

**TOWNSHIP OF WYCKOFF**  
**BERGEN COUNTY, NEW JERSEY**  
**REPORT OF AUDIT**  
**YEAR ENDED DECEMBER 31, 2022**

# TOWNSHIP OF WYCKOFF

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**TOWNSHIP OF WYCKOFF**

**COUNTY OF BERGEN**

**PART I**

**REPORT ON AUDIT OF FINANCIAL STATEMENTS**

**YEAR ENDED DECEMBER 31, 2022**

## **Independent Auditors' Report**

The Honorable Mayor and Members  
of the Township Committee  
Township of Wyckoff  
Wyckoff, New Jersey

### **Report on the Audit of the Regulatory Basis Financial Statements**

#### ***Opinions on Regulatory Basis Financial Statements***

We have audited the regulatory basis financial statements of the various funds and the governmental fixed assets of the Township of Wyckoff, New Jersey ("Township"), which comprise the balance sheets as of December 31, 2022 and 2021, and the related statements of operations and changes in fund balance for the year then ended, the statements of changes in fund balance, the statements of revenues and statements of expenditures for the year ended December 31, 2022, and the related notes to the financial statements, which collectively comprise the Township's basic financial statements as listed in the table of contents. The regulatory basis financial statements of the Township as of and for the year ended December 31, 2021 were audited by other auditors whose report dated March 26, 2022 expressed a modified opinion on those regulatory basis financial statements. The modified opinion on the financial statements - regulatory basis report, reflected that the Length of Service Awards Program (LOSAP) was not audited and was not subject to audit by the requirements prescribed by the Department of Community Affairs, Division of Local Government Services, State of New Jersey.

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

In our opinion, the accompanying regulatory basis financial statements present fairly, in all material respects, the regulatory basis balance sheets of the Township as of December 31, 2022 and 2021, and the regulatory basis revenues, expenditures, and changes in fund balances for the year then ended, the statements of revenues and statements of expenditures for the year ended December 31, 2022 and the related notes to the financial statements, in accordance with the financial reporting provisions of the Department of Community Affairs, Division of Local Government Services, State of New Jersey ("Division") described in Note 1.

#### ***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 section of our report, the financial statements do not present fairly, in accordance with accounting principles generally accepted in the United States of America, the financial position of the Township as of December 31, 2022 and 2021, or its revenues, expenditures and changes in fund balance thereof for the years then ended.

### ***Basis for Opinion***

We conducted our audit in accordance with auditing standards generally accepted in the United States of America ("GAAS"), requirements prescribed by the Division, and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Our responsibilities under those standards and requirements are further described in the Auditors' Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the Township, and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

### ***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 on the basis of the financial reporting provisions of the Division (regulatory basis), which is a basis of accounting other than accounting principles generally accepted in the United States of America, to meet the requirements of the Division. 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 and pervasive.

### ***Responsibilities of Management for the Financial Statements***

Management is responsible for the preparation and fair presentation of the financial statements in accordance with the financial reporting provisions of the Division. 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 misstatement, whether due to fraud or error.

In preparing the financial statements management is required to evaluate whether there are conditions or events considered in the aggregate, that raise substantial doubt about the Township's ability to continue as a going concern for twelve months beyond the financial statement date, including any currently known information that may raise substantial doubt shortly thereafter.

### ***Auditors' Responsibilities for the Audit of the Financial Statements***

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinions. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS, requirements prescribed by the Division, and *Government Auditing Standards* will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with GAAS, requirements prescribed by the Division, and *Government Auditing Standards*, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit 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 Township's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgement, there are conditions or events, considered in the aggregate, that raise substantial doubt about the Township's ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control-related matters that we identified during the audit.

***Report on Supplementary Information Required by the Division in Accordance with the Regulatory Basis of Accounting***

Our audit was conducted for the purpose of forming an opinion on the financial statements that collectively comprise the Township's basic financial statements. The information included in Part II – Supplementary Information Required by the Division and Part III – Roster and General Comments and Recommendations - Supplementary Information, as listed in the table of contents, is presented for purposes of additional analysis as required by the Division and is not a required part of the financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The 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 Supplementary Information is fairly stated, in all material respects, in relation to the basic financial statements as a whole.



The Honorable Mayor and Members  
of the Township Committee  
Township of Wyckoff  
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***Report on Supplementary Information as Required by the Uniform Guidance***

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Township's basic financial statements. The accompanying schedule of expenditures of federal awards as required by the audit requirements of Title 2 U.S. *Code of Federal Regulations Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards (Uniform Guidance)* and related notes to the schedule of federal awards is presented for purposes of additional analysis and is not a required part of the basic financial statements. The schedule of expenditures of federal awards and related notes are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements, or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion the schedule of expenditures of federal awards and related notes are fairly stated, in all material aspects, in relation to the basic financial statements as a whole.

***Other Reporting Required by Government Auditing Standards***

In accordance with *Government Auditing Standards*, we have also issued our report dated July 21, 2023 on our consideration of the Township'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 solely 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 the effectiveness of the Township's 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's internal control over financial reporting and compliance.

*PKF O'Connor Davies, LLP*

Woodcliff Lake, New Jersey  
July 21, 2023



Gary Higgins, CPA  
Registered Municipal Accountant, No. 405

## **Financial Statements – Regulatory Basis**

**TOWNSHIP OF WYCKOFF**  
**COMPARATIVE BALANCE SHEETS - REGULATORY BASIS**  
**CURRENT FUND**  
**AS OF DECEMBER 31, 2022 AND 2021**

	<u>Reference</u>	<u>2022</u>	<u>2021</u>
ASSETS			
Cash	A-4	\$ 9,006,016	\$ 8,463,016
Cash - Change Fund	A-5	<u>600</u>	<u>600</u>
		<u>9,006,616</u>	<u>8,463,616</u>
Grants Receivable	A-11	<u>766</u>	<u>5,000</u>
Receivables and Other Assets with Full Reserves:			
Taxes Receivable	A-7	432,909	451,825
Tax Title Liens	A-8	19,169	17,775
Property Acquired for Taxes - Assessed Valuation	A-9	36,700	36,700
Revenue Accounts Receivable	A-10	1,455	2,551
Due from Animal Control Trust Fund	B-6	<u>462</u>	<u>89</u>
		<u>490,695</u>	<u>508,940</u>
Total Assets		<u>\$ 9,498,077</u>	<u>\$ 8,977,556</u>

**TOWNSHIP OF WYCKOFF**  
**COMPARATIVE BALANCE SHEETS - REGULATORY BASIS**  
**CURRENT FUND**  
**AS OF DECEMBER 31, 2022 AND 2021**

	<u>Reference</u>	<u>2022</u>	<u>2021</u>
LIABILITIES, RESERVES AND FUND BALANCE			
Liabilities			
Appropriation Reserves	A-3, A-12	\$ 1,061,472	\$ 1,239,049
Encumbrances Payable	A-13	416,879	246,859
Prepaid Taxes	A-14	556,026	621,331
Tax Overpayments	A-18	19,539	183,181
County Taxes Payable	A-15	15,044	28,239
Due to Municipal Open Space Trust Fund	A-22	627	559
Reserve for Tax Appeals	A-19	290,189	275,403
Unappropriated Grant Reserves	A-21	956,536	886,909
Appropriated Grant Reserves	A-20	15,148	47,628
Due to State of NJ - Senior Citizen/Veteran Deduction	A-6	1,762	6,272
Accounts Payable	A-24	<u>70,000</u>	<u>-</u>
		3,403,222	3,535,430
Reserve for Receivables and Other Assets	A	490,695	508,940
Fund Balance	A-1	<u>5,604,160</u>	<u>4,933,186</u>
Total Liabilities, Reserves and Fund Balance		<u>\$ 9,498,077</u>	<u>\$ 8,977,556</u>

**TOWNSHIP OF WYCKOFF**  
**COMPARATIVE STATEMENTS OF OPERATIONS AND CHANGES IN FUND BALANCE -**  
**REGULATORY BASIS - CURRENT FUND**  
**FOR THE YEARS ENDED DECEMBER 31, 2022 AND 2021**

REVENUE AND OTHER INCOME REALIZED	<u>Reference</u>	<u>2022</u>	<u>2021</u>
Fund Balance Utilized	A-2	\$ 2,300,000	\$ 2,000,000
Miscellaneous Revenue Anticipated	A-2	4,773,788	3,796,677
Receipts from Delinquent Taxes	A-2, A-7	451,525	416,527
Receipts from Current Taxes	A-2	87,137,629	87,846,648
Non Budget Revenue	A-2	1,045,207	557,131
Other Credits to Income			
Unexpended Balance of Appropriation Reserves	A-12	745,622	1,183,447
Interfunds Liquidated	A-1	89	39,355
Cancelled Reserves		-	2,615
		<u>96,453,860</u>	<u>95,842,400</u>
Total Revenue and Other Income			
EXPENDITURES			
Budget Appropriations			
Operations			
Salaries and Wages	A-3	6,572,368	6,508,657
Other Expenses	A-3	9,542,022	8,763,750
Capital Improvements	A-3	850,500	490,250
Municipal Debt Service	A-3	786,189	764,547
Deferred Charges and Statutory Expenditures -			
Municipal	A-3	1,985,511	1,949,126
Other Debits			
Regional School Taxes	A-17	20,976,112	21,456,363
Local School Taxes	A-16	40,949,440	40,627,285
County Taxes	A-15	11,580,673	12,084,566
Municipal Open Space Tax	A-23	239,609	239,149
Interfunds Advanced	A-1	462	-
		<u>93,482,886</u>	<u>92,883,693</u>
Total Expenditures			
Statutory Excess in Revenue to Fund Balance		2,970,974	2,958,707
FUND BALANCE, JANUARY 1	A	<u>4,933,186</u>	<u>3,974,479</u>
		7,904,160	6,933,186
Decreased by:			
Utilized as Anticipated Revenue	A-2	<u>2,300,000</u>	<u>2,000,000</u>
FUND BALANCE, DECEMBER 31	A	<u>\$ 5,604,160</u>	<u>\$ 4,933,186</u>

**TOWNSHIP OF WYCKOFF**  
**STATEMENT OF REVENUES - REGULATORY BASIS - CURRENT FUND**  
**FOR THE YEAR ENDED DECEMBER 31, 2022**

	<u>Reference</u>	2022 Anticipated <u>Budget</u>	Added by NJS <u>40A:4-87</u>	Realized <u>in 2022</u>	Excess or ( <u>Deficit</u> )
Fund Balance Anticipated	A-2	\$ 2,300,000	-	\$ 2,300,000	-
Miscellaneous Revenues					
Township Clerk - Licenses:					
Alcoholic Beverages	A-10	17,500		17,500	
Other	A-10	85,000		118,379	\$ 33,379
Fees and Permits	A-10	250,000		210,904	(39,096)
Fines and Costs - Municipal Court	A-10	15,000		35,184	20,184
Interest and Costs on Taxes	A-10	90,000		101,386	11,386
Interest on Investments and Deposits	A-2	28,000		205,815	177,815
Lease of Township Property (YMCA)	A-10	43,380		43,380	
Lease Celluar Tower #1 (Verizon, T-Mobile)	A-10	165,301		101,800	(63,501)
Lease Celluar Tower #2 (American Twr., T-Mobile, AT&T, Sprint)	A-10	195,531		204,600	9,069
Lease Celluar Tower #3 (Crown Castle, AT&T)	A-10	31,999		33,590	1,591
Energy Receipts Tax	A-10	1,093,271		1,093,271	
Uniform Construction Code Fees	A-10	520,000		590,182	70,182
Library Shared Service Agreement	A-10	13,987		13,987	
Public and Private Revenues:					
Recycling Tonnage Grant	A-11	38,679		38,679	
Clean Communities Program	A-11		\$ 37,526	37,526	
Other Special Items:					
Cable Franchise Fee	A-10	261,042		261,042	
American Rescue Plan/SLFRP	A-21	886,909		886,909	
Recreation Fees	A-10	550,000		759,035	209,035
Uniform Fire Safety Act	A-10	21,237	-	20,619	(618)
Total Miscellaneous Revenues	A-1	4,306,836	37,526	4,773,788	429,426
Receipts from Delinquent Taxes	A-2	450,000	-	451,525	1,525
Amount to be Raised by Taxes for Support of Municipal Budget:					
Local Taxes for Municipal Purposes	A-2	12,566,049		13,284,805	718,756
Minimum Library Tax	A-2	1,606,990	-	1,606,990	-
Total Amount to be Raised by Taxes		14,173,039	-	14,891,795	718,756
Budget Totals		\$ 21,229,875	\$ 37,526	22,417,108	\$ 1,149,707
Non-Budget Revenue	A-2, A-4			1,045,207	
				\$ 23,462,315	

The Accompanying Notes are an Integral Part of these Financial Statements

**TOWNSHIP OF WYCKOFF**  
**STATEMENT OF REVENUES - REGULATORY BASIS - CURRENT FUND**  
**FOR THE YEAR ENDED DECEMBER 31, 2022**

	<u>Reference</u>	
ANALYSIS OF REALIZED REVENUES		
Allocation of Current Tax Collections		
Revenue from Collections	A-7	\$ 87,437,629
Less: Transferred to Reserve for Tax Appeals	A-19	<u>300,000</u>
	A-1	87,137,629
Less: Allocated to School, County and Open Space Taxes	A-15, A-16, A-17, A-22	<u>73,745,834</u>
		13,391,795
Add: Appropriation "Reserve for Uncollected Taxes"	A-3	<u>1,500,000</u>
Amount for Support of Municipal Budget Appropriations	A-2	<u>\$ 14,891,795</u>
Fees and Permits - Other		
Tax Collector		\$ 871
Board of Health		68,421
Code Enforcement		96,586
Police Department		14,895
Planning Board		5,246
Stormwater Management		12,500
Board of Adjustment		<u>12,385</u>
	A-2, A-10	<u>\$ 210,904</u>
Interest on Investments and Deposits		
Revenue Accounts Receivable	A-10	\$ 204,779
Due from Other Trust Fund	B-8	574
Due from Animal Control Fund	B-6	<u>462</u>
	A-2	<u>\$ 205,815</u>

**TOWNSHIP OF WYCKOFF  
STATEMENT OF REVENUES - REGULATORY BASIS - CURRENT FUND  
FOR THE YEAR ENDED DECEMBER 31, 2022**

Reference

Analysis of Non-Budget Revenue	
Recyclables - Paper/Plastic/Metal	\$ 16,019
Senior Citizen/Veteran Administrative Payment	19,821
Library Reimbursement - Pension	34,111
FEMA	284,522
Police Outside Duty Admin Fee	400,000
Miscellaneous	<u>290,734</u>
A-2, A-4	<u>\$ 1,045,207</u>



**TOWNSHIP OF WYCKOFF**  
**STATEMENT OF EXPENDITURES - REGULATORY BASIS - CURRENT FUND**  
**FOR THE YEAR ENDED DECEMBER 31, 2022**

	<u>2022 Appropriated</u>		<u>2022 Expended</u>		
	<u>Budget</u>	<u>Budget After Modification</u>	<u>Paid or Charged</u>	<u>Reserved</u>	<u>Cancelled</u>
OPERATIONS - WITHIN "CAPS"					
GENERAL GOVERNMENT					
Administrative and Executive					
Salaries and Wages	\$ 369,971	\$ 339,971	\$ 337,393	\$ 2,578	
Other Expenses	29,150	40,150	37,957	2,193	
Township Clerk					
Salaries and Wages	229,209	232,209	229,389	2,820	
Other Expenses	72,600	79,600	74,735	4,865	
Financial Administration					
Salaries and Wages	254,615	254,615	247,537	7,078	
Other Expenses	28,300	34,800	29,349	5,451	
Audit Services	28,750	26,950	26,882	68	
Revenue Administration and Tax Collection					
Salaries and Wages	133,644	128,644	128,644	-	
Other Expenses	27,000	22,000	14,022	7,978	
Elections					
Other Expenses	15,000	15,000	14,600	400	
Assessment of Taxes					
Salaries and Wages	142,272	107,272	102,582	4,690	
Other Expenses	182,800	152,800	125,689	27,111	
Environmental Commission: NJSA 40:56A-1					
Other Expenses	2,000	2,000	1,048	952	
Legal Services and Costs					
Other Expenses	201,500	236,500	184,657	51,843	
Engineering Services					
Other Expenses	15,500	10,500	4,437	6,063	
Public Buildings and Grounds					
Salaries and Wages	48,213	48,213	48,213	-	
Other Expenses	346,400	411,400	398,265	13,135	
Shade Tree Commission					
Other Expenses	112,000	92,000	42,415	49,585	
Land Use Administration:					
Planning Board					
Salaries and Wages	21,762	22,762	22,549	213	
Other Expenses	30,000	10,000	7,308	2,692	
Board of Adjustment:					
Other Expenses	6,500	6,500	4,134	2,366	
Insurances					
General Liability Insurance	300,800	300,800	283,159	17,641	
Workers Compensation Insurance	205,000	205,000	204,861	139	
Employee Health Benefits Insurance	2,268,000	2,098,500	1,810,480	288,020	
Health Benefit Waivers	5,000	5,000	-	5,000	
Unemployment Compensation Insurance	25,000	25,000	25,000	-	
Police					
Salaries and Wages	2,343,326	2,343,326	2,276,092	67,234	
Salaries and Wages - ARP	886,909	886,909	886,909	-	
Other Expenses	192,400	192,400	184,279	8,121	
Public Safety: Volunteer First Aid Squad	50,000	50,000	50,000	-	
Emergency Management Services:					
Other Expenses	5,000	5,000	375	4,625	
Public Safety: Volunteer Fire Department					
Other Expenses	90,000	90,000	89,705	295	
Uniform Fire Safety Act					
Life Hazard Use Fees (PL 1983)					
Salaries and Wages	18,872	18,872	18,872	-	
Other Expenses	2,000	2,000	225	1,775	
Radio Communications Contract	13,000	13,000	11,808	1,192	
Recreation and Recreation Education					
Salaries and Wages	210,591	210,591	208,760	1,831	
Other Expenses	283,000	283,000	276,992	6,008	
Park Maintenance					
Salaries and Wages	83,635	83,635	83,635	-	
Other Expenses	122,000	168,000	165,071	2,929	
Celebration of Public Events					
Other Expenses	20,000	20,000	7,219	12,781	
Centennial Celebration Trust Contribution	10,000	10,000	10,000	-	

**TOWNSHIP OF WYCKOFF**  
**STATEMENT OF EXPENDITURES - REGULATORY BASIS - CURRENT FUND**  
**FOR THE YEAR ENDED DECEMBER 31, 2022**

	<u>2022 Appropriated</u>		<u>2022 Expended</u>		
	<u>Budget</u>	<u>Budget After Modification</u>	<u>Paid or Charged</u>	<u>Reserved</u>	<u>Cancelled</u>
OPERATIONS - WITHIN "CAPS"					
GENERAL GOVERNMENT (CONTINUED)					
Recycling					
Other Expenses	\$ 410,000	\$ 410,000	\$ 386,612	\$ 23,388	
Sanitation/Garbage and Trash Removal					
Other Expenses	512,000	512,000	512,000	-	
Road Repairs and Maintenance					
Salaries and Wages	1,318,019	1,318,019	1,219,369	98,650	
Other Expenses	312,500	312,500	291,984	20,516	
Inspector's Vehicle Other Expenses	2,000	1,000	188	812	
DPW Vehicle Other Expenses	145,000	159,500	156,718	2,782	
Police Vehicle Other Expenses	30,000	38,000	34,726	3,274	
Fire Vehicle Other Expenses	45,000	49,000	45,693	3,307	
CDL Mandate Other Expenses	1,000	1,000	1,000	-	
Board of Health					
Salaries and Wages	14,668	18,268	18,157	111	
Other Expenses	67,700	64,400	60,460	3,940	
Animal Control					
Other Expenses	19,200	19,200	10,800	8,400	
Condo Services Act					
Other Expenses	5,500	5,500	163	5,337	
Construction Code Official					
Salaries and Wages	519,049	510,049	508,878	1,171	
Other Expenses	24,700	46,700	44,936	1,764	
PEOSHA Mandate					
Hepatitis B (P.L. 1985 c. 516)	4,150	4,150	-	4,150	
Respiratory Protection	26,000	26,000	23,953	2,047	
Municipal Court					
Salaries and Wages	27,451	27,451	21,951	5,500	
Other Expenses	56,320	56,320	55,173	1,147	
Municipal Prosecutor					
Other Expenses	12,000	12,000	8,125	3,875	
Public Defender					
Other Expenses	9,600	9,600	-	9,600	
Utilities:					
Electricity	92,000	92,000	44,796	47,204	
Street Lighting	215,000	255,000	201,298	53,702	
Telephone	87,000	97,000	81,820	15,180	
Water	8,000	8,000	4,935	3,065	
Natural Gas	35,000	41,500	37,593	3,907	
Fire Hydrants	67,000	61,000	60,194	806	
Gasoline	100,000	155,000	144,133	10,867	
Landfill and Solid Waste Disposal	436,000	436,000	399,519	36,481	-
<b>Total Operations Within "CAPS"</b>	<b>14,033,576</b>	<b>14,031,076</b>	<b>13,050,421</b>	<b>980,655</b>	<b>-</b>
Detail:					
Salaries and Wages	6,622,206	6,550,806	6,358,930	191,876	-
Other Expenses	7,411,370	7,480,270	6,691,491	788,779	-
Deferred Charges and Statutory Expenditures - Municipal Within "CAPS"					
Statutory Charges					
Public Employees' Retirement System	511,428	511,428	511,428	-	
Social Security System (O.A.S.I.)	525,000	525,000	481,546	43,454	
Defined Compensation Retirement Plan	2,500	5,000	4,019	981	
Police and Firemen's Retirement System of NJ	944,083	944,083	944,083	-	-
<b>Total Deferred Charges and Statutory Expenditures - Municipal Within "CAPS"</b>	<b>1,983,011</b>	<b>1,985,511</b>	<b>1,941,076</b>	<b>44,435</b>	<b>-</b>
<b>Total General Appropriations for Municipal Purposes Within "CAPS"</b>	<b>16,016,587</b>	<b>16,016,587</b>	<b>14,991,497</b>	<b>1,025,090</b>	<b>-</b>

