

TOWNSHIP OF MAHWAH

Financial Statements
with Additional Financial Information

December 31, 2015

(With Independent Auditor's Report Thereon)

TOWNSHIP OF MAHWAH

Table of Contents

Part I		Page
	Independent Auditor’s Report	1-3
	Report on Internal Control Over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance with <u>Government Auditing Standards</u>	4-5
Exhibit		
	Financial Statements – Regulatory Basis	
	<i>Current Fund</i>	
A	Balance Sheets	6-7
A-1	Statement of Operations and Changes in Fund Balances	8
A-2	Statement of Revenues	9-10
A-3	Statement of Expenditures	11-19
	<i>Trust Funds</i>	
B	Balance Sheets	20
	<i>General Capital Fund</i>	
C	Balance Sheets	21
C-1	Statement of Fund Balances	22
	<i>Water Utility Fund</i>	
D	Balance Sheets	23-24
D-1	Statement of Operations and Changes in Fund Balances - Operating Fund	25
D-2	Statement of Revenues - Operating Fund	26
D-3	Statement of Expenditures - Operating Fund	27
D-4	Statement of Fund Balances - Capital Fund	28
	<i>Sewer Utility Fund</i>	
E	Balance Sheets	29-30
E-1	Statement of Operations and Changes in Fund Balances - Operating Fund	31
E-2	Statement of Revenues - Operating Fund	32

TOWNSHIP OF MAHWAH

Table of Contents

Part I		Page
E-3	Statement of Expenditures - Operating Fund	33
E-4	Statement of Fund Balances - Capital Fund	34
E-5	Statement of Operations and Changes in Fund Balances – Sewer Utility Assessment Trust Fund	35
<i>General Fixed Assets Account Group</i>		
G	Statement of General Fixed Assets	36
<i>Notes to Financial Statements</i>		37-56
<i>Additional Financial Information</i>		
<i>Current Fund</i>		
A-4	Schedule of Cash - Treasurer	57
A-5	Schedule of Cash - Tax Collector	58
A-6	Schedule of Due from State of New Jersey - Senior Citizens' and Veterans' Deductions	59
A-7	Schedule of Taxes Receivable	60
A-8	Schedule of Tax Title Liens	61
A-9	Schedule of Revenue Accounts Receivable	62
A-10	Schedule of Appropriation Reserves	63-66
A-11	Schedule of Unappropriated Reserves	67
A-12	Schedule of Local District School Taxes Payable	68
A-13	Schedule of County Taxes Payable	69
A-14	Schedule of Due County for Added and Omitted Taxes	70
A-15	Schedule of Encumbrances Payable	71
A-16	Schedule of Tax Overpayments	72
A-17	Schedule of Prepaid Taxes	73
A-18	Schedule of Prepaid Health Licenses	74
A-19	Schedule of Reserve for Tax Appeals	75
A-20	Schedule of Various Reserves	76
A-21	Schedule of Interfunds	77
A-22	Schedule of Grants Receivable - Federal and State Grant Fund	78
A-23	Schedule of Appropriated Reserves - Federal and State Grant Fund	79
A-24	Schedule of Unappropriated Reserves - Federal and State Grant Fund	80
A-25	Schedule of Foreclosed Property	81
A-26	Schedule of Reserve for Arbitrage Rebate Payable	82
A-27	Schedule of Encumbrances Payable – Federal and State Grant Fund	83

TOWNSHIP OF MAHWAH

Table of Contents

Part I		Page
	<i>Trust Funds</i>	
B-1	Schedule of Cash - Treasurer	84
B-2	Schedule of Reserve for Dog License Fund Expenditures - Dog License Fund	85
B-3	Schedule of Due to (from) State of New Jersey - Dog License Fund	86
B-4	Schedule of Reserve for Special Deposits - Other Trust Funds	87
B-5	Schedule of Reserve for State Unemployment Insurance - Unemployment Compensation Fund	88
B-6	Schedule of Reserve for Uniform Construction Code Training Fees - Uniform Construction Code Fund	89
B-7	Schedule of Due to (from) Current Fund	90
B-8	Schedule of Reserve for Recreation Expenses - Other Trust Funds	91
B-9	Schedule of Various Reserves for Other Trust Fund Expenses - Other Trust Funds	92
	<i>General Capital Fund</i>	
C-2	Schedule of Cash - Treasurer	93
C-3	Schedule of Analysis of General Capital Cash	94
C-4	Schedule of Amount Due from (to) Current Fund	95
C-5	Schedule of Deferred Charges to Future Taxation - Funded	96
C-6	Schedule of Deferred Charges to Future Taxation - Unfunded	97
C-7	Schedule of Capital Improvement Fund	98
C-8	Schedule of Improvement Authorizations	99
C-9	Schedule of Encumbrances Payable	100
C-10	Schedule of Reserve for Payment of Debt	101
C-11	Schedule of Bond Anticipation Notes	102
C-12	Schedule of Serial Bonds Payable	103
C-13	Schedule of Bonds and Notes Authorized but not Issued	104
	<i>Water Utility Fund</i>	
D-5	Schedule of Cash - Treasurer	105
D-6	Schedule of Analysis of Capital Fund Cash - Capital Fund	106
D-7	Schedule of Bond Anticipation Notes Payable - Capital Fund	107
D-8	Schedule of Water Accounts Receivable - Operating Fund	108
D-9	Schedule of Water Overpayments - Operating Fund	109
D-10	Schedule of Fixed Capital - Capital Fund	110
D-11	Schedule of Fixed Capital Authorized and Uncompleted - Capital Fund	111
D-12	Schedule of Accrued Interest on Notes - Operating Fund	112
D-13	Schedule of Amount Due from Water Utility Capital Fund - Operating Fund	113
D-14	Schedule of Reserve for Amortization - Capital Fund	114
D-15	Schedule of Deferred Reserve for Amortization - Capital Fund	115
D-16	Schedule of Reserve for Various Improvements - Capital Fund	116

TOWNSHIP OF MAHWAH

Table of Contents

Part I		Page
D-17	Schedule of Improvement Authorizations - Capital Fund	117
D-18	Schedule of Encumbrances Payable - Capital Fund	118
D-19	Schedule of Capital Improvement Fund - Capital Fund	119
D-20	Schedule of Appropriation Reserves - Operating Fund	120
D-21	Schedule of Bonds and Notes Authorized but not Issued - Capital Fund	121
D-22	Schedule of Reserve for Payment of Debt - Capital Fund	122
D-23	Schedule of Accounts Payable - Operating Fund	123
D-24	Schedule of Premium on Water Liens	124
D-25	Schedule of Due to Sewer Utility Operating Fund – Operating Fund	125
 <i>Sewer Utility Fund</i>		
E-6	Schedule of Cash	126
E-7	Schedule of Analysis of Cash - Capital Fund	127
E-8	Schedule of Sewer Rents Receivable - Operating Fund	128
E-9	Schedule of Accounts Payable - Operating Fund	129
E-10	Schedule of Fixed Capital Authorized and Uncompleted - Capital Fund	130
E-11	Schedule of Reserve for Assessments and Liens Utility Assessment Trust Fund - Operating Fund	131
E-12	Schedule of Appropriation Reserves - Operating Fund	132
E-13	Schedule of Due from/(to) Water Operating Fund – Operating Fund	133
E-14	Schedule of Improvement Authorizations - Capital Fund	134
E-15	Schedule of Bond Anticipation Notes Payable – Assessment Fund	135
E-16	Schedule of Deferred Reserve for Amortization - Capital Fund	136
E-17	Schedule of Reserve for Amortization - Capital Fund	137
E-18	Schedule of Sewer Overpayments – Operating Fund	138
E-19	Schedule of Capital Improvement Fund - Capital Fund	139
E-20	Schedule of Assessments Receivable - Assessment Fund	140
E-21	Schedule of Bond Anticipation Notes Payable - Capital Fund	141
E-22	Schedule of Reserve for Payment of Debt - Capital Fund	142
E-23	Schedule of Amount Due from (to) Sewer Utility Capital Fund - Operating Fund	143
E-24	Schedule of Accrued Interest on Notes - Operating Fund	144
E-25	Schedule of Reserve for Arbitrage - Operating Fund	145
E-26	Schedule of Bonds and Notes Authorized but not Issued - Capital Fund	146
E-27	Schedule of Due from Sewer Utility Assessment Trust Fund - Operating Fund	147
E-28	Schedule of Fixed Capital - Capital Fund	148

TOWNSHIP OF MAHWAH

Table of Contents

Part I		Page
	<i>General Fixed Assets Account Group</i>	
G-1	Schedule of Changes in General Fixed Assets	149
	<i>Supplementary Data</i>	
	Comparative Schedule of Tax Rate Information	150
	Comparison of Tax Levies and Collections Currently	150
	Delinquent Taxes and Tax Title Liens	150
	Property Acquired by Tax Title Lien Liquidation	151
	Comparison of Water Utility Levies	151
	Comparison of Sewer Utility Levies	151
	Comparative Schedule of Fund Balances	152
	Officials in Office and Surety Bonds	153
Part II		
	General Comments and Recommendations	154-155

LOUIS C. MAI CPA & ASSOCIATES

P.O. Box 624
Pompton Plains, N.J. 07444

Phone: 973-492-2524
Fax: 973-492-9515

**Unmodified Opinions on Basic Financial Statements Accompanied by
Additional Financial Information**

Independent Auditor's Report

The Honorable Mayor and Members
of the Township Council
Township of Mahwah, New Jersey

Report on the Financial Statements

We have audited the accompanying regulatory basis balance sheets of the various funds, except for the Deferred Award Revolving Fund, and account groups as of December 31, 2015 and 2014 of the Township of Mahwah, New Jersey, and the related regulatory basis statements of operations and changes in fund balances for the years then ended and the related regulatory basis statements of revenues and statements of expenditures of the Current Fund, Water Utility and Sewer Utility Funds for the year ended December 31, 2015, and the related notes to the financial statements, which collectively comprise the Township's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in conformity with the accounting practices prescribed by the Division of Local Government Services, Department of Community Affairs, State of New Jersey - regulatory basis; this includes 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.

Auditor's Responsibility

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

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's

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

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

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

As described in note 1 of the financial statements, these financial statements were prepared in conformity with the accounting practices prescribed by the Division of Local Government Services, Department of Community Affairs, State of New Jersey-regulatory basis, which is a basis of accounting other accounting principles than generally accepted in the United States of America to meet the requirements of the State of New Jersey.

The effects on the financial statements of the variances between the regulatory basis of accounting described in note 1 and accounting principles generally accepted in the United States of America, although not reasonably determinable, are presumed to be material.

Adverse Opinion on U.S. Generally Accepted Accounting Principles

In our opinion, because of the significance of the matter discussed in the "Basis for Adverse Opinion on U.S. generally Accepted Accounting Principles" paragraph, the financial statements referred to above do not present fairly, in accordance with accounting principles generally accepted in the United States of America, the financial position of the Township of Mahwah, New Jersey, as of December 31, 2015 and 2014 and the changes in financial position for the years then ended.

Opinion on Regulatory Basis of Accounting

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of the Township of Mahwah, New Jersey, as of December 31, 2015 and 2014 and the related statements of operations and changes in fund balances for the years then ended and the related and the related statements of revenues and statements of expenditures of the Current Fund, Water Utility and Sewer Utility Funds for the year ended December 31, 2015 on the regulatory basis of accounting described in note 1.

Other Matters

Additional Financial Information

Our audit was conducted for the purpose of forming an opinion on the regulatory financial statements that collectively comprise the Township's financial statements. The additional financial information included in the accompanying table of contents, is presented for the purpose of additional analysis as required by the Division of Local Government Services, Department of Community Affairs, State of New Jersey and is presented for purposes of additional analysis and is not a required part of the basic financial statements.

Such information and schedules is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the financial statements. Such information has been subjected to the 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 additional financial information included in the accompanying table of contents are fairly stated, in all material respects, in relation to the financial statements taken as a whole.

The accompanying Balance Sheet and Note for the Deferred Award Revolving Fund for the years ended December 31, 2015 and 2014 and Supplementary Data were not audited, and in accordance with audit requirements as prescribed by the Division of Local Government Services, Department of Community Affairs, State of New Jersey, and we were not engaged to audit the Deferred Award Revolving Fund and Supplementary Data. Accordingly, we do not express an opinion on them.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated May 6, 2016 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 to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering Township of Mahwah's internal control over financial reporting and compliance.

Louis C. Mai CPA & Associates
Louis C. Mai

Louis C. Mai, Registered Municipal Accountant
No. CR00217

May 6, 2016

LOUIS C. MAI CPA & ASSOCIATES

P.O. Box 624
Pompton Plains, N.J. 07444

Phone: 973-492-2524
Fax: 973-492-9515

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 Auditor's Report

The Honorable Mayor and Members
of the Township Council
Township of Mahwah, New Jersey

We have audited, in accordance with the auditing standards generally accepted in the United States of America; audit requirements as prescribed by the Division of Local Government Services, Department of Community Affairs, State of New Jersey and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the accompanying regulatory basis balance sheets of the various funds and account groups as of December 31, 2015 and 2014 of the Township of Mahwah, New Jersey, and the related regulatory basis statements of operations and changes in fund balances for the years then ended and the related regulatory basis statements of revenues and statements of expenditures of the Current fund, Water Utility and Sewer Utility funds for the year ended December 31, 2015, and the related notes to the financial statements, which collectively comprise Township of Mahwah, New Jersey's (the Township) basic financial statements, regulatory basis, and have issued our report thereon dated May 6, 2016, which report expressed an adverse opinion in accordance with accounting principles generally accepted in the United States of America and an unmodified opinion on the regulatory basis of accounting practices prescribed by the Division of Local Government Services, Department of Community Affairs, State of New Jersey.

