fund	25,667.60		25,667.60	
Sewer Operating Fund	169,596.15		425,911.88	(256,315.73)
Current Fund	<u>(45,220.25)</u>		<u>45,220.25</u>	
	<u>149,921.31</u>	<u>679,882.58</u>	<u>1,176,804.50</u>	<u>(256,315.73)</u>
	D			D
	<u>Ref.</u>			
Cash Receipts	D-5		725,225.02	
Cash Disbursements	D-5	<u>679,882.58</u>	<u>451,579.48</u>	
		<u>679,882.58</u>	<u>1,176,804.50</u>	

Borough of Wanaque, N.J.

Schedule of Consumer Accounts Receivable

Water Utility Operating Fund

Year Ended December 31, 2016

	<u>Ref.</u>	
Balance - December 31, 2015	D	193,709.97
Increased by:		
Water Rents Levied		<u>1,649,459.50</u>
		1,843,169.47
Decreased by:		
Collections	D-7	<u>1,642,152.04</u>
Balance - December 31, 2016	D	<u><u>201,017.43</u></u>

Borough of Wanaque, N.J.

Schedule of Fixed Capital

Water Utility Capital Fund

Year Ended December 31, 2016

<u>Description</u>	<u>Balance</u> <u>Dec. 31, 2015</u>	<u>Balance</u> <u>Dec. 31, 2016</u>
Garage and Building	14,242.56	14,242.56
Plant, Reservoir, Mains and Wells	9,166,653.12	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>10,099,319.16</u>	<u>10,099,319.16</u>
	D	D

Borough of Wanaque, N.J.

Schedule of Fixed Capital Authorized and Uncompleted

Water Utility Capital Fund

Year Ended December 31, 2016

<u>Ordinance Number</u>	<u>Improvement Description</u>	<u>Ordinance Date</u>	<u>Amount</u>	<u>Balance, Dec. 31, 2015</u>	<u>2016 Authorizations</u>	<u>Balance, Dec. 31, 2016</u>
5-0-11	Water System Improvements to Wanaque Avenue and Butler Place	04/18/11	200,000.00	200,000.00		200,000.00
14-0-14	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
8-0-16	Replacement of Mater Mains	05/09/16	330,000.00		330,000.00	330,000.00
13-0-16	Replacement of Mater Mains	07/11/16	450,000.00		450,000.00	450,000.00

<u>1,390,000.00</u>	<u>780,000.00</u>	<u>2,170,000.00</u>
D	D-25	D

Borough of Wanaque, N.J.

Schedule of 2015 Appropriation Reserves

Water Utility Operating Fund

Year Ended December 31, 2016

	Balance Dec. 31, 2015	Balance After Transfers and Encumbrances	Paid or Charged	Balance Lapsed
Operating:				
Salaries and Wages	820.85	820.85		820.85
Other Expenses	1,743.43	52,955.82	52,934.42	21.40
Purchase of Water	2,176.57	3,936.36	3,559.79	376.57
Capital Improvements				
Capital Outlay	50,000.00	50,000.00		50,000.00
Statutory Expenditures:				
Contribution to:				
Social Security System (O.A.S.I.)	4.58	4.58		4.58
	<u>54,745.43</u>	<u>107,717.61</u>	<u>56,494.21</u>	<u>51,223.40</u>
	D		D-4	D-1
		<u>Ref.</u>		
Appropriation Reserves		54,745.43		
Transfer from Reserve for Encumbrances		D-14	<u>52,972.18</u>	
			<u>107,717.61</u>	

Exhibit D-14

Schedule of Reserve for Encumbrances

Water Utility Operating Fund

Year Ended December 31, 2016

	<u>Ref.</u>	
Balance - December 31, 2015	D	52,972.18
Increased by:		
Charges Against Current Year Appropriations	D-4	<u>82,144.08</u>
		135,116.26
Decreased by:		
Transferred to Appropriation Reserves	D-13	<u>52,972.18</u>
Balance - December 31, 2016	D	<u>82,144.08</u>

Borough of Wanaque, N.J.

