

REPORT OF AUDIT

TOWNSHIP OF WEST MILFORD

COUNTY OF PASSAIC

DECEMBER 31, 2015

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TOWNSHIP OF WEST MILFORD

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TOWNSHIP OF WEST MILFORD

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PART I

REPORT OF AUDIT ON FINANCIAL STATEMENTS

AND SUPPLEMENTARY DATA

YEAR ENDED DECEMBER 31, 2015

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

Charles J. Ferraioli, Jr., MBA, CPA, RMA
Steven D. Wielkottz, CPA, RMA
James J. Cerullo, CPA, RMA
Paul J. Cuva, CPA, RMA
Thomas M. Ferry, CPA, RMA

Certified Public Accountants
401 Wanaque Avenue
Pompton Lakes, New Jersey 07442
973-835-7900
Fax 973-835-6631

Newton Office
100B Main Street
Newton, N.J. 07860
973-579-3212
Fax 973-579-7128

INDEPENDENT AUDITOR'S REPORT

The Honorable Mayor and
Members of the Township Council
Township of West Milford
West Milford, New Jersey 07480

Report on the Financial Statements

We have audited the accompanying balance sheets - regulatory basis of the various funds and account group of the Township of West Milford 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 Township'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.

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The Honorable Mayor and
Members of the Township Council
Page 2.

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

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

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

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

As described in Note 1 of the financial statements, the financial statements are prepared by the Township of West Milford 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 Township of West Milford 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 17 of the financial statements, the Township 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 \$1,958,192.90 and \$1,928,963.65 for 2015 and 2014, respectively, were not audited and, therefore, we express no opinion on the LOSAP program.

Opinion on Regulatory Basis of Accounting

In our opinion, except for the effects of the 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 Township of West Milford's basic financial statements. The supplementary information listed in the table of contents and the letter of comments and recommendations section are presented for purposes of additional analysis and are not a required part of the basic financial statements.


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


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

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

In accordance with *Government Auditing Standards*, we have also issued our report dated March 18, 2016 on our consideration of the Township of West Milford's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Township of West Milford's internal control over financial reporting and compliance.


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


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

March 18, 2016

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Township of West Milford, N.J.

Comparative Balance Sheet - Regulatory Basis

Current Fund

December 31,

	<u>Ref.</u>	<u>2015</u>	<u>2014</u>
<u>Assets</u>			
Current Fund:			
Cash	A-4	10,140,056.46	8,581,476.38
Change Funds	A-5	<u>750.00</u>	<u>500.00</u>
		<u>10,140,806.46</u>	<u>8,581,976.38</u>
Receivables and Other Assets with Full Reserves:			
Delinquent Taxes Receivable	A-7	1,397,044.99	1,449,378.91
Tax Title Liens Receivable	A-8	1,973,547.86	1,979,612.27
Property Acquired for Taxes -			
Assessed Valuation	A-9	3,260,100.00	2,712,800.00
Revenue Accounts Receivable	A-11	17,871.90	22,328.64
Interfund Receivables:			
Other Trust Fund	A-12	46,301.92	13,971.05
Assessment Trust Fund	A-12		14,534.92
Payroll Fund	A-12	<u>2,726.54</u>	<u>195.01</u>
		<u>6,697,593.21</u>	<u>6,192,820.80</u>
Deferred Charges:			
Special Emergency Authorizations	A-10	<u>267,012.16</u>	<u>535,518.24</u>
		<u>267,012.16</u>	<u>535,518.24</u>
		<u>17,105,411.83</u>	<u>15,310,315.42</u>
Federal and State Grant Fund:			
Grants Receivable	A-21	1,637,393.06	1,129,484.89
Interfund - General Capital Fund	A-24	27,583.27	27,583.27
Interfund - Current Fund	A-24	<u>389,036.11</u>	<u>356,501.76</u>
		<u>2,054,012.44</u>	<u>1,513,569.92</u>
		<u>19,159,424.27</u>	<u>16,823,885.34</u>

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

Township of West Milford, N.J.

Comparative Balance Sheet - Regulatory Basis

Current Fund

December 31,

	<u>Ref.</u>	<u>2015</u>	<u>2014</u>
<u>Liabilities, Reserves and Fund Balance</u>			
Current Fund:			
Appropriation Reserves	A-3/A-13	1,750,916.31	1,279,430.69
Encumbrances Payable	A-15	1,292,638.71	971,010.81
Prepaid Taxes	A-16	532,288.69	535,856.52
Interfunds Payable			
Animal Control Trust Fund	A-12	5,880.76	
General Capital Fund	A-12	200,000.00	63,000.00
Assessment Trust Fund	A-12	860.77	
Federal and State Grant Fund	A-12	389,036.11	356,501.76
County Taxes Payable	A-18	21,624.09	23,613.22
Due to Garbage District	A-19	393,072.02	271,615.33
Due to State of NJ:			
Senior Citizens and Veterans	A-14	11,995.62	12,689.02
Marriage Surcharge	A-20	600.00	625.00
Building Surcharge	A-20	6,829.00	3,923.00
Accounts Payable	A-20	50,233.09	18,834.60
Special Emergency Note	A-20		400,000.00
Tax Overpayments	A-20	70,929.36	61,628.33
Deposits for the Redemption of Tax Sale Cert.	A-20	91,254.12	136,198.45
Reserve for:			
Sale of Property	A-20	447,431.14	847,431.14
911	A-20	47.45	47.45
Revaluation of Real Property	A-20	108,774.68	108,774.68
Tax Appeals	A-20		40,000.00
Tax Appeal Legal Fees	A-20	6,695.63	6,695.63
Technology Improvements	A-20	33,417.02	21,983.48
Tax Foreclosures	A-20	7,323.08	18,699.75
Hurricane Sandy	A-20	95,276.33	38,351.88
Salary Negotiations	A-20	62,280.69	62,280.69
Senior Housing	A-20	6,130.09	6,130.09
Wetlands Study	A-20	15,583.00	15,583.00
Housing Standards	A-20	12,383.25	12,383.25
		<u>5,613,501.01</u>	<u>5,313,287.77</u>
Reserve for Receivables	Contra	6,697,593.21	6,192,820.80
Fund Balance	A-1	<u>4,794,317.61</u>	<u>3,804,206.85</u>
		<u>17,105,411.83</u>	<u>15,310,315.42</u>
Federal and State Grant Fund:			
Appropriated Reserve for Grants	A-22	1,902,276.51	1,246,848.73
Unappropriated Reserve for Grants	A-23	2,990.00	117,975.26
Interfund - Garbage District	A-24	<u>148,745.93</u>	<u>148,745.93</u>
		<u>2,054,012.44</u>	<u>1,513,569.92</u>
		<u>19,159,424.27</u>	<u>16,823,885.34</u>

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

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

Current Fund

Year Ended December 31,

	<u>Ref.</u>	<u>2015</u>	<u>2014</u>
Revenues and Other Income:			
Fund Balance Utilized	A-2	2,500,000.00	2,000,000.00
Miscellaneous Revenue Anticipated	A-2	6,821,223.42	5,842,155.89
Receipts from Delinquent Taxes	A-2	1,357,286.99	1,096,748.25
Receipts from Current Taxes	A-2	100,663,610.22	97,684,650.53
Non-Budget Revenue	A-2	297,492.12	440,997.04
Other Credits to Income:			
Interfunds Returned	A-12	28,700.98	47,616.68
Statutory Excess in Animal Control Trust	A-12	5,119.24	
Canceled Grant Reserves	A-12	42,609.19	915,013.36
Canceled Trust Reserves			42,546.77
Unexpended Balance of Appropriation Reserves	A-13	<u>1,312,132.41</u>	<u>993,966.27</u>
Total Revenues and Other Income		<u>113,028,174.57</u>	<u>109,063,694.79</u>
Expenditures:			
Budget and Emergency Appropriations:			
Operations:			
Salaries and Wages	A-3	12,846,569.43	12,662,572.76
Other Expenses	A-3	11,984,877.10	10,927,261.51
Capital Improvement Fund	A-3	500,000.00	150,000.00
Municipal Debt Service	A-3	3,101,711.66	2,614,728.17
Deferred Charges and Statutory Expenditures -			
Municipal	A-3	3,064,992.62	2,940,568.67
Judgments			40,000.00
Refund of Prior Years Revenue	A-4	3,391.02	31,077.67
Interfund Advances	A-12	49,028.46	28,700.98
Canceled Grant Receivable	A-12	38,735.70	467,426.04
Canceled Capital Receivable			275,000.00
Municipal Open Space Tax	A-12	150,625.58	150,645.98
Local District School Tax	A-17	53,810,404.00	53,018,279.00
County Taxes including Added Taxes	A-18	22,194,822.17	21,000,332.48
Garbage District Taxes	A-19	<u>1,792,906.07</u>	<u>1,871,047.81</u>
Total Expenditures		<u>109,538,063.81</u>	<u>106,177,641.07</u>

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

Current Fund

Year Ended December 31,

	<u>Ref.</u>	<u>2015</u>	<u>2014</u>
Excess (Deficit) Revenue Over Expenditures		3,490,110.76	2,886,053.72
Adjustment to Income Before Fund Balance - Expenditures Included above Which are by Statute Deferred Charges to Budget of Succeeding Year			
Statutory Excess to Fund Balance		3,490,110.76	2,886,053.72
Fund Balance, January 1,	A	<u>3,804,206.85</u>	<u>2,918,153.13</u>
		7,294,317.61	5,804,206.85
Decreased by:			
Fund Balance Utilized as Budget Revenue	A-2	<u>2,500,000.00</u>	<u>2,000,000.00</u>
Fund Balance, December 31,	A	<u><u>4,794,317.61</u></u>	<u><u>3,804,206.85</u></u>

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

Township of West Milford, N.J.

Statement of Revenues - Regulatory Basis

Page 1 of 4

Current Fund

Year Ended December 31, 2015

	<u>Ref.</u>	<u>Budget</u>	<u>Realized</u>	<u>Excess (Deficit)</u>
Fund Balance Anticipated	A-1	2,500,000.00	2,500,000.00	
Miscellaneous Revenues:				
Licenses:				
Alcoholic Beverages	A-11	18,000.00	19,185.00	1,185.00
Other	A-2	49,000.00	49,341.76	341.76
Fees and Permits	A-2	170,000.00	183,543.10	13,543.10
Fines and Costs:				
Municipal Court	A-11	220,000.00	211,249.80	(8,750.20)
Interest and Costs on Taxes	A-11	300,001.93	355,302.32	55,300.39
Interest and Costs on Assessments	A-11	26,000.00	27,689.20	1,689.20
Interest on Investments	A-11	11,000.00	13,816.44	2,816.44
Recreation Fees	A-11	425,000.00	445,682.84	20,682.84
Uniform Fire Safety Act (Local Fees)	A-11	37,000.00	52,364.00	15,364.00
Sequential Multiple Analysis Fees	A-11	15,000.00	13,783.32	(1,216.68)
Energy Receipts Tax	A-11	2,320,884.00	2,320,884.00	
Consolidated Municipal Property Tax Relief Aid	A-11	2,054.00	2,054.00	
Garden State Trust PILOT Funds	A-11	81,090.00	81,090.00	
Watershed Moratorium Aid	A-11	757,687.00	757,687.00	
Uniform Construction Code Fees	A-11	300,000.00	380,227.12	80,227.12
Interlocal Agreement-Borough of Ogdensburg-Financ	A-11	51,220.68	25,610.34	(25,610.34)
Drunk Driving Enforcement Fund	A-21	8,558.18	8,558.18	
Clean Communities Program	A-21	134,280.67	134,280.67	
Handicapped Recreation Opportunities Grant	A-21	20,000.00	20,000.00	
F T A				
NJ Transit Share	A-21	55,396.50	55,396.50	
Federal Share	A-21	110,793.00	110,793.00	
Municipal Alliance on Alcoholism and Drug Abuse	A-21	22,440.00	22,440.00	
Passaic County Cultural Heritage Grant	A-21	2,000.00	2,000.00	
Drive Sober or Get Pulled Over	A-21	10,000.00	10,000.00	
County Open Space Highlands Trail Connector Acq.	A-21	128,520.00	128,520.00	
County Open Space Nosenzo Pond Park Playground	A-21	31,136.00	31,136.00	
County Open Space Farrell Field Soccer Rehab	A-21	54,621.00	54,621.00	
Green Acres Grant Highlands Trail Connector Acq.	A-21	215,000.00	215,000.00	
Open Space Institute Land Trust Inc. Highlands Trail	A-21	64,000.00	64,000.00	
Body Armor Replacement Fund	A-21	8,416.00	8,416.00	
Hepatitis B Grant	A-21	999.00	999.00	
Factory Mutual Global Fire Prevention Grant	A-21	1,200.00	1,200.00	
Recycling Tonnage Grant	A-21	43,611.23	43,611.23	
NJ Highlands Water Protection	A-21	55,000.00	55,000.00	
Uniform Fire Safety Act	A-11	40,892.72	35,151.20	(5,741.52)
General Capital Surplus	A-11	100,000.00	100,000.00	
Reserve for Sale of Property	A-20	400,000.00	400,000.00	

Township of West Milford, N.J.

Statement of Revenues - Regulatory Basis

Current Fund

Year Ended December 31, 2015

	<u>Ref.</u>	<u>Budget</u>	<u>Realized</u>	<u>(Deficit)</u>
Cable TV Franchise Fees	A-11	126,344.00	126,344.00	
F.E.M.A. - Reimbursement Sandy	A-20	143,936.86	143,936.86	
Cell Tower Lease Agreement	A-11	78,000.00	92,809.54	14,809.54
Police Athletic League Debt Service Contributions	A-11	<u>8,000.00</u>	<u>17,500.00</u>	<u>9,500.00</u>
Total Miscellaneous Revenues	A-1	6,647,082.77	6,821,223.42	174,140.65
Receipts from Delinquent Taxes	A-1/A-2	1,200,000.00	1,357,286.99	157,286.99
Amount to be Raised by Taxes for Support of Municipal Budget - Local Tax for Municipal Purposes Including Reserve for Uncollected Taxes	A-2	<u>23,207,971.00</u>	<u>24,469,677.40</u>	<u>1,261,706.40</u>
Budget Totals		33,555,053.77	35,148,187.81	1,593,134.04
Non-Budget Revenue	A-1/A-2	<u> </u>	<u>297,492.12</u>	<u>297,492.12</u>
		<u>33,555,053.77</u>	<u>35,445,679.93</u>	<u>1,890,626.16</u>
Adopted Budget	A-3	33,203,534.45		
Appropriated by N.J.S. 40A:4-87	A-3	<u>351,519.32</u>		
		<u>33,555,053.77</u>		

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

Township of West Milford, N.J.

Statement of Revenues - Regulatory Basis

Current Fund

Year Ended December 31, 2015

Analysis of Realized Revenues

Revenue from Collections	<u>Ref.</u> A-1/A-7	100,663,610.22
Allocated to School and County Taxes	A-7	<u>78,218,932.82</u>
Balance for Support of Municipal Budget Appropriations		22,444,677.40
Add : Appropriation - Reserve for Uncollected Taxes	A-3	<u>2,025,000.00</u>
Amount for Support of Municipal Budget Appropriations	A-2	<u>24,469,677.40</u>
Receipts from Delinquent Taxes:		
Delinquent Taxes	A-7	1,343,757.03
Tax Title Liens	A-8	<u>13,529.96</u>
	A-2	<u>1,357,286.99</u>
Licenses - Other:		
Clerk	A-11	11,879.65
Sanitary Inspector	A-11	27,394.11
Registrar	A-11	318.00
Cat Licenses	A-11	<u>9,750.00</u>
	A-2	<u>49,341.76</u>
Fees and Permits:		
Clerk	A-11	2,629.35
Police	A-11	6,929.75
Registrar	A-11	14,980.00
Sanitary Inspector	A-11	70,110.00
Fire Inspector	A-11	62,938.00
Board of Adjustment	A-11	5,320.00
Planning Board	A-11	<u>20,636.00</u>
	A-2	<u>183,543.10</u>

Township of West Milford, N.J.

Statement of Revenues - Regulatory Basis

Current Fund

Year Ended December 31, 2015

Analysis of Non-budget Revenues

	<u>Ref.</u>		
Miscellaneous Revenues Not Anticipated:			
Revenues Accounts Receivable:			
Clerk	A-11	3,032.24	
Sanitary Inspector	A-11	466.90	
Registrar	A-11	3,502.00	
Police	A-11	488.30	
Building Inspector	A-11	2,436.00	
Planning Board	A-11	<u>138.25</u>	
			10,063.69
 Treasurer			
Lincoln Hill Village Urban Renewal		10,360.20	
Insurance Dividend		141,138.00	
Reimbursement of Prior Year Expenditures		7,591.30	
Tax Sale Premiums		4,400.00	
Hillcrest Reimbursement		60,064.00	
Rentals		1,683.00	
PAL Preschool Rent		18,664.00	
DMV Fines		1,850.00	
Tax Collector		2,542.17	
Senior Citizens & Vets Admin Fee		5,349.01	
Police Outside Service Administration Fee		12,740.36	
Refunds / Miscellaneous Reimbursements		<u>21,046.39</u>	
	A-4		<u>287,428.43</u>
	A-2		<u>297,492.12</u>

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

Township of West Milford, N.J.

Statement of Expenditures - Regulatory Basis

Current Fund

Year Ended December 31, 2015

<u>General Appropriations</u>	<u>Ref.</u>	<u>Budget</u>	<u>Budget After Modification</u>	<u>Paid or Charged</u>	<u>Reserved</u>	<u>Unexpended Balance Cancelled</u>
Operations - within "CAPS"						
Office of Township Administrator						
Salaries and Wages		392,805.00	392,805.00	378,262.33	14,542.67	
Other Expenses		52,070.00	52,070.00	50,161.67	1,908.33	
Mayor and Council						
Salaries and Wages		34,000.00	34,000.00	33,873.13	126.87	
Other Expenses		2,350.00	2,350.00	2,175.25	174.75	
Office of Township Clerk						
Salaries and Wages		226,120.00	226,120.00	225,360.20	759.80	
Other Expenses		19,430.00	19,430.00	14,049.19	5,380.81	
Elections						
Salaries and Wages		1,500.00	1,500.00	476.14	1,023.86	
Other Expenses		12,100.00	12,100.00	11,182.96	917.04	
Division of Treasury						
Salaries and Wages		170,644.74	172,344.74	171,542.04	802.70	
Other Expenses		11,123.00	11,123.00	9,218.93	1,904.07	
Audit Services and Costs						
Annual Audit		40,000.00	40,000.00	40,000.00		
Additional Services		20,000.00	20,000.00	20,000.00		
Computerized Data Processing						
Salaries and Wages		111,855.00	111,855.00	109,514.80	2,340.20	
Other Expenses		81,425.00	81,425.00	70,709.05	10,715.95	
Division of Tax Collections						
Salaries and Wages		206,450.00	206,450.00	186,149.64	20,300.36	
Other Expenses		45,800.00	45,800.00	44,127.85	1,672.15	
Division of Assessment						
Salaries and Wages		293,255.00	293,255.00	293,244.38	10.62	
Other Expenses		17,380.00	17,380.00	8,127.58	9,252.42	

Township of West Milford, N.J.

Statement of Expenditures - Regulatory Basis

Current Fund

Year Ended December 31, 2015

<u>General Appropriations</u>	<u>Ref.</u>	<u>Budget</u>	<u>Budget After Modification</u>	<u>Paid or Charged</u>	<u>Reserved</u>	<u>Unexpended Balance Cancelled</u>
Office of Township Attorney						
Other Expenses		244,000.00	289,000.00	268,633.98	20,366.02	
Division of General Services						
Salaries and Wages		7,000.00	7,000.00	1,956.00	5,044.00	
Other Expenses		167,550.00	157,550.00	135,567.05	21,982.95	
Division of Engineering						
Salaries and Wages		270,170.00	270,170.00	266,624.13	3,545.87	
Other Expenses		62,500.00	62,500.00	62,283.29	216.71	
Autumn Lights Festival						
Other Expenses		3,000.00	3,000.00	3,000.00		
Veterans Bureau						
Salaries and Wages		1,250.00	1,250.00	1,249.92	0.08	
Other Expenses		150.00	150.00		150.00	
Historical Preservation Commission						
Salaries and Wages		1,200.00	1,200.00	910.00	290.00	
Other Expenses		150.00	150.00		150.00	
Planning Board						
Other Expenses		33,475.00	41,075.00	39,761.73	1,313.27	
Division of Comprehensive Planning						
Salaries and Wages		129,320.00	129,320.00	126,715.88	2,604.12	
Other Expenses		20,100.00	20,100.00	19,860.28	239.72	
Division of Zoning Administration						
Salaries and Wages		80,540.00	80,540.00	80,460.64	79.36	
Board of Adjustment						
Other Expenses		29,250.00	29,250.00	28,362.65	887.35	
Department of Police						
Division of Patrol						
Salaries and Wages		4,418,995.00	4,418,995.00	4,356,259.15	62,735.85	
Other Expenses		153,025.00	153,025.00	118,552.47	34,472.53	
Purchase of Police Cars		152,000.00	152,000.00	152,000.00		

Township of West Milford, N.J.

