

REPORT OF AUDIT

TOWNSHIP OF WEST MILFORD

COUNTY OF PASSAIC

DECEMBER 31, 2014

TOWNSHIP OF WEST MILFORD

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TOWNSHIP OF WEST MILFORD

PART I

REPORT OF AUDIT ON FINANCIAL STATEMENTS

AND SUPPLEMENTARY DATA

YEAR ENDED DECEMBER 31, 2014

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

Charles J. Ferraioli, Jr., MBA, CPA, RMA
Steven D. Wielkocz, 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, 2014 and 2013, 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, 2014, 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.



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, 2014 and 2013, 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 \$1,928,963.65 and \$1,782,686.17 for 2014 and 2013, 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, 2014 and 2013, 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, 2014 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 August 17, 2015 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

August 17, 2015

Township of West Milford, N.J.

Comparative Balance Sheet - Regulatory Basis

Current Fund

December 31,

	<u>Ref.</u>	<u>2014</u>	<u>2013</u>
<u>Assets</u>			
Current Fund:			
Cash	A-4	8,581,476.38	8,627,027.66
Change Funds	A-5	500.00	
		<u>8,581,976.38</u>	<u>8,627,027.66</u>
Receivables and Other Assets with Full Reserves:			
Delinquent Taxes Receivable	A-7	1,449,378.91	1,184,873.29
Tax Title Liens Receivable	A-8	1,979,612.27	1,754,684.76
Property Acquired for Taxes - Assessed Valuation	A-9	2,712,800.00	2,712,800.00
Revenue Accounts Receivable	A-11	22,328.64	19,181.61
Interfund Receivables:			
Other Trust Fund	A-12	13,971.05	
Assessment Trust Fund	A-12	14,534.92	
Payroll Fund	A-12	195.01	47,616.68
		<u>6,192,820.80</u>	<u>5,719,156.34</u>
Deferred Charges:			
Special Emergency Authorizations	A-10	535,518.24	804,024.32
		<u>535,518.24</u>	<u>804,024.32</u>
		<u>15,310,315.42</u>	<u>15,150,208.32</u>
Federal and State Grant Fund:			
Grants Receivable	A-21	1,129,484.89	1,949,243.58
Interfund - General Capital Fund	A-24	27,583.27	27,583.27
Interfund - Current Fund	A-24	356,501.76	585,585.24
		<u>1,513,569.92</u>	<u>2,562,412.09</u>
		<u>16,823,885.34</u>	<u>17,712,620.41</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>2014</u>	<u>2013</u>
<u>Liabilities, Reserves and Fund Balance</u>			
Current Fund:			
Appropriation Reserves	A-3/A-13	1,279,430.69	1,203,429.34
Encumbrances Payable	A-15	971,010.81	950,427.45
Prepaid Taxes	A-16	535,856.52	1,339,778.45
Interfunds Payable			
General Capital Fund	A-12	63,000.00	
Assessment Trust Fund	A-12		578.22
Federal and State Grant Fund	A-12	356,501.76	585,585.24
County Taxes Payable	A-18	23,613.22	19,182.20
Due to Garbage District	A-19	271,615.33	377,399.70
Due to State of NJ:			
Senior Citizens and Veterans	A-14	12,689.02	1,444.22
Marriage Surcharge	A-20	625.00	525.00
Building Surcharge	A-20	3,923.00	6,579.00
Accounts Payable	A-20	18,834.60	
Special Emergency Note	A-20	400,000.00	600,000.00
Tax Overpayments	A-20	61,628.33	48,437.00
Deposits for the Redemption of Tax Sale Cert.	A-20	136,198.45	56,768.11
Reserve for:			
Sale of Property	A-20	847,431.14	847,431.14
911	A-20	47.45	47.45
Revaluation of Real Property	A-20	108,774.68	108,774.68
FEMA	A-20		22,956.54
Tax Appeals	A-20	40,000.00	
Tax Appeal Legal Fees	A-20	6,695.63	
Technology Improvements	A-20	21,983.48	27,600.00
Hurricane Damage	A-20	18,699.75	18,699.75
Hurricane Sandy	A-20	38,351.88	230,622.00
Salary Negotiations	A-20	62,280.69	32,537.02
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>5,313,287.77</u>	<u>6,512,898.85</u>
Reserve for Receivables	Contra	6,192,820.80	5,719,156.34
Fund Balance	A-1	<u>3,804,206.85</u>	<u>2,918,153.13</u>
		<u>15,310,315.42</u>	<u>15,150,208.32</u>
Federal and State Grant Fund:			
Appropriated Reserve for Grants	A-22	1,246,848.73	2,359,429.95
Unappropriated Reserve for Grants	A-23	117,975.26	54,236.21
Interfund - Garbage District	A-24	<u>148,745.93</u>	<u>148,745.93</u>
		<u>1,513,569.92</u>	<u>2,562,412.09</u>
		<u>16,823,885.34</u>	<u>17,712,620.41</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>2014</u>	<u>2013</u>
Revenues and Other Income:			
Fund Balance Utilized	A-2	2,000,000.00	2,200,000.00
Miscellaneous Revenue Anticipated	A-2	5,842,155.89	7,236,841.60
Receipts from Delinquent Taxes	A-2	1,096,748.25	1,386,208.99
Receipts from Current Taxes	A-2	97,684,650.53	95,356,128.58
Non-Budget Revenue	A-2	440,997.04	332,682.59
Other Credits to Income:			
Interfunds Returned	A-12	47,616.68	42,464.09
Canceled Tax Sale Premium			79,180.00
Canceled Grant Reserves	A-12	915,013.36	
Canceled Trust Reserves	A-12	42,546.77	
Unexpended Balance of Appropriation Reserves	A-13	993,966.27	1,016,628.03
Unexpended Balance of Accounts Payable			661.52
Canceled Tax Overpayments			17,700.00
Total Revenues and Other Income		<u>109,063,694.79</u>	<u>107,668,495.40</u>
Expenditures:			
Budget and Emergency Appropriations:			
Operations:			
Salaries and Wages	A-3	12,662,572.76	12,423,566.61
Other Expenses	A-3	10,927,261.51	12,020,843.07
Capital Improvement Fund	A-3	150,000.00	50,000.00
Municipal Debt Service	A-3	2,614,728.17	2,804,567.29
Deferred Charges and Statutory Expenditures -			
Municipal	A-3	2,940,568.67	2,970,143.00
Judgments	A-3	40,000.00	
Refund of Prior Years Revenue	A-4	31,077.67	234,682.41
Interfund Advances	A-12	28,700.98	62,616.68
Canceled Grant Receivable	A-12	467,426.04	
Canceled Capital Receivable	A-12	275,000.00	
Municipal Open Space Tax	A-12	150,645.98	150,621.04
Local District School Tax	A-17	53,018,279.00	52,111,048.00
County Taxes including Added Taxes	A-18	21,000,332.48	20,971,317.43
Garbage District Taxes	A-19	1,871,047.81	1,711,444.32
Total Expenditures		<u>106,177,641.07</u>	<u>105,510,849.85</u>

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

Current Fund

Year Ended December 31,

	<u>Ref.</u>	<u>2014</u>	<u>2013</u>
Excess (Deficit) Revenue Over Expenditures		2,886,053.72	2,157,645.55
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		<u>2,886,053.72</u>	<u>2,157,645.55</u>
Fund Balance, January 1,	A	<u>2,918,153.13</u>	<u>2,960,507.58</u>
		5,804,206.85	5,118,153.13
Decreased by:			
Fund Balance Utilized as Budget Revenue	A-2	<u>2,000,000.00</u>	<u>2,200,000.00</u>
Fund Balance, December 31,	A	<u><u>3,804,206.85</u></u>	<u><u>2,918,153.13</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

Current Fund

Year Ended December 31, 2014

	<u>Ref.</u>	<u>Budget</u>	<u>Realized</u>	<u>Excess (Deficit)</u>
Fund Balance Anticipated	A-1	<u>2,000,000.00</u>	<u>2,000,000.00</u>	
Miscellaneous Revenues:				
Licenses:				
Alcoholic Beverages	A-11	16,000.00	18,510.00	2,510.00
Other	A-2	50,000.00	51,673.78	1,673.78
Fees and Permits	A-2	165,000.00	177,597.05	12,597.05
Fines and Costs:				
Municipal Court	A-11	210,000.00	221,355.17	11,355.17
Interest and Costs on Taxes	A-11	280,000.00	336,119.82	56,119.82
Interest and Costs on Assessments	A-11	38,000.00	30,962.06	(7,037.94)
Interest on Investments	A-11	15,000.00	13,368.95	(1,631.05)
Recreation Fees	A-11	510,000.00	435,882.50	(74,117.50)
Uniform Fire Safety Act (Local Fees)	A-11	39,000.00	39,031.00	31.00
Sequential Multiple Analysis Fees	A-11	12,000.00	15,626.12	3,626.12
Energy Receipts Tax	A-11	2,286,532.00	2,286,532.00	
Consolidated Municipal Property Tax Relief Aid	A-11	36,406.00	36,406.00	
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	310,000.00	308,652.00	(1,348.00)
Interlocal Agreement-Borough of Ogdensburg-Finance	A-11	50,215.94	50,216.36	0.42
Drunk Driving Enforcement Fund	A-21	17,540.85	17,540.85	
Handicapped Recreation Opportunities Grant	A-21	40,000.00	40,000.00	
F T A				
State Share	A-21	39,050.00	39,050.00	
Federal Share	A-21	78,099.00	78,099.00	
Municipal Alliance on Alcoholism and Drug Abuse	A-21	41,716.00	41,716.00	
Passaic County Cultural Heritage Grant	A-21	2,037.00	2,037.00	
Drive Sober or Get Pulled Over	A-21	12,500.00	12,500.00	
County of Open Space Grant - Wallisch Roof	A-21	20,000.00	20,000.00	
Sustainable Jersey	A-21	2,000.00	2,000.00	
NJ Distracted Driving	A-21	5,000.00	5,000.00	
County Open Space Grant - CYO	A-21	50,000.00	50,000.00	
County Open Space Grant - Bubbling Springs Septic	A-21	80,000.00	80,000.00	
Body Armor Replacement Fund	A-21	6,984.93	6,984.93	
Hepatitis B Grant	A-21	1,665.00	1,665.00	
Recycling Tonnage Grant	A-21	28,045.43	28,045.43	
Uniform Fire Safety Act	A-11	38,304.22	37,402.65	(901.57)
General Capital Surplus	A-11	105,000.00	105,000.00	
Cable TV Franchise Fees	A-11	118,816.00	118,816.00	
F.E.M.A. - Reimbursement	A-11	186,973.12	186,973.12	

Township of West Milford, N.J.

Statement of Revenues - Regulatory Basis

Current Fund

Year Ended December 31, 2014

	<u>Ref.</u>	<u>Budget</u>	<u>Realized</u>	<u>(Deficit)</u>
F.E.M.A. - Reimbursement	A-11	22,956.54	22,956.54	
Cell Tower Lease Agreement	A-11	<u>73,800.00</u>	<u>85,659.56</u>	<u>11,859.56</u>
Total Miscellaneous Revenues	A-1	5,827,419.03	5,842,155.89	14,736.86
Receipts from Delinquent Taxes	A-1/A-2	1,200,000.00	1,096,748.25	(103,251.75)
Amount to be Raised by Taxes for Support of Municipal Budget - Local Tax for Municipal Purposes Including Reserve for Uncollected Taxes	A-2	<u>22,405,119.35</u>	<u>23,137,397.26</u>	<u>732,277.91</u>
Budget Totals		31,432,538.38	32,076,301.40	643,763.02
Non-Budget Revenue	A-1/A-2		<u>440,997.04</u>	<u>440,997.04</u>
		<u>31,432,538.38</u>	<u>32,517,298.44</u>	<u>1,084,760.06</u>
Adopted Budget	A-3	31,240,449.38		
Appropriated by N.J.S. 40A:4-87	A-3	<u>192,089.00</u>		
		<u>31,432,538.38</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, 2014

Analysis of Realized Revenues

Revenue from Collections	Ref. A-1/A-7	97,684,650.53
Allocated to School and County Taxes	A-7	<u>76,562,253.27</u>
Balance for Support of Municipal Budget Appropriations		21,122,397.26
Add : Appropriation - Reserve for Uncollected Taxes	A-3	<u>2,015,000.00</u>
Amount for Support of Municipal Budget Appropriations	A-2	<u><u>23,137,397.26</u></u>
Receipts from Delinquent Taxes:		
Delinquent Taxes	A-7	1,090,777.91
Tax Title Liens	A-8	<u>5,970.34</u>
	A-2	<u><u>1,096,748.25</u></u>
Licenses - Other:		
Clerk	A-11	12,761.78
Sanitary Inspector	A-11	27,288.00
Registrar	A-11	372.00
Cat Licenses	A-11	<u>11,252.00</u>
	A-2	<u><u>51,673.78</u></u>
Fees and Permits:		
Clerk	A-11	3,685.00
Police	A-11	7,463.05
Registrar	A-11	18,392.00
Sanitary Inspector	A-11	64,967.00
Fire Inspector	A-11	56,460.00
Board of Adjustment	A-11	3,805.00
Planning Board	A-11	<u>22,825.00</u>
	A-2	<u><u>177,597.05</u></u>

Township of West Milford, N.J.

Statement of Revenues - Regulatory Basis

Current Fund

Year Ended December 31, 2014

Analysis of Non-budget Revenues

	<u>Ref.</u>		
Miscellaneous Revenues Not Anticipated:			
Revenues Accounts Receivable:			
Clerk	A-11	4,297.97	
Sanitary Inspector	A-11	510.00	
Registrar	A-11	2,500.10	
Police	A-11	239.50	
Building Inspector	A-11	1,555.00	
Planning Board	A-11	<u>102.86</u>	
			9,205.43
 Treasurer			
PAL Rent		8,000.00	
NSF Check Fee		1,310.18	
Insurance Dividend		356,576.82	
Reimbursement of Prior Year Expenditures		6,019.23	
DMV Fines		5,375.00	
Tax Collector		5,981.40	
Administration Fee		5,574.79	
Refunds / Miscellaneous Reimbursements		<u>42,954.19</u>	
	A-4		<u>431,791.61</u>
	A-2		<u><u>440,997.04</u></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, 2014

	<u>Ref.</u>	<u>Budget</u>	<u>Budget After Modification</u>	<u>Paid or Charged</u>	<u>Reserved</u>	<u>Unexpended Balance Cancelled</u>
<u>General Appropriations</u>						
Operations - within "CAPS"						
Office of Township Manager		314,551.69	304,551.69	289,799.33	14,752.36	
Salaries and Wages		104,450.00	114,450.00	95,721.26	18,728.74	
Other Expenses						
Mayor and Council		34,000.00	34,000.00	33,871.44	128.56	
Salaries and Wages		2,350.00	2,350.00	1,890.35	459.65	
Other Expenses						
Office of Township Clerk		246,427.78	246,427.78	239,398.87	7,028.91	
Salaries and Wages		21,480.00	21,480.00	14,208.14	7,271.86	
Other Expenses						
Elections		1,500.00	1,500.00	975.49	524.51	
Salaries and Wages		13,400.00	13,400.00	9,147.33	4,252.67	
Other Expenses						
Division of Treasury		168,455.22	168,455.22	161,359.33	7,095.89	
Salaries and Wages		10,758.00	10,758.00	10,744.02	13.98	
Other Expenses						
Audit Services and Costs		40,000.00	40,000.00	40,000.00		
Annual Audit		20,000.00	20,000.00	20,000.00		
Additional Services						
Computerized Data Processing		106,299.10	106,299.10	99,254.42	7,044.68	
Salaries and Wages		47,325.00	47,325.00	41,464.55	5,860.45	
Other Expenses						
Division of Tax Collections		184,729.63	184,729.63	174,497.32	10,232.31	
Salaries and Wages		47,215.00	47,215.00	43,864.21	3,350.79	
Other Expenses						

Township of West Milford, N.J.

Statement of Expenditures - Regulatory Basis

Current Fund

Year Ended December 31, 2014

	<u>Ref.</u>	<u>Budget</u>	<u>Budget After Modification</u>	<u>Paid or Charged</u>	<u>Reserved</u>	<u>Unexpended Balance Cancelled</u>
<u>General Appropriations</u>						
Division of Assessment						
Salaries and Wages		293,444.60	293,444.60	293,244.38	200.22	
Other Expenses		17,984.00	17,984.00	16,747.06	1,236.94	
Office of Township Attorney						
Other Expenses		260,000.00	260,000.00	256,592.00	3,408.00	
Division of General Services						
Salaries and Wages		22,120.00	22,120.00	12,630.38	9,489.62	
Other Expenses		155,500.00	155,500.00	140,172.09	15,327.91	
Division of Engineering						
Salaries and Wages		259,937.40	259,937.40	258,482.34	1,455.06	
Other Expenses		81,250.00	81,250.00	76,428.31	4,821.69	
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	1,300.00	1,170.00	130.00	
Other Expenses		200.00	200.00	20.06	179.94	
Planning Board						
Other Expenses		34,850.00	34,850.00	28,319.01	6,530.99	
Division of Comprehensive Planning						
Salaries and Wages		129,351.09	129,351.09	123,450.01	5,901.08	
Other Expenses		20,800.00	20,800.00	18,094.98	2,705.02	
Division of Zoning Administration						
Salaries and Wages		80,460.52	80,460.52	80,460.52		

Township of West Milford, N.J.

