

BOROUGH OF WOODLAND PARK

**Financial Statements with
Supplementary Information
December 31, 2015**

(With Independent Auditor's Reports Thereon)

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BOROUGH OF WOODLAND PARK

PART I

REPORT ON EXAMINATION OF FINANCIAL STATEMENTS

AND SUPPLEMENTARY DATA

YEAR ENDED DECEMBER 31, 2015

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INDEPENDENT AUDITOR'S REPORT

Honorable Mayor and
Members of the Borough Council
Borough of Woodland Park
County of Passaic, New Jersey

Report on the Financial Statements

We have audited the accompanying balance sheets - regulatory basis of the various funds and account group of the Borough of Woodland Park in the County of Passaic, as of December 31, 2015 and 2014, the related statement of operations and changes in fund balance - regulatory basis for the years then ended, and the related statement of revenues - regulatory basis and statement of expenditures - regulatory basis of the various funds for the year ended December 31, 2015, and the related notes to the financial statements, which collectively comprise the Borough's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with the basis of accounting prescribed by the Division of Local Government Services, Department of Community Affairs, State of New Jersey. Management is also responsible for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatements, whether due to fraud or error.

Auditor's Responsibility

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



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 Woodland Park 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 Woodland Park as of December 31, 2015 and 2014, or changes in financial position for the years then ended.

Basis for Qualified Opinion on Regulatory Basis of Accounting

As described in Note 15 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 \$1,119,462 and \$1,042,023 for 2015 and 2014, respectively, were not audited and, therefore, we express no opinion on the LOSAP program.

Qualified Opinion on Regulatory Basis of Accounting

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

Other Matters

Other Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Borough of Woodland Park’s basic financial statements. The supplementary information listed in the table of contents and the letter of comments and recommendations sections 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 relate 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 2, 2016 on our consideration of the Borough of Woodland Park’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

The Honorable Mayor and
Members of the Borough Council
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matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Borough of Woodland Park's internal control over financial reporting and compliance.



Steven D. Wielkocz, C.P.A.
Registered Municipal Accountant
No. CROO413



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

March 2, 2016



BOROUGH OF WOODLAND PARK, N.J.

Comparative Balance Sheet-Regulatory Basis

Current Fund

December 31, 2015 and 2014

<u>Assets</u>	<u>Ref.</u>	<u>2015</u>	<u>2014</u>
Current Fund:			
Cash:			
Treasurer	A-4	\$ 5,108,621	5,215,901
Petty Cash		200	200
Change Fund	A-5	<u>310</u>	<u>310</u>
		<u>5,109,131</u>	<u>5,216,411</u>
Receivables and other assets with full reserves:			
Municipal liens receivable	A-6	3,199	
Delinquent property taxes receivable	A-7	467,629	406,510
Property acquired for taxes - assessed valuations	A-8	4,072,200	4,072,200
Revenue Accounts Receivable	A-9	25,651	23,020
Interfund Receivables	A-12	<u>187,466</u>	<u>910</u>
		<u>4,756,145</u>	<u>4,502,640</u>
Deferred charges:			
Emergency Appropriations	A-11		<u>100,000</u>
			<u>100,000</u>
		<u>9,865,276</u>	<u>9,819,051</u>
Federal and State Grant Funds:			
Due from Current Fund	A-24		2,407
Grant Receivable	A-26	<u>1,864,032</u>	<u>1,805,161</u>
		<u>1,864,032</u>	<u>1,807,568</u>
		<u>\$ 11,729,308</u>	<u>11,626,619</u>

BOROUGH OF WOODLAND PARK, N.J.
Comparative Balance Sheet-Regulatory Basis

Current Fund

December 31, 2015 and 2014

	<u>Ref.</u>	<u>2015</u>	<u>2014</u>
<u>Liabilities, Reserves and Fund Balance</u>			
Current Fund:			
Appropriation reserves	A-3,A-13	687,234	976,901
Encumbrances	A-3,A-13	389,414	219,332
Due to State of New Jersey-Senior Citizens	A-6	40,742	36,560
Interfunds Payable	A-12	11	2,656
Accounts Payable	A-14	36,662	14,313
Reserve for Library State Aid	A-15	8,555	7,621
Prepaid taxes	A-16	209,439	191,607
Road Opening Deposits	A-18	7,800	7,800
Regional School Taxes Payable	A-22	217	
Various Reserves	A-23	1,002,246	1,023,291
		2,382,320	2,480,081
Reserve for receivables		4,756,145	4,502,640
Fund balance	A-1	2,726,811	2,836,330
		7,482,956	7,338,970
		9,865,276	9,819,051
Federal and State Grant Funds:			
Reserve for Encumbrances	A-27	197,053	112,163
Appropriated Reserves	A-27	1,480,846	1,679,482
Unappropriated Reserves	A-28		15,923
Due to Current Fund	A-25	186,133	
		1,864,032	1,807,568
		\$ 11,729,308	11,626,619

See accompanying notes to financial statements.

BOROUGH OF WOODLAND PARK, N.J.

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

Current Fund

For the Years Ended December 31, 2015 and 2014

	<u>2015</u>	<u>2014</u>
Revenues and other income:		
Fund balance utilized	\$ 1,835,000	1,600,000
Miscellaneous revenue anticipated	2,876,616	2,878,603
Receipts from delinquent taxes	391,019	456,569
Receipts from current taxes	48,404,978	45,022,437
Non-budget revenue	163,859	79,835
Other credits to income:		
Interfunds returned	910	609,224
Grants Cancelled	26,025	
Unexpended balance of appropriation reserves	703,365	624,439
Accounts Payable Canceled	4,559	
	<hr/>	<hr/>
Total revenues and other income	54,406,331	51,271,107
Expenditures:		
Budget and emergency appropriations:		
Operations:		
Salaries and wages	5,569,367	5,530,601
Other expenses	7,858,619	7,324,388
Municipal debt service	1,743,689	1,627,452
Capital Improvement Fund	150,000	100,000
Deferred charges and statutory expenditures - municipal	1,318,687	1,147,463
Judgements		
County taxes	12,708,663	11,476,378
Due county for added taxes	72,412	143,778
Local district school tax	15,095,085	14,771,034
Regional high school tax	7,765,839	7,038,982
Municipal Open Space Tax	165,249	171,043
Interfund Advanced	183,855	
Prior year accounts payable	4,559	4,108
Grants Cancelled	25,000	2,483
Refund of prior year's revenue	19,826	24,109
	<hr/>	<hr/>
Total expenditures	52,680,850	49,361,819

BOROUGH OF WOODLAND PARK, N.J.

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

Current Fund

For the Years Ended December 31, 2015 and 2014

	<u>2015</u>	<u>2014</u>
Excess (Deficit) in revenues	1,725,481	1,909,288
Adjustment to income before fund balance - expenditures included above which are by statute deferred charges to budget of succeeding year		<u>100,000</u>
Statutory excess to fund balance	1,725,481	2,009,288
Fund balance, January 1	<u>2,836,330</u>	<u>2,427,042</u>
	4,561,811	4,436,330
Decreased by utilization as anticipated revenue	<u>1,835,000</u>	<u>1,600,000</u>
Fund balance, December 31	<u>\$ 2,726,811</u>	<u>2,836,330</u>

See accompanying notes to financial statements.

BOROUGH OF WOODLAND PARK, N.J.

Statement of Revenues-Regulatory Basis

Current Fund

Year ended December 31, 2015

	Budget	Realized	Excess (deficit)
Fund balance anticipated	\$ 1,835,000	1,835,000	
Miscellaneous revenues:			
Licenses:			
Alcoholic beverages	20,000	37,945	17,945
Other	4,000	6,116	2,116
Fees and permits	50,000	36,360	(13,640)
Fines and costs - Municipal Court	300,000	332,820	32,820
Interest and costs on taxes	100,000	83,924	(16,076)
Interest on investments and deposits	2,500	6,846	4,346
Cable Television Franchise Fee	55,258	55,258	
Cable Television Franchise Fee - Verizon	32,273	32,274	1
Consolidated Municipal Property Tax Relief Aid	92,212	79,224	(12,988)
Energy Receipts Tax	728,265	741,253	12,988
Watershed Moratorium Offset Aid	6,674	6,674	
Uniform construction code fees	300,000	325,027	25,027
Special items of general revenue anticipated with prior written consent of Director of Local Government Services - Public and Private revenues offset with appropriations:			
Recycling Tonnage Grant	13,247	13,247	
Drunk Driving Enforcement Fund	2,676	2,676	
Clean Communities	21,476	21,476	
Safe and Secure Communities Program	60,000	60,000	
Body Armor	2,605	2,605	
Drive Sober or Get Pulled Over	5,000	5,000	
Drive Sober Holiday Crackdown	5,000	5,000	
Alcohol Education Rehabilitation Fund	59	59	
Passaic County Open Space-Zaccaria Park	250,000	250,000	
FEMA Hazard Mitigation	129,600	129,600	
NJ DOT - McBride Streetscape Phase II	250,000	250,000	
PC Corridor Enhancement Fund	29,582	29,582	
CDBG - Ray/Radcliff Ave Improvements	60,000	60,000	
Other special items:			
Uniform Fire Safety Act	20,000	40,655	20,655
Life Hazard Use Fees	22,483	19,320	(3,163)
Reserve for Payment of Debt	150,000	150,000	
Sewer Connection Fees	50,000	52,800	2,800
General Capital Fund Balance	40,875	40,875	
Total miscellaneous revenues	2,803,785	2,876,616	72,831

BOROUGH OF WOODLAND PARK, N.J.

Statement of Revenues-Regulatory Basis

Current Fund

Year ended December 31, 2015

	<u>Budget</u>	<u>Realized</u>	<u>Excess (deficit)</u>
Receipts from delinquent taxes	400,000	391,019	(8,981)
Subtotal general revenues	5,038,785	5,102,635	63,850
Amount to be raised by taxes for support of municipal budget - local tax for municipal purposes including reserve for uncollected taxes	11,845,291		
Minimum Library Tax	571,161	12,754,747	338,295
Budget totals	17,455,237	17,857,382	402,145
Non-budget revenue		163,859	
	<u>\$ 17,455,237</u>	<u>18,021,241</u>	<u>402,145</u>
Adopted Budget	16,641,915		
Appropriated by N.J.S.A. 40A:4-87	813,322		
	<u>\$ 17,455,237</u>		

Analysis of Realized Revenues

Allocation of current tax collections:	
Revenue from collections	48,404,978
Allocated to local school, regional high school and county taxes	<u>36,384,231</u>
Balance for support of municipal budget appropriations	12,020,747
Add appropriation reserve for uncollected taxes	<u>734,000</u>
Budget appropriations	<u>\$ 12,754,747</u>
Receipts from delinquent taxes	
Delinquent tax collections	<u>\$ 391,019</u>

BOROUGH OF WOODLAND PARK, N.J.

Statement of Revenues-Regulatory Basis

Current Fund

Year ended December 31, 2015

	<u>Budget</u>	<u>Realized</u>	<u>Excess (deficit)</u>
<u>Analysis of Non-budget Revenues</u>			
Miscellaneous revenues not anticipated:			
Stickers		470	
Seniors and Veterans Administrative Fee		2,092	
Tax Searches		10	
Miscellaneous		106,624	
Duplicate Bills		710	
Street Lighting - County		3,074	
Police Outside Duty Administrative Fee		42,648	
Insurance Reimbursement		5,784	
Scrap Metal		2,186	
Recycling Bags		<u>261</u>	
		<u>\$ 163,859</u>	

See accompanying notes to financial statements.

BOROUGH OF WOODLAND PARK, N.J.
Statement of Expenditures - Regulatory Basis

Current Fund

Year Ended December 31, 2015

	<u>Budget</u>	<u>Budget after Modification and Transfer</u>	<u>Paid or Charged</u>	<u>Reserved</u>	<u>Unexpended Balance Canceled</u>
General Government:					
Administration:					
Salaries and Wages	\$ 270,148	271,648	271,449	199	
Other Expenses	87,200	87,200	86,092	1,108	
Mayor and Council:					
Salaries and Wages	52,534	52,534	52,534		
Elections:					
Other Expenses	8,000	8,000	7,007	993	
Financial Administration:					
Salaries and Wages	97,860	87,860	81,390	6,470	
Other Expenses					
Annual Audit	70,150	70,150	9,925	60,225	
Miscellaneous Other Expenses	65,000	50,000	35,435	14,565	
Cost of Registration of Bonds	1,000				
Collection of Taxes:					
Salaries and Wages	41,030	41,030	38,627	2,403	
Other Expenses	16,600	16,600	14,952	1,648	
Liquidation of Tax Title Liens and Foreclosed Property:					
Other Expense	500				
Assessment of Taxes:					
Salaries and Wages	35,575	35,575	31,153	4,422	
Other Expenses	70,000	80,000	59,945	20,055	
Legal Services and Cost:					
Other Expenses	95,000	127,000	107,783	19,217	
Planner- Mt. Laurel Litigation	25,000	35,000	28,135	6,865	
Engineering Services and Costs:					
Other Expenses	30,000	20,000	4,104	15,896	

BOROUGH OF WOODLAND PARK, N.J.
Statement of Expenditures - Regulatory Basis

Current Fund

Year Ended December 31, 2015

	<u>Budget</u>	<u>Budget after Modification and Transfer</u>	<u>Paid or Charged</u>	<u>Reserved</u>	<u>Unexpended Balance Canceled</u>
Municipal Land Use Law (N.J.S.A. 40:55D-1 et seq.)					
Planning Board:					
Salaries and Wages	9,310	9,310	9,309	1	
Other Expenses	3,100	3,100	246	2,854	
Zoning Board of Adjustment:					
Salaries and Wages	7,660	9,260	5,856	3,404	
Other Expenses	3,450	1,850	285	1,565	
Insurance:					
Other Insurance Premiums	778,584	778,584	777,720	864	
Surety Bond Premiums	4,500	4,500	2,454	2,046	
Group Insurance Plan for Employees	2,012,282	1,968,782	1,965,483	3,299	
Health Benefit Waiver	41,000	43,000	42,963	37	
Public Safety:					
Police:					
Salaries and Wages	3,141,965	3,141,965	3,037,178	104,787	
Other Expenses	108,000	108,000	102,171	5,829	
Maintenance of Fire Alarm System:					
Salaries and Wages	3,575	4,405	4,402	3	
Other Expenses	5,000	5,000	2,809	2,191	
Emergency Management:					
Salaries and Wages	5,805	7,155	7,153	2	
Other Expenses	5,360	5,360	3,405	1,955	
First Aid Organization-Contribution	20,837	20,837	20,837		
Fire:					
Clothing Allowance	55,543	55,543	55,543		
Miscellaneous Other Expenses	96,586	100,586	95,067	5,519	
Uniform Fire Safety Act: (P.L. 1983 Chap. 383)					
Salaries and Wages	29,695	29,695	26,373	3,322	
Life Hazard Use Fee Payments:					
Salaries and Wages	46,800	46,800	46,796	4	
Other Expenses	7,000	7,525	7,497	28	

BOROUGH OF WOODLAND PARK, N.J.
Statement of Expenditures - Regulatory Basis

Current Fund

Year Ended December 31, 2015

	<u>Budget</u>	<u>Budget after Modification and Transfer</u>	<u>Paid or Charged</u>	<u>Reserved</u>	<u>Unexpended Balance Canceled</u>
Municipal Prosecutor:					
Salaries and Wages	17,360	17,360	17,359	1	
Public Works Function:					
Road Repairs and Maintenance:					
Salaries and Wages	913,635	903,635	886,441	17,194	
Other Expenses	72,000	82,000	73,229	8,771	
Sanitation:					
Garbage and Trash Removal					
Contract - Collections	963,966	953,966	807,234	146,732	
Recycling:					
Other Expenses	5,000	5,000	2,999	2,001	
Sewer System					
Salaries and Wages	206,425	206,425	198,074	8,351	
Other Expenses	95,000	95,000	81,931	13,069	
Public Buildings and Grounds:					
Salaries and Wages	29,015	29,015	25,183	3,832	
Other Expenses	47,000	47,000	43,513	3,487	
Vehicle Maintenance:					
Salaries and Wages	91,050	92,050	90,583	1,467	
Other Expenses	51,000	51,000	46,760	4,240	
Snow Reserve	78,000	108,000	108,000		
Health and Welfare:					
Board of Health:					
Salaries and Wages	35,610	39,110	38,755	355	
Other Expenses	4,000	4,000	3,294	706	
Health Services - Contractual	22,960	22,960	22,960		
Animal Welfare:					
Other Expenses	17,500	17,500	17,500		

BOROUGH OF WOODLAND PARK, N.J.
Statement of Expenditures - Regulatory Basis

Current Fund

Year Ended December 31, 2015

	<u>Budget</u>	<u>Budget after Modification and Transfer</u>	<u>Paid or Charged</u>	<u>Reserved</u>	<u>Unexpended Balance Canceled</u>
Parks and Recreation:					
West Paterson Youth and Senior Citizens Center:					
Salaries and Wages	22,020	22,020	20,899	1,121	
Other Expenses	8,500	8,500	2,699	5,801	
West Paterson Boys & Girls Club OE	3,972	3,972	3,972		
Parks and Playgrounds:					
Salaries and Wages	47,735	47,735	36,382	11,353	
Other Expenses	55,000	55,000	39,039	15,961	
Other Common Unclassified:					
Celebration of Public Events, Anniversary or Holiday					
Other Expenses	6,000	6,000	5,312	688	
Municipal Court:					
Salaries and Wages	164,650	160,650	154,805	5,845	
Other Expenses	23,000	27,000	24,826	2,174	
Public Defender:					
Salaries and Wages	11,840	11,840	11,836	4	
Board of Health - (OSHA):					
Blood Borne Pathogens	500				
Uniform Construction Code-					
Appropriations Offset by Dedicated					
Revenues (N.J.A.C. 5:23-4.17)					
Uniform Construction Code Officials:					
Salaries and Wages	269,205	271,215	270,079	1,136	
Other Expenses	6,000	7,200	6,758	442	
Plumbing Inspector:					
Salaries and Wages	12,455	12,455	12,455		
Fire Protection Official:					
Salaries and Wages	5,780	5,780	5,779	1	
Building Inspector:					
Salaries and Wages	500				
Other Expenses	1,500	1,500	137	1,363	

BOROUGH OF WOODLAND PARK, N.J.
Statement of Expenditures - Regulatory Basis

Current Fund

Year Ended December 31, 2015

	<u>Budget</u>	<u>Budget after Modification and Transfer</u>	<u>Paid or Charged</u>	<u>Reserved</u>	<u>Unexpended Balance Canceled</u>
Elevator Inspection Fees:					
Other Expenses	18,000	18,000	18,000		
Electrical Inspections:					
Salaries and Wages	12,755	12,840	12,521	319	
Other Expenses	1,000	1,000	100	900	
Unclassified:					
Electric & Gas	115,000	90,000	78,183	11,817	
Street Lighting	118,000	93,000	87,408	5,592	
Telephone	38,778	33,778	27,734	6,044	
Fire Hydrant Services	35,945	35,945	32,845	3,100	
Gasoline	185,000	118,000	83,884	34,116	
Total Operations within "CAPS"	11,164,305	11,051,305	10,441,546	609,759	
Detail:					
Salaries & Wages	5,581,992	5,569,367	5,393,371	175,996	
Other Expenses (Including Contingent)	5,582,313	5,481,938	5,048,175	433,763	
	11,164,305	11,051,305	10,441,546	609,759	
Deferred Charges and Statutory Expenditures- Municipal within "CAPS"					
Statutory Expenditures:					
Contribution to:					
Public Employees' Retirement System	304,705	301,705	301,341	364	
Social Security System (O.A.S.I.)	225,000	243,000	241,671	1,329	
Police and Firemen's Retirement System of NJ	653,982	653,982	653,982		
Unemployment Compensation Insurance	18,000	18,000	16,616	1,384	
Defined Contribution Retirement Program	4,000	2,000	1,875	125	
Total Deferred Charged and Statutory Expenditures-Municipal within "CAPS"	1,205,687	1,218,687	1,215,485	3,202	
Total General Appropriations for Municipal Purposes within "CAPS"	12,369,992	12,269,992	11,657,031	612,961	