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) to determine the 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 entity's financial statements will not be prevented, or detected and corrected on a timely basis. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

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

Compliance and Other Matters

As part of obtaining reasonable assurance about whether 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 determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

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

Louis C. Mai CPA & Associates
Louis C. Mai

Louis C. Mai, Registered Municipal Accountant
No. CR00217

May 6, 2016

FINANCIAL STATEMENTS

TOWNSHIP OF MAHWAH

Balance Sheet
Regulatory Basis

Current Fund

December 31, 2015 and 2014

Assets	Ref.	2015	2014
Regular Fund:			
Cash - checking	A-4	\$ 12,360,476	11,733,555
Change Fund - cash		750	750
Due from State of New Jersey - Senior Citizens' and Veterans' deductions	A-6	4,944	6,146
		<u>12,366,170</u>	<u>11,740,451</u>
Receivables and other assets with full reserves:			
Delinquent property taxes receivable	A-7	411,772	465,268
Tax title liens	A-8	310,704	322,776
Foreclosed property	A-25	1,353,400	1,353,400
Revenue accounts receivable	A-9	15,559	24,167
Due from:			
Other Trust Funds	A-21	88	121
General Capital Fund	A-21	15	11
Dog License Fund	A-21	9,004	4,020
Federal and State Grants Fund	A-21	173,840	362,273
		<u>2,274,382</u>	<u>2,532,036</u>
		<u>14,640,552</u>	<u>14,272,487</u>
Federal and State Grant Fund:			
Grants receivable	A-22	440,818	587,873
		<u>\$ 15,081,370</u>	<u>14,860,360</u>

TOWNSHIP OF MAHWAH

Balance Sheet
Regulatory Basis

Current Fund

December 31, 2015 and 2014

Liabilities, Reserves and Fund Balance	Ref.	2015	2014
Regular Fund:			
Liabilities:			
Appropriation reserves	A-3,A-10	\$ 1,593,464	1,594,946
Encumbrances payable	A-15	1,412,791	1,389,822
Tax overpayments	A-16	4,926	1,400
Prepaid taxes	A-17	727,510	852,826
Prepaid health licenses	A-18	190	775
Due to:			
County for added taxes	A-14	20,161	49,442
Reserve for arbitrage rebate payable	A-26	30,000	30,000
Various reserves	A-20	1,077,466	870,915
Reserve for tax appeals	A-19	1,188,980	696,511
Unappropriated reserves	A-11	72,592	72,592
		<u>6,128,080</u>	<u>5,559,229</u>
Reserve for receivables and other assets		2,274,382	2,532,036
Fund balance	A-1	<u>6,238,090</u>	<u>6,181,222</u>
		<u>14,640,552</u>	<u>14,272,487</u>
Federal and State Grant Fund:			
Due to Regular Fund	A-21	173,840	362,273
Appropriated reserves	A-23	261,216	225,600
Encumbrances payable	A-27	300	—
Unappropriated reserves	A-24	5,462	—
		<u>440,818</u>	<u>587,873</u>
		<u>\$ 15,081,370</u>	<u>14,860,360</u>

See accompanying notes to financial statements.

TOWNSHIP OF MAHWAH

Statement of Operations and Changes in Fund Balance
Regulatory Basis

Current Fund

Years ended December 31, 2015 and 2014

	<u>2015</u>	<u>2014</u>
Revenue and other income realized:		
Fund balance utilized	\$ 4,100,000	4,100,000
Miscellaneous revenue anticipated	9,567,923	9,885,333
Receipts from delinquent taxes	479,675	490,438
Receipts from current taxes	96,999,676	94,954,646
Non-budget revenues	838,864	1,116,800
Other credits to income:		
Unexpended balance of appropriation reserves	1,118,976	751,926
Interfunds returned	366,425	12,600
Grant reserves cancelled	1,027	51,958
Voided checks	1,256	2,155
Accounts payable canceled	81,860	40,770
Total income	<u>113,555,682</u>	<u>111,406,635</u>
Expenditures:		
Budget and emergency appropriations:		
Appropriations within "CAPS":		
Operations:		
Salaries and wages	12,614,100	12,799,550
Other expenses	12,859,970	12,066,444
Deferred charges and statutory expenditures	2,786,062	2,643,639
Appropriations excluded from "CAPS":		
Operations:		
Salaries and wages	—	60,000
Other expenses	2,613,873	3,098,855
Capital improvements	130,000	236,900
Municipal debt service	3,996,712	3,778,206
Deferred charges	655	5,056
County taxes	14,388,772	13,608,276
Amount due County for added and omitted taxes	20,161	49,442
Local district school taxes	59,242,714	58,152,729
Municipal open space tax	569,322	565,456
Interfunds advanced	173,942	114,323
Cancellation Grants receivable	990	49,158
Prior year senior citizens deductions cancelled	1,541	7,573
Refund of prior year revenue	—	176
Total expenditures	<u>109,398,814</u>	<u>107,235,792</u>
Excess in revenue	4,156,868	4,170,843
Fund balance, January 1	<u>6,181,222</u>	<u>6,110,379</u>
	10,338,090	10,281,222
Decreased by utilized as anticipated revenue	<u>4,100,000</u>	<u>4,100,000</u>
Fund balance, December 31	<u>\$ 6,238,090</u>	<u>6,181,222</u>

See accompanying notes to financial statements.

TOWNSHIP OF MAHWAH

Statement of Revenues
Regulatory Basis

Current Fund

Year ended December 31, 2015

	<u>Budget</u>	<u>Realized</u>	<u>Excess (deficit)</u>
Fund balance anticipated	\$ 4,100,000	4,100,000	—
Miscellaneous revenues:			
Licenses:			
Alcoholic beverages	30,000	31,182	1,182
Other	45,000	66,367	21,367
Fees and permits	50,000	90,347	40,347
Fines and costs - municipal court	265,000	247,527	(17,473)
Interest and costs on taxes	100,000	150,549	50,549
Interest on investments and deposits	10,000	23,910	13,910
Rental of Township owned property	225,000	300,321	75,321
Fire Safety Act fees	150,000	142,652	(7,348)
Energy Receipts Tax (P.L. 1999, Ch 162 & 167)	4,909,572	4,909,572	—
Garden State Trust Fund	3,844	3,844	—
Uniform construction code fees	1,100,000	864,029	(235,971)
Recycling Tonnage Grant	—	—	—
Drunk Driving Enforcement Fund	—	—	—
Clean Communities Programs	52,045	52,045	—
Alcohol Education and Rehabilitation Act	6,129	6,129	—
Municipal Alliance on Alcoholism and Drug Abuse	11,677	11,677	—
Sustainable Jersey Corp - Capacity Building Grant	—	—	—
State of New Jersey - Highlands Water Protection:			
Regional Master Plan - Compliance Aid	—	—	—
State of New Jersey - Department of Law and Public Safety			
Division of Criminal Justice - Body Armor Fund	—	—	—
State of New Jersey - Department of Environmental Protection			
Office of Engineering and Construction - De-silting and			
De-snagging of Ramapo River	—	—	—
State of NJ Department of Transportation - School Safety Signs	—	—	—
State of New Jersey - Department of Environmental Protection			
Office of Engineering and Construction - De-silting and			
De-snagging of Mahwah River	—	—	—
County of Bergen:			
Open Space Trust Fund: Winter Park	—	—	—
Open Space Trust Fund: Faradale Municipal Court Area	—	—	—
Office of County Prosecutor - Mahwah Municipal Escrow - Police Dept.	65,386	65,386	—
Uniform Fire Safety Act	—	—	—
Swim and Tennis Club fees	115,000	101,617	(13,383)
Sewer Utility Operating Surplus	525,000	525,000	—
Reserve for Open Space Fund	560,000	560,000	—
Reserve for Payment of Debt	291,500	291,500	—
Library Contribution	—	—	—
Municipal Hotel/Motel Occupancy Tax	750,000	932,311	182,311
Cable television Franchise Fee	150,000	191,958	41,958
	<u>9,415,153</u>	<u>9,567,923</u>	<u>152,770</u>

(Continued)

TOWNSHIP OF MAHWAH

Statement of Revenues
Regulatory Basis

Current Fund

Year ended December 31, 2015

	<u>Budget</u>	<u>Realized</u>	<u>Excess (deficit)</u>
Receipts from delinquent taxes	\$ 425,000	479,675	54,675
Amount to be raised by taxes for support of municipal budget:			
Local Tax for Municipal Purposes including Reserve for Uncollected taxes	21,743,262	23,460,747	1,717,485
Minimum Library Tax	1,983,717	1,983,717	—
Total Amount to be Raised	<u>23,726,979</u>	<u>25,444,464</u>	<u>1,717,485</u>
Budget totals	\$ <u>37,667,132</u>	39,592,062	<u>1,924,930</u>
Non-budget revenues		838,864	
		<u>\$ 40,430,926</u>	
Allocation of current tax collections:			
Revenue from collections		\$ 97,499,676	
Allocated to:			
School, County and Open Space taxes		74,220,969	
Reserve for tax appeals		<u>500,000</u>	
Balance for support of municipal budget		<u>22,778,707</u>	
Add appropriation reserve for uncollected taxes		<u>2,665,757</u>	
Amount for support of municipal budget		<u>\$ 25,444,464</u>	
Receipts from delinquent taxes:			
Delinquent tax collections		\$ 468,462	
Tax title liens		<u>11,213</u>	
		<u>\$ 479,675</u>	
Miscellaneous revenue not anticipated:			
Payment in lieu of taxes		\$ 12,445	
Reimbursements		661,693	
Van Driver (Federal - Title III)		29,606	
County Reimbursement - Van (State Department of Health and Sr. Services)		10,000	
US DOT (pass-through NJ DOT)			
Cops in Shops		2,800	
NJ Office of Emergency Management (FEMA)		5,000	
US Dept. Highway Traffic Safety (Pass Through) - Drive Sober		9,735	
Concession stand		1,000	
LOSAP - Surrender		10,016	
Sale of assets		24,333	
Housing fees		1,300	
Recycling fees		48,588	
Copy duplication fees		2,231	
Cat Licenses		1,658	
Senior Center		3,914	
Administrative Fee - State of New Jersey		3,482	
DMV Inspection fees		650	
Parking License fee		1,200	
Silver Certificate - JIF		1,500	
Forfeited Bail		188	
Unclaimed Funds - Police		6,902	
Miscellaneous		<u>623</u>	
		<u>\$ 838,864</u>	

See accompanying notes to financial statements.

TOWNSHIP OF MAHWAH

Statement of Expenditures
Regulatory Basis

Current Fund

Year ended December 31, 2015

	Appropriations			Expended		
	Budget	Transfers	Budget after modification	Paid or charged		Canceled
General appropriations:						
Operations within "CAPS":						
Legislation:						
Township Council:						
Salaries and wages	\$ 50,000	—	50,000	49,999	1	—
Other expenses	5,700	—	5,700	4,751	949	—
Office of the Township Clerk:						
Salaries and wages	192,100	—	192,100	186,461	5,639	—
Other expenses	25,975	—	25,975	22,641	3,334	—
Election:						
Salaries and wages	3,000	—	3,000	2,662	338	—
Other expenses	25,200	—	25,200	20,483	4,717	—
Animal Control:						
Other expenses	36,000	—	36,000	36,000	—	—
Administration:						
Office of the Mayor:						
Salaries and wages	15,000	—	15,000	15,000	—	—
Other expenses	4,000	—	4,000	2,081	1,919	—
Office of the Business Administrator:						
Salaries and wages	358,000	—	358,000	353,722	4,278	—
Other expenses	47,160	—	47,160	26,072	21,088	—
Insurance:						
Comprehensive business liability insurance:						
Other expenses	455,000	—	455,000	448,698	6,302	—
Employee medical insurance:						
Other expenses	5,300,000	—	5,300,000	5,225,807	74,193	—
Workers Compensation Insurance:						
Other expenses	460,000	—	460,000	451,374	8,626	—
Employee optical plan:						
Other expenses	30,000	—	30,000	30,000	—	—

(continued)

TOWNSHIP OF MAHWAH

Statement of Expenditures
Regulatory Basis

Current Fund

Year ended December 31, 2015

	Appropriations			Expended		
	Budget	Transfers	Budget after modification	Paid or charged		Canceled
Employee physicals:						
Other expenses	\$ 32,500	—	32,500	22,130	10,370	—
Health Benefit Waiver	60,000	—	60,000	48,211	11,789	—
Employee life insurance:						
Other expenses	50,000	—	50,000	26,650	23,350	—
Insurance miscellaneous:						
Other expenses	42,500	—	42,500	35,533	6,967	—
Unemployment Compensation Insurance						
Other expenses	35,000	—	35,000	35,000	—	—
Health and Safety Programs						
Other expenses	9,000	—	9,000	7,376	1,624	—
Division of Law:						
Other expenses	265,000	—	265,000	226,928	38,072	—
Division of Engineering:						
Other expenses	105,000	—	105,000	91,000	14,000	—
Municipal Land Use Law (N.J.S.A. 40:55):						
Division of Planning and Zoning:						
Salaries and wages	178,100	—	178,100	175,991	2,109	—
Other expenses	169,500	—	169,500	150,258	19,242	—
Division of Finance:						
Bureau of Treasury:						
Salaries and wages	223,700	—	223,700	217,230	6,470	—
Other expenses	9,655	—	9,655	6,866	2,789	—
Bureau of Collections:						
Salaries and wages	182,400	—	182,400	180,491	1,909	—
Other expenses	10,417	—	10,417	9,144	1,273	—
Bureau of Assessment:						
Salaries and wages	156,100	—	156,100	155,286	814	—
Other expenses	38,450	—	38,450	29,590	8,860	—

(continued)

TOWNSHIP OF MAHWAH

Statement of Expenditures
Regulatory Basis

Current Fund

Year ended December 31, 2015

	Appropriations			Expended		
	Budget	Transfers	Budget after modification	Paid or charged		Canceled
Auditor:						
Other expenses	\$ 30,000	—	30,000	23,250	6,750	—
Department of Public Works:						
DPW administration:						
Salaries and wages	84,200	7,000	91,200	91,051	149	—
Other expenses	600	—	600	380	220	—
Demolition of Structures	100,000	—	100,000	70,505	29,495	—
DPW streets and roads:						
Salaries and wages	479,500	(12,000)	467,500	452,871	14,629	—
Other expenses	97,600	7,500	105,100	92,507	12,593	—
DPW buildings and grounds:						
Salaries and wages	251,000	19,000	270,000	267,183	2,817	—
Other expenses	169,915	20,000	189,915	170,069	19,846	—
DPW emergency services:						
Other expenses	55,900	(10,000)	45,900	31,729	14,171	—
DPW parks and playgrounds:						
Salaries and wages	186,700	—	186,700	178,405	8,295	—
Other expenses	73,410	—	73,410	54,294	19,116	—
DPW recycling:						
Salaries and wages	436,700	—	436,700	431,217	5,483	—
Other expenses	24,250	5,000	29,250	24,988	4,262	—
DPW motor pool:						
Salaries and wages	47,300	—	47,300	45,629	1,671	—
Other expenses	398,975	—	398,975	345,130	53,845	—
DPW snow removal:						
Salaries and wages	205,000	30,000	235,000	201,941	33,059	—
Other expenses	229,000	50,000	279,000	270,194	8,806	—
DPW overtime:						
Salaries and wages	156,000	10,000	166,000	150,604	15,396	—