**TOWNSHIP OF WYCKOFF  
STATEMENT OF EXPENDITURES - REGULATORY BASIS - CURRENT FUND  
FOR THE YEAR ENDED DECEMBER 31, 2022**

	<u>2022 Appropriated</u>		<u>2022 Expended</u>		
	<u>Budget</u>	<u>Budget After Modification</u>	<u>Paid or Charged</u>	<u>Reserved</u>	<u>Cancelled</u>
OPERATIONS - EXCLUDED FROM "CAPS"					
Recycling Tax	\$ 25,000	\$ 25,000	\$ 17,659	\$ 7,341	
Affordable Housing					
Salaries and Wages	19,562	21,562	20,873	689	
Other Expenses	35,500	33,500	26,796	6,704	
Tax Appeal Interest	50	50	-	50	
911 Emergency Service Contract	196,020	196,020	192,992	3,028	
Maintenance of Free Public Library	1,606,990	1,606,990	1,593,420	13,570	
Length of Service Award Program (LOSAP)	110,000	110,000	110,000	-	-
Total Other Operations Excluded from "CAPS"	1,993,122	1,993,122	1,961,740	31,382	-
Interlocal Municipal Service Agreements					
Wyckoff Public Library-Payroll Shared Service	13,987	13,987	13,987	-	-
Total Interlocal Municipal Service Agreements	13,987	13,987	13,987	-	-
Public and Private Programs Offset by Revenues					
Recycling Tonnage Grant	38,679	38,679	38,679		
Clean Communities Program	-	37,526	37,526	-	-
Total Public and Private Programs Offset by Revenues	38,679	76,205	76,205	-	-
Total Operations Excluded from "CAPS"	2,045,788	2,083,314	2,051,932	31,382	-
Detail:					
Salaries and Wages	19,562	21,562	20,873	689	-
Other Expenses	2,026,226	2,061,752	2,031,059	30,693	-
CAPITAL IMPROVEMENTS - EXCLUDED FROM "CAPS"					
Capital Improvement Fund	786,500	786,500	786,500		
Capital Improvement - Grandview Ave. Improvements	64,000	64,000	59,000	5,000	-
Total Capital Improvements Excluded from "CAPS"	850,500	850,500	845,500	5,000	-

**TOWNSHIP OF WYCKOFF**  
**STATEMENT OF EXPENDITURES - REGULATORY BASIS - CURRENT FUND**  
**FOR THE YEAR ENDED DECEMBER 31, 2022**

	<u>2022 Appropriated</u>		<u>2022 Expended</u>		
	<u>Budget</u>	<u>Budget After Modification</u>	<u>Paid or Charged</u>	<u>Reserved</u>	<u>Cancelled</u>
MUNICIPAL DEBT SERVICE - EXCLUDED FROM "CAPS"					
Payment of Bond Anticipation Notes and Capital Notes	\$ 750,000	\$ 750,000	\$ 750,000		
Interest on Notes	67,000	67,000	36,189	-	\$ 30,811
Total Municipal Debt Service Excluded from "CAPS"	817,000	817,000	786,189	-	30,811
Total General Appropriations for Municipal Purposes Excluded from "CAPS"	3,713,288	3,750,814	3,683,621	\$ 36,382	30,811
Subtotal General Appropriations	19,729,875	19,767,401	18,675,118	1,061,472	30,811
Reserve for Uncollected Taxes	1,500,000	1,500,000	1,500,000	-	-
Total General Appropriations	\$ 21,229,875	\$ 21,267,401	\$ 20,175,118	\$ 1,061,472	\$ 30,811
<u>Reference</u>	A-2			A	

**TOWNSHIP OF WYCKOFF**  
**STATEMENT OF EXPENDITURES - REGULATORY BASIS - CURRENT FUND**  
**FOR THE YEAR ENDED DECEMBER 31, 2022**

	<u>Reference</u>	<u>Budget After Modification</u>	<u>Paid or Charged</u>
Adopted Budget	A-2	\$ 21,229,875	
Additional Appropriations (N.J.S.A. 40A:4-87)	A-2	<u>37,526</u>	
		<u>\$ 21,267,401</u>	
Cash Disbursed - Net of Refunds	A-4		\$ 18,182,034
Encumbrances Payable	A-13		416,879
Transferred To Appropriated Grant Reserves	A-20		76,205
Reserve for Uncollected Taxes	A-2		<u>1,500,000</u>
			<u>\$ 20,175,118</u>

**TOWNSHIP OF WYCKOFF**  
**COMPARATIVE BALANCE SHEETS - REGULATORY BASIS - TRUST FUNDS**  
**AS OF DECEMBER 31, 2022 AND 2021**

	<u>Reference</u>	<u>2022</u>	<u>2021</u>
<b>ASSETS</b>			
<b>ANIMAL CONTROL TRUST FUND</b>			
Cash	B-3	\$ 29,245	\$ 28,046
<b>OTHER TRUST FUND</b>			
Cash	B-3	4,717,927	3,874,266
<b>MUNICIPAL OPEN SPACE TRUST FUND</b>			
Cash	B-3	518,433	446,764
Due from Current Fund	B-12	627	559
		<u>519,060</u>	<u>447,323</u>
Total Assets		<u>\$ 5,266,232</u>	<u>\$ 4,349,635</u>
<b>LIABILITIES, RESERVES AND FUND BALANCE</b>			
<b>ANIMAL CONTROL TRUST FUND</b>			
Reserve for Dog License Expenditures	B-4	\$ 28,248	\$ 27,458
Due to Current Fund	B-6	462	89
Due to the State of New Jersey	B-5	535	499
		<u>29,245</u>	<u>28,046</u>
<b>OTHER TRUST FUND</b>			
Reserve for Miscellaneous Reserves and Special Deposits	B-7	4,320,729	3,495,814
Reserve for Payroll Deductions Payable	B-13	319,377	315,805
Reserve for Unemployment Compensation	B-10	71,051	41,032
Due to the State of New Jersey	B-9	6,770	21,615
		<u>4,717,927</u>	<u>3,874,266</u>
<b>MUNICIPAL OPEN SPACE TRUST FUND</b>			
Reserve for Municipal Open Space Trust Fund	B-11	519,060	447,323
Total Liabilities, Reserves and Fund Balance		<u>\$ 5,266,232</u>	<u>\$ 4,349,635</u>

**TOWNSHIP OF WYCKOFF**  
**STATEMENT OF REVENUES - REGULATORY BASIS - MUNICIPAL OPEN SPACE TRUST FUND**  
**FOR THE YEAR ENDED DECEMBER 31, 2022**

	Reference	<u>Anticipated (Memo)</u>		2022 Realized	Variance
		Budget	Budget After Modification		
Amount to be Raised by Taxation	B-10	\$ 238,982	\$ 238,982	\$ 239,609	\$ 627
		<u>\$ 238,982</u>	<u>\$ 238,982</u>	239,609	<u>\$ 627</u>
Non-Budget Revenue	B-10			2,591	
				<u>\$ 242,200</u>	
Analysis of Non-Budget Revenue					
Interest on Deposits				<u>\$ 2,591</u>	

**STATEMENT OF EXPENDITURES - REGULATORY BASIS - MUNICIPAL OPEN SPACE TRUST FUND**  
**FOR THE YEAR ENDED DECEMBER 31, 2022**

	Reference	<u>Appropriated (Memo)</u>		Paid or Charged	Variance
		Budget	Budget After Modification		
Maintenance of Lands for Recreation and Conservation					
Other Expenses	B-10	\$ 87,000	\$ 87,000	\$ 87,000	\$ -
Reserve for Future Use	B-10	<u>151,982</u>	<u>151,982</u>	<u>111,664</u>	<u>40,318</u>
		<u>\$ 238,982</u>	<u>\$ 238,982</u>	<u>\$ 198,664</u>	<u>\$ 40,318</u>

**TOWNSHIP OF WYCKOFF**  
**COMPARATIVE BALANCE SHEETS - REGULATORY BASIS**  
**GENERAL CAPITAL FUND**  
**AS OF DECEMBER 31, 2022 AND 2021**

	<u>Reference</u>	<u>2022</u>	<u>2021</u>
<b>ASSETS</b>			
Cash	C-2,C-3	\$ 986,201	\$ 619,349
Grants Receivable	C-4	464,095	1,499,942
Deferred Charges to Future Taxation - Unfunded	C-5	<u>5,011,190</u>	<u>4,348,190</u>
 Total Assets		 <u>\$ 6,461,486</u>	 <u>\$ 6,467,481</u>
 <b>LIABILITIES, RESERVES AND FUND BALANCE</b>			
Bond Anticipation Notes Payable	C-11	\$ 4,398,190	\$ 3,083,190
Contracts Payable	C-8	527,188	409,104
Capital Improvement Fund	C-7	3,543	53,543
Improvement Authorizations			
Funded	C-6	1,018,956	2,788,261
Unfunded	C-6	497,639	116,543
Fund Balance	C-1	<u>15,970</u>	<u>16,840</u>
 Total Liabilities, Reserves and Fund Balance		 <u>\$ 6,461,486</u>	 <u>\$ 6,467,481</u>

There were bonds and notes authorized but not issued at December 31, 2022 and 2021 of \$613,000 and \$1,265,000, respectively.  
(Exhibit C-12)



**TOWNSHIP OF WYCKOFF**  
**COMPARATIVE STATEMENTS OF CHANGES IN FUND BALANCE - REGULATORY BASIS**  
**GENERAL CAPITAL FUND**  
**FOR THE YEARS ENDED DECEMBER 31, 2022 AND 2021**

	<u>Reference</u>	<u>2022</u>	<u>2021</u>
Balance, January 1,	C	\$ 16,840	\$ 16,840
Increased by:			
Premium on Sale of Bond Anticipation Notes	C-4	<u>15,130</u>	<u>-</u>
		31,970	16,840
Decreased by:			
Appropriated to Finance Improvement Authorizations	C-6	<u>16,000</u>	<u>-</u>
Balance, December 31,	C	<u>\$ 15,970</u>	<u>\$ 16,840</u>

**TOWNSHIP OF WYCKOFF**  
**COMPARATIVE BALANCE SHEETS - REGULATORY BASIS**  
**SEWER UTILITY FUND**  
**AS OF DECEMBER 31, 2022 AND 2021**

	<u>Reference</u>	<u>2022</u>	<u>2021</u>
<b>ASSETS</b>			
<b>OPERATING FUND</b>			
Cash	D-4	\$ 360,437	\$ 639,198
Receivables With Full Reserves			
Consumer Accounts Receivable	D-6	50,221	64,282
Total Operating Fund		410,658	703,480
<b>CAPITAL FUND</b>			
Cash	D-4, D-5	2,982,090	2,586,548
Fixed Capital	D-12	700,000	400,000
Fixed Capital Authorized and Uncompleted	D-14	1,500,000	1,200,000
Total Capital Fund		5,182,090	4,186,548
Total Assets		\$ 5,592,748	\$ 4,890,028
<b>LIABILITIES, RESERVES AND FUND BALANCE</b>			
<b>OPERATING FUND</b>			
Appropriation Reserves	D-3,D-7	\$ 75,272	\$ 101,169
Encumbrances Payable		-	3,576
Overpayments		-	7,589
		75,272	112,334
Reserve for Receivables	D	50,221	64,282
Fund Balance	D-1	285,165	526,864
Total Operating Fund		410,658	703,480
<b>CAPITAL FUND</b>			
Capital Improvement Fund	D-11	1,805,916	1,905,916
Improvement Authorizations-Funded	D-10	1,130,264	639,698
Contracts Payable	D-16	45,910	40,934
Reserve for Amortization	D-13	700,000	400,000
Deferred Reserve for Amortization	D-15	1,500,000	1,200,000
Total Capital Fund		5,182,090	4,186,548
Total Liabilities, Reserves and Fund Balance		\$ 5,592,748	\$ 4,890,028

There were no bonds and notes authorized and not issued at December 31, 2022 and 2021.

**TOWNSHIP OF WYCKOFF**  
**COMPARATIVE STATEMENTS OF OPERATIONS AND CHANGES IN OPERATING**  
**FUND BALANCE - REGULATORY BASIS**  
**SEWER UTILITY OPERATING FUND**  
**FOR THE YEARS ENDED DECEMBER 31, 2022 AND 2021**

	<u>Reference</u>	<u>2022</u>	<u>2021</u>
<b>REVENUES AND OTHER INCOME</b>			
Fund Balance Utilized	D-2	\$ 490,000	\$ 400,000
Sewer Rents	D-2	2,365,092	2,268,509
Interest and Costs on Sewer Charges	D-2	5,334	7,868
Other Credits to Income			
Non Budget Revenue	D-2	52,894	43,834
Unexpended Balance of Appropriation Reserves	D-7	<u>72,429</u>	<u>24,393</u>
Total Revenues and Other Income		<u>2,985,749</u>	<u>2,744,604</u>
<b>EXPENDITURES</b>			
Budget Appropriations			
Operating	D-3	2,237,448	2,160,638
Capital Improvements	D-3	<u>500,000</u>	<u>500,000</u>
Total Expenditures		<u>2,737,448</u>	<u>2,660,638</u>
Excess in Revenues		248,301	83,966
FUND BALANCE, JANUARY 1	D	<u>526,864</u>	<u>842,898</u>
Decreased by:		775,165	926,864
Utilized as Anticipated Revenue	D-2	<u>490,000</u>	<u>400,000</u>
FUND BALANCE, DECEMBER 31	D	<u>\$ 285,165</u>	<u>\$ 526,864</u>

**TOWNSHIP OF WYCKOFF**  
**STATEMENT OF REVENUES - REGULATORY BASIS**  
**SEWER UTILITY OPERATING FUND**  
**FOR THE YEAR ENDED DECEMBER 31, 2022**

	<u>Reference</u>	<u>2022 Anticipated</u>	<u>2022 Realized</u>	<u>Excess or (Deficit)</u>
Operating Surplus Anticipated	D-1	\$ 490,000	\$ 490,000	
Sewer Rents	D-1-D-6	2,239,648	2,365,092	\$ 125,444
Interest and Costs on Sewer Charges	D-1,D-4	<u>7,800</u>	<u>5,334</u>	<u>(2,466)</u>
		<u>\$ 2,737,448</u>	2,860,426	<u>\$ 122,978</u>
Non-Budget Revenue	D-1,D-4		<u>52,894</u>	
			<u>\$ 2,913,320</u>	

**TOWNSHIP OF WYCKOFF**  
**STATEMENT OF EXPENDITURES - REGULATORY BASIS**  
**SEWER UTILITY OPERATING FUND**  
**FOR THE YEAR ENDED DECEMBER 31, 2022**

	<u>Appropriated</u>		<u>Expended</u>	
	<u>Budget</u>	<u>Budget After Modification</u>	<u>Paid or Charged</u>	<u>Reserved</u>
<b>OPERATING</b>				
Salaries and Wages	\$ 109,948	\$ 109,948	\$ 109,518	\$ 430
Other Expenses	2,127,500	2,127,500	2,052,658	74,842
<b>CAPITAL IMPROVEMENTS</b>				
Capital Improvement Fund	<u>500,000</u>	<u>500,000</u>	<u>500,000</u>	<u>-</u>
	<u>\$ 2,737,448</u>	<u>\$ 2,737,448</u>	<u>\$ 2,662,176</u>	<u>\$ 75,272</u>

	<u>Reference</u>	D-2	D-2	D
Cash Disbursed	D-4		<u>\$ 2,662,176</u>	

**TOWNSHIP OF WYCKOFF**  
**COMPARATIVE BALANCE SHEETS - REGULATORY BASIS**  
**GENERAL FIXED ASSETS ACCOUNT GROUP**  
**AS OF DECEMBER 31, 2022 AND 2021**

	<u>2022</u>	<u>2021</u>
<b>ASSETS</b>		
Land	\$ 9,198,800	\$ 9,062,300
Land Improvements	1,795,351	1,795,351
Buildings and Building Improvements	2,400,786	2,400,786
Vehicles and Equipment	<u>9,768,013</u>	<u>9,581,309</u>
Total Assets	<u>\$ 23,162,950</u>	<u>\$ 22,839,746</u>
<b>RESERVES</b>		
Investment in General Fixed Assets	<u>\$ 23,162,950</u>	<u>\$ 22,839,746</u>
Total Reserves	<u>\$ 23,162,950</u>	<u>\$ 22,839,746</u>

## **NOTES TO FINANCIAL STATEMENTS**

**TOWNSHIP OF WYCKOFF**  
**NOTES TO FINANCIAL STATEMENTS**  
**YEARS ENDED DECEMBER 31, 2022 AND 2021**

**NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

**A. Reporting Entity**

The Township of Wyckoff (the "Township") was incorporated in 1926 and operates under an elected Committee form of government. The Township Committee is comprised of five members and are elected at large for staggered three year terms. The Mayor who is a member of the Township Committee is elected annually by the members of the Township Committee. The Mayor of the Township presides over all public meetings. The Township Committee exercises all executive and legislative powers including final adoption of the municipal budget and bond ordinances. A Township Administrator is appointed by the Township Committee and is responsible for the implementation of the policies of the Mayor and Committee, for the administration of all Township affairs and for the day to day operations of the Township. The Township Administrator is the Chief Administrative Officer for the Township. The Township's major operations include public safety, road repair and maintenance, sanitation, fire protection, recreation and parks, health services, and general administrative services.

The Governmental Accounting Standards Board ("GASB") requires the financial reporting entity to include both the primary government and component units. Component units are legally separate organizations for which the Township is financially accountable. The Township is financially accountable for an organization if the Township appoints a voting majority of the organization's governing board and (1) the Township is able to significantly influence the programs or services performed or provided by the organization; or (2) the Township is legally entitled to or can otherwise access the organization's resources; the Township is legally obligated or has otherwise assumed the responsibility to finance the deficits of, or provide financial support to, the organization; or the Township is obligated for the debt of the organization. Component units may also include organizations that are fiscally dependent on the Township in that the Township approves the budget, the issuance of debt or the levying of taxes. The Township is not includable in any other reporting entity as a component unit.

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 municipal library, Volunteer Fire Department and Volunteer Ambulance Corps, which are considered component units under accounting principles generally accepted in the United States of America ("GAAP"). Complete financial statements of the above component units can be obtained by contacting the Treasurer of the respective entity.

**B. Description of Regulatory Basis of Accounting**

The financial statements of the Township have been prepared on a basis of accounting in conformity with accounting principles and practices prescribed or permitted by the Division of Local Government Services, Department of Community Affairs, State of New Jersey (the "Division") which is a regulatory basis of accounting other than GAAP. 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 separate funds, which differ from the fund structure required by GAAP.

GASB is the accepted standard-setting body for establishing governmental accounting and financial reporting principles. GASB has adopted accounting statements 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. 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.



**TOWNSHIP OF WYCKOFF**  
**NOTES TO FINANCIAL STATEMENTS**  
**YEARS ENDED DECEMBER 31, 2022 AND 2021**

**NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

**C. Basis of Presentation – Financial Statements**

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. The Township also uses an account group, which is designed to provide accountability for certain assets that are not recorded in those Funds.

The Township has the following funds and account group:

Current Fund – This fund is used to account for the revenues and expenditures for governmental operations of a general nature and the assets and liabilities related to such activities, including Federal and State grants not accounted for in another fund.

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

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

Other Trust Fund - This fund is established to account for the assets and resources, which are held by the Township as a trustee or agent for individuals, private organizations, other governments and/or other funds. These funds include dedicated fees/proceeds collected, developer deposits, payroll related deposits and funds deposited with the Township as collateral.

Municipal Open Space Trust Fund - This fund is used to account for the receipts and disbursements relating to the taxes dedicated to acquisition of real property for open space.

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

Sewer Utility Fund - This fund is used to account for the revenues and expenditures for the operation of the Township's sanitary sewerage system and the assets and liabilities relative to such activities. Acquisition or improvement of capital facilities and other capital assets for the sewer utility is accounted for in the capital section of the fund.

General Fixed Assets Account Group - This account group is used to account for all general fixed assets of the Township, other than those accounted for in the sewer utility funds. The Township's infrastructure is not reported in the account group.

**TOWNSHIP OF WYCKOFF**  
**NOTES TO FINANCIAL STATEMENTS**  
**YEARS ENDED DECEMBER 31, 2022 AND 2021**

**NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

**C. Basis of Presentation – Financial Statements (Continued)**

**Comparative Data** - Comparative data for the prior year has been presented in the accompanying financial statements 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.

**Reclassifications** - Certain reclassifications may have been made to the December 31, 2021 balances to conform to the December 31, 2022 presentation.

**Financial Statements – Regulatory Basis**

The GASB Codification also requires the financial statements of a governmental unit to be presented in the basic financial statements in accordance with GAAP. The Township presents the regulatory basis financial statements listed in the table of contents which are required by the Division and which differ from the basic financial statements required by GAAP. In addition, the Division requires the regulatory basis financial statements listed in the table of contents to be referenced to the supplementary schedules. This practice differs from reporting requirements under GAAP.

**D. Measurement Focus and Basis of Accounting**

The accounting and financial reporting treatment is determined by the accounting principles and practices prescribed by the Division in accordance with the regulatory basis of accounting. Measurement focus indicates the type of resources being measured. The basis of accounting indicates the timing of transactions or events for recognition in the financial statements.

The Township of Wyckoff follows a modified accrual basis of accounting. 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 or permitted for municipalities by the Division (“regulatory basis of accounting”) differ in certain respects from GAAP applicable to local government units. The more significant differences are as follows:

**Cash and Investments** - Cash includes amounts in demand deposits as well as short-term investments with a maturity date within three months of the date acquired by the government. Investments are reported at cost and are limited by N.J.S.A. 40A:5-15.1 et seq. GAAP requires that all investments be reported at fair value.

**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. GAAP requires inventories to be recorded as assets in proprietary-type funds.