Statement of Expenditures - Regulatory Basis

Current Fund

Year Ended December 31, 2014

	<u>Ref.</u>	<u>Budget</u>	<u>Budget After Modification</u>	<u>Paid or Charged</u>	<u>Reserved</u>	<u>Unexpended Balance Cancelled</u>
<u>General Appropriations</u>						
Board of Adjustment		30,200.00	30,200.00	28,245.78	1,954.22	
Other Expenses						
Department of Police						
Division of Patrol		4,388,683.15	4,380,583.15	4,291,495.36	89,087.79	
Salaries and Wages				124,846.07	31,955.43	
Other Expenses		156,801.50	156,801.50	145,714.20	1,818.80	
Purchase of Police Cars		147,533.00	147,533.00			
Detective Division						
Salaries and Wages		654,830.89	654,830.89	638,480.36	16,350.53	
Division of Administration						
Salaries and Wages		530,072.47	530,072.47	504,710.91	25,361.56	
Special Police & Special Police Matrons						
Salaries and Wages		35,000.00	35,000.00	22,762.98	12,237.02	
Other Expenses		8,500.00	8,500.00	2,518.59	5,981.41	
Division of Communications						
Salaries and Wages		352,849.00	352,849.00	338,811.86	14,037.14	
Other Expenses		10,000.00	10,000.00	6,085.67	3,914.33	
Office of Municipal Disaster - Control Director						
Salaries and Wages		5,000.00	5,000.00	3,250.00	1,750.00	
Other Expenses		31,000.00	31,000.00	22,500.41	8,499.59	
Aid to Volunteer Fire Companies (6)		90,000.00	90,000.00	88,087.68	1,912.32	
First Aid Organization Contribution		125,125.00	125,125.00	116,088.13	9,036.87	
Fire Prevention Bureau						
Salaries and Wages		207,494.29	207,494.29	187,851.50	19,642.79	
Other Expenses		13,450.00	13,450.00	6,502.04	6,947.96	

Township of West Milford, N.J.

Statement of Expenditures - Regulatory Basis

Current Fund

Year Ended December 31, 2014

	<u>Ref.</u>	<u>Budget</u>	<u>Budget After Modification</u>	<u>Paid or Charged</u>	<u>Reserved</u>	<u>Unexpended Balance Cancelled</u>
<u>General Appropriations</u>						
Department of Fire		9,090.00	9,090.00	9,089.20	0.80	
Salaries and Wages		265,650.00	265,650.00	225,888.41	39,761.59	
Other Expenses						
Municipal Prosecutor		23,512.00	23,512.00	23,512.00	1,886.29	
Salaries and Wages		2,500.00	2,500.00	613.71		
Other Expenses						
Division of Streets and Roads		1,658,868.60	1,658,868.60	1,656,350.00	2,518.60	
Salaries and Wages		406,900.00	406,900.00	367,417.32	39,482.68	
Other Expenses						
Division of Public Property		98,549.10	98,549.10	93,570.85	4,978.25	
Salaries and Wages		38,600.00	43,600.00	30,065.44	13,534.56	
Other Expenses						
Division of Snow Removal		250,000.00	250,000.00	242,361.08	7,638.92	
Salaries and Wages		838,570.00	879,570.00	873,218.58	6,351.42	
Other Expenses						
Fleet Maintenance		279,960.00	279,960.00	275,956.24	4,003.76	
Salaries and Wages		320,500.00	320,500.00	260,346.55	60,153.45	
Other Expenses						
Division of Health		231,570.55	233,870.55	226,841.17	7,029.38	
Salaries and Wages		39,138.30	39,138.30	24,947.33	14,190.97	
Other Expenses						
Bureau of Vital Statistics		8,360.00	8,360.00	8,089.67	270.33	
Salaries and Wages		19,350.00	19,350.00	19,287.05	62.95	
Other Expenses						
Housing Standards Bureau		25,000.00	5,500.00	6.43	5,493.57	
Other Expenses						

Township of West Milford, N.J.

Statement of Expenditures - Regulatory Basis

Current Fund

Year Ended December 31, 2014

	<u>Ref.</u>	<u>Budget</u>	<u>Budget After Modification</u>	<u>Paid or Charged</u>	<u>Reserved</u>	<u>Unexpended Balance Cancelled</u>
<u>General Appropriations</u>						
<u>Division of Environmental Health</u>						
Salaries and Wages	211,015.15	211,015.15	210,918.96	96.19		
Other Expenses	77,380.00	77,380.00	59,787.55	17,592.45		
<u>Environmental Commission</u>						
Salaries and Wages	1,600.00	1,600.00	1,430.00	170.00		
Other Expenses	880.00	880.00	670.00	210.00		
<u>Division of Pound Keeper</u>						
Salaries and Wages	98,427.73	98,427.73	90,033.40	8,394.33		
<u>Recreation Programs</u>						
Salaries and Wages	344,701.81	368,701.81	362,248.00	6,453.81		
Other Expenses	129,000.00	129,000.00	110,797.21	18,202.79		
<u>Department of Recreation</u>						
Salaries and Wages	137,179.15	107,179.15	94,321.47	12,857.68		
Other Expenses	18,600.00	18,600.00	13,920.11	4,679.89		
<u>Hillcrest Community Center</u>						
Salaries and Wages	97,431.84	97,431.84	89,751.24	7,680.60		
Other Expenses	38,750.00	38,750.00	9,624.15	29,125.85		
<u>Senior Services</u>						
Salaries and Wages	74,180.55	74,180.55	54,426.23	19,754.32		
Other Expenses	15,225.00	15,225.00	12,523.81	2,701.19		
<u>Division of Parks Maintenance</u>						
Salaries and Wages	241,340.93	241,340.93	221,892.73	19,448.20		
Other Expenses	115,550.00	115,550.00	78,591.27	36,958.73		
<u>Bubbling Springs Recreation</u>						
Salaries and Wages	175,000.00	181,000.00	181,000.00			
Other Expenses	70,000.00	70,000.00	69,233.78	766.22		

Township of West Milford, N.J.

Statement of Expenditures - Regulatory Basis

Current Fund

Year Ended December 31, 2014

	<u>Ref.</u>	<u>Budget</u>	<u>Budget After Modification</u>	<u>Paid or Charged</u>	<u>Reserved</u>	<u>Unexpended Balance Cancelled</u>
<u>General Appropriations</u>						
Municipal Court						
Salaries and Wages		276,139.02	267,139.02	223,197.20	43,941.82	
Other Expenses		20,050.00	20,050.00	15,796.33	4,253.67	
Insurance:						
Other Insurance Premiums		998,854.00	989,054.00	974,381.10	14,672.90	
Group Insurance Plan for Employees		3,272,800.00	3,272,800.00	3,068,146.73	204,653.27	
Health Benefit Waiver		50,000.00	50,000.00	44,695.36	5,304.64	
Department of Building Safety						
Salaries and Wages		362,473.56	352,473.56	348,842.03	3,631.53	
Other Expenses		6,530.00	16,530.00	11,674.00	4,856.00	
Celebration of Public Events						
Other Expenses		11,500.00	11,500.00	7,433.84	4,066.16	
Mass Transportation						
Other Expenses		37,450.00	37,450.00	22,915.39	14,534.61	
Accumulated Absences		50,000.00	50,000.00	50,000.00		
Street Lighting		56,000.00	56,000.00	49,161.29	6,838.71	
Electric		165,765.00	165,765.00	153,113.62	12,651.38	
Telephone		142,500.00	142,500.00	132,371.52	10,128.48	
Natural Gas		44,200.00	30,200.00	21,901.74	8,298.26	
Gasoline		455,000.00	455,000.00	449,235.43	5,764.57	
Total Operations within "CAPS"		<u>21,818,620.62</u>	<u>21,810,620.62</u>	<u>20,685,805.18</u>	<u>1,124,815.44</u>	
Detail:						
Salaries and Wages	A-1	12,643,056.82	12,612,356.82	12,221,038.19	391,318.63	
Other Expenses	A-1	9,175,563.80	9,198,263.80	8,464,766.99	733,496.81	

Township of West Milford, N.J.

Statement of Expenditures - Regulatory Basis

Current Fund

Year Ended December 31, 2014

	<u>Ref.</u>	<u>Budget</u>	<u>Budget After Modification</u>	<u>Paid or Charged</u>	<u>Reserved</u>	<u>Unexpended Balance Cancelled</u>
<u>General Appropriations</u>						
Deferred Charges and Statutory Expenditures - Municipal within "CAPS"						
Statutory Expenditures:						
Contribution to:						
Public Employees' Retirement System		768,908.00	774,808.00	768,909.43	5,898.57	
Social Security System (O.A.S.I.)		668,008.87	668,008.87	612,836.11	55,172.76	
Police and Firemen's Retirement System		1,177,842.00	1,177,842.00	1,177,661.00	181.00	
Defined Contributions Retirement Program		4,000.00	6,100.00	4,353.18	1,746.82	
Total Deferred Charged and Statutory Expenditures - Municipal within "CAPS"	A-1	2,618,758.87	2,626,758.87	2,563,759.72	62,999.15	
Total General Appropriations for Municipal Purposes within "CAPS"		24,437,379.49	24,437,379.49	23,249,564.90	1,187,814.59	
Operations - Excluded from "CAPS"						
Maintenance of Free Public Library		999,618.00	999,618.00	916,101.90	83,516.10	
Reserve for Tax Appeals		40,000.00	40,000.00	40,000.00		
Emergency Services Volunteer Length of Service Award Program (P.L. 1997,c388)		125,000.00	125,000.00	116,900.00	8,100.00	
Interlocal Municipal Service Agreements						
Borough of Ogdensburg						
Division of Treasury		50,215.94	50,215.94	50,215.94		
Salaries and Wages						
Township of Bloomfield						
Division of Health						
Other Expenses		81,244.00	81,244.00	81,244.00		

Township of West Milford, N.J.

Statement of Expenditures - Regulatory Basis

Current Fund

Year Ended December 31, 2014

	<u>Ref.</u>	<u>Budget</u>	<u>Budget After Modification</u>	<u>Paid or Charged</u>	<u>Reserved</u>	<u>Unexpended Balance Cancelled</u>
<u>General Appropriations</u>						
Public and Private Programs Offset by Revenues						
Municipal Alliance on Alcoholism and Drug Abuse						
State Share		41,716.00	41,716.00	41,716.00		
Local Share		10,429.00	10,429.00	10,429.00		
Handicapped Person's Recreational Opportunities Act						
State Share		40,000.00	40,000.00	40,000.00		
Local Share		8,000.00	8,000.00	8,000.00		
Drive Sober or Get Pulled Over		12,500.00	12,500.00	12,500.00		
Recycling Tonnage Grant		28,045.43	28,045.43	28,045.43		
Drunk Driving Enforcement Fund		17,540.85	17,540.85	17,540.85		
NJ Distracted Driving Campaign		5,000.00	5,000.00	5,000.00		
Sustainable Jersey Small Grant		2,000.00	2,000.00	2,000.00		
Hepatitis B Grant		1,665.00	1,665.00	1,665.00		
Urban Mass Transportation						
State Share		39,050.00	39,050.00	39,050.00		
Federal Share		78,099.00	78,099.00	78,099.00		
Local Share		39,050.00	39,050.00	39,050.00		
Passaic County Open Space Bubbling Springs		80,000.00	80,000.00	80,000.00		
Passaic County Open Space - CYO		50,000.00	50,000.00	50,000.00		
Passaic County Corridor Wallisch Roof		20,000.00	20,000.00	20,000.00		
Passaic County Cultural Heritage Grant						
County Share		2,037.00	2,037.00	2,037.00		
Local Share		1,018.50	1,018.50	1,018.50		

Township of West Milford, N.J.

Statement of Expenditures - Regulatory Basis

Current Fund

Year Ended December 31, 2014

	Ref.	Budget	Budget After Modification	Paid or Charged	Reserved	Unexpended Balance Cancelled
<u>General Appropriations</u>						
Body Armor Replacement Fund		6,984.93	6,984.93	6,984.93		
Matching Funds for Grants						
Total Operations - Excluded from "CAPS"		<u>1,779,213.65</u>	<u>1,779,213.65</u>	<u>1,687,597.55</u>	<u>91,616.10</u>	
Detail:						
Salaries & Wages	A-1	50,215.94	50,215.94	50,215.94		
Other Expenses	A-1	1,728,997.71	1,728,997.71	1,637,381.61	91,616.10	

Capital Improvements:						
Capital Improvement Fund		150,000.00	150,000.00	150,000.00		
Total Capital Improvements Excluded from "CAPS"	A-1	<u>150,000.00</u>	<u>150,000.00</u>	<u>150,000.00</u>		

Municipal Debt Service:						
Payment of Bond Principal		1,620,000.00	1,620,000.00	1,620,000.00		
Payment of Bond Anticipation and Capital Notes		288,003.00	288,003.00	288,003.00		
Interest on Bonds		576,069.00	576,069.00	508,661.73		67,407.27
Interest on Notes		163,198.03	163,198.03	163,198.03		
NJDEP Loan Interest		34,865.41	34,865.41	34,865.41		
Total Municipal Debt Service-Excluded from "CAPS"	A-1	<u>2,682,135.44</u>	<u>2,682,135.44</u>	<u>2,614,728.17</u>		<u>67,407.27</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			15,000.00

Township of West Milford, N.J.

Statement of Expenditures - Regulatory Basis

Current Fund

Year Ended December 31, 2014

	<u>Ref.</u>	<u>Budget</u>	<u>Budget After Modification</u>	<u>Paid or Charged</u>	<u>Reserved</u>	<u>Unexpended Balance Cancelled</u>
<u>General Appropriations</u>						
Cash Deficit in 2004 Assessment Bonds		19,809.80	19,809.80	19,809.80		
Total Deferred Charges - Municipal - Excluded from "CAPS"	A-1	328,809.80	328,809.80	313,809.80		15,000.00
Judgments	A-1	40,000.00	40,000.00	40,000.00		
Total General Appropriations for Municipal Purposes Excluded from "CAPS"		4,980,158.89	4,980,158.89	4,806,135.52	91,616.10	82,407.27
Subtotal General Appropriations		29,417,538.38	29,417,538.38	28,055,700.42	1,279,430.69	82,407.27
Reserve for Uncollected Taxes		2,015,000.00	2,015,000.00	2,015,000.00		
Total General Appropriations		31,432,538.38	31,432,538.38	30,070,700.42	1,279,430.69	82,407.27
					A	
	Adopted Budget		31,240,449.38			
	Appropriated by (N.J.S.A. 40A:4-87)		192,089.00			
			31,432,538.38			
<u>Analysis of Paid or Charged</u>						
Reserve for Uncollected Taxes	A-2			2,015,000.00		
Cash Disbursed	A-4			26,351,545.32		
Deferred Charges: Special Emergency	A-10			268,506.08		
Encumbrances Payable	A-15			971,010.81		
Reserve for Tax Appeals	A-20			40,000.00		
Reserve for Grants	A-22			424,638.21		
				30,070,700.42		

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

Trust Funds

December 31,

	<u>Ref.</u>	<u>2014</u>	<u>2013</u>
<u>Assets</u>			
Assessment Fund:			
Cash - Treasurer	B-4/B-5	672,313.21	730,706.46
Assessments Receivable	B-6	1,068,942.21	1,217,097.41
Assessment Liens	B-7	56,796.97	51,618.69
Assessment Liens Interest and Costs	B-8	2,865.50	2,865.50
Prospective Assessments Funded	B-9	10,500.00	30,309.80
Interfund - Current Fund	B-10		578.22
		<u>1,811,417.89</u>	<u>2,033,176.08</u>
Animal Control Trust Fund:			
Cash - Treasurer	B-4	<u>78,599.59</u>	<u>70,451.84</u>
		<u>78,599.59</u>	<u>70,451.84</u>
Other Trust Funds:			
Cash - Treasurer	B-4	4,468,164.92	3,615,247.70
Due from Vendors - Police Outside Service	B-20		16,858.01
		<u>4,468,164.92</u>	<u>3,632,105.71</u>
Payroll Fund:			
Cash	B-4	<u>150,147.52</u>	<u>204,429.98</u>
		<u>150,147.52</u>	<u>204,429.98</u>
Emergency Services Volunteer Length of Service Award Program - (Unaudited)			
Cash in Plan	B-4	1,811,363.65	1,664,386.17
Contributions Receivable	B-23	<u>117,600.00</u>	<u>118,300.00</u>
		<u>1,928,963.65</u>	<u>1,782,686.17</u>
		<u>8,437,293.57</u>	<u>7,722,849.78</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

Trust Funds

December 31,

	<u>Ref.</u>	<u>2014</u>	<u>2013</u>
<u>Liabilities, Reserves & Fund Balance</u>			
Assessment Fund:			
Interfund - Current Fund	B-10	14,534.92	
Assessment Bonds	B-11		10,000.00
Bond Anticipation Notes	B-12		80,000.00
Loan Payable - NJDEP - Pinecliff Lake	B-13	864,297.68	962,977.79
Loan Payable - NJDEP - Lindy Lake	B-14	90,787.06	102,754.76
Loan Payable - NJDEP - Gordon Lake	B-15	678,284.03	713,929.33
Reserve for Assessments and Liens	B-16	153,577.99	160,632.09
Reserve for Assess. Liens Interest and Costs	Contra	2,865.50	2,865.50
Fund Balance	B-1	7,070.71	16.61
		<u>1,811,417.89</u>	<u>2,033,176.08</u>
Animal Control Trust Fund:			
Reserve for Dog Fund Expenditures	B-17	78,592.99	70,361.84
Due to State Department of Health	B-18	6.60	90.00
		<u>78,599.59</u>	<u>70,451.84</u>
Other Trust Fund:			
Interfund - Current Fund	B-10	13,971.05	
Municipal Open Space Tax	B-19	1,340,348.60	1,193,498.35
Various Deposits Payable	B-21	633,782.08	673,579.08
Various Reserves	B-21	2,480,063.19	1,765,028.28
		<u>4,468,164.92</u>	<u>3,632,105.71</u>
Payroll Fund:			
Interfund - Current Fund	B-10	195.01	47,616.68
Payroll Deductions Payable	B-22	149,952.51	156,813.30
		<u>150,147.52</u>	<u>204,429.98</u>
Emergency Services Volunteer Length of Service Award Program - (Unaudited)			
Net Assets Available for Benefits	B-24	1,928,963.65	1,782,686.17
		<u>1,928,963.65</u>	<u>1,782,686.17</u>
		<u>8,437,293.57</u>	<u>7,722,849.78</u>

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

Township of West Milford, N.J.