(continued)

TOWNSHIP OF MAHWAH

Statement of Expenditures
Regulatory Basis

Current Fund

Year ended December 31, 2015

	Appropriations			Expended		
	Budget	Transfers	Budget after modification	Paid or charged		Canceled
Sanitation:						
Collection service:						
Other expenses	\$ 831,000	—	831,000	826,000	5,000	—
Disposal:						
Other expenses	675,000	(5,000)	670,000	670,000	—	—
Disposal/Recyclables:						
Other expenses	15,000	—	15,000	13,540	1,460	—
Municipal Services Act:						
Other expenses	190,000	—	190,000	171,078	18,922	—
Board of Health:						
Board of Health administration:						
Salaries and wages	286,200	—	286,200	281,614	4,586	—
Other expenses	21,200	—	21,200	14,396	6,804	—
Health Officer Services:						
Other expenses	40,000	—	40,000	39,801	199	—
Visiting Nurse service:						
Other expenses	35,260	—	35,260	—	35,260	—
Department of Police:						
Police administration:						
Salaries and wages	602,900	5,000	607,900	607,575	325	—
Other expenses	231,907	10,000	241,907	237,044	4,863	—
Police records:						
Salaries and wages	92,300	5,500	97,800	97,795	5	—
Police patrol:						
Salaries and wages	5,673,200	70,000	5,743,200	5,739,903	3,297	—
Police dispatchers:						
Salaries and wages	261,200	(20,500)	240,700	231,607	9,093	—
Police detectives:						
Salaries and wages	693,800	(30,000)	663,800	655,335	8,465	—

(continued)

TOWNSHIP OF MAHWAH

Statement of Expenditures
Regulatory Basis

Current Fund

Year ended December 31, 2015

	Appropriations			Expended		
	Budget	Transfers	Budget after modification	Paid or charged		Canceled
Police crossing guards:						
Salaries and wages	\$ 60,000	—	60,000	57,219	2,781	—
Police purchase of police cars:						
Other expenses	112,000	—	112,000	112,000	—	—
Police supplemental programs: Municipal Alliance/ DARE						
Other expenses	500	—	500	400	100	—
Emergency Management:						
Bureau of Emergency Management:						
Salaries and wages	26,500	—	26,500	25,490	1,010	—
Other expenses	196,875	(67,500)	129,375	105,270	24,105	—
Fire Department:						
Salaries and wages	86,500	—	86,500	83,890	2,610	—
Other expenses	181,750	—	181,750	168,863	12,887	—
Bureau of Fire Prevention:						
Salaries and wages	74,400	1,000	75,400	74,188	1,212	—
Other expenses	4,300	—	4,300	1,985	2,315	—
Mahwah Emergency Medical Services (MEMS):						
Salaries and wages	14,000	—	14,000	11,667	2,333	—
Other expenses	80,000	—	80,000	80,000	—	—
Aid to Volunteer Fire Companies:						
Other expenses	10,000	—	10,000	10,000	—	—
Division of Human Services:						
Salaries and wages	88,200	—	88,200	71,496	16,704	—
Other expenses	700	—	700	215	485	—
Senior Citizens activities:						
Salaries and wages	105,200	—	105,200	104,671	529	—
Other expenses	58,980	—	58,980	53,177	5,803	—
Access Transportation:						
Salaries and wages	82,100	—	82,100	77,561	4,539	—
Other expenses	750	—	750	87	663	—

(continued)

TOWNSHIP OF MAHWAH

Statement of Expenditures
Regulatory Basis

Current Fund

Year ended December 31, 2015

	Appropriations			Expended		
	Budget	Transfers	Budget after modification	Paid or charged		Canceled
Boards, Commissions and Committees:						
Environmental Commission:						
Salaries and wages	\$ 3,500	150	3,650	3,646	4	—
Other expenses	7,250	—	7,250	6,081	1,169	—
Housing Commission:						
Salaries and wages	3,500	—	3,500	2,042	1,458	—
Other expenses	1,150	—	1,150	216	934	—
Historic Preservation Commission:						
Salaries and wages	3,500	—	3,500	3,500	—	—
Other expenses	6,500	—	6,500	3,403	3,097	—
Recreation:						
Salaries and wages	75,000	(10,000)	65,000	57,084	7,916	—
Other expenses	101,141	—	101,141	89,223	11,918	—
Municipal Pool:						
Salaries and wages	116,100	(14,000)	102,100	97,669	4,431	—
Other expenses	133,300	—	133,300	94,240	39,060	—
Municipal Prosecutor						
Other expenses	45,000	—	45,000	36,800	8,200	—
Municipal Court:						
Salaries and wages	276,000	—	276,000	262,839	13,161	—
Other expenses	27,250	—	27,250	14,380	12,870	—
Public Defender:						
Other expenses	28,500	—	28,500	5,383	23,117	—
Computer Equipment/Consultant	98,550	—	98,550	98,012	538	—
Community Cable Television:						
Other expenses	3,450	—	3,450	697	2,753	—
Uniform Construction Code-Appropriations Offset by Dedicated Revenues (N.J.A.C. 5:23-4.17):						
Uniform Construction Code official:						
Salaries and wages	255,100	—	255,100	248,615	6,485	—
Other expenses	42,000	—	42,000	26,337	15,663	—

(continued)

TOWNSHIP OF MAHWAH

Statement of Expenditures
Regulatory Basis

Current Fund

Year ended December 31, 2015

	Appropriations			Expended		
	Budget	Transfers	Budget after modification	Paid or charged		Canceled
Building Sub-code official:						
Salaries and wages	97,700	(11,150)	86,550	48,154	38,396	—
Plumbing Sub-code official:						
Salaries and wages	83,100	10,000	93,100	87,799	5,301	—
Electrical Sub-code official:						
Salaries and wages	105,500	—	105,500	101,095	4,405	—
Fire Sub-code official:						
Salaries and wages	83,800	—	83,800	78,489	5,311	—
Unclassified:						
Central accounts:						
Gasoline	182,400	(45,000)	137,400	89,421	47,979	—
Fuel oil - Diesel	148,000	(33,000)	115,000	71,057	43,943	—
Electricity	308,000	—	308,000	275,857	32,143	—
Street lighting	220,000	5,000	225,000	194,412	30,588	—
Telephone	138,450	3,000	141,450	124,292	17,158	—
Telecommunication	3,700	—	3,700	3,048	652	—
Natural gas	97,500	—	97,500	68,126	29,374	—
Heating oil	25,000	—	25,000	18,073	6,927	—
Photocopying	39,000	—	39,000	34,590	4,410	—
Printing and binding	34,375	—	34,375	22,684	11,691	—
Postage	74,700	—	74,700	56,571	18,129	—
Office supplies	27,325	—	27,325	19,118	8,207	—
Salary Adjustment Account	100,000	—	100,000	—	100,000	—
Tuition Reimbursement Account	6,500	—	6,500	4,200	2,300	—
Settlements	35,000	—	35,000	35,000	—	—
Total operations within "CAPS"	25,469,070	—	25,469,070	24,201,402	1,267,668	—
Contingent	5,000	—	5,000	5,000	—	—
Total operations including contingent-within "CAPS"	25,474,070	—	25,474,070	24,206,402	1,267,668	—

(continued)

TOWNSHIP OF MAHWAH

Statement of Expenditures
Regulatory Basis

Current Fund

Year ended December 31, 2015

	Appropriations			Expended		
	Budget	Transfers	Budget after modification	Paid or charged		Canceled
Detail:						
Salaries and wages	\$ 12,554,100	60,000	12,614,100	12,266,686	347,414	—
Other expenses (including contingent)	12,919,970	(60,000)	12,859,970	11,939,716	920,254	—
	<u>25,474,070</u>	<u>—</u>	<u>25,474,070</u>	<u>24,206,402</u>	<u>1,267,668</u>	<u>—</u>
Deferred charges and statutory expenditures - municipal within "CAPS":						
Statutory expenditures - contributions to:						
Public Employees retirement System	634,929	—	634,929	634,929	—	—
Social Security System (O.A.S.I.)	550,000	(1,000)	549,000	485,643	63,357	—
Police and Firemen's Retirement System of N.J.	1,592,633	—	1,592,633	1,592,633	—	—
Defined Contribution Retirement Program (DCRP)	8,500	1,000	9,500	7,061	2,439	—
Total deferred charges and statutory expenditures - municipal within "CAPS"	<u>2,786,062</u>	<u>—</u>	<u>2,786,062</u>	<u>2,720,266</u>	<u>65,796</u>	<u>—</u>
Total general appropriations for municipal purposes within "CAPS"	<u>28,260,132</u>	<u>—</u>	<u>28,260,132</u>	<u>26,926,668</u>	<u>1,333,464</u>	<u>—</u>
Operations excluded from "CAPS" - mandated expenditures per N.J.S.A. 40A:4-45.3g:						
Maintenance - Free Public Library (Chapter 82, PL 1985):						
Other expenses	1,983,717	—	1,983,717	1,983,717	—	—
Reserve for Pending Tax Appeals	200,000	—	200,000	200,000	—	—
Length of Service Award Program (L.O.S.A.P.)	260,000	—	260,000	—	260,000	—
Recycling Tax	32,000	—	32,000	32,000	—	—
Public and private programs offset by revenues:						
Bergen County Prosecutor's Office						
Escrow Account - Police Department	\$ 65,386	—	65,386	65,386	—	—
Alcohol Education Rehabilitation Fund	6,129	—	6,129	6,129	—	—
NJ Clean Communities Grant	52,045	—	52,045	52,045	—	—
Municipal Alliance on Alcoholism and Drug Abuse	11,677	—	11,677	11,677	—	—
Municipal Alliance on Alcoholism and Drug Abuse - match	2,919	—	2,919	2,919	—	—
Total operations-excluded from "CAPS"	<u>2,613,873</u>	<u>—</u>	<u>2,613,873</u>	<u>2,353,873</u>	<u>260,000</u>	<u>—</u>

(continued)

TOWNSHIP OF MAHWAH

Statement of Expenditures
Regulatory Basis

Current Fund

Year ended December 31, 2015

	Appropriations			Expended		
	Budget	Transfers	Budget after modification	Paid or charged		Canceled
Detail:						
Salaries and wages	—	—	—	—	—	—
Other expenses	2,613,873	—	2,613,873	2,353,873	260,000	—
	<u>2,613,873</u>	<u>—</u>	<u>2,613,873</u>	<u>2,353,873</u>	<u>260,000</u>	<u>—</u>
Capital improvements excluded from "CAPS":						
Capital Improvement Fund	\$ 130,000	—	130,000	130,000	—	—
Total capital improvements excluded from "CAPS"	<u>130,000</u>	<u>—</u>	<u>130,000</u>	<u>130,000</u>	<u>—</u>	<u>—</u>
Municipal debt service excluded from "CAPS":						
Payment of bond principal	2,140,000	—	2,140,000	2,140,000	—	—
Payment of bond anticipation notes	950,000	—	950,000	950,000	—	—
Interest on bonds	806,715	—	806,715	806,712	—	3
Interest on notes	100,000	—	100,000	100,000	—	—
Total municipal debt service excluded from "CAPS"	<u>3,996,715</u>	<u>—</u>	<u>3,996,715</u>	<u>3,996,712</u>	<u>—</u>	<u>3</u>
Deferred charges - municipal - excluded from "CAPS":						
Deferred charges to future taxation - unfunded						
Ordinance 1672	655	—	655	655	—	—
Total deferred charges - municipal - excluded from "CAPS"	<u>655</u>	<u>—</u>	<u>655</u>	<u>655</u>	<u>—</u>	<u>—</u>
Total general appropriations excluded from "CAPS"	<u>6,741,243</u>	<u>—</u>	<u>6,741,243</u>	<u>6,481,240</u>	<u>260,000</u>	<u>3</u>
Subtotal general appropriations	35,001,375	—	35,001,375	33,407,908	1,593,464	3
Reserve for uncollected taxes	2,665,757	—	2,665,757	2,665,757	—	—
Total general appropriations	<u>\$ 37,667,132</u>	<u>—</u>	<u>37,667,132</u>	<u>36,073,665</u>	<u>1,593,464</u>	<u>3</u>

Analysis of paid or charged

Cash disbursed	\$ 31,526,306
Transferred to Appropriated Reserves - Grant Fund	138,156
Deferred Charges	655
Reserve for tax appeals	200,000
Capital Improvement Fund	130,000
Reserve for uncollected taxes	2,665,757
Reserve for encumbrances	1,412,791
	<u>\$ 36,073,665</u>

See accompanying notes to financial statements.