BOROUGH OF WOODLAND PARK, N.J.
Statement of Expenditures - Regulatory Basis

Current Fund

Year Ended December 31, 2015

	<u>Budget</u>	<u>Budget after Modification and Transfer</u>	<u>Paid or Charged</u>	<u>Reserved</u>	<u>Unexpended Balance Canceled</u>
Operations Excluded from "CAPS"					
Passaic Valley Sewerage Charge	880,645	880,645	880,645		
Stormwater Management - Other Expenses	25,000	25,000	4,918	5,082	15,000
LOSAP Program - Contribution	85,630	85,630	85,630		
Maintenance of Free Public Library					
Other Expenses	571,161	571,161	501,970	69,191	
Group Health Benefits	58,161	58,161			58,161
Total Other Operations - Excluded from "CAPS"	1,620,597	1,620,597	1,473,163	74,273	73,161
Public and Private Programs Offset by Revenues					
Clean Communities Program-Recycling:					
Other Expenses	21,476	21,476	21,476		
Drive Sober or Get Pulled Over	5,000	5,000	5,000		
Drive Sober Holiday Crackdown	5,000	5,000	5,000		
Community Development Block Grant					
Ray/Radeliff Ave	60,000	60,000	60,000		
Druck Driving Enforcement Fund:					
Police - Other Expenses	2,676	2,676	2,676		
Disaster Recovery					
Body Armor Fund	2,605	2,605	2,605		
Recycling Tonnage Grant	13,247	13,247	13,247		
Passaic County Open Space					
Zaccaria Park	250,000	250,000	250,000		
NJ DOT - McBride Streetscape Phase 2	250,000	250,000	250,000		
County Corridor Enhancement Fund	29,582	29,582	29,582		
FEMA - Hazard Mitigation	129,600	129,600	129,600		
Alcohol Education Rehabilitation & Enforcement Fund	59	59	59		
Safe and Secure Communities	60,000	60,000	60,000		

BOROUGH OF WOODLAND PARK, N.J.
Statement of Expenditures - Regulatory Basis

Current Fund

Year Ended December 31, 2015

	<u>Budget</u>	<u>Budget after Modification and Transfer</u>	<u>Paid or Charged</u>	<u>Reserved</u>	<u>Unexpended Balance Canceled</u>
Total Public and Private Programs Offset by Revenues	829,245	829,245	829,245		
Total Operations-Excluded from "CAPS"	2,449,842	2,449,842	2,302,408	74,273	73,161
Detail:					
Salaries and Wages	2,449,842	2,449,842	2,302,408	74,273	73,161
Other Expenses	2,449,842	2,449,842	2,302,408	74,273	73,161
Capital Improvements - Excluded from "CAPS"	50,000	150,000	150,000		
Capital Improvement Fund	50,000	150,000	150,000		
Total Capital Improvements Excluded from "CAPS"	50,000	150,000	150,000		
Municipal Debt Service - Excluded from "CAPS"					
Payment of Bond Principal	835,000	835,000	835,000		
Payment of Bond Anticipation Notes and Capital Notes	270,473	270,473	270,473		
Interest on Bonds	422,991	422,991	422,991		
Interest on Notes	57,250	57,250	57,250		
Bergen County Improvement Authority					
Principal	25,000	25,000	25,000		
Interest	17,550	17,550	17,550		
Waste Water Treatment Trust Fund:					
Principal	96,435	96,435	96,435		7,714
Interest	26,704	26,704	18,990		
Total Municipal Debt Service-Excluded from "CAPS"	1,751,403	1,751,403	1,743,689		7,714
Deferred Charges - Municipal - Excluded from "CAPS"					
Special Emergency Authorizations	100,000	100,000	100,000		
5 years (N.J.S. 40A:4-55)					
Total Deferred Charges - Municipal -Excluded from "CAP"	100,000	100,000	100,000		

BOROUGH OF WOODLAND PARK, N.J.
Statement of Expenditures - Regulatory Basis

Current Fund

Year Ended December 31, 2015

	Budget	Budget after Modification and Transfer	Paid or Charged	Reserved	Unexpended Balance Canceled
Total General Appropriations for Municipal Purposes Excluded from "CAPS"	<u>4,351,245</u>	<u>4,451,245</u>	<u>4,296,097</u>	<u>74,273</u>	<u>80,875</u>
Subtotal General Appropriations	<u>16,721,237</u>	<u>16,721,237</u>	<u>15,953,128</u>	<u>687,234</u>	<u>80,875</u>
Reserve for Uncollected Taxes	<u>734,000</u>	<u>734,000</u>	<u>734,000</u>		
Total General Appropriations	<u>\$ 17,455,237</u>	<u>\$ 17,455,237</u>	<u>\$ 16,687,128</u>	<u>\$ 687,234</u>	<u>\$ 80,875</u>

Adopted Budget \$ 16,641,915
 Appropriated by N.J.S.A. 40A4-89 813,322
\$ 17,455,237

Reserve for Uncollected Taxes \$ 734,000
 Deferred Charges 100,000
 Transferred to Federal and State Grant Fund 829,245
 Encumbrances 389,414
 Cash 14,634,469
\$ 16,687,128

See accompanying notes to the financial statements.

BOROUGH OF WOODLAND PARK, N.J.

Comparative Balance Sheet - Regulatory Basis

Trust Funds

December 31, 2015 and 2014

<u>Assets</u>	<u>Ref.</u>	<u>2015</u>	<u>2014</u>
Assessment Fund:			
Assessment receivable	B-2	\$ <u>6,119</u>	<u>6,119</u>
Dog License Fund			
Cash - Treasurer	B-1	<u>4,105</u>	<u>3,870</u>
		<u>4,105</u>	<u>3,870</u>
Other Trust Funds:			
Cash - Treasurer	B-1	983,165	1,120,663
Due from Current Fund	B-5	<u>11</u>	<u>249</u>
		<u>983,176</u>	<u>1,120,912</u>
New Jersey Unemployment Compensation Insurance Fund			
Cash	B-1	<u>20,971</u>	<u>14,774</u>
Community Development Trust Fund:			
Cash	B-1	<u>641</u>	<u>641</u>
Emergency Services Volunteer Length of Service Award Program (unaudited):			
Cash	B-1	1,042,656	948,720
Service Award Contributions Receivable	B-10	<u>76,806</u>	<u>93,303</u>
		<u>1,119,462</u>	<u>1,042,023</u>
		<u>\$ 2,134,474</u>	<u>2,188,339</u>

BOROUGH OF WOODLAND PARK, N.J.

Comparative Balance Sheet - Regulatory Basis

Trust Funds

December 31, 2015 and 2014

	<u>Ref.</u>	<u>2015</u>	<u>2014</u>
<u>Liabilities, Reserves and Fund Balance</u>			
Assessment Fund:			
Reserve for assessments	B-3	<u>6,119</u>	<u>6,119</u>
Dog License Fund:			
Reserve for Dog Fund expenditures	B-6	3,270	2,960
Due to Current Fund	B-5	<u>835</u>	<u>910</u>
		<u>4,105</u>	<u>3,870</u>
Other Trust Funds:			
Due to Current Fund	B-5	2	
Reserve for:			
Various Reserves	B-7	<u>983,174</u>	<u>1,120,912</u>
		<u>983,176</u>	<u>1,120,912</u>
Unemployment Compensation Insurance Fund:			
Reserve for New Jersey Unemployment Compensation Insurance Fund	B-8	<u>20,971</u>	<u>14,774</u>
Community Development Trust Fund:			
Reserve for Expenditures	B-9	<u>641</u>	<u>641</u>
		<u>641</u>	<u>641</u>
Emergency Services Volunteer Length of Service Award Program (unaudited):			
Net Assets Available for Benefits	B-11	<u>1,119,462</u>	<u>1,042,023</u>
		<u>\$ 2,134,474</u>	<u>2,188,339</u>

See accompanying notes to financial statements.

BOROUGH OF WOODLAND PARK, N.J.

Comparative Balance Sheet - Regulatory Basis

General Capital Fund

December 31, 2015 and 2014

<u>Assets</u>	<u>Ref.</u>	<u>2015</u>	<u>2014</u>
Cash	C-2,C-3	\$ 2,120,160	2,362,912
Deferred Charges to Future Taxation:			
Funded	C-4	10,870,575	11,827,011
Unfunded	C-5	11,366,339	9,492,079
Grants Receivable:			
Department of Transportation	C-6	98,661	98,661
Department of Agriculture	C-7	2,298	2,298
Community Development Block Grant	C-9	412,253	305,460
Due from NJ Wastewater Trust Fund Loans	C-8	4,326	4,326
		<u>\$ 24,874,612</u>	<u>24,092,747</u>
<u>Liabilities, Reserves and Fund Balance</u>			
Bond Anticipation Notes	C-16	7,089,027	5,725,000
General Serial Bonds Payable	C-17	9,707,000	10,542,000
Capital Leases Payable	C-18	280,000	305,000
New Jersey Wastewater Loan Payable	C-19	353,575	400,011
New Jersey Wastewater Trust Fund Loan Payable	C-20	530,000	580,000
Due to Current Fund	C-10	496	
Capital Improvement Fund	C-11	148,321	46,321
Improvement authorization - Funded	C-12	742,987	789,939
Improvement authorization - Unfunded	C-12	4,672,165	3,602,323
Reserve for Encumbrances	C-13	987,641	1,795,073
Reserve for Payment of Debt	C-14	178,950	266,205
Reserve for CDBG Grants Receivable	C-15	106,793	
Fund Balance	C-1	77,657	40,875
		<u>\$ 24,874,612</u>	<u>24,092,747</u>

There were bonds and notes authorized but not issued on December 31, 2015 and 2014 of \$4,277,312 and \$3,767,079 (Exhibit C-21).

See accompanying notes to financial statements.

BOROUGH OF WOODLAND PARK, N.J.

Comparataive Statement of Fund Balance - Regulatory Basis

General Capital Fund

For the Year Ended December 31,

	<u>2015</u>	<u>2014</u>
Balance, December 31,	\$ 40,875	21,883
Increased by:		
Premiums on Sale of Bond Anticipation Notes	<u>77,657</u>	<u>40,874</u>
	<u>118,532</u>	<u>62,757</u>
Decreased by:		
Interfund-Currenet Fund	<u>40,875</u>	<u>21,882</u>
Balance, December 31,	<u><u>\$ 77,657</u></u>	<u><u>40,875</u></u>

See accompanying notes to financial statements.

BOROUGH OF WOODLAND PARK, N.J.

Comparative Balance Sheet - Regulatory Basis

Water Utility Operating Fund

December 31, 2015 and 2014

<u>Assets</u>	<u>Ref.</u>	<u>2015</u>	<u>2014</u>
Water Utility Operating Fund:			
Cash - Treasurer	D-5	\$ <u>988,691</u>	<u>631,569</u>
Receivables with full reserves:			
Consumers' accounts receivable	D-7	82,375	67,078
Due from Water Utility Capital	D-8	<u>313</u>	<u> </u>
		82,688	
Total Water Utility Operating Fund		<u>1,071,379</u>	<u>698,647</u>
Capital Fund:			
Cash - Treasurer	D-5,D-6	1,383,723	1,542,623
Due from Infrastructure Trust Fund - Unexpended			
Loan Proceeds - Project Credits Receivable	D-9	128,958	128,958
Fixed Capital	D-10	2,570,311	2,570,311
Fixed Capital Authorized and Uncompleted	D-11	<u>2,291,710</u>	<u>2,291,710</u>
Total Capital Fund		<u>6,374,702</u>	<u>6,533,602</u>
		<u>\$ 7,446,081</u>	<u>7,232,249</u>

BOROUGH OF WOODLAND PARK, N.J.

Comparative Balance Sheet - Regulatory Basis

Water Utility Operating Fund

December 31, 2015 and 2014

<u>Liabilities, Reserves and Fund Balance</u>	<u>Ref.</u>	<u>2015</u>	<u>2014</u>
Water Utility Operating Fund:			
Appropriation Reserves	D-4,D-12	91,847	199,552
Reserve for Encumbrances	D-4	289,396	53,238
Reserve for Outside Liens	D-13	1,911	1,911
Overpayments	D-14	18,037	4,966
Accrued Interest on Bonds	D-15	7,936	9,758
		<u>409,127</u>	<u>269,425</u>
Reserve for receivables	Contra	82,375	67,078
Fund balance	D-1	579,877	363,054
		<u>1,071,379</u>	<u>699,557</u>
Total Water Utility Operating Fund			
Capital Fund:			
Improvement authorization:			
Funded	D-16		39,580
Unfunded	D-16	179,096	1,330,649
Reserve for Encumbrances	D-16	1,190,530	
Capital Improvement Fund	D-17	244,053	309,653
Down Payment on Capital Improvements	D-18	1,500	1,500
Due to Water Utility Operating Fund	D-19	313	
Reserve for:			
Amortization	D-20	2,959,874	2,754,369
Deferred Amortization	D-21	58,000	58,000
Debt Service	D-22	451,757	537,945
Serial Bonds Payable	D-23	147,000	292,000
Infrastructure Trust Loans Payable	D-24	442,579	503,084
Bond Anticipation Notes Payable	D-25	700,000	700,000
Fund Balance	D-2		6,822
		<u>6,374,702</u>	<u>6,533,602</u>
Total Capital Fund		<u>6,374,702</u>	<u>6,533,602</u>
		<u>\$ 7,446,081</u>	<u>7,233,159</u>

There were bonds and notes authorized but not issued at December 31, 2015 and December 31, 2014 of \$683,526 and \$683,526 (Exhibit D-26).

See accompanying notes to financial statements.

BOROUGH OF WOODLAND PARK, N.J.

Statement of Operations and Changes in Fund Balance - Regulatory Basis

Water Utility Operating Fund

For the Years Ended December 31, 2015 and 2014

	<u>2015</u>	<u>2014</u>
Revenue and other income:		
Fund balance utilized	\$ 350,000	289,000
Water rents	2,222,395	1,651,657
Water rents-Additional		175,086
Miscellaneous	87,077	83,759
Reserve to Pay Debt Service	86,188	157,624
Capital Surplus	6,822	200,000
Unexpended balance appropriation reserve	119,342	199,238
	<u>2,871,824</u>	<u>2,756,364</u>
Total revenue and other income		
Expenditures:		
Operating	1,937,510	1,696,466
Capital Improvements	100,100	435,234
Debt service	216,291	211,917
Deferred charges and statutory expenditures	51,100	72,896
	<u>2,305,001</u>	<u>2,416,513</u>
Total expenditures		
Excess (Deficit) in revenues	566,823	339,851
Statutory excess to fund balance	566,823	339,851
Fund balance, January 1	<u>363,054</u>	<u>312,203</u>
	929,877	652,054
Decreased by utilization by water operating budget	<u>350,000</u>	<u>289,000</u>
Balance, December 31	<u>\$ 579,877</u>	<u>363,054</u>

See accompanying notes to financial statements.

BOROUGH OF WOODLAND PARK, N.J.
Statement of Fund Balance - Regulatory Basis
Water Utility Capital Fund
For the Years Ended December 31,

	<u>2015</u>	<u>2014</u>
Balance - January 1,	\$ <u>6,822</u>	<u>555</u>
Increased by:		
Improvement Authorizations Cancelled		201,267
Premium on Note Sale		<u>5,000</u>
		<u>206,267</u>
	6,822	206,822
Decreased by:		
Budgeted Revenue	<u>6,822</u>	<u>200,000</u>
Balance - December 31,	\$ <u><u>6,822</u></u>	<u><u>6,822</u></u>

See accompanying notes to financial statements.

BOROUGH OF WOODLAND PARK, N.J.

Statement of Revenues - Regulatory Basis

Water Utility Operating Fund

Year ended December 31, 2015

	<u>Anticipated</u>	<u>Realized</u>	<u>Excess (deficit)</u>
Operating surplus anticipated	\$ 350,000	350,000	
Rents	1,815,000	2,222,395	407,395
Miscellaneous	75,000	87,077	12,077
Reserve to Pay Debt Service	86,188	86,188	
Capital Surplus	6,822	6,822	
	<u>\$ 2,333,010</u>	<u>2,752,482</u>	<u>419,472</u>
		Cash Received	2,302,215
		Interfunds	96,801
		Overpayments Applied	3,466
		Surplus Anticipated	<u>350,000</u>
		<u>\$ 2,752,482</u>	

Analysis of Realized Revenue

Rents	<u>\$ 2,222,395</u>
Interest on Investments	3,478
Interest on Delinquent Collections	7,295
Meter Installations	<u>76,304</u>
	<u>\$ 87,077</u>

See accompanying notes to financial statements.

BOROUGH OF WOODLAND PARK, N.J.

Statement of Expenditures - Regulatory Basis

Water Utility Operating Fund

Year ended December 31, 2015

	Appropriations		Expended		Canceled
	Budget	Budget after modification	Paid or charged	Reserved	
Operating:					
Salaries and wages	\$ 418,450	408,450	404,857	3,593	
Other expenses	1,619,060	1,529,060	1,451,646	77,414	
Total operating	2,037,510	1,937,510	1,856,503	81,007	
Capital Improvements					
Capital Outlay	100	100,100	89,950	10,150	
	100	100,100	89,950	10,150	
Debt Service:					
Payment of Bond Principal	145,000	145,000	145,000		
Interest on Bonds	11,500	11,500	11,453		47
Interest on Notes	10,800	10,800	6,822		3,978
Infrastructure Trust Loans	77,000	77,000	53,016		23,984
	244,300	244,300	216,291		28,009
Statutory expenditures - contribution to:					
Social Security System (O.A.S.I.)	51,000	51,000	50,410	590	
Unemployment Compensation Insurance (N.J.S.A. 43:21-3 et seq.)	100	100		100	
Total deferred charges and statutory expenditures	51,100	51,100	50,410	690	
	\$ 2,333,010	2,333,010	2,213,154	91,847	28,009
			Cash disbursed \$ 1,859,289		
			Reserve for Encumbrances 289,396		
			Accrued Interest on Bonds 64,469		
			\$ 2,213,154		

See accompanying notes to financial statements.

BOROUGH OF WOODLAND PARK, N.J.

**Comparative Statement of General Fixed
Assets-Regulatory Basis**

General Fixed Assets Account Group

December 31, 2015 and 2014

	<u>2015</u>	<u>2014</u>
General Fixed Assets:		
Land	\$ 10,949,113	10,938,963
Buildings	9,452,432	9,452,432
Automobiles and Vehicles	6,178,721	6,098,550
Machinery and equipment	<u>1,818,472</u>	<u>1,770,478</u>
Investment in General Fixed Assets	<u>\$ 28,398,738</u>	<u>28,260,423</u>

See accompanying notes to financial statements.

BOROUGH OF WOODLAND PARK
Notes to Financial Statements
Years Ended December 31, 2015 and 2014

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The Governmental Accounting Standards Board (GASB) is the accepted standard-setting body for establishing governmental accounting and financial reporting principles. The GASB Codification establishes seven fund types and two account groups to be used by governmental units when reporting financial position and results of operations in accordance with accounting principles generally accepted in the United States of America (GAAP).

The financial statements of the Borough of Woodland Park 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 Woodland Park (the "Woodland Park") 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 volunteer fire department which is considered a component unit under GAAP. Complete financial statements of the above components can be obtained by contacting the Treasurer of the respective entity.

BOROUGH OF WOODLAND PARK
Notes to Financial Statements
Years Ended December 31, 2015 and 2014
(continued)

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

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

The Borough uses funds, as required by the Division, to report on its financial position and the results of its operations. Fund accounting is designed to demonstrate legal compliance and to aid financial administration by segregating transactions related to certain Borough functions or activities. An account group, on the other hand, is designed to provide accountability for certain assets and liabilities that are not recorded in those Funds.

The Borough has the following funds and account group:

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 License Trust 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 assessments for improvements levied against the improved properties.

Community Development Block Grant Trust Fund - This fund is used to account for the award of and subsequent receipt and disbursements related to Community Development Block Grants.

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 Utility Operating Fund - This fund is used to account for all revenues and expenditures applicable to the operations of the water department.

BOROUGH OF WOODLAND PARK
Notes to Financial Statements
Years Ended December 31, 2015 and 2014
(continued)

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

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

Water Utility Capital Fund – This fund is used to account for financial resources to be used for the acquisition or improvement of water capital facilities. The major resources are derived from the issuance of debt.

Payroll Account – This account is used for all net payroll checks distributed to employees.

General Fixed Assets 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 Woodland Park. 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 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. Additionally, a 6% penalty is assessed for balances over \$10,000 if not paid by the end of the calendar year. 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 the 11th day of the 11th month of the current 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

BOROUGH OF WOODLAND PARK
Notes to Financial Statements
Years Ended December 31, 2015 and 2014
(continued)

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

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

Basis of Accounting, (continued)

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 Utility 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 Utility 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.