Comparative Schedule of Fund Balance - Regulatory Basis

Assessment Trust Fund

Year Ended December 31,

	<u>Ref.</u>	<u>2014</u>	<u>2013</u>
Balance - December 31, 2013	B	16.61	29,016.61
Increased by:			
Collection of Unpledged Assessments	B-16	<u>7,054.10</u>	<u> </u>
		7,070.71	29,016.61
Decreased by:			
Payment to Current Fund as Anticipated Revenue		<u> </u>	<u>29,000.00</u>
Balance - December 31, 2014	B	<u><u>7,070.71</u></u>	<u><u>16.61</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, 2014

	<u>Ref.</u>	<u>Budget Revenue</u>	<u>Realized</u>
Assessment Cash		<u>236,293.11</u>	<u>236,293.11</u>
		B-3	

Exhibit B-3

Township of West Milford, N.J.

Schedule of Expenditures - Regulatory Basis

Assessment Trust Fund

Year Ended December 31, 2014

	<u>Ref.</u>	<u>Budget Appropriation</u>	<u>Expended</u>
Payment of Bond Principal	B-11	10,000.00	10,000.00
Payment of Bond Anticipation Note	B-12	80,000.00	80,000.00
Payment of Loans	B-13,14,15	<u>146,293.11</u>	<u>146,293.11</u>
		<u>236,293.11</u>	<u>236,293.11</u>
		B-2	

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

General Capital Fund

December 31,

	<u>Ref.</u>	<u>2014</u>	<u>2013</u>
<u>Assets</u>			
Cash	C-2/C-3	971,552.08	3,392,577.40
Various Receivables	C-4	275,000.00	396,680.39
Prospective Assessments Raised by Taxation	C-5	500.00	500.00
Deferred Charges to Future Taxation:			
Funded	C-6	22,516,000.00	14,891,000.00
Deferred Charges to Future Taxation:			
Unfunded	C-7	6,888,324.58	14,540,821.50
Interfund - Current Fund	C-13	63,000.00	
		<u>30,714,376.66</u>	<u>33,221,579.29</u>
<u>Liabilities, Reserves and Fund Balance</u>			
General Serial Bonds	C-8	22,516,000.00	14,891,000.00
Bond Anticipation Notes	C-9	4,849,300.00	14,252,303.00
Improvement Authorizations:			
Funded	C-10	778,372.57	808,604.03
Unfunded	C-10	2,237,707.22	2,670,400.71
Capital Improvement Fund	C-11	61,931.00	11,931.00
Various Reserves	C-12	96,425.04	450,123.06
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	146,557.56	109,134.22
		<u>30,714,376.66</u>	<u>33,221,579.29</u>

Footnote: There were Bonds and Notes Authorized But Not Issued on December 31, 2014 of \$2,083,985.54 as shown on Exhibit C-14.

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

Township of West Milford , N.J.

Comparative Statement of Fund Balance - Regulatory Basis

General Capital Fund

December 31,

	<u>Ref.</u>	<u>2014</u>	<u>2013</u>
Balance - January 1,	C	109,134.22	98,297.71
Increased by:			
Premium on Bonds and Bond Anticipation Notes	C-2	<u>142,423.34</u>	<u>108,836.51</u>
		251,557.56	207,134.22
Decreased by:			
Anticipated as 2014 Revenue	C-2	<u>105,000.00</u>	<u>98,000.00</u>
Balance - December 31,	C,C-3	<u><u>146,557.56</u></u>	<u><u>109,134.22</u></u>

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

Township of West Milford , N.J.

Statement of General Fixed Assets - Regulatory Basis

December 31,

	<u>2014</u>	<u>2013</u>
<u>General Fixed Assets:</u>		
Land	10,638,500.00	11,779,300.00
Buildings	12,367,000.00	5,563,400.00
Machinery and Equipment	<u>17,957,573.00</u>	<u>18,469,324.00</u>
	<u>40,963,073.00</u>	<u>35,812,024.00</u>
 Investment in Fixed Assets	 <u>40,963,073.00</u>	 <u>35,812,024.00</u>

See accompanying notes to financial statements.

Township of West Milford , N.J.

Comparative Balance Sheet - Regulatory Basis

Garbage District

December 31,

	<u>Ref.</u>	<u>2014</u>	<u>2013</u>
<u>Assets</u>			
Due from Current Fund	G-5	271,615.33	377,399.70
Due from Federal and State Grant Fund	G-6	<u>148,745.93</u>	<u>148,745.93</u>
		<u>420,361.26</u>	<u>526,145.63</u>
<u>Liabilities and Reserves</u>			
Fund Balance	G-1	47,563.92	94,681.78
Commitments Payable	G-4	208,702.85	291,239.65
Reserve for Recycling	G-7	141,532.04	140,064.77
Reserve for Recycling Tonnage Grant	G-8	<u>22,562.45</u>	<u>159.43</u>
		<u>420,361.26</u>	<u>526,145.63</u>

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

Township of West Milford , N.J.

Comparative Schedule of Fund Balance - Regulatory Basis

Garbage District

Year Ended December 31,

	<u>Ref.</u>	<u>2014</u>	<u>2013</u>
Balance - December 31, 2013	G	94,681.78	97,081.29
Increased by:			
Excess in Operating Revenues	G-2	2,082.22	1,587.20
Unexpended Balance of Appropriations	G-3	27,299.92	85,054.59
Canceled Encumbrances	G-4	<u>13,500.00</u>	<u>958.70</u>
		<u>42,882.14</u>	<u>87,600.49</u>
		137,563.92	184,681.78
Decreased by:			
Operating Surplus Anticipated	G -2	<u>90,000.00</u>	<u>90,000.00</u>
Balance - December 31, 2014	G	<u><u>47,563.92</u></u>	<u><u>94,681.78</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

Garbage District

Year Ended December 31, 2014

	<u>Ref.</u>	<u>Budget</u>	<u>Realized</u>	<u>(Deficit)</u>
Operating Surplus Anticipated	G-1	90,000.00	90,000.00	
Reserve for Recycling	G-7, G-8	140,000.00	140,000.00	
Amount to be Raised by Taxation	G-5	<u>1,868,965.59</u>	<u>1,871,047.81</u>	<u>2,082.22</u>
Total Garbage District Revenues		<u>2,098,965.59</u>	<u>2,101,047.81</u>	<u>2,082.22</u> G-1

Statement of Expenditures - Regulatory Basis

Garbage District

Year Ended December 31, 2014

	<u>Budget</u>	<u>Modified by Transfers</u>	<u>Paid or Charged</u>	<u>Unexpended Balance to Surplus</u>
Salaries and Wages	109,611.59	109,611.59	93,685.84	15,925.75
Other Expenses	59,350.00	59,350.00	55,735.44	3,614.56
Contractual Services	1,190,004.00	1,190,004.00	1,190,004.00	
Disposal Fees	740,000.00	740,000.00	732,240.39	7,759.61
Total Garbage District Expenditures	<u>2,098,965.59</u>	<u>2,098,965.59</u>	<u>2,071,665.67</u>	<u>27,299.92</u> G-1
		<u>Ref.</u>		
Encumbrances		G-4	208,702.85	
Interfund Current Fund		G-5	<u>1,862,962.82</u>	
			<u>2,071,665.67</u>	

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

**TOWNSHIP OF WEST MILFORD
NOTES TO FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2014 AND 2013**

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.sq. 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, 2014 AND 2013
(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, 2014 AND 2013
(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, 2014 AND 2013
(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, 2014 AND 2013
(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. Management has no authority to amend the budget without the approval of the Governing Body. Expenditures may not legally exceed budgeted appropriations at the line item level. During 2014, the Township Council increased the original budget by \$192,089.00. 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, 2014 AND 2013
(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, 2014 AND 2013
(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 will require 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 January 2013, the Government Accounting Standards Board issued GASB Statement No. 69, Government Combinations and Disposals of Government Operations. This Statement establishes accounting and financial reporting standards related to government combinations and disposals of government operations. As used in this Statement, the term "government combinations" includes a variety of transactions referred to as mergers, acquisitions, and transfers of operations. This Statement, which is effective for financial statements beginning after December 15, 2013, will not have any effect on the entity's financial reporting.

**TOWNSHIP OF WEST MILFORD
NOTES TO FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2014 AND 2013
(continued)**

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

Basis of Accounting, (continued)

Recent Accounting Pronouncements, (continued)

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

In November 2013, the Government Accounting Standards Board issued GASB Statement No. 71, Pension Transition for Contributions Made Subsequent to the Measurement Date – an amendment of GASB Statement No. 68. The provisions of this statement are required to be applied simultaneously with the provisions of Statement 68 which is effective for periods beginning after June 15, 2014. The provisions of this statement will require 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.

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.

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, 2014, \$0- of the Township's bank balance of \$15,384,894.18 was exposed to custodial credit risk.

**TOWNSHIP OF WEST MILFORD
NOTES TO FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2014 AND 2013
(continued)**

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

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 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, 2014 and 2013 amounted to \$1,811,363.65 and \$1,664,386.17, respectively.

The following investments represent 5% or more of the total invested with AIG on December 31, 2014 and 2013:

	<u>2014</u>	<u>2013</u>
Index Funds	\$146,794.88	\$
Money Market Funds	121,923.15	109,053.68
Fixed Income	425,398.94	420,820.94
Growth and Income	553,354.89	444,070.55
Value Funds	246,027.85	228,900.65
All Others	<u>317,863.94</u>	<u>461,540.35</u>
	<u>\$1,811,363.65</u>	<u>\$1,664,386.17</u>

**TOWNSHIP OF WEST MILFORD
NOTES TO FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2014 AND 2013
(continued)**

NOTE 3. LONG TERM DEBT

Long-term debt as of December 31, 2014 consisted of the following:

	<u>Balance Dec. 31, 2013</u>	<u>Additions</u>	<u>Reductions</u>	<u>Ending Balance</u>	<u>Amounts Due Within One Year</u>
Bonds Payable:					
General Obligation Debt	\$14,891,000.00	\$9,245,000.00	\$1,620,000.00	\$22,516,000.00	\$2,300,000.00
Trust Assessment	10,000.00		10,000.00	0.00	
Other Liabilities:					
NJDEP Loan	1,779,661.88		146,293.11	1,633,368.77	149,233.62
Deferred Pension Obligation	807,577.00		49,027.00	758,550.00	54,023.00
Compensated Absences Payable	<u>1,197,696.46</u>	<u>153,204.97</u>	<u>92,838.26</u>	<u>1,258,063.17</u>	<u> </u>
	<u>\$18,685,935.34</u>	<u>\$9,398,204.97</u>	<u>\$1,918,158.37</u>	<u>\$26,165,981.94</u>	<u>\$2,503,256.62</u>

SUMMARY OF MUNICIPAL DEBT

	<u>Year 2014</u>	<u>Year 2013</u>	<u>Year 2012</u>
Issued:			
General:			
Bonds, Loans and Notes	\$27,365,300.00	\$29,143,303.00	\$28,317,003.00
Assessment:			
Bonds, Loans and Notes	<u>1,633,368.77</u>	<u>1,869,661.88</u>	<u>2,038,992.44</u>
Total Issued	<u>28,998,668.77</u>	<u>31,012,964.88</u>	<u>30,355,995.44</u>
Authorized But Not Issued			
General:			
Bonds and Notes	<u>2,083,985.54</u>	<u>370,479.46</u>	<u>1,668,973.38</u>
Total Authorized But Not Issued	<u>2,083,985.54</u>	<u>370,479.46</u>	<u>1,668,973.38</u>
Net Bonds and Notes Issued and Authorized But Not Issued	<u>\$31,082,654.31</u>	<u>\$31,383,444.34</u>	<u>\$32,024,968.82</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 1.013%.

	<u>Gross Debt</u>	<u>Deductions</u>	<u>Net Debt</u>
Local School District	\$1,406,234.00	\$1,406,234.00	\$0.00
General Debt	<u>31,082,654.31</u>	<u>695,668.54</u>	<u>30,386,985.77</u>
	<u>\$32,488,888.31</u>	<u>\$2,101,902.54</u>	<u>\$30,386,985.77</u>

Net Debt \$30,386,985.77 divided by equalized valuation basis per N.J.S. 40A:2-2 as amended, \$2,998,559,074.67 = 1.013%.

**TOWNSHIP OF WEST MILFORD
NOTES TO FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2014 AND 2013
(continued)**

NOTE 3. LONG TERM DEBT, (continued)

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

3 ½% of Equalized Valuation Basis (Municipal)	\$104,949,567.61
Net Debt	<u>30,386,985.77</u>
Remaining Borrowing Power	<u>\$74,562,581.84</u>

The Township's long term debt consisted of the following at December 31, 2014:

Paid by Assessment Fund:

Loan Payable - NJDEP - dated November 1, 2004 with an interest rate of 2% payable in installments through 2030	\$1,633,368.77
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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	3,666,000.00
General Bonds - General Bonds of 2010 with an interest rate of 2%-3.50% issued April 1, 2010 due through April 1, 2021	9,605,000.00
General Bonds - General Bonds of 2014 with an interest rate of 1%-2.35% issued April 1, 2014 due through April 1, 2024	<u>9,245,000.00</u>
	<u>\$24,149,368.77</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>\$2,083,985.54</u>
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**TOWNSHIP OF WEST MILFORD
NOTES TO FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2014 AND 2013
(continued)**

NOTE 3. LONG TERM DEBT, (continued)

**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>
2015	\$2,300,000.00	\$617,420.50	\$2,917,420.50
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
2020-2024	<u>9,670,000.00</u>	<u>467,975.00</u>	<u>10,137,975.00</u>
	<u>\$22,516,000.00</u>	<u>\$2,806,095.00</u>	<u>\$25,322,095.00</u>

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, 2014, the Township had \$4,849,300.00 in outstanding general capital bond anticipation notes maturing on October 2, 2015 at an interest rate of 1.25%.

**TOWNSHIP OF WEST MILFORD
NOTES TO FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2014 AND 2013
(continued)**

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, 2014 the following deferred charges are shown on the balance sheets of the various funds:

	Balance December 31, <u>2014</u>	2015 Budget Appropriation	Balance to Succeeding Budget
Current Fund:			
Special Emergency Appropriations	<u>\$535,518.24</u>	<u>\$268,506.08</u>	<u>\$267,012.16</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.

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

	Balance	
	<u>2014</u>	<u>2013</u>
Balance of Tax	\$26,770,111.00	\$26,248,163.00
Deferred	<u>26,770,111.00</u>	<u>26,248,163.00</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 Firemen's Retirement System (PFRS) or the Public Employees' Retirement System (PERS). These systems are sponsored and administered by the State of New Jersey. The Public Employees' Retirement System and the Police and Firemen's Retirement System (PFRS) are considered a cost sharing multiple-employer plans. According to the State of New Jersey Administrative Code, all obligations of the systems will be assumed by the State of New Jersey should the systems terminate.

TOWNSHIP OF WEST MILFORD
NOTES TO FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2014 AND 2013
(continued)

NOTE 8. PENSION PLANS, (continued)

Description of Systems, (continued)

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.

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.

TOWNSHIP OF WEST MILFORD
NOTES TO FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2014 AND 2013
(continued)

NOTE 8. PENSION PLANS, (continued)

Description of Systems, (continued)

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

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.

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.

**TOWNSHIP OF WEST MILFORD
NOTES TO FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2014 AND 2013
(continued)**

NOTE 8. PENSION PLANS, (continued)

Description of Systems, (continued)

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

Contribution Requirements

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

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

<u>Year Ended</u> <u>December 31,</u>	<u>PERS</u>	<u>PFRS</u>
2014	\$764,849.00	\$1,177,661.00
2013	826,458.00	1,231,958.00
2012	834,204.00	1,242,649.00

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.

TOWNSHIP OF WEST MILFORD
NOTES TO FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2014 AND 2013
(continued)

NOTE 8. PENSION PLANS, (continued)

Defined Contribution Retirement Program, (continued)

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.

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.

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 2014, there were one hundred and thirty four (134) retired employees who received this benefit at a cost of \$1,465,202.00.

**TOWNSHIP OF WEST MILFORD
NOTES TO FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2014 AND 2013
(continued)**

NOTE 9. OTHER POST EMPLOYMENT BENEFITS, (continued)

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>
2012	\$1,328,205.00	\$5,018,303.00	26.47%	\$21,021,118.00
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

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)	\$51,688,745.00
Actuarial Value of Plan Assets	<u>-0-</u>
Unfunded Actuarial Accrued Liability (UAAL)	<u>\$51,688,745.00</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, 2014 AND 2013
(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, 2014 which were appropriated and included as anticipated revenue in their own respective funds for the year ending December 31, 2015 were as follows:

Current Fund	<u>\$2,500,000.00</u>
Garbage District	<u>\$40,000.00</u>

**TOWNSHIP OF WEST MILFORD
NOTES TO FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2014 AND 2013
(continued)**

NOTE 11. FIXED ASSETS

The Township had an update to the assessed values of the land and buildings in 2014. The updated balance as of December 31, 2014 and the balance as of December 31, 2013 are as follows:

	Balance <u>Dec. 31, 2014</u>	Balance <u>Dec. 31, 2013</u>
Land	\$10,638,500.00	\$11,779,300.00
Buildings	12,367,000.00	5,563,400.00
Machinery and Equipment	<u>17,957,573.00</u>	<u>18,469,324.00</u>
	<u>\$40,963,073.00</u>	<u>\$35,812,024.00</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 \$1,258,063.17 as of December 31, 2014. 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, 2014 consist of the following:

\$195.01	Due to Current Fund from Payroll Fund for Current Fund receipts deposited in Payroll Fund.
13,971.05	Due to Current Fund from Other Trust Fund for Current Fund receipts deposited in Other Trust Fund.
14,534.92	Due to Current Fund from Assessment Trust Fund for Current Fund receipts deposited in Assessment Trust Fund.
356,501.76	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.
63,000.00	Due to General Capital Fund from Current Fund for Current Fund expenditures paid by General Capital Fund.
271,615.33	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>\$896,147.27</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, 2014 AND 2013
(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 2014 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 North Jersey Intergovernmental 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, 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 Fund are available at the office of the Executive Director, PERMA, Inc.