TOWNSHIP OF MAHWAH

Balance Sheet
Regulatory Basis

Trust Funds

December 31, 2015 and 2014

Assets	Ref.	2015	2014
Dog License Fund:			
Cash	B-1	\$ 35,050	31,134
Due from State of New Jersey	B-3	10	4
		<u>35,060</u>	<u>31,138</u>
Other Trust Funds:			
Cash	B-1	6,402,549	6,256,077
		<u>6,402,549</u>	<u>6,256,077</u>
Unemployment Compensation Fund - cash	B-1	385,816	346,182
Uniform Construction Code Fund - cash	B-1	8,890	10,307
Deferred Award Revolving Fund - investment (UNAUDITED)		<u>2,914,223</u>	<u>2,875,911</u>
		<u>\$ 9,746,538</u>	<u>9,519,615</u>
Liabilities and Reserves			
Dog License Fund:			
Due to Current Fund	B-7	\$ 9,004	4,020
Reserve for Dog License Fund expenditures	B-2	26,056	27,118
		<u>35,060</u>	<u>31,138</u>
Other Trust Funds:			
Reserve for special deposits	B-4	2,404,632	2,311,218
Due to Current Fund	B-7	88	121
Reserve for recreation expenses	B-8	6,789	6,675
Reserve for Other Trust Fund expenses	B-9	3,991,040	3,938,063
		<u>6,402,549</u>	<u>6,256,077</u>
Unemployment Compensation Fund - Reserve for State Unemployment Insurance	B-5	<u>385,816</u>	<u>346,182</u>
Uniform Construction Code Fund- Training Fees: Reserve for Uniform Construction Code training fees	B-6	<u>8,890</u>	<u>10,307</u>
Deferred Award Revolving Fund (UNAUDITED) Plan net assets		<u>2,914,223</u>	<u>2,875,911</u>
		<u>\$ 9,746,538</u>	<u>9,519,615</u>

See accompanying notes to financial statements.

TOWNSHIP OF MAHWAH

Balance Sheet
Regulatory Basis

General Capital Fund

December 31, 2015 and 2014

Assets	Ref.	2015	2014
Cash	C-2,C-3	\$ 3,763,546	3,606,687
Deferred charges to future taxation unfunded	C-6	12,501,772	10,849,669
Deferred charges to future taxation funded	C-5	17,755,000	19,895,000
		<u>30,256,772</u>	<u>30,744,669</u>
		<u>\$ 34,020,318</u>	<u>34,351,356</u>
Liabilities, Reserves and Fund Balance			
Encumbrances payable	C-9	\$ 1,841,589	1,993,951
Bond anticipation notes	C-11	12,427,000	10,000,000
Improvement authorizations:			
Funded	C-8	444,102	176,972
Unfunded	C-8	586,596	700,322
Due to Current Fund	C-4	15	11
Reserve for payment of debt	C-10	768,232	1,059,732
Serial bonds payable	C-12	17,755,000	19,895,000
Capital Improvement Fund	C-7	1,197	11,747
Fund balance	C-1	196,587	513,621
		<u>\$ 34,020,318</u>	<u>34,351,356</u>

There were bonds and notes authorized but not issued at December 31, 2015 and 2014 of \$80,607 and \$850,482 respectively (Exhibit C-13).

See accompanying notes to financial statements.

TOWNSHIP OF MAHWAH

Statement of Fund Balance
Regulatory Basis

General Capital Fund

Years ended December 31, 2015 and 2014

	<u>2015</u>	<u>2014</u>
Balance, Beginning of year	\$ 513,621	428,421
Increased by:		
Cancellation of funded improvement authorization	11,148	—
Premium on sale of notes	181,818	85,200
	<u>192,966</u>	<u>85,200</u>
	706,587	513,621
Decreased by budget appropriation	<u>510,000</u>	—
Balance, End of year	<u>\$ 196,587</u>	<u>513,621</u>

See accompanying notes to financial statements.

TOWNSHIP OF MAHWAH

Balance Sheet
Regulatory Basis

Water Utility Fund

December 31, 2015 and 2014

Assets	<u>Ref.</u>	<u>2015</u>	<u>2014</u>
Operating Fund:			
Cash	D-5	\$ 6,769,937	6,233,290
Change Fund - Water Utility Collector		50	50
Due from Water Utility Capital Fund	D-13	<u>21</u>	<u>8</u>
		<u>6,770,008</u>	<u>6,233,348</u>
Receivables with full reserve:			
Water accounts receivable	D-8	<u>237,303</u>	<u>251,175</u>
Total Operating Fund		<u>7,007,311</u>	<u>6,484,523</u>
Capital Fund:			
Cash	D-5,D-6	954,069	868,299
Fixed capital	D-10	14,141,557	10,372,805
Fixed capital authorized and uncompleted	D-11	<u>15,114,801</u>	<u>19,610,191</u>
Total Capital Fund		<u>30,210,427</u>	<u>30,851,295</u>
		<u>\$ 37,217,738</u>	<u>37,335,818</u>

TOWNSHIP OF MAHWAH

Balance Sheet
Regulatory Basis

Water Utility Fund

December 31, 2015 and 2014

Liabilities, Reserves and Fund Balance	Ref.	2015	2014
Operating Fund:			
Liabilities:			
Appropriation reserves	D-3,D-20	\$ 1,190,322	731,152
Encumbrances	D-3,D-20	915,900	291,229
Accounts payable	D-23	66,323	56,877
Accrued interest on notes payable	D-12	21,122	12,681
Premium on water liens	D-24	10,200	3,400
Overpayments	D-9	10,489	4,113
Due to Sewer Operating Fund	D-25	1,731	3,668
		<u>2,216,087</u>	<u>1,103,120</u>
Reserve for receivables		237,303	251,175
Fund balance	D-1	4,553,921	5,130,228
		<u>7,007,311</u>	<u>6,484,523</u>
Capital Fund:			
Encumbrances	D-18	161,107	7,823
Bond anticipation notes	D-7	4,473,000	5,500,000
Reserve for amortization	D-14	20,633,205	19,487,805
Improvement authorizations:			
Funded	D-17	—	23,337
Unfunded	D-17	2,002,338	2,888,521
Deferred reserve for amortization	D-15	2,147,350	2,292,750
Reserve for various improvements	D-16	16,000	16,000
Due to Water Utility Operating Fund	D-13	21	8
Capital Improvement Fund	D-19	186,369	161,369
Reserve for payment of debt	D-22	56,816	56,816
Fund balance	D-4	534,221	416,866
		<u>30,210,427</u>	<u>30,851,295</u>
		<u>\$ 37,217,738</u>	<u>37,335,818</u>

There were bonds and notes authorized but not issued at December 31, 2015 and 2014 of \$2,002,803 and \$2,702,441 respectively (Exhibit D-21).

See accompanying notes to financial statements.

TOWNSHIP OF MAHWAH

Statement of Operations and Changes in Fund Balance
Regulatory Basis

Water Utility Operating Fund

Years Ended December 31, 2015 and 2014

	<u>2015</u>	<u>2014</u>
Revenue and other income realized:		
Fund balance utilized	\$ 3,467,274	2,569,986
Rents	4,988,865	4,723,582
Tapping and capacity fees	144,957	26,011
Miscellaneous revenue not anticipated	27,897	47,321
Other credits to income:		
Unexpended balances of appropriation reserves	499,023	644,596
Outstanding checks cancelled	18,735	—
Cancellation of accrued interest on notes	136,559	120,715
Total income	<u>9,283,310</u>	<u>8,232,211</u>
Expenditures:		
Budget Appropriations:		
Salaries and wages	999,000	972,100
Other expenses	2,848,522	2,321,741
Insurance	736,750	736,750
Capital Improvement Fund	25,000	25,000
Capital outlay	392,000	55,000
Debt service	1,204,942	1,200,000
Deferred charges and statutory expenditures	186,060	184,395
Refund of prior year revenue	69	54
Total expenditures	<u>6,392,343</u>	<u>5,595,040</u>
Excess in revenue	2,890,967	2,637,171
Fund balance, January 1	<u>5,130,228</u>	<u>5,063,043</u>
	8,021,195	7,700,214
Decreased by utilized as anticipated revenue	<u>3,467,274</u>	<u>2,569,986</u>
Fund balance, December 31	<u>\$ 4,553,921</u>	<u>5,130,228</u>

See accompanying notes to financial statements.

TOWNSHIP OF MAHWAH

Statement of Revenues
Regulatory Basis

Water Utility Operating Fund

Year Ended December 31, 2015

	<u>Budget</u>	<u>Realized</u>	<u>Excess</u>
Fund balance anticipated	\$ 3,467,274	3,467,274	—
Rents	3,000,000	4,988,865	1,988,865
Tapping and capacity fees	<u>25,000</u>	<u>144,957</u>	<u>119,957</u>
	<u>\$ 6,492,274</u>	<u>8,601,096</u>	<u>2,108,822</u>
Miscellaneous revenue not anticipated		<u>27,897</u>	
		<u>\$ 8,628,993</u>	

Analysis of Miscellaneous Revenue Not Anticipated

Interest	\$ 7,686
Interest on water rents	20,051
Miscellaneous revenues	<u>31</u>
Cash receipts	<u>27,768</u>
Due from Water Utility Capital Fund	<u>129</u>
	<u>\$ 27,897</u>

See accompanying notes to financial statements.

TOWNSHIP OF MAHWAH

Statement of Expenditures
Regulatory Basis

Water Utility Operating Fund

Year Ended December 31, 2015

	<u>Budget</u>	<u>Budget after modification</u>	<u>Paid or Charged</u>	<u>Reserved</u>	<u>Cancelled</u>
Operating:					
Salaries and wages	\$ 999,000	999,000	860,840	138,160	—
Other expenses	2,848,522	2,848,522	2,326,360	522,162	—
Insurance	736,750	736,750	512,130	224,620	—
Capital Improvement:					
Capital Improvement Fund	25,000	25,000	25,000	—	—
Capital Outlay	492,000	492,000	106,251	285,749	100,000
Debt service:					
Payment of Bond Anticipation Notes and Capital Notes	1,000,000	1,000,000	1,000,000	—	—
Interest on notes	200,000	200,000	200,000	—	—
Deferred charges- Fixed Capital Ord 1519/1567	4,942	4,942	4,942	—	—
Statutory expenditures - contribution to:					
Public Employees' Retirement System	91,060	91,060	91,060	—	—
Social Security System (O.A.S.I.)	80,000	80,000	60,369	19,631	—
Unemployment compensation insurance	15,000	15,000	15,000	—	—
	<u>\$ 6,492,274</u>	<u>6,492,274</u>	<u>5,201,952</u>	<u>1,190,322</u>	<u>100,000</u>
Encumbrances			\$ 915,900		
Accrued interest on notes			200,000		
Due from Water Capital Fund			25,000		
Cash disbursed			<u>4,061,052</u>		
			<u>\$ 5,201,952</u>		

See accompanying notes to financial statements.

TOWNSHIP OF MAHWAH

Statement of Fund Balance
Regulatory Basis

Water Utility Capital Fund

Years Ended December 31, 2015 and 2014

	<u>2015</u>	<u>2014</u>
Balance, Beginning of year	\$ 416,866	367,543
Increased by:		
Premium on sale of notes	94,018	45,375
Funded improvement authorization cancelled	<u>23,337</u>	<u>3,948</u>
	<u>117,355</u>	<u>49,323</u>
Balance, End of year	\$ <u><u>534,221</u></u>	<u><u>416,866</u></u>

See accompanying notes to financial statements.

TOWNSHIP OF MAHWAH

Balance Sheet
Regulatory Basis

Sewer Utility Fund

December 31, 2015 and 2014

Assets	<u>Ref.</u>	<u>2015</u>	<u>2014</u>
Operating Fund:			
Cash	E-6	\$ 5,046,440	5,003,348
Due from:			
Sewer Utility Capital Fund	E-23	3	1
Water Utility Operating Fund	E-13	1,731	3,668
Sewer Utility Assessment Trust Fund	E-27	10	75
		<u>1,744</u>	<u>3,744</u>
Receivables with full reserves:			
Sewer rents	E-8	192,455	199,715
Total Operating Fund		<u>5,240,639</u>	<u>5,206,807</u>
Capital Fund:			
Cash	E-6,E-7	552,185	552,183
Fixed Capital	E-28	25,967,975	25,967,975
Fixed capital authorized and uncompleted	E-10	561,000	561,000
Total Capital Fund		<u>27,081,160</u>	<u>27,081,158</u>
Assessment Trust Fund:			
Cash	E-6	1,107,330	1,320,806
Assessments receivable	E-20	934,533	1,171,122
Total Assessment Trust Fund		<u>2,041,863</u>	<u>2,491,928</u>
		<u>\$ 34,363,662</u>	<u>34,779,893</u>

TOWNSHIP OF MAHWAH

Balance Sheet
Regulatory Basis

Sewer Utility Fund

December 31, 2015 and 2014

Liabilities, Reserves and Fund Balance	Ref.	2015	2014
Operating Fund:			
Appropriation reserves	E-3,E-12	\$ 396,824	437,685
Reserve for encumbrances	E-3,E-12	68,995	85,048
Accounts payable	E-9	29,485	27,560
Sewer overpayments	E-18	7,395	6,179
Reserve for arbitrage refund	E-25	45,000	45,000
Accrued interest on notes	E-24	4,660	4,226
		<u>552,359</u>	<u>605,698</u>
Reserve for receivables		192,455	199,715
Fund balance	E-1	4,495,825	4,401,394
Total Operating Fund		<u>5,240,639</u>	<u>5,206,807</u>
Capital Fund:			
Bond anticipation notes payable	E-21	619,000	944,000
Reserve for:			
Amortization	E-17	25,613,725	25,288,725
Payment of debt	E-22	44,242	44,242
Deferred reserve for amortization	E-16	28,050	28,050
Capital Improvement Fund	E-19	146,947	146,947
Due to Sewer Utility Operating Fund	E-23	3	1
Improvement authorizations:			
Unfunded	E-14	267,775	267,775
Fund balance	E-4	361,418	361,418
Total Capital Fund		<u>27,081,160</u>	<u>27,081,158</u>
Assessment Trust Fund:			
Due to Sewer Utility Operating Fund	E-27	10	75
Bond anticipation notes payable	E-15	881,000	1,331,000
Reserve for assessments and liens	E-11	53,535	800
Fund balance	E-5	1,107,318	1,160,053
Total Assessment Trust Fund		<u>2,041,863</u>	<u>2,491,928</u>
		<u>\$ 34,363,662</u>	<u>34,779,893</u>

There were bonds and notes authorized but not issued at December 31, 2015 and 2014 of \$268,200 and \$268,200 respectively (Exhibit E-26).

See accompanying notes to financial statements.