**TOWNSHIP OF WYCKOFF  
NOTES TO FINANCIAL STATEMENTS  
YEARS ENDED DECEMBER 31, 2022 AND 2021**

**NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

**D. Measurement Focus and Basis of Accounting (Continued)**

**Property Tax Revenues/Receivables** - 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. A penalty of up to 6% of the delinquency may be imposed on a taxpayer with a delinquency in excess of \$10,000 who fails to pay that delinquency prior to the end of the fiscal year in which the charges become delinquent. 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 December 31, 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 April first in the year following the calendar year levy when the same became in arrears, the collector in the municipality shall, subject to the provisions of the New Jersey Statutes, enforce the lien by placing the property on a standard tax sale. The Township also has the option when unpaid taxes or any municipal lien, or part thereof, on real property remains in arrears on the 11<sup>th</sup> day of the eleventh month in the fiscal year when the taxes or lien became in arrears, the collector in the municipality shall, subject to the provisions of the New Jersey Statutes, enforce the lien by placing property on an accelerated tax sale, provided that the sale is conducted and completed no earlier than in the last month of the fiscal year. The Township may institute annual in rem tax foreclosure proceedings to enforce the tax collection or acquisition of title to the property. 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 tax 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 (i.e., when they are both levied and available), reduced by an allowance for doubtful accounts.

**Miscellaneous Revenues/Receivables** - 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 (i.e., when they are both measurable and available).

**Utility Revenues/Receivables** - Utility charges are levied semi-annually based upon a flat service charge and if applicable, an excess consumption or usage charge. Revenues from these sources are recognized on a cash basis. Receivables that are susceptible to accrual are recorded with offsetting reserves on the balance sheet of the Township's sewer utility operating fund. GAAP requires such revenues to be recognized in the accounting period when they become susceptible to accrual, reduced by an allowance for doubtful accounts.

**Grant and Similar Award Revenues/Receivables** - 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 as soon as all eligibility requirements imposed by the grantor or provider have been met.

**Property Acquired for Taxes** - Property acquired for taxes is recorded in the Current Fund at the assessed valuation when such property was acquired, and is fully reserved. GAAP requires such property to be recorded as a capital asset in the government-wide financial statements at fair value on the date of acquisition.

**TOWNSHIP OF WYCKOFF**  
**NOTES TO FINANCIAL STATEMENTS**  
**YEARS ENDED DECEMBER 31, 2022 AND 2021**

**NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

**D. Measurement Focus and 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 for interfunds and, therefore, does not recognize income in the year liquidated.

**Deferred Charges** – Certain expenditures and other items are required to be deferred to budgets of succeeding years. GAAP requires expenditures and certain other items generally to be recognized when incurred, if measurable.

Funded and unfunded debt authorizations for general capital projects are also recorded as deferred charges and represent permanent long-term debt issues outstanding (funded) and temporary debt issues outstanding or unissued debt authorizations (unfunded), respectively. GAAP does not permit the recording of deferred charges for funded and unfunded debt authorizations.

**Appropriation Reserves** – Appropriation reserves are recorded as liabilities and 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.

**Expenditures** – 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 cancelled 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, as well as expenditures related to compensated absences and claims and judgements, which are recognized when due.

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

**Tax Appeals and Other Contingent Losses** - Losses arising from tax appeals and other contingent losses are recognized at the time a decision is rendered by an administrative or judicial body; however, municipalities may establish reserves transferred from tax collections or by budget appropriation for future payments of tax appeal losses. GAAP requires such amounts to be recorded when it is probable that a loss has been incurred and the amount of such loss can be reasonably estimated.

**General Fixed Assets** - In accordance with NJAC 5:30-5.6, Accounting for Governmental Fixed Assets, the Township has developed a fixed assets accounting and reporting system. Fixed assets are defined by the Township as assets with an initial, individual cost of \$5,000 and an estimated useful life in excess of two years.

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 sewerage and drainage systems are not capitalized.

General Fixed Assets purchased after December 31, 1985 are stated at cost. Donated fixed assets are recorded at acquisition value at the date of donation.

**TOWNSHIP OF WYCKOFF**  
**NOTES TO FINANCIAL STATEMENTS**  
**YEARS ENDED DECEMBER 31, 2022 AND 2021**

**NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

**D. Measurement Focus and Basis of Accounting (Continued)**

General Fixed Assets purchased prior to December 31, 1985 are stated as follows:

Land and Buildings	Assessed Value
Machinery and Equipment	Estimated Historical Cost

No depreciation has been provided for in the financial statements.

Expenditures for construction in progress are recorded in the General Capital Fund until such time as the construction is completed and put into operation for general fixed assets.

Accounting for utility fund "fixed capital" remains unchanged under NJAC 5:30-5.6.

Property and equipment purchased by the sewer utility fund are recorded in the capital account at cost and are adjusted for disposition and abandonment. The amounts shown do not purport to represent reproduction costs or current value. Contributions in aid of construction are not capitalized. The balance in the Reserve for Amortization and Deferred Reserve for Amortization accounts in the Sewer Utility Capital Fund represents charges to operations for the costs of acquisitions of property, equipment and improvements. The utility does not record depreciation on fixed assets.

GAAP requires that capital assets be recorded in proprietary-type funds as well as the government-wide financial statement at historical or estimated historical cost if actual historical cost is not available. In addition, GAAP requires depreciation on capital assets to be recorded in proprietary-type funds as well as in the government-wide financial statements.

**Net Pension Liability and Related Deferred Outflows of Resources and Deferred Inflows of Resources and Pension Expense**

The requirements of GASB Statement No. 68, *Accounting and Financial Reporting for Pensions* and GASB No. 71, *Pension Transition for Contributions Made Subsequent to the Measurement Date – an amendment of GASB No. 68* require governmental entities to record their distributive shares of net pension liability, deferred outflows of resources, deferred inflow of resources and total pension related expense. Accounting principles applicable to municipalities, which have been prescribed by the Division, do not require the recording of liabilities, deferrals and expenses, but do require the disclosure of these amounts. The audited financial information related to pensions is released annually by the State's Division of Pensions and Benefits and is required to be included as note disclosures in the financial statements. Due to delays in the availability of the information needed for disclosure, the Division issued Local Finance Notice 2023-10 on May 8, 2023. To ensure the timely filing of county and municipal audits, Local Finance Board regulations allow the Division discretion to permit the most recent available audited GASB 68 financial information to be incorporated into the audited financial statements and only requires one year to be disclosed. As of the date of this audit, the 2022 Public Employees' Retirements System Report and the 2021 Police and Fireman's Retirement System Report were the most recent reports available and therefore these years were disclosed accordingly. Refer to Note 9 to the financial statements for these disclosures.

**TOWNSHIP OF WYCKOFF**  
**NOTES TO FINANCIAL STATEMENTS**  
**YEARS ENDED DECEMBER 31, 2022 AND 2021**

**NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

**D. Measurement Focus and Basis of Accounting (Continued)**

**Other Post-Employment Benefits Other than Pensions** – The requirements of GASB Statement No. 75, *Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions (OPEB)* that is provided by other entities require governmental entities to record in their financial statements a share of the other governments net OPEB liability, deferred outflow of resources, deferred inflow of resources in total OPEB expense. Accounting principles applicable to municipalities, which have been prescribed by the division, do not require the recording of these liabilities, deferrals and expenses, but do require the disclosure of the amounts. Since the town does not follow GAAP, the GASB did not result in a change in the Township's assets, liabilities, and contribution requirements. However, it did result in additional no disclosures as required by the GASBs. The Township maintains a sole-employer OPEB Plan. However, the Township participates in a special funding situation with the State of New Jersey multi employer plan. As it relates to the State of New Jersey multi-employer plan, the audited financial information related to OPEBs is released annually by the State's Division of Pension and Benefits and is required to be included as note disclosures in the financial statements. Due to delays in the availability of the information needed for disclosure, the Division issued Local Finance Notice 2023-10 on May 8, 2023. To ensure the timely filing of county and municipal audits, Local Finance Board regulations allow the Division discretion to permit the most recent available audited GASB No. 75 financial information to be incorporated into the audited financial statements and only requires one year to be disclosed. As a result, the latest available audited information is presented in Note 10 to the financial statements.

**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 accrued revenues and expenditures during the reporting period. Accordingly, actual results could differ from those estimates.

**NOTE 2 STEWARDSHIP, COMPLIANCE AND ACCOUNTABILITY**

- A. 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. Budget amounts presented in the accompanying financial statements represent amounts adopted by the Township and approved by the State Division of Local Government Services as per N.J.S.A. 40A:4 et seq.

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

Trust Funds, except for the Municipal Open Space Trust Fund  
General Capital Fund  
Sewer Utility Capital Fund

**Length of Service Awards Program (LOSAP)** - financial reporting standards established by the DLGS/Division exclude the financial information relating to a LOSAP program from the scope of the statutory audit. Accordingly, financial information relating to the Townships LOSAP Program, a deferred income program created pursuant to Section 457 of the Internal Revenue Code for the benefit of volunteers, is not reported as part of the Townships basic financial statements. As the LOSAP Plan's assets remain the property of the Township until withdrawn by participants, GAAP requires that the plans financial information be included in the Township's basic financial statements. See Note 13 regarding the availability of LOSAP Plan financial information.

**TOWNSHIP OF WYCKOFF**  
**NOTES TO FINANCIAL STATEMENTS**  
**YEARS ENDED DECEMBER 31, 2022 AND 2021**

**NOTE 2 STEWARDSHIP, COMPLIANCE AND ACCOUNTABILITY (Continued)**

**A. Budgets and Budgetary Accounting (Continued)**

The governing body is required to introduce and approve the annual budget no later than February 10, of the fiscal year. The budget is required to be adopted no 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. The governing body of the municipality may authorize emergency appropriations and the inclusion of certain special items of revenue to the budget after its adoption and determination of the tax rate. 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 2022 and 2021 the Township Committee increased the original budget by \$37,526 and \$83,228, respectively. The 2022 and 2021 increase was funded by additional aid allotted to the Township. In addition, the governing body approved several budget transfers during 2022 and 2021.

**NOTE 3 CASH DEPOSITS AND INVESTMENTS**

The Township considers petty cash, change funds, cash in banks, certificates of deposit and deposits with the New Jersey Cash Management Fund as cash and cash equivalents.

**A. Cash Deposits**

The Township's deposits are insured through either the Federal Deposit Insurance Corporation (FDIC), National Credit Union Share Insurance Fund (NCUSIF), Securities Investor Protection Corporation (SIPC) or New Jersey's Governmental Unit Deposit Protection Act (GUDPA). The Township is required to deposit their funds in a depository which is protecting such funds pursuant to GUDPA. The New Jersey Governmental Unit Deposit Protection Act requires all banks doing business in the State of New Jersey to pledge collateral equal to at least 5% of the average amount of its public deposits and 100% of the average amount of its public funds in excess of the lesser of 75% of its capital funds or \$200 million for all deposits not covered by the FDIC or NCUSIF.

Bank balances are insured up to \$250,000 in the aggregate by the FDIC for each bank. NCUSIF insures credit union accounts up to \$250,000 in the aggregate for each financial institution. SIPC replaces cash claims up to a maximum of \$250,000 for each failed brokerage firm. At December 31, 2022 and 2021, the book value of the Township's deposits were \$18,600,949 and \$16,657,787 and bank and brokerage firm balances of the Township's deposits amounted to \$24,134,448 and \$18,697,688, respectively. The Township's deposits which are displayed on the various fund balance sheets as "cash" are categorized as:

<u>Depository Account</u>	<u>Bank Balance</u>	
	<u>2022</u>	<u>2021</u>
Insured	\$ 24,134,448	\$ 18,697,688

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 does not have a formal policy for custodial credit risk. As of December 31, 2022 and 2021, none of the Township's bank balances were exposed to custodial credit risk.

**TOWNSHIP OF WYCKOFF  
NOTES TO FINANCIAL STATEMENTS  
YEARS ENDED DECEMBER 31, 2022 AND 2021**

**NOTE 3 CASH DEPOSITS AND INVESTMENTS (Continued)**

**B. Investments**

The Township is permitted to invest public funds in accordance with the types of securities authorized by N.J.S.A. 40A:5-15.1. Investments include bonds or other obligations of the United States or obligations guaranteed by the United States of America, Government Money Market Mutual Funds, any obligation that a federal agency or a federal instrumentality has issued in accordance with an act of Congress, which security has a maturity date not greater than 397 days from the date of purchase, provided that such obligations bear a fixed rate of interest not dependent on any index or other external factor; bonds or other obligations of the Township or bonds or other obligations of the school districts which are a part of the Township or school districts located within the Township, Bonds or other obligations, having a maturity date of not more than 397 days from the date of purchase, issued by New Jersey school district, municipalities, counties, and entities subject to the “Local Authorities Fiscal Control Law, “ (C.40A:5A-1 et seq.); Other bonds or obligations having a maturity date not more than 397 days from the date of purchase may be approved by the Division of Investments in the Department of the Treasury for investment by local units; Local Government investment pools, deposits with the State of New Jersey Cash Management Fund established pursuant to section 1 of P.L. 1977, c.281 (C.52:18A-90.4); and agreements for the repurchase of fully collateralized securities, if transacted in accordance with NJSA 40A:5-15.1 (8a-8e). In addition, the Township is permitted to invest LOSAP Funds with the types of eligible investments authorized in NJAC 5:30-14.19.

Custodial Credit Risk – Investments – For an investment, this is the risk, that in the event of the failure of the counterparty, the Township will not be able to recover the value of its investments or collateral securities that are held by an outside party. The Township does not have a policy for custodial risk.

Interest Rate Risk – Interest rate risk is the risk that changes in the market interest rate will adversely affect the fair value of an investment. 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.

Credit Risk – State law limits investments as noted above (N.J.S.A. 40A:5-15.1 and N.J.A.C. 5:30-14.19). The Township does not have an investment policy that would further limit its investment choices.

Concentration of Credit Risk – Generally, concentration of credit risk is the risk that an issuer of an investment will not fulfill its obligation to the holder of the investment. The Township places no limit in the amount the Township may invest in any one issuer.

Fair Value of Investments. The Township of Wyckoff measures and records its investments using fair value measurement guidelines established by generally accepted accounting principles (GAAP). These guidelines recognize a three-tiered fair value hierarchy as follows:

- *Level 1:* Quoted prices for identical investments in active markets;
- *Level 2:* Observable inputs other than those in Level 1; and
- *Level 3:* Unobservable inputs.

Interest earned in the General Capital Fund, Animal Control Trust Fund and certain Other Trust Funds are assigned to the Current Fund in accordance with the regulatory basis of accounting. Interest earned in the Sewer Utility Capital Fund is assigned to the Sewer Utility Operating Fund in accordance with the regulatory basis of accounting.



**TOWNSHIP OF WYCKOFF  
NOTES TO FINANCIAL STATEMENTS  
YEARS ENDED DECEMBER 31, 2022 AND 2021**

**NOTE 4 TAXES AND UTILITY CHARGES RECEIVABLE**

Receivables at December 31, 2022 consisted of the following:

	<u>Current</u>	<u>Sewer</u>	<u>Total</u>
<b><u>2022</u></b>			
Property Taxes	\$ 432,909		\$ 432,909
Tax Title Liens	19,169		19,169
Sewer Utility Charges	<u>-</u>	<u>\$ 50,221</u>	<u>50,221</u>
	<u>\$ 452,078</u>	<u>\$ 50,221</u>	<u>\$ 502,299</u>

In 2022, the Township collected \$451,525 and \$64,282 from delinquent taxes and utility charges, which represented 96% and 100% of the delinquent tax and sewer charges receivable at December 31, 2021.

Receivables at December 31, 2021 consisted of the following:

	<u>Current</u>	<u>Sewer</u>	<u>Total</u>
<b><u>2021</u></b>			
Property Taxes	\$ 451,825		\$ 451,825
Tax Title Liens	17,775		17,775
Sewer Utility Charges	<u>-</u>	<u>\$ 64,282</u>	<u>64,282</u>
	<u>\$ 469,600</u>	<u>\$ 64,282</u>	<u>\$ 533,882</u>

In 2021, the Township collected \$416,527 and \$57,164 from delinquent taxes and utility charges, which represented 99% and 100% of the delinquent tax and sewer charges receivable at December 31, 2020.

**TOWNSHIP OF WYCKOFF**  
**NOTES TO FINANCIAL STATEMENTS**  
**YEARS ENDED DECEMBER 31, 2022 AND 2021**

**NOTE 5 DUE TO/FROM OTHER FUNDS**

As of December 31, interfund receivables and payables that resulted from various interfund transactions were as follows:

	<u><b>2022</b></u>		<u><b>2021</b></u>	
	Due from <u>Other Funds</u>	Due to <u>Other Funds</u>	Due from <u>Other Funds</u>	Due to <u>Other Funds</u>
Current Fund	\$ 462	\$ 627	\$ 89	\$ 559
Trust Funds				
Municipal Open Space Trust	627		559	-
Animal Control Trust Fund	<u>-</u>	<u>462</u>	<u>-</u>	<u>89</u>
Total	<u>\$ 1,089</u>	<u>\$ 1,089</u>	<u>\$ 648</u>	<u>\$ 648</u>

The above balances are the result of receipts received in one fund and owed to another fund.

The Township expects all interfund balances to be liquidated within one year.

**TOWNSHIP OF WYCKOFF  
NOTES TO FINANCIAL STATEMENTS  
YEARS ENDED DECEMBER 31, 2022 AND 2021**

**NOTE 6 FUND BALANCES APPROPRIATED**

Under the regulatory basis of accounting, fund balances in the Current Fund and Sewer Utility Operating Fund are comprised of cash surplus (fund balance) and non-cash surplus (fund balance). All or part of cash surplus as of December 31 may be anticipated in the subsequent year's budget. The non-cash surplus portion of fund balance may be utilized in the subsequent year's budget with the prior written consent of the Director of the Division of Local Government Services if certain guidelines are met as to its availability. Fund balances at December 31, which were appropriated and included as anticipated revenue in their own respective fund's budget for the succeeding year were as follows:

	Fund Balance December 31, <u>2022</u>	Utilized in Subsequent <u>Year's Budget</u>	Fund Balance December 31, <u>2021</u>	Utilized in Subsequent <u>Year's Budget</u>
Current Fund				
Cash Surplus	\$ 5,603,394	\$ 2,300,000	\$ 4,928,186	\$ 2,300,000
Non-Cash Surplus	<u>766</u>	<u>-</u>	<u>5,000</u>	<u>-</u>
	<u>\$ 5,604,160</u>	<u>\$ 2,300,000</u>	<u>\$ 4,933,186</u>	<u>\$ 2,300,000</u>
Sewer Utility Operating Fund				
Cash Surplus	\$ 285,165	\$ -	\$ 526,864	\$ 490,000
Non-Cash Surplus	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
	<u>\$ 285,165</u>	<u>\$ -</u>	<u>\$ 526,864</u>	<u>\$ 490,000</u>

**TOWNSHIP OF WYCKOFF**  
**NOTES TO FINANCIAL STATEMENTS**  
**YEARS ENDED DECEMBER 31, 2022 AND 2021**

**NOTE 7 FIXED ASSETS**

**A. General Fixed Assets**

The following is a summary of changes in the general fixed assets account group for the years ended December 31, 2022 and 2021.

	Balance January 1 <u>2022</u>	<u>Increases</u>	<u>Decreases</u>	Balance, December 31, <u>2022</u>
<b><u>2022</u></b>				
Land	\$ 9,062,300	\$ 136,500		\$ 9,198,800
Site Improvements	1,795,351			1,795,351
Buildings	2,400,786			2,400,786
Vehicles and Equipment	<u>9,581,309</u>	<u>186,704</u>	<u>\$ -</u>	<u>9,768,013</u>
		.		
	<u>\$ 22,839,746</u>	<u>\$ 323,204</u>	<u>\$ -</u>	<u>\$ 23,162,950</u>
	Balance January 1 <u>2021</u>	<u>Increases</u>	<u>Decreases</u>	Balance, December 31, <u>2021</u>
<b><u>2021</u></b>				
Land	\$ 9,062,300			\$ 9,062,300
Site Improvements	1,795,351			1,795,351
Buildings	2,400,786			2,400,786
Vehicles and Equipment	<u>9,532,252</u>	<u>\$ 653,468</u>	<u>\$ 604,411</u>	<u>9,581,309</u>
	<u>\$ 22,790,689</u>	<u>\$ 653,468</u>	<u>\$ 604,411</u>	<u>\$ 22,839,746</u>

**TOWNSHIP OF WYCKOFF**  
**NOTES TO FINANCIAL STATEMENTS**  
**YEARS ENDED DECEMBER 31, 2022 AND 2021**

**NOTE 7 FIXED ASSETS (Continued)**

**B. Sewer Utility Fund Fixed Assets**

The following is a summary of changes in the sewer utility fund fixed assets for the years ended December 31, 2022 and 2021.

<u>Sewer Utility Fund</u>	Balance January 1, <u>2022</u>	<u>Increases</u>	<u>Decreases</u>	Balance, December 31, <u>2022</u>
<b><u>2022</u></b>				
Fixed Capital				
Various Improvements	\$ <u>400,000</u>	\$ <u>300,000</u>	\$ <u>-</u>	\$ <u>700,000</u>
	Balance January 1, <u>2021</u>	<u>Increases</u>	<u>Decreases</u>	Balance, December 31, <u>2021</u>
<b><u>2021</u></b>				
Fixed Capital				
Various Improvements	\$ <u>400,000</u>	\$ <u>-</u>	\$ <u>-</u>	\$ <u>400,000</u>

**NOTE 8 MUNICIPAL DEBT**

The Local Bond Law governs the issuance of notes used to finance capital expenditures. Bond anticipation notes, which are issued to temporarily finance capital projects and acquisitions or other purposes permitted by the Local Bond Law must be paid off within ten years and four months or retired by the issuance of bonds.

	<u>2022</u>	<u>2021</u>
Issued		
General Notes	\$ <u>4,398,190</u>	\$ <u>3,083,190</u>
Net Debt Issued	\$ <u>4,398,190</u>	\$ <u>3,083,190</u>
Authorized but not Issued		
General Bonds and Notes	\$ <u>613,000</u>	\$ <u>1,265,000</u>
Net Bonds and Notes Issued and Authorized not Issued	\$ <u>5,011,190</u>	\$ <u>4,348,190</u>

**TOWNSHIP OF WYCKOFF**  
**NOTES TO FINANCIAL STATEMENTS**  
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**NOTE 8 MUNICIPAL DEBT (Continued)**

**Statutory Net Debt**

The statement of debt condition that follows is extracted from the Township's Annual Debt Statement and indicates a statutory net debt of .102% and .091% at December 31, 2022 and 2021, respectively.