Statement of Expenditures - Regulatory Basis

Current Fund

Year Ended December 31, 2015

<u>General Appropriations</u>	<u>Ref.</u>	<u>Budget</u>	<u>Budget After Modification</u>	<u>Paid or Charged</u>	<u>Reserved</u>	<u>Unexpended Balance Cancelled</u>
Detective Division						
Salaries and Wages		658,400.00	658,400.00	656,977.97	1,422.03	
Division of Administration						
Salaries and Wages		531,695.20	531,695.20	499,940.87	31,754.33	
Special Police & Special Police Matrons						
Salaries and Wages		26,000.00	32,800.00	30,526.07	2,273.93	
Other Expenses		9,075.00	9,075.00	2,922.40	6,152.60	
Division of Communications						
Salaries and Wages		346,120.00	346,120.00	336,836.21	9,283.79	
Other Expenses		13,200.00	13,200.00	11,302.83	1,897.17	
Office of Municipal Disaster - Control Director						
Salaries and Wages		5,000.00	5,000.00	4,875.00	125.00	
Other Expenses		32,500.00	32,500.00	24,128.88	8,371.12	
Aid to Volunteer Fire Companies (6)		90,000.00	90,000.00	88,087.68	1,912.32	
First Aid Organization Contribution		125,375.00	125,375.00	90,175.00	35,200.00	
Fire Prevention Bureau						
Salaries and Wages		182,955.00	182,955.00	179,940.26	3,014.74	
Other Expenses		10,700.00	10,700.00	6,898.86	3,801.14	
Department of Fire						
Salaries and Wages		9,090.00	9,090.00	9,089.20	0.80	
Other Expenses		265,650.00	255,650.00	232,710.15	22,939.85	
Municipal Prosecutor						
Salaries and Wages		26,135.00	26,135.00	25,943.67	191.33	
Other Expenses		2,000.00	2,000.00		2,000.00	
Division of Streets and Roads						
Salaries and Wages		1,655,235.00	1,585,235.00	1,522,454.30	62,780.70	
Other Expenses		555,900.00	555,900.00	476,671.15	79,228.85	
Division of Public Property						
Salaries and Wages		101,760.00	87,760.00	82,421.19	5,338.81	
Other Expenses		40,300.00	65,300.00	63,445.63	1,854.37	

Township of West Milford, N.J.

Statement of Expenditures - Regulatory Basis

Current Fund

Year Ended December 31, 2015

<u>General Appropriations</u>	<u>Ref.</u>	<u>Budget</u>	<u>Budget After Modification</u>	<u>Paid or Charged</u>	<u>Reserved</u>	<u>Unexpended Balance Cancelled</u>
Division of Snow Removal						
Salaries and Wages		350,000.00	350,000.00	250,000.00	100,000.00	
Other Expenses		1,130,000.00	1,130,000.00	978,497.73	151,502.27	
Fleet Maintenance						
Salaries and Wages		305,625.00	305,625.00	300,376.97	5,248.03	
Other Expenses		279,000.00	279,000.00	255,090.69	23,909.31	
Division of Health						
Salaries and Wages		193,665.00	193,665.00	190,570.64	3,094.36	
Other Expenses		40,088.30	40,088.30	27,105.67	12,982.63	
Bureau of Vital Statistics						
Salaries and Wages		8,295.00	8,295.00	8,089.66	205.34	
Other Expenses		19,490.00	19,490.00	19,183.48	306.52	
Housing Standards Bureau						
Other Expenses		20,000.00	20,000.00		20,000.00	
Division of Environmental Health						
Salaries and Wages		211,230.00	211,230.00	210,765.36	464.64	
Other Expenses		78,820.00	78,820.00	51,494.75	27,325.25	
Environmental Commission						
Salaries and Wages		1,600.00	1,600.00	1,300.00	300.00	
Other Expenses		780.00	780.00	304.24	475.76	
Division of Animal Control Officer						
Salaries and Wages		99,600.00	99,600.00	88,608.17	10,991.83	
Recreation Programs						
Salaries and Wages		243,410.56	232,560.56	215,053.29	17,507.27	
Other Expenses		167,250.00	199,250.00	105,681.88	93,568.12	
Department of Community Services & Recreation						
Salaries and Wages		139,697.09	139,697.09	132,212.00	7,485.09	
Other Expenses		61,000.00	29,000.00	16,879.22	12,120.78	
Hillcrest Community Center						
Salaries and Wages		82,785.00	85,635.00	85,126.07	508.93	
Other Expenses		36,600.00	31,350.00	19,359.15	11,990.85	

Township of West Milford, N.J.

Statement of Expenditures - Regulatory Basis

Current Fund

Year Ended December 31, 2015

<u>General Appropriations</u>	<u>Ref.</u>	<u>Budget</u>	<u>Budget After Modification</u>	<u>Paid or Charged</u>	<u>Reserved</u>	<u>Unexpended Balance Cancelled</u>
Senior Services						
Salaries and Wages		76,385.00	76,385.00	76,358.09	26.91	
Other Expenses		21,625.00	21,625.00	9,682.48	11,942.52	
Division of Parks Maintenance						
Salaries and Wages		268,835.00	256,835.00	249,460.59	7,374.41	
Other Expenses		104,950.00	104,950.00	93,891.10	11,058.90	
Bubbling Springs Recreation						
Salaries and Wages		183,755.00	184,140.05	183,755.00	385.05	
Other Expenses		70,000.00	70,000.00	62,627.13	7,372.87	
Municipal Court						
Salaries and Wages		256,800.00	248,800.00	240,172.89	8,627.11	
Other Expenses		21,450.00	21,450.00	13,452.53	7,997.47	
Insurance:						
Other Insurance Premiums		972,500.00	972,500.00	867,120.84	105,379.16	
Group Insurance Plan for Employees		3,260,890.00	3,260,890.00	3,171,115.80	89,774.20	
Health Benefit Waiver		67,000.00	67,000.00	63,546.44	3,453.56	
Department of Building Safety						
Salaries and Wages		336,855.00	342,255.00	342,173.05	81.95	
Other Expenses		8,600.00	8,600.00	7,903.19	696.81	
Celebration of Public Events						
Other Expenses		20,500.00	13,750.00	12,299.67	1,450.33	
Mass Transportation						
Other Expenses		42,500.00	82,757.22	17,698.66	65,058.56	
Accumulated Absences		135,500.00	135,500.00	135,500.00		
Reserve for Salary Adjustment		137,141.45	137,141.45		137,141.45	
Street Lighting		56,000.00	56,000.00	52,054.33	3,945.67	
Electric		184,350.00	184,350.00	169,835.54	14,514.46	
Telephone		143,000.00	143,000.00	116,538.79	26,461.21	
Natural Gas		40,100.00	40,100.00	21,154.78	18,945.22	
Gasoline		420,000.00	420,000.00	381,424.77	38,575.23	
Total Operations within "CAPS"		<u>22,496,745.34</u>	<u>22,484,887.61</u>	<u>20,919,184.27</u>	<u>1,565,703.34</u>	

Township of West Milford, N.J.

Statement of Expenditures - Regulatory Basis

Current Fund

Year Ended December 31, 2015

			Budget After Modification	Paid or Charged	Reserved	Unexpended Balance Cancelled
	<u>General Appropriations</u>	<u>Ref.</u>	<u>Budget</u>			
Detail:						
Salaries and Wages	A-1	12,918,674.04	12,820,959.09	12,291,124.90	529,834.19	
Other Expenses	A-1	<u>9,578,071.30</u>	<u>9,663,928.52</u>	<u>8,628,059.37</u>	<u>1,035,869.15</u>	
Deferred Charges and Statutory Expenditures - Municipal within "CAPS"						
Statutory Expenditures:						
Contribution to:						
Public Employees' Retirement System		861,552.00	861,552.00	823,068.97	38,483.03	
Social Security System (O.A.S.I.)		675,000.00	675,000.00	599,964.32	75,035.68	
Police and Firemen's Retirement System		1,198,375.00	1,209,632.73	1,209,632.73		
Defined Contributions Retirement Program		<u>5,500.00</u>	<u>6,100.00</u>	<u>6,100.00</u>		
Total Deferred Charged and Statutory Expenditures - Municipal within "CAPS"	A-1	<u>2,740,427.00</u>	<u>2,752,284.73</u>	<u>2,638,766.02</u>	<u>113,518.71</u>	
Total General Appropriations for Municipal Purposes within "CAPS"		<u>25,237,172.34</u>	<u>25,237,172.34</u>	<u>23,557,950.29</u>	<u>1,679,222.05</u>	
Operations - Excluded from "CAPS"						
Maintenance of Free Public Library		967,971.00	967,971.00	915,770.24	52,200.76	
Reserve for Tax Appeals		100,000.00	100,000.00	100,000.00		
Emergency Services Volunteer Length of Service Award Program (P.L. 1997,c388)		130,000.00	130,000.00	116,200.00	13,800.00	
Interlocal Municipal Service Agreements						
Borough of Ogdensburg						
Division of Treasury						
Salaries and Wages		51,220.68	51,220.68	25,610.34		25,610.34
Township of Bloomfield						
Division of Health						
Other Expenses		87,806.00	87,806.00	85,306.00	2,500.00	

Township of West Milford, N.J.

Statement of Expenditures - Regulatory Basis

Current Fund

Year Ended December 31, 2015

<u>General Appropriations</u>	<u>Ref.</u>	<u>Budget</u>	<u>Budget After Modification</u>	<u>Paid or Charged</u>	<u>Reserved</u>	<u>Unexpended Balance Cancelled</u>
Public and Private Programs Offset by Revenues						
Municipal Alliance on Alcoholism and Drug Abuse						
State Share		22,440.00	22,440.00	22,440.00		
Local Share		5,610.00	5,610.00	5,610.00		
Handicapped Person's Recreational Opportunities Act						
State Share		20,000.00	20,000.00	20,000.00		
Local Share		4,000.00	4,000.00	4,000.00		
Drive Sober or Get Pulled Over		10,000.00	10,000.00	10,000.00		
Recycling Tonnage Grant		43,611.23	43,611.23	43,611.23		
Drunk Driving Enforcement Fund		8,558.18	8,558.18	8,558.18		
Green Acres Highlands Trail		215,000.00	215,000.00	215,000.00		
Open Space Institute Land Trust Highlands		64,000.00	64,000.00	64,000.00		
Factory Mutual Global Fire Prevention		1,200.00	1,200.00	1,200.00		
Hepatitis B Grant		999.00	999.00	999.00		
Urban Mass Transportation						
State Share		55,396.50	55,396.50	55,396.50		
Federal Share		110,793.00	110,793.00	110,793.00		
Local Share		55,396.50	55,396.50	55,396.50		
NJ Highlands Water Protection		55,000.00	55,000.00	55,000.00		
Passaic County Cultural Heritage Grant						
County Share		2,000.00	2,000.00	2,000.00		
Local Share		1,000.00	1,000.00	1,000.00		
Passaic County Open Space Highlands Trail		128,520.00	128,520.00	128,520.00		
Passaic County Open Space Nosenzo Pond Playground		31,136.00	31,136.00	31,136.00		
Passaic County Open Space Farrell Field Rehab		54,621.00	54,621.00	54,621.00		

Township of West Milford, N.J.

Statement of Expenditures - Regulatory Basis

Current Fund

Year Ended December 31, 2015

<u>General Appropriations</u>	<u>Ref.</u>	<u>Budget</u>	<u>Budget After Modification</u>	<u>Paid or Charged</u>	<u>Reserved</u>	<u>Unexpended Balance Cancelled</u>
Clean Communities Program		134,280.67	134,280.67	134,280.67		
Body Armor Replacement Fund		8,416.00	8,416.00	8,416.00		
Matching Funds for Grants		3,193.50	3,193.50		3,193.50	
Total Operations - Excluded from "CAPS"		<u>2,372,169.26</u>	<u>2,372,169.26</u>	<u>2,274,864.66</u>	<u>71,694.26</u>	<u>25,610.34</u>
Detail:						
Salaries & Wages	A-1	51,220.68	51,220.68	25,610.34		25,610.34
Other Expenses	A-1	<u>2,320,948.58</u>	<u>2,320,948.58</u>	<u>2,249,254.32</u>	<u>71,694.26</u>	
Capital Improvements:						
Capital Improvement Fund		100,000.00	100,000.00	100,000.00		
Various Capital Improvements		400,000.00	400,000.00	400,000.00		
Total Capital Improvements Excluded from "CAPS"	A-1	<u>500,000.00</u>	<u>500,000.00</u>	<u>500,000.00</u>		
Municipal Debt Service:						
Payment of Bond Principal		2,300,000.00	2,300,000.00	2,300,000.00		
Payment of Bond Anticipation and Capital Notes		86,750.00	86,750.00	86,750.00		
Interest on Bonds		617,420.50	617,420.50	617,420.50		
Interest on Notes		65,616.75	65,616.75	65,616.24		0.51
NJDEP Loan Interest		31,924.92	31,924.92	31,924.92		
Total Municipal Debt Service-Excluded from "CAPS"	A-1	<u>3,101,712.17</u>	<u>3,101,712.17</u>	<u>3,101,711.66</u>		<u>0.51</u>
Deferred Charges:						
Special Emergency Authorizations		268,506.08	268,506.08	268,506.08		
Deferred Charges to Future Taxation Unfunded:						
Ord. #96-27 Acquisition of Land		25,493.92	25,493.92	25,493.92		
Amount to be Raised for Foreclosed Assessments		15,000.00	15,000.00	8,707.89		6,292.11
Cash Deficit in 2004 Assessment Bonds		<u>10,000.00</u>	<u>10,000.00</u>	<u>10,000.00</u>		
Total Deferred Charges - Municipal - Excluded from "CAPS"	A-1	<u>319,000.00</u>	<u>319,000.00</u>	<u>312,707.89</u>		<u>6,292.11</u>

Township of West Milford, N.J.

Statement of Expenditures - Regulatory Basis

Current Fund

Year Ended December 31, 2015

			Budget After Modification	Paid or Charged	Reserved	Unexpended Balance Cancelled
<u>General Appropriations</u>		<u>Ref.</u>	<u>Budget</u>			
Total General Appropriations for Municipal Purposes Excluded from "CAPS"			<u>6,292,881.43</u>	<u>6,292,881.43</u>	<u>6,189,284.21</u>	<u>31,902.96</u>
Subtotal General Appropriations			31,530,053.77	29,747,234.50	1,750,916.31	31,902.96
Reserve for Uncollected Taxes			<u>2,025,000.00</u>	<u>2,025,000.00</u>		
Total General Appropriations			<u>33,555,053.77</u>	<u>31,772,234.50</u>	<u>1,750,916.31</u>	<u>31,902.96</u>
				A		
Adopted Budget		A-2	33,203,534.45			
Appropriated by (N.J.S.A. 40A:4-87)		A-2	<u>351,519.32</u>			
			<u>33,555,053.77</u>			
<u>Analysis of Paid or Charged</u>						
Reserve for Uncollected Taxes		A-2		2,025,000.00		
Cash Disbursed		A-4		27,120,118.13		
Deferred Charges: Special Emergency		A-10		268,506.08		
Encumbrances Payable		A-15		1,292,638.71		
Reserve for Tax Appeals		A-20		100,000.00		
Reserve for Grants		A-22		<u>965,971.58</u>		
				<u>31,772,234.50</u>		

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

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Township of West Milford, N.J.

Page 1 of 2

Comparative Balance Sheet - Regulatory Basis

Trust Funds

December 31,

	<u>Ref.</u>	<u>2015</u>	<u>2014</u>
<u>Assets</u>			
Assessment Fund:			
Cash - Treasurer	B-4/B-5	679,135.51	672,313.21
Assessments Receivable	B-6	916,293.49	1,068,942.21
Assessment Liens	B-7	47,994.08	56,796.97
Assessment Liens Interest and Costs	B-8	2,865.50	2,865.50
Prospective Assessments Funded	B-9	500.00	10,500.00
Interfund - Current Fund	B-10	860.77	
		<u>1,647,649.35</u>	<u>1,811,417.89</u>
Animal Control Trust Fund:			
Cash - Treasurer	B-4	69,676.84	78,599.59
Interfund - Current Fund	B-10	5,880.76	
		<u>75,557.60</u>	<u>78,599.59</u>
Other Trust Funds:			
Cash - Treasurer	B-4	5,029,319.44	4,468,164.92
Due from Vendors - Police Outside Service	B-19	19,797.26	
Interfund - Payroll Fund	B-21	22,456.91	
		<u>5,071,573.61</u>	<u>4,468,164.92</u>
Payroll Fund:			
Cash	B-4	135,968.70	150,147.52
		<u>135,968.70</u>	<u>150,147.52</u>
Emergency Services Volunteer Length of Service Award Program - (Unaudited)			
Cash in Plan	B-4	1,841,292.90	1,811,363.65
Contributions Receivable	B-24	116,900.00	117,600.00
		<u>1,958,192.90</u>	<u>1,928,963.65</u>
		<u>8,888,942.16</u>	<u>8,437,293.57</u>

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

Township of West Milford, N.J.

Page 2 of 2

Comparative Balance Sheet - Regulatory Basis

Trust Funds

December 31,

	<u>Ref.</u>	<u>2015</u>	<u>2014</u>
<u>Liabilities, Reserves & Fund Balance</u>			
Assessment Fund:			
Interfund - Current Fund	B-10		14,534.92
Loan Payable - NJDEP - Pinecliff Lake	B-12	763,634.10	864,297.68
Loan Payable - NJDEP - Lindy Lake	B-13	78,578.80	90,787.06
Loan Payable - NJDEP - Gordon Lake	B-14	641,922.25	678,284.03
Reserve for Assessments and Liens	B-15	135,187.26	153,577.99
Reserve for Assess. Liens Interest and Costs	Contra	2,865.50	2,865.50
Fund Balance	B-1	25,461.44	7,070.71
		<u>1,647,649.35</u>	<u>1,811,417.89</u>
Animal Control Trust Fund:			
Reserve for Dog Fund Expenditures	B-16	75,519.80	78,592.99
Due to State Department of Health	B-17	37.80	6.60
		<u>75,557.60</u>	<u>78,599.59</u>
Other Trust Fund:			
Interfund - Current Fund	B-10	46,301.92	13,971.05
Municipal Open Space Tax	B-18	1,469,909.86	1,340,348.60
Various Deposits Payable	B-20	655,027.90	633,782.08
Various Reserves	B-20	2,900,333.93	2,480,063.19
		<u>5,071,573.61</u>	<u>4,468,164.92</u>
Payroll Fund:			
Interfund - Current Fund	B-10	2,726.54	195.01
Payroll Deductions Payable	B-22	110,785.25	149,952.51
Interfund - Other Trust Fund	B-23	22,456.91	
		<u>135,968.70</u>	<u>150,147.52</u>
Emergency Services Volunteer Length of Service Award Program - (Unaudited)			
Net Assets Available for Benefits	B-25	1,958,192.90	1,928,963.65
		<u>1,958,192.90</u>	<u>1,928,963.65</u>
		<u>8,888,942.16</u>	<u>8,437,293.57</u>

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

Exhibit B-1

Township of West Milford, N.J.

Comparative Schedule of Fund Balance - Regulatory Basis

Assessment Trust Fund

Year Ended December 31,

	<u>Ref.</u>	<u>2015</u>	<u>2014</u>
Balance - December 31, 2014	B	7,070.71	16.61
Increased by:			
Collection of Unpledged Assessments	B-15	<u>18,390.73</u>	<u>7,054.10</u>
Balance - December 31, 2015	B	<u><u>25,461.44</u></u>	<u><u>7,070.71</u></u>

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

Exhibit B-2**Township of West Milford, N.J.****Schedule of Revenues - Regulatory Basis****Assessment Trust Fund****Year Ended December 31, 2015**

	<u>Ref.</u>	<u>Budget Revenue</u>	<u>Realized</u>
Assessment Cash		<u>149,233.62</u>	<u>149,233.62</u>
		B-3	

Exhibit B-3**Township of West Milford, N.J.****Schedule of Expenditures - Regulatory Basis****Assessment Trust Fund****Year Ended December 31, 2015**

	<u>Ref.</u>	<u>Budget Appropriation</u>	<u>Expended</u>
Payment of Loans	B-12,13,14	<u>149,233.62</u>	<u>149,233.62</u>
		B-2	

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

Exhibit C

Township of West Milford , N.J.

Comparative Balance Sheet - Regulatory Basis

General Capital Fund

December 31,

	<u>Ref.</u>	<u>2015</u>	<u>2014</u>
<u>Assets</u>			
Cash	C-2/C-3	3,920,311.03	971,552.08
Various Receivables	C-4	847,500.00	275,000.00
Prospective Assessments Raised by Taxation	C-5	500.00	500.00
Deferred Charges to Future Taxation:			
Funded	C-6	20,216,000.00	22,516,000.00
Deferred Charges to Future Taxation:			
Unfunded	C-7	13,685,415.35	6,888,324.58
Interfund - Current Fund	C-13	200,000.00	63,000.00
		<u>38,869,726.38</u>	<u>30,714,376.66</u>
<u>Liabilities, Reserves and Fund Balance</u>			
General Serial Bonds	C-8	20,216,000.00	22,516,000.00
Bond Anticipation Notes	C-9	9,717,550.00	4,849,300.00
Improvement Authorizations:			
Funded	C-10	1,767,545.86	778,372.57
Unfunded	C-10	6,781,700.93	2,237,707.22
Capital Improvement Fund	C-11	931.00	61,931.00
Various Reserves	C-12	304,529.59	96,425.04
Interfund - Federal and State Grant Fund	C-13	27,583.27	27,583.27
Reserve for:			
Prospective Assessments - Raised by Taxation	Contra	500.00	500.00
Fund Balance	C-1	53,385.73	146,557.56
		<u>38,869,726.38</u>	<u>30,714,376.66</u>

Footnote: There were Bonds and Notes Authorized But Not Issued on
December 31, 2015 of \$4,119,691.62 as shown on Exhibit C-14.

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

Exhibit C-1

Township of West Milford , N.J.

Comparative Statement of Fund Balance - Regulatory Basis

General Capital Fund

December 31,

	<u>Ref.</u>	<u>2015</u>	<u>2014</u>
Balance - January 1,	C	146,557.56	109,134.22
Increased by:			
Premium on Bonds and Bond Anticipation Notes			142,423.34
Canceled Reserves	C-12	<u>6,828.17</u>	<u> </u>
		153,385.73	251,557.56
Decreased by:			
Anticipated as 2015 Revenue	C-2	<u>100,000.00</u>	<u>105,000.00</u>
Balance - December 31,	C,C-3	<u><u>53,385.73</u></u>	<u><u>146,557.56</u></u>

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

Exhibit F

Township of West Milford , N.J.