TOWNSHIP OF MAHWAH

Statement of Operations and Changes in Fund Balance
Regulatory Basis

Sewer Utility Operating Fund

Years ended December 31, 2015 and 2014

	<u>2015</u>	<u>2014</u>
Revenue and other income realized:		
Fund balance utilized	\$ 2,064,385	1,756,136
Rents	5,630,997	5,662,240
Miscellaneous revenues not anticipated	108,493	105,180
Other credits to income:		
Unexpended balances of appropriation reserves	427,436	214,563
Accrued interest on notes canceled	192,287	182,474
	<u>8,423,598</u>	<u>8,040,593</u>
Total income		
Expenditures:		
Budget appropriations:		
Operating	4,981,340	4,997,816
Capital improvements	122,000	40,000
Debt service	525,000	584,800
Deferred charges and statutory expenditures	636,045	333,520
Refund prior year revenue	397	669
	<u>6,264,782</u>	<u>6,076,805</u>
Total expenditures		
Excess in revenue	2,158,816	1,963,788
Fund balance, January 1	<u>4,401,394</u>	<u>4,193,742</u>
	6,560,210	6,157,530
Decreased by utilized as anticipated revenue	<u>2,064,385</u>	<u>1,756,136</u>
Fund balance, December 31	<u>\$ 4,495,825</u>	<u>4,401,394</u>

See accompanying notes to financial statements.

TOWNSHIP OF MAHWAH

Statement of Revenues
Regulatory Basis

Sewer Utility Operating Fund

Year ended December 31, 2015

	<u>Budget</u>	<u>Realized</u>	<u>Excess</u>
Fund balance appropriated	\$ 2,064,385	2,064,385	—
Sewer rents	4,200,000	5,630,997	1,430,997
Sewer Utility Capital - Fund Balance	<u>120,000</u>	<u>—</u>	<u>(120,000)</u>
	<u>\$ 6,384,385</u>	<u>7,695,382</u>	<u>1,310,997</u>
Miscellaneous revenues not anticipated		<u>108,493</u>	
		<u>\$ 7,803,875</u>	

Analysis of Revenues Not Anticipated

Interest on investments	\$ 45,531
Interest on Sewer rents	15,931
Miscellaneous	<u>47,031</u>
	108,493
Less interest earned in Capital and Assessment Funds	<u>37,784</u>
Cash	<u>\$ 70,709</u>

See accompanying notes to financial statements.

TOWNSHIP OF MAHWAH

Statement of Expenditures
Regulatory Basis

Sewer Utility Operating Fund

Year ended December 31, 2015

	<u>Budget</u>	<u>Budget after modifi- cation</u>	<u>Paid or charged</u>	<u>Reserved</u>	<u>Cancelled</u>
Operating:					
Salaries and wages	\$ 589,400	604,400	548,296	56,104	—
Other expenses	195,440	215,440	160,681	54,759	—
Insurance	448,000	448,000	302,647	145,353	—
NW Bergen County Utilities Authority	3,750,000	3,713,500	3,662,391	51,109	—
Capital Improvements:					
Capital Outlay	242,000	242,000	41,420	80,580	120,000
Debt service:					
Payment of bond anticipation notes and Capital notes	325,000	325,000	325,000	—	—
Interest on notes	200,000	200,000	200,000	—	—
Deferred Charges:					
Fixed Capital: Ord #1507/1553/1566	525,000	525,000	525,000	—	—
Statutory expenditures - contribution to:					
Public Employees' Retirement System	57,545	57,545	57,545	—	—
Social Security System	47,000	48,500	39,581	8,919	—
Unemployment compensation insurance	5,000	5,000	5,000	—	—
Surplus (General Budget)	—	—	—	—	—
	<u>\$ 6,384,385</u>	<u>6,384,385</u>	<u>5,867,561</u>	<u>396,824</u>	<u>120,000</u>
Cash disbursed			\$ 5,598,566		
Accrued interest on notes			200,000		
Encumbrances			<u>68,995</u>		
			<u>\$ 5,867,561</u>		

See accompanying notes to financial statements.

TOWNSHIP OF MAHWAH

Statement of Fund Balance
Regulatory Basis

Sewer Utility Capital Fund

Years ended December 31, 2015 and 2014

	2015	2014
Balance, Beginning of year	\$ <u>361,418</u>	<u>361,418</u>
Balance, End of year	\$ <u><u>361,418</u></u>	<u><u>361,418</u></u>

See accompanying notes to financial statements.

TOWNSHIP OF MAHWAH

Statement of Operations and Changes in Fund Balance
Regulatory Basis

Sewer Utility Assessment Trust Fund

Years ended December 31, 2015 and 2014

	<u>2015</u>	<u>2014</u>
Fund balance, January 1,	\$ 1,160,053	1,083,983
Increased by:		
Sewer assessments collected - unpledged	<u>11,146</u>	<u>76,070</u>
	1,171,199	1,160,053
Decreased by:		
Payment of notes	<u>63,881</u>	<u>—</u>
Fund balance, December 31,	<u>\$ 1,107,318</u>	<u>1,160,053</u>

See accompanying notes to financial statements.

TOWNSHIP OF MAHWAH

Statement of General Fixed Assets
Regulatory Basis

General Fixed Asset Account Group

December 31, 2015 and 2014

	<u>2015</u>	<u>2014</u>
Land	\$ 21,593,903	21,482,058
Buildings	21,012,714	21,138,134
Vehicular equipment	15,407,660	14,484,120
General equipment and machinery	<u>6,098,837</u>	<u>5,742,898</u>
Total fixed assets	<u>\$ 64,113,114</u>	<u>62,847,210</u>

See accompanying notes to financial statements.

TOWNSHIP OF MAHWAH

Notes to Financial Statements

December 31, 2015

(1) *Summary of Significant Accounting Policies*

The accounting policies of the Township of Mahwah, State of New Jersey (the Township) conform to the accounting principles applicable to municipalities prescribed by the Division of Local Government Services, Department of Community Affairs, State of New Jersey. Accordingly, the accompanying financial statements are not intended to present financial position and results of operations in conformity with generally accepted accounting principles. The following is a summary of the significant policies.

Reporting Entity

The financial statements of the Township include every board, body, officer or commission supported and maintained wholly or in part by funds appropriated by the Township as required by N.J.S.A. 40A:5-5. Accordingly, the financial statements of the Township do not include the operations of the Board of Education, Volunteer Fire Department, Ambulance and Rescue Services or Free Public Library.

Fund Accounting

In order to ensure observance of limitations and restrictions placed on the use of the resources available to the Township, the accounts of the Township are maintained in accordance with the principles of "fund accounting." This is the procedure by which resources for various purposes are classified for accounting and reporting purposes into funds that are in accordance with activities or objectives specified. The operation of each fund is accounted for with a separate set of self balancing accounts that comprise its assets, liabilities reserves, fund balance, revenues and expenditures, as appropriate.

Fund Types

Current Fund – is used to account for all revenues and expenditures applicable to the general operations of Township departments and agencies. Federal and state grants are included in the current fund.

Trust Funds – are used to account for assets held by the Township in a trustee capacity or as an agent for individuals or other governmental agencies. Funds held by the Township which have restrictions placed on the use of such funds are recorded in the Trust Funds.

General Capital Fund – is used to account for financial resources to be used for the acquisition of general capital facilities. The major resources are derived from the sale of serial bonds and bond anticipation notes.

Water Utility Operating Fund – is used to account for all revenues and expenditures applicable to water utility operations.

Water Utility Capital Fund – is used to account for financial resources to be used for the acquisition, installation, and improvement of water utility facilities.

Sewer Utility Operating Fund – is used to account for all revenues and expenditures applicable to sewer utility operations.

Sewer Utility Capital Fund – is used to account for financial resources to be used for the acquisition, installation, and improvement of sewer utility facilities.

TOWNSHIP OF MAHWAH

Notes to Financial Statements

December 31, 2015

Sewer Utility Assessment Trust Fund – is used to account for the collection of assessments levied.

General Fixed Assets Account Group – is used to account for all fixed assets purchased by the current and general capital funds.

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 of Mahwah and approved by the State Division of Local Government Services per N.J.S.A. 40A:4 et seq.

Basis of Accounting

The Township follows the following accounting policies:

Revenues

Revenues are recorded when received in cash except for certain amounts which are due from other governmental units. Receipts from Federal and state grants are realized as revenue when anticipated in the Township budget. Receivables for property taxes are recorded with offsetting reserves on the balance sheet of the Township's Current Fund; accordingly, such amounts are not recorded as revenue until collected. Other amounts that are due the Township which are susceptible to accrual are also recorded as receivables with offsetting reserves and recorded as revenue when received.

Expenditures

Current Fund, General Capital Fund and Utility Fund 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 the encumbrance accounting system. Outstanding encumbrances at December 31 are reported as a cash liability in the financial statements and constitute part of the Township's statutory appropriation reserve balance. Appropriation reserves covering unexpended appropriation balances are automatically created at December 31 of each year and recorded as liabilities, except for amounts which may be canceled by the governing body. Appropriation reserves are available, until lapsed at the close of the succeeding year, to meet specific claims, commitments or contracts incurred during the preceding fiscal year. Lapsed appropriation reserves are recorded as income. Appropriations for principal payments on outstanding general capital bonds and notes are provided on a cash basis; interest on general capital indebtedness is on the cash basis. Trust Fund expenditures are accounted for on the cash basis.

Disbursements for Current Fund and General Capital Fund inventory type items are considered expenditures at the time of purchase. Prepaid expenses are not recorded. The Township's share of contributions for fringe benefits, such as retirement plans, accrued vacation leave, litigation settlements and certain professional fees are accounted for on the cash basis.

TOWNSHIP OF MAHWAH

Notes to Financial Statements

December 31, 2015

Had the Township's financial statements been prepared under generally accepted accounting principles, appropriation reserves would not be recorded; revenues susceptible of accrual would have been reflected without offsetting reserves; Federal grants and assistance would be recognized when earned, not when awarded; inventories would not be reflected as expenditures at the time of purchase; and encumbrances would not be considered as expenditures. Depreciation would have been recognized in the Utility Funds. Taxes collected on behalf of the county and school district and the related payment to those entities would not be reflected in operations. Deferred charges and improvement authorizations would not be recorded as assets and liabilities in the General Capital Fund. The Division of Local Government Services, Department of Community Affairs, State of New Jersey does not require the management's discussion and analysis, required supplemental information or government wide financial statements required by generally accepted accounting principles to be presented.

Foreclosed Property

Real property acquired for taxes is recorded in the Current Fund at assessed valuation when such property is acquired and is fully reserved. Under GAAP property acquired for taxes would be recorded in the general fixed assets at net realizable value

Interfund Receivables

Interfund receivables created by cash transfers from the Current Fund are recorded with offsetting reserves created by charges to operations. Income is recognized in the year the receivables are liquidated. Interfund receivables in other funds are not offset by reserves.

Deferred Charges to Future Taxation Funded and Unfunded

Upon the authorization of capital projects, the Township establishes deferred charges for the costs of the capital projects to be raised by future taxation. Funded deferred charges relate to permanent debt issued, whereas unfunded deferred charges relate to temporary or non-funding of the authorized cost of capital projects. According to the N.J.S.A. 40A:2-4, the Township may levy taxes on all taxable property within the local unit to repay the debt. Annually, the Township raises the debt requirements for that particular year in the current budget. As the funds are raised by taxation, the deferred charges are reduced. Under GAAP deferred charges to future taxation would not be recorded and proceeds of debt issued would be recognized as revenue

Fixed Assets

Current Fund and General Capital Fund

Property and equipment purchased by the Current Fund and the General Capital Fund are recorded as expenditures at the time of purchase. Fixed assets are capitalized at cost in the General Fixed Assets Account Group.

Property, equipment and infrastructure purchased by the Utility Funds are also recorded as expenditures at the time of purchase and are capitalized at cost in the Utility Capital Funds as fixed capital.

TOWNSHIP OF MAHWAH

Notes to Financial Statements

December 31, 2015

Use of Estimates

The preparation of financial statements requires management to make estimates that affect the recorded amount of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenditures during the reporting period. Actual results could differ from those estimates.

(2) *Retirement Systems*

Substantially all of the Township's employees participate in one of the following contributory defined benefit public employee retirement systems (retirement systems) which have been established by State statute: the Public Employees Retirement System (PERS) and the Police and Firemen's Retirement System (PFRS). These systems are sponsored and administered by the State of New Jersey.

Police and Firemen's Retirement System

Police and Firemen's Retirement Systems (PFRS)--is a cost-sharing multiple-employer contributory defined benefit plan which was established as of July 1, 1944, under the provisions of N.J.S.A. 43:16A to provide retirement, death and disability benefits to substantially all full time county and municipal police or firemen and State firemen appointed after June 30, 1944. Membership is mandatory for such employees with vesting occurring after 10 years of membership.

Public Employees' Retirement System

Public Employees' Retirement System (PERS)--is a cost-sharing multiple-employer contributory defined benefit plan which was established as of January 1, 1955, under the provision N.J.S.A. 43:15A to provide retirement, death and disability benefits, including post-retirement health care, 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 and vesting occurs after 10 years of service for pension benefits and 25 years for post-retirement health care coverage.

Defined Contribution Retirement Program

The Defined Contribution Retirement Program, herein referred to as 'DCRP', was established July 1, 2007 under the provisions of Chapters 92 and 103, P.L. 2007. Individuals eligible for membership in the DCRP include local officials who are elected or appointed on or after July 1, 2007; and employees enrolled in the PERS on or after July 1, 2007 who earn salary in excess of established "maximum compensation" limits.

A local elected official is any individual who holds elected public office. Officials elected on or after July 1, 2007 will only be enrolled in DCRP. Elected officials already enrolled in PERS prior to July 1, 2007 based on elected office will remain a PERS member while serving in that same elected office. Any break in service or election to a different elected office will automatically enroll the elected official in DCRP. If a retired member of another State-administered retirement system is elected to office, that elected official can choose to either continue receiving retirement benefits from the former employment or suspend such benefits and participate in DCRP.

TOWNSHIP OF MAHWAH

Notes to Financial Statements

December 31, 2015

A local appointed official is any individual appointed by the governor, including those requiring advice and consent of the Senate, or an individual appointed in a similar manner by the governing body of a local public entity. On or after July 1, 2007, a newly appointed official who does not have an existing PERS account will only be enrolled in the DCRP. Appointed officials already enrolled in PERS prior to July 1, 2007 will remain a PERS member while serving in that same appointed office.