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

General Capital Fund
Trust Fund
Water Utility 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

BOROUGH OF WOODLAND PARK
Notes to Financial Statements
Years Ended December 31, 2015 and 2014
(continued)

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

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

Basis of Accounting, (continued)

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 years ended December 31, 2015 and 2014, the Governing Body approved additional revenues and appropriations of \$813,322 and \$738,489, respectively, in accordance with N.J.S.A. 40A:4-87. The Governing Body also approved \$100,000 of emergency appropriations for reassessment in 2014. In addition, several budget transfers were approved by the Governing Body in 2015 and 2014.

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.

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.

BOROUGH OF WOODLAND PARK
Notes to Financial Statements
Years Ended December 31, 2015 and 2014
(continued)

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

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

Basis of Accounting, (continued)

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 fair value which approximates cost and are limited by N.J.S.A. 40A:5-15.1(a).

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 Woodland Park has developed a fixed assets 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.

Fixed assets acquired by the Water Utility Fund are capitalized as Fixed Capital and not depreciated.

BOROUGH OF WOODLAND PARK
Notes to Financial Statements
Years Ended December 31, 2015 and 2014
(continued)

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

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

Basis of Accounting, (continued)

All fixed assets are valued at historical cost or estimated historical cost if actual historical cost is not available.

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.

Comparative Data - Comparative data for the prior year has been presented in the accompanying balance sheets and statements of operations in order to provide an understanding of changes in the Borough's financial position and operations. However, comparative data have not been presented in all statements because their inclusion would make certain statements unduly complex and difficult to understand.

Recent Accounting Pronouncements

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

BOROUGH OF WOODLAND PARK
Notes to Financial Statements
Years Ended December 31, 2015 and 2014
(continued)

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

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

Basis of Accounting, (continued)

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

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

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.

BOROUGH OF WOODLAND PARK
Notes to Financial Statements
Years Ended December 31, 2015 and 2014
(continued)

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

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

Basis of Accounting, (continued)

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

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

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.

BOROUGH OF WOODLAND PARK
Notes to Financial Statements
Years Ended December 31, 2015 and 2014
(continued)

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

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

Basis of Accounting, (continued)

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

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

C. Basic Financial Statements

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

NOTE 2. CASH, CASH EQUIVALENTS AND INVESTMENTS

Cash

Custodial Credit Risk - Deposits

Custodial credit risk is the risk that in the event of a bank failure, the government's deposits may not be returned to it. The Borough's policy is based on New Jersey Statutes requiring cash be deposited only in New Jersey based banking institutions that participate in New Jersey

BOROUGH OF WOODLAND PARK
Notes to Financial Statements
Years Ended December 31, 2015 and 2014
(continued)

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

Governmental Depository Protection Act (GUDPA) or in qualified investments established in New Jersey Statutes 40A:5-15.1(a) that are treated as cash equivalents. As of December 31, 2015 and 2014, \$-0- of the Borough's bank balance of \$10,778,609 and \$11,055,916, respectively, were 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.

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 13, 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 AIG, which is an authorized provider approved by the Division of Local Government Services. The balance in the account on December 31, 2015 and 2014 amounted to \$1,042,656 and \$948,720, respectively.

BOROUGH OF WOODLAND PARK
Notes to Financial Statements
Years Ended December 31, 2015 and 2014
(continued)

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

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

	<u>2015</u>	<u>2014</u>
Money Market Funds	\$141,114	\$114,012
Science and Technology	58,258	48,786
Fixed Account Plus	336,720	314,428
Stock Index Fund	264,264	248,319
All Others	<u>242,300</u>	<u>223,175</u>
Total	<u>\$1,042,656</u>	<u>\$948,720</u>

NOTE 3. MUNICIPAL DEBT

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

	<u>Balance</u> <u>Dec. 31, 2014</u>	<u>Additions</u>	<u>Reductions</u>	<u>Balance</u> <u>Dec. 31, 2015</u>	<u>Amounts Due</u> <u>Within</u> <u>One Year</u>
Bonds Payable:					
General Capital	\$10,542,000	\$	\$835,000	\$9,707,000	\$862,000
Water Capital	<u>292,000</u>	<u> </u>	<u>145,000</u>	<u>147,000</u>	<u>147,000</u>
Total Bonds Payable	<u>10,834,000</u>	<u> </u>	<u>980,000</u>	<u>9,854,000</u>	<u>1,009,000</u>
Other Liabilities:					
PERS/PFRS Pension Deferral	217,460		18,246	199,214	21,629
Compensated Absences Payable	1,915,609	99,683	24,545	1,990,747	
Capital Lease Payable	305,000		25,000	280,000	30,000
New Jersey Infrastructure Trust:					
Wastewater Loans - General Capital	980,011		96,436	883,575	95,226
Wastewater Loans - Water Capital	<u>503,084</u>	<u> </u>	<u>60,505</u>	<u>442,579</u>	<u>59,727</u>
Total Other Liabilities	<u>3,921,164</u>	<u>99,683</u>	<u>224,732</u>	<u>3,796,115</u>	<u>206,582</u>
	<u>\$14,755,164</u>	<u>\$99,683</u>	<u>\$1,204,732</u>	<u>\$13,650,115</u>	<u>\$1,215,582</u>

BOROUGH OF WOODLAND PARK
Notes to Financial Statements
Years Ended December 31, 2015 and 2014
(continued)

NOTE 3. MUNICIPAL DEBT, (continued)

	Balance			Balance	Amounts Due
	<u>Dec. 31, 2013</u>	<u>Additions</u>	<u>Reductions</u>	<u>Dec. 31, 2014</u>	<u>Within</u> <u>One Year</u>
Bonds Payable:					
General Capital	\$11,307,000	\$	\$765,000	\$10,542,000	\$835,000
Water Capital	<u>432,000</u>	<u> </u>	<u>140,000</u>	<u>292,000</u>	<u>145,000</u>
Total Bonds Payable	<u>11,739,000</u>	<u> </u>	<u>905,000</u>	<u>10,834,000</u>	<u>980,000</u>
Other Liabilities:					
PERS/PFRS Pension Deferral	235,594		18,134	217,460	18,246
Compensated Absences Payable	1,778,940	194,120	57,451	1,915,609	
Capital Lease Payable	330,000		25,000	305,000	25,000
New Jersey Infrastructure Trust:					
Wastewater Loans - General Capital	1,077,794		97,783	980,011	96,436
Wastewater Loans - Water Capital	<u>564,368</u>	<u> </u>	<u>61,284</u>	<u>503,084</u>	<u>60,505</u>
Total Other Liabilities	<u>3,986,696</u>	<u>194,120</u>	<u>259,652</u>	<u>3,921,164</u>	<u>200,187</u>
	<u>\$15,725,696</u>	<u>\$194,120</u>	<u>\$1,164,652</u>	<u>\$14,755,164</u>	<u>\$1,180,187</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.

The Borough's debt is summarized as follows:

Summary of Municipal Debt (Excluding Current Operating Debt)

	<u>Year 2015</u>	<u>Year 2014</u>	<u>Year 2013</u>
<u>Issued:</u>			
General - Bonds, Notes and Loans	\$17,679,602	\$17,247,011	\$16,609,794
Water Utility - Bonds, Notes and Loans	<u>1,289,579</u>	<u>1,495,084</u>	<u>996,368</u>
	<u>18,969,181</u>	<u>18,742,095</u>	<u>17,606,162</u>
<u>Authorized But Not Issued</u>			
General - Bonds and Notes	4,277,312	3,767,079	2,700,079
Water Utility - Bonds and Notes	<u>683,526</u>	<u>683,526</u>	<u>231,526</u>
	<u>4,960,838</u>	<u>4,450,605</u>	<u>2,931,605</u>
Total Bonds, Notes and Loans Issued and Authorized But Not Issued	23,930,019	23,192,700	20,537,767
Less: Deductions	<u>2,152,055</u>	<u>2,444,815</u>	<u>1,510,286</u>
Net Debt	<u>\$21,777,964</u>	<u>\$20,747,885</u>	<u>\$19,027,481</u>

BOROUGH OF WOODLAND PARK
Notes to Financial Statements
Years Ended December 31, 2015 and 2014
(continued)

NOTE 3. MUNICIPAL DEBT, (continued)

Summary of Statutory Debt Condition - Annual Debt Statement

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 1.290% for 2015.

	<u>Gross Debt</u>	<u>Deductions</u>	<u>Net Debt</u>
Regional School District Debt	\$1,824,262	\$1,824,262	\$ -
Local School District Debt	6,062,000	6,062,000	-
Water Utility	1,973,105	1,973,105	-
General Debt	<u>21,956,914</u>	<u>178,950</u>	<u>21,777,964</u>
	<u>\$31,816,281</u>	<u>\$10,038,317</u>	<u>\$21,777,964</u>

Net debt of \$21,777,964 divided by equalized valuation basis per N.J.S.A. 40A:2-2 as amended of \$1,687,588,893 equals 1.290%.

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 1.238% for 2014.

	<u>Gross Debt</u>	<u>Deductions</u>	<u>Net Debt</u>
Regional School District Debt	\$2,008,810	\$2,008,810	\$ -
Local School District Debt	6,337,000	6,337,000	-
Water Utility	2,178,610	2,178,610	-
General Debt	<u>21,014,090</u>	<u>266,205</u>	<u>20,747,885</u>
	<u>\$31,538,510</u>	<u>\$10,790,625</u>	<u>\$20,747,885</u>

Net debt of \$20,747,885 divided by equalized valuation basis per N.J.S.A. 40A:2-2 as amended of \$1,676,488,100 equals 1.238%.

Borrowing Power Available under N.J.S.A. 40A:2-6 as Amended

	<u>2015</u>	<u>2014</u>
3 ½% of Equalized Valuation Basis (Municipal)	\$59,065,611	\$58,677,084
Net Debt	<u>21,777,964</u>	<u>20,747,885</u>
Remaining Borrowing Power	<u>\$37,287,647</u>	<u>\$37,929,199</u>

BOROUGH OF WOODLAND PARK
Notes to Financial Statements
Years Ended December 31, 2015 and 2014
(continued)

NOTE 3. MUNICIPAL DEBT, (continued)

Calculation of "Self-Liquidating Purpose", Water Utility Per N.J.S.A. 40A:2-45

	<u>2015</u>	<u>2014</u>
Cash receipts from fees, rents or other charges for year	\$2,752,482	\$2,557,126
Deductions:		
Operating and Maintenance Cost	1,988,610	2,181,800
Debt Service per Water Account	<u>216,291</u>	<u>211,917</u>
Total Deductions	<u>2,204,901</u>	<u>2,393,717</u>
Excess (Deficit) in Revenue - Self-Liquidating	<u>\$547,581</u>	<u>\$163,409</u>

Footnote: If there is an "excess in revenue", all such utility debt is deductible.

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

Paid by Current Fund:

<u>General Serial Bonds:</u>	<u>2015</u>	<u>2014</u>
\$2,015,000 Variable Rate Refunding Bonds issued Aug. 1, 2005, due through Aug. 1, 2017	\$330,000	\$595,000
\$4,332,000 General Improvement Bonds issued Aug. 1, 2001, due through Oct. 15, 2016 at an interest rate of 4.30%	437,000	887,000
\$9,500,000 Variable Rate General Improvement Bonds issued Jul. 15 2009, due through Jul. 15, 2027	<u>8,940,000</u>	<u>9,060,000</u>
Total General Serial Bonds	<u>9,707,000</u>	<u>10,542,000</u>

Paid by Water Utility Fund:

<u>Water Utility Serial Bonds:</u>		
\$1,507,000 Serial bonds issued Oct. 15, 2001, due through Oct. 15, 2015 at an interest rate of 4.375%	<u>147,000</u>	<u>292,000</u>
Total Water Utility Bonds	<u>147,000</u>	<u>292,000</u>
Total Serial Bonds	<u>\$9,854,000</u>	<u>\$10,834,000</u>

BOROUGH OF WOODLAND PARK
Notes to Financial Statements
Years Ended December 31, 2015 and 2014
(continued)

NOTE 3. MUNICIPAL DEBT, (continued)

Aggregate debt service requirements during the next five years and thereafter are as follows:

<u>Year</u>	<u>General Capital</u>		
	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2016	\$862,000	\$388,904	\$1,250,904
2017	610,000	353,800	963,800
2018	590,000	329,400	919,400
2019	625,000	305,800	930,800
2020	650,000	280,800	930,800
2021-2025	4,250,000	967,400	5,217,400
2026-2027	<u>2,120,000</u>	<u>127,600</u>	<u>2,247,600</u>
	<u>\$9,707,000</u>	<u>\$2,753,704</u>	<u>\$12,460,704</u>

<u>Year</u>	<u>Water Utility</u>		
	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2016	<u>\$147,000</u>	<u>\$6,431</u>	<u>\$153,431</u>
	<u>\$147,000</u>	<u>\$6,431</u>	<u>\$153,431</u>

General capital, water capital and assessment 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 utilities revenues and special assessments.

At December 31, 2015, the Borough had authorized but not issued debt as follows:

General Capital Fund	\$4,277,312
Water Utility Capital Fund	<u>683,526</u>
	<u>\$4,960,838</u>

BOROUGH OF WOODLAND PARK
Notes to Financial Statements
Years Ended December 31, 2015 and 2014
(continued)

NOTE 4. INTERGOVERNMENTAL LOANS PAYABLE

The Borough has entered into a loan agreement with the New Jersey Environmental Infrastructure Trust for the financing related to the Borough's combined storm water and sanitary sewer separation project.

<u>General Capital</u>	<u>2015</u>	<u>2014</u>
\$480,000 loan due in annual installments of \$15,000 to \$35,000 through August 1, 2023 interest at 3% to 5%.	\$250,000	\$275,000
\$420,000 loan due in annual installments of \$10,813 to \$18,674 through August 1, 2021.	126,694	147,669
\$485,000 loan due in annual installments of \$15,000 to \$35,000 through August 1, 2024.	280,000	305,000
\$493,977 loan due in semiannual installments of \$12,072 to \$23,189 through August 1, 2024.	<u>226,881</u>	<u>252,342</u>
	<u>\$883,575</u>	<u>\$980,011</u>

<u>Water Utility Capital</u>	<u>2015</u>	<u>2014</u>
\$580,000 loan due in annual installments of \$20,000 to \$45,000 through August 1, 2024 interest at 3.00% to 5.00%.	\$335,000	\$365,000
\$590,374 loan due in semiannual installments of \$638 to \$30,446 through August 1, 2029.	<u>107,579</u>	<u>138,084</u>
	<u>\$442,579</u>	<u>\$503,084</u>

Year	<u>General Capital Loans</u>			<u>Water Utility Loans</u>		
	<u>Principal</u>	<u>Interest</u>	<u>Total</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2016	\$95,226	\$24,704	\$119,930	\$59,727	\$15,831	\$75,558
2017	101,818	22,704	124,522	58,948	14,631	73,579
2018	108,544	20,194	128,738	66,219	13,131	79,350
2019	106,857	17,419	124,276	52,685	11,381	64,066
2020	105,044	14,419	119,463	35,000	9,631	44,631
2021-2024	<u>366,086</u>	<u>25,725</u>	<u>391,811</u>	<u>170,000</u>	<u>19,613</u>	<u>189,613</u>
	<u>\$883,575</u>	<u>\$125,165</u>	<u>\$1,008,740</u>	<u>\$442,579</u>	<u>\$84,218</u>	<u>\$526,797</u>

BOROUGH OF WOODLAND PARK
Notes to Financial Statements
Years Ended December 31, 2015 and 2014
(continued)

NOTE 5. 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 anniversary of the date of the original note. The State of New Jersey also prescribes that on or before the third anniversary date of the original note a payment of an amount at least equal to the first legally payable installment of the bonds in anticipation of which such notes were issued be paid or retired. A second and third legal installment must be paid if the notes are to be renewed beyond the fourth and fifth anniversary date of the original issuance.

On December 31, 2015 and 2014, the Borough had \$7,089,027 and \$5,725,000, respectively, in outstanding General Capital bond anticipation notes. The Borough also had \$700,000 and \$700,000 of Water Utility Capital Fund bond anticipation notes.

The following activity related to bond anticipation notes occurred during the periods ended December 31, 2015 and 2014:

	<u>Balance</u> <u>Dec. 31, 2014</u>	<u>Additions</u>	<u>Reductions</u>	<u>Balance</u> <u>Dec. 31, 2015</u>
General Capital Notes Payable:				
Janney Montgomery Scott, LLC	\$5,725,000	\$	\$5,725,000	\$
TD Securities LLC	<u> </u>	<u>7,089,027</u>	<u> </u>	<u>7,089,027</u>
	<u>\$5,725,000</u>	<u>\$7,089,027</u>	<u>\$5,725,000</u>	<u>\$7,089,027</u>
Water Utility Capital Notes Payable:				
Janney Montgomery Scott, LLC	\$700,000	\$	\$700,000	\$
TD Securities	<u> </u>	<u>700,000</u>	<u> </u>	<u>700,000</u>
	<u>\$700,000</u>	<u>\$700,000</u>	<u>\$700,000</u>	<u>\$700,000</u>
	<u>Balance</u> <u>Dec. 31, 2013</u>	<u>Additions</u>	<u>Reductions</u>	<u>Balance</u> <u>Dec. 31, 2014</u>
General Capital Notes Payable:				
Oppenheimer & Co., Inc.	\$3,500,000	\$	\$3,500,000	\$
Capital One	\$725,000		\$725,000	
Janney Montgomery Scott, LLC	<u> </u>	<u>5,725,000</u>	<u> </u>	<u>5,725,000</u>
	<u>\$4,225,000</u>	<u>\$5,725,000</u>	<u>\$4,225,000</u>	<u>\$5,725,000</u>
Water Utility Capital Notes Payable:				
Janney Montgomery Scott, LLC	<u>\$</u>	<u>\$700,000</u>	<u>\$</u>	<u>\$700,000</u>

BOROUGH OF WOODLAND PARK
Notes to Financial Statements
Years Ended December 31, 2015 and 2014
(continued)

NOTE 6. LOCAL DISTRICT SCHOOL TAXES 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 Borough of Woodland Park has elected to defer school taxes as follows:

	Local School District Tax Balance		Regional School District Tax Balance	
	Dec. 31, 2015	Dec. 31, 2014	Dec. 31, 2015	Dec. 31, 2014
Balance of Tax	\$7,639,047	\$7,456,034	\$4,079,905	\$3,685,933
Deferred	<u>7,639,047</u>	<u>7,456,034</u>	<u>4,079,905</u>	<u>3,685,933</u>
Tax Payable/(Prepaid)	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>

NOTE 7. PENSION PLANS

Description of Systems:

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

Public Employees' Retirement System (PERS)

The Public Employees' Retirement System was established in January, 1955 under the provisions of N.J.S.A. 43:15A to provide coverage including post-retirement health care to certain qualified members. Membership is mandatory for substantially all full time employees of the State or any county, municipality, school district or public agency provided the employee is not required to be a member of another State-administered retirement system. Vesting occurs after 8-10 years of service and 25 years for health care coverage. Members are eligible for retirement at age 60 with an annual benefit generally determined to be 1/55th of the average annual compensation for the highest three fiscal years' compensation for each year of membership during years of creditable service. Early retirement is available to those under age 60 with 25 or more years of credited service. Members are always fully vested for their own contributions and, after three years of service credit, become vested for 2% of related interest earned on contributions. In case of death before retirement, members' beneficiaries are entitled to full interest credited to the members' accounts.

BOROUGH OF WOODLAND PARK
Notes to Financial Statements
Years Ended December 31, 2015 and 2014
(continued)

NOTE 7. PENSION PLANS, (continued)

Description of Systems, (continued)

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

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

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

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

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

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

BOROUGH OF WOODLAND PARK
Notes to Financial Statements
Years Ended December 31, 2015 and 2014
(continued)

NOTE 7. PENSION PLANS, (continued)

Description of Systems, (continued)

Police and Firemens' Retirement System (PFRS)

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

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

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

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

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

Defined Contribution Retirement Program

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

BOROUGH OF WOODLAND PARK
Notes to Financial Statements
Years Ended December 31, 2015 and 2014
(continued)

NOTE 7. PENSION PLANS, (continued)

Description of Systems, (continued)

Defined Contribution Retirement Program. (continued)

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

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

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

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

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

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

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

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

Significant Legislation

On March 17, 2009, the legislative of the State of New Jersey enacted Public Laws 2009, c.19(S-21) the "Pension Deferral Program". This law allows the Division of Pensions and Benefits to provide non-state government pension system employers the option of paying their full amount, or an amount that reflects a 50 percent reduction of the normal and accrued liability

BOROUGH OF WOODLAND PARK
Notes to Financial Statements
Years Ended December 31, 2015 and 2014
(continued)

NOTE 7. PENSION PLANS, (continued)

Description of Systems, (continued)

Significant Legislation, (continued)

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 Woodland Park opted for this deferral in the amount of \$330,043. The amount outstanding at December 31, 2015 was \$199,214.