Statement of General Fixed Assets - Regulatory Basis

December 31,

	<u>2015</u>	<u>2014</u>
<u>General Fixed Assets:</u>		
Land	11,185,800.00	10,638,500.00
Buildings	12,367,000.00	12,367,000.00
Machinery and Equipment	<u>18,927,690.02</u>	<u>17,957,573.00</u>
	<u>42,480,490.02</u>	<u>40,963,073.00</u>
 Investment in Fixed Assets	 <u>42,480,490.02</u>	 <u>40,963,073.00</u>

See accompanying notes to financial statements.

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Exhibit G

Township of West Milford , N.J.

Comparative Balance Sheet - Regulatory Basis

Garbage District

December 31,

	<u>Ref.</u>	<u>2015</u>	<u>2014</u>
<u>Assets</u>			
Due from Current Fund	G-5	393,072.02	271,615.33
Due from Federal and State Grant Fund	G-6	<u>148,745.93</u>	<u>148,745.93</u>
		<u>541,817.95</u>	<u>420,361.26</u>
<u>Liabilities and Reserves</u>			
Fund Balance	G-1	189,134.66	47,563.92
Commitments Payable	G-4	196,479.58	208,702.85
Reserve for Recycling	G-7	133,641.26	141,532.04
Reserve for Recycling Tonnage Grant	G-8	<u>22,562.45</u>	<u>22,562.45</u>
		<u>541,817.95</u>	<u>420,361.26</u>

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

Exhibit G-1

Township of West Milford , N.J.

Comparative Schedule of Fund Balance - Regulatory Basis

Garbage District

Year Ended December 31,

	<u>Ref.</u>	<u>2015</u>	<u>2014</u>
Balance - December 31, 2014	G	47,563.92	94,681.78
Increased by:			
Excess in Operating Revenues	G-2	1,616.83	2,082.22
Unexpended Balance of Appropriations	G-3	178,033.99	27,299.92
Canceled Encumbrances	G-4	<u>1,919.92</u>	<u>13,500.00</u>
		<u>181,570.74</u>	<u>42,882.14</u>
		229,134.66	137,563.92
Decreased by:			
Operating Surplus Anticipated	G -2	<u>40,000.00</u>	<u>90,000.00</u>
Balance - December 31, 2015	G	<u><u>189,134.66</u></u>	<u><u>47,563.92</u></u>

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

Exhibit G-2

Township of West Milford , N.J.

Statement of Revenues - Regulatory Basis

Garbage District

Year Ended December 31, 2015

	<u>Ref.</u>	<u>Budget</u>	<u>Realized</u>	<u>(Deficit)</u>
Operating Surplus Anticipated	G-1	40,000.00	40,000.00	
Reserve for Recycling	G-7, G-8	140,000.00	140,000.00	
Amount to be Raised by Taxation	G-5	<u>1,791,289.24</u>	<u>1,792,906.07</u>	<u>1,616.83</u>
Total Garbage District Revenues		<u>1,971,289.24</u>	<u>1,972,906.07</u>	<u>1,616.83</u> G-1

Exhibit G-3

Statement of Expenditures - Regulatory Basis

Garbage District

Year Ended December 31, 2015

	<u>Budget</u>	<u>Modified by Transfers</u>	<u>Paid or Charged</u>	<u>Unexpended Balance to Surplus</u>
Salaries and Wages	107,939.24	107,939.24	96,456.70	11,482.54
Other Expenses	223,350.00	223,350.00	56,798.55	166,551.45
Contractual Services	960,000.00	960,000.00	960,000.00	
Disposal Fees	680,000.00	680,000.00	680,000.00	
Total Garbage District Expenditures	<u>1,971,289.24</u>	<u>1,971,289.24</u>	<u>1,793,255.25</u>	<u>178,033.99</u> G-1

	<u>Ref.</u>	
Encumbrances	G-4	196,479.58
Interfund Current Fund	G-5	<u>1,596,775.67</u>
		<u>1,793,255.25</u>

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

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TOWNSHIP OF WEST MILFORD
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 Township of West Milford 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 Township accounts for its financial transactions through the following separate funds which differ from the fund structure required by GAAP.

A. Reporting Entity

The Township of West Milford (the "Township") operates under a Mayor and Council administrative plan created by N.J.S.A. 40:69A-149.1 et seq. The Township's major operations include public safety, road repair and maintenance, sanitation, fire protection, recreation and parks, health services, and general administrative services.

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

TOWNSHIP OF WEST MILFORD
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 Township uses funds, as required by the Division, to report on its financial position and the results of its operations. Fund accounting is designed to demonstrate legal compliance and to aid financial administration by segregating transactions related to certain Township functions or activities. 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 Township has the following funds:

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 Township as an agent for individual, private organizations, or other governments are recorded in the Trust Funds.

Assessment Trust - This fund deals with the handling of special assessment levies against property for the cost of an improvement, the whole or a part of which costs are levied against the property receiving the benefit.

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

Animal Control 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.

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

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

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.

TOWNSHIP OF WEST MILFORD
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)

Garbage District Fund - This fund is used to account for resources and expenditures for the collection and disposal of solid waste in the Township.

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

Basis of Accounting

A modified accrual basis of accounting is followed by the Township of West Milford. 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. The school levy is turned over to the Board of Education as expenditures are incurred, and the balance, if any, must be transferred as of June 30, of each fiscal year. County taxes are paid quarterly on February 15, May 15, August 15 and November 15, to the County by the Township. When unpaid taxes or any municipal lien, or part thereof, on real property, remains in arrears on the 11th day of the 11th month in the fiscal year levied, 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.

TOWNSHIP OF WEST MILFORD
NOTES TO FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2015 AND 2014
(continued)

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

Property Tax Revenues, (continued) - Annual in rem tax foreclosure proceedings are instituted to enforce the tax collection or acquisition of title to the property by the Township. In accordance with the accounting principles prescribed by the State of New Jersey, current and delinquent taxes are realized as revenue when collected. Since delinquent taxes and liens are fully reserved, no provision has been made to estimate that portion of the taxes receivable and tax title liens that are uncollectible. GAAP requires property tax revenues to be recognized in the accounting period when they become susceptible to accrual, reduced by an allowance for doubtful accounts.

Miscellaneous Revenues - Miscellaneous revenues are recognized on a cash basis. Receivables for the miscellaneous items that are susceptible to accrual are recorded with offsetting reserves on the balance sheet of the Township's Current 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 Township'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. Budget amounts presented in the accompanying financial statements represent amounts adopted by the Township and approved by the State Division of Local Government Services per N.J.S.A. 40A:4 et seq.

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

General Capital Fund
Trust Fund

The governing body shall introduce and approve the annual budget not later than February 10, of the fiscal year. The budget shall be adopted not later than March 20, and prior to adoption must be certified by the Division of Local Government Services, Department of Community Affairs, State of New Jersey. The Director of the Division of Local Government Services, with the approval of the Local Finance Board may extend the introduction and approval and adoption dates of the municipal budget. The budget is prepared by fund, function, activity and line item (salary or other expense) and includes information on the previous year. The legal level of control for appropriations is exercised at the individual line item level for all operating budgets adopted. Emergency appropriations, those made after the adoption of the budget and determination of the tax rate, may be authorized by the governing body of the municipality.

**TOWNSHIP OF WEST MILFORD
NOTES TO FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2015 AND 2014
(continued)**

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

Basis of Accounting, (continued)

During the last two months of the fiscal year, the governing body may, by a 2/3 vote, amend the budget through line item transfers. Administration has no authority to amend the budget without the approval of the Governing Body. Expenditures may not legally exceed budgeted appropriations at the line item level. During 2015, the Township Council increased the original budget by \$351,519.32. This increase was funded by additional aid allotted the Township. In addition, several budget transfers were approved by the governing body.

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

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

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

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

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

TOWNSHIP OF WEST MILFORD
NOTES TO FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2015 AND 2014
(continued)

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

Basis of Accounting, (continued)

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

Inventories - The costs of inventories of supplies for all funds are recorded as expenditures at the time individual items are purchased. The costs of inventories are not included on the various balance sheets.

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

Deferred Charges to Future Taxation Funded and Unfunded - Upon the authorization of capital projects, the Township 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 Township may levy taxes on all taxable property within the local unit to repay the debt. Annually, the Township 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 Township of West Milford 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.

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.

TOWNSHIP OF WEST MILFORD
NOTES TO FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2015 AND 2014
(continued)

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

Basis of Accounting, (continued)

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 Township to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of 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 Township's financial position and operations. However, comparative data have not been presented in all statements because their inclusion would make certain statements unduly complex and difficult to understand.

Recent Accounting Pronouncements

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

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

TOWNSHIP OF WEST MILFORD
NOTES TO FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2015 AND 2014
(continued)

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

Basis of Accounting, (continued)

Recent Accounting Pronouncements, (continued)

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 Township 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 Township is currently reviewing what effect, if any, this Statement might have on future financial statements.

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

TOWNSHIP OF WEST MILFORD
NOTES TO FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2015 AND 2014
(continued)

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

Basis of Accounting, (continued)

Recent Accounting Pronouncements, (continued)

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

TOWNSHIP OF WEST MILFORD
NOTES TO FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2015 AND 2014
(continued)

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

Basis of Accounting, (continued)

Recent Accounting Pronouncements, (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 Township 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 Township 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 Township 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.

TOWNSHIP OF WEST MILFORD
NOTES TO FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2015 AND 2014
(continued)

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 Township's policy is based on New Jersey Statutes requiring cash be deposited only in New Jersey based banking institutions that participate in New Jersey Governmental Depository Protection Act (GUDPA) or in qualified investments established in New Jersey Statutes 40A:5-15.1(a) that are treated as cash equivalents. As of December 31, 2015, \$-0- of the Township's bank balance of \$20,760,881.73 was exposed to custodial credit risk.

Investments

Investment Rate Risk

The Township does not have a formal investment policy that limits investment maturities as a means of managing its exposure to fair value losses arising from increasing interest rates. 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 Township places no limit on the amount the Township may invest in any one issuer.

Unaudited Investments

As more fully described in Note 16, the Township 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 Township. All investments

TOWNSHIP OF WEST MILFORD
NOTES TO FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2015 AND 2014
(continued)

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

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 \$1,841,292.90 and \$1,811,363.65, respectively.

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>
Index Funds	\$148,192.02	\$146,794.88
Money Market Funds	131,139.21	121,923.15
Fixed Income	445,694.50	425,398.94
Growth and Income	570,612.29	553,354.89
Value Funds	215,253.06	246,027.85
All Others	<u>330,401.82</u>	<u>317,863.94</u>
	<u>\$1,841,292.90</u>	<u>\$1,811,363.65</u>

NOTE 3. LONG TERM DEBT

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

	<u>Balance</u> <u>Dec. 31, 2014</u>	<u>Additions</u>	<u>Reductions</u>	<u>Ending</u> <u>Balance</u>	<u>Amounts Due</u> <u>Within</u> <u>One Year</u>
Bonds Payable:					
General Obligation Debt	\$22,516,000.00	\$	\$2,300,000.00	\$20,216,000.00	\$2,425,000.00
Other Liabilities:					
NJDEP Loan	1,633,368.77		149,233.62	1,484,135.15	152,233.20
Deferred Pension Obligation	758,550.00		54,023.00	704,527.00	58,545.00
Compensated Absences Payable	<u>1,258,063.17</u>	<u>165,174.09</u>	<u>95,581.23</u>	<u>1,327,656.03</u>	
	<u>\$26,165,981.94</u>	<u>\$165,174.09</u>	<u>\$2,598,837.85</u>	<u>\$23,732,318.18</u>	<u>\$2,635,778.20</u>

TOWNSHIP OF WEST MILFORD
NOTES TO FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2015 AND 2014
(continued)

NOTE 3. LONG TERM DEBT, (continued)

SUMMARY OF MUNICIPAL DEBT

	<u>Year 2015</u>	<u>Year 2014</u>	<u>Year 2013</u>
Issued:			
General:			
Bonds, Loans and Notes	\$29,933,550.00	\$27,365,300.00	\$29,143,303.00
Assessment:			
Bonds, Loans and Notes	<u>1,484,135.15</u>	<u>1,633,368.77</u>	<u>1,869,661.88</u>
Total Issued	<u>31,417,685.15</u>	<u>28,998,668.77</u>	<u>31,012,964.88</u>
Authorized But Not Issued			
General:			
Bonds and Notes	<u>4,119,691.62</u>	<u>2,083,985.54</u>	<u>370,479.46</u>
Total Authorized But Not Issued	<u>4,119,691.62</u>	<u>2,083,985.54</u>	<u>370,479.46</u>
Net Bonds and Notes Issued and			
Authorized But Not Issued	<u>\$35,537,376.77</u>	<u>\$31,082,654.31</u>	<u>\$31,383,444.34</u>

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 Statements and indicates a statutory net debt of 1.167%.

	<u>Gross Debt</u>	<u>Deductions</u>	<u>Net Debt</u>
Local School District	\$901,675.50	\$901,675.50	\$0.00
General Debt	<u>35,537,376.77</u>	<u>662,238.16</u>	<u>34,875,138.61</u>
	<u>\$36,439,052.27</u>	<u>\$1,563,913.66</u>	<u>\$34,875,138.61</u>

Net Debt \$34,875,138.61 divided by equalized valuation basis per N.J.S. 40A:2-2 as amended, \$2,987,681,448.67 = 1.167%.

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

3 ½% of Equalized Valuation Basis (Municipal)	\$104,568,850.70
Net Debt	<u>34,875,138.61</u>
Remaining Borrowing Power	<u>\$69,693,712.09</u>

TOWNSHIP OF WEST MILFORD
NOTES TO FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2015 AND 2014
(continued)

NOTE 3. LONG TERM DEBT, (continued)

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

Paid by Assessment Fund:

Loan Payable - NJDEP - dated November 1, 2004 with an interest rate of 2% payable in installments through 2030	\$1,484,135.15
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Paid by Current Fund:

General Bonds - General Bonds of 2006 with an interest rate of 3.75%-3.80% issued January 15, 2006 due through January 15, 2017	2,816,000.00
General Bonds - General Bonds of 2010 with an interest rate of 2%-3.50% issued April 1, 2010 due through April 1, 2021	8,755,000.00
General Bonds - General Bonds of 2014 with an interest rate of 1%-2.35% issued April 1, 2014 due through April 1, 2024	<u>8,645,000.00</u>
	<u>\$21,700,135.15</u>

General capital and assessment serial bonds are direct obligations of the Township which its full faith and credit are pledged, and are payable from taxes levied on all taxable property located within the Township and/or assessment revenues.

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

General Capital	<u>\$4,119,691.62</u>
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SCHEDULE OF ANNUAL DEBT SERVICE FOR PRINCIPAL AND INTEREST FOR BONDED DEBT ISSUED AND OUTSTANDING

<u>Year</u>	<u>General Bonds</u>		
	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2016	\$2,425,000.00	\$551,233.00	\$2,976,233.00
2017	2,566,000.00	472,354.00	3,038,354.00
2018	2,700,000.00	390,975.00	3,090,975.00
2019	2,855,000.00	306,137.50	3,161,137.50
2020	2,945,000.00	217,725.00	3,162,725.00
2021-2024	<u>6,725,000.00</u>	<u>250,250.00</u>	<u>6,975,250.00</u>
	<u>\$20,216,000.00</u>	<u>\$2,188,674.50</u>	<u>\$22,404,674.50</u>

**TOWNSHIP OF WEST MILFORD
NOTES TO FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2015 AND 2014
(continued)**

NOTE 4. BOND ANTICIPATION NOTES

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

On December 31, 2015, the Township had \$9,717,550.00 in outstanding general capital bond anticipation notes, \$2,260,600.00 maturing on February 1, 2016 at an interest rate of 1.00%, and \$7,456,950.00 maturing on September 23, 2016 at an interest rate of 1.50%.

The following activity related to bond anticipation notes occurred during the calendar year ended December 31, 2015.

	<u>Beginning Balance</u>	<u>Additions</u>	<u>Reductions</u>	<u>Ending Balance</u>
Notes Payable:				
TD Securities	\$0.00	\$7,456,950.00	\$	\$7,456,950.00
Jefferies & Co.		2,260,600.00		2,260,600.00
Janney Montgomery Scott	<u>4,849,300.00</u>	<u> </u>	<u>4,849,300.00</u>	<u>0.00</u>
	<u>\$4,849,300.00</u>	<u>\$9,717,550.00</u>	<u>\$4,849,300.00</u>	<u>9,717,550.00</u>

NOTE 5. LOAN AGREEMENTS

The Township of West Milford has entered into loan agreements with the State of New Jersey Department of Environmental Protection. The loans are payable over 26 years from November 1, 2004, the date of the final drawdown payment, through November 1, 2030. The loans of \$2,702,000.00 are at an interest rate of 2.00%.

**TOWNSHIP OF WEST MILFORD
NOTES TO FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2015 AND 2014
(continued)**

NOTE 5. LOAN AGREEMENTS, (continued)

Following are the remaining maturities and debt schedules for the outstanding principal and interest on the loan:

<u>Year</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2016	\$152,233.20	\$28,931.32	\$181,164.52
2017	155,293.10	25,865.44	181,158.54
2018	158,414.49	22,744.04	181,158.53
2019	161,598.61	19,559.92	181,158.53
2020	164,846.74	16,311.79	181,158.53
2021-2025	456,166.64	41,426.82	497,593.46
2026-2030	<u>235,582.37</u>	<u>13,150.38</u>	<u>248,732.75</u>
	<u>\$1,484,135.15</u>	<u>\$167,989.71</u>	<u>\$1,652,124.86</u>

NOTE 6. DEFERRED CHARGES TO BE RAISED IN SUCCEEDING BUDGETS

Certain expenditures are required to be deferred to budgets of succeeding years. At December 31, 2015 the following deferred charges are shown on the balance sheets of the various funds:

	Balance December 31, <u>2015</u>	2016 Budget <u>Appropriation</u>	Balance to Succeeding <u>Budget</u>
Current Fund:			
Special Emergency Appropriations	<u>\$267,012.16</u>	<u>\$237,012.62</u>	<u>\$30,000.00</u>

The appropriations in the Budget are not less than that required by statute.

NOTE 7. LOCAL DISTRICT 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 Township has elected to defer school taxes.

TOWNSHIP OF WEST MILFORD
NOTES TO FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2015 AND 2014
(continued)

NOTE 7. LOCAL DISTRICT SCHOOL TAXES, (continued)

The calculation of the Local District School Tax balances and deferrals are as follows:

	Balance	
	<u>2015</u>	<u>2014</u>
Balance of Tax	\$27,040,286.00	\$26,770,111.00
Deferred	<u>27,040,286.00</u>	<u>26,770,111.00</u>
Taxes Payable	<u>\$0.00</u>	<u>\$0.00</u>

NOTE 8. PENSION PLANS

Description of Systems:

Substantially all of the Township'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 Firemens' 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 Firemens' 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.

TOWNSHIP OF WEST MILFORD
NOTES TO FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2015 AND 2014
(continued)

NOTE 8. PENSION PLANS, (continued)

Description of Systems: (continued)

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

Chapter 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.

TOWNSHIP OF WEST MILFORD
NOTES TO FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2015 AND 2014
(continued)

NOTE 8. PENSION PLANS, (continued)

Description of Systems: (continued)

Police and Firemens' Retirement System (PFRS)

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.

TOWNSHIP OF WEST MILFORD
NOTES TO FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2015 AND 2014
(continued)

NOTE 8. PENSION PLANS, (continued)

Description of Systems: (continued)

Defined Contribution Retirement Program

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

If the eligible elected or appointed official will earn less than \$5,000.00 annually, the official may choose to 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 retain in the PERS.

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

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.

TOWNSHIP OF WEST MILFORD
NOTES TO FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2015 AND 2014
(continued)

NOTE 8. PENSION PLANS, (continued)

Description of Systems: (continued)

Defined Contribution Retirement Program, (continued)

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

Significant Legislation

On March 17, 2009, the legislative of the State of New Jersey enacted Public Laws 2009, c.19(S-21) the "Pension Deferral Program". This law allows the Division of Pensions and Benefits to provide non-state government pension system employers the option of paying their full amount, or an amount that reflects a 50 percent reduction of the normal and accrued liability component of the Public Employees' Retirement System and/or the Police and Firemen's Retirement System obligation for payment due to the State Fiscal Year ending June 30, 2009. The amount deferred will be repaid starting in April 2012 over a 15-year period at 8¼ percent. The amount will fluctuate based on pension system investment earnings on the deferred amount. The local employer is allowed to payoff the obligation at any time prior to April 2012. The Township of West Milford opted for this deferral in the amount of \$890,136.00

Of this amount, \$376,797.00 represents the Public Employees' Retirement System deferral and \$513,339.00 represents the Police and Firemens' Retirement System deferral. The outstanding balance at December 31, 2015 for PERS is \$297,714.00 and PFRS is \$406,813.00. The principle amounts that are due in 2016 are \$25,058.00 for PERS and \$33,487.00 for PFRS.

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.

TOWNSHIP OF WEST MILFORD
NOTES TO FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2015 AND 2014
(continued)

NOTE 8. PENSION PLANS, (continued)

Description of Systems: (continued)

Contribution Requirements, (continued)

The Township'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	\$866,748.97	\$1,198,375.00	\$6,100.00
2014	764,849.00	1,177,661.00	4,353.18
2013	826,458.00	1,231,958.00	3,306.17

Statement No's 68 and 71 require a state or local government employer to recognize a net pension liability measured as of a date (the measurement date) no earlier than the end of its prior fiscal year. However, since the financial statements are prepared on another comprehensive basis of accounting, the net pension liability of the various pension systems is not recorded in the financial statements and is only required to be disclosed in the notes to the financial statements. The following pension information is as of June 30, 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 Township had a liability of \$18,141,090.00 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 Township's proportion of the net pension liability was based on a projection of the Township'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 Township's proportion was .0968933740 percent, which was an increase/(decrease) of .0028411895 percent from its proportion measured as of June 30, 2013.