An appointed official is permitted to join or remain in PERS if that appointed official holds a professional license or certificate to perform and is serving in any of the following capacities: Certified Health Officer, Tax Collector, Chief Financial Officer, Construction Code Official, Qualified Purchasing Agent, Tax Assessor, Municipal Planner, Registered Municipal Clerk, Licensed Uniform Subcode Inspector, or Principal/Certified Public Works Manager.

Additional minimum DCRP eligible criteria for a newly elected or appointed official are the same as for a PERS position. However, in the case of DCRP, eligible officials can elect an irrevocable waiver of their participation when earning less than \$5,000 annually.

Eligible PERS members are enrolled in the DCRP when annual salary exceeds the maximum compensation limit. This may occur upon enrollment into the PERS when an annual base salary is reported on the enrollment application that will exceed the maximum compensation; or when PERS member's annual salary is increased to where it will exceed the maximum compensation and it is reported by the employer to the Division of Pensions and benefits.

Enrolled members contribute 5.5% of the base salary to a tax-deferred investment account established with Prudential Financial, which administers the DCRP for the Division of Pensions and Benefits. Members enrolled due to income levels in excess of maximum compensation limits only contribute based on that amount in excess. Member contributions are matched by a 3% employer contribution.

Newly eligible and enrolled members that have existing DCRP accounts or are active or vested members of another State-administered retirement system are immediately vested in DCRP. Conversely, those officials not qualifying for immediate vesting in DCRP will become fully vested upon commencement of their second year of membership. In such case that there is no eligible second year of membership, all employee and employer contributions will be refunded to the appropriate contributing parties.

DCRP members may elect to receive all or a portion of the account in a lump-sum distribution, or as a fixed term or life annuity. There is no minimum retirement age under the DCRP. Any distributions of mandatory contributions will automatically render the member retired. Lump-sum cash distributions to members under the age of 55 are limited to the member's contributions and earnings. Employer matching contributions and earnings are only available after the age of 55. A member may begin collecting an annuity or take a cash distribution at any time after termination of employment, but will no longer be eligible to participate in any State-administered retirement system upon a return to public employment in New Jersey.

DCRP members are covered by employer-paid life insurance, payable to their designated beneficiaries, in the amount of 1 ½ times the annual base salary on which DCRP contributions were based. This benefit continues for up to two years if on an approved leave of absence without pay for personal illness. Life insurance may also be available to members upon retirement at an amount reduced to 3/16 of the annual base salary on which DCRP contributions were based who qualify by being 60 or older with 10 years of participation in DCRP or any age with 25 years of participation. In the case of

TOWNSHIP OF MAHWAH

Notes to Financial Statements

December 31, 2015

members enrolled due to income levels in excess of maximum compensation limits, years of participation in either scenario would also include participation in PERS.

DCRP members are eligible employer-paid long term disability coverage after one year of participation. Eligibility occurs after six consecutive months of total disability. Members would receive a regular monthly income benefit up to 60% of the base salary on which DCRP contributions were based during 12 months preceding the onset of the disability, offset by any other periodic benefit the member may be receiving. Benefits will be paid so long the member remains disabled or until the age of 70. Benefits terminate should the member begin receiving retirement annuity payments.

Other Pension Funds

The State established and administers a Supplemental Annuity Collective Trust Fund (SACT) which is available to active members of several 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 State also administers the Pension Adjustment Fund (PAF) which provides cost of living increases, equal to 60 percent of the change in the average consumer price index, to eligible retirees in all State-sponsored pension systems except SACT. The cost of living increases for PFRS and PERS are funded directly by each of the respective systems and are considered in the annual actuarial calculation of the required State contribution for that system.

According to State statutes, 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 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 obtained by writing to the State of New Jersey, Department of the Treasury, Division of Pensions and Benefits, P.O. Box 295, Trenton, New Jersey 08625-0295.

Significant Legislation

Chapter 78, P.L. 2011, effective June 28, 2011 made various changes to the manner in which the Public Employees' Retirement System (PERS) and the Police and Firemen's Retirement System (PFRS) operate and to the benefit provisions of those systems.

Chapter 78's provisions impacting employee pension and health benefits include:

- New members of the PERS hired on or after June 28, 2011 (Tier 5 members) will need 30 years of creditable service and age 65 for receipt of the early retirement benefit without a reduction of $\frac{1}{4}$ of 1% for each month that the member is under age 65.
- The eligibility age to qualify for a service retirement in the PERS is increased from age 63 to 65 for Tier 5 members.
- The annual benefit under special retirement for new PFRS members enrolled after June 28, 2011 (Tier 3 members), will be 60% instead of 65% of the member's final compensation plus 1% for each year of creditable service over 25 years but not to exceed 30 years.

TOWNSHIP OF MAHWAH

Notes to Financial Statements

December 31, 2015

- Increases in active member contribution rates. PERS active member rates increase from 5.5% of annual compensation to 6.5% plus an addition 1% phased-in over 7 years; PFRS active member rates increase from 8.5% to 10%. For fiscal year 2012, the member contribution rates will increase in October 2011. The phase-in of the additional incremental member contribution rates for PERS members will take place in July of each subsequent fiscal year.
- The payment of automatic cost-of-living adjustment (COLA) additional increases to current and future retirees and beneficiaries is suspended until reactivated as permitted by this law.
- New employee contribution requirements towards the cost of employer-provided health benefit coverage. Employees are required to contribute a certain percentage of the cost of coverage. The rate of contribution is determined based on the employee's annual salary and the selected level of coverage. The increased employee contributions will be phased in over a 4-year period for those employed prior to Chapter 78's effective date with a minimum contribution required to be a least 1.5% of salary.
- In addition, this legislation changes the method for amortizing the pension systems' unfunded accrued liability (from a level percent of pay method to a level dollar of pay).

Funding Policy

Contribution Requirements:

The contribution policy for PFRS and PERS is set by New Jersey State statutes and requires contributions by active members and contributing employers. Plan member and employer contributions may be amended by State of New Jersey legislation. Members of PFRS contribute at a uniform rate of 10.0% of base salary, as defined. Members of PERS contribute at a uniform rate of 6.50% of base salary, as defined. Employers are required to contribute at an actuarially determined rate in all Funds. The actuarially determined employer contribution includes funding for cost-of-living adjustments and noncontributory death benefits in the PFRS and PERS. In the PERS the employer contribution includes funding for post-retirement medical premiums.

Township Contributions:

The Township's required contributions were as follows:

	<u>2015</u>	<u>2014</u>	<u>2013</u>	<u>2012</u>	<u>2011</u>
PERS \$	783,534	729,958	722,972	762,914	761,744
PFRS \$	1,592,633	1,491,240	1,532,352	1,542,527	1,752,196
DCRP \$	7,061	1,880	2,763	1,632	1,200

GASB 68 Disclosure in accordance with Division of Local Government Services Local Finance Notice 2015-24

The amount of the Township's contribution is certified each year by PERS and PFRS on the recommendation of the actuary, who makes an annual actuarial valuation. The valuation is based on a determination of the financial condition of the retirement system. It includes the computation of the present dollar value of benefits payable to former and present members and the present dollar value of future employer and employee contributions, giving effect to mortality among active and retired members and also to the rates of disability, retirement, withdrawal, former service, salary and interest. In accordance with State statute, the long-term expected rate of return on plan investments is determined by the State Treasurer, after consultation with the Directors of the Division of Investments and Division of Pensions and Benefits, the board of trustees and the actuaries. Specific information on actuarial assumptions and rates of return can be found at www.state.nj.us/treasury/pensions/annrprts.shtml.

TOWNSHIP OF MAHWAH

Notes to Financial Statements

December 31, 2015

The actuarially determined employer contribution includes funding for cost-of-living adjustments and noncontributory death benefits in the PERS and PFRS. In the PERS and PFRS the employer contribution includes funding for post-retirement medical premiums.

PERS			
	<u>2015</u>	<u>2014</u>	<u>2013</u>
Covered Employee Payroll	\$5,239,412	\$5,457,702	\$5,662,889
Total Payroll	14,172,622	13,839,460	13,974,076
Actuarial Contribution Requirements	783,534	729,958	722,972
Total Contributions	1,149,200	1,103,718	1,102,883
Employer's Share	783,534	729,958	722,972
% of Covered Payroll	14.95%	13.37%	12.77%
Employee's Share	365,666	373,760	379,911
% of Covered Payroll	6.98%	6.85%	6.71%

PFRS			
	<u>2015</u>	<u>2014</u>	<u>2013</u>
Covered Employee Payroll	\$6,034,611	\$6,260,586	\$6,609,197
Total Payroll	14,172,622	13,839,460	13,974,076
Actuarial Contribution Requirements	1,592,633	1,491,240	1,532,352
Total Contributions	2,195,734	2,117,302	2,193,426
Employer's Share	1,592,633	1,491,240	1,532,352
% of Covered Payroll	26.39%	23.82%	23.19%
Employee's Share	603,465	626,062	661,074
% of Covered Payroll	10.00%	10.00%	10.00%

Assumptions

The total PERS and PFRS pension liability for June 30, 2015 measurement date was determined by an actuarial valuation as of July 1, 2014 using an actuarial experience study for the period July 1, 2008 to June 30, 2011. The pension liability was rolled forward to June 30, 2015. The actuarial valuation used an inflation rate of 3.04%, projected salary increases from 2012 to 2021 of 2.15% to 4.40% for PERS and 2.60% to 9.48% for PFRS based on age and thereafter 3.15% to 5.40% for PERS and 3.60% to 10.48% for PFRS based on age and an investment rate of return of 7.90%.

The discount rate used to measure the total pension liability was 4.90% and 5.39% for PERS and 5.79 and 6.32% for PFRS as of June 30, 2015 and 2014 respectively. This single blended discount rate was based on the long-term expected rate of return on pension plan investments of 7.90%, and a municipal bond rate of 3.80% as of June 30, 2015, based on the Bond Buyer Go 20-Bond Municipal Bond Index which includes tax-exempt general obligation municipal bonds with an average rating of AA/Aa or higher. The projection of cash flows used to determine the discount rate assumed that contributions from plan members will be made at the current member contribution rates and that contributions from employers will be made based on the average of the last five years of contributions made in relation to the last five years of recommended contributions. Based on those assumptions, the plan's fiduciary net position was projected to be available to make projected future benefit payments of current plan members through 2033. Therefore, the long-term expected rate of return on plan investments was applied to projected benefit payments through 2033, and the municipal bond rate was applied to projected benefit payments

TOWNSHIP OF MAHWAH

Notes to Financial Statements

December 31, 2015

after that date in determining the total pension liability. More information on mortality rates and other assumptions, and investment policies, can be found at www.state.nj.us/treasury/pensions/annrprts.shtml.

The following presents the Township’s proportionate share of the PERS net pension liability calculated using the discount rate of 4.90% and 5.39% as of June 30, 2015 and 2014, respectively, as well as what the PERS net pension liability would be if it were calculated using a discount rate that is one percentage point lower or one percentage point higher than the assumed rate.

Sensitivity of the Township’s Proportionate Share of the PERS Local Share Net Pension Liability to Changes in the Discount Rate

	At 1% decrease (3.90%)	At current discount rate (4.90%)	At 1% increase (5.90%)
2015	<u>\$25,666,116</u>	<u>\$20,650,557</u>	<u>\$16,445,549</u>
	At 1% decrease (4.39%)	At current discount rate (5.39%)	At 1% increase (6.39%)
2014	<u>\$22,386,652</u>	<u>\$17,794,949</u>	<u>\$13,939,087</u>

The following presents the Township’s proportionate share of the PFRS net pension liability calculated using the discount rate of 6.32% and 6.45% as of June 30, 2014 and 2013, respectively, as well as what the PFRS net pension liability would be if it were calculated using a discount rate that is one percentage point lower or one percentage point higher than the assumed rate.

Sensitivity of the Township’s Proportionate Share of the PFRS Local Share Net Pension Liability to Changes in the Discount Rate

	At 1% decrease (4.79%)	At current discount rate (5.79%)	At 1% increase (6.79%)
2015	<u>\$43,607,653</u>	<u>\$33,078,264</u>	<u>\$24,492,488</u>
	At 1% decrease (5.32%)	At current discount rate (6.32%)	At 1% increase (7.32%)
2014	<u>\$35,141,934</u>	<u>\$26,077,430</u>	<u>\$18,584,815</u>

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

Although the Division administers one cost-sharing multiple-employer defined benefit pension plan, separate (sub) actuarial valuations are prepared to determine the actuarially determined contribution rate by group. Following this method, the measurement of the collective net pension liability, deferred outflows of resources, deferred inflows of resources and pension expense excluding that attributable to employer-paid member contributions are determined separately for each individual employer of the State and local groups.

TOWNSHIP OF MAHWAH

Notes to Financial Statements

December 31, 2015

To facilitate the separate (sub) actuarial valuations, The Division maintains separate accounts to identify additions, deductions, and fiduciary net position applicable to each group. The allocation percentages presented for each group in the schedule of employer allocations are applied to amounts presented in the schedules of pension amount by employer. The allocation percentages for each group as of June 30, 2015 and 2014 are based on the ratio of each employer's contributions to total employer contributions of the group for the fiscal years ended June 30, 2015 and 2014, respectively.

Following is the total of the Township's portion of the PERS and PFRS net pension liabilities, deferred outflows of resources and deferred inflows of resources related to pensions and the pension expense and expenditures for the fiscal year ended June 30, 2015.

	PERS	PFRS
Net Pension Liabilities	\$20,650,557	\$33,078,264
Deferred Outflow of Resources	2,710,355	6,368,561
Deferred Inflow of Resources	1,058,386	1,817,235
Pension Expense	1,197,556	2,854,253
Contributions Made After Measurement Date	0	0

GASB Statement No. 68, *Accounting and Financial Reporting for Pensions*, requires participating employers in PERS to recognize their proportionate share of the collective net pension liability, collected 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 in the PERS schedule of employer allocations and applied to amounts presented in the PERS schedule of pension amounts by employer are based on the ratio of the contributions as an individual employer to total contributions to the PERS and PFRS during the years ended June 30, 2015 and 2014. The Township's proportionate share of the collective net pension liability as of June 30, 2015 and 2014 was .0919% and .0950% for PERS and .1986% and .2073% for PFRS respectively.