Contribution Requirements

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

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

<u>Year</u>	<u>PERS</u>	<u>PFRS</u>	<u>DCRP</u>
2015	\$301,341	\$653,982	\$1,875
2014	255,536	588,627	2,996
2013	261,413	638,153	2,443

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

BOROUGH OF WOODLAND PARK
Notes to Financial Statements
Years Ended December 31, 2015 and 2014
(continued)

NOTE 7. PENSION PLANS, (continued)

Description of Systems, (continued)

Contribution Requirements, (continued)

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, 2014 which is the latest information available. This information is eighteen months prior to December 31, 2015. GASB Statement No. 68 requires that the information be no more than twelve months prior to the employer's fiscal year end.

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

Public Employees Retirement System (PERS)

At December 31, 2015, the Borough had a liability of \$6,278,131 for its proportionate share of the PERS net pension liability. The net pension liability was measured as of June 30, 2014, 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, 2014, the Borough's proportion was .03353212 percent, which was an increase of .00116496 percent from its proportion measured as of June 30, 2013.

For the year ended December 31, 2015, the Borough recognized pension expense of \$301,341. At December 31, 2015, deferred outflows of resources and deferred inflows of resources related to PERS from the following sources:

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Changes of assumptions	\$197,418	\$
Net difference between projected and actual earnings on pension plan investments		374,142
Changes in proportion and differences between Borough contributions and proportionate share of contributions	188,074	
Borough contributions subsequent to the measurement date	<u>308,158</u>	<u> </u>
Total	<u>\$693,650</u>	<u>\$374,142</u>

BOROUGH OF WOODLAND PARK
Notes to Financial Statements
Years Ended December 31, 2015 and 2014
(continued)

NOTE 7. 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)

Amounts reported as deferred outflows of resources related to pensions resulting from contributions subsequent to the measurement date (June 30, 2014) 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	\$(57,246)
2017	(57,246)
2018	(57,246)
2019	36,290
Thereafter	15,968

Additional Information

Local Group Collective balances at June 30, 2014 and June 30, 2013 are as follows:

	<u>June 30, 2014</u>	<u>June 30, 2013</u>
Collective deferred outflows of resources	\$952,194,675	Not Available
Collective deferred inflows of resources	1,479,224,662	Not Available
Collective net pension liability	18,722,735,003	\$19,111,986,111
Borough s Proportion	.03353212%	.03236717%

BOROUGH OF WOODLAND PARK
Notes to Financial Statements
Years Ended December 31, 2015 and 2014
(continued)

NOTE 7. PENSION PLANS, (continued)

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

Public Employees Retirement System (PERS), (continued)

Actuarial Assumptions

The total pension liability for the June 30, 2014 measurement date was determined by an actuarial valuation as of July 1, 2013, which rolled forward to June 30, 2014. The total pension liability for the July 1, 2013 measurement date was determined by an actuarial valuation as of July 1, 2013. This actuarial valuation used the following assumptions, applied to all periods in the measurement.

Inflation	3.01 Percent
Salary Increases:	
2012-2021	2.15-4.40 Percent (based on age)
Thereafter	3.15-5.40 Percent (based on age)
Investment Rate of Return	7.90 Percent

The actuarial assumptions used in the June 30, 2013 valuation were based on the results of an actuarial experience study for the period July 1, 2008 to June 30, 2011.

Mortality Rates

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

BOROUGH OF WOODLAND PARK
Notes to Financial Statements
Years Ended December 31, 2015 and 2014
(continued)

NOTE 7. PENSION PLANS, (continued)

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

Public Employees Retirement System (PERS), (continued)

Long-Term Rate of Return

In accordance with State statute, the long-term expected rate of return on plan investments is determined by the State Treasurer, after consultation with the Directors of the Division of Investments and Division of Pensions and Benefits, the board of trustees and the actuaries. Best estimates of arithmetic real rates of return for each major asset class included in PERS's target asset allocation as of June 30, 2014 are summarized in the following table:

<u>Asset Class</u>	<u>Target Allocation</u>	<u>Long-Term Expected Real Rate of Return</u>
Cash	6.00%	0.80%
Core Bond	1.00%	2.49%
Intermediate Term Bonds	11.20%	2.26%
Mortgages	2.50%	2.17%
High Yield Bonds	5.50%	4.82%
Inflation Indexed Bonds	2.50%	3.51%
Broad U.S. Equities	25.90%	8.22%
Developed Foreign Markets	12.70%	8.12%
Emerging Market Equities	6.50%	9.91%
Private Equity	8.25%	13.02%
Hedge Funds/Absolute Returns	12.25%	4.92%
Real Estate (Property)	3.20%	5.80%
Commodities	2.50%	5.35%
	<u>100.00%</u>	

BOROUGH OF WOODLAND PARK
Notes to Financial Statements
Years Ended December 31, 2015 and 2014
(continued)

NOTE 7. 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 5.39% and 5.55% as of June 30, 2014 and 2013, 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 4.29% and 4.63% as of June 30, 2014 and 2013, 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, 2014 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, 2014		
	1% Decrease <u>4.39%</u>	At Current Discount Rate <u>5.39%</u>	1% Increase <u>6.39%</u>
Borough's proportionate share of the pension liability	\$7,898,102	\$6,278,131	\$4,917,767

BOROUGH OF WOODLAND PARK
Notes to Financial Statements
Years Ended December 31, 2015 and 2014
(continued)

NOTE 7. 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)

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.

Police and Firemen's Retirement System (PFRS)

At December 31, 2015, the Borough had a liability of \$9,650,426 for its proportionate share of the PFRS net pension liability. The net pension liability was measured as of June 30, 2014, 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, 2014, the Borough's proportion was .076718101 percent, which was an increase of .001118755 percent from its proportion measured as of June 30, 2013.

For the year ended December 31, 2015, the Borough recognized pension expense of \$653,982. At December 31, 2015, deferred outflows of resources and deferred inflows of resources related to PFRS from the following sources:

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Changes of assumptions	\$362,310	\$
Net difference between projected and actual earnings on pension plan investments		984,794
Changes in proportion and differences between Borough contributions and proportionate share of contributions	124,623	
Borough contributions subsequent to the measurement date	<u>661,722</u>	<u> </u>
Total	<u>\$1,148,655</u>	<u>\$984,794</u>

BOROUGH OF WOODLAND PARK
Notes to Financial Statements
Years Ended December 31, 2015 and 2014
(continued)

NOTE 7. 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)

Amounts reported as deferred outflows of resources related to pensions resulting from contributions subsequent to the measurement date (June 30, 2014) 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	\$(1,761,191)
2017	(1,761,191)
2018	(1,761,191)
2019	700,793
Thereafter	119,135

Additional Information

Local Group Collective balances at June 30, 2014 and June 30, 2013 are as follows:

	<u>June 30, 2014</u>	<u>June 30, 2013</u>
Collective deferred outflows of resources	\$750,532,959	Not Available
Collective deferred inflows of resources	1,561,923,934	Not Available
Collective net pension liability	13,933,627,178	\$14,533,269,004
Borough's Proportion	.76718101%	.75599345%

BOROUGH OF WOODLAND PARK
Notes to Financial Statements
Years Ended December 31, 2015 and 2014
(continued)

NOTE 7. 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)

Actuarial Assumptions

The total pension liability for the June 30, 2014 measurement date was determined by an actuarial valuation as of July 1, 2013, which rolled forward to June 30, 2014. The total pension liability for the July 1, 2013 measurement date was determined by an actuarial valuation as of July 1, 2013. This actuarial valuation used the following assumptions, applied to all periods in the measurement.

Inflation	3.01 Percent
Salary Increases:	
2012-2021	3.95-8.62 Percent (based on age)
Thereafter	4.95-9.62 Percent (based on age)
Investment Rate of Return	7.90 Percent

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 2011 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 is determined by the State Treasurer, after consultation with the Directors of the Division of Investments and Division of Pensions and Benefits, the board of trustees and the actuaries. Best estimates of arithmetic real rates of return for each major asset class included in PFRS's target asset allocation as of June 30, 2014 are summarized in the following table:

BOROUGH OF WOODLAND PARK
Notes to Financial Statements
Years Ended December 31, 2015 and 2014
(continued)

NOTE 7. 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)

Asset Class	<u>Target Allocation</u>	<u>Long-Term Expected Real Rate of Return</u>
Cash	6.00%	0.80%
Core Bond	1.00%	2.49%
Intermediate Term Bonds	11.20%	2.26%
Mortgages	2.50%	2.17%
High Yield Bonds	5.50%	4.82%
Inflation Indexed Bonds	2.50%	3.51%
Broad U.S. Equities	25.90%	8.22%
Developed Foreign Markets	12.70%	8.12%
Emerging Market Equities	6.50%	9.91%
Private Equity	8.25%	13.02%
Hedge Funds/Absolute Returns	12.25%	4.92%
Real Estate (Property)	3.20%	5.80%
Commodities	2.50%	5.35%
	<u>100.00%</u>	

Discount Rate

The discount rate used to measure the total pension liability was 6.32% and 6.45% as of June 30, 2014 and 2013, 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 4.29% and 4.63% 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.

BOROUGH OF WOODLAND PARK
Notes to Financial Statements
Years Ended December 31, 2015 and 2014
(continued)

NOTE 7. 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)

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, 2014 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, 2014		
	1%	At Current	1%
	Decrease	Discount Rate	Increase
	<u>5.32%</u>	<u>6.32%</u>	<u>7.32%</u>
Borough's proportionate share of the pension liability	\$13,366,441	\$9,650,426	\$6,579,230

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.

NOTE 8. 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, to all Borough retirees hired prior to January 1, 1995 who have retired after twenty-five (25) years or more of service credit in a state or local agency retirement system and who have worked a period of twenty (20) consecutive years with the Borough at the time of retirement.

Health insurance, including dental and prescription coverage, are provided for retirees and their spouses. Dependent coverage must be paid for by the retiree at the Borough cost imposed by the insurance carrier.

BOROUGH OF WOODLAND PARK
Notes to Financial Statements
Years Ended December 31, 2015 and 2014
(continued)

NOTE 8. OTHER POST EMPLOYMENT BENEFITS, (continued)

The Borough funds these benefits on a pay-as-you-go basis and, therefore, does not record accrued expenses related to these benefits. During 2015, the Borough contributed \$536,678 to the costs of retiree benefits.

Pursuant to GASB Statement No. 45 ("GASB 45"), *Accounting and Financial Reporting by Employers for Postemployment Benefits Other Than Pensions*, the Borough obtained an actuarially determined calculation for this obligation.

The Borough's annual other postemployment benefits ("OPEB") costs for the Plan, which is currently funded on a pay-as-you-go basis and is a non-contributory plan with all plan payments for plan benefits being funded by the Borough, is calculated based on the annual required contribution ("ARC"), an amount actuarially determined in accordance with the parameters of GASB 45. The ARC represents a level of funding that, if paid on an on-going basis, is projected to cover normal cost each year and interest on the net OPEB obligation and to amortize any unfunded actuarial liabilities (or funding excess) over a period not to exceed 30 years. The Borough's annual OPEB cost for the year ended December 31, 2014, and the related information for the plan, are as follows:

January 1, 2012 - Net OPEB Obligation (Initial) (NOO)	\$9,440,346
Annual OPEB Costs (AOC)	2,665,711
Contribution from employer and other contributing entities	<u>(561,841)</u>
December 31, 2013 - Net OPEB Obligation (NOO)	<u>\$11,544,216</u>

The Borough's annual OPEB cost, the percentage of annual OPEB cost contributed to the Plan and the net OPEB obligation for FY2013 were as follows:

<u>Fiscal</u> <u>Year</u> <u>Ended</u>	<u>Annual</u> <u>OPEB</u> <u>Cost</u> (Dollars in Thousands)	<u>Percentage of</u> <u>Annual OPEB</u> <u>Cost Contributed</u>	<u>Net</u> <u>OPEB</u> <u>Obligation</u>
2012	\$2,088,476	6.35%	\$7,888,548
2013	2,088,476	5.68	9,440,346
2014	2,665,711	4.87	11,544,216

BOROUGH OF WOODLAND PARK
Notes to Financial Statements
Years Ended December 31, 2015 and 2014
(continued)

NOTE 8. OTHER POST EMPLOYMENT BENEFITS, (continued)

Demographic Assumptions

Data was provided by the Borough of Woodland Park as of December 31, 2015. Demographic assumptions used to project the data are the same as those used to value the SHBP PERS pension liabilities. There is no assumption for future new hires.

Economic Assumptions

The GASB statement requires that the discount rate used to determine the retiree healthcare liabilities should be estimated long-term yield on the “investments that are expected to be used to finance the payments of benefits”. Since the Borough of Woodland Park does not currently pre-fund the retiree healthcare liabilities, the discount rate for the “no prefunding” scenario should be based on the portfolio of the Borough of Woodland Park’s “general assets” used to pay these benefits. The discount rate assumption selected by the Borough is 4.50%.

The trend assumption is used to project the growth of the expected claims over the lifetime of the healthcare recipients. The GASB statement does not require a particular source for information to determine healthcare trends, but it does recommend selecting a source that is “publicly available, objective and unbiased”.

UHY Advisors developed the trend assumptions on the SHBP plan along with information in published papers from other industry experts (actuaries, health economists, etc.). For the actuarial trend assumptions, this amount initially is at 9.0% and decreases to a 5.0% long-term trend rate for the benefits.

NOTE 9. COMMITMENTS PAYABLE

A. Operating Leases

The municipality has commitments to lease certain equipment under arrangements representing operating leases. Future minimum rental commitments for noncancelable operating leases as of December 31, 2015 were as follows:

<u>Budget</u> <u>Year</u>	<u>Police</u> <u>Vehicles</u>	<u>Toughbook</u> <u>Computers</u> <u>for Police</u> <u>Cars</u>
2016	\$17,897	\$3,999
2017	17,897	

BOROUGH OF WOODLAND PARK
Notes to Financial Statements
Years Ended December 31, 2015 and 2014
(continued)

NOTE 10. FUND BALANCE APPROPRIATED

The fund balance at December 31, 2015 and 2014 which has been appropriated as revenue in the 2016 and 2015 budgets is as follows:

	<u>2016</u>	<u>2015</u>
Current Fund	\$1,700,000	\$1,800,000
Water Utility Operating Fund	350,000	350,000

NOTE 11. FIXED ASSETS

The following is a summary of General Fixed Assets Account Group as of December 31, 2015 and 2014:

	<u>Balance</u> <u>Dec. 31, 2014</u>	<u>Additions</u>	<u>Deletions</u>	<u>Balance</u> <u>Dec. 31, 2015</u>
Land and Improvements	\$10,938,963	\$10,150	\$	\$10,949,113
Buildings and Improvements	9,452,432			9,452,432
Automobiles and Vehicles	6,098,550	80,171		6,178,721
Machinery and Equipment	<u>1,770,478</u>	<u>138,315</u>	<u>90,321</u>	<u>1,818,472</u>
	<u>\$28,260,423</u>	<u>\$228,636</u>	<u>\$90,321</u>	<u>\$28,398,738</u>
	<u>Balance</u> <u>Dec. 31, 2013</u>	<u>Additions</u>	<u>Deletions</u>	<u>Balance</u> <u>Dec. 31, 2014</u>
Land and Improvements	\$10,761,829	\$177,134	\$	\$10,938,963
Buildings and Improvements	9,452,432			9,452,432
Automobiles and Vehicles	5,924,147	255,780	81,377	6,179,927
Machinery and Equipment	<u>1,729,691</u>	<u>40,787</u>		<u>1,770,478</u>
	<u>\$27,868,099</u>	<u>\$473,701</u>	<u>\$81,377</u>	<u>\$28,260,423</u>

NOTE 12. ACCRUED SICK AND VACATION BENEFITS

The Borough has permitted 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 would approximate \$1,990,747 as of December 31, 2015 and the estimated amount at December 31, 2014 was \$1,915,609. These amounts have not been reported either as an expenditure or liability.

BOROUGH OF WOODLAND PARK
Notes to Financial Statements
Years Ended December 31, 2015 and 2014
(continued)

NOTE 13. INTERFUND BALANCES AND ACTIVITY

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

\$835	Due to the Current Fund from the Animal License Trust Fund for the prior year statutory excess calculations.
11	Due from the Current Fund to the Other Trust Fund (Escrow) to correct posting of prior year bank service charges less interest earnings.
2	Due to the Current Fund from the Other Trust Fund (Municipal Alliance) for interest earnings not turned over.
496	Due to the Current Fund from the General Capital Fund for interest earnings not turned over.
<u>186,133</u>	Due to the Current Fund from the Federal and State Grant Fund for reimbursement of expenses paid.
<u>\$187,477</u>	

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

NOTE 14. EMERGENCY SERVICES VOLUNTEER LENGTH OF SERVICE AWARD PLAN (LOSAP)

On May 8, 2002, the Division of Local Government Services approved the Borough's LOSAP plan, provided by the 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 provide for an annual contribution of \$1,150 per year of active emergency service, subject to periodic increases as permitted by N.J.A.C. 5:30-14.9. The Borough's contribution shall be included in the current years budget.

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

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

BOROUGH OF WOODLAND PARK
Notes to Financial Statements
Years Ended December 31, 2015 and 2014
(continued)

NOTE 15. CAPITAL LEASE PAYABLE

On March 31, 2003 the Borough entered into a \$405,000 capital lease through the Bergen County Improvement Authority for the retirement of its outstanding unfunded pension liability. Annual debt service requirements for this capital lease are as follows:

<u>General Capital Leases</u>			
<u>Year</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2016	\$30,000	\$15,900	\$45,900
2017	35,000	13,950	48,950
2018	45,000	11,550	56,550
2019	50,000	8,700	58,700
2020	55,000	5,550	60,550
2021	<u>65,000</u>	<u>1,950</u>	<u>66,950</u>
	<u>\$280,000</u>	<u>\$57,600</u>	<u>\$337,600</u>

NOTE 16. RISK MANAGEMENT

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

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

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

BOROUGH OF WOODLAND PARK
Notes to Financial Statements
Years Ended December 31, 2015 and 2014
(continued)

NOTE 16. RISK MANAGEMENT, (continued)

The funds provide its members with risk management services, including the defense of and settlement of claims, and established reasonable and necessary loss reduction and prevention procedures to be followed by the members.

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

NOTE 17. TAXES COLLECTED IN ADVANCE

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

	<u>Balance</u> <u>Dec 31, 2015</u>	<u>Balance</u> <u>Dec 31, 2014</u>
Prepaid Taxes	<u>\$209,439</u>	<u>\$191,607</u>
Cash Liability for Taxes Collected in Advance	<u>\$209,439</u>	<u>\$191,607</u>

NOTE 18. LITIGATION

The Borough is a defendant in various legal proceedings. These cases, if decided against the Borough, would be raised by future taxation. The Borough's legal counsel estimate such amounts to be immaterial.

NOTE 19. SUBSEQUENT EVENTS

The Borough has evaluated subsequent events through March 2, 2016, the date which the financial statements were available to be issued and the following item was identified:

The Borough is planning to issue General Improvement Refunding Bonds to advance refund \$7,020,000 aggregate principal amount of outstanding General Improvement Bonds dated July 15, 2009 and maturing from 2020 to 2027. No other items were noted for disclosure.

SUPPLEMENTARY DATA

BOROUGH OF WOODLAND PARK

Supplementary Data

Comparative Schedule of Tax Rate Information

		<u>2015</u>	<u>2014</u>	<u>2013</u>
Tax rate - general	\$	2.964	2.703	2.651
Apportionment of tax rate:				
Municipal		0.7305	0.6747	0.6498
Library		0.0347	0.0321	0.0336
County		0.7730	0.6786	0.6923
Local school		0.9293	0.8817	0.8712
Regional high school		<u>0.4963</u>	<u>0.4359</u>	<u>0.4041</u>

Assessed valuation:

2015	\$	1,643,975,196
2014		1,691,394,907
2013		1,678,103,100

Comparison of Tax Levies and Collections Currently

A study of this tabulation could indicate a possible trend in future tax levies. A decrease in the percentage of current collection could be an indication of a probable increase in future tax levies.