	<u>Gross Debt</u>	<u>Deductions</u>	<u>Net Debt</u>
<b><u>2022</u></b>			
General Debt	\$ 5,011,190		\$ 5,011,190
School Debt	<u>20,913,737</u>	<u>\$ 20,913,737</u>	<u>-</u>
Total	<u>\$ 25,924,927</u>	<u>\$ 20,913,737</u>	<u>\$ 5,011,190</u>

	<u>Gross Debt</u>	<u>Deductions</u>	<u>Net Debt</u>
<b><u>2021</u></b>			
General Debt	\$ 4,348,190		\$ 4,348,190
School Debt	<u>23,186,272</u>	<u>\$ 23,186,272</u>	<u>-</u>
Total	<u>\$ 27,534,462</u>	<u>\$ 23,186,272</u>	<u>\$ 4,348,190</u>

**Statutory Borrowing Power**

The Township's remaining borrowing power under N.J.S. 40A:2-6, as amended, at December 31, was as follows:

	<u>2022</u>	<u>2021</u>
3-1/2% of Equalized Valuation Basis (Municipal)	\$ 171,174,564	\$ 166,884,955
Net Debt	<u>5,011,190</u>	<u>4,348,190</u>
Remaining Borrowing Power	<u>\$ 166,163,374</u>	<u>\$ 162,536,765</u>

**TOWNSHIP OF WYCKOFF**  
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**NOTE 8 MUNICIPAL DEBT (Continued)**

**A. Short-Term Debt**

The Township's short-term debt activity for the years ended December 31, 2022 and 2021 was as follows:

**Bond Anticipation Notes**

	Rate	Maturity	Balance, January 1, <u>2022</u>	<u>Additions</u>	<u>Reductions</u>	Balance, December 31, <u>2022</u>
<u>2022</u>	<u>(%)</u>	<u>Date</u>				
<u>Purpose</u>						
<u>General Capital Fund</u>						
Various Capital Improvements	4.50%	9/19/2023	\$ 1,165,000	\$ 915,000	\$ 1,165,000	\$ 915,000
Purchase of Fire Pumper	4.50%	9/19/2023	532,440	382,440	532,440	382,440
Road Resurfacing and Purchase of Sweeper	4.50%	9/19/2023	313,750	113,750	313,750	113,750
Road Resurfacing and Town Hall Roof	4.50%	9/19/2023	1,072,000	922,000	1,072,000	922,000
Road Resurfacing and Police Computer System	4.50%	9/19/2023		1,265,000		1,265,000
Road Resurfacing and Acquisition of a Dump Truck	4.50%	9/19/2023	-	800,000	-	800,000
Total General Capital Fund			<u>\$ 3,083,190</u>	<u>\$ 4,398,190</u>	<u>\$ 3,083,190</u>	<u>\$ 4,398,190</u>
	Rate	Maturity	Balance, January 1, <u>2021</u>	<u>Additions</u>	<u>Reductions</u>	Balance, December 31, <u>2021</u>
<u>2021</u>	<u>(%)</u>	<u>Date</u>				
<u>Purpose</u>						
<u>General Capital Fund</u>						
Various Capital Improvements	0.39%	3/22/2022	\$ 1,515,000	\$ 1,165,000	\$ 1,515,000	\$ 1,165,000
Commuter Lot Repavement/Dump Truck	0.92%	3/24/2021	22,300		22,300	-
Purchase of Fire Pumper	0.92%	3/22/2022	532,440	532,440	532,440	532,440
Road Resurfacing and Purchase of Sweeper	0.39%	3/22/2022	413,750	313,750	413,750	313,750
Various Road Improvements	0.39%	3/22/2022	268,500		268,500	-
Road Resurfacing and Town Hall Roof	0.92%	3/24/2021	1,072,000	1,072,000	1,072,000	1,072,000
Total General Capital Fund			<u>\$ 3,823,990</u>	<u>\$ 3,083,190</u>	<u>\$ 3,823,990</u>	<u>\$ 3,083,190</u>

The purpose of these short-term borrowings was to provide resources for capital construction, acquisitions or improvement projects and other purposes permitted by State Local Bond Law NJSA 40A:2 et. seq. The amounts issued for general governmental activities are accounted for in the General Capital Fund.

State law requires that notes are to be issued for a period not exceeding one year and may be renewed from time to time for additional periods, none of which shall exceed one year. All bond anticipation notes, including renewals, shall mature and be paid not later than the first day of the fifth month following the close of the tenth fiscal year following the date of the original notes. In addition, any note renewed beyond the third anniversary date of the original note, requires one legally payable installment to be paid.

**TOWNSHIP OF WYCKOFF**  
**NOTES TO FINANCIAL STATEMENTS**  
**YEARS ENDED DECEMBER 31, 2022 AND 2021**

**NOTE 9 EMPLOYEE RETIREMENT SYSTEMS**

The State of New Jersey sponsors and administers the following contributory defined benefit public employee retirement systems (retirement systems) covering substantially all state and local government employees which includes those Town employees who are eligible for pension coverage.

**Police and Firemen's Retirement System (PFRS)** – established in July 1944, under the provisions of N.J.S.A. 43:16A to provide coverage to substantially all full time county and municipal police or firemen and State firemen appointed after December 31, 1944. Membership is mandatory for such employees. PFRS is a cost-sharing multi-employer defined benefit pension plan with a special funding situation. For additional information about PFRS, please refer to the State Division of Pension and Benefits (Division's) Annual Comprehensive Financial Report (ACFR) which can be found at [www.state.nj.us/treasury/pensions](http://www.state.nj.us/treasury/pensions).

The vesting and benefit provisions are set by N.J.S.A. 43:16A. PFRS provides retirement benefits as well as death and disability benefits. All benefits vest after ten years of service, except disability benefits which vest after four years of service.

The following represents the membership tiers for PFRS:

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

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

**Public Employees' Retirement System (PERS)** – established in January 1955, under the provisions of N.J.S.A. 43:15A to provide coverage, to substantially all full-time employees of the State or any county, municipality, school district, or public agency provided the employee is not a member of another State-administered retirement system. Membership is mandatory for such employees. PERS is a cost-sharing multi-employer defined benefit pension plan. For additional information about PERS, please refer to the State Division of Pension and Benefits (Division's) Annual Comprehensive Financial Report (ACFR) which can be found at [www.state.nj.us/treasury/pensions](http://www.state.nj.us/treasury/pensions).

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

The following represents the membership tiers for PERS:

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



**TOWNSHIP OF WYCKOFF**  
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**NOTE 9 EMPLOYEE RETIREMENT SYSTEMS (Continued)**

**Public Employees' Retirement System (PERS) (Continued)**

Service retirement benefits of 1/55<sup>th</sup> of final average salary for each year of service credit is available to tier 1 and 2 members upon reaching age 60 and to tier 3 members upon reaching age 62. Service retirement benefits of 1/60<sup>th</sup> of final average salary for each year of service credit is available to tier 4 members upon reaching age 62 and tier 5 members upon reaching age 65. Early retirement benefits are available to tier 1 and 2 members before reaching age 60, tier 3 and 4 members with 25 or more years of service credit before age 62, and tier 5 members with 30 or more years of service credit before age 65. Benefits are reduced by a fraction of a percent for each month that a member retires prior to the age at which member can receive full early retirement benefits in accordance with their respective tier. Tier 1 members can receive an unreduced benefit from age 55 to age 60 if they have a least 25 years of service. Deferred retirement is available to members who have at least ten years of service credit and have not reached the service retirement age for the respective tier.

The State of New Jersey sponsors and administers the following defined contribution public employee retirement program covering certain state and local government employees which include those Town employees who are eligible for pension coverage.

**Defined Contribution Retirement Program (DCRP)** – established under the provisions of Chapter 92, P.L. 2007 and Chapter 103, P.L. 2008 to provide coverage to elected and certain appointed officials, effective July 1, 2007 and employees enrolled in PERS on or after July 1, 2007 who earn in excess of established annual maximum compensation limits (equivalent to annual maximum wage for social security deductions). This provision was extended by Chapter 1, P.L. 2010, effective May 21, 2010, to new employees (Tier 2) of the PFRS and new employees who would otherwise be eligible to participate in PERS and do not earn the minimum salary required or do not work the minimum required hours but earn a base salary of at least \$5,000 are eligible for participation in the DCRP. Membership is mandatory for such individuals with vesting occurring after one (1) year of membership. DCRP is a defined contribution pension plan.

**Other Pension Funds**

The state established and administers a Supplemental Annuity Collective Trust Fund (SACT) which is available to active members of the State-administered retirement systems to purchase annuities to supplement the guaranteed benefits provided by their retirement system. The state or local governmental employers do not appropriate funds to SACT.

The cost of living increase for PFRS and PERS are funded directly by each of the respective systems, but are currently suspended as a result of reform legislation.

According to state law, all obligations of each retirement system will be assumed by the State of New Jersey should any retirement system be terminated.

The State of New Jersey, Department of the Treasury, Division of Pensions and Benefits, issues publicly available financial reports that include the financial statements and required supplementary information of each of the above systems, funds, and trust. The financial reports may be accessed via the New Jersey, Division of Pensions and Benefits website at [www.state.nj.us/treasury/pensions](http://www.state.nj.us/treasury/pensions).

**TOWNSHIP OF WYCKOFF**  
**NOTES TO FINANCIAL STATEMENTS**  
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**NOTE 9 EMPLOYEE RETIREMENT SYSTEMS (Continued)**

**Measurement Focus and Basis of Accounting**

The financial statements of the retirement systems are prepared in accordance with U.S. generally accepted accounting principles as applicable to governmental organizations. In doing so, the Division adheres to reporting requirements established by the Governmental Accounting Standards Board (GASB).

The accrual basis of accounting is used for measuring financial position and changes in net position of the pension trust funds. Under this method, contributions are recorded in the accounting period in which they are legally due from the employer or plan member, and deductions are recorded at the time the liabilities are due and payable in accordance with the terms of each plan. The accounts of the Division are organized and operated on the basis of funds. All funds are accounted for using an economic resources measurement focus.

**Investment Valuation**

The Division of Investment, Department of the Treasury, State of New Jersey (Division of Investment) manages and invests certain assets of the retirement systems. Prudential retirement is the third-party administrator for the DCRP and provides record keeping, administrative services and investment options. Investment transactions are accounted for on a trade or investment date basis. Interest and dividend income is recorded on the accrual basis, with dividends accruing on the ex-dividend date. The net increase or decrease in the fair value of investments includes the net realized and unrealized gains or losses on investments.

The State of New Jersey, Department of the Treasury, Division of Investment, issues publicly available financial reports that include the financial statements of the State of New Jersey Cash Management Fund. The financial report may be obtained by writing to the State of New Jersey, Department of the Treasury, Division of Investment, P.O. Box 290, Trenton, New Jersey 08625-0290, or at [www.state.nj/treasury/doinvest](http://www.state.nj/treasury/doinvest).

**Collective Net Pension Liability**

The collective net pension liability of the participating employers for local PERS at June 30, 2022 was \$15.2 billion. The collective net pension liability of the participating employers for local PFRS at June 30, 2021 was \$9.4 billion.

**Actuarial Methods and Assumptions**

In the July 1, 2021 PERS and July 1, 2020 PFRS actuarial valuations, the actuarial assumptions and methods used in these valuations were described in the Actuarial Assumptions and Methods section of the Actuary's report and are included here in this note to the financial statements. The pension systems selected economic and demographic assumptions and prescribed them for use for purposes of compliance with GASB Statement No. 68. The Actuary provided guidance with respect to these assumptions, and it is their belief that the assumptions represent reasonable expectations of anticipated plan experience.

**TOWNSHIP OF WYCKOFF**  
**NOTES TO FINANCIAL STATEMENTS**  
**YEARS ENDED DECEMBER 31, 2022 AND 2021**

**NOTE 9 EMPLOYEE RETIREMENT SYSTEMS (Continued)**

**Employer and Employee Pension Contributions**

The contribution policy is set by laws of the State of New Jersey and contributions are required by active members and participating employers. Plan members and employer contributions may be amended by State of New Jersey legislation, with the amount of contributions by the State of New Jersey contingent upon the annual Appropriations Act. As defined, the various retirement systems require employee contributions for 2022 and 2021 based on 10.0% for PFRS, 7.50% for PERS and 5.50% for DCRP of employee's annual compensation.

For the years ended December 31, 2022, 2021 and 2020 for PFRS and PERS, which are cost sharing multi-employer defined benefit pension plans, employers' contributions are based on an actuarially determined amount, which includes the normal cost and unfunded accrued liability. In the DCRP, which is a defined contribution plan, member contributions are matched by a 3% employer contribution. All contributions made by the Town for 2022, 2021 and 2020 were equal to the required contributions.

During the years ended December 31, 2022, 2021 and 2020, the Township, was required to contribute for normal cost pension contributions, accrued liability pension contributions and non-contributory life insurance premiums the following amounts which equaled the required contributions for each respective year:

<u>Year Ended</u> <u>December 31</u>	<u>PFRS</u>	<u>PERS</u>	<u>DCRP</u>
2022	\$ 944,083	\$ 511,428	\$ 4,019
2021	928,392	518,234	2,472
2020	846,775	457,142	1,809

In addition, for the years ended December 31, 2022, 2021 and 2020 the Township contributed for long-term disability insurance premiums (LTDI) \$0, \$0 and \$1,887, respectively for PERS.

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

The regulatory basis of accounting requires participating employers in PERS and PFRS to disclose in accordance with GASB Statement No. 68, *Accounting and Financial Reporting for Pensions*, (GASB No. 68) their proportionate share of the collective net pension liability, collective deferred outflows of resources, collective deferred inflows of resources and collective pension expense excluding that attributable to employer-paid member contributions. The employer allocation percentages presented are based on the ratio of the contributions as an individual employer to total contributions to the PERS and PFRS during the fiscal year ended June 30, 2022 and June 30, 2021, respectively. Employer allocation percentages have been rounded for presentation purposes.

**TOWNSHIP OF WYCKOFF**  
**NOTES TO FINANCIAL STATEMENTS**  
**YEARS ENDED DECEMBER 31, 2022 AND 2021**

**NOTE 9 EMPLOYEE RETIREMENT SYSTEMS (Continued)**

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

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

At December 31, 2022, the Township had a liability of \$7,086,071 for its proportionate share of the PERS net pension liability. The net pension liability was measured as of June 30, 2022 and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of July 1, 2021. The Township's proportionate share of the net pension liability was based on the ratio of the Township's contributions to the pension plan relative to the total contributions of all participating governmental entities during the measurement period. As of the measurement date of June 30, 2022, the Township's proportionate share was 0.04695 percent, which was a decrease of 0.0042 percent from its proportionate share measured as of June 30, 2021 of 0.04737 percent.

For the year ended December 31, 2022, the pension system has determined the Township's pension expense to be \$484,321 for PERS based on the actuarial valuations which is less than the actual reported contribution reported in the Township's 2022 financial statements of \$511,428. At December 31, 2022, the Township's deferred outflows of resources and deferred inflows of resources related to PERS pension which are not reported on the Township's financial statements are from the following sources:

	2022	
	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences Between Expected and Actual Experience	\$ 51,144	\$ 45,102
Changes in Assumptions	21,955	1,061,065
Net Difference Between Projected and Actual Earnings on pension plan investments	293,286	
Changes in Proportion and Differences Between Township Contributions and Proportionate Share of Contributions	603,167	519,551
Township Contributions Subsequent to the Measurement Date	566,479	
	<u>\$ 1,536,031</u>	<u>\$ 1,625,718</u>

**TOWNSHIP OF WYCKOFF**  
**NOTES TO FINANCIAL STATEMENTS**  
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**NOTE 9 EMPLOYEE RETIREMENT SYSTEMS (Continued)**

**Public Employees’ Retirement System (PERS)**

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

The \$566,479 of deferred outflows of resources resulting from the Township’s contribution subsequent to the measurement date will be recognized as a reduction to the net pension liability in the year ending December 31, 2023. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions would be recognized in pension expense (benefit) on the GAAP basis as follows if GASB 68 were recognized:

Year ended December 31,	Amount
2023	\$ (585,921)
2024	(311,238)
2025	(158,790)
2026	396,455
2027	3,328
Total	<u>\$ (656,166)</u>

***Actuarial Assumptions***

The Township’s total pension liability reported for the year ended December 31, 2021 was based on the June 30, 2021 measurement date as determined by an actuarial valuation as of July 1, 2020, which was rolled forward to June 30, 2021. This actuarial valuation used the following actuarial assumptions, applied to all periods in the measurement date:

	<b><u>2022</u></b>
Inflation Rate:	
Price	2.75%
Wage	3.25%
Salary Increases:	
Through 2026	2.0%-6.0%
	Based on Years
	of Service
Thereafter	Not Applicable
Investment Rate of Return	7.00%
Mortality Rate Table	Pub - 2010

**TOWNSHIP OF WYCKOFF**  
**NOTES TO FINANCIAL STATEMENTS**  
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**NOTE 9 EMPLOYEE RETIREMENT SYSTEMS (Continued)**

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

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

***Actuarial Assumptions (Continued)***

Assumptions for mortality improvements are based on Society of Actuaries Scale MP - 2021.

The actuarial assumptions used in the July 1, 2021 valuations were based on the results of an actuarial experience study for the period July 1, 2018 to June 30, 2021.

***Long-Term Expected Rate of Return***

The long-term expected rate of return on pension plan investments was determined using a building-block method in which best-estimate ranges of expected future real rate of return (expected returns, net of pension plans investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. Best estimates of arithmetic real rates of return for each major asset class included in the pension plans' target asset allocation as of June 30, 2021, as reported for the year ended December 31, 2021 is summarized in the following table:

<u>Asset Class</u>	<b>2022</b>	
	<u>Target Allocation</u>	<u>Long-Term Expected Real Rate of Return</u>
US Equity	27.00%	8.12%
Non-US Developed Markets	13.50%	8.38%
Emerging Markets Equity	5.50%	10.33%
Private Equity	13.00%	11.80%
Real Estate	8.00%	11.19%
Real Assets	3.00%	7.60%
High Yield	4.00%	4.95%
Private Credit	8.00%	8.10%
Investment Grade Credit	7.00%	3.38%
Cash Equivalents	4.00%	1.75%
U.S. Treasuries	4.00%	1.75%
Risk Mitigation Strategies	<u>3.00%</u>	4.91%
	<u>100.00%</u>	

**TOWNSHIP OF WYCKOFF**  
**NOTES TO FINANCIAL STATEMENTS**  
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**NOTE 9 EMPLOYEE RETIREMENT SYSTEMS (Continued)**

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

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

***Discount Rate***

The discount rate used to measure the total pension liabilities of the PERS plan was as follows:

<b>Calendar</b>		
<b><u>Year</u></b>	<b><u>Measurement Date</u></b>	<b><u>Discount Rate</u></b>
2022	June 30, 2022	7.00%

The following table represents the crossover period, if applicable, for the PERS defined benefit plan:

	<b><u>2022</u></b>
Period of Projected Benefit	
Payments for which the Following	
Rates were Applied:	
Long-Term Expected Rate of Return	All Periods

***Sensitivity of Net Pension Liability***

The following presents the Town's proportionate share of the PERS net pension liability as of December 31, 2022 calculated using the discount rate of 7.00%, as well as what the Town's proportionate share of the PERS net pension liability would be if it were calculated using a discount rate that is 1-percentage-point lower 6.00% or 1-percentage-point higher 8.00% than the current rate:

	<b>1% Decrease <u>6.00%</u></b>	<b>Current Discount Rate <u>7.00%</u></b>	<b>1% Increase <u>8.00%</u></b>
<b><u>2021</u></b>			
Township's Proportionate Share of the PERS Net Pension Liability	<u>\$ 9,103,526</u>	<u>\$ 7,086,071</u>	<u>\$ 5,369,136</u>

The sensitivity analysis was based on the proportionate share of the Town's net pension liability at December 31, 2022. A sensitivity analysis specific to the Town's net pension liability was not provided by the pension system.

**TOWNSHIP OF WYCKOFF  
NOTES TO FINANCIAL STATEMENTS  
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**NOTE 9 EMPLOYEE RETIREMENT SYSTEMS (Continued)**

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

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

***Special Funding Situation – PERS***

Under N.J.S.A. 43:15A-15, the Township is responsible for their own contributions based on actuarially determined amounts, except where legislation was passed which legally obligated the State to make contributions if certain circumstances occurred. The legislation which legally obligates the State is as follows: Chapter 365, P.L. 2001, and Chapter 133, P.L. 2001. The amounts contributed on behalf of the Township by the State under this legislation is considered to be a special funding situation as defined by GASB Statement No. 68 and the State is treated as a non-employer contributing entity. Accordingly, the Township's proportionate share percentage of the net pension liability, deferred outflows and inflows determined under GASB Statement No. 68 is zero percent and the states proportionate share is 100% for PERS under this legislation.

At December 31, 2022, the State's Proportionate share of the net pension liability attributable to the Township for the PERS special funding situation is \$0. For the year ended December 31, 2022, the pension system has determined the states proportionate share of the pension expense attributable to the Township for the PERS special funding situation is \$14,909, which is equal to the actual contribution the state made on behalf of the Township of \$14,909. At December 31, 2022 (measurement date June 30, 2022) the State's share of the PERS Net pension liability attributable through the Township was 0.04714 percent. The State's proportionate share attributable to the Township was developed based on actual contributions made to PERS allocated to employers based upon covered payroll. These on-behalf contributions have not been reported on the Township's financial statements.

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

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

At December 31, 2021, the Township had a liability of \$5,920,770 for its proportionate share of the PFRS net pension liability. The net pension liability was measured as of June 30, 2021 and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of July 1, 2020. The Township's proportionate share of the net pension liability was based on the ratio of the Township's contributions to the pension plan relative to the total contributions of all participating governmental entities during the measurement period. As of the measurement date of June 30, 2021, the Township proportionate share was 0.08100 percent, which was a decrease of .00210 percent from its proportionate share measured as of June 30, 2020 of 0.08310 percent.