**TOWNSHIP OF WEST MILFORD
NOTES TO FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2014 AND 2013
(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:

	<u>Balance Dec 31, 2014</u>	<u>Balance Dec 31, 2013</u>
Prepaid Taxes	<u>\$535,856.52</u>	<u>\$1,339,778.45</u>
Cash Liability for Taxes Collected in Advance	<u>\$535,856.52</u>	<u>\$1,339,778.45</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, 2014 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, 2014 AND 2013
(continued)**

NOTE 18. SPECIAL EMERGENCY NOTE

On October 2, 2014, the Township issued a \$400,000.00 special emergency note for municipal revaluation. The note with an interest rate of 1.25% will mature on October 2, 2015.

NOTE 19. 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."

NOTE 20. 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.

TOWNSHIP OF WEST MILFORD
NOTES TO FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2014 AND 2013
(continued)

NOTE 20. OTHER MATTERS, (continued)

Also, on December 4, 2013 and amended on June 25, 2014, the Township authorized an amendment to the lease between the West Milford Board of Education and the Township of West Milford for the Hillcrest School.

1. The West Milford Board of Education is hereby authorized to apply the previously paid funding of \$500,000 to the escrow for the Wallisch Tract against all rent owed to the West Milford Board of Education for the Township's Lease of the Hillcrest School.
2. Fifteen month's rent shall be retained in escrow by the West Milford Board of Education.
3. All remaining funds shall be returned to the Township of West Milford.

NOTE 21. SUBSEQUENT EVENTS

The Township has evaluated subsequent events through August 17, 2015, the date which the financial statements were available to be issued and no other items were noted for disclosure.

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 recreation registration system. The PAL will retain control over the programs.

SUPPLEMENTARY DATA

COMPARATIVE SCHEDULE OF TAX RATE INFORMATION

	<u>2014</u>	<u>2013</u>	<u>2012*</u>
Tax Rate:	<u>3.577</u>	<u>3.477</u>	<u>3.382</u>
Apportionment of Tax Rate:			
Municipal	0.7741	0.7370	0.7273
Municipal Library	0.0362	0.0371	0.0396
Municipal Open Space	0.0055	0.0054	0.0058
County	0.7583	0.7521	0.6908
Local School	1.9353	1.8840	1.8590
Garbage District	0.0676	0.0614	0.0595

Assessed Valuations:

2014	\$2,766,559,500.00		
2013		\$2,786,654,287.00	
2012			\$2,782,811,262.00

*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>
2014	\$99,065,732.46	\$97,684,650.53	98.61%
2013	96,981,050.24	95,356,128.58	98.32
2012	95,062,100.74	93,427,272.91	98.28

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>
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
2012	1,592,613.70	1,397,152.21	2,989,765.91	3.14

PROPERTY ACQUIRED BY TAX TITLE LIEN LIQUIDATION

Properties have been acquired in 2014 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>
2014	\$2,712,800.00
2013	2,712,800.00
2012	2,764,000.00

COMPARATIVE SCHEDULE OF FUND BALANCES

<u>Year</u>	<u>Balance December 31</u>	<u>Utilized in Budget of Succeeding Year</u>
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
2010	1,956,590.64	1,900,000.00

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
CarlLa Horton	Councilwoman
Luciano Signorino	Councilman
Robert Casey	Interim Township Administrator to 7/6/14
Kenneth Gabbert	Township Administrator from 7/7/14
Monica Goscicki	Chief Financial Officer
Antionette Battaglia	Township Clerk
Rita DeNivo	Tax Collector and Tax Search Officer
Joseph Perconti	Judge
Michelle 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 NJIF.

Adequacy of insurance coverage is the responsibility of the Township.

Township of West Milford

Schedule of Expenditures of Federal Awards

For the Year Ended December 31, 2014

Federal Grantor/Pass-Through Grantor/Program	Federal CFDA Number	Pass-Through Entity ID Number	Grant Year	Grant Award	Balance Jan. 1, 2014	Receipts/Revenues	Expended	Adjustment/Canceled	Balance Dec. 31, 2014	Cumulative Expenditures
<u>Current Fund</u>										
<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)				(293,873.06)	509,491.85
Total Current Fund					(293,873.06)				(293,873.06)	
<u>Federal and State Grant Fund</u>										
<u>U.S. Department of Transportation:</u>										
Federal Transit Administration	20.509		2014/2015	78,099.00			40,612.21		(40,612.21)	40,612.21
Formula Grant			2013/2014	75,032.00	(19,926.01)	49,496.90	37,827.19	13,389.93	(21,646.23)	57,753.20
			2012/2013	64,259.00	0.09			0.09		63,946.29
			2011/2012	69,421.00	(18,200.71)			(18,200.71)		35,931.28
					(38,126.63)	49,496.90	78,439.40	(4,810.69)	(62,258.44)	
<u>U.S. Department of Transportation:</u>										
Pass Through NJ Department of Law & Public Safety:										
Distracted Driver Campaign	20.600	066-1160-100-036	2014	4,928.80			4,928.80			4,928.80
Obey the Signs or Pay the Fines	20.600		2009	8,000.00	3,160.43			3,160.43		4,839.57
Over the Limit Under Arrest	20.601		2010	10,558.20	10,558.20			10,558.20		1,681.36
Click It or Tcket	20.602		2010	2,679.20	997.84			997.84		7,500.00
Speed/Aggressive Driving	20.605		2007	7,500.00	(1,311.80)			(1,311.80)		7,223.36
Drive Sober or Get Pulled Over	20.616	066-1160-100-157	2014	12,500.00	(3,765.07)	4,931.30	7,223.36	(3,765.07)	(2,292.06)	4,911.07
			2011	5,000.00	9,639.60	9,860.10	12,152.16	9,639.60	(2,292.06)	
<u>U.S. Department of Transportation:</u>										
Pass Through NJ Department of Environmental Protection:										
Recreation Trails Program	20.219	042-4875-100-205	2,006	35,000.00	(27,640.00)	14,442.00	1,230.00	(9,428.00)	(5,000.00)	28,870.00

Township of West Milford

Schedule of Expenditures of Federal Awards

For the Year Ended December 31, 2014

Federal Grantor/Pass-Through Grantor/Program	Federal CFDA Number	Pass-Through Entity ID Number	Grant Year	Grant Award	Balance Jan. 1, 2014	Receipts/Revenues	Expended	Adjustment/Canceled	Balance Dec. 31, 2014	Cumulative Expenditures
<u>U.S. Environmental Protection Agency:</u>										
Pass Through NJ Department of Environmental Protection:										
Pollution Control & Management	66.460			90,000.00	34,256.31			34,256.31		55,743.69
Pollution Control & Management	66.460			144,872.00	(13,597.30)			(13,597.30)		122,982.71
Pollution Control & Management	66.460			152,330.00	(262.49)			(262.49)		152,330.00
Water Quality Management	66.460			108,217.00	(30,189.62)			(30,189.62)		80,412.50
Greenwood Lake Anti-Phosphorous Municipal Stormwater Regulation	66.605	042-4801-100-442	2007	913,600.00	(401,140.53)	516,952.50	119,342.69	(14,441.32)	10,910.60	867,576.81
	66.605		2009	20,619.00	8,379.00	516,952.50	119,342.69	8,379.00	10,910.60	12,240.00
					(402,554.63)			(15,855.42)		
<u>U.S. Department of Homeland Security:</u>										
Pass Through NJ Department of Law & Public Safety:										
Assistance to Firefighters Grant	97.044		2009	124,200.00	47,955.83			47,955.83		76,244.17
<u>U.S. Department of Justice:</u>										
Juvenile Acct. Incentive Block Grant	16.523		2008	5,381.00	(816.69)			(816.69)		816.69
Justice Assistance Grant Program	16.804		2009	15,051.00	(0.30)			(0.30)		15,051.00
Bulletproof Vest Partnership Program	16.607		2012	7,800.00	7,800.00				7,800.00	3,524.12
			2011	5,407.88	5,407.88		3,524.12		1,883.76	2,585.00
			2010	2,585.00	2,585.00		2,585.00			25,892.88
			2009	25,892.88	5,352.88		5,352.88		9,683.76	
					21,145.76		11,462.00			

Township of West Milford

Schedule of Expenditures of Federal Awards

For the Year Ended December 31, 2014

Federal Grantor/Pass-Through Grantor/Program	Federal CFDA Number	Pass-Through Entity ID Number	Grant Year	Grant Award	Balance Jan. 1, 2014	Receipts/Revenues	Expended	Adjustment/Canceled	Balance Dec. 31, 2014	Cumulative Expenditures
U.S. Department of Health and Human Services Pass Through NJ Department of Health Pandemic Flu Preparedness	93.069		2009	91,044.00	(6,124.84)			(6,124.84)		69,703.09
					(396,521.90)	590,751.50	222,626.25	20,559.49	(48,956.14)	1,485,102.66
Total Federal and State Grant Fund					<u>(690,394.96)</u>	<u>590,751.50</u>	<u>222,626.25</u>	<u>20,559.49</u>	<u>(342,829.20)</u>	
Total Federal Awards										

Township of West Milford

Schedule of Expenditures of State Awards

For the Year Ended December 31, 2014

State Grantor/Pass-Through Grantor/Program	Pass-Through Entity ID Number	Grant Year	Grant Award	Balance Jan. 1, 2014	Receipts/Revenues	Expended	Adjustment/ Canceled	Balance Dec. 31, 2014	Cumulative Expenditures
Federal and State Grant Fund									
NJ Department of Environmental Protection:									
Clean Communities	042-4900-765-004	2014	60,595.39		60,595.39			60,595.39	679.62
		2013	64,582.12	64,582.12		679.62		63,902.50	55,006.54
		2012	55,006.54	55,006.54		55,006.54			55,639.94
		2011	55,639.94	32,575.62		32,575.62			
				152,164.28		88,261.78		124,497.89	
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	61,059.52		5,298.79		55,760.73	5,298.79
		2012	55,133.54	38,980.50		38,980.50			55,133.54
				128,085.45		44,279.29		127,417.39	
Open Space Management			2,500.00	(126.97)			(126.97)	0.00	2,396.00
Greenwood Lake Phase II			336,000.00	48,435.43			48,435.43	0.00	218,044.57
NJDEP/Passaic County			6,120.00	(6,120.00)			(6,120.00)		6,120.00
ANJEC Water Study			11,200.00	11,200.00			11,200.00		
Waste Water Management			15,000.00	315.00			315.00		4,457.50
Storm Water Management			41,238.00	12,333.50			12,333.50		28,904.50
Bear Proof Garbage Can Program			200,000.00	2,386.25			2,386.25		197,613.75
Belcher Creek Fecal Testing			2,500.00	(2,500.00)			(2,500.00)		2,500.00
Green Communities Grant		2013	3,000.00						
State Forestry Services Grant		2013	620,197.00						

Township of West Milford

Schedule of Expenditures of State Awards

For the Year Ended December 31, 2014

Pass-Through Entity ID Number	Grant Year	Grant Award	Balance Jan. 1, 2014	Receipts/Revenues	Expended	Adjustment/Canceled	Balance Dec. 31, 2014	Cumulative Expenditures
State Grantor/Pass-Through Grantor/Program								
<u>NJ Department of Environmental Protection:</u>								
Pass Through County of Passaic: Tire Disposal Grant		11,600.00	(11,600.00)			(11,600.00)		11,600.00
Urban Forestry Grant Program		13,500.00	(6,360.00)			(6,360.00)		13,225.00
		12,700.00	(440.00)			(440.00)		10,538.00
			(6,800.00)			(6,800.00)		
<u>NJ Division of Highway Traffic Safety:</u>								
Drunk Driving Enforcement Fund	2015	8,558.18		8,558.18			8,558.18	9,569.79
	2014	17,540.85	17,540.85		9,569.79		7,971.06	7,943.52
	2013	7,943.52	2,183.36		2,183.36			
			19,724.21	8,558.18	11,753.15		16,529.24	
<u>NJ Department of Health:</u>								
Alcohol Education Rehabilitation		563.80	563.80				563.80	360.52
		686.55	326.03				326.03	
		107.09	107.09				107.09	
		682.16	682.16				682.16	
			1,679.08				1,679.08	
		8,615.00	6,091.00			(2,524.00)	8,615.00	8,780.48
Public Health Priority Funding		11,954.00	3,173.52			(2,524.00)	3,173.52	
			9,264.52				11,788.52	
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				3,672.30	1,327.70
			15,130.27	999.00			16,129.27	

Township of West Milford

Schedule of Expenditures of State Awards

For the Year Ended December 31, 2014

Pass-Through Entity ID Number	Grant Year	Grant Award	Balance Jan. 1, 2014	Receipts/ Revenues	Expended	Adjustment/ Canceled	Balance Dec. 31, 2014	Cumulative Expenditures
State Grantor/Pass-Through Grantor/Program								
Pass Through County of Passaic: Tobacco Grant		21,670.52	19,516.52			19,516.52		2,154.00
NJ Highlands Council: NJ Highlands Water Protection		178,700.00		17,204.04	18,302.04		(1,098.00)	68,302.04
Planning Assistance Pilot Grant		30,000.00	30,000.00			30,000.00		
Planning Assistance COAH		7,500.00	6,852.00			6,852.00		648.00
Planned Conformance	2009	50,000.00	(1,098.00)	1,098.00				50,000.00
NJ Department of Community Affairs: Recreation for the Handicapped	2014/2015 2013/2014	20,000.00 20,000.00		20,000.00 20,000.00	7,425.00 20,000.00 27,425.00		(7,425.00) (7,425.00)	
Small Cities		2,380.00	2,380.00			2,380.00		
NJ Department of Law and Public Safety: Body Armor Replacement	2015 2014 2013 2012 2011	4,211.46 6,984.93 4,352.90 4,249.13 4,652.00		4,211.46	3,333.16 4,249.13 3,887.31 11,469.60		4,211.46 6,984.93 1,019.73 12,216.12	3,333.16 4,249.13 4,652.00
Domestic Violence		11,070.61	11,070.61			11,070.61		
Council on Alcoholism and Drug Abuse: Pass Through County of Passaic Municipal Drug Alliance	2014 2013	41,716.00 38,552.00		15,220.44 19,468.32 34,688.76	19,951.05 4,366.50 24,317.55		(4,730.61) (4,730.61)	19,951.05 38,552.00

Township of West Milford

Schedule of Expenditures of State Awards

For the Year Ended December 31, 2014

Pass-Through Entity ID Number	Grant Year	Grant Award	Balance Jan. 1, 2014	Receipts/Revenues	Expended	Adjustment/Cancelled	Balance Dec. 31, 2014	Cumulative Expenditures
State Grantor/Pass-Through Grantor/Program	2010	34,167.00	34,167.00			34,167.00		
NJ Department of State: Pass Through County of Passaic Polling Place Accessibility Grant	2014	2,037.00		2,037.00	192.00		1,845.00	192.00
	2013	1,845.00	922.50	922.50	1,845.00			1,845.00
	2012	1,250.00	625.00			625.00		625.00
	2011	1,250.00	1,062.19			1,062.19		187.81
			2,609.69	2,959.50	2,037.00	1,687.19	1,845.00	
Total Federal and State Grant Fund			483,441.28	193,925.56	227,845.41	150,672.53	298,848.90	
<u>General Capital Fund</u>								
NJ Department of Transportation: Highway Planning and Construction Westbrook Road III Otterhole Road	2014	275,000.00						
	2013	250,000.00	187,500.00	62,500.00	221,454.77		28,545.23	221,454.77
Total General Capital Fund			187,500.00	62,500.00	221,454.77		28,545.23	
<u>Garbage District</u>								
NJ Department of Environmental Protection: Recycling Tonnage Grant	2010	14,843.26	14,843.26					
	2009	44,176.22	40,915.22		33,196.03		7,719.19	36,457.03
Total Garbage District			55,758.48		33,196.03		22,562.45	
Total State Awards			726,699.76	256,425.56	482,496.21	150,672.53	349,956.58	

Township of West Milford, N.J.

Schedule of Cash - Treasurer

Current Fund

Year Ended December 31, 2014

	<u>Ref.</u>		<u>Current Fund</u>
Balance - December 31, 2013	A		8,627,027.66
Increased by Receipts:			
Miscellaneous Revenue Not Anticipated	A-2	431,791.61	
Collector	A-6	99,326,633.98	
Revenue Accounts Receivable	A-11	4,880,673.63	
Interfunds	A-12	1,052,371.07	
Due From State - Senior Citizen and Veteran Deductions	A-14	278,739.70	
Various Cash Liabilities and Reserves	A-20	<u>425,409.00</u>	
			<u>106,395,618.99</u>
			115,022,646.65
Decreased by Disbursements:			
Refund Prior Year Revenue	A-1	71,077.67	
Current Year Budget Appropriations	A-3	26,311,545.32	
Change Funds	A-5	500.00	
Interfunds	A-12	1,135,628.96	
Appropriation Reserves	A-13	1,018,046.13	
Local District School Taxes	A-17	53,018,279.00	
County Taxes Payable	A-18	20,995,901.46	
Garbage District Taxes	A-19	1,976,832.18	
Various Cash Liabilities and Reserves	A-20	<u>1,913,359.55</u>	
			<u>106,441,170.27</u>
Balance - December 31, 2014	A		<u><u>8,581,476.38</u></u>

Township of West Milford, N.J.

Schedule of Change Funds

Current Fund

Year Ended December 31, 2014

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

Township of West Milford, N.J.

Schedule of Cash - Collector

Year Ended December 31, 2014

	<u>Ref.</u>		
Increased by Receipts:			
Taxes Receivable	A-7	97,168,155.09	
Tax Title Liens	A-8	5,970.34	
Interest and Costs on Taxes	A-11	336,119.82	
2015 Taxes Prepaid	A-16	535,856.52	
Tax Overpayments	A-20	318,563.73	
Deposits for Redemption of Tax Sale Certificates	A-20	<u>961,968.48</u>	<u>99,326,633.98</u>
Decreased by Disbursements:			
Receipts Turned Over to Treasurer	A-4		<u>99,326,633.98</u>

Township of West Milford, N.J.