			<u>Currently</u>	
		<u>Tax levy</u>	<u>Cash collections</u>	<u>Percentage of collection</u>
2015	\$	49,005,659	48,404,978	98.77%
2014		46,296,510	45,022,437	97.25%
2013		45,127,616	44,391,972	98.37%

Delinquent Taxes and Tax Title Liens

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

<u>Year</u>		<u>Amount of delinquent taxes</u>	<u>Amount of tax title liens</u>	<u>Total delinquent</u>	<u>Percentage of tax levy</u>
2015	\$	467,630	3,199	470,829	0.96%
2014		406,510		406,510	0.88%
2013		458,962		458,962	1.02%

BOROUGH OF WOODLAND PARK

Supplementary Data, Continued

Property Acquired by Tax Title Lien Liquidation

No properties have been acquired in 2015 by foreclosure or deed as a result of liquidation of tax title liens.

The value of property acquired by liquidation of tax title liens on December 31, on the basis of the last assessed valuation of such properties, was as follows:

<u>Year</u>		<u>Amount</u>
2015	\$	4,072,200
2014		4,072,200
2013		4,072,200

Comparison of Water Utility Levies and Collections

<u>Year</u>		<u>Levy</u>	<u>Collections</u>
2015	\$	2,237,692	2,222,395
2014		1,818,694	1,826,743
2013		1,531,794	1,602,459

Comparative Schedule of Fund Balances

	<u>Year</u>		<u>Balance, Dec. 31</u>	<u>Utilized in budget of succeeding year</u>
Current Fund:	2015	\$	2,727,028	1,700,000
	2014		2,836,330	1,800,000
	2013		2,427,042	1,600,000
	2012		2,913,106	1,627,623
	2011		1,696,036	1,345,000
Water Utility Operation Fund:	2015	\$	579,877	350,000
	2014		363,054	350,000
	2013		312,203	289,000
	2012		638,201	335,100
	2011		641,486	236,185

BOROUGH OF WOODLAND PARK

Supplementary Data, Continued

Officials in Office and Surety Bonds

<u>Name</u>	<u>Title</u>	<u>Amount of bond</u>
Keith Kazmark	Mayor	
Joseph Spinelli	Council President	
Gary Holloway	Councilman	
Vincent DeCesare	Councilman	
Rita Pascrell	Councilwoman	
Tina Gatti	Councilwoman	
Tracy Kallert	Councilwoman	
Kevin Galland	Administrator, Municipal Clerk, Officer of Searches of Municipal Improvements	
Frederick Tomkins	Chief Financial Officer	
	Tax Search Official	
	Water Rent Collector	
	Treasurer of Library	(A)
Ann Purzycki	Treasurer	(A)
Bernadette Lawler	Tax Collector	200,000
George Galbraith	Department of Public Works - Superintendent	(A)
James DeBlock	Superintendent of Water Pollution Control	(A)
Anthony Galietti	Police Chief	(A)
Toni Belford Damiano	Magistrate	5,000
Marybeth Swanson	Court Administrator	50,000
Tim Henderson	Tax Assessor	(A)
Alaimo Group	Engineer	
Albert Buglione	Municipal Attorney	

(A) - Public Employees Faithful Performance Bond of \$100,000 on each employee.

BOROUGH OF WOODLAND PARK, N.J.

Schedule of Expenditures of State Awards

Year ended December 31, 2015

State Funding Department	State program	Grant number	Grant period	Grant award	Grant Receipts	Grant expenditures	Adjustment	MEMO Cumulative Expenditures
<i>Federal and State Grant Funds:</i>								
Department of Law and Public Safety								
	Alcohol Education and Rehabilitation Program	9735-760-001 12	2013	897		692		897
	Alcohol Education and Rehabilitation Program	9735-760-001 12	2014	768		768		768
	Alcohol Education and Rehabilitation Program	9735-760-001 12	2015	59	59			
	Body Armor	066-1020-718-001	2012	2,777		557		2,777
	Body Armor	066-1020-718-001	2013	3,354		3,354		3,354
	Body Armor	066-1020-718-001	2013	1,020				1,020
	Body Armor	066-1020-718-001	2014	2,609		2,609		2,609
	Body Armor	066-1020-718-001	2015	2,605	2,605	1,530		60,000
	Safe and Secure	066-1020-100-232	2014	60,000	60,000	48,212		15,403
	Safe and Secure	066-1020-100-232	2015	60,000		15,403		1,387
	Drunk Driving Enforcement Grant	6400-100-078-6400	2012	1,387		294		2,284
	Drunk Driving Enforcement Grant	6400-100-078-6400	2013	2,284		2,284		229
	Drunk Driving Enforcement Grant	6400-100-078-6400	2014	2,676	62,664	75,932		92,258
New Jersey Department of Transportation								
	McBride Streetscape - Phase I	480-078-6320-ALW-6010	2014	250,000		18,330		18,330
	McBride Streetscape - Phase II	480-078-6320-ALW-6010	2015	250,000				18,330
New Jersey Department of Community Affairs								
	Special Purpose Grant - Roof Repairs		2005	50,000				
Department of Environmental Protection								
	Stormwater Management	4900-765-042-4900-004	2008	2,552				18,811
	Clean Communities Grant	4900-765-042-4900-004	2013	18,811		1,741		11,810
	Clean Communities Grant	4900-765-042-4900-004	2014	17,640		1,810		10,000
	Clean Communities Grant	4900-765-042-4900-004	2015	21,476	21,476	10,000		37,500
	Historic Trust-Morris Canal		2007	37,500				4,874
	Statewide Livable Communities	4900-752-042-4900-001	2004	5,000				18,336
	Recycling Tonnage Grant	4900-752-042-4900-001	2012	18,336		10,608	3,627	13,567
	Recycling Tonnage Grant	4900-752-042-4900-001	2013	13,567		13,567		13,247
	Recycling Tonnage Grant	4900-752-042-4900-001	2014	13,247		3,220		150,000
	Peckman River	14-573-042-4895-004	2014	150,000		141,664	25,669	273,029
	Passaic River	14-573-042-4895-004	2014	150,000	21,476	195,857	28,627	383,617
<i>Total Federal and State Grant Fund</i>								
					84,140	290,119	28,627	12,287
<i>Trust Funds:</i>								
Passaic County Pass Through Grants								
	Municipal Alliance		2014	12,287		22,250	213	22,440
	Municipal Alliance		2015	22,440	11,022			213
<i>Total Trust Funds</i>								
					11,022	22,250	213	34,727

BOROUGH OF WOODLAND PARK, N.J.

Schedule of Expenditures of State Awards

Year ended December 31, 2015

State Funding Department	State program	Grant number	Grant period	Grant award	Grant Receipts	Grant expenditures	Adjustment	MEMO Cumulative Expenditures	
General Capital Fund, Department of Transportation	Williams Drive (Phase I and II) Lackawana Ave./Memorial Drive Curbs and Sidewalks	6320-480-608383-60	2004	250,000				250,000	
		6500-480-078-6300-CEK3-TCAP	2004	120,000				120,000	
Total General Capital Fund					95,162	312,369	28,840	370,000	
Other Financial Assistance County of Passaic	Total State Financial Assistance County Corridor Enhancement Funds		2015	29,582	29,582			788,344	
								29,582	
Passaic County Open Space	Zaccaria Park Improvements-2010 Morris Canal Improvements-2007 Morris Canal Improvements-2008 Zaccaria Park Improvements - 2011 Zaccaria Park Improvements - 2012 Dowling Park Fountain Rose Park Place Improvements Rose Park Place Improvements Zaccaria Park Improvements - 2015		2010	260,000				259,450	
			2007	100,000		280			94,107
			2008	200,000		6,173			175,172
			2011	175,000		23,747			175,000
			2012	175,000		3,285	3,285		175,000
			2012	100,000		1,800		98,180	99,980
			2013	99,000		75,935		(98,180)	75,935
			2014	93,555					
			2015	250,000					
			Total Other Financial Assistance				137,237	3,565	3,285
Total State and Other Financial Assistance					232,399	315,934	32,125	1,872,570	

Note: This schedule was not subject to an audit in accordance with N.J. OMB 04-04.

BOROUGH OF WOODLAND PARK, N.J.

Schedule of Expenditures of Federal Awards

Year ended December 31, 2015

Federal Grantor	Federal program	CEEA #	Grant year	Grant award amount	Receipts	Expended	Adjustment	Memo Cumulative Expenditures
<i>Federal and State Grant Fund:</i> U.S. Department of Justice:	Bulletproof Vest Partnership Program	16.607	2014	1,567 \$		1,567		
U.S. Department of Transportation: National Highway Traffic Safety Administration (1)	Drive Sober or Get Pulled Over Drive Sober or Get Pulled Over Drive Sober or Get Pulled Over Newby Street Mt. Pleasant Ave Resurfacing - Phase II	20.601 20.601 20.601 20.205 20.205	2013 2015 2015 2009 2010	7,500 5,000 5,000 281,000 255,000	7,179 4,981	7,329 4,981		7,329 4,981 213,865 133,705
Community Development Block Grant:	Ray & Radcliff Avenue Improvements Disaster Relief	14.218 14.218	2015 2013	60,000 848,263	494,889	605,581	76,425	559,880 605,581
U.S. Department of Law and Public Safety:	Emergency Management Grant	97.044	2014	5,000				2,371
U.S. Department of Homeland Security: FEMA State Homeland Security Program	Hazard Mitigation Grant Program Assistance to Firefighters Grant	97.039 97.044	2015 2013	129,600 4,851		4,850	4,851	4,851
<i>Total Federal and State Grant Fund</i>					507,049	624,308	81,276	972,683
<i>General Capital Fund:</i> U.S. Department of Transportation: Federal Highway Administration	Resurfacing of Overmount Ave., Ord. 9-2012 Resurfacing of Overmount Ave., Ord. 8-2014	20.205 20.205	2012 2014	250,000 275,000		42,049		250,000 275,000
Disaster Grants - Public Assistance - (Presidentially Declared Disasters) (1)	Hurricane Irene	97.036	Ord. 11-19	62,745	62,745	62,745		62,745
<i>Total Current Fund</i> Community Development Block Grant (Pass Through Funds) County of Passaic	Imps. to Woodrow Avenue, Ord 9-2012	14.218	2008	183,581				
<i>Total General Capital Fund</i>					62,745	104,794		587,745

BOROUGH OF WOODLAND PARK, N.J.

Schedule of Expenditures of Federal Awards

Year ended December 31, 2015

Federal Grantor	Federal program	CFDA #	Grant year	Grant award amount	Receipts	Expended	Adjustment	Memo Cumulative Expenditures
<i>Community Development Trust Fund, U.S. Department of Housing and Urban Development</i>								
Community Development Block Grant (Pass Through Funds) County of Passaic	Rockland Avenue Street Improvements	14.218	2010	242,000				
<i>Total Community Development Trust Fund</i>								
					\$ 569,794	729,102	81,276	1,560,428
<i>Total Federal Financial Assistance</i>								

(1) Passed through the State of New Jersey

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

BOROUGH OF WOODLAND PARK, N.J.

Schedule of Cash - Collector-Treasurer

Current Fund

Year ended December 31, 2015

Balance, December 31, 2014		\$	5,215,901
Increased by receipts:			
Miscellaneous revenue not anticipated	\$	163,859	
Senior citizens' and veterans' reimbursements -			
State of New Jersey		114,954	
Taxes receivable		48,493,619	
Revenue accounts receivable		1,856,496	
Prepaid taxes		209,439	
Various Reserves		134,444	
Library State Aid		5,168	
Interfunds		197,885	
State and Federal Grants Receivable		728,426	
			<u>51,904,290</u>
			57,120,191
Decreased by disbursements:			
2015 Budget Appropriations		14,634,469	
2014 Appropriations Reserves		436,764	
Interfunds		171,819	
Various Reserves		184,685	
Tax overpayments		19,826	
County taxes payable		12,708,663	
Added County Taxes		72,412	
Local district school taxes		15,095,085	
Regional high school taxes		7,765,622	
Reserve for Library Aid		4,234	
Prior year grant encumbrances paid		112,162	
State and Federal Grants Appropriated Reserves		805,829	
			<u>52,011,570</u>
Balance, December 31, 2015		\$	<u>5,108,621</u>

BOROUGH OF WOODLAND PARK, N.J.

Schedule of Cash - Change Fund

Current Fund

Year ended December 31, 2015

<u>Office</u>	Balance Dec. 31, <u>2014</u>	Balance Dec. 31, <u>2015</u>
Collector-treasurer	\$ 200	200
Librarian	10	10
Municipal Court	<u>100</u>	<u>100</u>
	<u>\$ 310</u>	<u>310</u>

BOROUGH OF WOODLAND PARK, N.J.

Schedule of Municipal Liens

Current Fund

Year ended December 31, 2015

Increased by:			
Transferred from Delinquent Taxes	\$	481	
Interest and costs - 2015 tax sale		53	
Subsequent Taxes		<u>2,665</u>	
			<u>3,199</u>
Balance, December 31, 2015	\$		<u><u>3,199</u></u>

BOROUGH OF WOODLAND PARK, N.J.

**Schedule of Amount Due From/(To) State of New Jersey
for Senior Citizens' and Veterans' Deductions**

Current Fund

Year ended December 31, 2015

Balance, December 31, 2014		\$ <u>(36,560)</u>
Increased by:		
Senior citizens' deductions per tax billing	\$ 22,750	
Veterans' deductions per tax billing	93,500	
Deductions allowed	<u>500</u>	
		<u>116,750</u>
		80,190
Decreased by:		
Collection from State of New Jersey	114,954	
Senior Citizens deductions disallowed	<u>5,978</u>	
		<u>120,932</u>
Balance, December 31, 2015		\$ <u><u>(40,742)</u></u>

BOROUGH OF WOODLAND PARK, N.J.
Schedule of Taxes Receivable and Analysis of Property Tax Levy

		Current Fund						
		Year ended December 31, 2015						
Year	Balance, Dec. 31, 2014	2015 Levy	Collected		Senior Citizen and Veteran Deductions	Transferred to Tax Title Liens	Canceled	Balance, Dec. 31, 2015
			2014	2015				
2013	\$ 231			231				
2014	406,279			390,788		481	15,010	
	<u>406,510</u>			<u>391,019</u>		<u>481</u>	<u>15,010</u>	
2015		49,005,659	191,607	48,102,600	110,771	2,665	130,387	467,629
	<u>\$ 406,510</u>	<u>49,005,659</u>	<u>191,607</u>	<u>48,493,619</u>	<u>110,771</u>	<u>3,146</u>	<u>145,397</u>	<u>467,629</u>

Analysis of Tax Levy

Tax yield:	
General Purpose Tax	\$ 48,727,425
Added Tax (R.S. 54:4-63.1 et. seq.)	<u>278,234</u>
	<u>\$ 49,005,659</u>

Tax Levy:	
Local District School Tax	\$ 15,278,097
Regional High School Tax	8,159,810
Municipal Open Space Tax	165,249
County Tax	\$ 12,539,705
County Open Space Preservation	168,958
County Added and Omitted Taxes	<u>72,412</u>
	<u>12,781,075</u>
	36,384,231

Local Tax for Municipal Purposes	12,416,452
Additional Taxes	<u>204,976</u>
	<u>12,621,428</u>
	<u>\$ 49,005,659</u>

BOROUGH OF WOODLAND PARK, N.J.

**Schedule of Property Acquired for Taxes
(at Assessed Valuations) and
Analysis of Balance**

Current Fund

Year ended December 31, 2015

Balance, December 31, 2014	\$ <u>4,072,200</u>
Balance, December 31, 2015	\$ <u><u>4,072,200</u></u>

BOROUGH OF WOODLAND PARK, N.J.

Schedule of Revenue Accounts Receivable

Current Fund

Year ended December 31, 2015

	Balance Dec. 31, <u>2014</u>	<u>Accrued</u>	<u>Collected</u>	Balance Dec. 31, <u>2015</u>
Licenses:				
Alcoholic beverages	\$	37,945	37,945	
Other		6,116	6,116	
Fees and permits		36,360	36,360	
Municipal Court - fines and costs	23,020	335,451	332,820	25,651
Interest and cost on taxes		83,924	83,924	
Interest on Investments		6,846	6,846	
Cable Television Franchise Fees		55,258	55,258	
Cable Television Franchise Fees - Verizon		32,274	32,274	
Consolidated Municipal Property Tax Relief Aid		79,224	79,224	
Energy receipts taxes		741,253	741,253	
Watershed Moratorium Offset Aid		6,674	6,674	
Uniform Construction Code		325,027	325,027	
Uniform Fire Safety Act		40,655	40,655	
Life Hazard Use Fees		19,320	19,320	
Reserve for Payment of Debt		150,000	150,000	
Sewer Connection Fees		52,800	52,800	
General Capital Fund Balance		40,875	40,875	
	\$ <u>23,020</u>	<u>2,050,002</u>	<u>2,047,371</u>	<u>25,651</u>
		Cash Receipts	1,856,496	
		Interfunds	<u>190,875</u>	
		\$ <u>2,047,371</u>		

Exhibit A-11

BOROUGH OF WOODLAND PARK, N.J.

Schedule of Deferred Charges
 N.J.S. 40A:4-46 Special Emergency

Current Fund

Year ended December 31, 2015

<u>Date</u>	<u>Purpose</u>	Net Amount Authorized	Balance, Dec. 31, 2014	<u>Reduced</u>
12/14/14	Reassessment	100,000 \$	100,000	100,000
		\$	100,000	100,000

BOROUGH OF WOODLAND PARK, N.J.

Schedule of Interfunds

Current Fund

Year Ended December 31, 2015

<u>Fund</u>	Due from/(to) Balance <u>Dec. 31, 2014</u>	<u>Increased</u>	<u>Decreased</u>	Due from/(to) Balance <u>Dec. 31, 2015</u>
Federal and State Grant Fund	\$ (2,407)	942,991	754,451	186,133
General Capital Fund		197,445	196,949	496
Animal License Trust Fund	910	835	910	835
Other Trust Fund	(249)	238		(11)
Municipal Alliance		28	26	2
Open Space Trust		<u>165,249</u>	<u>165,249</u>	
	<u>\$ (1,746)</u>	<u>1,306,786</u>	<u>1,117,585</u>	<u>187,455</u>
Due from	910	549,690	363,134	187,466
Due to	<u>(2,656)</u>	<u>757,096</u>	<u>754,451</u>	<u>(11)</u>
	<u>\$ (1,746)</u>	<u>1,306,786</u>	<u>1,117,585</u>	<u>187,455</u>
Grant Fund	\$	942,991	754,451	
Interest Earned		266		
Statutory Excess		835		
Open Space Tax Levy			165,249	
Budgeted Revenue		190,875		
Receipts			197,885	
Disbursements		<u>171,819</u>		
		<u>\$ 1,306,786</u>	<u>1,117,585</u>	

BOROUGH OF WOODLAND PARK, N.J.

Schedule of Appropriation Reserves

Current Fund

Year Ended December 31, 2015

	Balance, Dec. 31, <u>2014</u>	Balance after Transfers and <u>Encumbrances</u>	<u>Paid or Charged</u>	<u>Balance Lapsed</u>
Salaries and Wages Within "CAPS":				
General Administration	\$ 9,466	9,466	112	9,354
Mayor and Council	1	1		1
Finacial Administration	1,641	1,641		1,641
Collection of Taxes	315	315		315
Assessment of Taxes	1,022	1,052	1,052	
Planning Board	29	29		29
Zoning Board of Adjustment	694	694		694
Police	235,594	235,594	34,319	201,275
Maintenance of Fire Alarm System	1	1		1
Uniform Fire Safety Act	2,675	2,675	2,637	38
Life Hazard Use Fee Payments	1	1		1
Road Repairs and Maintenance	120,061	120,061	2,947	117,114
Board of Health	5,872	5,872		5,872
Sewer System	11,731	11,731	1,408	10,323
Public Buildings and Grounds	2,271	2,271	1,981	290
Youth and Senior Citizen Center	1,224	1,224	711	513
Vehicle Maintenance	1,711	1,711	553	1,158
Parks and Playground	13,138	13,138	4,587	8,551
Municipal Court	3,265	3,265	2,932	333
Public Defender	1	1		1
Uniform Construction Code	1,184	1,184	1,134	50
Plumbing Inspector	1	1		1
Electrical Inspections	47	47		47
Total Salaries and Wages Within "CAPS"	<u>411,945</u>	<u>411,975</u>	<u>54,373</u>	<u>357,602</u>
Other Expenses Within "CAPS":				
Administration	2,872	19,897	19,892	5
Elections	1,500	1,500		1,500
Financial Administration				
Annual Audit	61,775	61,775	61,775	
Misc. Other	20,076	20,473	3,097	17,376
Assessment of Taxes	16,273	20,264	8,963	11,301
Collection of Taxes	265	522	301	221
Legal Services and Costs	35,405	38,811	9,312	29,499
Planner- Mt. Laurel Litigation	13,255	13,255		13,255
Engineering Services and Costs	21,335	21,335	1,980	19,355
Planning Board	6,700	6,700		6,700
Zoning Board of Adjustment	3,125	3,125		3,125
Police	2,844	14,730	10,661	4,069

BOROUGH OF WOODLAND PARK, N.J.