TOWNSHIP OF WEST MILFORD
NOTES TO FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2015 AND 2014
(continued)

NOTE 8. PENSION PLANS, (continued)

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

Public Employees Retirement System (PERS), (continued)

For the year ended December 31, 2015, the Township recognized pension expense of \$856,252.00. At December 31, 2015, deferred outflows of resources and deferred inflows of resources related to PERS from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Changes of assumptions	\$570,453.00	\$
Net difference between projected and actual earnings on pension plan investments		1,081,110.00
Changes in proportion and differences between Township contributions and proportionate share of contributions	458,690.00	
Township contributions subsequent to the measurement date	<u>796,563.00</u>	<u> </u>
Total	<u>\$1,825,706.00</u>	<u>\$1,081,110.00</u>

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	(\$165,415.00)
2017	(165,415.00)
2018	(165,415.00)
2019	104,863.00
Thereafter	46,140.00

TOWNSHIP OF WEST MILFORD
NOTES TO FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2015 AND 2014
(continued)

NOTE 8. PENSION PLANS, (continued)

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

Public Employees Retirement System (PERS), (continued)

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
Township s Proportion	.0968933740%	.0940521845%

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

TOWNSHIP OF WEST MILFORD
NOTES TO FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2015 AND 2014
(continued)

NOTE 8. PENSION PLANS, (continued)

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

Public Employees Retirement System (PERS), (continued)

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.

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:

Asset Class	Target Allocation	Long-Term Expected Real Rate of Return
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>	

TOWNSHIP OF WEST MILFORD
NOTES TO FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2015 AND 2014
(continued)

NOTE 8. PENSION PLANS, (continued)

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

Public Employees Retirement System (PERS), (continued)

Discount Rate

The discount rate used to measure the total pension liability was 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:

	<u>June 30, 2014</u>		
	<u>1%</u>	<u>At Current</u>	<u>1%</u>
	<u>Decrease</u>	<u>Discount Rate</u>	<u>Increase</u>
	<u>4.39%</u>	<u>5.39%</u>	<u>6.39%</u>
Township's proportionate share of the pension liability	\$22,822,108.00	\$18,141,090.00	\$14,210,225.00

TOWNSHIP OF WEST MILFORD
NOTES TO FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2015 AND 2014
(continued)

NOTE 8. PENSION PLANS, (continued)

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

Public Employees Retirement System (PERS), (continued)

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 Township had a liability of \$18,364,384.00 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 Township's proportion of the net pension liability was based on a projection of the Township'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 Township's proportion was .1459915583 percent, which was an increase/(decrease) of (.0050693815) percent from its proportion measured as of June 30, 2013.

For the year ended December 31, 2015, the Township recognized pension expense of \$1,198,375.00. At December 31, 2015, deferred outflows of resources and deferred inflows of resources related to PFRS from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Changes of assumptions	\$689,461.00	\$
Net difference between projected and actual earnings on pension plan investments		1,874,024.00
Changes in proportion and differences between Township contributions and proportionate share of contributions		564,702.00
Township contributions subsequent to the measurement date	<u>1,274,566.00</u>	
Total	<u>\$1,964,027.00</u>	<u>\$2,438,726.00</u>

TOWNSHIP OF WEST MILFORD
NOTES TO FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2015 AND 2014
(continued)

NOTE 8. PENSION PLANS, (continued)

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

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

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	(\$335,148.00)
2017	(335,148.00)
2018	(335,148.00)
2019	133,358.00
Thereafter	22,671.00

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
Township's Proportion	.1459915583%	.1510609398%

**TOWNSHIP OF WEST MILFORD
NOTES TO FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2015 AND 2014
(continued)**

NOTE 8. PENSION PLANS, (continued)

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

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

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.

TOWNSHIP OF WEST MILFORD
NOTES TO FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2015 AND 2014
(continued)

NOTE 8. PENSION PLANS, (continued)

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

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

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:

Asset Class	Target Allocation	Long-Term Expected Real Rate of Return
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

TOWNSHIP OF WEST MILFORD
NOTES TO FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2015 AND 2014
(continued)

NOTE 8. PENSION PLANS, (continued)

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

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

employers will be made based on the average of the last five years of contributions made in relation to the last five years of recommended contributions. Based on those assumptions, the plan's fiduciary net position was projected to be available to make projected future benefit payments of current plan members through 2045. Therefore, the long-term expected rate of return on plan investments was applied to projected benefit payments through 2045, and the municipal bond rate was applied to projected benefit payments after that date in determining the total pension liability.

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

The following presents the collective net pension liability of the participating employers as of June 30, 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	At Current Discount Rate	1% Increase
	<u>5.32%</u>	<u>6.32%</u>	<u>7.32%</u>
Township's proportionate share of the pension liability	\$27,413,352.00	\$18,364,384.00	\$14,497,554.00

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.

TOWNSHIP OF WEST MILFORD
NOTES TO FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2015 AND 2014
(continued)

NOTE 9. OTHER POST EMPLOYMENT BENEFITS

In addition to the pension benefits described in Note 7, the Township 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 Township retirees who (1) have retired on disability pension, and (2) employees who have retired after twenty-five (25) years or more of service in a State or locally administered retirement system.

The Township funds these benefits on a pay-as-you-go basis and therefore does not record accrued expenses related to these benefits. During 2015, there were one hundred and thirty four (134) retired employees who received this benefit at a cost of \$1,548,338.00.

Annual OPEB Cost

For 2013, the Township's annual OPEB cost (expense) of \$5,018,303.00 (based on actuarial valuation as of December 31, 2012) was equal to the ARC (Annual Required Contribution). The Township's annual OPEB cost, the percentage of annual OPEB cost contributed to the plan, and the net OPEB obligation for 2014, 2013 and 2012 are as follows:

<u>Year</u>	<u>Actual OPEB Payments</u>	<u>Annual OPEB Cost</u>	<u>Percentage of Annual OPEB Cost Contributed</u>	<u>Net OPEB Obligation</u>
2013	\$1,435,536.00	\$5,018,303.00	28.61%	\$24,603,885.00
2014	1,465,202.00	5,018,303.00	29.20	28,156,986.00
2015	1,548,338.00	3,713,015.00	41.70	30,321,663.00

Funding Status and Funding Progress

The funded status of the plan as of December 31, 2010 (based on actuarial valuation as of January 1, 2008) was as follows:

Actuarial Accrued Liability (AAL)	\$46,730,864.00
Actuarial Value of Plan Assets	-0-
Unfunded Actuarial Accrued Liability (UAAL)	<u>\$46,730,864.00</u>
Funded Ratio (Actuarial Value of Plan Assets (AAL))	0.00%
Cover Payroll (Active Plan Members)	N/A
UAAL as a Percentage of Covered Payroll	N/A

N/A - Not Available

**TOWNSHIP OF WEST MILFORD
NOTES TO FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2015 AND 2014
(continued)**

NOTE 9. OTHER POST EMPLOYMENT BENEFITS, (continued)

Funding Status and Funding Progress, (continued)

Actuarial valuations of an ongoing plan involve estimates of the value of reported amounts and assumptions about the probability of events far into the future. Examples include economic assumptions; benefit assumptions and demographic assumptions. Economic assumptions include the discount rate and health care cost trend rates. Benefit assumptions encompass the initial per capita costs rates for medical coverage, and the face amount of employer-paid life insurance. Finally, demographic assumptions include probabilities concerning retirement, mortality, termination without receiving benefits; disability; recovery from disability; participation rates and coverage levels. Amounts determined regarding the funded status of the plan and the annual required contributions of the employer are subject to continual revision as actual results are compared with past expectations and new estimates are made about the future. The schedule of funding progress, presented as required supplementary information following the notes to the financial statements, presents multi-year trend information that shows whether the actuarial value of plan assets is increasing or decreasing over time relative to the actuarial accrued liability for benefits.

Actuarial Methods and Assumptions

Projections of benefits for financial reporting purposes are based on the substantive plan (the plan as understood by the employer and plan members) and included the types of benefits provided at the time of each valuation and the historical pattern of sharing of benefit costs between the employer and plan members to that point. The actuarial methods and assumptions used include techniques that are designed to reduce short-term volatility in actuarial accrued liabilities and the actuarial value of assets, consistent with the long-term perspective of the calculations.

NOTE 10. FUND BALANCES

Fund balances as of December 31, 2015 which were appropriated and included as anticipated revenue in their own respective funds for the year ending December 31, 2016 were as follows:

Current Fund	<u>\$3,626,409.00</u>
Garbage District	<u>\$55,779.00</u>

TOWNSHIP OF WEST MILFORD
NOTES TO FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2015 AND 2014
(continued)

NOTE 11. FIXED ASSETS

The following is a summary of changes in the general fixed asset account group for the year 2015:

	Balance Dec. 31, 2014	Additions	Deletions	Balance Dec. 31, 2015
Land	\$10,638,500.00	\$547,300.00	\$	11,185,800.00
Buildings	12,367,000.00			12,367,000.00
Machinery and Equipment	<u>17,957,573.00</u>	<u>1,320,559.02</u>	<u>350,442.00</u>	<u>18,927,690.02</u>
	<u>\$40,963,073.00</u>	<u>\$1,867,859.02</u>	<u>\$350,442.00</u>	<u>\$42,480,490.02</u>

NOTE 12. ACCRUED SICK AND VACATION BENEFITS

The Township has permitted employees to accrue unused sick and vacation time, which may be taken as time off or paid at a later date at an agreed upon rate. This amounted to \$1,327,656.03 as of December 31, 2015. It is expected that the payments will be budgeted as the amounts are used.

NOTE 13. DUE TO/FROM OTHER FUNDS

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

\$2,726.54	Due to Current Fund from Payroll Fund for Current Fund receipts deposited in Payroll Fund.
46,301.92	Due to Current Fund from Other Trust Fund for Current Fund receipts deposited in Other Trust Fund.
860.77	Due to Assessment Trust Fund from Current Fund for Assessment Trust Fund receipts deposited in Assessment Trust Fund.
389,036.11	Due to Federal and State Grant Fund from Current Fund for grant receipts deposited in Current Fund.
27,583.27	Due to Federal and State Grant Fund from General Capital Fund for grant receipts deposited in General Capital Fund.
5,880.76	Due to Animal Control Trust Fund from Current Fund for Animal Control Trust Fund receipts deposited in Current Fund.
22,456.91	Due to Other Trust Fund from Payroll Fund for Other Trust Fund receipts deposited in the Payroll Fund.
200,000.00	Due to General Capital Fund from Current Fund for Current Fund expenditures paid by General Capital Fund.
393,072.02	Due to Garbage Fund from Current Fund for garbage tax levy.
<u>148,745.93</u>	Due to Garbage Fund from Federal and State Grant Fund for Grant Fund expenditures paid by Garbage Fund.
<u>\$1,236,664.23</u>	

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

**TOWNSHIP OF WEST MILFORD
NOTES TO FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2015 AND 2014
(continued)**

NOTE 14. LEASES

The Township has not entered into any long-term agreements for any equipment purchases.

NOTE 15. RISK MANAGEMENT

The Township 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 Township has obtained insurance coverage to guard against these events which will provide minimum exposure to the Township should they occur. During the 2015 calendar year, the Township did not incur claims in excess of their coverage and the amount of coverage did not significantly decrease.

The Township of West Milford is currently a member of the Morris County Joint Insurance Fund (the "Fund"). The Fund provides their members with Liability, Property and Workers' Compensation and Employer Liability Insurance. The Fund is a risk-sharing public entity risk pool that is both an insured and self administered group of municipalities established for the purpose of providing low-cost insurance coverage for their respective members in order to keep local property taxes at a minimum. Each member appoints an official to represent their respective entity for the purpose of creating a governing body from which officers for the Fund is elected.

As a member of the Fund, the Township could be subject to supplemental assessments in the event of deficiencies. If the assets of the Fund were to be exhausted, members would become responsible for their respective shares of the Fund's liabilities.

The Fund can declare and distribute dividends to members upon approval of the State of New Jersey Department of Insurance. These distributions are divided among the members in the same ratio as their individual assessment related to the total assessment of the membership body.

Financial statements for the Fund is available at the office of the Fund's Administrator, Inservco, Inc.

The Township, along with eight (8) other municipalities, is enrolled in the North Jersey Municipal Employee Benefits Fund (the "Plan"). The Plan, which is administered by the Insurance Design Administrators, had a limit of liability of \$125,000.00 per employee with an aggregate stop loss of \$5,000,000.00 per individual lifetime.

Financial statements of the Plan are available at the office of the Executive Director, PERMA, Inc.

TOWNSHIP OF WEST MILFORD
NOTES TO FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2015 AND 2014
(continued)

NOTE 16. TAXES COLLECTED IN ADVANCE

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

	Balance <u>Dec 31, 2015</u>	Balance <u>Dec 31, 2014</u>
Prepaid Taxes	\$532,288.69	\$535,856.52
Cash Liability for Taxes Collected in Advance	<u>\$532,288.69</u>	<u>\$535,856.52</u>

NOTE 17. EMERGENCY SERVICES VOLUNTEER LENGTH OF SERVICE AWARD PLAN (LOSAP)

On September 24, 2001, the Division of Local Government Services approved the Township's LOSAP plan, provided by Variable Annuity Life Insurance Company (VALIC). The purpose of this plan is to enhance the Township's ability to retain and recruit volunteer firefighters and volunteer members of emergency service squads.

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

TOWNSHIP OF WEST MILFORD
NOTES TO FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2015 AND 2014
(continued)

NOTE 18. COMMITMENTS AND CONTINGENT LIABILITIES

We are advised by the Township Counsel that the Township is involved in several legal suits that are either covered by the Township's insurance carrier or normal for a Township this size. We are also advised of the following:

- A. "Environmental Matters: The NJ DEP has sought clean up from the Township with respect to the Banker Road Depot. Accordingly, clean-up and fines may total in excess of \$1,000,000. The Township does not have insurance coverage for this claim. The Township has also been advised that the Wallisch property is subject to an environmental clean-up. At this time, an Environmental Engineer is reviewing the possible plans for remediation."
- B. "Triple T. Construction v. West Milford: This matter involves a claim for damages against the Township of West Milford dealing with a recycling center and Lease entered into by the Township.

The property owner seeks damages up to \$1 million alleging breach of contract and numerous other claims. The matter is presently pending in Federal District Court and the Township is awaiting an insurance coverage determination."

- C. The Township is involved in several tax appeals. The tax refund exposure is not known at this time.

NOTE 19. OTHER MATTERS

In 2002, the Township held an election to change the form of government. Effective January 1, 2004, the Township of West Milford changed its form of Government to the Mayor and Council administrator plan, created by N.J.S.A. 40:69A-149.1 et seq. Under this plan, the Mayor and six Councilmen are elected at partisan elections for terms of four years and three years, respectively. Council terms are staggered; therefore, an election is held annually in the Township.

NOTE 20. SUBSEQUENT EVENTS

The Township has evaluated subsequent events through March 18, 2016, the date which the financial statements were available to be issued and no other items were noted for disclosure.

**TOWNSHIP OF WEST MILFORD
NOTES TO FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2015 AND 2014
(continued)**

NOTE 20. SUBSEQUENT EVENTS, (continued)

On June 3, 2015, the Township and the West Milford Police Athletic League (PAL) entered into an agreement whereas all registration and revenue for PAL programs is to be collected by the Township through its Community Services & Recreation(CS&R) registration system. The PAL will retain control over the programs. Starting in late March or early April of 2016, the Township will assume total control over athletic/recreation programs.

On January 20, 2016, the Township issued \$6,160,000.00 of General Improvement Bonds at an interest rate of 2% to 3%.

SUPPLEMENTARY DATA

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COMPARATIVE SCHEDULE OF TAX RATE INFORMATION

	<u>2015</u>	<u>2014</u>	<u>2013</u>
	<u>3.666</u>	<u>3.577</u>	<u>3.477</u>
Tax Rate:			
Apportionment of Tax Rate:			
Municipal	0.8040	0.7741	0.7370
Municipal Library	0.0350	0.0362	0.0371
Municipal Open Space	0.0055	0.0055	0.0054
County	0.8016	0.7583	0.7521
Local School	1.9551	1.9353	1.8840
Garbage District	0.0648	0.0676	0.0614
Assessed Valuations:			
2015	\$2,766,140,600.00		
2014		\$2,766,559,500.00	
2013			\$2,786,654,287.00
*Revaluation			

COMPARISON OF TAX LEVIES AND COLLECTION CURRENTLY

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

<u>Year</u>	<u>Tax Levy</u>	<u>Cash Collections</u>	<u>Percentage of Collection</u>
2015	\$101,505,135.50	\$100,663,610.22	99.17%
2014	99,065,732.46	97,684,650.53	98.61
2013	96,981,050.24	95,356,128.58	98.32

DELINQUENT TAXES AND TAX TITLE LIENS

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

<u>Dec. 31</u>	<u>Amount of Tax Title Liens</u>	<u>Amount of Delinquent Taxes</u>	<u>Total Delinquent</u>	<u>Percentage of Tax Levy</u>
2015	\$1,973,547.84	\$1,397,044.99	\$3,370,592.83	3.32%
2014	1,979,612.27	1,449,378.91	3,428,991.18	3.46
2013	1,754,684.76	1,184,873.29	2,939,558.05	3.03

PROPERTY ACQUIRED BY TAX TITLE LIEN LIQUIDATION

Properties have been acquired in 2015 by foreclosure or deed, or 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	\$3,260,100.00
2014	2,712,800.00
2013	2,712,800.00

COMPARATIVE SCHEDULE OF FUND BALANCES

<u>Year</u>	<u>Balance December 31</u>	<u>Utilized in Budget of Succeeding Year</u>
2015	\$4,794,317.61	\$3,626,409.00
2014	3,804,206.82	2,500,000.00
2013	2,918,153.13	2,000,000.00
2012	2,960,507.58	2,200,000.00
2011	1,958,959.11	1,600,000.00

OFFICIALS IN OFFICE AND SURETY BONDS

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

<u>Name</u>	<u>Title</u>
Bettina Bieri	Mayor
Vivienne Erk	Council President
Michele Dale	Councilwoman
Ada Erik	Councilwoman
Michael Hensley	Councilman
Marilyn Lichtenberg	Councilwoman
Luciano Signorino	Councilman
Kenneth Gabbert	Township Administrator
Monica Goscicki	Chief Financial Officer
Antoinette Battaglia	Township Clerk
Rita DeNivo	Tax Collector and Tax Search Officer
Joseph Perconti	Judge
Michele Walker	Municipal Court Administrator
Timothy Storbeck	Chief of Police
Fred Semrau	Township Attorney
Brian Townsend	Assessor
Charles J. Ferraioli, C.P.A.	Auditor

All employees are covered under a \$1,000,000.00 Blanket Bond under the AIG Crime Policy in the NJIIF.

Adequacy of insurance coverage is the responsibility of the Township.

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Township of West Milford

Schedule of Expenditures of Federal Awards

For the Year Ended December 31, 2015

Federal Grantor/Pass-Through Grantor/Program	Federal CFDA Number	Pass-Through Entity ID Number	Grant Year	Grant Award	Balance Jan. 1, 2015	Receipts/ Revenues	Expended	Balance Dec. 31, 2015	Cumulative Expenditures
Current Fund									
<u>U.S. Department of Homeland Security</u>									
Pass Through NJ Department of Law & Public Safety: Public Assistance Grant Program	97.036	066-1200-100-A92	2012/2013	509,491.85	(293,873.06)	200,861.31		(93,011.75)	509,491.85
					(293,873.06)	200,861.31		(93,011.75)	
Total Current Fund									
Federal and State Grant Fund									
<u>U.S. Department of Transportation:</u>									
Federal Transit Administration Formula Grant	20.509		2015/2016	110,793.00			65,214.25	(65,214.25)	65,214.25
			2014/2015	78,099.00	(40,612.21)	58,543.38	18,202.67	(271.50)	58,814.88
			2013/2014	75,032.00	(21,646.23)	21,646.23			71,143.13
					(62,258.44)	80,189.61	83,416.92	(65,485.75)	
<u>U.S. Department of Transportation:</u>									
Pass Through NJ Department of Law & Public Safety: Drive Sober or Get Pulled Over	20.616	066-1160-100-157	2015	10,000.00		4,931.30	5,556.30	(625.00)	5,556.30
			2014	12,500.00	(2,292.06)	7,246.92	4,954.86	0.00	12,178.22
					(2,292.06)	12,178.22	10,511.16	(625.00)	
<u>U.S. Department of Transportation:</u>									
Pass Through NJ Department of Environmental Protection: Recreation Trails Program	20.219	042-4875-100-205	2006	35,000.00	(5,000.00)	5,000.00			28,870.00
					(5,000.00)	5,000.00			
<u>U.S. Environmental Protection Agency:</u>									
Pass Through NJ Department of Environmental Protection: Greenwood Lake Anti-Phosphorous	66.605	042-4801-100-442	2007	913,600.00	10,910.60			10,910.60	867,576.81
					10,910.60			10,910.60	

Township of West Milford
Schedule of Expenditures of Federal Awards
For the Year Ended December 31, 2015

Federal Grantor/Pass-Through Grantor/Program	Federal CFDA Number	Pass-Through Entity ID Number	Grant Year	Grant Award	Balance Jan. 1, 2015	Receipts/ Revenues	Expended	Balance Dec. 31, 2015	Cumulative Expenditures
U.S. Department of Agriculture Pass Through NJ Department of Environmental Protection: Forest Management	10.664		2013	3,000.00		3,000.00	3,000.00		3,000.00
						3,000.00	3,000.00		
U.S. Department of Justice Bulletproof Vest Partnership Program	16.607		2015	2,990.00		2,990.00		2,990.00	
			2012	7,800.00	7,800.00			7,800.00	
			2011	5,407.88	1,883.76			1,883.76	3,524.12
					9,683.76	2,990.00		12,673.76	
Total Federal and State Grant Fund					(48,956.14)	103,357.83	96,928.08	(42,526.39)	
Total Federal Awards					(342,829.20)	304,219.14	96,928.08	(135,538.14)	

Township of West Milford
Schedule of Expenditures of State Awards
For the Year Ended December 31, 2015