Schedule of Taxes Receivable and Analysis of Property Tax Levy

Current Fund

Year Ended December 31, 2014

Year	Balance, Dec. 31, 2013	Levy	Added Taxes	Collected		Senior Citizen and Veteran Deductions	Transferred to Tax Title Liens	Appeals/ Canceled	Balance, Dec. 31, 2014
				2013	2014				
prior 2014	1,184,873.29	98,959,837.25	4,950.65	1,115,573.74	(24,795.83)	14,417.02	82,109.05	2,519.96	
			105,895.21	96,052,581.35	292,290.73	190,618.53	(256,395.55)	1,446,858.95	
	<u>1,184,873.29</u>	<u>98,959,837.25</u>	<u>110,845.86</u>	<u>97,168,155.09</u>	<u>267,494.90</u>	<u>205,035.55</u>	<u>(174,286.50)</u>	<u>1,449,378.91</u>	
	A		A-2/A-16	A-2/A-6	A-2/A-14	A-8		A	

Analysis of Tax Levy

Tax yield:	Ref.
General Property Tax	97,078,570.51
Public Utility Tax	7.16
Garbage Tax	1,881,259.58
Added Tax (R.S. 54:4-63.1 et seq.)	105,895.21
	<u>99,065,732.46</u>
Tax Levy:	
Municipal Open Space Tax	150,490.00
Added Municipal Open Space Tax	155.98
	<u>150,645.98</u>
Local District School Tax	53,540,227.00
County Tax	20,976,719.26
Added County Taxes	23,613.22
	<u>21,000,332.48</u>
Garbage District Taxes	1,868,965.59
Added Garbage District Taxes	2,082.22
	<u>1,871,047.81</u>
Local Tax for Municipal Purposes	76,562,253.27
Additional Taxes	22,405,119.35
	98,359.84
	<u>22,503,479.19</u>
	<u>99,065,732.46</u>

Township of West Milford, N.J.

Schedule of Tax Title Liens

Current Fund

Year Ended December 31, 2014

Balance - December 31, 2013	<u>Ref.</u> A		1,754,684.76
Increased by:			
Transfer from Taxes Receivable	A-7	205,035.55	
Interest and Costs Accrued by Sale		<u>25,862.30</u>	
			<u>230,897.85</u>
			1,985,582.61
Decreased by:			
Collections	A-6		<u>5,970.34</u>
Balance - December 31, 2014	A		<u><u>1,979,612.27</u></u>

Township of West Milford, N.J.
Schedule of Property Acquired for Taxes
(At Assessed Valuation)
Current Fund
Year Ended December 31, 2014

Balance - December 31, 2013	<u>Ref.</u> A	<u>2,712,800.00</u>
Balance - December 31, 2014	A	<u>2,712,800.00</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, 2014

<u>Date Authorized</u>	<u>Purpose</u>	<u>Amount Authorized</u>	<u>1/5 of net Amount Authorized</u>	<u>Balance, Dec. 31, 2013</u>	<u>Reduced in 2014</u>	<u>Balance, Dec. 31, 2014</u>
3/16/2011	Revaluation of Real Property	1,000,000.00	200,000.00	600,000.00	200,000.00	400,000.00
12/7/2011	Hurricane Damage	192,530.40	38,506.08	84,024.32	38,506.08	45,518.24
12/5/2012	Hurricane Sandy	150,000.00	30,000.00	120,000.00	30,000.00	90,000.00
		<u>1,342,530.40</u>	<u>268,506.08</u>	<u>804,024.32</u>	<u>268,506.08</u>	<u>535,518.24</u>
				<u>A</u>	<u>A-3</u>	<u>A</u>

Township of West Milford, N.J.

Schedule of Revenue Accounts Receivable

Current Fund

Year Ended December 31, 2014

	<u>Ref.</u>	<u>Balance Dec. 31, 2013</u>	<u>Accrued</u>	<u>Collected</u>	<u>Balance Dec. 31, 2014</u>
Clerk:					
Licenses					
Alcoholic Beverages	A-2		18,510.00	18,510.00	
Other	A-2		12,761.78	12,761.78	
Fees and Permits	A-2		3,685.00	3,685.00	
Miscellaneous Revenue not Anticipated	A-2		4,297.97	4,297.97	
Construction Code Official - Fees	A-2		308,652.00	308,652.00	
Sanitarian					
Licenses	A-2		27,288.00	27,288.00	
Fees and Permits	A-2		64,967.00	64,967.00	
Miscellaneous Revenue not Anticipated	A-2		510.00	510.00	
Registrar					
Licenses	A-2		372.00	372.00	
Fees and Permits	A-2		18,392.00	18,392.00	
Miscellaneous Revenue not Anticipated	A-2		2,500.10	2,500.10	
Planning Board					
Fees and Permits	A-2		22,825.00	22,825.00	
Miscellaneous Revenue not Anticipated	A-2		102.86	102.86	
Board of Adjustment					
Fees and Permits	A-2		3,805.00	3,805.00	
Police Department:					
Fees and Permits	A-2		7,463.05	7,463.05	
Miscellaneous Revenue not Anticipated	A-2		239.50	239.50	
Fire Inspector					
Fees and Permits	A-2		56,460.00	56,460.00	
Building Inspector					
Miscellaneous Revenue not Anticipated	A-2		1,555.00	1,555.00	
Uniform Fire Safety Act: Local Fees	A-2		39,031.00	39,031.00	
Municipal Court					
Fines and Costs	A-2	12,176.87	224,260.42	221,355.17	15,082.12
Interest and Costs on Taxes	A-2		336,119.82	336,119.82	
Interest and Costs on Assessments	A-2		30,962.06	30,962.06	
Interest on Investments	A-2		13,368.95	13,368.95	
Recreation Fees	A-2		435,882.50	435,882.50	
Cat Licenses	A-2		11,252.00	11,252.00	
Sequential Multiple Analysis Fees	A-2		15,626.12	15,626.12	
Energy Receipts Tax	A-2		2,286,532.00	2,286,532.00	
Consolidated Municipal Property Tax Relief Aid	A-2		36,406.00	36,406.00	
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		50,216.36	50,216.36	
Cell Tower Lease	A-2	7,004.74	85,901.34	85,659.56	7,246.52
General Capital Surplus	A-2		105,000.00	105,000.00	

Township of West Milford, N.J.
Schedule of Revenue Accounts Receivable

Current Fund

Year Ended December 31, 2014

	<u>Ref.</u>	<u>Balance</u> <u>Dec. 31, 2013</u>	<u>Accrued</u>	<u>Collected</u>	<u>Balance</u> <u>Dec. 31, 2014</u>
Cable TV Franchise Fee	A-2		118,816.00	118,816.00	
F.E.M.A. - Reimbursement	A-2		186,973.12	186,973.12	
F.E.M.A. - Reimbursement	A-2		22,956.54	22,956.54	
Life Hazard Use Fees	A-2		37,402.65	37,402.65	
		<u>19,181.61</u>	<u>5,429,870.14</u>	<u>5,426,723.11</u>	<u>22,328.64</u>
		A			A
Receipts	A-4			4,880,673.63	
Collector	A-6			336,119.82	
Reserves	A-20			209,929.66	
				<u>5,426,723.11</u>	

Township of West Milford, N.J.

Schedule of Interfunds

Current Fund

Year Ended December 31, 2014

	Ref.	Due From/(To)			Due From/(To)
		Balance Dec. 31, 2013	Increased	Decreased	Balance Dec. 31, 2014
Payroll Fund	A	47,616.68	195.01	47,616.68	195.01
Other Trust Fund	A		207,164.01	193,192.96	13,971.05
Assessment Trust Fund	A	(578.22)		15,113.14	14,534.92
General Capital Fund	A		338,000.00	275,000.00	(63,000.00)
State and Federal Grant Fund	A	<u>(585,585.24)</u>	<u>1,366,633.45</u>	<u>1,595,716.93</u>	<u>(356,501.76)</u>
		<u>(538,546.78)</u>	<u>1,911,992.47</u>	<u>2,126,639.71</u>	<u>(390,800.78)</u>
Due to Current Fund	A/A-1	47,616.68			28,700.98
Due From Current Fund	A	<u>(586,163.46)</u>			<u>(419,501.76)</u>
		<u>(538,546.78)</u>			<u>(390,800.78)</u>
Canceled Grant Receivable	A-1		467,426.04		
Canceled Grant Reserves	A-1			915,013.36	
Canceled Capital Receivable	A-1		275,000.00		
Canceled Trust Reserves	A-1		42,546.77		
Cash Receipts	A-4		962,207.41	90,163.66	
Cash Disbursements	A-4		164,812.25	970,816.71	
Municipal Open Space Tax	A-1,A-7			150,645.98	
			<u>1,911,992.47</u>	<u>2,126,639.71</u>	

Township of West Milford, N.J.

Schedule of Appropriation Reserves

Page 1 of 4

Current Fund

Year Ended December 31, 2014

	Balance, Dec. 31, <u>2013</u>	Balance after Transfers and <u>Encumbrances</u>	<u>Paid or Charged</u>	Balance <u>Lapsed</u>
Salaries and Wages Within "CAPS":				
Township Manager	2,739.33	2,739.33		2,739.33
Mayor and Council	128.56	128.56		128.56
Township Clerk	594.08	594.08		594.08
Elections	1.73	1.73		1.73
Division of Treasury	3,620.62	3,620.62	1,573.60	2,047.02
Computerized Data Processing	2,047.54	2,047.54		2,047.54
Division of Tax Collection	1,270.13	1,270.13		1,270.13
Division of Assessment	107.81	107.81		107.81
Division of General Services	13,263.13	13,263.13	636.00	12,627.13
Division of Engineering	3,934.36	3,934.36		3,934.36
Veterans Bureau	354.24	354.24		354.24
Historical Preservation Commission	560.00	560.00		560.00
Division of Comprehensive Planning	4.65	4.65		4.65
Division of Zoning Administration	1.97	1.97		1.97
Division of Patrol	116,439.26	116,439.26	116,439.26	
Detective Division	7,430.66	7,430.66	7,430.66	
Division of Police Administration	6,265.04	6,265.04	6,265.04	
Special Police & Special Police Matrons	5,039.46	5,039.46	5,039.46	
Division of Communications	39,979.04	39,979.04	1,711.68	38,267.36
Fire Prevention Bureau	3,341.15	4,841.15	4,841.15	
Department of Fire	868.41	868.41		868.41
Municipal Prosecutor	2,241.59	2,241.59		2,241.59
Division of Streets and Roads	8,000.00	8,000.00	7,441.65	558.35
Division of Public Property	4,523.98	4,523.98	567.45	3,956.53
Division of Snow Removal	40,424.88	40,424.88	40,424.88	
Fleet Maintenance	2,449.59	2,449.59	139.86	2,309.73
Division of Health	6.51	3,906.51	3,890.68	15.83
Division of Environmental Health	193.62	193.62		193.62
Environmental Commission	40.00	40.00		40.00
Division of Pound Keeper	7,392.22	7,392.22	1,205.28	6,186.94
Recreation Programs	3,356.70	6,956.70	6,865.19	91.51
Department of Recreation	1,125.87	1,125.87	197.78	928.09
Hillcrest Community Center	19,761.29	19,761.29	650.25	19,111.04
Senior Services	43,613.88	43,613.88		43,613.88
Division of Parks Maintenance	18,999.23	18,999.23	90.63	18,908.60

Township of West Milford, N.J.

Schedule of Appropriation Reserves

Current Fund

Year Ended December 31, 2014

	Balance, Dec. 31, <u>2013</u>	Balance after Transfers and <u>Encumbrances</u>	Paid or <u>Charged</u>	Balance <u>Lapsed</u>
Bubbling Springs	9.36	9.36		9.36
Municipal Court	26,498.30	26,498.30	309.93	26,188.37
Department of Building Safety	<u>2,272.59</u>	<u>4,372.59</u>	<u>4,372.59</u>	
Total Salaries and Wages Within "CAPS"	<u>388,900.78</u>	<u>400,000.78</u>	<u>210,093.02</u>	<u>189,907.76</u>
Other Expenses Within "CAPS":				
Township Manager	10,733.84	40,541.44	13,027.56	27,513.88
Mayor and Council	52.18	63.18		63.18
Township Clerk	4,537.16	5,032.16	567.12	4,465.04
Elections	4,044.35	4,468.50	424.15	4,044.35
Division of Treasury	10,125.88	10,825.88	700.00	10,125.88
Audit Services and Costs				
Annual Audit		34,085.00	34,085.00	
Additional Audit Services	8,000.00	8,000.00		8,000.00
Computerized Data Processing	7,868.44	7,868.44		7,868.44
Division of Tax Collection	3,716.53	4,457.05	740.52	3,716.53
Division of Assessments	1,599.38	9,848.13	9,848.13	0.00
Township Attorney	25,235.94	100,383.44	51,690.00	48,693.44
Division of General Services	37,154.39	26,492.21	9,526.95	16,965.26
Division of Engineering	9,594.84	10,351.96	494.62	9,857.34
Autumn Lights Festival	675.59	2,435.59	1,760.00	675.59
Veterans Bureau	150.00	150.00		150.00
Historical Preservation Commission	800.00	800.00		800.00
Planning Board	2,399.03	26,662.40	83.10	26,579.30
Division of Comprehensive Planning	2,552.31	13,645.81	7,036.00	6,609.81
Board of Adjustment	1,854.91	19,264.91	35.83	19,229.08
Division of Patrol	17,890.68	48,617.31	41,792.12	6,825.19
Purchase of Police Cars	250.00	2,140.00	1,890.00	250.00
Special Police & Matrons	6,810.03	7,200.00	389.97	6,810.03
Division of Communications	534.46	7,462.06	1,465.45	5,996.61
Municipal Disaster - Control Director	23,329.89	25,044.80	980.24	24,064.56
Aid to Volunteer Fire Co.	4,991.68	9,991.68	9,170.00	821.68
First Aid Organization Contribution	950.00	18,647.63	18,647.63	
Bureau of Fire Prevention	9,007.67	9,355.52	611.81	8,743.71
Department of Fire	48,248.13	93,349.90	66,572.68	26,777.22
Municipal Prosecutor	2,500.00	2,500.00		2,500.00
Division of Streets and Roads	1,418.00	115,370.55	21,438.39	93,932.16
Division of Public Property	10,883.44	14,912.27	6,511.85	8,400.42

Township of West Milford, N.J.

Schedule of Appropriation Reserves

Current Fund

Year Ended December 31, 2014

	Balance, Dec. 31, <u>2013</u>	Balance after Transfers and <u>Encumbrances</u>	Paid or <u>Charged</u>	Balance <u>Lapsed</u>
Division of Snow Removal	79,559.15	485,328.87	485,328.87	
Fleet Maintenance	38,883.16	85,255.78	30,303.53	54,952.25
Division of Health	1,893.23	7,279.03	5,690.19	1,588.84
Bureau of Vital Statistics	261.71	261.71		261.71
Housing Standards Bureau	22,067.19	22,067.19		22,067.19
Division of Environmental Health	13,141.41	16,300.99	2,171.47	14,129.52
Environmental Commission	480.00	480.00		480.00
Recreation Programs	24,296.46	29,970.21	2,243.66	27,726.55
Department of Recreation	10,397.69	11,317.37	919.68	10,397.69
Hillcrest Community Center	25,039.37	26,126.67	1,077.89	25,048.78
Senior Services	1,982.11	2,475.61	91.98	2,383.63
Division of Park Maintenance	17,400.65	25,812.96	8,667.62	17,145.34
Bubbling Springs Recreation	1,212.59	3,685.77	295.53	3,390.24
Municipal Court	1,215.86	1,317.86	514.55	803.31
Group Insurance Plan for Employees	100,353.65	67,775.05	31,987.79	35,787.26
Other Insurance Premiums	39,158.12	43,766.10	3,731.90	40,034.20
Health Benefit Waiver	60.02	60.02		60.02
Department of Building Safety	1,514.69	1,514.69		1,514.69
Celebration of Public Events	729.39	1,267.41	504.72	762.69
Mass Transportation	35,855.66	35,992.43		35,992.43
Street Lighting	11,302.37	11,302.37	11,300.95	1.42
Electric	16,104.33	16,104.33	15,781.54	322.79
Telephone	3,336.91	3,336.91	3,185.04	151.87
Natural Gas	63,196.56	63,573.18	7,741.42	55,831.76
Gasoline	25,657.87	89,996.02	18,596.62	71,399.40
Total Other expenses Within "CAPS"	<u>793,008.90</u>	<u>1,732,336.35</u>	<u>929,624.07</u>	<u>802,712.28</u>
Deferred Charges and Statutory Expenditures Within "CAPS":				
Social Security	652.40	652.40		652.40
Defined Contribution Retirement Program	693.83	693.83		693.83
Total Deferred Charges and Statutory Expenditures Within "CAPS"	<u>1,346.23</u>	<u>1,346.23</u>		<u>1,346.23</u>
Total Reserves Within "CAPS"	<u>1,183,255.91</u>	<u>2,133,683.36</u>	<u>1,139,717.09</u>	<u>993,966.27</u>

Township of West Milford, N.J.