Schedule of Appropriation Reserves

Current Fund

Year Ended December 31, 2015

	Balance, Dec. 31, 2014	Balance after Transfers and Encumbrances	Paid or Charged	Balance Lapsed
Maintenance of Fire Alarm System	4,196	4,196		4,196
Emergency Management Services	3,960	3,960		3,960
Fire - Misc Other Expenses	2,276	33,125	32,866	259
Life Hazard Use Fee	375	512	137	375
Municipal Court	513	1,904	1,884	20
Other Insurance Premiums	2,728	2,728	(44)	2,772
Group Insurance	1,645	1,645	(1,068)	2,713
Surety Bond Premiums	1,571	1,571		1,571
Health Benefit Waiver	544	544		544
Road Repairs and Maintenance	14,618	26,581	13,349	13,232
Garbage & Trash Removal Contract	70,930	70,930	54,589	16,341
Recycling Program	4,344	4,344		4,344
Sewer System	9,046	24,702	20,792	3,910
Public Buildings & Grounds	10,271	12,414	2,763	9,651
Vehicle Maintenance	4,243	5,847	1,261	4,586
Board of Health	980	980		980
Animal Control Services	117	117		117
Parks and Playgrounds	4,240	6,731	4,245	2,486
Youth & Senior Citizen Center	4,323	4,349	26	4,323
Celebration of Public Events	5,426	5,426	2,496	2,930
Uniform Construction Code	146	578	454	124
Building Inspector	485	485		485
Electrical Inspections	805	805		805
Electric & Gas	35,504	40,952	8,621	32,331
Street Lighting	33,216	40,161	13,216	26,945
Telephone	7,884	9,329	1,542	7,787
Fire Hydrant Services	3,332	3,332	2,965	367
Gasoline	81,966	82,380	15,947	66,433
Revaluation		83,230	83,230	
Total Other expenses Within "CAPS"	495,109	696,245	375,252	320,993
Deferred Charges and Statutory Expenditures Within "CAPS":				
Unemployment Compensation Insurance	969	1,069	1,039	30
Defined Contribution Retirement Program	304	304		304
Social Security System (O.A.S.I.)	13,780	13,780	66	13,714
Total Deferred Charges and Statutory Expenditures Within "CAPS"	15,053	15,153	1,105	14,048

BOROUGH OF WOODLAND PARK, N.J.

Schedule of Appropriation Reserves

Current Fund

Year Ended December 31, 2015

	Balance, Dec. 31, <u>2014</u>	Balance after Transfers and <u>Encumbrances</u>	Paid or <u>Charged</u>	Balance <u>Lapsed</u>
Other Expenses Excluded From "CAPS":				
Passaic Valley Sewerage Charge	3	3		3
Maintenance of Free Public Library	36,399	54,465	54,465	
LOSAP	12,139	12,139	7,673	4,466
Stormwater Management	6,253	6,253		6,253
	<u>54,794</u>	<u>72,860</u>	<u>62,138</u>	<u>10,722</u>
Total Other Expenses Excluded from "CAPS"				
	<u>54,794</u>	<u>72,860</u>	<u>62,138</u>	<u>10,722</u>
Total Reserves	<u>976,901</u>	<u>1,196,233</u>	<u>492,868</u>	<u>703,365</u>
Appropriation Reserves		976,901		
Encumbrances		<u>219,332</u>		
		<u>\$ 1,196,233</u>		
			Cash	436,764
			Transferred to Reserve for Library	29,196
			Accounts Payable	<u>26,908</u>
			<u>\$</u>	<u>492,868</u>

BOROUGH OF WOODLAND PARK, N.J.

Schedule of Accounts Payable

Current Fund

Year ended December 31, 2015

Balance, December 31, 2014	\$ 14,313
Increased by:	
Transfer from Appropriation Reserves	<u>26,908</u>
	41,221
Decreased by:	
Canceled	<u>4,559</u>
Balance, December 31, 2015	<u>\$ 36,662</u>

Schedule of Reserve for Library State Aid

Current Fund

Year ended December 31, 2015

Balance, December 31, 2014	\$ 7,621
Increased by:	
Cash Receipts	<u>5,168</u>
	12,789
Decreased by:	
Cash Disbursements	<u>4,234</u>
Balance, December 31, 2015	<u>\$ 8,555</u>

BOROUGH OF WOODLAND PARK, N.J.

Schedule of Prepaid Taxes

Current Fund

Year ended December 31, 2015

Balance, December 31, 2014	\$ 191,607
Increased by:	
Collection of 2016 Taxes	<u>209,439</u>
	401,046
Decreased by:	
Applied to 2015 Taxes	<u>191,607</u>
Balance, December 31, 2015	<u><u>\$ 209,439</u></u>

Schedule of Tax Overpayments

Current Fund

Year ended December 31, 2015

Increased by:	
Charged to Operations	<u>\$ 19,826</u>
Decreased by:	
Refunded	<u><u>\$ 19,826</u></u>

Exhibit A-18

BOROUGH OF WOODLAND PARK, N.J.

Schedule of Road Opening Deposits

Year ended December 31, 2015

Balance, December 31, 2014	\$ <u>7,800</u>
Balance, December 31, 2015	\$ <u><u>7,800</u></u>

Exhibit A-19

Schedule of County Taxes Payable

Current Fund

Year ended December 31, 2015

Increased by: 2015 Levy	\$ <u>12,708,663</u>
Decreased by: Payments	\$ <u><u>12,708,663</u></u>

BOROUGH OF WOODLAND PARK, N.J.

Schedule of Amount Due County for Added Taxes

Current Fund

Year ended December 31, 2015

Increased by:		
2015 Added Taxes	\$	<u>72,412</u>
Decreased by:		
Payments	\$	<u><u>72,412</u></u>

Schedule of Local District School Tax

Current Fund

Year ended December 31, 2015

Balance, December 31, 2014 (school tax deferred)	\$	7,456,035
Increased by levy - school year July 1, 2015 to June 30, 2016		<u>15,278,097</u>
		22,734,132
Decreased by:		
Cash Disbursements		<u>15,095,085</u>
Balance, December 31, 2015 (school tax deferred)	\$	<u><u>7,639,047</u></u>

BOROUGH OF WOODLAND PARK, N.J.

Schedule of Regional High School Tax

Current Fund

Year ended December 31, 2015

Balance, December 31, 2014		
(Prepaid regional school tax)	\$	
(school tax deferred)		3,685,934
Increased by levy - school year		
July 1, 2015 to June 30, 2016		<u>8,159,810</u>
		11,845,744
Decreased by:		
Cash Disbursements		<u>7,765,622</u>
Balance, December 31, 2015		
(Regional school tax payable)	\$	217
(School tax deferred)		<u><u>4,079,905</u></u>

BOROUGH OF WOODLAND PARK, N.J.

Schedule of Various Reserves

Current Fund

Year ended December 31, 2015

	Balance Dec. 31, 2014	Increased	Decreased	Balance Dec. 31, 2015
\$				
Premium on Tax Title Liens	200,000	114,500	137,500	177,000
Library grant	80			80
Master Plan	1,035			1,035
Tax Map	500			500
Codification	409			409
Elevator Fees	290			290
State Fees Payable:				
DCA Fees	5,498	17,019	17,690	4,827
Marriage License Fees	1,600	2,925	2,850	1,675
Other Fees	1,901			1,901
Reserve for:				
Outside Liens				
Tax Appeals	239,645		23,884	215,761
Library - Capital Improvements	558,178	29,196	2,761	584,613
Reserve for Sale of Assets	2,359			2,359
Reserve for Salary and Wages	11,796			11,796
	<u>\$ 1,023,291</u>	<u>163,640</u>	<u>184,685</u>	<u>1,002,246</u>
Transferred from Appropriation Reserves		29,196		
Cash Receipts		134,444		
Cash Disbursements			184,685	
		<u>\$ 163,640</u>	<u>184,685</u>	

BOROUGH OF WOODLAND PARK, N.J.

Schedule of Due to/(from) Current Fund

Federal and State Grant Fund

Year ended December 31, 2015

Balance, December 31, 2014		\$	(2,407)
Increased by:			
Grants Received - Appropriated	\$	728,426	
Receivables Cancelled		<u>26,025</u>	
			<u>754,451</u>
			(756,858)
Decreased by:			
Cash Disbursements -			
Appropriated Grant Reserves	\$	805,829	
Grants Cancelled		25,000	
Prior Year Encumbrances Paid		<u>112,162</u>	
			<u>942,991</u>
Balance, December 31, 2015		\$	<u><u>186,133</u></u>

BOROUGH OF WOODLAND PARK, N.J.

Schedule of Grants Receivable

Federal and State Grant Fund

Year ended December 31, 2015

	Balance Dec. 31, <u>2014</u>	2015 Budget <u>Revenue</u>	Cash <u>Receipts</u>	<u>Canceled</u>	Balance Dec. 31, <u>2015</u>
Passaic County Open Space-Zaccaria Park	\$ 23,747		23,747		
Passaic County Open Space-Morris Canal	6,474		6,173		301
DOT - Newby Street	8,357				8,357
DOT - Overmont Ave - 2012	25,000			(25,000)	
CDBG - Disaster Relief	848,263		494,889	(1,025)	352,349
NJ Historic Trust-Morris Canal	1,600				1,600
Body Armor	1,020				1,020
NJDOT - Mt. Pleasant Ave Improvements	73,974				73,974
Passaic County Open Space-Rose Park Place Impr.	99,000		75,935		23,065
Passaic County Open Space-Dowling Park Fountain	1,820		1,800		20
NJDOT - McBride Streetscape	250,000				250,000
NJDEP Peckman River	150,000				150,000
NJDEP Passaic River	150,000				150,000
Passaic County Open Space - Rose Park Place	93,555				93,555
Assistance to Firefighters	4,851				4,851
Drive Sober or Get Pulled Over	7,500		7,179		321
Safe and Secure	60,000		60,000		
Drunk Driving Enforcement Fund		2,676	2,676		
Recycling Tonnage		13,247	13,247		
NJDOT McBride Streetscape - Phase II		250,000			250,000
Safe and Secure		60,000			60,000
Clean Communities		21,476	21,476		
Alcohol Education Rehabilitation Fund - 2015		59	59		
Passaic County Corridor Enhancement Fund		29,582	29,582		
Drive Sober or Get Pulled Over - 2015		5,000	4,981		19
Body Armor Grant - 2015		2,605	2,605		
Passaic County Open Space - Zaccaria Park		250,000			250,000
Drive Sober or Get Pulled Over - Holiday Crackdown		5,000			5,000
FEMA Hazard Mitigation		129,600			129,600
CDBG - Resurface Ray and Radcliff Avenue Impr.		60,000			60,000
	\$ <u>1,805,161</u>	<u>829,245</u>	<u>744,349</u>	<u>(26,025)</u>	<u>1,864,032</u>
			Cash	728,426	
			Transfer from Unappropriated Reserve	15,923	
				<u>\$ 744,349</u>	

BOROUGH OF WOODLAND PARK, N.J.

Schedule of Appropriated Reserves

Federal and State Grants

Year ended December 31, 2015

<u>Grant</u>	Balance Dec. 31, <u>2014</u>	Transferred from 2015 Budget Appro- priations	<u>Expended</u>	<u>Canceled</u>	Balance Dec. 31, <u>2015</u>
Statewide Livable Communities	126				126
Special Purpose Grant Roof	50,000				50,000
Stormwater Regulation - 2008	2,552				2,552
DOT - Newby Street - 2009	700				700
NJDOT - Mt. Pleasant Ave Improvements - 2011	85,355				85,355
Passaic County Open Space-Morris Canal - 2008	301		280		21
Passaic County Open Space - Zaccaria Park	550				550
Recycling Tonnage Grant - 2010	6,981		6,981		
Body Armor	557		557		
Drunk Driving Enforcement Fund - 2012	294		294		
Passaic County Open Space - Dowling Park Fountain	20				20
Clean Communities - 2013	1,741		1,741		
Recycling Tonnage Grant - 2011	13,567		13,567		
Alcohol Education Rehabilitation Fund - 2013	692		692		
Drunk Driving Enforcement Fund - 2013	2,284		2,284		
DOT - Overmont Ave - 2012	25,000			(25,000)	
CDBG - Disaster Relief	772,863		611,049		161,814
Passaic County Open Space - Rose Park Place Impr.	23,065		18,500		4,565
Body Armor Grant - 2013	3,354		3,354		
Emergency Management	2,629				2,629
NJDOT McBride Streetscape	250,000		65,638		184,362
Clean Communities	7,640		2,489		5,151
Alcohol Education Rehabilitation	768		768		
NJDEP Peckman River	150,000		15,000		135,000
NJDEP Passaic River	125,000		125,000		
Body Armor	2,609		2,609		
Federal Bullet Proof Vest	1,567		1,567		
Passaic County Open Space-Rose Place Park	93,555				93,555
Assistance to Firefighters			(1)		1
Drive Sober or Get Pulled Over - 2013	7,500		7,329		171
Safe and Secure	48,212		48,212		
Drunk Driving Enforcement Fund		2,676	228		2,448
Recycling Tonnage		13,247	13,247		
NJDOT McBride Streetscape - Phase II		250,000			250,000
Safe and Secure		60,000	15,403		44,597
Clean Communities		21,476	10,000		11,476
Alcohol Education Rehabilitation Fund - 2015		59			59
Passaic County Corridor Enhancement Fund		29,582	29,582		
Drive Sober or Get Pulled Over - 2015		5,000	4,981		19
Body Armor Grant - 2015		2,605	1,530		1,075
Passaic County Open Space - Zaccaria Park		250,000			250,000

BOROUGH OF WOODLAND PARK, N.J.

Schedule of Appropriated Reserves

Federal and State Grants

Year ended December 31, 2015

<u>Grant</u>	Balance Dec. 31, 2014	Transferred from 2015 Budget Appro- priations	<u>Expended</u>	<u>Canceled</u>	Balance Dec. 31, 2015
Drive Sober or Get Pulled Over - Holiday Crackdown		5,000			5,000
FEMA Hazard Mitigation		129,600			129,600
CDBG - Resurface Ray and Radcliff Avenue Impr.		60,000			60,000
	<u>\$ 1,679,482</u>	<u>829,245</u>	<u>1,002,881</u>	<u>(25,000)</u>	<u>1,480,846</u>
		Cash	805,829		
		Encumbered	<u>197,053</u>		
			<u>\$ 1,002,882</u>		

BOROUGH OF WOODLAND PARK, N.J.

Schedule of Unappropriated Reserves

Federal and State Grant Fund

Year ended December 31, 2015

<u>Grant</u>	Balance December 31, <u>2014</u>	<u>Budget Revenue</u>
Drunk Driving Enforcement Grant	\$ 2,676	2,676
Recycling Tonnage	<u>13,247</u>	<u>13,247</u>
	\$ <u>15,923</u>	<u>15,923</u>

BOROUGH OF WOODLAND PARK, N.J.

Schedule of Cash - Treasurer

Trust Funds

Year ended December 31, 2015

	Dog License Fund	Other Trust Fund	New Jersey Unem- ployment Insurance Fund	Community Development Trust Fund	Emergency Services LOSAP Trust
Balance, December 31, 2014	\$ 3,870	1,120,663	14,774	641	948,720
Increased by receipts:					
Due to State - Animal License Fees	262				
Dog License Fees	1,560				
Various Reserves		344,656			
Unemployment Contributions			8,648		
Interfunds		165,249			
Interest		266	49		10,460
Contributions					93,303
	<u>1,822</u>	<u>510,171</u>	<u>8,697</u>		<u>103,763</u>
	5,692	1,630,834	23,471	641	1,052,483
Decreased by disbursements:					
Dog Expenditures	415				
Due to State	262		2,500		
Various Reserves		583,143			
Interfunds	910	64,526			
Benefit Distributions					9,827
	<u>1,587</u>	<u>647,669</u>	<u>2,500</u>		<u>9,827</u>
Balance, December 31, 2015	\$ <u>4,105</u>	<u>983,165</u>	<u>20,971</u>	<u>641</u>	<u>1,042,656</u>

BOROUGH OF WOODLAND PARK, N.J.

Schedule of Assessments Receivable

Trust Funds

Year ended December 31, 2015

<u>Ordinance number</u>	<u>Improvement description</u>	<u>Date of confirmation</u>	<u>Annual install-ments</u>		<u>Balance Dec. 31, 2014</u>	<u>Balance, Dec. 31, 2015</u>
68-16	Construction of concrete curbs on Alcazar and Zoar Sts.	Dec. 21, 1977	3	\$	420	420
71-6	Construction of concrete curbs on Rose Place	Jan. 12, 1983	3		605	605
72-6	Improvement of Rose Place - sanitary sewers	Jan. 12, 1983	3		924	924
74-8	Curbs and sidewalks in Garden Avenue from Woodrow Avenue 200 ft. north of Taft Avenue	Dec. 9, 1987	3		<u>4,170</u>	<u>4,170</u>
				\$	<u>6,119</u>	<u>6,119</u>

BOROUGH OF WOODLAND PARK, N.J.

Schedule of Reserve for Assessments

Trust Funds

Year ended December 31, 2015

Ord. No.	<u>Improvement description</u>	Balance, Dec. 31, <u>2014</u>	Balance, Dec. 31, <u>2015</u>
	Assessment receivable:		
68-16	Construction of concrete curbs on Alcazar and Zoar Streets \$	420	420
71-6	Construction of curbs in portion of Mt. Pleasant Avenue both sides from McBride Avenue	605	605
72-6	8" Sanitary sewer - Rose Place from the existing sanitary sewer easterly 180 linear feet	924	924
74-8	Curbs and sidewalks in Garden Avenue from Woodrow Avenue 200 ft. north of Taft Ave.	<u>4,170</u>	<u>4,170</u>
		<u>\$ 6,119</u>	<u>6,119</u>

BOROUGH OF WOODLAND PARK, N.J.

Schedule of Amount Due from/(to) the State of New Jersey

Trust Funds

Year ended December 31, 2015

	<u>Increased</u>	<u>Decreased</u>
Animal Control Trust Fund:		
Animal Control License Fees	\$ <u>262</u>	<u>262</u>
	\$ <u><u>262</u></u>	<u><u>262</u></u>

BOROUGH OF WOODLAND PARK, N.J.

Schedule of Due from/(to) Current Fund

Trust Funds

Year ended December 31, 2015

	Due from/(to) Dec. 31, <u>2014</u>	<u>Increased</u>	<u>Decreased</u>	Due from/(to) Dec. 31, <u>2015</u>
Animal Control Trust Fund:	\$ (910)	910	835	(835)
Other Trust Fund:				
Escrow	249		238	11
Municipal Alliance		26	28	(2)
Open Space Trust Fund	<u> </u>	<u>165,249</u>	<u>165,249</u>	<u> </u>
Capital Fund				
Open Space Trust Fund	<u> </u>	<u>64,500</u>	<u>64,500</u>	<u> </u>
	<u>\$ (661)</u>	<u>230,685</u>	<u>230,850</u>	<u>(826)</u>
Due from	(910)	65,436	65,363	(837)
Due to	<u>249</u>	<u>165,249</u>	<u>165,487</u>	<u>11</u>
	<u>\$ (661)</u>	<u>230,685</u>	<u>230,850</u>	<u>(826)</u>
Open Space Tax Collections	\$	165,249		
Cash Disbursements		65,436		
Statutory Excess			835	
Interest Earnings			266	
Capital Ordinance			64,500	
Cash Receipts			<u>165,249</u>	
		<u>\$ 230,685</u>	<u>230,850</u>	

BOROUGH OF WOODLAND PARK, N.J.