At June 30, 2015, the amount determined as the Township's proportionate share of the PERS net pension liability was \$20,650,557. For the year ended June 30, 2015 the Township recognized PERS pension expense of \$1,197,556. At June 30, 2015, deferred outflows of resources and deferred inflows of resources related to the PERS pension are as follows:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Change of Assumptions	\$2,217,705	\$—
Net Difference Between Projected and Actual Investment Earnings	492,650	332,021
Net Change in Proportions	—	726,365
Net Actual Less Proportionate Share of Contributions	—	—
Total Contributions and Proportionate Share of Contributions after the Measurement Date	—	—
	<u>\$2,710,355</u>	<u>\$1,058,386</u>

TOWNSHIP OF MAHWAH

Notes to Financial Statements

December 31, 2015

At June 30, 2015, the amount determined as the Township’s proportionate share of the PFRS net pension liability was \$33,078,264. For the year ended June 30, 2015 the Township recognized PERS pension expense of \$2,854,253. At June 30, 2015, deferred outflows of resources and deferred inflows of resources related to the PERS pension are as follows:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Change of Assumptions	\$6,107,069	\$—
Net Difference Between Projected and Actual Investment Earnings	—	871,009
Net Change in Proportions	261,492	956,226
Net Actual Less Proportionate Share of Contributions	—	—
Total Contributions and Proportionate Share of Contributions after the Measurement Date	—	—
	<u>\$6,368,561</u>	<u>\$1,817,235</u>

Long-Term Expected Rate of Return

The arithmetic mean return on the portfolio was determined using a building-block method in which best-estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. Best estimates of arithmetic rates of return for each major asset class included in the pension plan’s target asset allocation as of June 30, 2015 are summarized in the following table.

<u>Asset Class</u>	<u>Target Allocation</u>	<u>Long-Term Expected Real Rate of Return</u>
Cash	5.00%	1.04%
U.S. Treasuries	1.75%	1.64%
Investment Grade Credit	10.00%	1.79%
Mortgages	2.10%	1.62%
High Yield Bonds	2.00%	4.03%
Inflation-Indexed Bonds	1.50%	3.25%
Broad US Equities	27.25%	8.52%
Developed Foreign Equities	12.00%	6.88%
Emerging Market Equities	6.40%	10.00%
Private Equity	9.25%	12.41%
Hedge Funds/Absolute Return	12.00%	4.72%
Real Estate (Property)	2.00%	6.83%
Commodities	1.00%	5.32%
Global Debt ex US	3.50%	-0.40%
REIT	4.25%	5.12%

TOWNSHIP OF MAHWAH

Notes to Financial Statements

December 31, 2015

(3) Municipal Debt

**Summary of Municipal Debt
(Excluding Current and Utility Operating Debt and Type I School Debt)**

	<u>2015</u>	<u>2014</u>	<u>2013</u>
Issued:			
General - bonds and notes	\$ 30,182,000	29,895,000	29,900,000
Water Utility - notes	4,473,000	5,500,000	6,900,000
Sewer Utility - notes	619,000	944,000	1,353,800
Sewer Utility - Assessment notes	881,000	1,311,000	1,796,200
Total issued	<u>36,155,000</u>	<u>37,670,000</u>	<u>39,950,000</u>
Authorized but not issued:			
General - bonds and notes	80,607	850,482	130,123
Water Utility - bonds and notes	2,002,803	2,702,441	2,678,255
Sewer Utility - bonds and notes	268,200	268,200	268,200
Total authorized but not issued	<u>2,351,610</u>	<u>3,821,123</u>	<u>3,076,578</u>
Total bonds and notes issued and authorized but not issued	\$ <u>38,506,610</u>	<u>41,491,123</u>	<u>43,026,578</u>

Summary of Statutory Debt Condition - Annual Debt Statement

The summarized statement of debt condition which follows is prepared in accordance with the required method of setting up the annual debt statement and indicates a statutory net debt of .499%.

	<u>Gross Debt</u>	<u>Deductions</u>	<u>Net Debt</u>
Local school district debt	\$ 11,177,000	11,107,000	—
Water Utility debt	6,475,803	6,475,803	—
Sewer Utility debt	1,768,200	1,768,200	—
General debt	30,262,607	768,232	29,494,375
	\$ <u>49,683,610</u>	<u>20,189,235</u>	<u>29,494,375</u>

Net debt of \$29,494,375 divided by equalized valuation basis per N.J.S.A. 40A:2-2 as amended of \$5,905,578,084 equals .499%.

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

3-1/2% of equalized valuation basis (municipal)	\$206,695,233
Net debt	<u>29,494,375</u>
Remaining borrowing power	\$ <u>177,200,858</u>

TOWNSHIP OF MAHWAH

Notes to Financial Statements

December 31, 2015

This a summary of bonded debt changes for the years ended December 31, 2015 and 2014:

	Dec. 31, 2014	Increases	Deductions	Dec. 31, 2015
Sewer Utility Capital Fund	\$ —	—	—	—
Water Utility Capital Fund	—	—	—	—
Sewer Utility Assessment Fund	—	—	—	—
General Capital Fund	19,895,000	—	2,140,000	17,755,000
	\$ 19,895,000	—	2,140,000	17,755,000
	Dec. 31, 2013	Increases	Deductions	Dec. 31, 2014
Sewer Utility Capital Fund	\$ —	—	—	—
Water Utility Capital Fund	—	—	—	—
Sewer Utility Assessment Fund	—	—	—	—
General Capital Fund	21,950,000	—	2,055,000	19,895,000
	\$ 21,950,000	—	2,055,000	19,895,000

Bond debt service requirements at December 31, 2015 were as follows;

Year Ended <u>December 31,</u>	<u>Principal</u>	<u>Interest</u>
2016	2,225,000	729,913
2017	2,270,000	661,138
2018	2,285,000	570,337
2019	2,255,000	488,500
2020	2,255,000	385,800
2021-2024	6,465,000	609,700
	\$17,755,000	3,445,388

(4) Bond Anticipation Notes

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

TOWNSHIP OF MAHWAH

Notes to Financial Statements

December 31, 2015

The changes in outstanding bond anticipation notes for the years ended December 31, 2014 and 2015 are as follows:

	<u>Dec. 31, 2013</u>	<u>Increases</u>	<u>Decreases</u>	<u>Dec. 31, 2014</u>
Sewer Utility Capital Fund	\$ 1,353,800	—	409,800	944,000
Water Utility Capital Fund	6,900,000	—	1,400,000	5,500,000
Sewer Utility Assessment Fund	1,796,200	—	465,200	1,331,000
General Capital Fund	7,950,000	3,526,000	1,476,000	10,000,000
	<u>\$ 18,000,000</u>	<u>3,526,000</u>	<u>3,751,000</u>	<u>17,775,000</u>

	<u>Dec. 31, 2014</u>	<u>Increases</u>	<u>Decreases</u>	<u>Dec. 31, 2015</u>
Sewer Utility Capital Fund	\$ 944,000	—	325,000	619,000
Water Utility Capital Fund	5,500,000	163,500	1,190,500	4,473,000
Sewer Utility Assessment Fund	1,331,000	—	450,000	881,000
General Capital Fund	10,000,000	3,378,000	951,000	12,427,000
	<u>\$ 17,775,000</u>	<u>3,541,500</u>	<u>2,916,500</u>	<u>18,400,000</u>

It is the Township's intention to retire the Sewer and Water Capital notes through the budget without going to permanent financing.

(5) Fund Balances Appropriated

Fund balances appropriated and included as anticipated revenue in the 2016 budgets are as follows:

Current Fund	\$ 4,200,000
Water Utility Operating Fund	3,271,305
Sewer Utility Operating Fund	2,300,650

(6) Deferred Charges to be Raised in Succeeding Budgets

Certain expenditures are required to be deferred to budgets of succeeding years. At December 31, 2015, the Township Current Fund had the following deferred charges to be raised in the 2016 or subsequent budgets.

	<u>Balance, Dec. 31, 2015</u>	<u>2016 Budget Appropriation</u>
Current Fund:		
Special emergencies	\$ —	—
Emergency	—	—

(7) Deferred Compensation Plans

The Township offers its employees a deferred compensation plan created in accordance with Internal Revenue Code Section 457. The plan permits employees to defer a portion of their salary to future years. Individuals are one hundred percent vested. The plan, which began formal operations on November 13, 1985, is funded solely from voluntary employee payroll deductions. Distribution is

TOWNSHIP OF MAHWAH

Notes to Financial Statements

December 31, 2015

available to employees upon termination, retirement, death, or unforeseeable emergency. All amounts of compensation deferred under the plan, all property and rights purchased with those amounts, and all income attributable to those amounts, property or rights are solely property and rights of the individual contributors and are not subject to the claims of the Township's general creditors.

The Public Employees Benefit Services Corporation, Columbus, Ohio, the ICMA Retirement Corporation, Washington, D.C. and Lincoln National Insurance Company, Fort Wayne, Indiana were chosen to serve as the plan's trustees.

(8) Accrued Sick and Vacation Benefits

The Township permits employees to accrue unused vacation pay, which may be taken as time off or paid at a later date upon absence. It is estimated that the current cost of such unpaid compensation approximates \$2,649,449 and \$2,548,106 for the years ended December 31, 2015 and 2014 respectively. This amount, in accordance with state accounting requirements, is not reported either as an expenditure or liability.

(9) Contingencies

Various tax appeal cases were pending in the New Jersey Tax Court at December 31, 2015. 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. Funding of any ultimate liability would be provided for in succeeding years' budgets or through a refunding bond ordinance which would allow the Township to fund these liabilities over a number of years.

The following are pending or threatened litigation, claims and assessments:

The Township is defendant in a counterclaim for a zoning decision which also alleges civil rights violations. This matter is being defended by the Municipal Joint Insurance Fund.

The Township filed a declaratory judgement seeking an order of the court that it has met its affordable housing obligations. Various intervenors have asserted that it has not and violated civil rights for not providing affordable housing. The civil rights violation has been previously decided as not applicable. The matter is not yet concluded.

A notice of claim was filed by a former employee asserting unspecified money damages relating to defamation, interference with contractual relationship and wrongful death. The complaint was filed in Federal Court but has not been served on the Township. Upon service it will be submitted to the Township's liability carrier for review and tender.

The Township is also involved in suits in the normal course of business. These cases, if decided against the Township, would be paid by its insurance carrier. The Township expects such amounts, if any, to be immaterial.

The Township participates in numerous Federal and State of New Jersey grant programs which are governed by various rules and regulations of the grantor agencies; therefore, to the extent that the

TOWNSHIP OF MAHWAH

Notes to Financial Statements

December 31, 2015

Township has not complied with the rules and regulations governing the grants, refunds of any money received may be required and the collectability of any related receivables at December 31, 2015 may be impaired. In the opinion of the Township, there are no significant contingent liabilities relating to compliance with rules and regulations governing the respective grants; therefore, no provisions have been recorded in the accompanying financial statements for such contingencies.

(10) Risk Retention Program

On January 1, 2015 the Township medical self insurance policy was renewed with a maximum annual retention per individual of \$70,000 and a minimum annual aggregate retention of approximately \$5,885,087. The medical insurance coverage was funded with budget appropriations from the Current, Water and Sewer Utility Funds. Employees contributed approximately \$547,883 towards the cost of coverage.

The Township participates in a joint insurance fund that provides coverage for its automobile, general liability and workers' compensation exposures property, fire, water, utility, boiler and machinery, and employee fidelity. Various deductibles, limits, and coinsurance provisions apply to these policies.

(11) Fixed Assets

The Township records assets with a useful life in excess of five years and with a value over \$5,000 as a fixed asset. The accounts are adjusted for dispositions and abandonment's. Depreciation is not recorded.

Fixed assets used in governmental operation (general fixed assets) are accounted for in the General Fixed Assets Account Group. Public domain ("Infrastructure") general fixed assets consisting of certain improvement other than building, such as roads, bridges, curbs and gutters, streets and sidewalks, and drainage systems are not capitalized.

The Township's fixed assets are summarized as follows:

	Balance Dec 31, 2014	Additions	Dispositions	Balance Dec. 31, 2015
General Fixed Assets:				
Land and buildings	\$ 21,482,058	111,845	—	21,593,903
Buildings	21,138,134	17,550	142,970	21,015,714
Vehicular equipment	14,488,412	1,170,373	246,833	15,407,660
General equipment	5,742,898	552,846	196,907	6,098,837
	62,847,210	1,852,614	586,710	64,113,114
Water Utility				
Acq. and impvt. of plant	157,623	—	—	157,623
Bond issue expenses	1,665	—	—	1,665
Professional services	62,397	—	—	62,397
Interest	12,342	—	—	12,342
General equipment	148,361	—	—	148,361
Water Utility (Continued)				
Supply and distrib. system	9,060,773	3,768,752	—	12,829,525
Vehicle equipment	72,810	—	—	72,810
Acquisition of land	856,834	—	—	856,834
	10,372,805	3,768,752	—	14,141,557

(continued)

TOWNSHIP OF MAHWAH

Notes to Financial Statements

December 31, 2015

	Balance			Balance
	Dec 31, 2014	Additions	Dispositions	Dec. 31, 2015
Sewer Utility:				
Sanitary sewer system	25,325,008	—	—	25,325,008
Sewer cleaning machine	90,000	—	—	90,000
Sewer jet truck	196,692	—	—	196,692
Darlington Project	241,275	—	—	241,275
Generators	65,000	—	—	65,000
Sewer mains	50,000	—	—	50,000
	\$ 25,967,975	—	—	25,967,975
	Balance			Balance
	Dec 31, 2013	Additions	Dispositions	Dec. 31, 2014
General Fixed Assets:				
Land and buildings	\$ 20,498,672	983,386	—	21,482,058
Buildings	20,680,469	457,665	—	21,138,134
Vehicular equipment	15,195,780	194,690	906,350	14,484,120
General equipment	5,638,917	140,775	36,794	5,742,898
	62,013,838	1,776,516	943,144	62,847,210
Water Utility:				
Acq. and impvt. of plant	157,623	—	—	157,623
Bond issue expenses	1,665	—	—	1,665
Professional services	62,397	—	—	62,397
Interest	12,342	—	—	12,342
General equipment	148,361	—	—	148,361
Supply and distrib. system	9,060,773	—	—	9,060,773
Vehicle equipment	72,810	—	—	72,810
Acquisition of land	856,834	—	—	856,834
	10,372,805	—	—	10,372,805
Sewer Utility:				
Sanitary sewer system	25,329,273	—	4,265	25,325,008
Sewer cleaning machine	90,000	—	—	90,000
Sewer jet truck	196,692	—	—	196,692
Darlington Project	241,275	—	—	241,275
Generators	65,000	—	—	65,000
Sewer mains	50,000	—	—	50,000
	\$ 25,972,240	—	4,265	25,967,975