Schedule of Accrued Interest on Bonds

Water Utility Operating Fund

Year Ended December 31, 2016

	<u>Ref.</u>	
Balance - December 31, 2015	D	87,051.80
Increased by:		
Budget Appropriation for Interest on Bonds	D-4	<u>199,421.00</u>
		286,472.80
Decreased by:		
Interest Paid	D-5	<u>203,672.80</u>
Balance - December 31, 2016	D	<u><u>82,800.00</u></u>

Schedule of Accrued Interest on Notes

Water Utility Operating Fund

Year Ended December 31, 2016

	<u>Ref.</u>	
Balance - December 31, 2015	D	3,278.80
Decreased by:		
Canceled	D-1	<u>3,278.80</u>
Balance - December 31, 2016	D	<u><u> </u></u>

Borough of Wanaque, N.J.

Schedule of Security Deposits Payable

Water Utility Operating Fund

Year Ended December 31, 2016

	<u>Ref.</u>	
Balance - December 31, 2015	D	<u>375.00</u>
Balance - December 31, 2016	D	<u>375.00</u>

Schedule of Reserve for Water Improvements

Water Utility Operating Fund

Year Ended December 31, 2016

	<u>Ref.</u>	
Balance - December 31, 2015	D	41,605.46
Increased by:		
Receipts	D-4	<u>140,533.92</u>
Balance - December 31, 2016	D	<u>182,139.38</u>

Schedule of Water Rent Overpayments

Water Utility Operating Fund

Year Ended December 31, 2016

	<u>Ref.</u>	
Balance - December 31, 2015	D	399.41
Increased by:		
Receipts	D-7	<u>3,179.92</u>
		3,579.33
Decreased by:		
Disbursements	D-4	<u>2,147.79</u>
Balance - December 31, 2016	D	<u>1,431.54</u>

Borough of Wanaque, N.J.

Schedule of Water Serial Bonds Payable

Water Utility Capital Fund

Year Ended December 31, 2016

Purpose	Date of Issue	Original Issue	Maturities of Bonds Outstanding		Interest Rate	Balance, Dec. 31, 2015	Decreased	Balance, Dec. 31, 2016
			Date	Amount				
Water Bonds of 2007	08/09/07	1,487,000.00	02/01/17-21	150,000.00	4.125-4.25%	250,000.00	100,000.00	150,000.00
Loan Program Bonds of 2010	07/28/10	2,304,000.00	08/01/17	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%	2,229,000.00	25,000.00	2,204,000.00
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
Water Bonds of 2015	02/26/15	742,000.00	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	25,000.00	717,000.00
						<u>4,281,000.00</u>	<u>150,000.00</u>	<u>4,131,000.00</u>
						D	D-23	D

Borough of Wanaque, N.J.

Schedule of Improvement Authorizations

Water Utility Capital Fund

Year Ended December 31, 2016

Ordinance Number	Improvement Description	Ordinance Date	Amount	Balance Dec. 31, 2015		2016 Authorizations	Paid or Charged	Balance Dec. 31, 2016	
				Funded	Unfunded			Funded	Unfunded
5-0-11	Water System Improvements to Wanaque Ave and Butler Place	04/18/11	200,000.00	31,376.87			5,719.04	25,657.83	
14-0-14	Improvements to the Water Supply and Distribution System	10/06/14	275,000.00	16,662.08			13,520.00		3,142.08
5-0-15	Improvements to the Water Supply and Distribution System	05/11/15	210,000.00	207,021.60					207,021.60
7-0-15	Improvements to the Water Supply and Distribution System	05/11/15	380,000.00	69,020.00	280,000.00		297,523.00		51,497.00
8-0-15	Improvements to the Water Supply and Distribution System	06/15/15	325,000.00	307,000.00			263,628.72		43,371.28
8-0-16	Replacement of Mater Mains	05/09/16	330,000.00		330,000.00		168,669.40	161,330.60	
13-0-16	Replacement of Mater Mains	07/11/16	450,000.00		450,000.00			450,000.00	
				<u>100,396.87</u>	<u>810,683.68</u>	<u>780,000.00</u>	<u>749,060.16</u>	<u>636,988.43</u>	<u>305,031.96</u>
				D	D		D-5	D	D
Reserve for Legal Settlement						680,000.00			
Due from CDBG						100,000.00			
					<u>780,000.00</u>				