Schedule of Reserve for Dog Fund Expenditures

Trust Funds

Year ended December 31, 2015

Balance, December 31, 2014		\$	2,960
Increased by:			
Dog License Fees Collected			<u>1,560</u>
			4,520
Decreased by:			
Expenditures under R.S. 4:19-15.11	\$	415	
Statutory excess Due to Current Fund		<u>835</u>	
			<u>1,250</u>
Balance, December 31, 2015	\$	<u><u>3,270</u></u>	

License fees collected

<u>Year</u>	<u>Amount</u>
2014	1,800
2013	<u>1,470</u>
	\$ <u><u>3,270</u></u>

BOROUGH OF WOODLAND PARK, N.J.

Schedule of Reserve for Expenditures - Various Reserves
Other Trust Funds

Trust Funds

Year ended December 31, 2015

	Balance Dec. 31, <u>2014</u>	<u>Deposits</u>	<u>Payments</u>	Balance Dec. 31, <u>2015</u>
Escrow Deposits	\$ 719,001	135,533	363,562	490,972
Performance Bonds	57,781	144		57,925
Drug and Alcohol Alliance	16,814	18,811	29,366	6,259
Open Space	202,709	165,414	111,122	257,001
Affordable Housing	199	1		200
Dedicated Fire Penalty	1,898	650	2,220	328
Recreation	26,983	140,466	132,688	34,761
Snow Removal	92,193	46,717	5,643	133,267
Centennial	500	1,100	1,600	
POAA	2,834	1,069	1,442	2,461
	<u>\$ 1,120,912</u>	<u>509,905</u>	<u>647,643</u>	<u>983,174</u>
Due From Current Fund		165,249		
Interfunds			64,500	
Cash		<u>344,656</u>	<u>583,143</u>	
		<u>\$ 509,905</u>	<u>647,643</u>	

BOROUGH OF WOODLAND PARK, N.J.

Schedule of Reserve for New Jersey Unemployment
Compensation Insurance Fund

Trust Funds

Year ended December 31, 2015

Balance, December 31, 2014		\$	14,774
Increased by:			
Employee Payroll Deductions Received	\$	8,648	
Interest earned on deposits		<u>49</u>	
			<u>8,697</u>
			23,471
Decreased by:			
Unemployment Claims			<u>2,500</u>
Balance, December 31, 2015		\$	<u><u>20,971</u></u>

BOROUGH OF WOODLAND PARK, N.J.

**Schedule of Reserve for
Community Development Block Grants**

Community Development Trust Fund

Year ended December 31, 2015

Balance, December 31, 2014	\$ <u>641</u>
Balance, December 31, 2015	\$ <u><u>641</u></u>

BOROUGH OF WOODLAND PARK, N.J.

Statement of Service Award Contributions Receivable

Emergency Services Volunteer Length of Service Award Program

Year ended December 31, 2015

Balance, December 31, 2014	93,303
Increased by:	
2015 Service Award Contributions	<u>76,806</u>
	170,109
Decreased by:	
Contributions Received	<u>93,303</u>
Balance, December 31, 2015	<u><u>\$ 76,806</u></u>

BOROUGH OF WOODLAND PARK, N.J.

Statement of Net Assets Available for Benefits

Emergency Services Volunteer Length of Service Award Program

Year ended December 31, 2015

Balance, December 31, 2014		1,042,023
Increased by:		
Borough Contributions	\$ 76,806	
Investment Income	<u>10,460</u>	
		<u>87,266</u>
		1,129,289
Decreased by:		
Benefit Distributions		<u>9,827</u>
Balance, December 31, 2015		<u>\$ 1,119,462</u>

BOROUGH OF WOODLAND PARK, N.J.

Schedule of Cash - Treasurer

General Capital Fund

Year ended December 31, 2015

Balance, December 31, 2014		\$	2,362,912
Increased by Receipts:			
Reserve for Payment of Debt	\$	62,745	
Fund Balance		77,657	
Capital Improvement Fund		150,000	
Interfund		71,070	
Grants Receivable		91,207	
Bond Anticipation Notes		<u>1,634,500</u>	
			<u>2,087,179</u>
			4,450,091
Decreased by Disbursements:			
Interfund		196,949	
Improvement Authorizations		337,909	
Encumbrances		<u>1,795,073</u>	
			<u>2,329,931</u>
Balance, December 31, 2015		\$	<u><u>2,120,160</u></u>

BOROUGH OF WOODLAND PARK, N.J.

Analysis of Cash

General Capital Fund

December 31, 2015

Capital Improvement Fund	\$ 148,321
Grant Receivable - Department of Transportation	(98,661)
Grant Receivable - Department of Agriculture	(2,298)
Grant Receivable - Community Development Block Grant	(412,253)
Due from NJ Wastewater Trust Fund Loan	(4,326)
Reserve for Encumbrances	987,641
Reserve for Payment of Debt	178,950
Reserve for CDBG Grants Receivable	106,793
Interfund Payable	496
Fund Balance	77,657

Improvement authorizations:

<u>Ordinance number</u>	<u>Improvement description</u>	
99-20	Various Public Improvements	17,552
01-02	Renovation of Youth and Senior Center	(3,030)
01-04	Tax Refunds	47,811
01-08	Reconstruction/Repaving of Sunset Avenue	41,236
02-05	Acquisition of Property	32,626
02-06	Reconstruction of Mt. Pleasant Ave, Sec 2	10,230
02-11	Reconstruction of Jackson Ave	21,123
03-06	Resurfacing of Various Roads	23,495
03-12	Sewer Improvement Project	(44,323)
04-05	Various Improvements	285
04-06	Refunding Ordinance	4,974
05-18	Williams Drive Road Resurfacing Phase III	77
05-19	Various Capital Improvements	999
06-06	Various Improvements	98,552
06-17	Various Improvements	5,113
07-11	Various Improvements	73,212
08-08	Various Improvements	268,028
09-06	Various Public Improvements	97,674
09-15	Tax Appeal Refunds	33,108
11-19	Various Public Improvements	1
11-21	Various Public Improvements	714,766
12-09	Various Public Improvements	(3,267)
13-01	Replace Portion of McBride Avenue Sanitary Sewer Force Main	53,589
13-10	Various Public Improvements	(126,098)
14-08	Various Public Improvements	995,059
14-15	Removal of Underground Fuel Tanks	(261,049)
15-03	Various Public Improvements	(831,952)
15-08	Imps. To Rose Place and Frank Zaccaria Parks	(131,951)
		<u>\$ 2,120,160</u>

BOROUGH OF WOODLAND PARK, N.J.

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

General Capital Fund

Year ended December 31, 2015

Balance, December 31, 2014		\$ 11,827,011
Decreased by:		
Serial bonds paid via Budget appropriation	\$ 835,000	
Capital Lease Payment	25,000	
Wastewater Loan Budget Appropriations	<u>96,436</u>	
		<u>956,436</u>
Balance, December 31, 2015		\$ <u><u>10,870,575</u></u>

BOROUGH OF WOODLAND PARK, N.J.

Schedule of Deferred Charges to Future Taxation - Unfunded

General Capital Fund

Year ended December 31, 2015

Ordinance number	Improvement description	Balance, Dec. 31, 2014	Authorizations	Decreased	Balance, Dec. 31, 2015	Bond anticipation notes	Expenditures	Unexpended improvement authorizations
	General improvements:							
01-02	Renovation of Youth and Senior Center	3,030			3,030		3,030	
03-12	Sewer Improvement Project	44,323			44,323		44,323	
09-06	Various Public Improvements	7,226			7,226			7,226
09-15	Tax Appeal Refunds	525,000	250,000		275,000	275,000		
11-19	Various Public Improvements	509,500			509,500	509,500		
11-21	Various Public Improvements	1,333,000	20,473		1,312,527	1,279,527		33,000
12-09	Various Public Improvements	796,000			796,000	625,000	3,267	167,733
13-01	Replace Portion of McBride Avenue Sanitary Sewer Force Main	2,850,000			2,850,000	2,200,000		650,000
13-10	Various Public Improvements	657,000			657,000	500,000	126,098	30,902
14-08	Various Public Improvements	2,477,000	91,207		2,385,793	1,700,000		685,793
14-15	Removal of Underground Fuel Tanks	290,000			290,000		261,049	28,951
15-03	Various Public Improvements		946,000		946,000		831,952	114,048
15-08	Imps. To Rose Place and Frank Zaccaria Parks		1,289,940		1,289,940		131,951	1,157,989
		<u>\$ 9,492,079</u>	<u>2,235,940</u>	<u>361,680</u>	<u>11,366,339</u>	<u>7,089,027</u>	<u>1,401,670</u>	<u>2,875,642</u>

Budget Appropriation	270,473
CDBG Proceeds Received	91,207
	<u>361,680</u>

Improvement authorizations - unfunded	\$ 4,672,165
Less unexpended proceeds of bond anticipation notes:	
Ordinance Number	
09-15	33,108
11-21	714,766
13-01	53,589
14-08	995,059
11-19	1
	<u>\$ 2,875,642</u>

BOROUGH OF WOODLAND PARK, N.J.

**Schedule of Grants Receivable - State
Department of Transportation**

General Capital Fund

Year ended December 31, 2015

Balance, December 31, 2014	\$ <u>98,661</u>
Balance, December 31, 2015	\$ <u><u>98,661</u></u>

Analysis of Balance

Williams Drive, Ord. 04-5	7,174
Lackawana Ave. Curbs and Sidewalks Ord. 04-5	4,015
Improvements to Overmont Ave, Ord. 12-09	1,367
Improvements to Overmont Ave, Ord. 14-08	<u>86,105</u>
	\$ <u><u>98,661</u></u>

BOROUGH OF WOODLAND PARK, N.J.

**Schedule of Grants Receivable -
Department of Agriculture**

General Capital Fund

Year ended December 31, 2015

Balance, December 31, 2014	\$ <u>2,298</u>
Balance, December 31, 2015	\$ <u><u>2,298</u></u>

**Schedule of New Jersey Wastewater Trust Fund
Loans Receivable**

General Capital Fund

Year ended December 31, 2015

Balance, December 31, 2014	\$ <u>4,326</u>
Balance, December 31, 2015	\$ <u><u>4,326</u></u>

	<u>Analysis of Balance</u>
Rifle Camp Sewer Project, Ord. 2003-12; Trust Loan	<u>4,326</u>
	\$ <u><u>4,326</u></u>

BOROUGH OF WOODLAND PARK, N.J.

Schedule of Community Development Block Grant Receivable

General Capital Fund

Year ended December 31, 2015

Balance, December 31, 2014	\$ <u>305,460</u>
Increased by:	
Grant Awards	<u>198,000</u>
	503,460
Decreased by:	
Cash Receipts	<u>91,207</u>
Balance, December 31, 2015	\$ <u><u>412,253</u></u>

Analysis of Balance

Improvements to Woodrow Ave, Ord. 12-09	63,460
Improvements to Rockland Ave., Ord. 12-09	242,000
Various Public Improvements, Ord. 14-08	<u>106,793</u>
	\$ <u><u>412,253</u></u>

BOROUGH OF WOODLAND PARK, N.J.

Schedule of Interfunds

General Capital Fund

Year ended December 31, 2015

	<u>Increased</u>	<u>Decreased</u>	Due from/(to) Dec. 31, <u>2015</u>
Current Fund	\$ 197,445	196,949	(496)
Open Space Trust Fund	<u>64,500</u>	<u>64,500</u>	<u>-</u>
	<u>261,945</u>	<u>261,449</u>	<u>(496)</u>
Cash Receipt \$	71,070		
Cash Disbursement		196,949	
Budgeted Revenue-Fund Balance	40,875		
Budgeted Revenue-Res. Payment of Debt	150,000		
Improvement Authorization		64,500	
	<u>\$ 261,945</u>	<u>261,449</u>	

BOROUGH OF WOODLAND PARK, N.J.

Schedule of Capital Improvement Fund

General Capital Fund

Year ended December 31, 2015

Balance, December 31, 2014	\$ 46,321
Increased by:	
2015 Budget Appropriation	<u>150,000</u>
	196,321
Decreased by:	
Appropriated to Finance Improvement Authorizations	<u>48,000</u>
Balance, December 31, 2015	<u><u>\$ 148,321</u></u>

BOROUGH OF WOODLAND PARK, N.J.

Schedule of Improvement Authorizations

General Capital Fund

Year ended December 31, 2015

Ordinance number	Improvement description	Date	Ordinance Amount	Balance, December 31, 2014		2015 authorization	Paid or charged	Balance, December 31, 2015	
				Funded	Unfunded			Funded	Unfunded
General improvements:									
99-20	Various Public Improvements	Aug. 4, 1999	606,000	17,552				17,552	
01-04	Tax Refunds	Aug. 15, 2001	600,000	47,811				47,811	
01-08	Reconstruction/Repaving of Sunset Avenue	Oct. 17, 2001	205,000	41,236				41,236	
02-05	Acquisition of Property	Apr. 24, 2002	225,000	32,626				32,626	
02-06	Reconstruction of Mt. Pleasant Ave, Sec 2	Apr. 24, 2002	245,000	10,230				10,230	
02-11	Reconstruction of Jackson Ave	Aug. 14, 2002	230,000	21,123				21,123	
03-06	Resurfacing of Various Roads	Mar. 19, 2003	74,000	23,495				23,495	
04-5	Various Improvements	Mar. 17, 2004	2,572,000	285				285	
04-6	Refunding Ordinance	May 19, 2004	360,000	4,974				4,974	
05-18	Williams Drive Road Resurfacing Phase III	Aug. 17, 2005	300,000	77				77	
05-19	Various Public Improvements	Oct. 19, 2005	175,000	999				999	
06-06	Various Public Improvements	Jun. 21, 2006	1,750,000	98,552				98,552	
06-17	Various Public Improvements	Dec. 22, 2006	161,885	5,113				5,113	
07-11	Various Public Improvements	Jun. 17, 2007	1,505,500	73,212				73,212	
08-08	Various Public Improvements	Jun. 18, 2008	2,196,435	314,980				314,980	
09-06	Various Public Improvements	May 6, 2009	1,574,000	97,674			46,952	268,028	
09-15	Tax Appeal Refunds	Oct. 21, 2009	1,150,000				603	97,674	7,226
11-19	Various Public Improvements	Dec. 7, 2011	535,000						33,108
11-21	Various Public Improvements	Dec. 28, 2011	1,400,000						1
12-09	Various Public Improvements	June 6, 2012	1,512,000				2,960		747,766
13-01	Replace Portion of McBride Avenue Sanitary Sewer Force Main								167,733
13-10	Various Public Improvements	Feb. 20, 2013	3,000,000	727,437			23,848	703,589	
14-08	Various Public Improvements	Aug. 14, 2013	6,900,000	143,601			112,699	30,902	
14-15	Removal/Replacement of Underground Fuel Tanks	May 7, 2014	2,876,640	1,741,285			60,433	1,680,852	
15-03	Various Public Improvements	November 26, 2014	305,000	30,000			1,049	28,951	
15-08	Imps. To Rose Place and Frank Zaccaria Parks	May 27, 2015	994,000				879,952	114,048	
		July 15, 2015	1,354,440				196,451	1,157,989	
			\$	\$ 789,939	\$ 3,602,323		\$ 1,325,550	\$ 742,987	\$ 4,672,165

Capital Improvement Fund	48,000
Open Space Trust Fund	64,500
Deferred Charges Unfunded	2,235,940
	\$ 2,348,440
Cash	337,909
Encumbrances	987,641
	\$ 1,325,550

BOROUGH OF WOODLAND PARK, N.J.

Schedule of Reserve for Encumbrances

General Capital Fund

Year ended December 31, 2015

Balance, December 31, 2014	\$ 1,795,073
Increased by:	
Charges to Improvement Authorizations	<u>987,641</u>
	2,782,714
Decreased by:	
Expended	<u>1,795,073</u>
Balance, December 31, 2015	\$ <u><u>987,641</u></u>

BOROUGH OF WOODLAND PARK, N.J.

Schedule of Reserve for Payment of Debt

General Capital Fund

Year ended December 31, 2015

<u>Ordinance</u>	Dec. 31, <u>2014</u>	<u>Increased</u>	<u>Decreased</u>	Dec. 31, <u>2015</u>
99-20 Various Public Improvements	\$ 2,900			2,900
04-05 Various Improvements	53,166			53,166
11-19 Various Improvements	<u>210,139</u>	<u>62,745</u>	<u>150,000</u>	<u>122,884</u>
	<u>\$ 266,205</u>	<u>62,745</u>	<u>150,000</u>	<u>178,950</u>
		Cash Receipt \$ <u>62,745</u>		
			Interfunds \$ <u>150,000</u>	

BOROUGH OF WOODLAND PARK, N.J.

Schedule of Reserve for CDBG Grants Receivable

General Capital Fund

Year ended December 31, 2015

Increased by:	
Grant Award - Ord. 2014-08	\$ <u>198,000</u>
	198,000
Decreased by:	
Cash Receipts	<u>91,207</u>
Balance, December 31, 2015	\$ <u><u>106,793</u></u>

BOROUGH OF WOODLAND PARK, N.J.

Schedule of Capital Leases Payable

General Capital Fund

Year ended December 31, 2015

Purpose	Date of issue	Original issue	Maturities of Bonds Outstanding, December 31, 2015		Interest rate	Balance, Dec. 31, 2014	Decreased	Balance, Dec. 31, 2015
			Date	Amount				
Bergen County Improvement Authority - Pooled Early Retirement Unfunded Liability Project	Mar. 31, 2003	\$ 405,000	Mar. 15, 2016	30,000	6.00%	\$ 305,000	25,000	280,000
			Mar. 15, 2017	35,000	6.00%			
			Mar. 15, 2018	45,000	6.00%			
			Mar. 15, 2019	50,000	6.00%			
			Mar. 15, 2020	55,000	6.00%			
			Mar. 15, 2021	65,000	6.00%			
						\$ 305,000	25,000	280,000

BOROUGH OF WOODLAND PARK, N.J.

Schedule of Environmental Infrastructure Fund Loans Payable

General Capital Fund

Year ended December 31, 2015

Purpose	Date of issue	Original issue	Maturities of Bonds Outstanding, December 31, 2015		Interest Rate	Balance, Dec. 31, 2014	Decreased	Balance, Dec. 31, 2015
			Date	Amount				
Wastewater Treatment Facilities	Oct. 15, 2003	420,000	Feb. 1, 2016	3,203	0.00%	147,669	20,975	126,694
			Aug. 1, 2016	17,211				
			Feb. 1, 2017	2,923				
			Aug. 1, 2017	19,732				
			Feb. 1, 2018	2,570				
			Aug. 1, 2018	19,379				
			Feb. 1, 2019	2,213				
			Aug. 1, 2019	19,022				
			Feb. 1, 2020	1,793				
			Aug. 1, 2020	18,601				
			Feb. 1, 2021	1,373				
		Aug. 1, 2021	18,674					

BOROUGH OF WOODLAND PARK, N.J.
Schedule of Environmental Infrastructure Fund Loans Payable

General Capital Fund

Year ended December 31, 2015

Purpose	Date of issue	Original issue	Maturities of Bonds Outstanding, December 31, 2015		Interest Rate	Balance, Dec. 31, 2014	Decreased	Balance, Dec. 31, 2015
			Date	Amount				
Wastewater Treatment Facilities	Nov. 4, 2004	493,977	Feb. 1, 2016	4,302		252,342	25,461	226,881
			Aug. 1, 2016	20,510				
			Feb. 1, 2017	3,977				
			Aug. 1, 2017	20,186				
			Feb. 1, 2018	3,572				
			Aug. 1, 2018	23,023				
			Feb. 1, 2019	3,086				
			Aug. 1, 2019	22,537				
			Feb. 1, 2020	2,600				
			Aug. 1, 2020	22,050				
			Feb. 1, 2021	2,113				
			Aug. 1, 2021	24,806				
			Feb. 1, 2022	1,546				
			Aug. 1, 2022	24,238				
			Feb. 1, 2023	979				
			Aug. 1, 2023	23,671				
		Feb. 1, 2024	496					
		Aug. 1, 2024	23,189					
						\$ 400,011	46,436	353,575

BOROUGH OF WOODLAND PARK, N.J.

Schedule of Bonds and Notes Authorized But Not Issued

General Capital Fund

Year ended December 31, 2015

Ordinance number	Improvement description	Balance, Dec. 31,	
		2014	2015
		Increased	Decreased
01-02	Reconstruction/Repaving of Meriline Ave	3,030	3,030
03-12	Sewer Improvements	44,323	44,323
09-06	Various Public Improvements	7,226	7,226
11-19	Various Public Improvements	509,500	509,500
11-21	Various Public Improvements	33,000	33,000
12-09	Various Public Improvements	796,000	625,000
13-1	Replace Portion of McBride Avenue Sanitary Sewer Force Main	650,000	650,000
13-10	Various Public Improvements	657,000	500,000
14-08	Various Public Improvements	777,000	91,207
14-15	Removal of Underground Fuel Tanks	290,000	290,000
15-03	Various Public Improvements		946,000
15-08	Imps. To Rose Place and Frank Zaccaria Parks		1,289,940
		<u>\$ 3,767,079</u>	<u>1,725,707</u>
		<u>2,235,940</u>	<u>4,277,312</u>
	CDBG proceeds received - Ord. 2014-08		91,207
	Notes Issued		1,634,500
			<u>\$ 1,725,707</u>

BOROUGH OF WOODLAND PARK, N.J.