**TOWNSHIP OF WYCKOFF**  
**NOTES TO FINANCIAL STATEMENTS**  
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**NOTE 9 EMPLOYEE RETIREMENT SYSTEMS (Continued)**

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

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

For the year ended December 31, 2021, the pension system has determined the Township pension benefit to be \$965,571 for PFRS based on the actuarial valuations which is less than the actual contribution reported in the Township's financial statements of \$928,392. At December 31, 2021, the Township's deferred outflows of resources and deferred inflows of resources related to PFRS pension which are not reported on the Township's financial statements are from the following sources:

	<b>2021</b>	
	<b><u>Deferred Outflows of Resources</u></b>	<b><u>Deferred Inflows of Resources</u></b>
Difference Between Expected and Actual Experience	\$ 67,549	\$ 709,247
Changes of Assumptions	31,505	1,774,428
Net Difference Between Projected and Actual Earnings on Pension Plan Investments		2,523,033
Changes in Proportion and Differences Between Township Contributions and Proportionate Share of Contributions	140,001	364,676
Township Contributions Subsequent to the Measurement Date	<u>944,083</u>	<u>-</u>
Total	<u>\$ 1,183,138</u>	<u>\$ 5,371,384</u>

The \$944,083 of deferred outflows of resources resulting from the Town's contribution subsequent to the measurement date will be recognized as a reduction to the net pension liability in the year ending December 31, 2022. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions would be recognized in pension expense (benefit) on the GAAP basis as follows if GASB 68 were recognized:

<u>Year Ending December 31,</u>	<u>Total</u>
2022	\$ (1,610,449)
2023	(1,202,123)
2024	(1,057,325)
2025	(1,063,207)
2026	(170,227)
2027	(28,938)
Thereafter	<u>-</u>
	<u>\$ (5,132,329)</u>

TOWNSHIP OF WYCKOFF  
NOTES TO FINANCIAL STATEMENTS  
YEARS ENDED DECEMBER 31, 2022 AND 2021

NOTE 9 EMPLOYEE RETIREMENT SYSTEMS (Continued)

Police and Firemen’s Retirement System (PFRS) (Continued)

Actuarial Assumptions

The Town’s total pension liability reported for the year ended December 31, 2021 was based on the June 30, 2021 measurement date as determined by an actuarial valuation as of July 1, 2020, which was rolled forward to June 30, 2021. This actuarial valuation used the following actuarial assumptions, applied to all periods in the measurement date:

	<u>2021</u>
Inflation Rate:	
Price	2.75%
Salary Increases:	
Through all future years	3.25%-15.25%
	Based on Years
	of Service
Investment Rate of Return	7.00%
Mortality Rate Table	Pubs - 2010

Assumptions for mortality improvements are based on Society of Actuaries Scale MP - 2021.

The actuarial assumptions used in the July 1, 2020 valuations were based on the results of an actuarial experience study for the period July 1, 2013 to June 30, 2018.

Long-Term Expected Rate of Return

The long-term expected rate of return on pension plan investments was determined using a building-block method in which best-estimate ranges of expected future real rate of return (expected returns, net of pension plans investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation.

**TOWNSHIP OF WYCKOFF**  
**NOTES TO FINANCIAL STATEMENTS**  
**YEARS ENDED DECEMBER 31, 2022 AND 2021**

**NOTE 9 EMPLOYEE RETIREMENT SYSTEMS (Continued)**

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

Best estimates of arithmetic real rates of return for each major asset class included in the pension plans' target asset allocation as of June 30, 2021, as reported for the year ended December 31, 2021 is summarized in the following table:

***Long-Term Expected Rate of Return (Continued)***

<u>Asset Class</u>	<b>2021</b>	
	<u>Target Allocation</u>	<u>Long-Term Expected Real Rate of Return</u>
U.S. Equity	27.00%	8.09%
Non-US Developed Markets Equity	13.50%	8.71%
Emerging Markets Equity	5.50%	10.96%
Private Equity	13.00%	11.30%
Real Assets	3.00%	7.40%
Real Estate	8.00%	9.15%
High Yield	2.00%	3.75%
Private Credit	8.00%	7.60%
Investment Grade Credit	8.00%	1.68%
Cash Equivalents	4.00%	0.50%
U.S. Treasuries	5.00%	0.95%
Risk Mitigation Strategies	<u>3.00%</u>	3.35%
	<u>100.00%</u>	

***Discount Rate***

The discount rate used to measure the total pension liability as of June 30, 2021 was 7.00%. The projection of cash flows used to determine the discount rate assumed that contributions from plan members will be made at the current member contribution rates and that contributions from employers will be made based on 100% of the actuarially determined contributions for the State employer and 100% of the actuarially determined contributions for the local employers. Based on those assumptions, the plan's fiduciary net position was projected to be available to make projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on plan investments was applied to projected benefit payments to determine the total pension liability.

**TOWNSHIP OF WYCKOFF**  
**NOTES TO FINANCIAL STATEMENTS**  
**YEARS ENDED DECEMBER 31, 2022 AND 2021**

**NOTE 9 EMPLOYEE RETIREMENT SYSTEMS (Continued)**

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

***Sensitivity of Net Pension Liability***

The following presents the Township's proportionate share of the PFRS net pension liability as of December 31, 2021 calculated using the discount rate of 7.00%, as well as what the Township's proportionate share of the PFRS net pension liability would be if it were calculated using a discount rate that is 1-percentage-point lower 6.00% and 1-percentage-point higher 8.00% than the current rate:

	<b>1% Decrease (6.00%)</b>	<b>Current Discount Rate (7.00%)</b>	<b>1% Increase (8.00%)</b>
<b><u>2021</u></b>			
Township's Proportionate Share of the PFRS Net Pension Liability	<u>\$ 8,990,504</u>	<u>\$ 5,920,770</u>	<u>\$ 3,365,548</u>

The sensitivity analysis was based on the proportionate share of the Township's net pension liability at December 31, 2021. A sensitivity analysis specific to the Township's net pension liability was not provided by the pension system.

***Special Funding Situation – PFRS***

Under N.J.S.A. 43:16A-15, the Township is responsible for their own PFRS contributions based on actuarially determined amounts, except where legislation was passed which legally obligated the State to make contributions if certain circumstances occurred. The legislation which legally obligates the State is as follows: Chapter 8, P.L. 2000, Chapter 318, P.L. 2001, Chapter 86, P.L. 2001, Chapter 511, P.L. 1991, Chapter 109, P.L. 1979, Chapter 247, P.L. 1993 and Chapter 201, P.L. 2001. The amounts contributed on behalf of the Township by the State under this legislation is considered to be a special funding situation as defined by GASB Statement No. 68 and the State is treated as a nonemployer contributing entity. Accordingly, the Township's proportionate share percentage of the net pension liability, deferred outflows and inflows determined under GASB Statement No. 68 is zero percent and the State's proportionate share is 100% for PFRS under this legislation.

At December 31, 2021, the State's proportionate share of the net pension liability attributable to the Township for the PFRS special funding situation is \$1,665,215. For the year ended December 31, 2021, the pension system has determined the State's proportionate share of the pension expense attributable to the Township for the PFRS special funding situation is \$185,456, which is more than the actual contribution the State made on behalf of the Township of \$185,456. At December 31, 2021 (measurement date June 30, 2021) the State's share of the PFRS net pension liability attributable to the Township was 0.08100 percent, which was an decrease of 0.00210 percent from its proportionate share measured as of December 31, 2020 (measurement date June 30, 2020) of 0.08310 percent. The State's proportionate share attributable to the Township was developed based on actual contributions made to PFRS allocated to employers based upon covered payroll. These on-behalf contributions have not been reported on the Township's financial statements.

***Pension Plan Fiduciary Net Position***

Detailed information about the PFRS pension plan's fiduciary net position is available in the separately issued financial report from the State of New Jersey, Department of the Treasury, Division of Pension and Benefits. The financial reports may be accessed via the New Jersey, Division of Pensions and Benefits, website at [www.state.nj.us/treasury/pensions](http://www.state.nj.us/treasury/pensions).

**TOWNSHIP OF WYCKOFF**  
**NOTES TO FINANCIAL STATEMENTS**  
**YEARS ENDED DECEMBER 31, 2022 AND 2021**

**NOTE 9 EMPLOYEE RETIREMENT SYSTEMS (Continued)**

**C. DEFINED CONTRIBUTION RETIREMENT PLAN**

The Defined Contribution Retirement Plan (DCRP) is a multiple employer defined contribution plan as defined in GASB Statement No. 68. The Plan is administered by The New Jersey Division of Pensions and Benefits (Division). The more significant aspects of the DCRP are as follows:

*Plan Membership and Contributing Employers-* Enrollment in the DCRP is required for state or local officials, elected or appointed on or after July 1, 2007; employees enrolled in PFRS or PERS on or after July 1, 2007, who earn salary in excess of established “maximum compensation” limits; employees otherwise eligible to enroll in PFRS or PERS on or after November 2, 2008, who do not earn the minimum annual salary for tier 3 enrollment but who earn salary of at least \$5,000 annually; and employees otherwise eligible to enroll in PFRS or PERS after May 21, 2010, who do not work the minimum number of hours per week required for tier 4 or tier 5 enrollment, but who earn salary of at least \$5,000 annually.

*Contribution Requirement and Benefit Provisions -* State and local government employers contribute 3% of the employees’ base salary. Active members contribute 5.5% of base salary.

Eligible members are provided with a defined contribution retirement plan intended to qualify for favorable Federal income tax treatment under IRC Section 401(a), a noncontributory group life insurance plan and a noncontributory group disability benefit plan. A participant’s interest in that portion of his or her defined contribution retirement plan account attributable to employee contributions shall immediately become and shall at all times remain fully vested and non-forfeitable.

A participant’s interest in that portion of his or her defined contribution retirement plan account attributable to employer contributions shall be vested and non-forfeitable on the date the participant commences the second year of employment or upon his or her attainment of age 65, while employed by an employer, whichever occurs first.

At June 30, 2021, the membership of DCRP, based on the information within the Division’s database was 64,336.

Total DCRP covered payroll for 2022 was \$220,497. Covered payroll refers to all compensation paid by the Township to active employees covered by the Plan. Employee contributions to the DCRP for the year ended December 31, 2022 were \$12,127 and employer contributions were \$4,019.

Total DCRP covered payroll for 2021 was \$215,727. Covered payroll refers to all compensation paid by the Township to active employees covered by the Plan. Employee contributions to the DCRP for the year ended December 31, 2021 were \$11,865 and employer contributions were \$2,472.

**TOWNSHIP OF WYCKOFF**  
**NOTES TO FINANCIAL STATEMENTS**  
**YEARS ENDED DECEMBER 31, 2022 AND 2021**

**NOTE 10 POST-RETIREMENT HEALTH COVERAGE**

Plan Membership and Contributing Employers

Plan membership and contributing employers/nonemployers consisted of the following at June 30, 2021:

	June 30, 2021
Inactive plan members or beneficiaries currently receiving benefits	32,624
Active plan members	64,243
Total	<u>96,867</u>
Contributing employers	590
Contributing nonemployers	1

Nonspecial Funding Situation - The State of New Jersey's Total OPEB Liability for nonspecial funding situation was \$14,138,423,345.00 at June 30, 2021.

*Components of Net OPEB Liability* - The components of the collective net OPEB liability for Local Government Retired Employees Plan, including the State of New Jersey, is as follows:

	June 30, 2021
Total OPEB Liability	\$ 18,050,052,887
Plan Fiduciary Net Position	<u>\$ 50,271,652</u>
Net OPEB Liability	<u>\$ 17,999,781,235</u>
Plan Fiduciary Net Position as a Percentage of the Total OPEB Liability	0.28%

*Actuarial Assumptions and Other Inputs* - The total OPEB liability as of June 30, 2021 was determined by an actuarial valuation as of June 30, 2020, which was rolled forward to June 30, 2021. The actuarial assumptions vary for each plan member depending on the pension plan the member is enrolled in. These actuarial valuations used the following actuarial assumptions, applied to all periods (2021) in the measurement:

	June 30, 2021
Inflation	<u>2.50%</u>
Salary Increases*:	
Public Employees' Retirement System (PERS)	
Rate through 2026	2.00% to 6.00%
Rate thereafter	3.00% to 7.00%
Police and Firemen's Retirement System (PFRS)	
Rate for all future years	3.25% to 15.25%

\*Salary increases are based on years of service within the respective plan.

Preretirement and postretirement mortality rates were based on the Pub-2010 General and Safety Headcount-Weighted mortality table with fully generational mortality improvement projections from the central year using the MP-2021 scale.

Actuarial assumptions used in the July 1, 2020 valuation were based on the results of the PFRS and PERS experience studies prepared for July 1, 2013 to June 30, 2018 and July 1, 2014 to June 30, 2018, respectively.

**TOWNSHIP OF WYCKOFF**  
**NOTES TO FINANCIAL STATEMENTS**  
**YEARS ENDED DECEMBER 31, 2022 AND 2021**

**NOTE 10 POST-RETIREMENT HEALTH COVERAGE (Continued)**

100% of active members are considered to participate in the Plan upon retirement.

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

*Discount Rate* - The discount rate for June 30, 2021 was 2.16%. This represents the municipal bond return rate as chosen by the State. The source is the Bond Buyer Go 20-Bond Municipal Bond Index, which includes tax-exempt general obligation municipal bonds with an average rating of AA/Aa or higher. As the long-term rate of return is less than the municipal bond rate, it is not considered in the calculation of the discount rate, rather the discount rate is set at the municipal bond rate.

*Sensitivity of the State’s Net OPEB Liability to Changes in the Discount Rate* - The following presents the collective net OPEB liability of the participating employers as of June 30, 2021, calculated using the discount rate as disclosed above as well as what the collective net OPEB liability would be if it was calculated using a discount rate that is 1-percentage point lower or 1-percentage point higher than the current rate:

	1% Decrease	At Discount Rate	1% Increase
Total Net OPEB Liability - 2021	\$ 21,182,289,882	\$ 17,999,781,235	\$ 15,477,574,697

*Sensitivity of the State’s Net OPEB Liability to Changes in the Healthcare Cost Trend Rates* - The following presents the net OPEB liability as of June 30, 2021, calculated using the healthcare trend rate as disclosed above as well as what the net OPEB liability would be if it was calculated using a healthcare trend rate that is 1-percentage point lower or 1-percentage point higher than the current rate:

	1% Decrease	Healthcare Cost Trend Rate	1% Increase
Total Net OPEB Liability - 2021	\$ 15,017,879,689	\$ 17,999,781,235	\$ 21,890,793,528

**NOTE 11 RISK MANAGEMENT**

The Township is exposed to various risks of loss related to general liability, automobile coverage, theft of, damage to and destruction of assets; errors and omissions; injuries to employees; termination of employees and natural disasters. The Township has obtained commercial insurance coverage to guard against these events to minimize the exposure to the Township should they occur.

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

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

**TOWNSHIP OF WYCKOFF**  
**NOTES TO FINANCIAL STATEMENTS**  
**YEARS ENDED DECEMBER 31, 2022 AND 2021**

**NOTE 11 RISK MANAGEMENT (Continued)**

The funds provide its members with risk management services, including the defense of and settlement of claims, and established reasonable and necessary loss reduction and prevention procedures to be followed by the members. Complete financial statements of the funds can be obtained by contacting the respective fund's Treasurer.

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

The Township has elected to fund its New Jersey Unemployment Compensation Insurance under the "Benefit Reimbursement Method". Under this plan the Township is required to reimburse the New Jersey Unemployment Trust Fund for benefits paid to its former employees and charged to its account with the State. The Township is billed quarterly for amounts due to the State. The following is a summary of Township contributions, employee contributions, reimbursements to the State for benefits paid and the ending balance of the Township's unemployment compensation trust fund for the current and previous two years:

<u>Year Ended</u> <u>December 31</u>	<u>Opening</u> <u>Balance</u>	<u>Township</u> <u>Contributions</u>	<u>Employee</u> <u>Contributions</u>	<u>Interest</u> <u>Earned</u>	<u>Amount</u> <u>Reimbursed</u>	<u>Ending</u> <u>Balance</u>
2022	\$ 41,032	\$ 25,000	\$ 18,321	\$ 7	\$ 13,309	\$ 71,051
2021	30,017	25,000	7,628	2	21,615	41,032
2020	(924)	20,000	23,571		12,630	30,017

**NOTE 12 CONTINGENT LIABILITIES**

The Township is a party defendant in some lawsuits, none of a kind unusual for a municipality of its size and scope of operation except for the following:

The Township of Wyckoff is a Defendant in an action entitled M.B. v. The Township of Wyckoff, et als., pending in the Superior Court of New Jersey, Passaic County, Law Division. The Township of Wyckoff has notified its insurance carrier and is seeking coverage with respect to the matter as of December 31, 2022. See Footnote 15 Subsequent Events for the outcome of this matter.

**Pending Tax Appeals** - Certain tax appeal cases were pending in the New Jersey Tax Court at December 31, 2022 and 2021. Amounts claimed have not yet been determined. The Township is vigorously defending its assessments in each case. Under the accounting principles prescribed by the Division of Local Government Services, Department of community Affairs, State of New Jersey, the Township does not recognize a liability, if any, until these cases have been adjudicated. The Township expects such amounts, if any, could be material. As of December 31, 2022 and 2021, the Township reserved \$290,189 and \$275,403, respectively in the Current Fund for tax appeals pending in the New Jersey Tax Court. Funding of any ultimate liability would be provided for in succeeding years' budget or from fund balance.

**Federal and State Awards** - The Township participates in a number of federal and state programs that are fully or partially funded by grants received from other governmental units. Expenditures financed by grants are subject to audit by the appropriate grantor government. If expenditures are disallowed due to noncompliance with grant program regulations, the Township may be required to reimburse the grantor government. As of December 31, 2022 and 2021, significant amounts of grant expenditure have not been audited by the various grantor agencies but the Township believes that disallowed expenditures, if any, based on subsequent audits will not have a material effect on the overall financial position of the Township.



**TOWNSHIP OF WYCKOFF**  
**NOTES TO FINANCIAL STATEMENTS**  
**YEARS ENDED DECEMBER 31, 2022 AND 2021**

**NOTE 13 LENGTH OF SERVICE AWARD PROGRAM (LOSAP)-UNAUDITED**

The Township of Wyckoff Length of Service Award Program (the Plan) was created by a Township ordinance adopted on August 31, 1999 pursuant to 457 (e)(11)(13) of the Internal Service Code of 1986, as amended, except for provisions added by reason of the Length of Service Award Program as enacted into federal law in 1997. The voters of the Township of Wyckoff approved the adoption of the Plan at the general election held on November 2, 1999.

The first year of eligibility for entrance into the Plan was calendar year 2000. The tax deferred income benefits for emergency services volunteers, consisting of the Volunteer Fire Department and the Volunteer Ambulance Corps, come from contributions made solely by the Township on behalf of those volunteers who meet the criteria of a plan created by the governing body.

If an active member meets the year of active service requirement, a LOSAP must provide a benefit between the minimum contribution of \$100 and a maximum contribution of \$1,150 per year. While the maximum amount is established by statute, it is subject to periodic increases that are related to the consumer price index (N.J.S.A. 40A:14-185(f)). The Division of Local Government Services issues the permitted maximum increase annually.

The Township of Wyckoff has contributed \$1,150 for 2022 and 2021, respectively, for each eligible Volunteer Fire Department and Volunteer Ambulance Corps member into the Plan. The total Township contributions was \$82,800 and \$79,350 for 2022 and 2021, respectively.

In accordance with the amendments to Section 457 of the Internal Revenue Code and the State Deferred Revenue Regulations, the Township has placed the amounts deferred, including earnings, in a trust for the exclusive benefit of the plan participants and their beneficiaries.

Lincoln Financial Group is the administrator of the plan. The Township's practical involvement in administering the plan is essentially limited to verifying the eligibility of each participant and remitting the funds to the plan administrator.

In accordance with NJAC 5:30-14.26, all amounts of awarded under the plan remain assets of the Township. Program funds are subject to the claims of the Township's general creditors until distributed to vested plan participants.

As of December 31, 2022, there were 170 participants in the program, of which 72 qualified for a contribution in 2022.

Should a volunteer fail to vest or terminate association with a sponsoring agency prior to the completion of the vested period, the funds place in the LOSAP account to the sponsoring agency, not to the volunteer. As of December 31, 2022, the forfeiture balance was \$0 and there were no forfeitures utilized or incurred during the year. open

**Vesting and Benefits**

A volunteer is eligible to receive a distribution of funds upon completing 5 (five) cumulative years as an active member of the volunteer organization. Certain restrictions and tax implications may result in the event of a withdrawal of funds from the Plan.

If a volunteer member does not vest and terminates their association with the emergency service organization, the funds are returned to the sponsoring agency's surplus.

**TOWNSHIP OF WYCKOFF**  
**NOTES TO FINANCIAL STATEMENTS**  
**YEARS ENDED DECEMBER 31, 2022 AND 2021**

**NOTE 13 LENGTH OF SERVICE AWARD PROGRAM (LOSAP)-UNAUDITED (Continued)**

**Reporting Requirements**

The New Jersey Administrative Code NJAC 5:30-14.49 requires that the Township perform a separate review report of the plan in accordance with the American Institute of Certified Public Accountants (AICPA) Statements on Standards for Accounting and Auditing Review Services. Since a review does not constitute an audit, the financial statements pertaining to the Plan are presented as unaudited in this report as part of the Township's Trust Fund.

**NOTE 14 LESSOR REVENUES**

The Township has entered into certain leases for the use of Township owned real property. The leases are due to the Township in installments as outlined in each individual lease. The Township recognizes the revenues on an annual basis based upon cash received. The following table represents the lease principle throughout the term of the leases.

<u>Year</u>	<u>Annual Lease Payments</u>
2023	\$ 351,810
2024	360,095
2025	330,726
2026	336,539
2027	342,859
2028-2032	933,969
2033-2037	689,635
2038-2042	734,556
2043-2044	462,382
	<u>\$ 4,543,570</u>

**NOTE 15 SUBSEQUENT EVENTS**

The Township has evaluated subsequent events occurring after December 31, 2022 through the date of July 21, 2023, which is the date the financial statements were available to be issued. Based on this evaluation, the Township has determined that the following subsequent events have occurred which requires disclosure in the financial statements:

**Capital Ordinances**

As of July 21, 2023, the Township adopted certain capital ordinances appropriating \$862,000 of the Capital Improvement Fund balance to fund capital projects and authorizing bonds and/or notes of \$1,178,500.