Borough of Wanaque, N.J.
 Schedule of Capital Improvement Fund
 Water Utility Capital Fund
 Year Ended December 31, 2016

	<u>Ref.</u>	
Balance - December 31, 2015	D	<u>29,946.22</u>
Balance - December 31, 2016	D, D-8	<u>29,946.22</u>

Schedule of Reserve for Amortization
 Water Utility Capital Fund
 Year Ended December 31, 2016

	<u>Ref.</u>	
Balance - December 31, 2015	D	5,818,319.16
Increased by:		
Serial Bonds Paid by Budget	D-20	<u>150,000.00</u>
Balance - December 31, 2016	D	<u>5,968,319.16</u>

Borough of Wanaque, N.J.
Schedule of Interfunds
Water Utility Capital Fund
Year Ended December 31, 2016

	Due to/(from) Balance <u>Dec. 31, 2015</u>	<u>Increased</u>	<u>Decreased</u>	Due to/(from) Balance <u>Dec. 31, 2016</u>
Water Operating Fund	122.19	679,882.58	680,004.77	
Other Trust Fund	200,000.00			200,000.00
General Capital Fund		<u>131,425.99</u>		<u>131,425.99</u>
	<u>200,122.19</u>	<u>811,308.57</u>	<u>680,004.77</u>	<u>331,425.99</u>
	D			D
	<u>Ref.</u>			
Cash Receipts	D-5	811,308.57		
Cash Disbursements	D-5		<u>680,004.77</u>	
		<u>811,308.57</u>	<u>680,004.77</u>	

Borough of Wanaque, N.J.

Schedule of Deferred Reserve for Amortization

Water Utility Capital Fund

Year Ended December 31, 2016

<u>Ordinance Number</u>	<u>Improvement Description</u>	<u>Date of Ordinance</u>	<u>Balance, Dec. 31, 2015</u>	<u>Fixed Capital Authorized</u>	<u>Balance, Dec. 31, 2016</u>
5-0-11	Water System Improvements to Wanaque Ave and Butler Place	04/18/11	200,000.00		200,000.00
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
8-0-16	Replacement of Mater Mains	05/09/16		330,000.00	330,000.00
13-0-16	Replacement of Mater Mains	07/11/16		450,000.00	450,000.00
			<u>350,000.00</u>	<u>780,000.00</u>	<u>1,130,000.00</u>
			D	D-12	D

Borough of Wanaque, N.J.
Schedule of Due from CDBG
Water Utility Capital Fund
Year Ended December 31, 2016

	<u>Ref.</u>	
Balance - December 31, 2015	D	100,000.00
Increased by:		
Grant Awards	D-21	<u>100,000.00</u>
		200,000.00
Decreased by:		
Cash Receipts	D-5	<u>100,000.00</u>
Balance - December 31, 2016	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, 2016

	<u>Ref.</u>	
Balance - December 31, 2015	D	900,000.00
Decreased by:		
Disbursements	D-5	<u>769,449.70</u>
Balance - December 31, 2016	D	<u><u>130,550.30</u></u>

Borough of Wanaque, N.J.

Schedule of Bonds and Notes Authorized But Not Issued

Year Ended December 31, 2016

<u>Ordinance Number</u>	<u>Improvement Description</u>	<u>Balance, Dec. 31, 2015</u>	<u>Balance, Dec. 31, 2016</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>1,040,000.00</u>	<u>1,040,000.00</u>
			Footnote D

Borough of Wanaque, N.J.