Schedule of Cash - Treasurer

Water Utility Fund

Year ended December 31, 2015

	<u>Operating</u>	<u>Capital</u>
Balance, December 31, 2014	\$ <u>631,569</u>	<u>1,542,623</u>
Increased by receipts:		
Water collector	2,218,929	
Overpayments	17,004	
Miscellaneous	83,286	
Interfunds	<u>96,488</u>	<u>3,791</u>
	<u>2,415,707</u>	<u>3,791</u>
	3,047,276	1,546,414
Decreased by disbursements:		
2015 Appropriations	1,859,289	
2014 Appropriation Reserves	132,538	
Accrued interest on debt	66,291	
Refunds	467	
Capital Improvement Fund		65,600
Interfunds		96,488
Improvement Authorizations		<u>603</u>
	<u>2,058,585</u>	<u>162,691</u>
Balance, December 31, 2015	\$ <u><u>988,691</u></u>	<u><u>1,383,723</u></u>

BOROUGH OF WOODLAND PARK, N.J.

Analysis of Cash

Water Utility Capital Fund

December 31, 2015

	Balance, Dec. 31, <u>2015</u>
Capital Improvement Fund	\$ 244,053
Down Payments on Improvements	1,500
Reserve for Payment of Debt	451,757
Interfunds	313
Improvement Authorizations:	
<u>Ordinance</u>	
<u>number</u>	<u>General improvements</u>
99-8	Phase I of Extension to Water System (1,900)
04-16	Water System Improvements (50,977)
14-09	Water System Improvements <u>738,977</u>
	<u>\$ 1,383,723</u>

BOROUGH OF WOODLAND PARK, N.J.

Schedule of Consumers' Accounts Receivable

Water Utility Operating Fund

Year ended December 31, 2015

Balance, December 31, 2014		\$	67,078
Increased by:			
2015 Levy			<u>2,237,692</u>
			2,304,770
Decreased by:			
Cash receipts	\$	2,218,929	
Applied		<u>3,466</u>	
			<u>2,222,395</u>
Balance, December 31, 2015		\$	<u><u>82,375</u></u>

BOROUGH OF WOODLAND PARK, N.J.

Schedule of Interfunds

Water Utility Operating Fund

Year ended December 31, 2015

	<u>Increased</u>	<u>Decreased</u>	Due from/(to) Dec. 31, <u>2015</u>
Water Utility Capital Fund	\$ <u>96,801</u>	<u>96,488</u>	<u>313</u>
	\$ <u><u>96,801</u></u>	<u><u>96,488</u></u>	<u><u>313</u></u>
Cash Receipts		96,488	
Anticipated Revenue	<u>96,801</u>		
	\$ <u><u>96,801</u></u>	<u><u>96,488</u></u>	

BOROUGH OF WOODLAND PARK, N.J.

**Schedule of Due from New Jersey Environmental Infrastructure Trust -
Unexpended Loan Proceeds - Project Credits Receivable**

Water Utility Capital Fund

Year ended December 31, 2015

Balance, December 31, 2014	\$ <u>128,958</u>
Balance, December 31, 2015	\$ <u><u>128,958</u></u>

BOROUGH OF WOODLAND PARK, N.J.

Schedule of Fixed Capital

Water Utility Capital Fund

Year ended December 31, 2015

<u>Account</u>	Balance, Dec. 31, <u>2014</u>	Balance, Dec. 31, <u>2015</u>
Distribution	\$ 637,088	637,088
Meters	27,525	27,525
Passaic Valley Water Commission contribution on main	23,103	23,103
Easement	160	160
Various equipment	19,435	19,435
Equipment - tractor shovel	2,800	2,800
Equipment - bucket loader	5,800	5,800
Water storage tank	157,000	157,000
Water distribution system	1,522,900	1,522,900
Water mains	156,000	156,000
Backhoe	18,500	18,500
	<u>\$ 2,570,311</u>	<u>2,570,311</u>

BOROUGH OF WOODLAND PARK, N.J.

Schedule of Fixed Capital Authorized and Uncompleted

Water Utility Capital Fund

Year ended December 31, 2015

<u>Ordinance number</u>	<u>Improvement description</u>	<u>Ordinance</u>		Balance, Dec. 31, 2014	Balance, Dec. 31, 2015
		<u>Date</u>	<u>Amount</u>		
04-16	Water System Improvements	Aug. 4, 2004	1,400,000	\$ 1,081,710	1,081,710
14-09	Water System Improvements	May 7, 2014	1,210,000	1,210,000	1,210,000
				\$ 2,291,710	2,291,710

BOROUGH OF WOODLAND PARK, N.J.

Schedule of 2014 Appropriation Reserves

Water Utility Operating Fund

Year ended December 31, 2015

	Balance, Dec. 31, <u>2014</u>	Balance after transfers and <u>encumbrances</u>	Paid or <u>charged</u>	Balance <u>Lapsed</u>
Operating:				
Salaries and Wages	\$ 18,404	18,404	2,161	16,243
Other Expenses	180,344	232,672	130,377	102,295
Social Security	704	704		704
Unemployment Compensation	<u>100</u>	<u>100</u>		<u>100</u>
	<u>\$ 199,552</u>	<u>251,880</u>	<u>132,538</u>	<u>119,342</u>
Appropriation Reserves		199,552		
Encumbrances		<u>52,328</u>		
		<u>\$ 251,880</u>		

BOROUGH OF WOODLAND PARK, N.J.

Schedule of Reserve for Outside Liens

Water Utility Fund

Year ended December 31, 2015

Balance, December 31, 2014	\$ <u>1,911</u>
Balance, December 31, 2015	\$ <u><u>1,911</u></u>

Schedule of Overpayments

Water Utility Fund

Year ended December 31, 2015

Balance, December 31, 2014	\$ 4,966
Increased by:	
Receipts	<u>17,004</u>
	21,970
Decreased by:	
Applied	\$ 3,466
Refunded	<u>467</u>
	<u>3,933</u>
Balance, December 31, 2015	\$ <u><u>18,037</u></u>

BOROUGH OF WOODLAND PARK, N.J.

Schedule of Accrued Interest on Bonds

Water Utility Operating Fund

Year ended December 31, 2015

Balance, December 31, 2014				\$	9,758
Increased by:					
Budget Appropriation					
Infrastructure Trust Loans			\$	53,016	
Interest on Bonds				<u>11,453</u>	
					<u>64,469</u>
					74,227
Decreased by:					
Interest on Bonds Paid				12,775	
Infrastructure Trust Loans				<u>53,516</u>	
					<u>66,291</u>
Balance, December 31, 2015				\$	<u><u>7,936</u></u>

Principal Outstanding <u>Dec. 31, 2015</u>	Interest Rate	<u>From</u>	<u>To</u>	Required <u>Amount</u>	Actual <u>Amount</u>
335,000	Various	8/1/15	12/31/15	6,596	6,596
147,000	4.375%	10/15/15	12/31/15	1,340	<u>1,340</u>
					\$ <u><u>7,936</u></u>

Exhibit D-17

BOROUGH OF WOODLAND PARK, N.J.

Schedule of Capital Improvement Fund

Water Utility Capital Fund

Year ended December 31, 2015

Balance, December 31, 2014	\$ 309,653
Decreased by:	
Cash Disbursements	<u>65,600</u>
Balance, December 31, 2015	<u><u>\$ 244,053</u></u>

Exhibit D-18

Schedule of Down Payments on Improvements

Water Utility Capital Fund

Year ended December 31, 2015

Balance, December 31, 2014	\$ <u>1,500</u>
Balance, December 31, 2015	<u><u>\$ 1,500</u></u>

BOROUGH OF WOODLAND PARK, N.J.

Schedule of Interfunds

Water Utility Capital Fund

Year ended December 31, 2015

	<u>Increased</u>	<u>Decreased</u>	Due from/(to) Dec. 31, <u>2015</u>
Water Utility Operating Fund	\$ <u>96,488</u>	<u>96,801</u>	<u>(313)</u>
	\$ <u><u>96,488</u></u>	<u><u>96,801</u></u>	<u><u>(313)</u></u>
Cash Receipt		3,791	
Cash Disbursement	96,488		
Reserve for Payment of Debt		86,188	
Fund Balance		<u>6,822</u>	
	\$ <u><u>96,488</u></u>	<u><u>96,801</u></u>	

BOROUGH OF WOODLAND PARK, N.J.

Schedule of Reserve for Amortization

Water Utility Capital Fund

Year ended December 31, 2015

Balance, December 31, 2014		\$ 2,754,369
Increased by:		
Bond Payments	\$ 145,000	
Infrastructure Trust Payments	<u>60,505</u>	
		<u>205,505</u>
Balance, December 31, 2015		<u><u>\$ 2,959,874</u></u>

Schedule of Reserve for Deferred Amortization

Water Utility Capital Fund

Year ended December 31, 2015

Balance, December 31, 2014		\$ <u>58,000</u>
Balance, December 31, 2015		<u><u>\$ 58,000</u></u>

BOROUGH OF WOODLAND PARK, N.J.

Schedule of Reserve for Reserve for Payment of Debt

Water Utility Capital Fund

Year ended December 31, 2015

Balance, December 31, 2014	\$ 537,945
Decreased by:	
Budgeted Revenue	<u>86,188</u>
Balance, December 31, 2015	<u><u>\$ 451,757</u></u>
	<u>Analysis of Balance</u>
Improvement Authorization Cancelled Ord. 00-09	226,294
Grants Received - Hazardous Discharge Site Cleanup	<u>225,463</u>
	<u><u>\$ 451,757</u></u>

BOROUGH OF WOODLAND PARK, N.J.

Schedule of Water Utility Serial Bonds

Water Utility Capital Fund

Year ended December 31, 2015

Purpose	Date of issue	Original issue	Maturities of Bonds Outstanding, December 31, 2015		Interest rate	Balance, Dec. 31, 2014	Decreased	Balance, Dec. 31, 2015
			Date	Amount				
General Improvement Bonds	Oct. 15, 2001	1,507,000	Oct. 15, 2016	147,000	4.375%	\$ 292,000	145,000	147,000
						\$ 292,000	145,000	147,000

BOROUGH OF WOODLAND PARK, N.J.
Schedule of Environmental Infrastructure Trust Fund Loans Payable

		Water Utility Capital Fund					
		Year ended December 31, 2015					
Purpose	Date of issue	Original issue	Maturities of Bonds Outstanding, December 31, 2015		Rate	Balance, Dec. 31, 2014	Balance, Dec. 31, 2015
			Date	Amount			
Water System Improvements	Oct. 14, 2004	\$ 580,000	Aug. 1, 2016	30,000	4.000%	\$ 365,000	335,000
			Aug. 1, 2017	30,000	5.000%		
			Aug. 1, 2018	35,000	5.000%		
			Aug. 1, 2019	35,000	5.000%		
			Aug. 1, 2020	35,000	5.000%		
			Aug. 1, 2021	40,000	5.000%		
			Aug. 1, 2022	40,000	5.000%		
			Aug. 1, 2023	45,000	4.250%		
			Aug. 1, 2024	45,000	4.375%		
							30,000
Water System Improvements	Nov. 4, 2004	590,374	Feb. 1, 2016	5,134		138,084	107,579
			Aug. 1, 2016	24,593			
			Feb. 1, 2017	4,745			
			Aug. 1, 2017	24,203			
			Feb. 1, 2018	4,259			
			Aug. 1, 2018	26,960			
			Feb. 1, 2019	3,691			
			Aug. 1, 2019	13,994			
						\$ 503,084	442,579
						60,505	60,505

BOROUGH OF WOODLAND PARK, N.J.

Schedule of Bond Anticipation Notes

Water Utility Capital Fund

Year ended December 31, 2015

Ordinance number	Improvement description	Date of Original Issue	Date of Issue	Date of Maturity	Interest Rate	Balance, Dec. 31, 2014	Increased	Decreased	Balance, Dec. 31, 2015
14-09	Water System Improvements	June 6, 2014	June 5, 2015	June 3, 2016	1.50%	\$ 700,000	700,000	700,000	700,000
						\$ 700,000	700,000	700,000	700,000

BOROUGH OF WOODLAND PARK, N.J.

Schedule of Bonds and Notes Authorized But Not Issued

Water Utility Capital Fund

December 31, 2015

<u>Ordinance number</u>	<u>Improvement description</u>	Balance, Dec. 31, <u>2014</u>	Balance, Dec. 31, <u>2015</u>
04-16	Water System Improvements	\$ 229,626	229,626
99-8	Phase I, Extension to Water System	1,900	1,900
14-09	Water System Improvements	<u>452,000</u>	<u>452,000</u>
		<u>\$ 683,526</u>	<u>683,526</u>

BOROUGH OF WOODLAND PARK

PART II

**LETTER ON INTERNAL CONTROL OVER FINANCIAL
REPORTING AND ON COMPLIANCE AND OTHER MATTERS**

COMMENTS AND RECOMMENDATIONS

YEAR ENDED DECEMBER 31, 2015

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

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

Honorable Mayor and
Members of the Borough Council
Borough of Woodland Park
County of Passaic, New Jersey

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 Woodland Park in the County of Passaic as of and for the year ended December 31, 2015 and the related notes to the financial statements, and have issued our report thereon dated March 2, 2016, which was adverse due to being presented in accordance with New Jersey regulatory basis of accounting. The regulatory basis opinion was qualified for the Length of Service Awards Program not being audited.

Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements-regulatory basis, we considered the Borough of Woodland Park'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 Woodland Park's internal control. Accordingly, we do not express an opinion on the effectiveness of the Borough of Woodland Park'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.



Honorable Mayor and
Members of the Borough Council
Page 2.

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 Woodland Park 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 Woodland Park'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 Woodland Park 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 Woodland Park'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 Woodland Park's internal controls and compliance. Accordingly, this communication is not suitable for any other purpose.


Steven D. Wielkocz, C.P.A.
Registered Municipal Accountant
No. CR00413


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

March 2, 2016



BOROUGH OF WOODLAND PARK

GENERAL COMMENTS

Contracts and Agreements

N.J.S.A. 40A:11-3 states:

- a. When the cost or price of any contract awarded by the contracting 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, except that the governing body of any contracting unit may adopt an ordinance or resolution to set a lower threshold for the receipt of public bids or the solicitation of competitive quotations. If the purchasing agent is qualified pursuant to subsection b. of section 9 of P.L. 1971, c.198 (C.40A:11-9), the governing body of the contracting unit may establish that the bid threshold may be up to 25,000. Such authorization may be granted for each contract or by a general delegation of the power to negotiate and award such contracts pursuant to this section.
- b. 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 subparagraph (I) of paragraph (a) of subsection (1) of section 5 of P.L. 1971, c.198 (C.40A:11-5) may be awarded for a period not exceeding 12 consecutive months. The Division of Local Government Services shall adopt and promulgate rules and regulations concerning the methods of accounting for all contracts that do not coincide with the contracting unit's fiscal year.
- c. The Governor, in consultation with the Department of the Treasury, shall no later than March 1 of every fifth year beginning in the fifth year after the year in which P.L. 1999, c.440 takes effect, adjust the threshold amount and the higher threshold amount which the governing body is permitted to establish, as set forth in subsection a. of this section, or the threshold amount resulting from any adjustment under this subsection, in direct proportion to the rise or fall of the index rate as that term is defined in section 2 of P.L. 1971, c.198(C.40A:11-2), and shall round the adjustment to the nearest \$1,000. The Governor shall, no later than June 1 of every fifth year, notify each governing body of the adjustment. The adjustment shall become effective on July 1 of the year in which it is made.

N.J.S.A. 40A:11-4 states:

- a. 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 of specifically by any other law. The governing body of a contracting unit may, by resolution approved by a majority of the governing body and subject to subsections b. and c. of this section, disqualify a bidder who would otherwise be determined to be the lowest responsible bidder, if the governing body finds that it has had prior negative experience with the bidder.

BOROUGH OF WOODLAND PARK
GENERAL COMMENTS, CONTINUED

Effective July 1, 2010, the bid threshold, in accordance with N.J.S.A. 40A:11-3 and 40A:11-4 (as amended) is \$17,500 and with a qualified purchasing agent the threshold may be up to \$36,000. On May 7, 2009, the Borough increased the bid threshold to \$36,000 as allowed by law for having a qualified purchasing agent. On July 1, 2015, the threshold with a qualified purchasing agent was increased to \$40,000.

The governing body of the Municipality has the responsibility of determining whether the expenditures in any category will exceed the bid threshold within the fiscal 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:

- De-snagging and shoal dredging of a section of the Passaic River
- Demolition of flood-prone residential property
- 2015 Road Resurfacing Program
- Repaving of the Recycling Center
- Police Interceptor Utility, All Wheel Drive
- Collection of Curbside Recycling
- Installation of Security Cameras
- Refurbishing of Water Tank
- Dump Trucks

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

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.

BOROUGH OF WOODLAND PARK
GENERAL COMMENTS, CONTINUED

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 7, 2015, adopted the following amended resolution authorizing interest to be charged on delinquent taxes:

“NOW THEREFORE BE IT RESOLVED by the Mayor and Council of the Borough of Woodland Park, that taxes due to the Borough shall be payable February 1st, May 1st, August 1st, and November 1st each year, after which dates, if unpaid, shall become delinquent and from and after the respective dates herein before provided for taxes to become delinquent, the tax payer or property assessed shall be subject to interest at 8% per annum on the first \$1,500 and 18% thereafter and a 6% additional penalty for a delinquency over \$10,000 if not paid by the end of the calendar year. Delinquent water bills over \$100 shall be subject to interest at 1% per month thirty days after the due date.

ALSO, BE IT RESOLVED, that in the event said taxes shall be paid within ten days from the due date the interest shall be waived except in the office of the Tax Collector is closed on the tenth day of February, May, August or November then the grace period shall be extended to include the first business day thereafter; and,

BE IT FURTHER RESOLVED that the interest rates so stated will revert back to the due date of any installment of taxes or assessments received after the expiration of the ten-day grace period or as otherwise provided in the Resolution.”

It appears from an examination of the Collector's records that interest was collected in accordance with the foregoing resolution.

Delinquent Taxes and Tax Title Liens

A tax sale was held on September 17, 2015, and was complete.

Inspection of the sale certificates on file revealed that all tax sale certificates were available for audit.

The following comparison is made of the number of tax title liens receivable on December 31 of the last three years:

<u>Year</u>	<u>Number of liens</u>
2015	1
2014	0
2013	0

BOROUGH OF WOODLAND PARK

GENERAL COMMENTS

FINANCE/TREASURER:

1. The Community Development Block Grant Trust funds were not properly authorized to expend.
2. *There is a prior year balance of \$850 owed to the State for marriage license fees.
3. There are unfunded improvement authorizations in the General Capital Fund greater than five years old.

DEPARTMENTS:

Municipal Court:

1. *Reconciled cash bail per the bank account does not agree to the Bail on Account per ATS/ACS.
2. There are stale dated checks being carried as outstanding checks on both the Magistrates and Bail Account bank reconciliations.

BOROUGH OF WOODLAND PARK

RECOMMENDATIONS

FINANCE/TREASURER:

1. Community Development Block Grant Trust funds be appropriated through the Current Fund budget for all expenditures.
2. *The prior year State marriage license fees be remitted to the State without delay.
3. That all ordinances with cash deficits over five years old should be funded through a valid financing source.

DEPARTMENTS:

Municipal Court:

1. *Bail on Account must be reconciled to the Bail Account cash on a monthly basis.
2. That outstanding checks that are considered stale dated be cancelled by resolution and the funds be disbursed to the proper agencies.

BOROUGH OF WOODLAND PARK

STATUS OF PRIOR YEAR AUDIT FINDINGS/RECOMMENDATIONS

A review was performed on all prior year recommendations and corrective action was taken on all except for the Findings/Recommendations marked with an "*".

ACKNOWLEDGMENT

We received the complete cooperation of all of the officials of the municipality and we greatly appreciate the courtesies extended to all members of the audit team.

Respectfully submitted,



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No. CR00413



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