Schedule of Appropriation Reserves

Current Fund

Year Ended December 31, 2014

	Balance, Dec. 31, <u>2013</u>	Balance after Transfers and <u>Encumbrances</u>	Paid or <u>Charged</u>	Balance <u>Lapsed</u>
Other Expenses Excluded From "CAPS":				
Maintenance of Public Library	<u>20,173.43</u>	<u>20,173.43</u>	<u>20,173.43</u>	<u> </u>
Total Other Expenses Excluded from "CAPS"	<u>20,173.43</u>	<u>20,173.43</u>	<u>20,173.43</u>	<u> </u>
Total Reserves Excluded from "CAPS"	<u>20,173.43</u>	<u>20,173.43</u>	<u>20,173.43</u>	<u> </u>
Total Reserves	<u>1,203,429.34</u>	<u>2,153,856.79</u>	<u>1,159,890.52</u>	<u>993,966.27</u>
	A		A-4	A-1
Appropriation Reserves	Ref. above	1,203,429.34		
Transfer from Reserve for Encumbrances	A-15	<u>950,427.45</u>		
		<u>2,153,856.79</u>		
Cash Disbursements	A-4		1,018,046.13	
Transfer to Cash Liabilities and Reserves	A-20		<u>141,844.39</u>	
			<u>1,159,890.52</u>	

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, 2014

		<u>Ref.</u>	
Balance - December 31, 2013	Due From	A	1,444.22
Increased by:			
Senior Citizens' and Veterans' Deductions Disallowed by Tax Collector			31,641.02
Decreased by:			
Senior Citizens' and Veterans' Deductions Per Tax Billings			291,885.92
Senior Citizens' and Veterans' Deductions Allowed by Tax Collector			<u>7,250.00</u>
		A-7	<u>267,494.90</u>
			266,050.68
Cash Receipts		A-4	<u>278,739.70</u>
Balance - December 31, 2014		A	<u><u>12,689.02</u></u>

Township of West Milford, N.J.
Schedule of Encumbrances Payable

Current Fund

Year Ended December 31, 2014

	<u>Ref.</u>	
Balance - December 31, 2013	A	950,427.45
Increased by:		
Transfer from Current Appropriations	A-3	<u>971,010.81</u>
		1,921,438.26
Decreased by:		
Transferred to Appropriation Reserves	A-13	<u>950,427.45</u>
Balance - December 31, 2014	A	<u><u>971,010.81</u></u>

Schedule of Prepaid Taxes

Current Fund

Year Ended December 31, 2014

	<u>Ref.</u>	
Balance - December 31, 2013	A	1,339,778.45
Increased by:		
Receipts - Prepaid 2015 Taxes	A-6	<u>535,856.52</u>
		1,875,634.97
Decreased by:		
Applied to 2014 Taxes	A-7	<u>1,339,778.45</u>
Balance - December 31, 2014	A	<u><u>535,856.52</u></u>

Township of West Milford, N.J.
Schedule of Local District School Tax

Current Fund

Year Ended December 31, 2014

	<u>Ref.</u>	
Balance - December 31, 2013		
School Tax Deferred		<u>26,248,163.00</u>
		26,248,163.00
Increased by:		
Levy School Year - July 1, 2014 to June 30, 2015	A-7	<u>53,540,227.00</u>
		79,788,390.00
Decreased by:		
Payments	A-4	<u>53,018,279.00</u>
Balance - December 31, 2014		
School Tax Deferred		<u>26,770,111.00</u>
		<u><u>26,770,111.00</u></u>
2014 Liability for Local District School Tax:		
Tax Paid		<u>53,018,279.00</u>
Amount Charged to 2014 Operations	A-1	<u><u>53,018,279.00</u></u>

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

Current Fund

Year Ended December 31, 2014

	<u>Ref.</u>		
Balance - December 31, 2013	A		19,182.20
Increased by:			
Tax Levy -2014	A-1/A-7	20,976,719.26	
Added and Omitted Taxes	A-1/A-7	<u>23,613.22</u>	
			<u>21,000,332.48</u>
			21,019,514.68
Decreased by:			
Payments	A-4		<u>20,995,901.46</u>
Balance - December 31, 2014	A		<u><u>23,613.22</u></u>

Schedule of Due to Garbage District

Current Fund

Year Ended December 31, 2014

	<u>Ref.</u>		
Balance - December 31, 2013	A		377,399.70
Increased by:			
Tax Levy -2014	A-1/A-7	1,868,965.59	
Added and Omitted Taxes	A-1/A-7	<u>2,082.22</u>	
			<u>1,871,047.81</u>
			2,248,447.51
Decreased by:			
Disbursements	A-4		<u>1,976,832.18</u>
Balance - December 31, 2014	A		<u><u>271,615.33</u></u>

Township of West Milford, N.J.

Schedule of Various Cash Liabilities and Reserves

Current Fund

Year Ended December 31, 2014

<u>Liabilities and Reserves</u>	<u>Balance Dec. 31, 2013</u>	<u>Increased</u>	<u>Decreased</u>	<u>Balance Dec. 31, 2014</u>
<u>Liabilities:</u>				
Tax Overpayments	48,437.00	318,563.73	305,372.40	61,628.33
Deposits for Redemption of Tax Sale Certificates	56,768.11	961,968.48	882,538.14	136,198.45
Due to State of N.J. Marriage Surcharge	525.00	3,100.00	3,000.00	625.00
Due to State of N.J. Building Surcharge	6,579.00	17,504.00	20,160.00	3,923.00
Due to State of N.J. Burial Permits		5.00	5.00	
Accounts Payable		18,834.60		18,834.60
Special Emergency Note	600,000.00	400,000.00	600,000.00	400,000.00
<u>Reserves for:</u>				
FEMA	22,956.54		22,956.54	
Tax Appeals		40,000.00		40,000.00
Tax Appeal Legal Fees		6,695.63		6,695.63
Sale of Property	847,431.14			847,431.14
911	47.45			47.45
Revaluation of Real Property	108,774.68			108,774.68
Technology Improvements	27,600.00	4,800.00	10,416.52	21,983.48
Hurricane Sandy	230,622.00		192,270.12	38,351.88
Tax Foreclosures	18,699.75			18,699.75
Salary Negotiations	32,537.02	116,314.16	86,570.49	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>2,035,074.03</u>	<u>1,887,785.60</u>	<u>2,123,289.21</u>	<u>1,799,570.42</u>
	A			A
	<u>Ref.</u>			
Transfer from Current Year Appropriations	A-3	40,000.00		
Receipts	A-4	425,409.00		
Disbursed	A-4		1,913,359.55	
Collector	A-6	1,280,532.21		
2014 Anticipated Revenue	A-11		209,929.66	
Transferred from Appropriation Reserves	A-13	141,844.39		
		<u>1,887,785.60</u>	<u>2,123,289.21</u>	

Township of West Milford, N.J.

Schedule of Grants Receivable

Federal and State Grant Fund

Year Ended December 31, 2014

<u>Grant</u>	<u>Balance, Dec. 31, 2013</u>	<u>Budget Revenue</u>	<u>Received</u>	<u>Adjustments/ Canceled</u>	<u>Balance, Dec. 31, 2014</u>
Local Grants:					
Passaic County Corridor Enhancement	4,802.20			4,802.20	
Sustainable Jersey		2,000.00	2,000.00		
F T A - NJ Transit	64,816.69	39,050.00	46,532.85	27,300.69	30,033.15
Open Space - CYO		50,000.00			50,000.00
Open Space - Bubbling Springs Septic		80,000.00	80,000.00		20,000.00
Open Space - Wallisch Roof		20,000.00	(72,500.00)		72,500.00
Open Space Westbrook Park					43,649.31
Open Space and Farmland Trust	43,649.31				
	<u>48,451.51</u>	<u>191,050.00</u>	<u>56,032.85</u>	<u>32,102.89</u>	<u>216,182.46</u>
Federal Grants:					
F T A	127,035.05	78,099.00	49,496.90	52,003.05	103,634.10
Greenwood Lake Anti-Phosphorous Grant	566,506.41		516,952.50	49,553.91	
Greenwood Lake Characterization & Restoration	262.49			262.49	
Passaic County Hewitt Brook Study	35,486.59			35,486.59	
Drive Sober or Get Pulled Over	3,854.00	12,500.00	4,931.30	3,922.70	7,500.00
Juvenile Account Incentive Block Grant	5,381.00			5,381.00	
Justice Assistance Grant	15,051.30			15,051.30	
Recreation Program Trails Grant	35,000.00		14,442.00	15,558.00	5,000.00
Pandemic Influenza Preparedness	27,425.75			27,425.75	
Police Speeding/Aggressive Driving	1,311.80			1,311.80	
Obey the Signs or Pay the Fines	5,216.77			5,216.77	
Distracted Driver Campaign		5,000.00	4,928.80	71.20	
Water Quality Management Grant	57,994.12			57,994.12	
	<u>845,525.28</u>	<u>95,599.00</u>	<u>590,751.50</u>	<u>269,238.68</u>	<u>116,134.10</u>

Township of West Milford, N.J.

Schedule of Grants Receivable

Federal and State Grant Fund

Year Ended December 31, 2014

Grant	Balance,	Budget	Received	Adjustments/	Balance,
	<u>Dec. 31, 2013</u>	<u>Revenue</u>		<u>Canceled</u>	<u>Dec. 31, 2014</u>
State Grants:					
Public Health Priority Funding - 1977	2,524.00			2,524.00	
NJDEP Belchers Creek Fecal Testing	2,500.00	17,540.85	17,540.85	2,500.00	
Drunk Driving Enforcement Fund		40,000.00	20,000.00		20,000.00
Handicapped Recreation Opportunities Grant				69,520.00	
NJDEP Greenwood Lake Phase II	69,520.00				
Municipal Alliance on Alcoholism and Drug Abuse	19,468.32	41,716.00	34,688.76		26,495.56
Passaic County Urban Forestry Grant					
Town Center Landscaping	2,602.00			2,602.00	
Interpretive Trail Network	6,635.00			6,635.00	
Passaic County / NJDEP Grant	6,120.00			6,120.00	
Wonder Lake Water System Improvements	15,000.00			15,000.00	
Passaic County Hewitt Brook Study	2,500.00			2,500.00	
Passaic County Tire Disposal Grant	11,600.00			11,600.00	
Passaic County NJ EASE	16,000.00			16,000.00	
Open Space	5,230.97			5,230.97	
NJDEP - Storm Drain Infrastructure Inventory	2,500.00			2,500.00	
NJDEP ESP Mapping	7,500.00			7,500.00	
NJDEP Waste Water Management	10,227.50		1,224.23	10,227.50	
NJ Highlands Water Protection	128,700.00				127,475.77
NJ Green Communities Grant	3,000.00				3,000.00
NJ State Forestry Services Grant	620,197.00				620,197.00
Body Armor Replacement Fund		6,984.93	6,984.93		
Passaic County Cultural Heritage Grant	1,547.50	2,037.00	2,959.50	625.00	
Division of Criminal Justice - Stop Grant	5,000.00			5,000.00	

Township of West Milford, N.J.

Schedule of Grants Receivable

Federal and State Grant Fund

Year Ended December 31, 2014

<u>Grant</u>	<u>Balance, Dec. 31, 2013</u>	<u>Budget Revenue</u>	<u>Received</u>	<u>Adjustments/ Canceled</u>	<u>Balance, Dec. 31, 2014</u>
State Grants: (cont.)					
Hepatitis B Grant		1,665.00	1,665.00		
Recycling Tonnage Grant		28,045.43	28,045.43		
Highland Council 2009 Planned Conf.	17,077.81		17,077.81		0.00
	<u>1,055,266.79</u>	<u>137,989.21</u>	<u>130,186.51</u>	<u>166,084.47</u>	<u>797,168.33</u>
	<u>1,949,243.58</u>	<u>424,638.21</u>	<u>776,970.86</u>	<u>467,426.04</u>	<u>1,129,484.89</u>
	A	A-2	A-24	A	A

Ref.

Transfer from Unappropriated Reserve for Grants	54,236.21
Receipts	722,734.65
	<u>776,970.86</u>

Township of West Milford, N.J.

Schedule of Appropriated Reserves for Grants

Federal and State Grant Fund

Year Ended December 31, 2014

<u>Grant</u>	<u>Balance, Dec. 31, 2013</u>	<u>Transfer From 2014 Budget</u>	<u>Expended</u>	<u>Canceled</u>	<u>Balance, Dec. 31, 2014</u>
Local Grants:					
Sustainable Jersey		2,000.00	1,320.00		680.00
Handicapped Recreation Opportunities Grant		8,000.00	4,000.00		4,000.00
PC Open Space - CYO		50,000.00	11,596.25		38,403.75
PC Open Space - Bubbling Springs Septic		80,000.00	80,000.00		
PC Open Space - Wallisch Roof		20,000.00			20,000.00
F T A - Township	104,843.42	39,050.00	30,543.90	82,701.13	30,648.39
F T A - NJ Transit	83,642.51	39,050.00	29,308.90	61,500.22	31,883.39
Municipal Alliance on Alcoholism and Drug Abuse	66,333.79	10,429.00	11,214.36	62,957.66	2,590.77
Open Space Grant	7,500.00			7,500.00	
Open Space Westbrook Park	72,500.00				72,500.00
NJDEP ESP Mapping Grant	7,500.00			7,500.00	
NJDEP Greenwood Lake Phase II	48,760.00			48,760.00	
Passaic County / NJ EASE	4,000.00			4,000.00	
NJDEP Grant - Recreation Trails	1,947.50			1,947.50	
Recreation Trails Program Grant	7,360.00		1,230.00	6,130.00	
NJDEP Grant - Storm Drain Infrastructure Invento	2,500.00			2,500.00	
NJ Health Officers Grant	2,488.48			2,488.48	
West Milford Lake Infrastructure Study	1,040.00			1,040.00	
Wonder Lake Water System	5,000.00			5,000.00	
Passaic County Cultural Heritage Grant	6,856.50	1,018.50	1,018.50	5,934.00	922.50
Passaic County Corridor Enhancement	4,802.20			4,802.20	
Passaic County Hewitt Brook Study	2,500.00			2,500.00	
Juvenile Acct. Incentive Block Grant	1,197.00			1,197.00	
Open Space and Farmland Trust	60,000.00		60,000.00		
	<u>407,128.89</u>	<u>249,547.50</u>	<u>230,231.91</u>	<u>308,458.19</u>	<u>201,628.80</u>
Federal Grants:					
F T A	88,908.42	78,099.00	78,439.40	47,192.36	41,375.66
Pollution Control and Management	34,256.31			34,256.31	
Passaic County Hewitt Brook Study	21,889.29			21,889.29	
Distracted Driving Campaign		5,000.00	4,928.80	71.20	
Juvenile Acct. Incentive Block Grant	4,564.31			4,564.31	
Justice Assistance Grant	15,051.00			15,051.00	
Water Quality Management Grant	27,804.50			27,804.50	
Stormwater Grant	8,379.00			8,379.00	
Fire Grant	47,955.83			47,955.83	
Click It or Ticket	997.84			997.84	
Over the Limit Under Arrest	10,558.20			10,558.20	
Obey the Signs or Pay the Fines	8,377.20			8,377.20	
Drive Sober or Get Pulled Over	88.93	12,500.00	7,223.36	157.63	5,207.94
Greenwood Lake Anti-Phosphorous Grant	165,365.88		119,342.69	35,112.59	10,910.60
Recreation Trails Program Grant	7,360.00		1,230.00	6,130.00	
Bullet Proof Vest Program	21,145.76		11,462.00		9,683.76
Pandemic Influenza Preparedness	21,300.91			21,300.91	
	<u>476,643.38</u>	<u>95,599.00</u>	<u>222,626.25</u>	<u>289,798.17</u>	<u>67,177.96</u>

Township of West Milford, N.J.

Schedule of Appropriated Reserves for Grants

Federal and State Grant Fund

Year Ended December 31, 2014

Grant	Balance, Dec. 31, 2013	Transfer From 2014 Budget	Expended	Canceled	Balance, Dec. 31, 2014
State Grants:					
Public Health Priority Funding - 1977	11,788.52				11,788.52
Hepatitis B Grant	13,465.27	1,665.00			15,130.27
Drunk Driving Enforcement Fund	2,183.36	17,540.85	11,753.15		7,971.06
Clean Communities Program	152,164.28		88,261.78		63,902.50
Handicapped Recreation Opportunities Grant		40,000.00	27,425.00		12,575.00
Highlands Redevelopment & Tourism Grant	30,000.00			30,000.00	
Highlands COAH Grant	6,852.00			6,852.00	
Highlands Water Protection	128,700.00		2,322.23		126,377.77
NJ Green Communities Grant	3,000.00				3,000.00
NJ State Forestry Services Grant	620,197.00				620,197.00
Highland Council 2009 Planned Conformance	15,979.81		15,979.81		
Polling Place Accessibility Grant	34,167.00			34,167.00	
Tobacco Age of Sale Grant	1,080.00			1,080.00	
Municipal Alliance on Alcoholism and Drug Abus	4,366.50	41,716.00	24,317.55		21,764.95
Open Space Grant	5,104.00			5,104.00	
NJDEP - Bear Proof Garbage Can Study	2,386.25			2,386.25	
N.J. Alcohol and Rehab	1,679.08				1,679.08
NJDEP ESP Mapping Grant	7,500.00			7,500.00	
NJDEP - Postbrook S.W. Study	12,333.50			12,333.50	
Passaic County Urban Forestry Grant					
Town Center Landscaping	2,162.00			2,162.00	
Interpretive Trail Network	275.00			275.00	
NJDEP Greenwood Lake Phase II	117,955.43			117,955.43	
Body Armor Replacement Fund	12,489.33	6,984.93	11,469.60		8,004.66
Passaic County / NJ EASE	16,000.00			16,000.00	
NJDEP Waste Water Management	10,542.50			10,542.50	
NJDEP Grant - Storm Drain Infrastructure Invento	2,500.00			2,500.00	
Small Cities	2,380.00			2,380.00	
Domestic Violence	11,070.61			11,070.61	
ANJEC	11,200.00			11,200.00	
Tobacco Age of Sale Grant	18,436.52			18,436.52	
Recycling Tonnage Grant	100,040.02	28,045.43	44,279.29		83,806.16
Wonder Lake Water System	15,000.00			15,000.00	
Passaic County Cultural Heritage Grant	4,157.19	2,037.00	2,037.00	2,312.19	1,845.00
Division of Criminal Justice - Stop Grant	5,000.00			5,000.00	
Passaic County Hewitt Brook Study	2,500.00			2,500.00	
	<u>1,475,657.68</u>	<u>137,989.21</u>	<u>227,845.41</u>	<u>316,757.00</u>	<u>978,041.97</u>
	<u>2,359,429.95</u>	<u>483,135.71</u>	<u>680,703.57</u>	<u>915,013.36</u>	<u>1,246,848.73</u>
	A		A-24	A-24	A
	Ref.				
Federal and State Grants	A-3	424,638.21			
Matching Funds for Grants	A-24	<u>58,497.50</u>			
		<u>483,135.71</u>			

Township of West Milford, N.J.