Schedule of Cash

Sewer Utility Fund

Year Ended December 31, 2016

	<u>Ref.</u>	<u>Operating</u>	<u>Capital</u>
Balance - December 31, 2015	E	<u>781,253.94</u>	<u>1,962,348.89</u>
Increased by Receipts:			
Miscellaneous Revenue	E-2	720,909.15	
Collector	E-5	4,067,337.92	
Interfunds	E-7	425,911.88	
Various Cash Liabilities and Reserves	E-14	1,779.39	
Interfunds	E-20		<u>8,196.14</u>
		<u>5,215,938.34</u>	<u>8,196.14</u>
		<u>5,997,192.28</u>	<u>1,970,545.03</u>
Decreased by Disbursements:			
Budget Appropriations	E-3	4,374,984.35	
Interfunds	E-7	8,196.14	
Appropriation Reserves	E-12	33,244.69	
Various Cash Liabilities and Reserves	E-14	753.72	
Interest on Bonds	E-15	153,900.00	
Prepaid Expenses	E-21	16,875.00	
		<u>4,587,953.90</u>	
Balance - December 31, 2016	E	<u><u>1,409,238.38</u></u>	<u><u>1,970,545.03</u></u>

Borough of Wanaque, N.J.
 Schedule of Sewer Utility Collector Cash
 Sewer Utility Fund
 Year Ended December 31, 2016

	<u>Ref.</u>	
Increased by Receipts:		
Consumer Accounts Receivable	E-2,E-8	4,067,337.92
Decreased by Disbursements:		
Payment to Treasurer	E-4	4,067,337.92

Schedule of Sewer Utility Capital Cash
 Sewer Utility Fund
 Year Ended December 31, 2016

	<u>Ref.</u>	
Due from Passaic County - CDBG	E-19	(1,794.41)
Interfund - Sewer Operating Fund	E-20	(359,995.83)
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
	E	1,970,545.03

Borough of Wanaque, N.J.

Schedule of Interfunds

Sewer Utility Operating Fund

Year Ended December 31, 2016

	Due to/(from) Balance <u>Dec. 31, 2015</u>	<u>Decreased</u>	Due to/(from) Balance <u>Dec. 31, 2016</u>
Sewer Capital Fund	368,191.97	8,196.14	359,995.83
Water Operating Fund	(169,596.15)	425,911.88	256,315.73
Current Fund	<u>198,595.82</u>	<u>434,108.02</u>	<u>616,311.56</u>
	E		E
	<u>Ref.</u>		
Cash Receipts	E-4	425,911.88	
Cash Disbursements	E-4	<u>8,196.14</u>	
		<u>434,108.02</u>	

Borough of Wanaque, N.J.

Schedule of Consumer Accounts Receivable

Sewer Utility Operating Fund

Year Ended December 31, 2016

	<u>Ref.</u>	
Balance - December 31, 2015	E	436,641.74
Increased by:		
Sewer Rents Levied		<u>4,085,207.80</u>
		4,521,849.54
Decreased by:		
Collections	E-5	<u>4,067,337.92</u>
Balance - December 31, 2016	E	<u><u>454,511.62</u></u>

Borough of Wanaque, N.J.