**TOWNSHIP OF WYCKOFF**  
**NOTES TO FINANCIAL STATEMENTS**  
**YEARS ENDED DECEMBER 31, 2022 AND 2021**

**NOTE 15 SUBSEQUENT EVENTS (Continued)**

**Other**

The Township of Wyckoff was a Defendant in an action entitled M.B. v. The Township of Wyckoff, et als., which was pending in the Superior Court of New Jersey, Bergen County, Law Division. The Township of Wyckoff notified its insurance carrier, and the case was settled and dismissed in April/May of 2023. The matter involved allegations from the 1980s. The matter was settled for \$1,500,000.00 and was paid by the Bergen County Municipal Joint Insurance Fund (“JIF”). The Township has agreed to repay JIF \$1,250,000.00 of the settlement proceeds by February 1, 2033. The Township will be making annual payments of \$125,000.00, commencing February 1, 2024, in addition to interest at the rate JIF receives on investments, which most recently was calculated at 1.79%.

**TOWNSHIP OF WYCKOFF**  
**BERGEN COUNTY, NEW JERSEY**

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**PART II**  
**SUPPLEMENTARY INFORMATION**  
**YEAR ENDED DECEMBER 31, 2022**

## **Current Fund**

**TOWNSHIP OF WYCKOFF**  
**STATEMENT OF CURRENT CASH - TREASURER**

Balance, January 1, 2022		\$ 8,463,016
Increased by Receipts:		
Taxes Receivable	\$ 87,188,278	
Non-Budget Revenues	1,045,207	
State of NJ - Senior Citizens' and Vet. Deductions	77,785	
Revenue Accounts Receivable	3,809,638	
Prepaid Taxes	556,026	
Unappropriated Grant Reserves	956,536	
Tax Overpayments	25,758	
Reserve for Payroll Account	8,789,499	
Fees Payable	53,041	
Receipts from Animal Control Trust Fund	89	
Receipts from Other Trust Fund	574	
Grant Receipts	80,439	
	<u>102,582,870</u>	
		111,045,886
Decreased by Disbursements:		
2022 Budget Appropriations	18,182,034	
20201 Appropriation Reserves	670,286	
County Taxes Payable	11,593,868	
Local District School Taxes Payable	40,949,440	
Regional School Taxes Payable	20,976,112	
Tax Overpayments	192,150	
Reserve for Payroll Account	8,789,499	
Appropriated Grant Reserves	108,685	
Payments to Municipal Open Space Trust Fund	239,541	
Reserve for Tax Appeals	285,214	
Fees Payable	53,041	
	<u>102,039,870</u>	
Balance, December 31, 2022		<u>\$ 9,006,016</u>

**TOWNSHIP OF WYCKOFF  
STATEMENT OF CASH - CHANGE FUNDS**

	Balance, January 1, <u>2022</u>	Balance, December 31, <u>2022</u>
Tax Collector	<u>\$ 600</u>	<u>\$ 600</u>

**STATEMENT OF DUE TO STATE OF NEW JERSEY  
SENIOR CITIZENS' AND VETERANS' DEDUCTIONS**

Balance, January 1, 2022		\$ 6,272
Increased by:		
Senior Citizens/Veterans Disallowed Per Tax Collector - 2022	\$ 955	
Cash Received	<u>77,785</u>	
		<u>78,740</u>
		85,012
Decreased by:		
Senior Citizens /Veterans Deductions Per Tax Billings - 2022	80,500	
Prior Year Senior Citizens/Veterans Deduction Allowed	<u>2,750</u>	
		<u>83,250</u>
Balance, December 31, 2022		<u>\$ 1,762</u>

**TOWNSHIP OF WYCKOFF  
STATEMENT OF TAXES RECEIVABLE**

<u>Year</u>	Balance, January 1, <u>2022</u>	<u>2022 Levy</u>	Senior Citizens' and Veterans' Deductions <u>Disallowed</u>	<u>Collections</u> <u>2021</u>	<u>2022</u>	Senior Citizens' and Veterans' Deductions <u>Allowed</u>	<u>Cancelled</u>	Transferred to Tax Title Liens	Balance, December 31, <u>2022</u>
2021	\$ 451,825	-	-	-	\$ 451,525	-	\$ 300	-	-
	451,825	-	-	-	451,525	-	300	-	-
2022	\$ -	\$ 88,015,955	\$ 955	\$ 621,331	86,736,753	\$ 80,500	144,023	\$ 1,394	\$ 432,909
	\$ 451,825	\$ 88,015,955	\$ 955	\$ 621,331	\$ 87,188,278	\$ 80,500	\$ 144,323	\$ 1,394	\$ 432,909
<u>Analysis of 2022 Property Tax Levy</u>									
Tax Yield									
General Purpose Tax				\$ 87,902,895					
Added Taxes				113,060					
					<u>\$ 88,015,955</u>				
Tax Levy									
County Taxes	\$ 11,104,172								
County Open Space Taxes	461,457								
Due County for Added and Omitted Taxes	15,044								
				11,580,673					
Municipal Open Space Preservation	238,982								
Due Municipal Open Space for Added and Omitted Taxes	627								
				239,609					
Regional High School Tax				20,976,112					
Local District School Tax				40,949,440					
				73,745,834					
Local Tax for Municipal Purposes	12,566,049								
Minimum Library Tax	1,606,990								
Added Taxes (54:4-63.1 et seq.)	97,082								
				14,270,121					
					<u>\$ 88,015,955</u>				



**TOWNSHIP OF WYCKOFF  
STATEMENT OF TAX TITLE LIENS RECEIVABLE**

Balance, January 1, 2022	\$ 17,775
Increased by:	
Transfers from Taxes Receivable	<u>1,394</u>
Balance, December 31, 2022	<u>\$ 19,169</u>

**STATEMENT OF PROPERTY ACQUIRED FOR TAXES  
(AT ASSESSED VALUATION)**

Balance, January 1, 2022	<u>\$ 36,700</u>
Balance, December 31, 2022	<u>\$ 36,700</u>

**STATEMENT OF REVENUE ACCOUNTS RECEIVABLE**

	Balance, January 1, <u>2022</u>	Accrued in 2022	Collected	Balance, December 31, <u>2022</u>
Township Clerk - Licenses				
Alcoholic Beverages		\$ 17,500	\$ 17,500	
Other		118,379	118,379	
Fees and Permits				
Other		210,904	210,904	
Fines and Costs - Municipal Court	\$ 2,551	34,088	35,184	\$ 1,455
Interest and Costs on Taxes		101,386	101,386	
Interest on Investments		204,779	204,779	
Lease of Township Property		43,380	43,380	
Cable Franchise Fee		261,042	261,042	
Lease of Cell Tower Space #1		101,800	101,800	
Lease of Cell Tower Space #2		204,600	204,600	
Lease of Cell Tower Space #3		33,590	33,590	
Energy Receipts Tax		1,093,271	1,093,271	
Uniform Construction Code Fees		590,182	590,182	
Library Shared Service Agreement		13,987	13,987	
Recreation Fees		759,035	759,035	
Uniform Fire Safety Act	-	20,619	20,619	-
	<u>\$ 2,551</u>	<u>\$ 3,808,542</u>	<u>\$ 3,809,638</u>	<u>\$ 1,455</u>
		Cash Receipts	<u>\$ 3,809,638</u>	

**TOWNSHIP OF WYCKOFF  
STATEMENT OF GRANTS RECEIVABLE**

	Balance, January 1, <u>2022</u>	<u>Accrued</u>	Cash <u>Receipts</u>	Balance, December 31, <u>2022</u>
Sustainable NJ	\$ 5,000		\$ 4,234	\$ 766
Recycling Tonage Grant	-	\$ 38,679	38,679	-
Clean Communities Program	-	37,526	37,526	-
	<u>\$ 5,000</u>	<u>\$ 76,205</u>	<u>\$ 80,439</u>	<u>\$ 766</u>

**TOWNSHIP OF WYCKOFF**  
**STATEMENT OF 2021 APPROPRIATION RESERVES**

	Balance, January 1, <u>2022</u>	Prior Year Encumbrances <u>Restored</u>	Balance After <u>Modification</u>	Paid or <u>Charged</u>	Balance <u>Lapsed</u>
<b>SALARIES AND WAGES</b>					
Administrative and Executive	\$ 3,311		\$ 3,311	\$ 799	\$ 2,512
Township Clerk	2,106		2,106		2,106
Financial Administration	6,316		6,316		6,316
Revenue Administration and Tax Collection	2,172		2,172		2,172
Assessment of Taxes	16,473		16,473	16,398	75
Planning Board	593		593	190	403
Police	82,890		82,890	19,938	62,952
Recreation	1,904		1,904	1,793	111
Road Repairs and Maintenance	3,159		3,159	3,159	
Construction Code Official	1,796		1,796	1,470	326
Municipal Court	5,400		5,400		5,400
Affordable Housing	707		707		707
<b>OTHER EXPENSES</b>					
Administrative and Executive	6,096	\$ 2,741	8,837	7,083	1,754
Township Clerk	6,899	2,645	9,544	9,544	
Financial Administration	4,468		4,468	2,771	1,697
Audit Services	3,257		3,257		3,257
Revenue Administration and Tax Collection	562	2,393	2,955	2,438	517
Elections	200		200		200
Assessment of Taxes	54,736	375	55,111	55,061	50
Environmental Commission: NJSA 40:56A-1	1,541		1,541		1,541
Legal Services and Costs	22,872	7,987	30,859	30,248	611
Engineering Services	11,017	853	11,870		11,870
Public Buildings and Grounds	9,686	31,220	40,906	28,924	11,982
Shade Tree Commission	23,150		23,150	7,909	15,241
Board of Health	13,910		13,910		13,910
Planning Board	15,274		15,274	2,605	12,669
Board of Adjustment	1,744		1,744	1,050	694
General Liability Insurance	1,018		1,018	260	758
Workers Compensation Insurance	37		37		37
Employee Health Benefits Insurance	310,243	891	311,134		311,134
Health Benefit Waivers	5,000		5,000		5,000
Police	13,054	20,397	33,451	21,524	11,927
Emergency Management Services	5,000		5,000	4,700	300
Public Safety Volunteer Fire Department	209	7,698	7,907	(4,584)	12,491
Life Hazard Use Fees (Uniform Fire Safety)	1,453	246	1,699	246	1,453
Radio Communications Contract	1,192		1,192		1,192
Recreation	4,240	35,071	39,311	38,199	1,112
Park Maintenance		2,605	2,605	1,245	1,360
Celebration of Public Events	7,075		7,075		7,075
Recycling	154,250		154,250	99,275	54,975

**TOWNSHIP OF WYCKOFF  
STATEMENT OF 2021 APPROPRIATION RESERVES**

	Balance, January 1, <u>2022</u>	Prior Year Encumbrances <u>Restored</u>	Balance After <u>Modification</u>	Paid or <u>Charged</u>	Balance <u>Lapsed</u>
OTHER EXPENSES (Continued)					
Sanitation/Garbage and Trash Removal	\$ 83,667		\$ 83,667	\$ 83,667	
Road Repair and Maintenance	70,409	\$ 8,151	78,560	12,780	\$ 65,780
Inspector's Vehicle Other Expenses	2,000		2,000		2,000
DPW Vehicle Other Expenses	14,895	1,009	15,904	15,872	32
Police Vehicle Other Expenses	9,422	305	9,727	9,727	
Fire Vehicle Other Expenses	5,549	7,151	12,700	12,700	
CDL Mandate	186		186	186	
Animal Control	10,200		10,200	900	9,300
Municipal Court	1,485		1,485		1,485
Condo Services Act	5,500		5,500	1,888	3,612
Municipal Prosecutor	4,050		4,050	1,600	2,450
Public Defender	1,400		1,400		1,400
Construction Code Official	3,166	5,121	8,287	7,143	1,144
PEOSHA - Hepatitis B	3,290		3,290	20	3,270
Utilities					
Electricity	10,218		10,218	1,391	8,827
Street Lighting	2,865		2,865	2,865	
Telephone	10,523		10,523		10,523
Water	3,929		3,929	1,462	2,467
Natural Gas	5,626		5,626	5,626	
Fire Hydrants	806		806		806
Gasoline	17,215		17,215	17,215	
Landfill and Solid Waste Disposal	74,512		74,512	67,285	7,227
Recycling Tax	8,688		8,688	3,130	5,558
Social Security System (OASI)	11,282		11,282	3,912	7,370
Defined Compensation Retirement Plan	28		28	28	
Affordable Housing	11,618		11,618	2,837	8,781
Tax Appeal Interest	50		50		50
LOSAP		110,000	110,000	79,350	30,650
Maintenance of Library	56,457		56,457	56,457	
Interlocal Services Agreements - 911 Services	5,003	-	5,003	-	5,003
	<u>\$ 1,239,049</u>	<u>\$ 246,859</u>	<u>\$ 1,485,908</u>	<u>\$ 740,286</u>	<u>\$ 745,622</u>
			Cash Disbursements	\$ 670,286	
			Transfer to Accounts Payable	70,000	
				<u>\$ 740,286</u>	

**TOWNSHIP OF WYCKOFF  
STATEMENT OF ENCUMBRANCES PAYABLE**

Balance, January 1, 2022	\$ 246,859
Increased by:	
Charges to 2022 Appropriations	<u>416,879</u>
	663,738
Decreased by:	
Restored to 2021 Appropriation Reserves	<u>246,859</u>
Balance, December 31, 2022	<u>\$ 416,879</u>

**STATEMENT OF PREPAID TAXES**

Balance, January 1, 2022	\$ 621,331
Increased by:	
Collection of 2023 Taxes	<u>556,026</u>
	1,177,357
Decreased by:	
Application to 2022 Taxes Receivable	<u>621,331</u>
Balance, December 31, 2022	<u>\$ 556,026</u>

**STATEMENT OF COUNTY TAXES PAYABLE**

Balance, January 1, 2022	\$ 28,239
Increased by:	
2022 Tax Levy	\$ 11,104,172
2022 Open Space Preservation	461,457
2022 Added and Omitted Taxes	<u>15,044</u>
	<u>11,580,673</u>
	11,608,912
Decreased by:	
Cash Disbursed	<u>11,593,868</u>
Balance, December 31, 2022	<u>\$ 15,044</u>

**TOWNSHIP OF WYCKOFF  
STATEMENT OF LOCAL DISTRICT SCHOOL TAXES PAYABLE**

Increased by:	
Levy - Calendar Year 2022	\$ 40,949,440
Decreased by:	
Cash Disbursed	<u>\$ 40,949,440</u>

EXHIBIT A-17

**STATEMENT OF REGIONAL HIGH SCHOOL DISTRICT SCHOOL TAXES PAYABLE**

Increased by:	
Levy - Calendar Year 2022	\$ 20,976,112
Decreased by:	
Cash Disbursed	<u>\$ 20,976,112</u>

EXHIBIT A-18

**STATEMENT OF TAX OVERPAYMENTS**

Balance, January 1, 2022	\$ 183,181
Increased by:	
Cash Receipts	\$ 25,758
Prior Year Senior Citizens/Veterans Deductions Allowed	<u>2,750</u>
	<u>28,508</u>
	211,689
Decreased by:	
Cash Disbursements	<u>192,150</u>
Balance, December 31, 2022	<u>\$ 19,539</u>

EXHIBIT A-19

**STATEMENT OF RESERVE FOR TAX APPEALS**

Balance, January 1, 2022	\$ 275,403
Increased by:	
Transferred from 2022 Taxes Collected	<u>300,000</u>
	575,403
Decreased by:	
Cash Disbursements	<u>285,214</u>
Balance, December 31, 2022	<u>\$ 290,189</u>

**TOWNSHIP OF WYCKOFF**  
**STATEMENT OF APPROPRIATED GRANT RESERVES**

	Balance, January 1, <u>2022</u>	Budget <u>Appropriation</u>	<u>Expenditures</u>	Balance, December 31, <u>2022</u>
Clean Communities Grant	\$ 41,712	\$ 37,526	\$ 69,240	\$ 9,998
Drunk Driving Enforcement Fund	4,580		683	3,897
Recycling Tonnage		38,679	38,679	-
Sustainable NJ	936		83	853
Alcohol Education and Rehabilitation Program	<u>400</u>	<u>-</u>	<u>-</u>	<u>400</u>
	<u>\$ 47,628</u>	<u>\$ 76,205</u>	<u>\$ 108,685</u>	<u>\$ 15,148</u>

EXHIBIT A-21

**STATEMENT OF UNAPPROPRIATED GRANT RESERVES**

	Balance, January 1, <u>2022</u>	Cash <u>Receipts</u>	Realized as 2022 Anticipated <u>Revenue</u>	Balance, December 31, <u>2022</u>
Opiod Settlement	\$ -	\$ 6,096	\$ -	\$ 6,096
Municipal Relief Aid		57,029	-	57,029
Uniform Fire Safety - LEA		6,502		6,502
American Rescue Plan Act	<u>886,909</u>	<u>886,909</u>	<u>886,909</u>	<u>886,909</u>
	<u>\$ 886,909</u>	<u>\$ 956,536</u>	<u>\$ 886,909</u>	<u>\$ 956,536</u>

EXHIBIT A-22

**STATEMENT OF DUE TO MUNICIPAL OPEN SPACE TRUST FUND**

Balance, January 1, 2022	\$ 559
Increased by:	
2022 Tax Levy	\$ 238,982
2022 Added Taxes	<u>627</u>
	<u>239,609</u>
	240,168
Decreased by:	
Cash Disbursements	<u>239,541</u>
Balance, December 31, 2022	<u>\$ 627</u>

**TOWNSHIP OF WYCKOFF  
STATEMENT OF FEES PAYABLE**

	Balance, January 1, <u>2022</u>	Cash <u>Receipts</u>	Cash <u>Disbursements</u>	Balance, December 31, <u>2022</u>
Uniform Construction Code-DCA	\$ -	\$ 53,041	\$ 53,041	\$ -

**STATEMENT OF RESERVE FOR PAYROLL**

Increased by:	
Cash Receipts	\$ 8,789,499
Decreased by:	
Cash Disbursements	\$ 8,789,499

**STATEMENT OF ACCOUNTS PAYABLE**

Increased by:	
Charges to Appropriation Reserves	\$ 70,000
Balance, December 31, 2022	\$ 70,000



**Trust Fund**

**TOWNSHIP OF WYCKOFF  
STATEMENT OF TRUST CASH - TREASURER**

	Animal Control Trust <u>Fund</u>	Other <u>Trust Fund</u>	Municipal Open Space <u>Trust Fund</u>
Balance, January 1, 2022	\$ 28,046	\$ 3,874,266	\$ 446,764
Increased by Receipts:			
State of New Jersey Dog License Fees Collected	\$ 1,841		
Interest on Deposits	462	\$ 581	\$ 2,591
Budget Appropriations from Current Receipts from Current Fund		25,000	238,982
Receipts from General Capital Fund			28,201
Employee Contributions		18,321	
Payroll and Payroll Deductions		4,925,541	
Miscellaneous Reserves		2,445,013	
Dog License Fees	<u>14,373</u>	<u>-</u>	<u>-</u>
	<u>16,676</u>	<u>7,414,456</u>	<u>269,774</u>
	44,722	11,288,722	716,538
Decreased by Disbursements:			
Expenditures Under R.S. 4:19-15.11	13,583		
Due to State of New Jersey	1,805	28,154	
Payments to Current Fund	89	574	559
Payments to Capital Fund			48,000
Municipal Open Space Expenditures			149,546
Payroll and Payroll Deductions		4,921,969	
Miscellaneous Reserves	<u>-</u>	<u>1,620,098</u>	<u>-</u>
	<u>15,477</u>	<u>6,570,795</u>	<u>198,105</u>
Balance, December 31, 2022	<u>\$ 29,245</u>	<u>\$ 4,717,927</u>	<u>\$ 518,433</u>

**TOWNSHIP OF WYCKOFF  
ANIMAL CONTROL TRUST FUND  
STATEMENT OF RESERVE FOR ANIMAL CONTROL EXPENDITURES**

Balance, January 1, 2022		\$	27,458
Increased by:			
Dog License Fees			
Municipal Share	\$	14,299	
Late Fees & Miscellaneous		<u>74</u>	
			<u>14,373</u>
			41,831
Decreased by:			
Expenditures Under R.S. 4:19-15-11			<u>13,583</u>
Balance, December 31, 2022		\$	<u><u>28,248</u></u>

**TOWNSHIP OF WYCKOFF  
ANIMAL CONTROL TRUST FUND  
STATEMENT OF DUE TO STATE OF NEW JERSEY - ANIMAL CONTROL FUND**

Balance, January 1, 2022	\$ 499
Increased by:	
Dog License Fees Collected	<u>1,841</u>
	2,340
Decreased by:	
Payments Made to State of New Jersey	<u>1,805</u>
Balance, December 31, 2022	<u>\$ 535</u>

**ANIMAL CONTROL TRUST FUND  
STATEMENT OF DUE TO CURRENT FUND**

Balance, January 1, 2022	\$ 89
Increased by:	
Interest on Deposits	<u>462</u>
	551
Decreased by:	
Cash Disbursements	<u>89</u>
Balance, December 31, 2022	<u>\$ 462</u>

**TOWNSHIP OF WYCKOFF  
OTHER TRUST FUND  
STATEMENT OF MISCELLANEOUS RESERVES AND SPECIAL DEPOSITS**

	Balance, January 1, <u>2022</u>	<u>Increases</u>	<u>Decreases</u>	Balance December 31, <u>2022</u>
Special Deposits	\$ 778,928	\$ 619,431	\$ 543,458	\$ 854,901
Storm Recovery	491,646	6,094	28,577	469,163
Developer's Escrow	199,378	121	27,180	172,319
Performance Bonds	477,773	62,104	96,670	443,207
Gardens of Wyckoff Bequest	100,936	92		101,028
Developer Fees - Housing Trust	817,950	839,194	41,380	1,615,764
Community Development	957	8	4	961
Flexible Spending	1,223	2,919	3,111	1,031
Escrow Deposits Payable	627,023	915,050	879,718	662,355
	<u>\$ 3,495,814</u>	<u>\$ 2,445,013</u>	<u>\$ 1,620,098</u>	<u>\$ 4,320,729</u>
Cash Receipts		<u>\$ 2,445,013</u>		
		Cash Disbursements	<u>\$ 1,620,098</u>	