State Grantor/Pass-Through Grantor/Program	Pass-Through Entity ID Number	Grant Year	Grant Award	Balance Jan. 1, 2015	Receipts/ Revenues	Expended	Adjustment/ Canceled	Balance Dec. 31, 2015	Cumulative Expenditures
Federal and State Grant Fund									
<u>NJ Department of Environmental Protection:</u>									
Clean Communities	042-4900-765-004	2015	73,685.28		73,685.28			73,685.28	
		2014	60,595.39	60,595.39		18,907.13		41,688.26	18,907.13
		2013	64,582.12	63,902.50		63,902.50			64,582.12
				124,497.89	73,685.28	82,809.63		115,373.54	
Recycling Tonnage Grant	042-4910-100-224	2015	43,611.23	43,611.23				43,611.23	
		2014	28,045.43	28,045.43				28,045.43	
		2013	61,059.52	55,760.73		14,876.75		40,883.98	20,175.54
				127,417.39		14,876.75		112,540.64	
State Forestry Services Grant		2013	620,197.00						
Green Acres		2015	215,000.00						
<u>NJ Division of Highway Traffic Safety:</u>									
Drunk Driving Enforcement Fund	6400-100-078	2015	8,558.18	8,558.18				8,558.18	
		2014	17,540.85	7,971.06		4,378.94		3,592.12	9,569.79
				16,529.24		4,378.94		12,150.30	
<u>NJ Department of Health:</u>									
Alcohol Education Rehabilitation	9735-760-001		563.80	563.80				563.80	
			686.55	326.03				326.03	360.52
			107.09	107.09				107.09	
			682.16	682.16				682.16	
				1,679.08				1,679.08	
Public Health Priority Funding			8,615.00	8,615.00				8,615.00	
			11,954.00	3,173.52				3,173.52	8,780.48
				11,788.52				11,788.52	

Township of West Milford
Schedule of Expenditures of State Awards
For the Year Ended December 31, 2015

State Grantor/Pass-Through Grantor/Program	Pass-Through Entity ID Number	Grant Year	Grant Award	Balance Jan. 1, 2015	Receipts/ Revenues	Expended	Adjustment/ Canceled	Balance Dec. 31, 2015	Cumulative Expenditures
<u>NJ Department of Health: (cont.)</u>									
Hepatitis B Grant		2014	999.00	999.00				999.00	
		2013	1,665.00	1,665.00				1,665.00	
		2012	2,559.00	2,559.00				2,559.00	
		2011	591.00	591.00				591.00	
		2010	4,025.22	4,025.22				4,025.22	
		2009	5,000.00	2,617.75				2,617.75	2,382.25
		2008	5,000.00	3,672.30		325.00		3,347.30	1,652.70
			<u>16,129.27</u>		<u>325.00</u>		<u>15,804.27</u>		
<u>NJ Highlands Council:</u>									
NJ Highlands Water Protection		2015	25,000.00			125.00		(125.00)	125.00
NJ Highlands Water Protection		2015	5,000.00						
NJ Highlands Water Protection			178,700.00	(1,098.00)			(1,098.00)		68,302.04
				<u>(1,098.00)</u>		<u>125.00</u>	<u>(1,098.00)</u>	<u>(125.00)</u>	
<u>NJ Department of Community Affairs:</u>									
Recreation for the Handicapped	022-8050-100-035	2015/2016	20,000.00			7,425.00		(7,425.00)	7,425.00
		2014/2015	20,000.00	(7,425.00)	20,000.00	12,575.00			20,000.00
				<u>(7,425.00)</u>	<u>20,000.00</u>	<u>20,000.00</u>		<u>(7,425.00)</u>	
<u>NJ Department of Law and Public</u>									
<u>Safety:</u>									
Body Armor Replacement	066-1020-718-001	2016	4,204.54		4,204.54			4,204.54	
		2015	4,211.46	4,211.46				4,211.46	
		2014	6,984.93	6,984.93		1,571.27		5,413.66	1,571.27
		2013	4,352.90	1,019.73		1,019.73			4,352.90
			<u>12,216.12</u>	<u>4,204.54</u>	<u>2,591.00</u>		<u>13,829.66</u>		
<u>Council on Alcoholism and Drug Abuse:</u>									
Pass Through County of Passaic Municipal Drug Alliance		2015	22,440.00			16,353.26		(16,353.26)	16,353.26
		2014	41,716.00	(4,730.61)	21,644.49	16,913.88			36,864.93
				<u>(4,730.61)</u>	<u>21,644.49</u>	<u>33,267.14</u>		<u>(16,353.26)</u>	

Township of West Milford
Schedule of Expenditures of State Awards
For the Year Ended December 31, 2015

State Grantor/Pass-Through Grantor/Program	Pass-Through Entity ID Number	Grant Year	Grant Award	Balance Jan. 1, 2015	Receipts/ Revenues	Expended	Adjustment/ Canceled	Balance Dec. 31, 2015	Cumulative Expenditures
NJ State Council on the Arts									
Pass Through County of Passaic		2015	2,000.00		2,000.00	2,000.00			2,000.00
		2014	2,037.00	1,845.00		1,845.00			2,037.00
				1,845.00	2,000.00	3,845.00			
Total Federal and State Grant Fund				298,848.90	121,534.31	162,218.46	(1,098.00)	259,262.75	
General Capital Fund									
NJ Department of Transportation:									
Highway Planning and Construction									
Clinton Road	078-6320-480	2015	195,000.00		146,250.00	195,000.00		(48,750.00)	195,000.00
Westbrook Road III	078-6320-480	2014	275,000.00		206,250.00	275,000.00		(68,750.00)	275,000.00
Otterhole Road	078-6320-480	2013	250,000.00	28,545.23		28,545.23			250,000.00
Total General Capital Fund				28,545.23	352,500.00	498,545.23		(117,500.00)	
Garbage District									
NJ Department of Environmental Protection:									
Recycling Tonnage Grant	042-4910-100-224	2010	14,843.26	14,843.26				14,843.26	
		2009	44,176.22	7,719.19				7,719.19	36,457.03
Total Garbage District				22,562.45				22,562.45	
Total State Awards				349,956.58	474,034.31	660,763.69	(1,098.00)	164,325.20	

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Exhibit A-4

Township of West Milford, N.J.

Schedule of Cash - Treasurer

Current Fund

Year Ended December 31, 2015

	<u>Ref.</u>		<u>Current Fund</u>
Balance - December 31, 2014	A		8,581,476.38
Increased by Receipts:			
Miscellaneous Revenue Not Anticipated	A-2	287,428.43	
Collector	A-6	103,368,554.11	
Revenue Accounts Receivable	A-11	4,966,076.35	
Interfunds	A-12	611,471.28	
Due From State - Senior Citizen and Veteran Deductions	A-14	267,450.71	
Various Cash Liabilities and Reserves	A-20	<u>245,619.31</u>	
			<u>109,746,600.19</u>
			118,328,076.57
Decreased by Disbursements:			
Refund Prior Year Revenue	A-1	3,391.02	
Current Year Budget Appropriations	A-3	27,120,118.13	
Change Funds	A-5	250.00	
Interfunds	A-12	597,155.73	
Appropriation Reserves	A-13	888,556.65	
Local District School Taxes	A-17	53,810,404.00	
County Taxes Payable	A-18	22,196,811.30	
Garbage District Taxes	A-19	1,671,449.38	
Various Cash Liabilities and Reserves	A-20	<u>1,899,883.90</u>	
			<u>108,188,020.11</u>
Balance - December 31, 2015	A		<u><u>10,140,056.46</u></u>

Exhibit A-5

Township of West Milford, N.J.

Schedule of Change Funds

Current Fund

Year Ended December 31, 2015

	<u>Ref.</u>	
Balance - December 31, 2014	A	500.00
Increased by:		
Cash Disbursements	A-4	<u>250.00</u>
Balance - December 31, 2015	A	<u><u>750.00</u></u>

Exhibit A-6

Township of West Milford, N.J.

Schedule of Cash - Collector

Year Ended December 31, 2015

	<u>Ref.</u>		
Increased by Receipts:			
Taxes Receivable	A-7	101,203,366.62	
Tax Title Liens	A-8	13,529.96	
Interest and Costs on Taxes	A-11	355,302.32	
2016 Taxes Prepaid	A-16	532,288.69	
Tax Overpayments	A-20	296,547.14	
Deposits for Redemption of Tax Sale Certificates	A-20	<u>967,519.38</u>	
			<u>103,368,554.11</u>
Decreased by Disbursements:			
Receipts Turned Over to Treasurer	A-4		<u>103,368,554.11</u>

Township of West Milford, N.J.

Schedule of Taxes Receivable and Analysis of Property Tax Levy

Current Fund

Year Ended December 31, 2015

Year	Balance, Dec. 31, 2014	Levy	Added Taxes	Collected		Senior Citizen and Veteran Deductions	Transferred to Tax Title Liens	Appeals/ Canceled	Balance, Dec. 31, 2015
				2014	2015				
prior 2015	1,449,378.91				1,353,344.70	(9,587.67)	13,436.56	90,848.32	1,337.00
		101,406,279.08	98,856.42	535,856.52	99,850,021.92	277,731.78	206,206.61	(760,389.32)	1,395,707.99
	<u>1,449,378.91</u>	<u>101,406,279.08</u>	<u>98,856.42</u>	<u>535,856.52</u>	<u>101,203,366.62</u>	<u>268,144.11</u>	<u>219,643.17</u>	<u>(669,541.00)</u>	<u>1,397,044.99</u>
	A			A-2/A-16	A-2/A-6	A-2/A-14	A-8		A

Analysis of Tax Levy

Tax yield:

General Property Tax
Public Utility Tax
Garbage Tax
Added Tax (R.S. 54:4-63.1 et seq.)

Ref.	
	99,608,729.23
	3.60
	1,797,546.25
	98,856.42
	<u>101,505,135.50</u>

Tax Levy:

Municipal Open Space Tax
Added Municipal Open Space Tax

Local District School Tax
County Tax
Added County Taxes

Garbage District Taxes
Added Garbage District Taxes

Local Tax for Municipal Purposes
Additional Taxes

	150,490.00
	<u>135.58</u>
A-12	150,625.58
A-17	54,080,579.00
	22,173,198.08
	<u>21,624.09</u>
A-18	22,194,822.17
	1,791,289.24
	<u>1,616.83</u>
A-19	<u>1,792,906.07</u>
A-2	78,218,932.82
A-2	23,207,971.00
	<u>78,231.68</u>
	<u>23,286,202.68</u>
	<u>101,505,135.50</u>

Exhibit A-8

Township of West Milford, N.J.

Schedule of Tax Title Liens

Current Fund

Year Ended December 31, 2015

	<u>Ref.</u>		
Balance - December 31, 2014	A		1,979,612.27
Increased by:			
Transfer from Taxes Receivable	A-7	219,643.17	
Interest and Costs Accrued by Sale		<u>25,083.02</u>	
			<u>244,726.19</u>
			2,224,338.46
Decreased by:			
Cancelled			
Collections	A-6	13,529.96	
Transferred To Property Acquired for Taxes	A-9	<u>237,260.64</u>	
			<u>250,790.60</u>
Balance - December 31, 2015	A		<u><u>1,973,547.86</u></u>

Exhibit A-9

Township of West Milford, N.J.

Schedule of Property Acquired for Taxes

(At Assessed Valuation)

Current Fund

Year Ended December 31, 2015

Balance - December 31, 2014	<u>Ref.</u> A		2,712,800.00
Increased by:			
Transfer from Tax Title Liens	A-8	237,260.64	
Assessment Liens		8,408.89	
Add: Adjustment to Assessed Valuation		<u>301,630.47</u>	
			<u>547,300.00</u>
Balance - December 31, 2015	A		<u><u>3,260,100.00</u></u>

Township of West Milford, N.J.

Schedule of Deferred Charges N.J.S.A. 40A:4-55 - Special Emergency

Current Fund

Year Ended December 31, 2015

<u>Date</u> <u>Authorized</u>	<u>Purpose</u>	<u>Amount</u> <u>Authorized</u>	<u>1/5 of net</u> <u>Amount</u> <u>Authorized</u>	<u>Balance,</u> <u>Dec. 31,</u> <u>2014</u>	<u>Reduced</u> <u>in 2015</u>	<u>Balance,</u> <u>Dec. 31,</u> <u>2015</u>
3/16/2011	Revaluation of Real Property	1,000,000.00	200,000.00	400,000.00	200,000.00	200,000.00
12/7/2011	Hurricane Damage	192,530.40	38,506.08	45,518.24	38,506.08	7,012.16
12/5/2012	Hurricane Sandy	150,000.00	30,000.00	90,000.00	30,000.00	60,000.00
		<u>1,342,530.40</u>	<u>268,506.08</u>	<u>535,518.24</u> A	<u>268,506.08</u> A-3	<u>267,012.16</u> A

Schedule of Revenue Accounts Receivable

Current Fund

Year Ended December 31, 2015

	<u>Ref.</u>	<u>Balance</u> <u>Dec. 31, 2014</u>	<u>Accrued</u>	<u>Collected</u>	<u>Balance</u> <u>Dec. 31, 2015</u>
Clerk:					
Licenses					
Alcoholic Beverages	A-2		19,185.00	19,185.00	
Other	A-2		11,879.65	11,879.65	
Fees and Permits	A-2		2,629.35	2,629.35	
Miscellaneous Revenue not Anticipated	A-2		3,032.24	3,032.24	
Construction Code Official - Fees	A-2		380,227.12	380,227.12	
Sanitarian					
Licenses	A-2		27,394.11	27,394.11	
Fees and Permits	A-2		70,110.00	70,110.00	
Miscellaneous Revenue not Anticipated	A-2		466.90	466.90	
Registrar					
Licenses	A-2		318.00	318.00	
Fees and Permits	A-2		14,980.00	14,980.00	
Miscellaneous Revenue not Anticipated	A-2		3,502.00	3,502.00	
Planning Board					
Fees and Permits	A-2		20,636.00	20,636.00	
Miscellaneous Revenue not Anticipated	A-2		138.25	138.25	
Board of Adjustment					
Fees and Permits	A-2		5,320.00	5,320.00	
Police Department:					
Fees and Permits	A-2		6,929.75	6,929.75	
Miscellaneous Revenue not Anticipated	A-2		488.30	488.30	
Fire Inspector					
Fees and Permits	A-2		62,938.00	62,938.00	
Building Inspector					
Miscellaneous Revenue not Anticipated	A-2		2,436.00	2,436.00	
Uniform Fire Safety Act: Local Fees	A-2		52,364.00	52,364.00	
Municipal Court					
Fines and Costs	A-2	15,082.12	205,943.81	211,249.80	9,776.13
Interest and Costs on Taxes	A-2		355,302.32	355,302.32	
Interest and Costs on Assessments	A-2		27,689.20	27,689.20	
Interest on Investments	A-2		13,816.44	13,816.44	
Community Services & Recreation Fees	A-2		445,682.84	445,682.84	
Cat Licenses	A-2		9,750.00	9,750.00	
Sequential Multiple Analysis Fees	A-2		13,783.32	13,783.32	
Energy Receipts Tax	A-2		2,320,884.00	2,320,884.00	
Consolidated Municipal Property Tax Relief Aid	A-2		2,054.00	2,054.00	
Garden State Trust PILOT Funds	A-2		81,090.00	81,090.00	
Watershed Moratorium Aid	A-2		757,687.00	757,687.00	
Interlocal Agreement-Borough of Ogdensburg-Financ	A-2		25,610.34	25,610.34	
Cell Tower Lease Agreement	A-2	7,246.52	93,658.79	92,809.54	8,095.77
General Capital Surplus	A-2		100,000.00	100,000.00	

Township of West Milford, N.J.

Schedule of Revenue Accounts Receivable

Current Fund

Year Ended December 31, 2015

	<u>Ref.</u>	<u>Balance</u> <u>Dec. 31, 2014</u>	<u>Accrued</u>	<u>Collected</u>	<u>Balance</u> <u>Dec. 31, 2015</u>
Cable TV Franchise Fee	A-2		126,344.00	126,344.00	
Police Athletic League Debt Service Contributions	A-2		17,500.00	17,500.00	
Life Hazard Use Fees	A-2		35,151.20	35,151.20	
		<u>22,328.64</u>	<u>5,316,921.93</u>	<u>5,321,378.67</u>	<u>17,871.90</u>
		A			A
Receipts	A-4			4,966,076.35	
Collector	A-6			355,302.32	
				<u>5,321,378.67</u>	

Township of West Milford, N.J.

Schedule of Interfunds

Current Fund

Year Ended December 31, 2015

		Due From/(To) Balance			Due From/(To) Balance
	Ref.	Dec. 31, 2014	Increased	Decreased	Dec. 31, 2015
Payroll Fund	A	195.01	2,726.54	195.01	2,726.54
Animal Control Trust Fund	A		11,000.00	5,119.24	(5,880.76)
Other Trust Fund	A	13,971.05	197,488.08	165,157.21	46,301.92
Assessment Trust Fund	A	14,534.92		15,395.69	(860.77)
General Capital Fund	A	(63,000.00)	200,000.00	63,000.00	(200,000.00)
State and Federal Grant Fund	A	(356,501.76)	409,084.65	376,550.30	(389,036.11)
		<u>(390,800.78)</u>	<u>820,299.27</u>	<u>625,417.45</u>	<u>(546,749.18)</u>
Due to Current Fund	A/A-1	28,700.98			49,028.46
Due From Current Fund	A	<u>(419,501.76)</u>			<u>(595,777.64)</u>
		<u>(390,800.78)</u>			<u>(546,749.18)</u>
Canceled Grant Receivable	A-1		38,735.70		
Canceled Grant Reserves	A-1			42,609.19	
Statutory Excess	A-1			5,119.24	
Cash Receipts	A-4		581,348.95	30,122.33	
Cash Disbursements	A-4		200,214.62	396,941.11	
Municipal Open Space Tax	A-1,A-7			150,625.58	
			<u>820,299.27</u>	<u>625,417.45</u>	

Township of West Milford, N.J.

Schedule of Appropriation Reserves

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Current Fund

Year Ended December 31, 2015

	Balance, Dec. 31, 2014	Balance after Transfers and <u>Encumbrances</u>	Paid or <u>Charged</u>	Balance <u>Lapsed</u>
Salaries and Wages Within "CAPS":				
Township Administrator	14,752.36	14,752.36	371.44	14,380.92
Mayor and Council	128.56	128.56		128.56
Township Clerk	7,028.91	7,028.91		7,028.91
Elections	524.51	524.51		524.51
Division of Treasury	7,095.89	7,095.89	425.92	6,669.97
Computerized Data Processing	7,044.68	7,044.68	1,120.00	5,924.68
Division of Tax Collection	10,232.31	10,232.31	633.92	9,598.39
Division of Assessment	200.22	200.22		200.22
Division of General Services	9,489.62	9,489.62	1,214.50	8,275.12
Division of Engineering	1,455.06	1,455.06		1,455.06
Veterans Bureau	0.08	0.08		0.08
Historical Preservation Commission	130.00	130.00	130.00	
Division of Comprehensive Planning	5,901.08	5,901.08	250.00	5,651.08
Division of Patrol	89,087.79	89,087.79	21,519.11	67,568.68
Detective Division	16,350.53	16,350.53	2,516.89	13,833.64
Division of Police Administration	25,361.56	25,361.56		25,361.56
Special Police & Special Police Matrons	12,237.02	24,237.02	11,523.66	12,713.36
Division of Communications	14,037.14	14,037.14	2,833.88	11,203.26
Office of Municipal Disaster	1,750.00	1,750.00	125.00	1,625.00
Fire Prevention Bureau	19,642.79	19,642.79	2,803.36	16,839.43
Department of Fire	0.80	0.80		0.80
Division of Streets and Roads	2,518.60	2,518.60	2,518.60	
Division of Public Property	4,978.25	4,978.25	889.01	4,089.24
Division of Snow Removal	7,638.92	7,638.92	7,638.92	
Fleet Maintenance	4,003.76	4,003.76	78.80	3,924.96
Division of Health	7,029.38	7,029.38	3,009.19	4,020.19
Bureau of Vital Statistics	270.33	270.33		270.33
Division of Environmental Health	96.19	96.19		96.19
Environmental Commission	170.00	170.00		170.00
Division of Animal Control Officer	8,394.33	8,394.33	1,150.08	7,244.25
Recreation Programs	6,453.81	6,453.81	4,268.49	2,185.32
Department of Community Services & Recreation	12,857.68	12,857.68	133.32	12,724.36
Hillcrest Community Center	7,680.60	7,680.60	630.00	7,050.60
Senior Services	19,754.32	19,754.32		19,754.32
Division of Parks Maintenance	19,448.20	19,448.20	974.87	18,473.33
Municipal Court	43,941.82	43,941.82	840.81	43,101.01
Department of Building Safety	3,631.53	3,631.53	2,777.67	853.86
Total Salaries and Wages Within "CAPS"	391,318.63	403,318.63	70,377.44	332,941.19

Township of West Milford, N.J.