Schedule of Connection Fees Receivable

Sewer Utility Operating Fund

Year Ended December 31, 2016

	<u>Ref.</u>	
Balance - December 31, 2015	E	<u>4,679.17</u>
Balance - December 31, 2016	E	<u>4,679.17</u>

Exhibit E-10

Borough of Wanaque, N.J.
Schedule of Fixed Capital
Sewer Utility Capital Fund
Year Ended December 31, 2016

<u>Description</u>	<u>Balance</u> <u>Dec. 31, 2015</u>	<u>Balance</u> <u>Dec. 31, 2016</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, 2016

<u>Ordinance Number</u>	<u>Improvement Description</u>	<u>Ordinance Date</u>	<u>Amount</u>	<u>Balance, Dec. 31, 2015</u>	<u>Balance, Dec. 31, 2016</u>
13-0-11	Force Mains and Interceptors	Transferred from WBSA		1,503,158.50	1,503,158.50
1-0-13	Purchase of Utility Truck	07/11/11	40,000.00	40,000.00	40,000.00
7-0-14	Sewer Improvements				
	Monroe & Jefferson Streets	02/11/13	420,000.00	420,000.00	420,000.00
	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 2015 Appropriation Reserves

Sewer Utility Operating Fund

Year Ended December 31, 2016

	<u>Balance Dec. 31, 2015</u>	<u>Balance After Transfers and Encumbrances</u>	<u>Paid or Charged</u>	<u>Balance Lapsed</u>
Operating:				
Other Expenses		119.69	119.69	
Interlocal WVRSA	4,000.00	37,000.00	33,125.00	3,875.00
	<u>4,000.00</u>	<u>37,119.69</u>	<u>33,244.69</u>	<u>3,875.00</u>
	E		E-4	E-1
	<u>Ref.</u>			
Appropriation Reserves	above	4,000.00		
Transfer from Reserve for Encumbrances	E-13	<u>33,119.69</u>		
		<u>37,119.69</u>		

Borough of Wanaque, N.J.

Schedule of Reserve for Encumbrances

Sewer Utility Operating Fund

Year Ended December 31, 2016

	<u>Ref.</u>	
Balance - December 31, 2015	E	33,119.69
Decreased by:		
Transferred to Appropriation Reserves	E-12	<u>33,119.69</u>
Balance - December 31, 2016	E	<u><u> </u></u>

Borough of Wanaque, N.J.

Schedule of Various Cash Liabilities and Reserves

Sewer Utility Operating Fund

Year Ended December 31, 2016

	<u>Balance</u> <u>Dec. 31, 2015</u>	<u>Increased</u>	<u>Decreased</u>	<u>Balance</u> <u>Dec. 31, 2016</u>
Sewer Overpayments	753.72	1,779.39	753.72	1,779.39
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>102,753.72</u>	<u>1,779.39</u>	<u>753.72</u>	<u>103,779.39</u>
	E			E
	<u>Ref.</u>			
Cash Receipts	E-4	1,779.39		
Cash Disbursements	E-4		<u>753.72</u>	
		<u>1,779.39</u>	<u>753.72</u>	

Borough of Wanaque, N.J.
Schedule of Accrued Interest on Bonds
Sewer Utility Operating Fund
Year Ended December 31, 2016

	<u>Ref.</u>	
Balance - December 31, 2015	E	12,825.00
Increased by:		
Budget Appropriation for Interest on Bonds	E-3	<u>151,583.33</u>
		164,408.33
Decreased by:		
Interest Paid	E-4	<u>153,900.00</u>
Balance - December 31, 2016	E	<u><u>10,508.33</u></u>

Borough of Wanaque, N.J.
Schedule of Improvement Authorizations

Sewer Utility Capital Fund

Year Ended December 31, 2016

<u>Ordinance Number</u>	<u>Improvement Description</u>	<u>Ordinance Date</u>	<u>Amount</u>	<u>Balance Dec. 31, 2015</u>		<u>Balance Dec. 31, 2016</u>	
				<u>Funded</u>	<u>Unfunded</u>	<u>Funded</u>	<u>Unfunded</u>
13-0-11	Force Mains and Interceptors	Transferred from WBSA	1,325,248.59		1,325,248.59		
1-0-13	Purchase of Utility Truck	07/11/11	40,000.00	1,947.40		1,947.40	
7-0-14	Sewer Improvements Monroe & Jefferson Streets	02/11/13	420,000.00	89,548.94		89,548.94	
	Reconstruction of Sanitary Sewer Lateral and Mains	05/12/14	450,000.00	145,664.04		145,664.04	
				1,562,408.97	E	1,562,408.97	E