Schedule of Unappropriated Reserves for Grants

Federal and State Grant Fund

Year Ended December 31, 2014

<u>Grant</u>	<u>Balance, Dec. 31, 2013</u>	<u>Transfer To 2014 Budget</u>	<u>Received</u>	<u>Balance, Dec. 31, 2014</u>
State Grants:				
Recycling Tonnage Grant	28,045.43	28,045.43	43,611.23	43,611.23
Body Armor Replacement	6,984.93	6,984.93	4,211.46	4,211.46
Hepatitis B Grant	1,665.00	1,665.00	999.00	999.00
Clean Communities			60,595.39	60,595.39
Drunk Driving Enforcement Fund	17,540.85	17,540.85	8,558.18	8,558.18
	<u>54,236.21</u>	<u>54,236.21</u>	<u>117,975.26</u>	<u>117,975.26</u>
	<u>54,236.21</u>	<u>54,236.21</u>	<u>117,975.26</u>	<u>117,975.26</u>
	A	A-21	A-24	A

Township of West Milford, N.J.

Schedule of Interfunds

Federal and State Grant Fund

Year Ended December 31, 2014

		Due From/(To)			Due From/(To)
		Balance			Balance
	Ref.	Dec. 31, 2013	Increased	Decreased	Dec. 31, 2014
Current Fund	A	585,585.24	1,366,633.45	1,595,716.93	356,501.76
General Capital Fund	A	27,583.27			27,583.27
Garbage District	A	(148,745.93)			(148,745.93)
		<u>464,422.58</u>	<u>1,366,633.45</u>	<u>1,595,716.93</u>	<u>235,339.10</u>
Grant Receipts	A-21		722,734.65		
Canceled Grants Receivable	A-21		467,426.04		
Matching Funds Grants	A-22		58,497.50		
Grant Expenditures	A-22			680,703.57	
Canceled Grant Reserves	A-22			915,013.36	
Unappropriated Reserves	A-23		117,975.26		
			<u>1,366,633.45</u>	<u>1,595,716.93</u>	

Township of West Milford, N.J.

Schedule of Cash

Trust Funds

Year Ended December 31, 2014

	<u>Ref.</u>	<u>Assessment Trust Fund</u>	<u>Animal Control Trust Fund</u>	<u>Other Trust Funds</u>	<u>Payroll Fund</u>	<u>L.O.S.A.P.</u>
Balance - December 31, 2013	B	<u>730,706.46</u>	<u>70,451.84</u>	<u>3,615,247.70</u>	<u>204,429.98</u>	<u>1,664,386.17</u>
Increase by Receipts:						
Assessments Receivable	B-6	142,579.32				
Assessment Liens	B-7	397.60				
Prospective Assessments	B-9	19,809.80				
Interfund - Current Fund	B-10	15,674.47		13,971.05	205.49	
Dog License Fees	B-17		43,121.60			
Due to State of NJ	B-18		6,362.40			
Municipal Open Space Tax	B-19			151,922.14		
Due from Vendors - Police Service	B-20			16,858.01		
Other Trust Funds	B-21			1,536,658.79		
Payroll Deductions Payable	B-22				16,211,189.06	
Contributions Receivable	B-23					116,900.00
Net Assets Available for Benefits	B-24					99,969.92
Total Receipts		<u>178,461.19</u>	<u>49,484.00</u>	<u>1,719,409.99</u>	<u>16,211,394.55</u>	<u>216,869.92</u>
		<u>909,167.65</u>	<u>119,935.84</u>	<u>5,334,657.69</u>	<u>16,415,824.53</u>	<u>1,881,256.09</u>
Decreased by Disbursements:						
Interfund - Current Fund	B-10	561.33			47,627.16	
Assessment Bonds	B-11	10,000.00				
Bond Anticipation Notes	B-12	80,000.00				
NJDEP Loan - Pinecliff Lake	B-13	98,680.11				
NJDEP Loan - Lindy Lake	B-14	11,967.70				
NJDEP Loan - Gordon Lakes	B-15	35,645.30				
Reserve for Dog Expenditures	B-17		34,890.45			
Due to State of NJ	B-18		6,445.80			
Municipal Open Space Tax	B-19			5,071.89		
Other Trust Funds	B-21			861,420.88		
Payroll Deductions Payable	B-22				16,218,049.85	
Net Assets Available for Benefits	B-24					69,892.44
Total Disbursements		<u>236,854.44</u>	<u>41,336.25</u>	<u>866,492.77</u>	<u>16,265,677.01</u>	<u>69,892.44</u>
Balance - December 31, 2014	B	<u>672,313.21</u>	<u>78,599.59</u>	<u>4,468,164.92</u>	<u>150,147.52</u>	<u>1,811,363.65</u>

Township of West Milford, N.J.

Analysis of Assessment Cash

Assessment Trust Fund

Year Ended December 31, 2014

	<u>Ref.</u>	
Due from Current Fund	B-10	14,534.92
Pledged to Assessment Serial Bonds of 2004		(10,000.00)
Pledged to NJDEP Loan Payable		660,707.58
Fund Balance	B-1	<u>7,070.71</u>
		<u>672,313.21</u>
		B

Township of West Milford, N.J.

Schedule of Assessments Receivable

Year Ended December 31, 2014

Ordinance Number	Improvement Description	Date of Confirmation	Balance Dec. 31, 2013	Collected	Transferred to Lien	Balance Dec. 31, 2014	Balance Pledged to	
							NJ DEP Loan	Reserve
2002-20	Pinecliff Lake Dam Rehabilitation	11/10/2004	451,375.18	57,675.29		393,699.89	393,699.89	
2002-34	Lindy Lake Dam	2008	33,086.32	8,046.63		25,039.69	25,039.69	
2003-20/								
2008-49	Improvements to Gordon Lakes Dam	11/10/2010	662,402.58	57,569.97	5,575.88	599,256.73	539,256.73	60,000.00
2008-45	Improvements to Magnolia Road	11/10/2010	70,233.33	19,287.43		50,945.90		50,945.90
			<u>1,217,097.41</u>	<u>142,579.32</u>	<u>5,575.88</u>	<u>1,068,942.21</u>	<u>957,996.31</u>	<u>110,945.90</u>
			B	B-4	B-7	B		

Township of West Milford, N.J.

Schedule of Assessment Liens

Year Ended December 31, 2014

Ordinance Number	Improvement Description	Balance	Transferred From	Collected	Balance	Balance Pledged to	
		Dec. 31, 2013	Assessment Receivable		Dec. 31, 2014	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		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		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		7,658.89
2002-20	Pinecliff Lake Dam Rehabilitation	3,636.60		397.60	3,239.00	3,239.00	
2008-45	Magnolia Road	2,000.00			2,000.00		2,000.00
2003-20/ 2008-49	Gordon Lakes Dam	5,850.00	5,575.88		11,425.88	11,425.88	
		<u>51,618.69</u>	<u>5,575.88</u>	<u>397.60</u>	<u>56,796.97</u>	<u>14,664.88</u>	<u>42,132.09</u>
		B	B-6	B-4	B		

Township of West Milford, N.J.

Schedule of Assessment Liens - Interest and Costs

Year Ended December 31, 2014

	<u>Ref.</u>	
Balance - December 31, 2013	B	<u>2,865.50</u>
Balance - December 31, 2014	B	<u>2,865.50</u>

Township of West Milford, N.J.
Schedule of Prospective Assessments Funded
Year Ended December 31, 2014

<u>Improvement Description</u>	Ord. Number	Balance <u>Dec. 31, 2013</u>	Budget <u>Appropriation</u>	Balance <u>Dec. 31, 2014</u>	Balance Pledged to	
					<u>Bonds</u>	<u>Reserve</u>
Construction of Sidewalks	1992-39	500.00		500.00		500.00
Improvement to Greenwich Rd	2001-34	29,809.80	19,809.80	10,000.00	10,000.00	
		<u>30,309.80</u>	<u>19,809.80</u>	<u>10,500.00</u>	<u>10,000.00</u>	<u>500.00</u>
		B	B-4	B		

Township of West Milford, N.J.

Schedule of Interfund - Current Fund

Trust Funds

Year Ended December 31, 2014

	Due to/(from) Balance <u>Dec. 31, 2013</u>	<u>Increased</u>	<u>Decreased</u>	Due to/(from) Balance <u>Dec. 31, 2014</u>
Assessment Trust	(578.22)	561.33	15,674.47	14,534.92
Other Trust		13,971.05		13,971.05
Payroll Fund	<u>47,616.68</u>	<u>205.49</u>	<u>47,627.16</u>	<u>195.01</u>
	<u>47,038.46</u>	<u>14,737.87</u>	<u>63,301.63</u>	<u>28,700.98</u>
	B			B
	<u>Ref.</u>			
Receipts - Assessment Trust	B-4		15,674.47	
Receipts - Other Trust Fund	B-4	13,971.05		
Receipts - Payroll Fund	B-4	205.49		
Disbursed - Assessment Trust	B-4	561.33		
Disbursed - Payroll Fund	B-4		<u>47,627.16</u>	
		<u>14,737.87</u>	<u>63,301.63</u>	

Exhibit B-11

Township of West Milford, N.J.

Schedule of Assessment Bonds

Year Ended December 31, 2014

<u>Improvement Description</u>	<u>Date of Issue</u>	<u>Original Issue</u>	<u>Balance Dec. 31, 2013</u>	<u>Decreased</u>	<u>Balance Dec. 31, 2014</u>
Assessment Bonds of 2004	02/15/04	190,000.00	10,000.00	10,000.00	
			<u>10,000.00</u>	<u>10,000.00</u>	<u>B</u>
				<u>B-4</u>	<u>B</u>

Township of West Milford, N.J.
 Schedule of Bond Anticipation Notes Payable

Assessment Trust Fund

Year Ended December 31, 2014

Ordinance Number	Date of Original Issue	Balance, Dec. 31, <u>2013</u>	Decreased	Balance, Dec. 31, <u>2014</u>
2008-45	04/17/09	80,000.00	80,000.00	
		80,000.00	80,000.00	
		B	B-4	B

Township of West Milford, N.J.

Schedule of NJ DEP Loan Payable - Pinecliff Lake

Year Ended December 31, 2014

	<u>Ref.</u>	
Balance - December 31, 2013	B	962,977.79
Decreased by:		
Loan Paid by Current Year		
Budget Appropriation	B-4	<u>98,680.11</u>
Balance - December 31, 2014	B	<u><u>864,297.68</u></u>

<u>Payment Date</u>	<u>Interest</u>	<u>Principal</u>	<u>Loan Balance</u>
05/03/15	8,642.98	50,081.38	814,216.30
11/03/15	8,142.16	50,582.20	763,634.10
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>75,292.03</u>	<u>864,297.68</u>	

Township of West Milford, N.J.

Schedule of NJ DEP Loan Payable - Lindy Lake

Year Ended December 31, 2014

	<u>Ref.</u>	
Balance - December 31, 2013	B	102,754.76
Decreased by:		
Loan Paid by Current Year		
Budget Appropriation	B-4	<u>11,967.70</u>
Balance - December 31, 2014	B	<u><u>90,787.06</u></u>

<u>Payment Date</u>	<u>Interest</u>	<u>Principal</u>	<u>Loan Balance</u>
04/30/15	907.87	6,073.76	84,713.30
10/30/15	847.13	6,134.50	78,578.80
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>6,955.79</u>	<u>90,787.06</u>	

Township of West Milford, N.J.

Schedule of NJ DEP Loan Payable - Gordon Lake

Year Ended December 31, 2014

	<u>Ref.</u>	
Balance - December 31, 2013	B	713,929.33
Decreased by:		
Loan Paid by Current Year		
Budget Appropriation	B-4	<u>35,645.30</u>
Balance - December 31, 2014	B	<u><u>678,284.03</u></u>

<u>Payment Date</u>	<u>Interest</u>	<u>Principal</u>	<u>Loan Balance</u>
04/10/15	6,782.84	18,090.44	660,193.59
10/10/15	6,601.94	18,271.34	641,922.25
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>117,660.81</u>	<u>678,284.03</u>	

Township of West Milford, N.J.

Schedule of Reserve for Assessments and Liens

Year Ended December 31, 2014

Ordinance Number	Improvement Description	Balance Dec. 31, 2013	Collections to Surplus	Transfers From	To	Balance Dec. 31, 2014
<u>Assessments Receivable</u>						
2003-20/ 2008-49	Gordon Lakes Dam	60,000.00				60,000.00
2008-45	Magnolia Road	60,000.00	7,054.10	2,000.00		50,945.90
		<u>120,000.00</u>	<u>7,054.10</u>	<u>2,000.00</u>		<u>110,945.90</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				19,828.00
2001-32	Forest Hill Park	7,658.89				7,658.89
2008-45	Magnolia Road				2,000.00	2,000.00
		<u>40,132.09</u>			<u>2,000.00</u>	<u>42,132.09</u>
<u>Prospective Assessments Funded</u>						
1992-39	Construction of Sidewalks	500.00				500.00
		<u>500.00</u>				<u>500.00</u>
		<u>160,632.09</u>	<u>7,054.10</u>	<u>2,000.00</u>	<u>2,000.00</u>	<u>153,577.99</u>
		B	B-1			B

Township of West Milford, N.J.

Reserve for Animal Control Trust Fund Expenditures

Year Ended December 31, 2014

	<u>Ref.</u>	
Balance - December 31, 2013	B	70,361.84
Increased by:		
Collections		
Dog License Fees -2014		36,937.60
Late Charge Fees		6,096.00
Miscellaneous		88.00
	B-4	<u>43,121.60</u>
		113,483.44
Decreased by:		
Expenditures R.S. 4:19-1511	B-4	<u>34,890.45</u>
Balance - December 31, 2014	B	<u><u>78,592.99</u></u>

License Fees Collected

<u>Year</u>	
2013	38,582.20
2012	40,410.40
	<u><u>78,992.60</u></u>

Schedule of Due to State Department of Health

	<u>Ref.</u>	
Balance - December 31, 2013	B	90.00
Increased by:		
State Fees Collected	B-4	<u>6,362.40</u>
		6,452.40
Decreased by:		
Paid to State	B-4	<u>6,445.80</u>
Balance - December 31, 2014	B	<u><u>6.60</u></u>

Township of West Milford, N.J.
 Reserve for Municipal Open Space
 Year Ended December 31, 2014

	<u>Ref.</u>	
Balance - December 31, 2013	B	1,193,498.35
Increased by:		
2014 Tax Levy		150,490.00
2014 Added Taxes		155.98
Interest Earned		<u>1,276.16</u>
	B-4	<u>151,922.14</u>
		1,345,420.49
Decreased by:		
Expenditures	B-4	<u>5,071.89</u>
Balance - December 31, 2014	B	<u><u>1,340,348.60</u></u>

Township of West Milford, N.J.

Schedule of Due from Vendors - Outside Police Duty

Year Ended December 31, 2014

	<u>Ref.</u>	
Balance - December 31, 2013	B	16,858.01
Decreased by:		
Cash Receipts	B-4	<u>16,858.01</u>
Balance - December 31, 2014	B	<u><u> </u></u>

Township of West Milford, N.J.

Schedule of Various Reserves and Other Trust Funds

Year Ended December 31, 2014

	Balance Dec. 31, 2013	Increased	Decreased	Balance Dec. 31, 2014
Improvement Guarantees	673,579.08	95,374.62	135,171.62	633,782.08
Reserve for:				
Unemployment	386,472.87	30,158.25	30,566.11	386,065.01
Environmental Commission	1,035.85			1,035.85
Development Application Review Escrow	175,119.92	70,597.51	50,273.31	195,444.12
Scalla Escrow	2,041.10	2.03		2,043.13
Library Escrow	5,870.01	0.69	5,842.50	28.20
Fire Trust	32,817.87	7,378.38	29,262.96	10,933.29
Developers Contributions	23,672.00			23,672.00
Heritage Committee	46,992.29	21,257.86	50,544.76	17,705.39
Premium on Tax Sale	647,700.00	1,026,000.00	386,500.00	1,287,200.00
Beautification Committee	1,300.52			1,300.52
Forest Hill Park Project	30,057.35		30,057.35	
Parking Offenses Adjudication Act	936.00	68.00		1,004.00
Creative Playground	768.60			768.60
D.A.R.E.	31,415.97	9,137.00	3,829.53	36,723.44
Recreation	59,128.92	63,699.78	39,921.83	82,906.87
Tennis Association Fund Raiser	311.89		311.89	
NJ Shares	694.00		694.00	
Police Outside Services	26,046.63	15,721.22	29,943.41	11,824.44
Damaged Property	4,909.32			4,909.32
Public Defender	14,830.50	8,990.00	7,600.00	16,220.50
Forfeited Funds	2,943.73	6.29		2,950.02
Snow Removal	185,407.24	187,377.72	47,154.48	325,630.48
Disaster Relief	1,500.00	500.00		2,000.00
Economic Development		300.00		300.00
Tax Sale		50.00		50.00
COAH	42,769.21	39.44	5,584.74	37,223.91
Future Liabilities	40,286.49		8,162.39	32,124.10
	<u>2,438,607.36</u>	<u>1,536,658.79</u>	<u>861,420.88</u>	<u>3,113,845.27</u>
	B	B-4	B-4	B

Township of West Milford, N.J.

Schedule of Payroll Deductions

Payroll Fund

Year Ended December 31, 2014

	<u>Balance</u> <u>Dec. 31, 2013</u>	<u>Receipts</u>	<u>Disbursed</u>	<u>Balance</u> <u>Dec. 31, 2014</u>
Federal Withholding		1,720,456.03	1,720,456.03	
Social Security / Medicare		1,317,003.62	1,317,003.62	
State Withholding		502,190.32	502,190.32	
Unemployment Insurance	22,924.80	43,532.84	57,473.25	8,984.39
Union Dues	4,537.34	55,956.36	55,636.50	4,857.20
P.E.R.S.	48,187.97	1,364,858.59	1,366,889.85	46,156.71
P.E.R.S. Contributory Insurance	3,331.88	32,206.91	32,796.25	2,742.54
P.F.R.S.	50,373.33	1,809,136.77	1,802,201.83	57,308.27
D.C.R.P.	530.78	13,806.39	13,367.41	969.76
Credit Union		58,201.78	58,201.78	
Insurance	4,609.56	50,880.30	51,094.40	4,395.46
Miscellaneous	450.00	5,400.00	5,400.00	450.00
Garnishment		35,496.30	35,721.34	(225.04)
VALIC	19,777.64	259,652.07	257,066.49	22,363.22
Employee Share of Medical Ins.		638,557.92	638,557.92	
Lincoln National	2,090.00	22,990.00	23,130.00	1,950.00
Net Payroll		<u>8,280,862.86</u>	<u>8,280,862.86</u>	
	<u>156,813.30</u>	<u>16,211,189.06</u>	<u>16,218,049.85</u>	<u>149,952.51</u>
	B	B-4	B-4	B

Township of West Milford, N.J.