Schedule of Appropriation Reserves

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Current Fund

Year Ended December 31, 2015

	Balance, Dec. 31, 2014	Balance after Transfers and <u>Encumbrances</u>	<u>Paid or Charged</u>	Balance <u>Lapsed</u>
Other Expenses Within "CAPS":				
Township Administrator	18,728.74	38,821.24	9,797.10	29,024.14
Mayor and Council	459.65	459.65		459.65
Township Clerk	7,271.86	9,080.54	2,024.15	7,056.39
Elections	4,252.67	4,452.67	200.00	4,252.67
Division of Treasury	13.98	1,100.25	1,086.37	13.88
Audit Services and Costs				
Annual Audit		34,085.00	34,085.00	
Additional Audit Services		5,070.00	5,070.00	
Computerized Data Processing	5,860.45	18,160.45	13,200.00	4,960.45
Division of Tax Collection	3,350.79	32,369.78	29,000.00	3,369.78
Division of Assessments	1,236.94	8,198.04	6,358.60	1,839.44
Township Attorney	3,408.00	121,028.91	30,833.20	90,195.71
Division of General Services	15,327.91	29,820.40	21,624.69	8,195.71
Division of Engineering	4,821.69	21,209.89	2,640.52	18,569.37
Veterans Bureau	150.00	150.00		150.00
Historical Preservation Commission	179.94	179.94		179.94
Planning Board	6,530.99	30,759.11	418.09	30,341.02
Division of Comprehensive Planning	2,705.02	9,933.97	1,354.94	8,579.03
Board of Adjustment	1,954.22	22,413.22	2,802.15	19,611.07
Division of Patrol	31,955.43	60,660.58	27,540.81	33,119.77
Purchase of Police Cars	1,818.80	146,933.00	146,775.20	157.80
Special Police & Matrons	5,981.41	6,479.91	1,009.99	5,469.92
Division of Communications	3,914.33	3,914.33	220.00	3,694.33
Municipal Disaster - Control Director	8,499.59	17,406.29	8,764.59	8,641.70
Aid to Volunteer Fire Co.	1,912.32	6,912.32	6,912.32	
First Aid Organization Contribution	9,036.87	11,704.26	8,114.40	3,589.86
Bureau of Fire Prevention	6,947.96	7,475.63	426.55	7,049.08
Department of Fire	39,761.59	90,096.41	49,839.86	40,256.55
Municipal Prosecutor	1,886.29	1,886.29		1,886.29
Division of Streets and Roads	39,482.68	106,056.21	32,586.27	73,469.94
Division of Public Property	13,534.56	22,956.39	2,695.99	20,260.40
Division of Snow Removal	6,351.42	141,366.81	141,098.06	268.75
Fleet Maintenance	60,153.45	139,537.94	53,781.69	85,756.25
Division of Health	14,190.97	14,991.02	5,403.57	9,587.45
Bureau of Vital Statistics	62.95	4,647.95	4,475.00	172.95
Housing Standards Bureau	5,493.57	5,493.57		5,493.57
Division of Environmental Health	17,592.45	31,896.97	11,959.76	19,937.21
Environmental Commission	210.00	210.00		210.00
Recreation Programs	18,202.79	33,274.36	10,000.76	23,273.60

Township of West Milford, N.J.

Schedule of Appropriation Reserves

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Current Fund

Year Ended December 31, 2015

	Balance, Dec. 31, 2014	Balance after Transfers and <u>Encumbrances</u>	Paid or <u>Charged</u>	Balance <u>Lapsed</u>
Department of Community Services & Recreation	4,679.89	4,760.39	245.08	4,515.31
Hillcrest Community Center	29,125.85	29,766.00	299.71	29,466.29
Senior Services	2,701.19	4,368.07	1,113.45	3,254.62
Division of Park Maintenance	36,958.73	38,519.33	11,855.00	26,664.33
Bubbling Springs Recreation	766.22	2,501.36	734.74	1,766.62
Municipal Court	4,253.67	5,380.17	495.00	4,885.17
Group Insurance Plan for Employees	204,653.27	149,233.77	39,944.90	109,288.87
Other Insurance Premiums	14,672.90	6,672.90	4,804.00	1,868.90
Health Benefit Waiver	5,304.64	5,304.64		5,304.64
Department of Building Safety	4,856.00	5,666.00	1,050.00	4,616.00
Celebration of Public Events	4,066.16	7,021.16	3,083.00	3,938.16
Mass Transportation	14,534.61	14,909.61	2,446.26	12,463.35
Street Lighting	6,838.71	6,838.71	2,869.03	3,969.68
Electric	12,651.38	12,651.38	11,472.75	1,178.63
Telephone	10,128.48	10,128.48	6,497.93	3,630.55
Natural Gas	8,298.26	8,999.75	3,892.14	5,107.61
Gasoline	5,764.57	137,892.60	20,299.67	117,592.93
Total Other expenses Within "CAPS"	<u>733,496.81</u>	<u>1,691,807.62</u>	<u>783,202.29</u>	<u>908,605.33</u>
Deferred Charges and Statutory Expenditures Within "CAPS":				
Social Security	55,172.76	55,172.76		55,172.76
Public Employees' Retirement System	5,898.57	5,898.57		5,898.57
Police and Firemen's Retirement System	181.00	181.00		181.00
Defined Contribution Retirement Program	<u>1,746.82</u>	<u>1,746.82</u>	<u>513.26</u>	<u>1,233.56</u>
Total Deferred Charges and Statutory Expenditures Within "CAPS"	<u>62,999.15</u>	<u>62,999.15</u>	<u>513.26</u>	<u>62,485.89</u>
Total Reserves Within "CAPS"	<u>1,187,814.59</u>	<u>2,158,125.40</u>	<u>854,092.99</u>	<u>1,304,032.41</u>

Township of West Milford, N.J.

Schedule of Appropriation Reserves

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Current Fund

Year Ended December 31, 2015

	Balance, Dec. 31, 2014	Balance after Transfers and Encumbrances	Paid or Charged	Balance Lapsed
Other Expenses Excluded From "CAPS":				
Emergency Services Volunteer Length of Service Award Plan	8,100.00	8,800.00	700.00	8,100.00
Maintenance of Public Library	83,516.10	83,516.10	83,516.10	
Total Other Expenses Excluded from "CAPS"	91,616.10	92,316.10	84,216.10	8,100.00
Total Reserves Excluded from "CAPS"	91,616.10	92,316.10	84,216.10	8,100.00
Total Reserves	1,279,430.69	2,250,441.50	938,309.09	1,312,132.41
	A		A-4	A-1
Appropriation Reserves	Ref. above	1,279,430.69		
Transfer from Reserve for Encumbrances	A-15	971,010.81		
		2,250,441.50		
Cash Disbursements	A-4		888,556.65	
Transfer to Cash Liabilities and Reserves	A-20		49,752.44	
			938,309.09	

Exhibit A-14

Township of West Milford, N.J.

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

Current Fund

Year Ended December 31, 2015

	<u>Ref.</u>	
Balance - December 31, 2014	Due From A	12,689.02
Increased by:		
Senior Citizens' and Veterans' Deductions		
Disallowed by Tax Collector	14,245.20	
Decreased by:		
Senior Citizens' and Veterans' Deductions		
Per Tax Billings	274,639.31	
Senior Citizens' and Veterans' Deductions		
Allowed by Tax Collector	<u>7,750.00</u>	
	A-7	<u>268,144.11</u>
		255,455.09
Cash Receipts	A-4	<u>267,450.71</u>
Balance - December 31, 2015	A	<u><u>11,995.62</u></u>

Exhibit A-15**Township of West Milford, N.J.**
Schedule of Encumbrances Payable**Current Fund****Year Ended December 31, 2015**

	<u>Ref.</u>	
Balance - December 31, 2014	A	971,010.81
Increased by:		
Transfer from Current Appropriations	A-3	<u>1,292,638.71</u>
		2,263,649.52
Decreased by:		
Transferred to Appropriation Reserves	A-13	<u>971,010.81</u>
Balance - December 31, 2015	A	<u><u>1,292,638.71</u></u>

Exhibit A-16**Schedule of Prepaid Taxes****Current Fund****Year Ended December 31, 2015**

	<u>Ref.</u>	
Balance - December 31, 2014	A	535,856.52
Increased by:		
Receipts - Prepaid 2016 Taxes	A-6	<u>532,288.69</u>
		1,068,145.21
Decreased by:		
Applied to 2015 Taxes	A-7	<u>535,856.52</u>
Balance - December 31, 2015	A	<u><u>532,288.69</u></u>

Township of West Milford, N.J.

Schedule of Local District School Tax

Current Fund

Year Ended December 31, 2015

	<u>Ref.</u>	
Balance - December 31, 2014		
School Tax Deferred	<u>26,770,111.00</u>	26,770,111.00
Increased by:		
Levy School Year - July 1, 2015		
to June 30, 2016	A-7	<u>54,080,579.00</u>
		80,850,690.00
Decreased by:		
Payments	A-4	<u>53,810,404.00</u>
Balance - December 31, 2015		
School Tax Deferred	<u>27,040,286.00</u>	<u>27,040,286.00</u>
2015 Liability for Local		
District School Tax:		
Tax Paid		<u>53,810,404.00</u>
Amount Charged to 2015 Operations	A-1	<u>53,810,404.00</u>

Exhibit A-18

Township of West Milford, N.J.
Schedule of County Taxes Payable

Current Fund

Year Ended December 31, 2015

	<u>Ref.</u>		
Balance - December 31, 2014	A		23,613.22
Increased by:			
Tax Levy -2015	A-1/A-7	22,173,198.08	
Added and Omitted Taxes	A-1/A-7	<u>21,624.09</u>	
			<u>22,194,822.17</u>
			22,218,435.39
Decreased by:			
Payments	A-4		<u>22,196,811.30</u>
Balance - December 31, 2015	A		<u><u>21,624.09</u></u>

Exhibit A-19

Schedule of Due to Garbage District

Current Fund

Year Ended December 31, 2015

	<u>Ref.</u>		
Balance - December 31, 2014	A		271,615.33
Increased by:			
Tax Levy -2015	A-1/A-7	1,791,289.24	
Added and Omitted Taxes	A-1/A-7	<u>1,616.83</u>	
			<u>1,792,906.07</u>
			2,064,521.40
Decreased by:			
Disbursements	A-4		<u>1,671,449.38</u>
Balance - December 31, 2015	A		<u><u>393,072.02</u></u>

Township of West Milford, N.J.

Schedule of Various Cash Liabilities and Reserves

Current Fund

Year Ended December 31, 2015

<u>Liabilities and Reserves</u>	<u>Balance</u> <u>Dec. 31, 2014</u>	<u>Increased</u>	<u>Decreased</u>	<u>Balance</u> <u>Dec. 31, 2015</u>
<u>Liabilities:</u>				
Tax Overpayments	61,628.33	296,547.14	287,246.11	70,929.36
Deposits for Redemption of Tax Sale Certificates	136,198.45	967,519.38	1,012,463.71	91,254.12
Due to State of N.J. Marriage Surcharge	625.00	2,650.00	2,675.00	600.00
Due to State of N.J. Building Surcharge	3,923.00	22,908.00	20,002.00	6,829.00
Accounts Payable	18,834.60	49,752.44	18,353.95	50,233.09
Special Emergency Note	400,000.00		400,000.00	
<u>Reserves for:</u>				
Tax Appeals	40,000.00	100,000.00	140,000.00	
Tax Appeal Legal Fees	6,695.63			6,695.63
Sale of Property	847,431.14		400,000.00	447,431.14
911	47.45			47.45
Revaluation of Real Property	108,774.68			108,774.68
Technology Improvements	21,983.48	19,200.00	7,766.46	33,417.02
Hurricane Sandy	38,351.88	200,861.31	143,936.86	95,276.33
Tax Foreclosures	18,699.75		11,376.67	7,323.08
Salary Negotiations	62,280.69			62,280.69
Senior Housing	6,130.09			6,130.09
Wetlands Study	15,583.00			15,583.00
Housing Standards	12,383.25			12,383.25
	<u>1,799,570.42</u>	<u>1,659,438.27</u>	<u>2,443,820.76</u>	<u>1,015,187.93</u>
	A			A
	<u>Ref.</u>			
Transfer from Current Year Appropriations	A-3	100,000.00		
Receipts	A-4	245,619.31		
Disbursed	A-4		1,899,883.90	
Collector	A-6	1,264,066.52		
2015 Anticipated Revenue	A-2		543,936.86	
Transferred from Appropriation Reserves	A-13	<u>49,752.44</u>		
		<u>1,659,438.27</u>	<u>2,443,820.76</u>	

Exhibit A-21

Township of West Milford, N.J.

Schedule of Grants Receivable

Federal and State Grant Fund

Year Ended December 31, 2015

Grant	Balance, Dec. 31, 2014	Budget Revenue	Received	Canceled	Balance, Dec. 31, 2015
Local Grants:					
Factory Mutual Fire Prevention		1,200.00	1,200.00		
F T A - NJ Transit	30,033.15	55,396.50	17,747.79	3,200.92	64,480.94
Open Space - CYO	50,000.00		16,853.21		33,146.79
Open Space - Highlands Trail		128,520.00			128,520.00
Open Space - Nosenzo Park		31,136.00			31,136.00
Open Space - Farrell Field		54,621.00			54,621.00
Open Space Institute Land Trust		64,000.00			64,000.00
Open Space - Wallisch Roof	20,000.00				20,000.00
Open Space Westbrook Park	72,500.00				72,500.00
Open Space and Farmland Trust	43,649.31		43,649.31		
	<u>216,182.46</u>	<u>334,873.50</u>	<u>79,450.31</u>	<u>3,200.92</u>	<u>468,404.73</u>
Federal Grants:					
F T A	103,634.10	110,793.00	80,189.61	5,361.93	128,875.56
NJ Green Communities Grant	3,000.00		3,000.00		
Drive Sober or Get Pulled Over	7,500.00	10,000.00	12,178.22	321.78	5,000.00
Recreation Program Trails Grant	5,000.00		5,000.00		
	<u>116,134.10</u>	<u>120,793.00</u>	<u>100,367.83</u>	<u>5,683.71</u>	<u>133,875.56</u>
State Grants:					
Green Acres		215,000.00			215,000.00
Drunk Driving Enforcement Fund		8,558.18	8,558.18		
Clean Communities Program		134,280.67	134,280.67		
Handicapped Recreation Opportunities Grant	20,000.00	20,000.00	20,000.00		20,000.00
Municipal Alliance on Alcoholism and Drug Abuse	26,495.56	22,440.00	21,644.49	4,851.07	22,440.00
NJ Highlands Water Protection	127,475.77	55,000.00		25,000.00	157,475.77
NJ State Forestry Services Grant	620,197.00				620,197.00
Body Armor Replacement Fund		8,416.00	8,416.00		
Passaic County Cultural Heritage Grant		2,000.00	2,000.00		
Hepatitis B Grant		999.00	999.00		
Recycling Tonnage Grant		43,611.23	43,611.23		
	<u>797,168.33</u>	<u>510,305.08</u>	<u>239,509.57</u>	<u>29,851.07</u>	<u>1,035,112.77</u>
	<u>1,129,484.89</u>	<u>965,971.58</u>	<u>419,327.71</u>	<u>38,735.70</u>	<u>1,637,393.06</u>
	A	A-2		A-24	A
Transfer from Unappropriated Reserve for Grants		Ref.			
		A-23	117,975.26		
Receipts		A-24	<u>301,352.45</u>		
			<u>419,327.71</u>		

Township of West Milford, N.J.

Schedule of Appropriated Reserves for Grants

Federal and State Grant Fund

Year Ended December 31, 2015

<u>Grant</u>	<u>Balance, Dec. 31, 2014</u>	<u>Transfer From 2015 Budget</u>	<u>Expended</u>	<u>Canceled</u>	<u>Balance, Dec. 31, 2015</u>
Local Grants:					
Sustainable Jersey	680.00		680.00		
Factory Mutual Fire Prevention		1,200.00	1,017.98		182.02
Handicapped Recreation Opportunities Grant	4,000.00	4,000.00	6,475.00		1,525.00
PC Open Space - CYO	38,403.75		6,475.86		31,927.89
PC Open Space - Wallisch Roof	20,000.00		17,800.00		2,200.00
PC Open Space Westbrook Park	72,500.00				72,500.00
PC Open Space - Highlands Trail		128,520.00			128,520.00
PC Open Space - Nosenzo Park		31,136.00			31,136.00
PC Open Space - Farrell Field		54,621.00			54,621.00
PC Open Space Institute Land Trust		64,000.00			64,000.00
F T A - Township	30,648.39	55,396.50	17,997.58	2,854.34	65,192.97
F T A - NJ Transit	31,883.39	55,396.50	18,696.03	3,200.92	65,382.94
Municipal Alliance on Alcoholism and Drug Abus	2,590.77	5,610.00	3,729.62	2,117.15	2,354.00
Passaic County Cultural Heritage Grant	922.50	1,000.00	1,922.50		
	<u>201,628.80</u>	<u>400,880.00</u>	<u>74,794.57</u>	<u>8,172.41</u>	<u>519,541.82</u>
Federal Grants:					
F T A	41,375.66	110,793.00	83,416.92	5,361.93	63,389.81
NJ Green Communities Grant	3,000.00		3,000.00		
Drive Sober or Get Pulled Over	5,207.94	10,000.00	10,511.16	321.78	4,375.00
Greenwood Lake Anti-Phosphorous Grant	10,910.60				10,910.60
Bullet Proof Vest Program	9,683.76				9,683.76
	<u>67,177.96</u>	<u>120,793.00</u>	<u>96,928.08</u>	<u>5,683.71</u>	<u>88,359.17</u>
State Grants:					
Public Health Priority Funding - 1977	11,788.52				11,788.52
Hepatitis B Grant	15,130.27	999.00	325.00		15,804.27
Drunk Driving Enforcement Fund	7,971.06	8,558.18	4,378.94		12,150.30
Clean Communities Program	63,902.50	134,280.67	82,809.63		115,373.54
Handicapped Recreation Opportunities Grant	12,575.00	20,000.00	20,000.00		12,575.00
Green Acres		215,000.00			215,000.00
Highlands Water Protection	126,377.77	55,000.00	125.00	23,902.00	157,350.77
NJ State Forestry Services Grant	620,197.00				620,197.00
Municipal Alliance on Alcoholism and Drug Abus	21,764.95	22,440.00	33,267.14	4,851.07	6,086.74
N.J. Alcohol and Rehab	1,679.08				1,679.08
Body Armor Replacement Fund	8,004.66	8,416.00	2,591.00		13,829.66
Recycling Tonnage Grant	83,806.16	43,611.23	14,876.75		112,540.64
Passaic County Cultural Heritage Grant	1,845.00	2,000.00	3,845.00		
	<u>978,041.97</u>	<u>510,305.08</u>	<u>162,218.46</u>	<u>28,753.07</u>	<u>1,294,375.52</u>
	<u>1,246,848.73</u>	<u>1,031,978.08</u>	<u>333,941.11</u>	<u>42,609.19</u>	<u>1,902,276.51</u>
	A		A-24	A-24	A
	<u>Ref.</u>				
Federal and State Grants	A-3	965,971.58			
Matching Funds for Grants	A-24	66,006.50			
		<u>1,031,978.08</u>			

Exhibit A-23

Township of West Milford, N.J.

Schedule of Unappropriated Reserves for Grants

Federal and State Grant Fund

Year Ended December 31, 2015

<u>Grant</u>	<u>Balance, Dec. 31, 2014</u>	<u>Transfer To 2015 Budget</u>	<u>Received</u>	<u>Balance, Dec. 31, 2015</u>
Federal Grants:				
Bulletproof Vest Grant			2,990.00	2,990.00
			2,990.00	2,990.00
State Grants:				
Recycling Tonnage Grant	43,611.23	43,611.23		
Body Armor Replacement	4,211.46	4,211.46		
Hepatitis B Grant	999.00	999.00		
Clean Communities	60,595.39	60,595.39		
Drunk Driving Enforcement Fund	8,558.18	8,558.18		
	117,975.26	117,975.26		
	117,975.26	117,975.26	2,990.00	2,990.00
	A	A-21	A-24	A

Township of West Milford, N.J.

Schedule of Interfunds

Federal and State Grant Fund

Year Ended December 31, 2015

		Due From/(To) Balance			Due From/(To) Balance
	<u>Ref.</u>	<u>Dec. 31, 2014</u>	<u>Increased</u>	<u>Decreased</u>	<u>Dec. 31, 2015</u>
Current Fund	A	356,501.76	409,084.65	376,550.30	389,036.11
General Capital Fund	A	27,583.27			27,583.27
Garbage District	A	(148,745.93)			(148,745.93)
		<u>235,339.10</u>	<u>409,084.65</u>	<u>376,550.30</u>	<u>267,873.45</u>
Grant Receipts	A-21		301,352.45		
Canceled Grants Receivable	A-21		38,735.70		
Matching Funds Grants	A-22		66,006.50		
Grant Expenditures	A-22			333,941.11	
Canceled Grant Reserves	A-22			42,609.19	
Unappropriated Reserves	A-23		<u>2,990.00</u>		
			<u>409,084.65</u>	<u>376,550.30</u>	

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Township of West Milford, N.J.

Schedule of Cash

Trust Funds

Year Ended December 31, 2015

	Ref.	Assessment Trust Fund	Animal Control Trust Fund	Other Trust Funds	Payroll Fund	L.O.S.A.P.
Balance - December 31, 2014	B	672,313.21	78,599.59	4,468,164.92	150,147.52	1,811,363.65
Increase by Receipts:						
Assessments Receivable	B-6	152,648.72				
Assessment Liens	B-7	95.00				
Prospective Assessments	B-9	10,000.00				
Interfund - Current Fund	B-10			46,862.50	3,353.54	
Canceled and Foreclosed Assessment	B-11	8,707.89				
Dog License Fees	B-16		43,811.20			
Due to State of NJ	B-17		6,442.80			
Municipal Open Space Tax	B-18			152,035.40		
Other Trust Funds	B-20			1,991,979.91		
Payroll Deductions Payable	B-22				16,196,140.26	
Interfund Other Trust Fund	B-23				22,456.91	
Contributions Receivable	B-24					116,900.00
Net Assets Available for Benefits	B-25					(10,986.28)
Total Receipts		171,451.61	50,254.00	2,190,877.81	16,221,950.71	105,913.72
		843,764.82	128,853.59	6,659,042.73	16,372,098.23	1,917,277.37
Decreased by Disbursements:						
Interfund - Current Fund	B-10	15,395.69	11,000.00	14,531.63	822.01	
NJDEP Loan - Pinecliff Lake	B-12	100,663.58				
NJDEP Loan - Lindy Lake	B-13	12,208.26				
NJDEP Loan - Gordon Lakes	B-14	36,361.78				
Reserve for Dog Expenditures	B-16		41,765.15			
Due to State of NJ	B-17		6,411.60			
Municipal Open Space Tax	B-18			22,474.14		
Other Trust Funds	B-20			1,570,260.61		
Interfund Payroll Fund	B-21			22,456.91		
Payroll Deductions Payable	B-22				16,235,307.52	
Net Assets Available for Benefits	B-25					75,984.47
Total Disbursements		164,629.31	59,176.75	1,629,723.29	16,236,129.53	75,984.47
Balance - December 31, 2015	B	679,135.51	69,676.84	5,029,319.44	135,968.70	1,841,292.90

Exhibit B-5

Township of West Milford, N.J.