Borough of Wanaque, N.J.
Schedule of Reserve for Amortization
Sewer Utility Capital Fund
Year Ended December 31, 2016

	<u>Ref.</u>	
Balance - December 31, 2015	E	9,905,640.88
Increased by:		
Serial Bonds Paid by Budget	E-16	<u>695,000.00</u>
Balance - December 31, 2016	E	<u><u>10,600,640.88</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, 2016

	<u>Ref.</u>	
Balance - December 31, 2015	E	<u>1,794.41</u>
Balance - December 31, 2016	E	<u>1,794.41</u>

Borough of Wanaque, N.J.

Schedule of Interfunds

Sewer Utility Capital Fund

Year Ended December 31, 2016

	Due to/(from) Balance <u>Dec. 31, 2015</u>	<u>Decreased</u>	Due to/(from) Balance <u>Dec. 31, 2016</u>
Sewer Operating Fund	(368,191.97)	8,196.14	(359,995.83)
	<u>(368,191.97)</u>	<u>8,196.14</u>	<u>(359,995.83)</u>
	E		E
Cash Receipts	<u>Ref.</u> E-4	<u>8,196.14</u>	
		<u>8,196.14</u>	

Borough of Wanaque, N.J.
Schedule of Prepaid Expenses
Sewer Utility Operating Fund
Year Ended December 31, 2016

	<u>Ref.</u>	
Balance - December 31, 2015	E	
Increased by:		
Cash Disbursements	E-1, E-4	16,875.00
Balance - December 31, 2016	E	16,875.00

Borough of Wanaque, N.J.
Schedule of Bond & Debt Service Reserve Fund
Sewer Utility Capital Fund
Year Ended December 31, 2016

	<u>Ref.</u>	
Balance - December 31, 2015	E	<u>769,926.30</u>
Balance - December 31, 2016	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, 2016

<u>Ordinance Number</u>	<u>Improvement Description</u>	<u>Date of Ordinance</u>	<u>Balance, Dec. 31,2015</u>	<u>Balance, Dec. 31,2016</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	E

Borough of Wanaque , N.J.

Schedule of Cash-Treasurer

Public Assistance Fund

Year Ended December 31, 2016

	<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, 2015	F	<u>1,498.79</u>	<u>1,359.06</u>	<u>139.73</u>
Increased by Receipts:				
Other Receipts		<u>3.03</u>	<u>2.67</u>	<u>0.36</u>
		<u>3.03</u>	<u>2.67</u>	<u>0.36</u>
		<u>1,501.82</u>	<u>1,361.73</u>	<u>140.09</u>
Decreased by Disbursements:				
Due Current Fund		<u>3.06</u>	<u>2.92</u>	<u>0.14</u>
		<u>3.06</u>	<u>2.92</u>	<u>0.14</u>
Balance - December 31, 2016	F	<u><u>1,498.76</u></u>	<u><u>1,358.81</u></u>	<u><u>139.95</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, 2016

	<u>Ref.</u>	
Balance - December 31, 2016	F-1	1,498.76
Increased by:		
Cash Receipts Record		<u>0.52</u>
Balance - March 10, 2017		<u><u>1,499.28</u></u>

<u>Reconciliation - March 10, 2017</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	1,359.27	140.01	1,499.28
Less: Outstanding Checks	<u> </u>	<u> </u>	<u> </u>
Balance - March 10, 2017	<u><u>1,359.27</u></u>	<u><u>140.01</u></u>	<u><u>1,499.28</u></u>

Borough of Wanaque , N.J.
Schedule of Cash-Treasurer
Public Assistance Fund
Year Ended December 31, 2016