Statement of Contributions Receivable

Year Ended December 31, 2014

	<u>Ref.</u>	
Balance - December 31, 2013	B	118,300.00
Increased by:		
Adjustment		(1,400.00)
Borough Contributions	B-24	<u>117,600.00</u>
		<u>116,200.00</u>
		234,500.00
Decreased by:		
Receipts	B-4	<u>116,900.00</u>
Balance - December 31, 2014	B	<u><u>117,600.00</u></u>

Township of West Milford, N.J.

Statement of Net Assets Available for Benefits

Year Ended December 31, 2014

	<u>Ref.</u>		
Balance - December 31, 2013	B		1,782,686.17
Increased by:			
Township Contributions	B-23	116,200.00	
Gain/(Loss)	B-4	<u>99,969.92</u>	
			<u>216,169.92</u>
			1,998,856.09
Decreased by:			
Distributions		69,573.36	
Administrative Charges		<u>319.08</u>	
	B-4		<u>69,892.44</u>
Balance - December 31, 2014	B		<u><u>1,928,963.65</u></u>

Township of West Milford , N.J.

Schedule of General Capital Cash - Treasurer

General Capital Fund

Year Ended December 31, 2014

	<u>Ref.</u>		
Balance - December 31, 2013	C		3,392,577.40
Increased by Receipts:			
Premium on Sale of BANs	C-1	142,423.34	
Various Receivables	C-4	62,500.00	
Deferred Charges Unfunded	C-7	246,496.92	
Bond Anticipation Notes	C-9	4,849,300.00	
Capital Improvement Fund	C-11	150,000.00	
Interfunds	C-13	<u>355,835.62</u>	
			<u>15,051,555.88</u>
			18,444,133.28
Decreased by Disbursements:			
Fund Balance	C-1	105,000.00	
Bond Anticipation Notes	C-9	14,252,303.00	
Improvement Authorizations	C-10	2,676,924.95	
Various Reserves	C-12	294,517.63	
Interfunds	C-13	<u>143,835.62</u>	
			<u>17,472,581.20</u>
Balance - December 31, 2014	C		<u><u>971,552.08</u></u>

Township of West Milford , N.J.

Analysis of Cash

General Capital Fund

Year Ended December 31, 2014

	<u>Ref.</u>	
Fund Balance	C-1	146,557.56
Various Receivables	C-4	(275,000.00)
Capital Improvement Fund	C-11	61,931.00
Various Reserves	C-12	96,425.04
Interfund Current Fund	C-13	(63,000.00)
Interfund Federal and State Grant Fund	C-13	27,583.27
Cash on Hand		44,960.96

Improvement Authorizations:

Ordinance

<u>Number</u>	<u>Improvement Description</u>	
1992-39	Construction of Sidewalks	(2,838.97)
1996-27	Acquisition of Land	(44,766.81)
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	2,892.00
2006-17	Various Improvements	2,090.00
2007-06	Various Road Improvements	(118,951.60)
2007-18	Various Improvements	151,280.85
2008-26	Various Facilities Improvements	179,202.62
2008-40	Various Improvements	34,381.68
2008-41	Various Improvements	652.63
2009-17	Various Improvements	152,677.52
2009-18	Various Improvements	24,503.48
2010-16/		
2011-04	Various Improvements	47,537.96
2010-17	Acquisition of Vehicles	2,615.00
2011-15	Various Improvements	43,103.54
2011-19	Various Improvements	226,106.61
2012-15	Various Improvements	131,126.28
2013-10	Various Improvements	319,434.92
2014-05	Various Improvements	(255,215.77)
2014-06	Bubbling Springs Park Septic	35,945.00

C,C-2 971,552.08

Township of West Milford, N.J.

Schedule of Various Receivables

General Capital Fund

Year Ended December 31, 2014

	<u>Balance, Dec. 31, 2013</u>	Increased by	<u>Cash Received</u>	<u>Canceled</u>	<u>Balance, Dec. 31, 2014</u>
		Grant Awards			
Due from State of NJ ADA (Ord #2002-27)	52,500.00			52,500.00	
Wonder Lake Water System Improvements Grant	19,000.00			19,000.00	
Due from HUD - EDI Grant (Ord #2008-25)	3,500.00			3,500.00	
Due from State of NJ Transportation Trust Fund Bikeway	59,180.39			59,180.39	
Marshall Hill Road Sidewalks (Ord #2005-12)	200,000.00			200,000.00	
Otterhole Road (Ord #2013-10)	62,500.00		62,500.00		
Westbrook Rd III (Ord #2014-05)		275,000.00			275,000.00
	<u>396,680.39</u>	<u>275,000.00</u>	<u>62,500.00</u>	<u>334,180.39</u>	<u>275,000.00</u>
	C	C-10	C-2	C-11	C, C-3
		Interfund Current	Ref.		
		275,000.00	C-13		
		59,180.39	C-12		
		<u>334,180.39</u>			

Township of West Milford , N.J.

Schedule of Prospective Assessments

Raised by Taxation

General Capital Fund

Year Ended December 31, 2014

<u>Ordinance Number</u>	<u>Improvement Description</u>	<u>Balance, Dec. 31, 2013</u>	<u>Balance, Dec. 31, 2014</u>
1992-39	Construction of Sidewalks	500.00	500.00
		<hr/>	<hr/>
		500.00	500.00
		<hr/> <hr/>	<hr/> <hr/>
		C	C

Township of West Milford , N.J.

Schedule of Deferred Charges to Future
Taxation - Funded

General Capital Fund

Year Ended December 31, 2014

	<u>Ref.</u>	
Balance - December 31, 2013	C	14,891,000.00
Increased by:		
Transferred from Deferred Taxation Unfunded	C-7	<u>9,245,000.00</u>
		24,136,000.00
Decreased by:		
2014 Budget Appropriation		
General Serial Bonds	C-8	<u>1,620,000.00</u>
Balance - December 31, 2014	C	<u><u>22,516,000.00</u></u>

Township of West Milford, N.J.
Schedule of General Serial Bonds Payable

General Capital Fund

Year Ended December 31, 2014

Purpose	Date of Issue	Original Issue	Maturities of Bonds Outstanding, December 31, 2014		Interest Rate	Balance, Dec. 31, 2013	Issued	Decreased	Balance, Dec. 31, 2014
			Date	Amount					
General Bonds of 2004	02/15/04	2,860,000.00				795,000.00	795,000.00		
General Bonds of 2006	01/15/06	5,166,000.00	01/15/15	850,000.00					
			01/15/16	1,500,000.00					
			01/15/17	1,316,000.00	3.75%-3.80%	4,466,000.00		800,000.00	3,666,000.00
General Bonds of 2010	04/01/10	9,880,000.00	04/01/15	850,000.00					
			04/01/16	275,000.00					
			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	2%-3.50%	9,630,000.00		25,000.00	9,605,000.00
			04/01/21	2,000,000.00					
General Bonds of 2014	04/01/14	9,245,000.00	04/01/15	600,000.00					
			04/01/16	650,000.00					
			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	1%-2.35%		9,245,000.00		9,245,000.00
			4/1/22-24	1,200,000.00					
						14,891,000.00	9,245,000.00	1,620,000.00	22,516,000.00
						C	C-2	C-6	C

Township of West Milford, N.J.
 Schedule of Improvement Authorizations
 General Capital Fund

Year Ended December 31, 2014

Ordinance Number	Improvement Description	Ordinance Date	Amount	Balance, Dec. 31, 2013		2014 Authorizations	Paid or Charged	Reappropriate	Balance, Dec. 31, 2014	
				Funded	Unfunded				Funded	Unfunded
2000-08	General Improvements:	06/21/00	1,176,200.00	36,325.32	41,542.18				36,325.32	41,542.18
2000-09	Various Improvements	06/21/00	120,000.00							
2001-21	Construction of Recreation Facility	09/05/01	1,578,000.00	56,023.19			55,996.65		26.54	
2002-27	Various Improvements	08/21/02	1,604,000.00	2,892.00					2,892.00	
2004-07	Various Improvements	09/01/04	3,655,000.00	60,874.63						
2005-12	Various Improvements	09/07/05	3,783,225.00	38,242.40						
2006-17	Various Improvements	10/11/06	3,459,500.00	2,090.00						
2007-18	Various Improvements	07/25/07	3,861,238.00	164,040.92			12,760.07		151,280.85	
2008-26	Various Facilities Improvements	05/28/08	320,980.80	184,350.12			5,127.50		179,202.62	
2008-40	Various Improvements	07/30/08	3,342,560.00	62,745.51			27,512.40		652.63	35,233.11
2008-41	Various Improvements	07/30/08	89,413.00	652.63						
2009-17	Various Improvements	08/26/09	3,322,778.00	257,557.46			104,879.94		152,677.52	
2009-18	Various Improvements	08/26/09	218,240.00	24,503.48					24,503.48	
2010-16/	Various Improvements	12/15/10	1,675,000.00							
2011-04		04/20/11	44,750.00	45,802.96			(1,735.00)		2,615.00	47,537.96
2010-17	Acquisition of Vehicles	12/15/10	565,000.00	2,615.00						
2011-07	Improvement to Otterhole Road	05/18/11	1,127,000.00	36,104.32			36,104.32			
2011-15	Various Improvements	07/20/11	318,000.00	140,078.45			52,074.91	(44,900.00)		43,103.54
2011-19	Various Improvements	11/09/11	1,565,000.00	236,014.34			9,907.73		226,106.61	
2012-15	Various Improvements	08/15/12	1,940,600.00	488,472.26			357,345.98			131,126.28
2013-10	Various Improvements	04/17/13	2,214,000.00	1,598,097.57			1,278,662.65			319,434.92
2014-05	Various Improvements	06/25/14	97,950.00				630,215.77			1,583,784.23
2014-06	Bubbling Springs Park Septic	06/25/14	97,950.00				62,005.00			35,945.00
				808,604.03	2,670,400.71	2,214,000.00	2,676,924.95		778,372.57	2,237,707.22
				C	C		C-2		C	C

Deferred Charges to Future Taxation - Unfunded
 Capital Improvement Fund

Grant Award	275,000.00
C-4	1,839,000.00
C-7	100,000.00
C-11	2,214,000.00
	<u>2,214,000.00</u>

Township of West Milford , N.J.
Schedule of Capital Improvement Fund
General Capital Fund
Year Ended December 31, 2014

	<u>Ref.</u>	
Balance - December 31, 2013	C	11,931.00
Increased by:		
Budget Appropriation	C-2	<u>150,000.00</u>
		161,931.00
Decreased by:		
Appropriated to Finance Improvement Authorizations	C-10	<u>100,000.00</u>
Balance - December 31, 2014	C, C-3	<u><u>61,931.00</u></u>

Township of West Milford , N.J.

Schedule of Various Reserves

General Capital Fund

Year Ended December 31, 2014

	<u>Balance,</u> <u>Dec. 31, 2013</u>	<u>Decreased</u>	<u>Balance,</u> <u>Dec. 31, 2014</u>
First Aid Equipment	3,913.00		3,913.00
Fire Emergency Equipment	313,351.04	286,908.92	26,442.12
Computer Equipment	15,218.16		15,218.16
Police Equipment	1,264.09		1,264.09
Fire Equipment	14,196.38	7,608.71	6,587.67
Hillcrest Improvements	43,000.00		43,000.00
NJ Transportation Trust Fund			
Bikeway	<u>59,180.39</u>	<u>59,180.39</u>	<u> </u>
	<u>450,123.06</u>	<u>353,698.02</u>	<u>96,425.04</u>
	C		C, C-3
	<u>Ref.</u>		
Cash Disbursements	C-2	294,517.63	
Canceled	C-4	<u>59,180.39</u>	
		<u>353,698.02</u>	

Township of West Milford , N.J.

Schedule of Interfunds

General Capital Fund

Year Ended December 31, 2014

	Ref.	Due From/(To) Balance Dec. 31, 2013	Increased	Decreased	Due From/(To) Balance Dec. 31, 2014
Current Fund	C		418,835.62	355,835.62	63,000.00
State and Federal Grant Fund	C	<u>(27,583.27)</u>			<u>(27,583.27)</u>
		<u>(27,583.27)</u>	<u>418,835.62</u>	<u>355,835.62</u>	<u>35,416.73</u>
Cash Receipts	C-2			355,835.62	
Cash Disbursements	C-2		143,835.62		
Canceled Grant Receivable	C-4		<u>275,000.00</u>		
			<u>143,835.62</u>	<u>355,835.62</u>	

Township of West Milford, N.J.

Schedule of Bonds and Notes Authorized But Not Issued

General Capital Fund

Year Ended December 31, 2014

<u>Ordinance Number</u>	<u>Improvement Description</u>	Year Ended December 31, 2014		<u>Balance, Dec. 31, 2014 Capital Fund</u>
		<u>Balance, Dec. 31, 2013</u>	<u>2014 Authorizations</u> <u>Decreased</u>	
	<u>General Improvements:</u>			
1996-27	Acquisition of Land	70,260.73	25,493.92	44,766.81
2000-09	Construction of Recreation Facility	77,576.73		77,576.73
2007-06	Improvement of Various Roads	218,951.60	100,000.00	118,951.60
2008-40	Various Improvements	851.43		851.43
2014-05	Various Improvements		1,839,000.00	1,839,000.00
	<u>Local Improvements:</u>			
1992-39	Construction of Sidewalks	2,838.97		2,838.97
		<u>370,479.46</u>	<u>1,839,000.00</u>	<u>2,083,985.54</u>
			C-7	Footnote C

Township of West Milford , N.J.

Schedule of Commitments Payable

Year Ended December 31, 2014

	<u>Ref.</u>	
Balance - December 31, 2013	G	291,239.65
Increased by:		
Encumbrances	G-3	<u>208,702.85</u>
		499,942.50
Decreased by:		
Lapse to Fund Balance	G-1	13,500.00
Expenditures	G-5	255,336.63
Canceled Tonnage Grant Encumbrances	G-8	<u>22,403.02</u>
		<u>291,239.65</u>
Balance - December 31, 2014	G	<u><u>208,702.85</u></u>

Schedule of Due from Current Fund

Year Ended December 31, 2014

	<u>Ref.</u>	
Balance - December 31, 2013	G	377,399.70
Increased by:		
Tax Levy	G-2	1,871,047.81
Recycling Receipts	G-7	<u>141,467.27</u>
		<u>2,012,515.08</u>
		2,389,914.78
Decreased by:		
Expenditures	G-3	1,862,962.82
Commitments Payable	G-4	<u>255,336.63</u>
		<u>2,118,299.45</u>
Balance - December 31, 2014	G	<u><u>271,615.33</u></u>

Township of West Milford , N.J.

Schedule of Due from Federal and State Grant Fund

Year Ended December 31, 2014

	<u>Ref.</u>	
Balance - December 31, 2013	G	<u>148,745.93</u>
Balance - December 31, 2014	G	<u>148,745.93</u>

Schedule of Reserve for Recycling

Year Ended December 31, 2014

	<u>Ref.</u>	
Balance - December 31, 2013	G	140,064.77
Increased by:		
Recycling Receipts	G -5	<u>141,467.27</u>
		281,532.04
Decreased by:		
2014 Anticipated Revenue	G -2	<u>140,000.00</u>
Balance - December 31, 2014	G	<u>141,532.04</u>

Township of West Milford , N.J.

Schedule of Reserve for Recycling Tonnage Grant

Year Ended December 31, 2014

	<u>Ref.</u>	
Balance - December 31, 2013	G	159.43
Increased by:		
Canceled Encumbrances	G-4	<u>22,403.02</u>
Balance - December 31, 2014	G	<u><u>22,562.45</u></u>

TOWNSHIP OF WEST MILFORD

*** * * * ***

PART II

LETTER ON COMPLIANCE AND INTERNAL CONTROL

COMMENTS AND RECOMMENDATIONS

YEAR ENDED DECEMBER 31, 2014

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

Charles J. Ferraioli, Jr., MBA, CPA, RMA
Steven D. Wielkotz, 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, 2014 and the related notes to the financial statements, and have issued our report thereon dated August 17, 2015, 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.



Honorable Mayor and
Members of the Township Council
Page 2.

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

We did identify certain immaterial deficiencies in internal control that we have reported to management of the 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

August 17, 2015

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.

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:

Maintenance of Ballfields	Ice Control Aggregates
Disposal of Solid Waste	Rock Salt
Concrete Curb Replacement	Snow Plowing
Bubbling Springs Disposal System	Sediment Control Retrofit Program
Westbrook Coffee House Parking Lot Project	Road Resurfacing Phase II
Dump Truck	Residential Solid Waste and Recyclables Collection
Westbrook Road Section III Project	

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 4, 2014 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 14, 2014.

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>
2014	175
2013	169
2012	171

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, 2014, 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, 2014, 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.

The Recycling Department is not turning over monies within 48 hours.

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.

Political Contribution Disclosure forms were not available for audit for all vendors required to submit them.

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

In several instances, employees waiving medical benefits, but receiving dental benefits, are not contributing towards the benefit.

OTHER COMMENTS

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

RECOMMENDATIONS

1. That the Recycling Department turnover all monies to the treasurer's office within 48 hours.
- *2. That Political Contribution Disclosure forms be available for audit from all vendors required to submit them.
3. That employees who waive medical benefits but receive dental benefits contribute towards said benefit.
4. That old escrow accounts with balances over \$5,000 that do not have a W-9 form on file be cancelled.

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

August 17, 2015