**OTHER TRUST FUND  
STATEMENT OF DUE TO CURRENT FUND**

Increased by:	
Interest Earned	\$ <u>574</u>
Decreased by:	
Cash Disbursements	\$ <u><u>574</u></u>

**TOWNSHIP OF WYCKOFF  
OTHER TRUST FUND  
STATEMENT OF DUE TO STATE OF NEW JERSEY - UNEMPLOYMENT COMPENSATION**

Balance, January 1, 2022	\$ 21,615
Increased by:	
Unemployment Claims	<u>13,309</u>
	34,924
Decreased By:	
Cash Disbursements	<u>28,154</u>
Balance, December 31, 2022	<u>\$ 6,770</u>

EXHIBIT B-10

**OTHER TRUST FUND  
STATEMENT OF RESERVE FOR UNEMPLOYMENT COMPENSATION**

Balance, January 1, 2022	\$ 41,032
Increased by:	
Budget Appropriation	\$ 25,000
Employee Contributions	18,321
Interest Earned	<u>7</u>
	<u>43,328</u>
	84,360
Decreased By:	
Unemployment Claims	<u>13,309</u>
Balance, December 31, 2022	<u>\$ 71,051</u>

EXHIBIT B-11

**MUNICIPAL OPEN SPACE TRUST FUND  
STATEMENT OF RESERVE FOR OPEN SPACE**

Balance, January 1, 2022	\$ 447,323
Increased by:	
Interest on Deposits	\$ 2,591
Receipts from General Capital Fund - Cancelled Ordinance	28,201
2022 Municipal Open Space Tax Levy	238,982
2022 Added Municipal Open Space Tax Levy	<u>627</u>
	<u>270,401</u>
	717,724
Decreased by:	
Cash Disbursements	150,664
Payments to General Capital Fund - Improvement Authorization	<u>48,000</u>
	<u>198,664</u>
Balance, December 31, 2022	<u>\$ 519,060</u>

**TOWNSHIP OF WYCKOFF  
MUNICIPAL OPEN SPACE TRUST FUND  
STATEMENT OF DUE FROM CURRENT FUND**

Balance, January 1, 2022		\$ 559
Increased by:		
Cash Receipts		<u>238,982</u>
		239,541
Decreased by:		
2022 Municipal Open Space Tax Levy	\$ 238,982	
2022 Added Municipal Open Space Tax Levy	627	
Cash Disbursements	<u>559</u>	
		<u>240,168</u>
Balance, December 31, 2022		<u>\$ 627</u>

**OTHER TRUST FUND  
STATEMENT OF RESERVE FOR PAYROLL AND PAYROLL DEDUCTIONS**

Balance, January 1, 2022		\$ 315,805
Increased by:		
Cash Receipts		<u>4,925,541</u>
		5,241,346
Decreased by:		
Cash Disbursements		<u>4,921,969</u>
Balance, December 31, 2022		<u>\$ 319,377</u>

## **General Capital Fund**



**TOWNSHIP OF WYCKOFF**  
**STATEMENT OF GENERAL CAPITAL CASH**

Balance, January 1, 2022		\$	619,349
Increased by Receipts:			
Grants Receivable	\$	942,038	
Bond Anticipation Note Proceeds		2,065,000	
Premium on Sale of Notes		15,130	
Receipts from Open Space Trust Fund		48,000	
Current Fund Budget Appropriations:			
Bond Anticipation Note Maturity		750,000	
Capital Improvement Fund		<u>786,500</u>	
			<u>4,606,668</u>
			5,226,017
Decreased by Disbursements:			
Improvement Authorizations		2,521,591	
Contracts Payable		374,225	
Bond Anticipation Notes Paid		750,000	
Payments to Other Trust Fund - Housing Trust		<u>594,000</u>	
			<u>4,239,816</u>
Balance, December 31, 2022		\$	<u><u>986,201</u></u>

**TOWNSHIP OF WYCKOFF  
ANALYSIS OF GENERAL CAPITAL CASH**

		Balance, December 31, <u>2022</u>
Fund Balance		\$ 15,970
Capital Improvement Fund		3,543
Contracts Payable		527,188
Grants Receivable		(464,095)
<u>Ordinance Number</u>	<u>Improvement Authorizations</u>	
1619/1646/1688/1738/1773/1829/1853/1960	Field Enhancement	224,004
1852	Various Capital Improvements	47,885
1877	Various Capital Improvements	7,048
1878/1911/1934/1961	Major Vehicle Repairs	20,886
1905	Install Turf Field	48,723
1909	Russell Farm Park	7,941
1912	Various Capital Improvements	84,897
1914	Road Resurfacing and Roof	111,852
1929	Mountain Ave Reconstruction	45,602
1931	Improvements to Memorial Field Campus	102,570
1935	Various Public Improvements	44,417
1951	Improvements to Grandview Ave	193,000
1959	Various Capital Improvements	76,204
1962	Road Resurfacing and Dumptruck	(227,213)
1965	Russell Farms Pk Improvement III	96,000
1969	Purchase Police Pursuit SUV	19,779
		<u>\$ 986,201</u>

**TOWNSHIP OF WYCKOFF  
STATEMENT OF GRANTS RECEIVABLE**

Balance, January 1, 2022		\$	1,499,942
Increased by:			
Grant Awards			<u>48,000</u>
			1,547,942
Decreased by:			
Cash Receipts	\$	942,038	
Cancellations		<u>141,809</u>	
			<u>1,083,847</u>
Balance, December 31, 2022		\$	<u>464,095</u>
<u>Analysis of Balance</u>			
Department of Transportation - Ordinance #1929 - Mountain Ave Improvements	\$	152,695	
Bergen County Open Space Trust Fund - Ordinance #1931 - Memorial Field Campus Improvements		70,400	
Department of Transportation - Ordinance #1951 - Grandview Ave		193,000	
Bergen County Open Space Trust Fund - Ordinance #1955 - Russell Farms Community Park Walking Trail		<u>48,000</u>	
	\$	<u>464,095</u>	

**TOWNSHIP OF WYCKOFF**  
**STATEMENT OF DEFERRED CHARGES TO FUTURE TAXATION - UNFUNDED**

Ord. No.	Improvement Description	Balance, January 1, 2022	2022 Authori- zations	Bond Anticipation Notes Paid by 2022 Budget Appropriation	Balance, December 31, 2022	Analysis of Balance, December 31, 2022		
						Bond Anticipation Notes	Expended	Unexpended Improvement Authorization
1855	Various Capital Improvements and Purchase of Dump Truck	\$ 1,165,000		\$ 250,000	\$ 915,000	\$ 915,000		
1871	Purchase of Fire Pumper	532,440		150,000	382,440	382,440		
1880	Road Resurfacing and Purchase of Sweeper	313,750		200,000	113,750	113,750		
1914	Road Resurfacing and Town Hall Roof	1,072,000		150,000	922,000	922,000		
1932	Road Resurfacing and Police Computer System	1,265,000			1,265,000	1,265,000		
1962	Road Resurfacing and Acquisition of a Dump Truck	-	\$ 1,413,000	-	1,413,000	800,000	\$ 227,213	\$ 385,787
		<u>\$ 4,348,190</u>	<u>\$ 1,413,000</u>	<u>\$ 750,000</u>	<u>\$ 5,011,190</u>	<u>\$ 4,398,190</u>	<u>\$ 227,213</u>	<u>\$ 385,787</u>
Improvement Authorizations - Unfunded								\$ 497,639
Less: Unexpended Note Proceeds								
Ord 1914								<u>111,852</u>
								<u>\$ 385,787</u>

**TOWNSHIP OF WYCKOFF**  
**STATEMENT OF IMPROVEMENT AUTHORIZATIONS**

2022 Authorizations												
Ord. No.	Improvement Description	Balance, January 1, 2022		Capital Improvement	Deferred Charges to Future Taxation	Open Space	Other	Contracts		Funded	Balance,	
		Funded	Unfunded	Fund	Unfunded	Trust Fund	Funding Sources	Payable Cancelled	Expended	Authorizations Cancelled	Funded	Unfunded
1619/1646/1688/1738/1773/1829/1853/1933/1960	Field Enhancement	\$ 194,004		\$ 30,000							\$ 224,004	
1852	Various Capital Improvements	42,655						\$ 5,230			47,885	
1877	Various Capital Improvements	189						7,048	\$ 189		7,048	
1878/1911/1934/1961	Major Vehicle Repairs	68,162		20,000					67,276		20,886	
1881	Greenwood Ave Rehab	122,736						4,842	5,215	\$ 122,363		
1882	Acquisition of Maple Lake	1,200,000							1,200,000			
1905	Install Turf Field	48,723									48,723	
1909	Russell Farm Park	8,962								1,021	7,941	
1912	Various Capital Improvements	100,277							15,380		84,897	
1914	Road Resurfacing and Town Hall Roof		\$ 111,852									\$ 111,852
1928	OST Sr. Center/Larkin Rehab	18,425								18,425		
1929	Mountain Ave Reconstruction	27,843						17,759			45,602	
1931	Improvements to Memorial Field Campus	109,520							6,950		102,570	
1932	Road Resurfacing and Police Computer System		4,691						4,691			
1935	Various Public Improvements	59,765							15,348		44,417	
1942	Affordable Housing Rehab	594,000								594,000		
1951	Improvements to Grandview Ave	193,000									193,000	
1959	Various Capital Improvements			424,500					348,296		76,204	
1962	Road Resurfacing and Acquisition of a Dump Truck			312,000	\$ 1,413,000				1,339,213			385,787
1955	Russel Farms Pk Improvement III					\$ 48,000	\$ 48,000				96,000	
1969	Purchase Police Pursuit SUV	-	-	50,000	-	-	16,000	-	46,221	-	19,779	-
		\$ 2,788,261	\$ 116,543	\$ 836,500	\$ 1,413,000	\$ 48,000	\$ 64,000	\$ 34,879	\$ 3,048,779	\$ 735,809	\$ 1,018,956	\$ 497,639
						Fund Balance	\$ 16,000	Contracts Payable	\$ 527,188			
						Grant Award	48,000	Cash Disbursements	2,521,591			
							\$ 64,000		\$ 3,048,779			
										Due to Housing Trust	\$ 594,000	
										Grants Receivable	141,809	
											\$ 735,809	

**TOWNSHIP OF WYCKOFF  
STATEMENT OF CAPITAL IMPROVEMENT FUND**

Balance, January 1, 2022	\$ 53,543
Increased by:	
2022 Budget Appropriation	<u>786,500</u>
	840,043
Decreased by:	
Appropriations to Finance Improvement Authorizations	<u>836,500</u>
Balance, December 31, 2022	<u><u>\$ 3,543</u></u>

**STATEMENT OF CONTRACTS PAYABLE**

Balance, January 1, 2022	\$ 409,104
Increased by:	
Charges to Improvement Authorizations	<u>527,188</u>
	936,292
Decreased by:	
Cash Disbursements	\$ 374,225
Contracts Payable Cancelled	<u>34,879</u>
	<u>409,104</u>
Balance, December 31, 2022	<u><u>\$ 527,188</u></u>

**STATEMENT OF DUE TO OPEN SPACE TRUST FUND**

Increased by:	
Receipts from Open Space Trust Fund	<u>\$ 48,000</u>
Decreased by:	
Downpayment on Improvement Authorization	<u>\$ 48,000</u>

**STATEMENT OF DUE TO HOUSING TRUST**

Increased by:	
Cancelled Improvement Authorizations	<u>\$ 594,000</u>
Decreased by:	
Cash Disbursements	<u><u>\$ 594,000</u></u>

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**TOWNSHIP OF WYCKOFF**  
**STATEMENT OF BONDS AND NOTES AUTHORIZED BUT NOT ISSUED**

Ord.		Balance		Bond	Balance
<u>No.</u>	<u>Improvement Description</u>	January 1,	2022	Anticipation	December 31,
		<u>2022</u>	<u>Authorizations</u>	<u>Notes</u>	<u>2022</u>
				<u>Issued</u>	
1932	Road Resurfacing and Police Computer System	\$ 1,265,000		\$ 1,265,000	
1962	Road Resurfacing and Acquisition of a Dump Truck	<u>-</u>	<u>\$ 1,413,000</u>	<u>800,000</u>	<u>\$ 613,000</u>
		<u>\$ 1,265,000</u>	<u>\$ 1,413,000</u>	<u>\$ 2,065,000</u>	<u>\$ 613,000</u>



## **Sewer Utility Fund**

**TOWNSHIP OF WYCKOFF**  
**STATEMENT OF SEWER UTILITY CASH**

	<u>Operating</u>	<u>Capital</u>
Balance, January 1, 2022	\$ 639,198	\$ 2,586,548
Increased by Receipts:		
Consumer Rents Accounts Receivable (Net of Refunds)	\$ 2,357,503	
Capital Improvement Fund		\$ 500,000
Interest and Costs on Sewer Charges	5,334	
Miscellaneous Revenues Not Anticipated	<u>52,894</u>	<u>-</u>
	<u>2,415,731</u>	<u>500,000</u>
	3,054,929	3,086,548
Decreased by Disbursements:		
2022 Budget Appropriations	2,662,176	
2021 Appropriation Reserves	32,316	
Contracts Payable	-	40,934
Improvement Authorizations	<u>-</u>	<u>63,524</u>
	<u>2,694,492</u>	<u>104,458</u>
Balance, December 31, 2022	<u><u>\$ 360,437</u></u>	<u><u>\$ 2,982,090</u></u>

**TOWNSHIP OF WYCKOFF  
SEWER UTILITY CAPITAL FUND  
ANALYSIS OF SEWER CAPITAL CASH**

	December 31, <u>2022</u>
Capital Improvement Fund	\$ 1,805,916
Contracts Payable	45,910
Ordinance	
1903 Various Sewer Improvements	530,264
1965 Various Sewer Improvements	<u>600,000</u>
	<u>\$ 2,982,090</u>

**SEWER UTILITY OPERATING FUND  
STATEMENT OF CONSUMER ACCOUNTS RECEIVABLE**

Balance, January 1, 2022	\$ 64,282
Increased by:	
Sewer Rents Levied	<u>2,351,031</u>
	2,415,313
Decreased by:	
Collections	\$ 2,357,503
Overpayments Applied	<u>7,589</u>
	<u>2,365,092</u>
Balance, December 31, 2022	<u>\$ 50,221</u>

**TOWNSHIP OF WYCKOFF  
SEWER UTILITY OPERATING FUND  
STATEMENT OF APPROPRIATION RESERVES**

	Balance, January 1, <u>2022</u>	Balance After Transfer and <u>Encumbrances</u>	Paid or <u>Charged</u>	Balance <u>Lapsed</u>
OPERATING				
Salaries and Wages	\$ 1,178	\$ 1,178	\$ -	\$ 1,178
Other Expenses	<u>99,991</u>	<u>103,567</u>	<u>32,316</u>	<u>71,251</u>
	<u>\$ 101,169</u>	<u>\$ 104,745</u>	<u>\$ 32,316</u>	<u>\$ 72,429</u>
		Cash Disbursements	<u>\$ 32,316</u>	
Appropriation Reserves	\$ 101,169			
Encumbrance Payable Restored	<u>3,576</u>			
		<u>\$ 104,745</u>		

**TOWNSHIP OF WYCKOFF  
SEWER UTILITY OPERATING FUND  
STATEMENT OF ENCUMBRANCES PAYABLE**

Balance, January 1, 2022	\$ 3,576
Decreased by:	
Restored to 2021 Appropriation Reserves	<u>3,576</u>
Balance, December 31, 2022	<u>\$ -</u>

**SEWER UTILITY OPERATING FUND  
STATEMENT OF OVERPAYMENTS**

Balance, January 1, 2022	\$ 7,589
Decreased by:	
Applied to Sewer Billings	<u>7,589</u>
Balance, December 31, 2022	<u>\$ -</u>

**TOWNSHIP OF WYCKOFF  
SEWER UTILITY CAPITAL FUND  
STATEMENT OF IMPROVEMENT AUTHORIZATIONS**

Ordinance Number	Improvement Description	Balance, January 1, 2022		2022 Authorizations	Expended	Balance, December 31, 2022	
		Funded	Unfunded			Funded	Unfunded
1873	Various Sewer Improvements	\$ 39,698	-	\$ -	\$ 39,698	\$ -	
1903	Various Sewer Improvements	600,000	-	-	69,736	530,264	-
1965	Various Sewer Improvements	-	-	600,000	-	600,000	-
		<u>\$ 639,698</u>	<u>\$ -</u>	<u>\$ 600,000</u>	<u>\$ 109,434</u>	<u>\$ 1,130,264</u>	<u>\$ -</u>
	Capital Improvement Fund			<u>\$ 600,000</u>			
				Contracts Payable	\$ 45,910		
				Cash Disbursements	<u>63,524</u>		
					<u>\$ 109,434</u>		

**TOWNSHIP OF WYCKOFF  
SEWER UTILITY CAPITAL FUND  
STATEMENT OF CAPITAL IMPROVEMENT FUND**

Balance, January 1, 2022	\$ 1,905,916
Increased by:	
2022 Budget Appropriation	<u>500,000</u>
	2,405,916
Decreased by:	
Downpayment on Improvement Authorization	<u>600,000</u>
Balance, December 31, 2022	<u><u>\$ 1,805,916</u></u>

**TOWNSHIP OF WYCKOFF  
STATEMENT OF FIXED CAPITAL  
SEWER UTILITY CAPITAL FUND**

<u>Ordinance Number</u>	<u>Improvement Description</u>	<u>Date</u>	<u>Amount</u>	<u>Balance January 1, 2022</u>	<u>Transfer From Fixed Capital Authorized and Uncompleted</u>	<u>Balance December 31, 2022</u>
1561	Various Sewer Improvements	6/19/2007	\$ 150,000	\$ 150,000		\$ 150,000
1693	Various Sewer Improvements	8/7/2012	150,000	150,000		150,000
1768	Various Sewer Improvements	4/28/2015	100,000	100,000		100,000
1849	Various Sewer Improvements	6/5/2018	300,000	-	\$ 300,000	300,000
				<u>\$ 400,000</u>	<u>\$ 300,000</u>	<u>\$ 700,000</u>

**STATEMENT OF RESERVE FOR AMORTIZATION  
SEWER UTILITY CAPITAL FUND**

<u>Ordinance Number</u>	<u>Improvement Description</u>	<u>Date of Ordinance</u>	<u>Amount</u>	<u>Balance, January 1, 2022</u>	<u>Transfer From Deferred Reserve for Amortization</u>	<u>Balance, December 31, 2022</u>
1561	Various Sewer Improvements	6/19/2007	\$ 150,000	\$ 150,000		\$ 150,000
1693	Various Sewer Improvements	8/7/2012	150,000	150,000		150,000
1768	Various Sewer Improvements	4/28/2015	100,000	100,000		100,000
1849	Various Sewer Improvements	6/5/2018	300,000	-	\$ 300,000	300,000
				<u>\$ 400,000</u>	<u>\$ 300,000</u>	<u>\$ 700,000</u>



**TOWNSHIP OF WYCKOFF  
STATEMENT OF FIXED CAPITAL AUTHORIZED AND UNCOMPLETED  
SEWER UTILITY CAPITAL FUND**

<u>Ordinance Number</u>	<u>Improvement Description</u>	<u>Date</u>	<u>Amount</u>	<u>Balance January 1, 2022</u>	<u>2022 Authorizations</u>	<u>Transferred to Fixed Capital</u>	<u>Balance December 31, 2022</u>
1849	Various Sewer Improvements	6/5/2018	\$ 300,000	\$ 300,000		\$ 300,000	
1873	Various Sewer Improvements	3/5/2019	300,000	300,000			\$ 300,000
1903	Various Sewer Improvements	2/4/2020	600,000	600,000			600,000
1965	Various Sewer Improvements	9/9/2022	600,000	-	\$ 600,000	-	600,000
				<u>\$ 1,200,000</u>	<u>\$ 600,000</u>	<u>\$ 300,000</u>	<u>\$ 1,500,000</u>

**STATEMENT OF DEFERRED RESERVE FOR AMORTIZATION  
SEWER UTILITY CAPITAL FUND**

<u>Ordinance Number</u>	<u>Improvement Description</u>	<u>Date of Ordinance</u>	<u>Amount</u>	<u>Balance, January 1, 2022</u>	<u>Funded Authorizations</u>	<u>Transferred to Reserve for Amortization</u>	<u>Balance, December 31, 2022</u>
1849	Various Sewer Improvements	6/5/2018	\$ 300,000	\$ 300,000		\$ 300,000	
1873	Various Sewer Improvements	3/5/2019	300,000	300,000			\$ 300,000
1903	Various Sewer Improvements	2/4/2020	600,000	600,000			600,000
1965	Various Sewer Improvements	9/9/2022	600,000	-	\$ 600,000	-	600,000
				<u>\$ 1,200,000</u>	<u>\$ 600,000</u>	<u>\$ 300,000</u>	<u>\$ 1,500,000</u>

**TOWNSHIP OF WYCKOFF  
SEWER UTILITY CAPITAL FUND  
STATEMENT OF CONTRACTS PAYABLE**

Balance, January 1, 2022	\$ 40,934
Increased by:	
Improvement Authorization Charged	<u>45,910</u>
	86,844
Decreased by:	
Cash Disbursements	<u>40,934</u>
Balance, December 31, 2022	<u>\$ 45,910</u>

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**TOWNSHIP OF WYCKOFF**  
**BERGEN COUNTY, NEW JERSEY**

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**PART III**

**SINGLE AUDIT SECTION**  
**YEAR ENDED DECEMBER 31, 2022**

**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***

**Independent Auditors' Report**

The Honorable Mayor and Members  
of the Township Committee  
Township of Wyckoff  
Wyckoff, New Jersey

We have audited, in accordance with the auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States and the audit requirements as prescribed by the Division of Local Government Services, Department of Community Affairs, State of New Jersey ("Division"), the regulatory basis financial statements of the Township of Wyckoff, New Jersey ("Township") as of and for the year ended December 31, 2022, and the related notes to the financial statements, which collectively comprise the Township's basic financial statements, and have issued our report thereon dated July 21, 2023 in which we expressed an adverse opinion on the conformity of the statements with accounting principles generally accepted in the United States of America due to the differences between those principles and the financial reporting provisions of the Division.