Analysis of Assessment Cash

Assessment Trust Fund

Year Ended December 31, 2015

	<u>Ref.</u>	
Due from Current Fund	B-10	(860.77)
Pledged to NJDEP Loan Payable		654,534.84
Fund Balance	B-1	<u>25,461.44</u>
		<u>679,135.51</u>
		B

Township of West Milford, N.J.

Schedule of Assessments Receivable

Year Ended December 31, 2015

Ordinance Number	Improvement Description	Date of Confir- mation	Balance Dec. 31, 2014	Collected	Balance Dec. 31, 2015	Balance Pledged to	
						NJ DEP Loan	Reserve
2002-20	Pinecliff Lake Dam Rehabilitation	11/10/2004	393,699.89	72,364.09	321,335.80	321,335.80	
2002-34	Lindy Lake Dam	2008	25,039.69	5,304.56	19,735.13	19,735.13	
2003-20/ 2008-49	Improvements to Gordon Lakes Dam	11/10/2010	599,256.73	64,997.23	534,259.50	474,259.50	60,000.00
2008-45	Improvements to Magnolia Road	11/10/2010	50,945.90	9,982.84	40,963.06		40,963.06
			<u>1,068,942.21</u>	<u>152,648.72</u>	<u>916,293.49</u>	<u>815,330.43</u>	<u>100,963.06</u>
			B	B-4	B		

Exhibit B-7

Township of West Milford, N.J.

Schedule of Assessment Liens

Year Ended December 31, 2015

Ordinance Number	Improvement Description	Balance Dec. 31, 2014	Collected	Foreclosed	Balance Dec. 31, 2015	Balance Pledged to	
						NJ DEP Loan	Reserve
1972-04	Mt. Glen Lakes Road Improvement	3,529.20			3,529.20		3,529.20
1980-20	Improv. to Pinecliff Lake	694.50			694.50		694.50
1981-11	Improv. to Streets - Gordon Lakes	450.00		450.00			
1985-20	Improv. to Papscoe, Riverside Streets	7,672.50			7,672.50		7,672.50
1987-27	Improv. to Wayside/Shadyside	299.00		299.00			
1998-07	Improv. to Paterson / Hewitt	19,828.00			19,828.00		19,828.00
2001-32	Improv. To Forest Hill Park	7,658.89		7,658.89			
2002-20	Pinecliff Lake Dam Rehabilitation	3,239.00	95.00		3,144.00	3,144.00	
2008-45	Magnolia Road	2,000.00			2,000.00		2,000.00
2003-20/ 2008-49	Gordon Lakes Dam	11,425.88		300.00	11,125.88	11,125.88	
		<u>56,796.97</u>	<u>95.00</u>	<u>8,707.89</u>	<u>47,994.08</u>	<u>14,269.88</u>	<u>33,724.20</u>
		B	B-4	B-11	B		

Exhibit B-8

Township of West Milford, N.J.

Schedule of Assessment Liens - Interest and Costs

Year Ended December 31, 2015

	<u>Ref.</u>	
Balance - December 31, 2014	B	<u>2,865.50</u>
Balance - December 31, 2015	B	<u>2,865.50</u>

Exhibit B-9

Township of West Milford, N.J.

Schedule of Prospective Assessments Funded

Year Ended December 31, 2015

<u>Improvement Description</u>	<u>Ord. Number</u>	<u>Balance Dec. 31, 2014</u>	<u>Budget Appropriation</u>	<u>Balance Dec. 31, 2015</u>	<u>Balance Pledged to Reserve</u>
Construction of Sidewalks	1992-39	500.00		500.00	500.00
Improvement to Greenwich Rd	2001-34	10,000.00	10,000.00		
		<u>10,500.00</u>	<u>10,000.00</u>	<u>500.00</u>	<u>500.00</u>
		B	B-4	B	

Exhibit B-10

Township of West Milford, N.J.

Schedule of Interfund - Current Fund

Trust Funds

Year Ended December 31, 2015

	Due to/(from) Balance <u>Dec. 31, 2014</u>	<u>Increased</u>	<u>Decreased</u>	Due to/(from) Balance <u>Dec. 31, 2015</u>
Assessment Trust	14,534.92		15,395.69	(860.77)
Animal Control Trust		11,000.00	5,119.24	(5,880.76)
Other Trust	13,971.05	46,862.50	14,531.63	46,301.92
Payroll Fund	<u>195.01</u>	<u>3,353.54</u>	<u>822.01</u>	<u>2,726.54</u>
	<u>28,700.98</u>	<u>61,216.04</u>	<u>35,868.57</u>	<u>42,286.93</u>
	B			B
	<u>Ref.</u>			
Receipts - Other Trust Fund	B-4	46,862.50		
Receipts - Payroll Fund	B-4	3,353.54		
Disbursed - Assessment Trust	B-4		15,395.69	
Disbursed - Animal Control Trust Fund	B-4	11,000.00		
Disbursed - Other Trust Fund	B-4		14,531.63	
Disbursed - Payroll Fund	B-4		822.01	
Statutory Excess in Animal Control Trust	B-16		<u>5,119.24</u>	
		<u>61,216.04</u>	<u>35,868.57</u>	

Exhibit B-11

Township of West Milford, N.J.

Schedule of Amount to be Raised By Taxation

For Canceled and Foreclosed Assessments

Year Ended December 31, 2015

Ordinance Number	Improvement Description	2015 Budget Appropriation	Assessment Liens Foreclosed	Balance Dec. 31, 2015
1981-11	Gordon Lakes	450.00	450.00	
1987-27	Improv. to Wayside/Shadyside	299.00	299.00	
1998-07	Improv. to Paterson / Hewitt			
2001-32	Improv. To Forest Hill Park	7,658.89	7,658.89	
2002-20	Gordon Lakes Dam Rehabilitation	300.00	300.00	
		<hr/>	<hr/>	<hr/>
		8,707.89	8,707.89	
		<hr/>	<hr/>	<hr/>
		B-4	B-7	B

Township of West Milford, N.J.

Schedule of NJ DEP Loan Payable - Pinecliff Lake

Year Ended December 31, 2015

	<u>Ref.</u>	
Balance - December 31, 2014	B	864,297.68
Decreased by:		
Loan Paid by Current Year		
Budget Appropriation	B-4	<u>100,663.58</u>
Balance - December 31, 2015	B	<u><u>763,634.10</u></u>

<u>Payment Date</u>	<u>Interest</u>	<u>Principal</u>	<u>Loan Balance</u>
05/03/16	7,636.34	51,088.02	712,546.08
11/03/16	7,125.46	51,598.90	660,947.18
05/03/17	6,609.47	52,114.89	608,832.29
11/03/17	6,088.32	52,636.04	556,196.25
05/03/18	5,561.96	53,162.40	503,033.85
11/03/18	5,030.34	53,694.02	449,339.83
05/03/19	4,493.40	54,230.96	395,108.87
11/03/19	3,951.09	54,773.27	340,335.60
05/03/20	3,403.36	55,321.00	285,014.60
11/03/20	2,850.15	55,874.21	229,140.39
05/03/21	2,291.40	56,432.96	172,707.43
11/03/21	1,727.07	56,997.29	115,710.14
05/03/22	1,157.10	57,567.26	58,142.88
11/03/22	581.43	58,142.88	(0.00)
	<u>58,506.89</u>	<u>763,634.10</u>	

Township of West Milford, N.J.

Schedule of NJ DEP Loan Payable - Lindy Lake

Year Ended December 31, 2015

	<u>Ref.</u>	
Balance - December 31, 2014	B	90,787.06
Decreased by:		
Loan Paid by Current Year		
Budget Appropriation	B-4	<u>12,208.26</u>
Balance - December 31, 2015	B	<u><u>78,578.80</u></u>

<u>Payment Date</u>	<u>Interest</u>	<u>Principal</u>	<u>Loan Balance</u>
04/30/16	785.79	6,195.84	72,382.96
10/30/16	723.83	6,257.80	66,125.16
04/30/17	661.25	6,320.38	59,804.78
10/30/17	598.05	6,383.58	53,421.20
04/30/18	534.21	6,447.42	46,973.78
10/30/18	469.74	6,511.89	40,461.89
04/30/19	404.62	6,577.01	33,884.88
10/30/19	338.85	6,642.78	27,242.10
04/30/20	272.42	6,709.21	20,532.89
10/30/20	205.33	6,776.30	13,756.59
04/30/21	137.57	6,844.06	6,912.53
10/30/21	69.13	6,912.53	0.00
	<u>5,200.79</u>	<u>78,578.80</u>	

Township of West Milford, N.J.

Schedule of NJ DEP Loan Payable - Gordon Lake

Year Ended December 31, 2015

	<u>Ref.</u>	
Balance - December 31, 2014	B	678,284.03
Decreased by:		
Loan Paid by Current Year		
Budget Appropriation	B-4	<u>36,361.78</u>
Balance - December 31, 2015	B	<u><u>641,922.25</u></u>

<u>Payment Date</u>	<u>Interest</u>	<u>Principal</u>	<u>Loan Balance</u>
04/10/16	6,419.22	18,454.05	623,468.20
10/10/16	6,234.68	18,638.59	604,829.61
04/10/17	6,048.30	18,824.98	586,004.63
10/10/17	5,860.05	19,013.23	566,991.40
04/10/18	5,669.91	19,203.36	547,788.04
10/10/18	5,477.88	19,395.40	528,392.64
04/10/19	5,283.93	19,589.35	508,803.29
10/10/19	5,088.03	19,785.24	489,018.05
04/10/20	4,890.18	19,983.10	469,034.95
10/10/20	4,690.35	20,182.93	448,852.02
04/10/21	4,488.52	20,384.76	428,467.26
10/10/21	4,284.67	20,588.60	407,878.66
04/10/22	4,078.79	20,794.49	387,084.17
10/10/22	3,870.84	21,002.43	366,081.74
04/10/23	3,660.82	21,212.46	344,869.28
10/10/23	3,448.69	21,424.58	323,444.70
04/10/24	3,234.45	21,638.83	301,805.87
10/10/24	3,018.06	21,855.22	279,950.65
04/10/25	2,799.51	22,073.77	257,876.88
10/10/25	2,578.77	22,294.51	235,582.37
04/10/26	2,355.82	22,517.45	213,064.92
10/10/26	2,130.65	22,742.63	190,322.29
04/10/27	1,903.22	22,970.05	167,352.24
10/10/27	1,673.52	23,199.75	144,152.49
04/10/28	1,441.52	23,431.75	120,720.74
10/10/28	1,207.21	23,666.07	97,054.67
04/10/29	970.55	23,902.73	73,151.94
10/10/29	731.52	24,141.76	49,010.18
04/10/30	490.10	24,383.17	24,627.01
10/10/30	246.27	24,627.01	(0.00)
	<u>104,276.03</u>	<u>641,922.25</u>	

Township of West Milford, N.J.

Schedule of Reserve for Assessments and Liens

Year Ended December 31, 2015

Ordinance Number	Improvement Description	Balance Dec. 31, 2014	Collections to Surplus	Transfers From	To	Balance Dec. 31, 2015
<u>Assessments Receivable</u>						
2003-20/						
2008-49	Gordon Lakes Dam	60,000.00				60,000.00
2008-45	Magnolia Road	50,945.90	9,982.84			40,963.06
		<u>110,945.90</u>	<u>9,982.84</u>			<u>100,963.06</u>
<u>Foreclosed/Canceled Assessments</u>						
2001-32	Forest Hill Park		7,658.89		7,658.89	
1987-27	Wayside / Shadyside		299.00		299.00	
1998-07	Paterson / Hewitt Roads		450.00		450.00	
			<u>8,407.89</u>		<u>8,407.89</u>	
<u>Assessment Liens</u>						
1972-04	Mt Glen Lakes Road	3,529.20				3,529.20
1980-20	Mt Laurel Lakes	694.50				694.50
1981-11	Gordon Lakes	450.00				450.00
1985-20	Papscoe / River	7,672.50				7,672.50
1987-27	Wayside / Shadyside	299.00		299.00		
1998-07	Paterson / Hewitt Roads	19,828.00		450.00		19,378.00
2001-32	Forest Hill Park	7,658.89		7,658.89		
2008-45	Magnolia Road	2,000.00				2,000.00
		<u>42,132.09</u>		<u>8,407.89</u>		<u>33,724.20</u>
<u>Prospective Assessments Funded</u>						
1992-39	Construction of Sidewalks	500.00				500.00
		<u>500.00</u>				<u>500.00</u>
		<u>153,577.99</u>	<u>18,390.73</u>	<u>8,407.89</u>	<u>8,407.89</u>	<u>135,187.26</u>
		B	B-1			B

Exhibit B-16

Township of West Milford, N.J.

Reserve for Animal Control Trust Fund Expenditures

Year Ended December 31, 2015

Balance - December 31, 2014	<u>Ref.</u> B		78,592.99
Increased by:			
Collections			
Dog License Fees -2015		37,197.20	
Late Charge Fees		6,472.00	
Miscellaneous		<u>142.00</u>	
	B-4		<u>43,811.20</u>
			122,404.19
Decreased by:			
Expenditures R.S. 4:19-1511	B-4	41,765.15	
Statutory Excess	B-10	<u>5,119.24</u>	
			<u>46,884.39</u>
Balance - December 31, 2015	B		<u><u>75,519.80</u></u>

	<u>License Fees Collected</u>	
<u>Year</u>		
2014		36,937.60
2013		<u>38,582.20</u>
		<u><u>75,519.80</u></u>

Exhibit B-17

Schedule of Due to State Department of Health

	<u>Ref.</u>	
Balance - December 31, 2014	B	6.60
Increased by:		
State Fees Collected	B-4	<u>6,442.80</u>
		6,449.40
Decreased by:		
Paid to State	B-4	<u>6,411.60</u>
Balance - December 31, 2015	B	<u><u>37.80</u></u>

Exhibit B-18

Township of West Milford, N.J.
Reserve for Municipal Open Space
Year Ended December 31, 2015

	<u>Ref.</u>	
Balance - December 31, 2014	B	1,340,348.60
Increased by:		
2015 Tax Levy		150,490.00
2015 Added Taxes		135.58
Interest Earned		<u>1,409.82</u>
	B-4	<u>152,035.40</u>
		1,492,384.00
Decreased by:		
Expenditures	B-4	<u>22,474.14</u>
Balance - December 31, 2015	B	<u><u>1,469,909.86</u></u>

Exhibit B-19

Township of West Milford, N.J.

Schedule of Due from Vendors - Outside Police Duty

Year Ended December 31, 2015

	<u>Ref.</u>	
Increased by:		
Charges to Vendors	B-20	<u>19,797.26</u>
Balance - December 31, 2015	B	<u><u>19,797.26</u></u>

Exhibit B-20

Township of West Milford, N.J.

Schedule of Various Reserves and Other Trust Funds

Year Ended December 31, 2015

	Balance Dec. 31, 2014	Increased	Decreased	Balance Dec. 31, 2015
Improvement Guarantees	633,782.08	59,015.82	37,770.00	655,027.90
Reserve for:				
Unemployment	386,065.01	25,378.69	19,663.84	391,779.86
Environmental Commission	1,035.85			1,035.85
Development Application Review Escrow	195,444.12	115,276.03	97,063.77	213,656.38
Scala Escrow	2,043.13	2.04		2,045.17
Library Escrow	28.20		28.20	
Fire Trust	10,933.29	22,781.63	4,748.20	28,966.72
Developers Contributions	23,672.00			23,672.00
Heritage Committee	17,705.39	8,322.09	8,056.37	17,971.11
Premium on Tax Sale	1,287,200.00	1,410,300.00	936,500.00	1,761,000.00
Beautification Committee	1,300.52			1,300.52
Recreation Center Trust		103,791.80	93,237.91	10,553.89
Parking Offenses Adjudication Act	1,004.00	46.00		1,050.00
Creative Playground	768.60			768.60
Municipal Alliance	36,723.44	7,676.00	8,142.67	36,256.77
Recreation	82,906.87	125,263.47	87,823.64	120,346.70
Video Recording System		425.00		425.00
Police Outside Services	11,824.44	75,254.51	73,553.54	13,525.41
Damaged Property	4,909.32	4,994.25	9,903.57	
Public Defender	16,220.50	10,010.00	6,800.00	19,430.50
Forfeited Funds	2,950.02	2.95		2,952.97
Snow Removal	325,630.48	27,623.90	152,491.11	200,763.27
Disaster Relief	2,000.00			2,000.00
Economic Development	300.00	535.00		835.00
Tax Sale	50.00			50.00
COAH	37,223.91	1,278.53	7,144.07	31,358.37
Future Liabilities	32,124.10	13,799.46	27,333.72	18,589.84
	<u>3,113,845.27</u>	<u>2,011,777.17</u>	<u>1,570,260.61</u>	<u>3,555,361.83</u>
	B		B-4	B
	Ref.			
Cash Receipts	B-4	1,991,979.91		
Due from Vendors - Police Outside Service	B-19	<u>19,797.26</u>		
		<u>2,011,777.17</u>		

Exhibit B-21

Township of West Milford, N.J.

Schedule of Interfund Receivable with Payroll Fund

Other Trust Fund

Year Ended December 31, 2015

Ref.

Increased by:

Cash Disbursements

B-5

22,456.91

Balance - December 31, 2015

B

22,456.91

Exhibit B-22

Township of West Milford, N.J.

Schedule of Payroll Deductions

Payroll Fund

Year Ended December 31, 2015

	Balance Dec. 31, 2014	Receipts	Disbursed	Balance Dec. 31, 2015
Federal Withholding		1,686,265.62	1,686,265.62	
Social Security / Medicare		1,288,820.37	1,288,820.37	
State Withholding		504,108.93	504,108.93	
Unemployment Insurance	8,984.39	27,690.71	36,496.52	178.58
Union Dues	4,857.20	57,334.80	62,174.07	17.93
P.E.R.S.	46,156.71	1,411,863.41	1,409,160.04	48,860.08
P.E.R.S. Contributory Insurance	2,742.54	31,180.32	31,051.42	2,871.44
P.F.R.S.	57,308.27	1,826,344.67	1,825,003.04	58,649.90
D.C.R.P.	969.76	20,846.58	21,788.67	27.67
Credit Union		58,040.74	58,040.74	
Insurance	4,395.46	47,877.01	52,272.47	
Miscellaneous	450.00	3,600.00	4,050.00	
Garnishment	(225.04)	41,334.28	41,109.24	
VALIC	22,363.22	293,495.38	316,058.60	(200.00)
Employee Share of Medical Ins.		781,007.39	780,627.74	379.65
Lincoln National	1,950.00	24,600.00	26,550.00	
Net Payroll		8,091,730.05	8,091,730.05	
	<u>149,952.51</u>	<u>16,196,140.26</u>	<u>16,235,307.52</u>	<u>110,785.25</u>
	B	B-4	B-4	B

Exhibit B-23

Township of West Milford, N.J.

Schedule of Interfund Payable with Other Trust Fund

Payroll Fund

Year Ended December 31, 2015

	<u>Ref.</u>	
Increased by:		
Cash Receipts	B-5	<u>22,456.91</u>
Balance - December 31, 2015	B	<u><u>22,456.91</u></u>

Exhibit B-24

Township of West Milford, N.J.

Statement of Contributions Receivable

Year Ended December 31, 2015

	<u>Ref.</u>	
Balance - December 31, 2014	B	117,600.00
Increased by:		
Adjustment		(700.00)
Borough Contributions		<u>116,900.00</u>
	B-25	<u>116,200.00</u>
		233,800.00
Decreased by:		
Receipts	B-4	<u>116,900.00</u>
Balance - December 31, 2015	B	<u><u>116,900.00</u></u>

Exhibit B-25

Township of West Milford, N.J.

Statement of Net Assets Available for Benefits

Year Ended December 31, 2015

	<u>Ref.</u>		
Balance - December 31, 2014	B		1,928,963.65
Increased by:			
Township Contributions	B-24	116,200.00	
Gain/(Loss)	B-4	<u>(10,986.28)</u>	
			<u>105,213.72</u>
			2,034,177.37
Decreased by:			
Distributions		75,642.28	
Administrative Charges		<u>342.19</u>	
	B-4		<u>75,984.47</u>
Balance - December 31, 2015	B		<u><u>1,958,192.90</u></u>

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Exhibit C-2

Township of West Milford , N.J.

Schedule of General Capital Cash - Treasurer

General Capital Fund

Year Ended December 31, 2015

	<u>Ref.</u>		
Balance - December 31, 2014	C		971,552.08
Increased by Receipts:			
Various Receivables	C-4	1,122,500.00	
Deferred Charges Unfunded	C-7	197,243.92	
Bond Anticipation Notes	C-9	9,717,550.00	
Capital Improvement Fund	C-11	100,000.00	
Various Reserves	C-12	294,032.59	
Interfunds	C-13	<u>63,000.00</u>	
			<u>11,494,326.51</u>
			12,465,878.59
Decreased by Disbursements:			
Fund Balance	C-1	100,000.00	
Bond Anticipation Notes	C-9	4,849,300.00	
Improvement Authorizations	C-10	3,299,600.17	
Various Reserves	C-12	96,667.39	
Interfunds	C-13	<u>200,000.00</u>	
			<u>8,545,567.56</u>
Balance - December 31, 2015	C		<u><u>3,920,311.03</u></u>

Exhibit C-3

Township of West Milford , N.J.