	<u>Ref.</u>	
Balance - December 31, 2015	F-1	1,498.79
Increased by Receipts:		
Cash Receipts Record	F-1	3.03
		1,501.82
Decreased by Disbursements:		
Cash Disbursements Record	F-1	3.06
Balance - December 31, 2016	F-1	1,498.76

	<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, 2016</u>			
Balance on Deposit per Statement of: Lakeland State Bank			
Checking	1,358.81	139.95	1,498.76
Less: Outstanding Checks			-
Balance - December 31, 2016	1,358.81	139.95	1,498.76

Borough of Wanaque , N.J.
Schedule of Revenues - Cash Basis
Public Assistance Fund
Year Ended December 31, 2016

	<u>Total</u>	<u>P.A.T.F. Account #1</u>	<u>P.A.T.F. Account #2</u>
Interest Earned	3.03	2.67	0.36
Total Revenues (P.A.T.F.)	3.03	2.67	0.36
Total Receipts	<u>3.03</u>	<u>2.67</u>	<u>0.36</u>
	F-1		

Schedule of Expenditures - Cash Basis
Public Assistance Fund
Year Ended December 31, 2016

	<u>Total</u>	<u>P.A.T.F. Account #1</u>	<u>P.A.T.F. Account #2</u>
Interfund - Current Fund	3.06	2.92	0.14
Total Disbursements (P.A.T.F.)	<u>3.06</u>	<u>2.92</u>	<u>0.14</u>
	F-1		

BOROUGH OF WANAQUE

PART II

LETTERS ON COMPLIANCE AND ON INTERNAL CONTROL

GENERAL COMMENTS AND RECOMMENDATIONS

YEAR ENDED DECEMBER 31, 2016

Ferraioli, Wielkocz, 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, 2016 and the related notes to the financial statements, and have issued our report thereon dated March 27, 2017, 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 *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.



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

March 27, 2017



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:

Wall Replacement along Ringwood Ave
Water Mains
Renovations to George Cash Fieldhouse

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 4, 2016 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 21, 2016.

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>
2016	28
2015	27
2014	28

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, 2016, is not yet known but a separate report will be rendered if any irregularities develop.

School Taxes Payable

The amount due to the local and regional school districts, as of December 31, 2016, 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.

In two instances, the number of dog licenses issued was reported incorrectly on the State Dog Report.

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 one instance, only one quote was received for purchase over the quote threshold.

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

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.

Two employees' salaries were calculated incorrectly.

The employer's share of DCRP was calculated incorrectly resulting in the wrong amount being paid.

The employer's share of DCRP was not being disbursed in a timely manner.

Other

The general ledgers for the various funds did not contain opening balances.

The Current Fund general ledger contained numerous posting errors.

GENERAL COMMENTS, (continued)

Other, continued

The Analysis of General Capital Fund Cash includes cash deficits for ordinances over 5 years old. No recommendation is being made as these deficits are being funded in subsequent year budgets.

There is a balance on the Schedule of Deferred Charges to Future Taxation – Unfunded over 5 years old where the project has been completed. No recommendation is being made as these balances are being funded in subsequent year budgets.

There is a deficit in Assessment Fund cash for the 2007 Assessment Bonds. No recommendation is being made as the deficit was funded in the 2017 budget and subsequent year budgets.

There are individual escrow balances that exceed \$5,000 that are not deposited in a separate bank account.

RECOMMENDATIONS

It is recommended:

1. That the correct number of issued dog licenses be reported on the State dog report.
2. That more than one quote be received for purchases that exceed the quote threshold.
- *3. That all vendors required to submit a Political Disclosure Form submit them.
4. That all employees be paid the correct amount.
5. That the employer's share of DCRP be calculated correctly.
6. That the employer's share of DCRP be paid in a timely manner.
7. That the general ledgers for all funds contain the correct opening balances.
8. That the general ledgers be reviewed to ensure proper posting of transactions.
9. That individual escrow accounts with balances exceeding \$5,000 be maintained in a separate bank account.

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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