**Report on Internal Control Over Financial Reporting**

In planning and performing our audit of the financial statements, we considered the Township's internal control over financial reporting ("internal control") as a basis for designing audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the Township's internal control. Accordingly, we do not express an opinion on the effectiveness of the Township'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 a combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the Township'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.

The Honorable Mayor and Members  
of the Township Committee  
Township of Wyckoff  
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 or significant deficiencies may exist that were not identified.

### **Report on Compliance and Other Matters**

As part of obtaining reasonable assurance about whether the Township's financial statements are free from 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 financial statements. 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* and by the Division.

### **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'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's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

*PKF O'Connor Davies, LLP*

Woodcliff Lake, New Jersey  
July 21, 2023



Gary Higgins, CPA  
Registered Municipal Accountant, No. 405



**Report on Compliance for Each Major Federal Program and Report on Internal  
Control Over Compliance Required by the Uniform Guidance**

**Independent Auditors' Report**

**The Honorable Mayor and Members  
of the Township Committee  
Township of Wyckoff  
Wyckoff, New Jersey**

**Report on Compliance for Each Major Federal Program**

***Opinion on Each Major Federal Program***

We have audited the Township of Wyckoff, New Jersey's ("Township") compliance with the types of compliance requirements identified as subject to audit in the OMB *Compliance Supplement* that could have a direct and material effect on each of the Township's major federal programs for the year ended December 31, 2022. The Township's major federal programs are identified in the summary of auditors' results section of the accompanying schedule of findings and questioned costs.

In our opinion, the Township complied, in all material respects, with the compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended December 31, 2022.

***Basis for Opinion on Each Major Federal Program***

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America ("GAAS"); the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States ("*Government Auditing Standards*") and the audit requirements of Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* ("Uniform Guidance"). Our responsibilities under those standards and the Uniform Guidance are further described in the Auditors' Responsibilities for the Audit of Compliance section of our report. We are required to be independent of the Township and to meet our other ethical responsibilities, in accordance with relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion on compliance for each major federal program. Our audit does not provide a legal determination of the Township's compliance with the compliance requirements referred to above.

**The Honorable Mayor and Members  
of the Township Committee  
Township of Wyckoff  
Wyckoff, New Jersey**

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***Responsibilities of Management for Compliance***

Management is responsible for compliance with the requirements referred to above and for the design, implementation, and maintenance of effective internal control over compliance with the requirements of laws, statutes, regulations, rules and provisions of contracts or grant agreements applicable to the Township's federal programs.

***Auditors' Responsibilities for the Audit of Compliance***

Our objectives are to obtain reasonable assurance about whether material noncompliance with the compliance requirements referred to above occurred, whether due to fraud or error, and express an opinion on the Township's compliance based on our audit. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS, *Government Auditing Standards* and the Uniform Guidance will always detect material noncompliance when it exists. The risk of not detecting material noncompliance resulting from fraud is higher than for that resulting from error; as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Non-compliance with the compliance requirements referred to above is considered material, if there is a substantial likelihood that, individually or in the aggregate, it would influence the judgment made by a reasonable user of the report on compliance about the Township's compliance with the requirements of each major federal program as a whole.

In performing an audit in accordance with GAAS, *Government Auditing Standards* and the Uniform Guidance, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material noncompliance, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the Township's compliance with the compliance requirements referred to above and performing such other procedures as we considered necessary in the circumstances.
- Obtain an understanding of the Township's internal control over compliance relevant to the audit in order to design audit procedures that are appropriate in the circumstances and to test and report on internal control over compliance in accordance with the Uniform Guidance and New Jersey OMB Circular 15-08, but not for the purpose of expressing an opinion on the effectiveness of the Township's internal control over compliance. Accordingly, no such opinion is expressed.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and any significant deficiencies and material weaknesses in internal control over compliance that we identified during the audit.

**The Honorable Mayor and Members  
of the Township Committee  
Township of Wyckoff  
Wyckoff, New Jersey**

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**Report on Internal Control Over Compliance**

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

Our consideration of internal control over compliance was for the limited purpose described in the Auditors' Responsibilities for the Audit of Compliance section above and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies in internal control over compliance. Given these limitations, during our audit we did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses, as defined above. However, material weaknesses or significant deficiencies in internal control over compliance may exist that were not identified.

Our audit was not designed for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, no such opinion is expressed.

The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the results of that testing based on the requirements of the Uniform Guidance. Accordingly, this report is not suitable for any other purpose.

*PKF O'Connor Davies, LLP*

Woodcliff Lake, New Jersey  
July 21, 2023



Gary W. Higgins  
Registered Municipal Accountant No. 405



**TOWNSHIP OF WYCKOFF**  
**SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS**  
**FOR YEAR ENDED DECEMBER 31, 2022**

Grant <u>Year</u>	<u>Account Number</u>	Federal A.L. <u>Number</u>	Grant <u>Award</u>	Grant Award <u>Received</u>	Balance, January 1, <u>2022</u>	2022 Revenue <u>Realized</u>	<u>Expenditures</u>	Balance, December 31, <u>2022</u>	Passed Through <u>To Subrecipients</u>
U.S. Dept. of Transportation									
(Passed through NJ Dept of Transportation)									
Drunk Driving Enforcement Fund	2017	066-1160-100-057	20.601	\$ 1,510	\$ 1,510	\$ 660	\$ 660		\$ -
Drunk Driving Enforcement Fund	2018	066-1160-100-057	20.601	1,511	1,511	1,511	23	\$ 1,488	-
Drunk Driving Enforcement Fund	2020	066-1160-100-057	20.601	2,409	2,409	2,409		2,409	-
U.S. Dept of Homeland Security									
(Passed through NJ Depart of Law and Public Safety)									
Body Worn Cameras	2022	066-1020-100-495	20.616	10,598		\$ 10,598	10,598		-
Disaster Grants - Public Assistance - FEMA - Tropical Storm Isaias	2022	N/A	97.036	252,785	252,785	252,785	252,785		-
Disaster Grants - Public Assistance - FEMA - Tropical Storm Ida	2022	N/A	97.036	31,926	31,926	31,926	31,926		-
Disaster Grants - Public Assistance - FEMA - Coronavirus Pandemic	2022	N/A	97.036	6,094	6,094	6,094	6,094		-
U.S. Dept of the Treasury									
Coronavirus State and Local Recovery Funds	2022	N/A	21.027	1,773,818	886,909	-	886,909	-	-
					<u>\$ 4,580</u>	<u>\$ 1,188,312</u>	<u>\$ 1,188,995</u>	<u>\$ 3,897</u>	<u>\$ -</u>

See Notes to the Schedule of Expenditures of Federal Awards

**TOWNSHIP OF WYCKOFF  
COUNTY OF BERGEN, NEW JERSEY**

**NOTES TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS  
YEAR ENDED DECEMBER 31, 2022**

**1. General**

The accompanying schedule of expenditures of federal awards presents the activity of all federal awards programs of the Township of Wyckoff ("Township"). The Township is defined in Note 1 to the Township's financial statements. To the extent identified, the federal awards and state financial assistance that passed through other governmental agencies is included on the schedule of expenditures of federal awards.

**2. Basis of Accounting**

The accompanying schedule is presented using the regulatory basis of accounting prescribed or permitted for municipalities by the Division of Local Government Services, Department of Community Affairs, State of New Jersey, which differ in certain respects from accounting principles generally accepted in the United States of America (GAAP) applicable to local government units. This basis of accounting is described in Note 1 to the Township's financial statements.

**3. Relationship to Basic Regulatory Basis Financial Statements**

Amounts reported in the accompanying schedules agree with amounts reported in the Township's financial statements.

**4. Relationship to Federal and State Financial Reports**

Amounts reported in the accompanying schedule of expenditures of federal awards agree with the amounts reported in the related federal financial reports, where required.

**5. Indirect Cost Rate**

The Township has elected not to use the ten percent de minimis indirect cost rate as allowed by the Uniform Guidance.

**TOWNSHIP OF WYCKOFF  
COUNTY OF BERGEN, NEW JERSEY**

**SCHEDULE OF FINDINGS AND QUESTIONED COSTS  
YEAR ENDED DECEMBER 31, 2022**

**Part I – Summary of Auditors’ Results**

**Financial Statements**

Type of auditors' report issued on financial statements    Unmodified for Regulatory Basis

Internal control over financial reporting:

- |  |           |                              |
|--|-----------|------------------------------|
| 1) Material weakness(es) identified  | _____ Yes | _____ <u>X</u> No            |
| 2) Significant deficiency(ies) that are not<br>considered to be material weakness(es)? | _____ Yes | _____ <u>X</u> None Reported |

Noncompliance material to the financial statements noted?	_____ Yes	_____ <u>X</u> No
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**Federal Awards Section**

Internal Control over major programs:

- |  |           |                              |
|--|-----------|------------------------------|
| 1) Material weakness(es) identified  | _____ Yes | _____ <u>X</u> No            |
| 2) Significant deficiency(ies) that are not<br>considered to be material weakness(es)? | _____ Yes | _____ <u>X</u> None Reported |

Type of auditors’ report issued on compliance for major programs	<u>Unmodified</u>
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Any audit findings disclosed that are required to be reported in accordance with Section 200.516(a) of the Uniform Guidance?	_____ Yes	_____ <u>X</u> No
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Identification of major federal programs:

<u>AL Number(s)</u>	<u>Name of Federal Program or Cluster</u>
21.027	Coronavirus State and Local Fiscal Recovery Fund- American Rescue Plan

Dollar threshold used to distinguish between Type A and Type B Programs	<u>\$750,000</u>
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Auditee qualified as low-risk auditee?	_____ Yes	_____ <u>X</u> No
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**TOWNSHIP OF WYCKOFF  
COUNTY OF BERGEN, NEW JERSEY**

**SCHEDULE OF FINDINGS AND QUESTIONED COSTS  
YEAR ENDED DECEMBER 31, 2022**

**Part II – Schedule of Financial Statement Findings**

None.

**Part III – Schedule of Federal Awards Findings and Questioned Costs**

None.

**TOWNSHIP OF WYCKOFF  
COUNTY OF BERGEN, NEW JERSEY**

**SUMMARY SCHEDULE OF PRIOR YEAR FINDINGS AND QUESTIONED COSTS  
YEAR ENDED DECEMBER 31, 2022**

**Part IV – Schedule of Financial Statement Prior Year Findings and Questioned Costs**

None.

**Part V – Schedule of Federal Awards Prior Year Findings and Questioned Costs**

None.

**TOWNSHIP OF WYCKOFF  
SCHEDULE OF FINDINGS AND REPOSSES  
FOR THE YEAR ENDED DECEMBER 31, 2022**

This section identifies the status of prior-year findings related to the financial statements are required to be reported in accordance with Chapter 6.12 of *Government Auditing Standards*.

**STATUS OF PRIOR YEAR FINDINGS**

None reported.

**TOWNSHIP OF WYCKOFF**  
**BERGEN COUNTY, NEW JERSEY**

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**PART IV**

**SUPPLEMENTARY DATA**  
**YEAR ENDED DECEMBER 31, 2022**

**TOWNSHIP OF WYCKOFF  
SUPPLEMENTARY DATA**

**COMPARATIVE STATEMENT OF OPERATIONS AND CHANGES IN FUND BALANCE -  
CURRENT FUND**

	<u>Year 2022</u>			<u>Year 2021</u>	
	<u>Amount</u>	<u>Percent</u>		<u>Amount</u>	<u>Percent</u>
REVENUES AND OTHER INCOME					
Fund Balance Utilized	\$ 2,300,000	2.39 %	\$ 2,000,000	2.09 %	
Miscellaneous - From Other Than Local Property Tax Levies	5,818,995	6.03	4,353,808	4.54	
Collection of Delinquent Taxes and Tax Title Liens	451,525	0.47	416,527	0.43	
Collection of Current Tax Levy	87,137,629	90.34	87,846,648	91.66	
Other Credits	<u>745,711</u>	<u>0.77</u>	<u>1,225,417</u>	<u>1.28</u>	
Total Revenues and Other Income	<u>96,453,860</u>	<u>100.00 %</u>	<u>95,842,400</u>	<u>100.00 %</u>	
EXPENDITURES					
Budget Expenditures					
Municipal Purposes	19,736,590	21.11 %	18,476,330	19.89 %	
County Taxes	11,580,673	12.39	12,084,566	13.01	
Local School Taxes	40,949,440	43.80	40,627,285	43.74	
Regional School Taxes	20,976,112	22.44	21,456,363	23.10	
Municipal Open Space Taxes	239,609	0.26	239,149	0.26	
Other Debits	<u>462</u>	<u>0.00</u>	<u>-</u>	<u>-</u>	
Total Expenditures	<u>93,482,886</u>	<u>100.00 %</u>	<u>92,883,693</u>	<u>100.00 %</u>	
Excess in Revenues	2,970,974		2,958,707		
Fund Balance, January 1	<u>4,933,186</u>		<u>3,974,479</u>		
	7,904,160		6,933,186		
Less Utilization as Anticipated Revenue	<u>2,300,000</u>		<u>2,000,000</u>		
Fund Balance, December 31	<u>\$ 5,604,160</u>		<u>\$ 4,933,186</u>		



**TOWNSHIP OF WYCKOFF  
SUPPLEMENTARY DATA**

**COMPARATIVE STATEMENT OF OPERATIONS AND CHANGES IN FUND BALANCE -  
SEWER UTILITY OPERATING FUND**

	<u>Year 2022</u>			<u>Year 2021</u>	
	<u>Amount</u>	<u>Percent</u>		<u>Amount</u>	<u>Percent</u>
REVENUES AND OTHER INCOME					
Fund Balance Utilized	\$ 490,000	16.41 %	\$	400,000	14.57 %
Collection of Sewer Rents	2,365,092	79.21		2,268,509	82.65
Interest and Costs on Sewer Charges	5,334	0.18		7,868	0.30
Other Credits to Income:					
Miscellaneous Revenue Not Anticipated	52,894	1.77		43,834	1.59
Unexpended Balance of Appropriation Reserves	<u>72,429</u>	<u>2.43</u>		<u>24,393</u>	<u>0.89</u>
 Total Revenues and Other Income	 <u>2,985,749</u>	 <u>100.00</u> %		 <u>2,744,604</u>	 <u>100.00</u> %
EXPENDITURES					
Budget Appropriations					
Operating	2,237,448	81.73 %		2,160,638	81.21 %
Capital Improvements	<u>500,000</u>	<u>18.27</u>		<u>500,000</u>	<u>18.79</u>
 Total Expenditures	 <u>2,737,448</u>	 <u>100.00</u> %		 <u>2,660,638</u>	 <u>100.00</u> %
 Excess in Revenues	 248,301			 83,966	
 Fund Balance, January 1	 <u>526,864</u>			 <u>842,898</u>	
	775,165			926,864	
Decreased by					
Utilized as Anticipated Revenue	<u>490,000</u>			<u>400,000</u>	
 Fund Balance, December 31	 <u>\$ 285,165</u>			 <u>\$ 526,864</u>	

**TOWNSHIP OF WYCKOFF  
SUPPLEMENTARY DATA**

**Comparative Schedule of Tax Rate Information**

	<u>2022</u>	<u>2021</u>	<u>2020</u>
Tax Rate	<u>\$1.842</u>	<u>\$1.854</u>	<u>\$1.835</u>
<u>Apportionment of Tax Rate</u>			
Municipal (Including Library)	.301	.299	.290
County	.243	.254	.249
Local School	.858	.852	.854
Regional School	.440	.449	.442

Assessed Valuation

2022	<u>\$4,827,660,161</u>	
2021		<u>\$4,771,800,100</u>
2019		<u>\$4,731,896,000</u>

**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>
2022	\$ 88,015,955	\$ 87,437,629	99.34%
2021	88,633,907	88,046,648	99.33%
2020	87,224,374	86,762,717	99.47%

**Property Acquired by Tax Title Lien Foreclosure**

No properties have been acquired in 2022 by foreclosure or deed, as a result of liquidation of tax title liens.

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

<u>Year</u>	<u>Amount</u>
2022	\$36,700
2021	36,700
2020	36,700

**TOWNSHIP OF WYCKOFF  
SUPPLEMENTARY DATA**

**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>December 31 Year</u>	<u>Tax Title Liens</u>	<u>Amount of Delinquent Taxes</u>	<u>Total Delinquent</u>	<u>Percentage of Tax Levy</u>
2022	\$ 19,169	\$ 432,909	\$ 452,078	0.51%
2021	17,775	451,825	469,600	0.53%
2020	16,372	420,025	436,397	0.50%

**Comparison of Sewer Utility Billings**

<u>Year</u>	<u>Levy</u>	<u>Collections *</u>	<u>Percent of Collection</u>
2022	\$2,351,031	\$2,365,092	100.59%
2021	2,275,627	2,268,509	99.68%
2020	2,235,411	2,283,170	100.21%

\* Includes collections of prior years receivables

**Comparative Schedule of Fund Balances**

	<u>Year</u>	<u>Balance, December 31</u>	<u>Utilized In Budget of Succeeding Year</u>
Current Fund	2022	\$5,604,160	\$2,300,000
	2021	4,933,186	2,300,000
	2020	3,974,479	2,000,000
	2019	4,969,977	2,500,000
	2018	4,596,694	2,200,000
Sewer Utility Operating Fund	2022	\$285,165	\$-
	2021	526,864	490,000
	2020	842,898	400,000
	2019	1,644,491	908,000
	2018	1,690,524	200,000

**TOWNSHIP OF WYCKOFF  
SUPPLEMENTARY DATA**

**OFFICIALS IN OFFICE AND SURETY BONDS AS OF DECEMBER 31, 2022**

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

<u>Name</u>	<u>Title</u>
Rudolf E. Boonstra	Mayor
Thomas J. Madigan	Township Committee
Melissa D. Rubenstein	Township Committee (January 1, 2022 to December 2, 2022)
Timothy E. Shanley	Township Committee
Peter J. Melchionne	Township Committee
Matthew A. Cavallo	Administrator
Nancy A. Brown	Township Clerk
Diana E. McLeod	Chief Financial Officer, Tax Collector
Pamela Steele	Tax Assessor
Robert Landel	Township Attorney
Russell Teschon	Municipal Judge (Shared Service Agreement with the Township of Glen Rock)
Kimberly McWilliams	Court Administrator (Shared Service Agreement with the Township of Glen Rock)

The Bergen County Municipal Joint Insurance Fund and Municipal Excess Liability Joint Insurance Fund provides statutory bond coverage in the amounts of \$50,000 and \$950,000, respectively.

**TOWNSHIP OF WYCKOFF**  
**BERGEN COUNTY, NEW JERSEY**

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**PART V**

**GENERAL COMMENTS AND RECOMMENDATIONS**  
**YEAR ENDED DECEMBER 31, 2022**

## **TOWNSHIP OF WYCKOFF GENERAL COMMENTS**

### **Contracts and Agreements Required to be Advertised for NJS 40A:11-4**

NJS 40A:11-4 states "Every contract or agreement, for the performance of any work or the furnishing or hiring of any materials or supplies, the cost or the contract price whereof is to be paid with or out of public funds not included within the terms of Section 3 of this act, shall be made or awarded only after public advertising for bids and bidding therefore, except as is provided otherwise in this act or specifically by any other law. No work, materials or supplies shall be undertaken, acquired or furnished for a sum exceeding in the aggregate \$29,000, except by contract or agreement." As of July 1, 2011, the bidding threshold was increased to \$36,000. As of July 1, 2021, the State increased the bidding threshold to \$44,000.

If the Township's purchasing agent is qualified pursuant to subsection 3b. of Section 9 of P.L. 1971, c.198 (C.40A:11-9), the Township may establish the bid threshold up to a maximum of \$44,000. The Township's Administrator is qualified and the Township, by resolution, has increased the bid threshold to \$44,000.

The Governing Body of the Municipality has the responsibility of determining whether the expenditures in any category will exceed \$44,000 within the fiscal 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 resolutions were adopted and advertised authorizing the awarding of contracts or agreements for "Professional Services" per NJSA 40A:11-5.

Our examination of expenditures did not reveal any instances where individual payments exceeded \$44,000 "for the performance of any work or the furnishing or hiring of any materials or supplies," where bids had not been previously sought by public advertisement or where a resolution had been previously adopted under the provisions of NJSA. 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 non-payment of taxes or assessments on or before the date when they would become delinquent.

The governing body on January 1, 2022, adopted the following resolution authorizing the amount of interest to be charged on delinquent taxes and assessments:

WHEREAS, Chapter 435 of the Laws of 1980 allows a governing body to set interest rates on delinquent taxes at a higher level than previously permitted by law;

NOW, THEREFORE, BE IT ORDAINED by the Governing Body of the Township of Wyckoff, County of Bergen, State of New Jersey, that the interest rate to be charged by the Township of Wyckoff on taxes or assessments not timely paid shall be eight (8%) percent per annum on the first \$1,500 of delinquent assessments and taxes; and eighteen (18%) percent per annum on delinquent assessments and taxes in excess of \$1,500, all to be calculated from the date the tax was payable until the date of actual payment.

A penalty of 6% to be charged to a taxpayer where there is a tax and/or other municipal charge delinquency in excess of \$10,000 at the end of the calendar year.

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

**TOWNSHIP OF WYCKOFF  
GENERAL COMMENTS**

**Delinquent Taxes and Tax Title Liens**

The tax sale for 2022 taxes and utility charges was held on November 17, 2022 and was complete.

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 and assessment liens receivable on December 31, of the last three years:

<u>Year</u>	<u>Number of Liens</u>
2022	4
2021	4
2019	4

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

## RECOMMENDATIONS

There are none.

No recommendations were reported in the prior year audit.

\* \* \* \* \*

Should any questions arise as to our comments, please do not hesitate to contact us.

We would like to express our appreciation for the assistance and effort rendered by the Township officials and employees during the course of the examination.

Respectfully submitted,

*PKF O'Connor Davies, LLP*  
Woodcliff Lake, New Jersey  
July 21, 2023



Gary Higgins, CPA  
Registered Municipal Accountant, No. 405