Analysis of Cash

General Capital Fund

Year Ended December 31, 2015

	<u>Ref.</u>	
Fund Balance	C-1	53,385.73
Various Receivables	C-4	(847,500.00)
Capital Improvement Fund	C-11	931.00
Various Reserves	C-12	304,529.59
Interfund Current Fund	C-13	(200,000.00)
Interfund Federal and State Grant Fund	C-13	27,583.27
Cash on Hand		151,826.27

Improvement Authorizations:

Ordinance

<u>Number</u>	<u>Improvement Description</u>	
1992-39	Construction of Sidewalks	(2,838.97)
1996-27	Acquisition of Land	(19,272.89)
2000-08	Various Improvements	36,325.32
2000-09	Construction of Recreation Facility	(36,034.55)
2001-21	Various Improvements	26.54
2002-27	Various Improvements	2,360.00
2006-17	Various Improvements	2,090.00
2007-06	Various Road Improvements	(118,951.60)
2007-18	Various Improvements	143,485.60
2008-26	Various Facilities Improvements	179,202.62
2008-40	Various Improvements	33,076.40
2009-17	Various Improvements	121,265.78
2009-18	Various Improvements	11,856.05
2010-17	Acquisition of Vehicles	2,615.00
2011-15	Various Improvements	25,805.97
2011-19	Various Improvements	218,941.15
2012-15	Various Improvements	96,312.56
2013-10	Various Improvements	126,064.20
2014-05	Various Improvements	328,263.10
2014-06	Bubbling Springs Park Septic	35,945.00
2015-08	Various Improvements	2,193,640.09
2015-13	Construction of Library	1,049,377.80

C,C-2 3,920,311.03

Exhibit C-4

Township of West Milford , N.J.

Schedule of Various Receivables

General Capital Fund

Year Ended December 31, 2015

	Balance, <u>Dec. 31, 2014</u>	Increased by Grant <u>Awards</u>	Cash <u>Received</u>	Balance, <u>Dec. 31, 2015</u>
Due from West Milford Library		1,500,000.00	770,000.00	730,000.00
Due from State of NJ Transportation Trust Fund				
Clinton Road (Ord #2015-08)		195,000.00	146,250.00	48,750.00
Westbrook Rd III (Ord #2014-05)	275,000.00		206,250.00	68,750.00
	<u>275,000.00</u>	<u>1,695,000.00</u>	<u>1,122,500.00</u>	<u>847,500.00</u>
	C	C-10	C-2	C, C-3

Exhibit C-5

Township of West Milford , N.J.

Schedule of Prospective Assessments

Raised by Taxation

General Capital Fund

Year Ended December 31, 2015

Ordinance Number	Improvement Description	Balance, Dec. 31, 2014	Balance, Dec. 31, 2015
1992-39	Construction of Sidewalks	500.00	500.00
		<hr/>	<hr/>
		500.00	500.00
		<hr/> <hr/>	<hr/> <hr/>
		C	C

Exhibit C-6

Township of West Milford , N.J.

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

General Capital Fund

Year Ended December 31, 2015

	<u>Ref.</u>	
Balance - December 31, 2014	C	22,516,000.00
Decreased by:		
2015 Budget Appropriation		
General Serial Bonds	C-8	<u>2,300,000.00</u>
Balance - December 31, 2015	C	<u><u>20,216,000.00</u></u>

Township of West Milford , N.J.

Schedule of Deferred Charges to Future Taxation - Unfunded

General Capital Fund

Year Ended December 31, 2015

Analysis of Balance - Dec. 31, 2015

Ordinance Number	Improvement Description	Balance, Dec. 31, 2014	2015 Authorizations	Funded by Budget Appropriation	cancel	Balance, Dec. 31, 2015	Financed by	Expended	Unexpended Improvement Authorization	Overfunded Ordinance
							Bond Anticipation Notes			
General Improvements:										
1996-27	Acquisition of Land	44,766.81		25,493.92		19,272.89		19,272.89		
2000-09	Construction Of Recreation Facility	77,576.73				77,576.73		36,034.55	41,542.18	
2007-06	Improvement of Various Roads	318,951.60				318,951.60	200,000.00	118,951.60		
2008-40	Various Improvements	133,851.43				133,851.43	133,000.00		851.43	
2010-16/										
2011-04	Various Improvements	1,031,179.04		65,860.00	47,537.96	917,781.08	1,010,280.00			(92,498.92)
2011-07	Improvement of Otterhole Road	328,730.00		18,270.00		310,460.00	310,460.00			
2011-15	Various Improvements	961,530.00		66,570.00		894,960.00	894,960.00			
2012-15	Various Improvements	500,000.00		21,050.00	5,946.00	473,004.00	478,950.00			(5,946.00)
2013-10	Various Improvements	1,605,000.00			4,997.50	1,600,002.50	1,605,000.00			(4,997.50)
2014-05	Various Improvements	1,839,000.00			48,383.85	1,790,616.15	1,839,000.00			(48,383.85)
2014-06	Bubbling Springs Park Septic	44,900.00				44,900.00	44,900.00			
2015-08	Various Improvements		3,201,200.00			3,201,200.00	3,201,000.00		200.00	
2015-13	Construction of Library		3,900,000.00			3,900,000.00			3,900,000.00	
Local Improvements										
1992-39	Construction of Sidewalks	2,838.97				2,838.97		2,838.97		
		6,888,324.58	7,101,200.00	197,243.92	106,865.31	13,685,415.35	9,717,550.00	177,098.01	3,942,593.61	(151,826.27)
		C	C-10,C-14	C-2	C-10	C				C-3
Improvement Authorizations Unfunded								C-10	6,781,700.93	
Less: Unexpended Proceeds of										
Bond Anticipation Notes										
Ord. Number										
2008-40								33,076.40		
2011-15								25,805.97		
2012-15								96,312.56		
2013-10								126,064.20		
2014-05								328,263.10		
2014-06								35,945.00		
2015-08								2,193,640.09		
									2,839,107.32	
									3,942,593.61	

Township of West Milford , N.J.
Schedule of General Serial Bonds 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				
General Bonds of 2006	01/15/06	5,166,000.00	01/15/16	1,500,000.00	3.75%-3.80%	3,666,000.00	850,000.00	2,816,000.00
			01/15/17	1,316,000.00				
General Bonds of 2010	04/01/10	9,880,000.00	04/01/16	275,000.00	2%-3.50%	9,605,000.00	850,000.00	8,755,000.00
			04/01/17	525,000.00				
			04/01/18	1,900,000.00				
			04/01/19	2,005,000.00				
			04/01/20	2,050,000.00				
			04/01/21	2,000,000.00				
General Bonds of 2014	04/01/14	9,245,000.00	04/01/16	650,000.00	1%-2.35%	9,245,000.00	600,000.00	8,645,000.00
			04/01/17	725,000.00				
			04/01/18	800,000.00				
			04/01/19	850,000.00				
			04/01/20	895,000.00				
			04/01/21	1,125,000.00				
			4/1/22-24	1,200,000.00				
						<u>22,516,000.00</u>	<u>2,300,000.00</u>	<u>20,216,000.00</u>
						C	C-6	C

Township of West Milford , N.J.

Schedule of Bond Anticipation Notes Payable

General Capital Fund

Year Ended December 31, 2015

Ordinance Number	Improvement Description	Date of Original Issue	Date of Maturity	Interest Rate	Balance, Dec. 31, 2014	Increased	Decreased	Balance, Dec. 31, 2015
2010-16/ 2011-04	Various Improvements	10/07/11	02/01/16	1.00%	1,076,140.00	1,010,280.00	1,076,140.00	1,010,280.00
2011-07 2011-15/ 2014-06	Improvement to Otterhole Rd	10/07/11	02/01/16	1.00%	328,730.00	310,460.00	328,730.00	310,460.00
2012-15	Various Improvements	10/07/11	02/01/16	1.00%	1,006,430.00	939,860.00	1,006,430.00	939,860.00
2007-06	Various Improvements	10/04/12	09/23/16	1.50%	500,000.00	478,950.00	500,000.00	478,950.00
2008-40	Various Improvements	10/03/13	09/23/16	1.50%	100,000.00	100,000.00	100,000.00	100,000.00
2013-10	Various Improvements	10/03/13	09/23/16	1.50%	133,000.00	133,000.00	133,000.00	133,000.00
2007-06	Various Improvements	10/03/13	09/23/16	1.50%	1,605,000.00	1,605,000.00	1,605,000.00	1,605,000.00
2014-05	Various Improvements	10/02/14	09/23/16	1.50%	100,000.00	100,000.00	100,000.00	100,000.00
2015-08	Various Improvements	09/23/15	09/23/16	1.50%		1,839,000.00		1,839,000.00
						3,201,000.00		3,201,000.00
					<u>4,849,300.00</u>	<u>9,717,550.00</u>	<u>4,849,300.00</u>	<u>9,717,550.00</u>
					C	C-2	C-2	C

Township of West Milford , N.J.
Schedule of Improvement Authorizations
General Capital Fund
Year Ended December 31, 2015

Ordinance Number	Improvement Description	Ordinance		Balance, Dec. 31, 2014		2015 Authorizations	Paid or Charged	Canceled	Balance, Dec. 31, 2015	
		Date	Amount	Funded	Unfunded				Funded	Unfunded
	General Improvements:								36,325.32	
2000-08	Various Improvements	06/21/00	1,176,200.00	36,325.32						41,542.18
2000-09	Construction of Recreation Facility	06/21/00	120,000.00		41,542.18				26.54	
2001-21	Various Improvements	09/05/01	1,578,000.00	26.54				532.00	2,360.00	
2002-27	Various Improvements	08/21/02	1,604,000.00	2,892.00					2,090.00	
2006-17	Various Improvements	10/11/06	3,459,500.00	2,090.00					143,485.60	
2007-18	Various Improvements	07/25/07	3,861,238.00	151,280.85			7,795.25		179,202.62	
2008-26	Various Facilities Improvements	05/28/08	320,980.80	179,202.62			1,305.28			33,927.83
2008-40	Various Improvements	07/30/08	3,342,360.00		35,233.11			652.63		
2008-41	Various Improvements	07/30/08	89,413.00	652.63			31,411.74		121,265.78	
2009-17	Various Improvements	08/26/09	3,322,778.00	152,677.52				12,647.43	11,856.05	
2009-18	Various Improvements	08/26/09	218,240.00	24,503.48						
2010-16/	Various Improvements	12/15/10						47,537.96		
2011-04		04/20/11	1,675,000.00		47,537.96				2,615.00	
2010-17	Acquisition of Vehicles	12/15/10	44,750.00	2,615.00			17,297.57			25,805.97
2011-15	Various Improvements	07/20/11	1,127,000.00		43,103.54		3,430.00	3,735.46	218,941.15	
2011-19	Various Improvements	11/09/11	318,000.00	226,106.61			28,867.72	5,946.00		96,312.56
2012-15	Various Improvements	08/15/12	1,565,000.00		131,126.28		188,373.22	4,997.50		126,064.20
2013-10	Various Improvements	04/17/13	1,940,600.00		319,434.92		1,207,137.28	48,383.85		328,263.10
2014-05	Various Improvements	06/25/14	2,214,000.00		1,583,784.23					35,945.00
2014-06	Bubbling Springs Park Septic	06/25/14	97,950.00		35,945.00					2,193,840.09
2015-08	Various Improvements	06/30/15	3,557,200.00			3,557,200.00	1,363,359.91		1,049,377.80	3,900,000.00
2015-13	Construction of Library	09/02/15	5,400,000.00			5,400,000.00	450,622.20			
				<u>778,372.57</u>	<u>2,237,707.22</u>	<u>8,957,200.00</u>	<u>3,299,600.17</u>	<u>124,432.83</u>	<u>1,767,545.86</u>	<u>6,781,700.93</u>
				C	C		C-2		C	C
					Ref.					
				Grant Award	C-4	1,695,000.00				
				Deferred Charges to Future Taxation - Unfunded	C-7	7,101,200.00				
				Capital Improvement Fund	C-11	<u>161,000.00</u>				
						<u>8,957,200.00</u>				
							Ref.			
				Deferred Charges Unfunded	C-7			106,865.31		
				Reserve for Debt Service	C-12			<u>17,567.52</u>		
								<u>124,432.83</u>		

Exhibit C-11

Township of West Milford , N.J.

Schedule of Capital Improvement Fund

General Capital Fund

Year Ended December 31, 2015

	<u>Ref.</u>	
Balance - December 31, 2014	C	61,931.00
Increased by:		
Budget Appropriation	C-2	<u>100,000.00</u>
		161,931.00
Decreased by:		
Appropriated to Finance Improvement		
Authorizations	C-10	<u>161,000.00</u>
Balance - December 31, 2015	C, C-3	<u><u>931.00</u></u>

Township of West Milford , N.J.

Schedule of Various Reserves

General Capital Fund

Year Ended December 31, 2015

	Balance, Dec. 31, 2014	Increased	Decreased	Balance, Dec. 31, 2015
Debt Service		92,703.32	85,000.00	7,703.32
First Aid Equipment	3,913.00			3,913.00
Fire Emergency Equipment	26,442.12		6,828.17	19,613.95
Computer Equipment	15,218.16		11,667.39	3,550.77
Police Equipment	1,264.09			1,264.09
Fire Equipment	6,587.67			6,587.67
Hillcrest Improvements	43,000.00			43,000.00
Capital Purchases		218,896.79		218,896.79
	<u>96,425.04</u>	<u>311,600.11</u>	<u>103,495.56</u>	<u>304,529.59</u>
	C			C, C-3
	Ref.			
Canceled	C-1		6,828.17	
Cash Receipts	C-2	294,032.59		
Cash Disbursements	C-2		96,667.39	
Canceled	C-10	<u>17,567.52</u>		
		<u>311,600.11</u>	<u>103,495.56</u>	

Exhibit C-13

Township of West Milford , N.J.

Schedule of Interfunds

General Capital Fund

Year Ended December 31, 2015

		Due From/(To) Balance Dec. 31, 2014	Increased	Decreased	Due From/(To) Balance Dec. 31, 2015
Current Fund	C	63,000.00	200,000.00	63,000.00	200,000.00
State and Federal Grant Fund	C	(27,583.27)			(27,583.27)
		<u>35,416.73</u>	<u>200,000.00</u>	<u>63,000.00</u>	<u>172,416.73</u>
Cash Receipts	C-2			63,000.00	
Cash Disbursements	C-2		<u>200,000.00</u>		
			<u>200,000.00</u>	<u>63,000.00</u>	

Township of West Milford , 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 Authorizations	Decreased	Balance, Dec. 31, 2015 Capital Fund
<u>General Improvements:</u>					
1996-27	Acquisition of Land	44,766.81		25,493.92	19,272.89
2000-09	Construction of Recreation Facility	77,576.73			77,576.73
2007-06	Improvement of Various Roads	118,951.60			118,951.60
2008-40	Various Improvements	851.43			851.43
2014-05	Various Improvements	1,839,000.00		1,839,000.00	
2015-08	Various Improvements		3,201,200.00	3,201,000.00	200.00
2015-13	Construction of New Library		3,900,000.00		3,900,000.00
<u>Local Improvements:</u>					
1992-39	Construction of Sidewalks	2,838.97			2,838.97
		<u>2,083,985.54</u>	<u>7,101,200.00</u>	<u>5,065,493.92</u>	<u>4,119,691.62</u>
			C-7		Footnote C

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Exhibit G-4

Township of West Milford , N.J.

Schedule of Commitments Payable

Year Ended December 31, 2015

Balance - December 31, 2014	<u>Ref.</u> G		208,702.85
Increased by:			
Encumbrances	G-3		<u>196,479.58</u>
			405,182.43
Decreased by:			
Lapse to Fund Balance	G-1	1,919.92	
Expenditures	G-5	<u>206,782.93</u>	
			<u>208,702.85</u>
Balance - December 31, 2015	G		<u><u>196,479.58</u></u>

Exhibit G-5

Schedule of Due from Current Fund

Year Ended December 31, 2015

Balance - December 31, 2014	<u>Ref.</u> G		271,615.33
Increased by:			
Tax Levy	G-2	1,792,906.07	
Recycling Receipts	G-7	<u>132,109.22</u>	
			<u>1,925,015.29</u>
			2,196,630.62
Decreased by:			
Expenditures	G-3	1,596,775.67	
Commitments Payable	G-4	<u>206,782.93</u>	
			<u>1,803,558.60</u>
Balance - December 31, 2015	G		<u><u>393,072.02</u></u>

Exhibit G -6

Township of West Milford , N.J.

Schedule of Due from Federal and State Grant Fund

Year Ended December 31, 2015

	<u>Ref.</u>	
Balance - December 31, 2014	G	<u>148,745.93</u>
Balance - December 31, 2015	G	<u>148,745.93</u>

Exhibit G -7

Schedule of Reserve for Recycling

Year Ended December 31, 2015

	<u>Ref.</u>	
Balance - December 31, 2014	G	141,532.04
Increased by:		
Recycling Receipts	G -5	<u>132,109.22</u>
		273,641.26
Decreased by:		
2015 Anticipated Revenue	G -2	<u>140,000.00</u>
Balance - December 31, 2015	G	<u>133,641.26</u>

Exhibit G -8

Township of West Milford , N.J.

Schedule of Reserve for Recycling Tonnage Grant

Year Ended December 31, 2015

	<u>Ref.</u>	
Balance - December 31, 2014	G	<u>22,562.45</u>
Balance - December 31, 2015	G	<u>22,562.45</u>

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TOWNSHIP OF WEST MILFORD

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PART II

LETTER ON COMPLIANCE AND INTERNAL CONTROL

COMMENTS AND RECOMMENDATIONS

YEAR ENDED DECEMBER 31, 2015

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

Charles J. Ferraioli, Jr., MBA, CPA, RMA
Steven D. Wielkottz, CPA, RMA
James J. Cerullo, CPA, RMA
Paul J. Cuva, CPA, RMA
Thomas M. Ferry, CPA, RMA

Certified Public Accountants
401 Wanaque Avenue
Pompton Lakes, New Jersey 07442
973-835-7900
Fax 973-835-6631

Newton Office
100B Main Street
Newton, N.J. 07860
973-579-3212
Fax 973-579-7128

**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 Township Council
Township of West Milford
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 Township of West Milford 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 18, 2016, which was adverse due to being presented in accordance with New Jersey regulatory basis of accounting.

Internal Control Over Financial Reporting

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

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



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

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


Compliance and Other Matters


As part of obtaining reasonable assurance about whether the Township of West Milford'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 Township of West Milford 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 Township of West Milford's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Township of West Milford's internal controls and compliance. Accordingly, this communication is not suitable for any other purpose.


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


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



March 18, 2016

GENERAL COMMENTS

Contracts and Agreements

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

Effective April 17, 2000 and thereafter the bid threshold in accordance with N.J.S.A. 40A:11-3 (as amended) is \$17,500. On July 1, 2010 the bid threshold was increased to \$36,000 with a qualified purchasing agent and on July 1, 2015, was increased to \$40,000 with a qualified purchasing agent.

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

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

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

The governing body of the Municipality has the responsibility of determining whether the expenditures in any category will exceed the bid threshold within the contract year. Where question arises as to whether any contract or agreement might result in violation of the statute, the Township Counsel's opinion should be sought before a commitment is made.

The minutes indicate that bids were requested by public advertising for the following items:

- Snow Plowing Services
- West Milford Library Construction Project
- Clinton Road Section 2 Resurfacing
- Ice Control Aggregates
- Municipal Tractor

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.

Our examination of expenditures did not reveal any individual payments, contracts or agreements in excess of the statutory threshold "for the performance of any work or the furnishing or hiring of any materials or supplies," other than those where bids had been previously sought by public advertisement or where a resolution had been previously adopted under the provisions of N.J.S. 40A:11-6.

COLLECTION OF INTEREST ON DELINQUENT TAXES AND ASSESSMENTS

The statute provides the method for authorizing interest and the maximum rates to be charged for the nonpayment of taxes or assessments on or before the date when they would become delinquent.

The governing body on January 7, 2015 adopted the following resolution authorizing interest to be charged on delinquent taxes:

"Be it Resolved by the Council of the Township of West Milford in the County of Passaic that the rate of interest to be charged and collected by the Tax Collector and her department on all unpaid and delinquent taxes be and hereby is fixed at the rate of eight per cent per annum on the first \$1,500 of the delinquency and eighteen per cent per annum on any amount, in excess of \$1,500 on all unpaid and delinquent improvement assessments, the rate of eight percent per annum on the first \$1,500 of the delinquency and twelve percent per annum on any amount in excess of \$1,500; no interest shall be charged if payment of any installment is made within 10 days after the date upon which the same become payable."

DELINQUENT TAXES AND TAX TITLE LIENS

The last tax sale was held on October 13, 2015.

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

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

<u>Year</u>	<u>Number of Liens</u>
2015	163
2014	175
2013	169

It is essential to good management that all means provided by statute be utilized to liquidate tax title liens and foreclosed property in order to get such properties back on a tax paying basis.

VERIFICATION OF DELINQUENT TAXES AND OTHER CHARGES

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

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

The foreclosed property list should be reviewed for a possible sale of property so such properties can be added to the tax rolls.

SCHOOL TAXES PAYABLE

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

REVENUE

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

Fire Prevention is not maintaining a cash receipts ledger for trust monies collected.

The Community Pass cash receipt report used by the Community Services & Recreation Department was not in agreement with the Treasurer's records.

EXPENDITURES

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

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

OTHER COMMENTS

There are numerous old inactive escrow accounts included in the Township's records.

There are old individual escrow balances that exceed \$5,000.00 that are not deposited in a separate bank account.

OTHER COMMENTS, (continued)

The police outside service fees recorded by the Police Department were not in agreement with the Treasurer's records.

Balances on the payroll bank reconciliation were not reviewed.

RECOMMENDATIONS

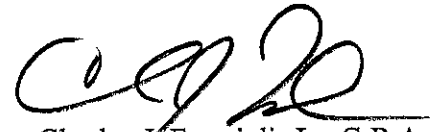
1. That the Fire Prevention Department maintain a cash receipts ledger for all monies collected.
2. That the Community Pass cash receipt report used by the Community Services & Recreation Department be in agreement with the Treasurer's records.
3. That old escrow balances be reviewed and the proper action be taken.
4. That individual escrow accounts with balances exceeding \$5,000.00 be maintained in a separate bank account.
5. That the police outside service fees recorded by the Police Department be in agreement with the Treasurer's records.
6. That balances on the payroll bank reconciliation be reviewed and the proper action taken.

STATUS OF PRIOR YEAR AUDIT RECOMMENDATIONS

A review was performed on all prior year recommendations and corrective action was taken on all with the exception of those marked with an "*".

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

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



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



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

March 18, 2016