TOWNSHIP OF MAHWAH

Notes to Financial Statements

December 31, 2015

(12) Interfund Balances

The Township has interfund balances at December 31, 2015 and 2014 as follows:

	2015		2014	
	Due From	Due To	Due From	Due To
Current Fund:				
Other Trust Fund	\$ 88		\$ 121	
Dog License Fund	9,004		4,020	
Federal and State Grant Fund	173,840		362,273	
General Capital Fund	15		11	
Water Operating Fund				
Federal and State Grant Fund:				
Current Fund		173,840		362,273
Other Trust Fund				
Current Fund		88		121
Dog License Fund:				
Current Fund		9,004		4,020
General Capital Fund:				
Current Fund		15		11
Water Utility Operating Fund:				
Water Utility Capital Fund	21		8	
Current Fund				
Sewer Utility Operating Fund		1,731		3,668
Water Utility Capital Fund:				
Water Utility Operating Fund		21		8
Sewer Utility Operating Fund:				
Sewer Utility Capital Fund	3		1	
Sewer Utility Assessment Fund	10		75	
Water Utility Operating Fund	1,731		3,668	
Sewer Utility Capital Fund:				
Sewer Utility Operating Fund		3		1
Sewer Utility Assessment Fund:				
Sewer Utility Operating Fund		10		75

(13) Volunteer Length of Service Award Plan (Unaudited)

The Township established a Volunteer Length of Service Award Plan (LOSAP) on behalf of the volunteer firefighters, rescue workers, emergency medical services and ambulances services. The Township contributions to the LOSAP are vested after five years of service and are not taxable to the volunteers until receipt of such funds by the volunteer due to retirement, termination after vesting, death or disability or unforeseeable emergency. Lincoln National Insurance Company, Fort Wayne, Indiana was chosen to serve as the plan's trustee. All amounts contributed under the plan are recorded in the Deferred Award Revolving Fund and shall remain the assets of the Township and are subject to the claims of the Township's general creditors until distributed to the participants.

TOWNSHIP OF MAHWAH

Notes to Financial Statements

December 31, 2015

Township activity for the three years ending December 31, 2015 is as follows:

	<u>January 1</u>	<u>Contributions</u>	<u>Distributions</u>	<u>Fees</u>	<u>Gain/(Loss)</u>	<u>December 31</u>
2015	\$ 2,875,911	146,742	116,070	6,536	14,176	2,914,223
2014	2,843,166	4,050	175,915	7,047	211,657	2,875,911
2013	2,705,316	205,200	47,485	5,976	(13,889)	2,843,166

The total value of plan assets at December 31, are determined by the trustees.

(14) Cash

Cash and cash equivalents includes amounts on deposit, and short term investments with original maturities of three months or less from the date of acquisition.

Deposits

New Jersey statutes require that municipalities deposit public funds in public depositories located in New Jersey which are insured by the Federal Deposit Insurance Corporation, or by any other agency of the United States that insures deposits made in public depositories. Municipalities are also permitted to deposit public funds in the State of New Jersey Cash Management Fund.

New Jersey statutes (GUDPA) require public depositories to maintain collateral for deposits of public funds that exceed depository insurance limits as follows:

The market value of the collateral must equal at least 5% of the average daily balance of collected public funds on deposit.

In addition to the above collateral requirement, if the public funds deposited exceed 75% of the capital funds of the depository, the depository must provide collateral having a market value at least equal to 100% of the amount exceeding 75%.

All collateral must be deposited with the Federal Reserve Bank of New York, the Federal Reserve Bank of Philadelphia, the Federal Home Loan Bank of New York, or a banking institution that is a member of the Federal Reserve System and has capital funds of not less than \$25,000,000.

GASB Statement No. 40, Deposit and Investment Risk Disclosures, requires disclosure of bank deposits that are subject to custodial credit risk. The custodial credit risk for deposits is the risk that, in the event of the failure of a depository institution, the Township will not be able to recover deposits or will not be able to recover collateral securities that may be in the possession of an outside party. As of December 31, 2015 the Township's bank deposits are insured or covered by the State's Government Unit Deposit Protection Act.

(15) Taxes Receivable, Tax Title Liens

In accordance with the accounting principles prescribed by the State of New Jersey, taxes receivable and tax title liens are realized as revenue when collected. Since delinquent taxes and liens are fully

TOWNSHIP OF MAHWAH

Notes to Financial Statements

December 31, 2015

reserved, no provision has been made to estimate that portion of the taxes receivable and tax title liens that are uncollectible.

Taxes for the Township are levied annually in June and are payable February 1, May 1, August 1, and November 1. The taxes are liens on the property as of the billing date.

(16) Post Employment Healthcare Plan

Plan description. Township of Mahwah Health Benefits Plan (MHBP) is a single employer defined benefit healthcare plan administered by the Township of Mahwah. MHBP provides medical and dental insurance benefits to eligible retirees and their spouses and dependents. Ordinance 1407 adopted December 20, 2001 assigns the authority to establish and amend benefit provisions to the governing body.

Funding Policy. The contributions requirements of the Township and plan members are established and may be amended by the governing body. The required contribution is based on projected pay-as-you-go financing requirements. For fiscal year 2014 and 2015 the Township contributed \$1,437,254 and \$1,956,669, respectively to the plan. There are no required contributions from retirees.

Annual Required Contribution. The Annual Required Contribution (ARC) is the measure of annual cost on an accrual basis. It is comprised of the "Normal Cost" which is the portion of future liabilities attributable to the measurement year, plus 30 year amortization of the "Unfunded Accrued Liability". As of December 31, 2014 the plan had no assets to offset any portion of the Actuarial Accrued Liability. Accounting requirements prescribed by the Division of local Government Services, Department of Community Affairs, State of New Jersey prohibit the Township from accumulating assets for that purpose. The ARC as of December 31, 2014 is \$3,423,446.

Unfunded Accrued Liability. The Unfunded Actuarial Accrued Liability at December 31, 2014 is \$50,628,757 based upon a discount rate of 4.5% per annum and plan provisions in effect at December 31, 2014.

Actuarial Assumptions. New Jersey Local Finance Notice 2007-15 calls for measurement of actuarial liability which can be met by using actuarial assumptions used by the State Division of Pensions and Benefits consultants in evaluating the State's OPEB obligation. The purpose of this is to provide consistency between local governments.

(17) Subsequent Events

There have been no events subsequent to December 31, 2015 that require disclosure in the financial statements.

ADDITIONAL FINANCIAL INFORMATION

TOWNSHIP OF MAHWAH

Schedule of Cash - Treasurer

Current Fund

Year ended December 31, 2015

Balance, December 31, 2014	\$ <u>11,733,555</u>
Increased by receipts:	
Collector of taxes	98,043,497
Revenue accounts receivable	9,139,107
Miscellaneous revenue not anticipated	838,864
Due from State of New Jersey	174,118
Due to Grant Fund - appropriated grants received	281,302
Due to Grant Fund - unappropriated grants received	5,462
Prepaid health licenses	190
Various reserves	405,696
Due from Dog License Fund	4,020
Due from General Capital Fund	160,968
Due from Other Trust Fund	1,211
Prior year checks cancelled	<u>1,256</u>
	<u>109,055,691</u>
	<u>120,789,246</u>
Decreased by disbursements:	
Budget appropriations	31,526,306
Appropriation reserves	1,408,919
Local district school taxes	59,242,714
County taxes	14,388,772
Municipal open space tax	569,322
Due County for added taxes	49,442
Various reserves	574,158
Grant expenditures	101,213
Tax overpayment refunds	360,393
Refund of tax appeals	<u>207,531</u>
	<u>108,428,770</u>
Balance, December 31, 2015	\$ <u><u>12,360,476</u></u>

TOWNSHIP OF MAHWAH

Schedule of Cash - Tax Collector

Current Fund

Year ended December 31, 2015

Receipts:		
Taxes receivable	\$	96,940,855
Tax overpayments		363,919
Prepaid taxes		727,510
Tax title liens receivable		<u>11,213</u>
Decreased by deposit in Treasurer's account	\$	<u><u>98,043,497</u></u>

TOWNSHIP OF MAHWAH

Schedule of Due from (to) State of New Jersey -
Senior Citizens' and Veterans' Deductions

Current Fund

Year ended December 31, 2015

Balance, December 31, 2014	\$ <u>6,146</u>
Increased by:	
Senior Citizens' deductions per duplicate	29,250
Veterans' deductions per duplicate	143,250
Senior Citizens' deductions allowed by tax collector	1,500
Veterans' deductions allowed by tax collector	<u>2,500</u>
	<u>176,500</u>
	<u>182,646</u>
Decreased by:	
Cash received	174,118
Senior Citizens' and Veterans' deductions disallowed	2,043
Senior Citizens' and Veterans' deductions disallowed - 2014	<u>1,541</u>
	<u>177,702</u>
Balance, December 31, 2015	\$ <u><u>4,944</u></u>

TOWNSHIP OF MAHWAH

Schedule of Taxes Receivable

Current Fund

Year ended December 31, 2015

Year	Balance, Dec. 31, 2014	2015 levy	Added Taxes	Cash collections		Transferred to tax title liens	Cancelled	Balance, Dec. 31, 2015
				2014	2015			
2013	18	—	—	—	18	—	—	—
2014	465,250	—	3,196	—	468,444	—	2	—
	465,268	—	3,196	—	468,462	—	—	—
2015	—	97,957,426	136,770	852,826	96,646,850	5,047	177,701	411,772
	\$ 465,268	97,957,426	139,966	852,826	97,115,312	5,047	177,701	411,772
Senior Citizens' and Veterans' deductions					\$ 174,457			
Cash					96,940,855			
					\$ 97,115,312			

Analysis of Property Tax Levy

Tax yield:	
General purpose tax	\$ 97,957,426
Added and omitted taxes	136,770
	<u>\$ 98,094,196</u>

Tax levy:	
County taxes	\$ 14,238,005
County Open Space	150,767
Local district school taxes	59,242,714
Due County for added taxes	20,161
Local tax for municipal purposes	23,726,979
Municipal open space	569,322
Additional taxes levied	146,248
	<u>\$ 98,094,196</u>

TOWNSHIP OF MAHWAH

Schedule of Tax Title Liens

Current Fund

Year ended December 31, 2015

Balance, December 31, 2014	\$ 322,776
Increased by:	
Transferred from taxes receivable	<u>5,047</u>
	327,823
Decreased by:	
Cancellation	5,906
Cash received	<u>11,213</u>
	<u>17,119</u>
Balance, December 31, 2015	<u><u>\$ 310,704</u></u>

TOWNSHIP OF MAHWAH

Schedule of Revenue Accounts Receivable

Current Fund

Year ended December 31, 2015

	Balance, Dec. 31, 2014	Accrued in 2015	Collected by Treasurer	Balance, Dec. 31, 2015
Clerk:				
Alcoholic beverage license	\$ —	31,182	31,182	—
Licenses - other	—	66,367	66,367	—
Fees and permits	—	90,347	90,347	—
Fines and costs - municipal court	24,167	238,919	247,527	15,559
Interest and costs on taxes	—	150,549	150,549	—
Interest on investments and deposits	—	23,910	23,910	—
Rental of Township owned property	—	300,321	300,321	—
Uniform Fire Safety Act fees	—	142,652	142,652	—
Energy Receipts Tax (P.L. 1999, Ch 162 & 167)	—	4,909,572	4,909,572	—
Garden State Trust Fund	—	3,844	3,844	—
Uniform construction code official	—	864,029	864,029	—
Swim and Tennis Club fees	—	101,617	101,617	—
Reserve for Open Space	—	560,000	560,000	—
Reserve for Payment of Debt	—	291,500	291,500	—
Municipal Hotel/Motel Occupancy Tax	—	932,311	932,311	—
Sewer Utility Operating Surplus	—	525,000	525,000	—
Cable television franchise fee	—	191,958	191,958	—
	<u>\$ 24,167</u>	<u>9,232,120</u>	<u>9,432,686</u>	<u>15,559</u>
Cash			\$ 9,139,107	
Reserve for Payment of Debt			291,500	
Due from General Capital - interest			126	
Due from Other Trust - interest			1,178	
Prepaid health licenses			<u>775</u>	
			<u>\$ 9,432,686</u>	

TOWNSHIP OF MAHWAH

Schedule of Appropriation Reserves

Current Fund

Year ended December 31, 2015

	Balance Dec. 31, 2014	Transfer of encum- brances	Transfers	Balance after transfers	Paid or charged	Unexpended balances lapsed
General appropriations:						
Operations within "CAPS":						
Legislation:						
Township Council:						
Salaries and wages	\$ 1	—	—	1	—	1
Other expenses	3,954	580	—	4,534	1,000	3,534
Office of the Township Clerk:						
Salaries and wages	1,325	—	—	1,325	—	1,325
Other expenses	7,028	1,895	—	8,923	5,061	3,862
Election:						
Salaries and wages	1,315	—	—	1,315	—	1,315
Other expenses	2,681	500	—	3,181	500	2,681
Animal Control:						
Other expenses	5,040	4,240	—	9,280	2,760	6,520
Administration:						
Office of the Mayor:						
Other expenses	2,149	356	—	2,505	356	2,149
Office of the Business Administrator:						
Salaries and wages	3,965	—	—	3,965	—	3,965
Other expenses	11,927	6,706	(2,000)	16,633	6,144	10,489
Insurance:						
Comprehensive business liability insurance:						
Other expenses	1,530	142,066	—	143,596	142,066	1,530
Employee medical insurance:						
Other expenses	—	16,795	—	16,795	16,795	—
Workers Compensation Insurance:						
Other expenses	7,025	109,608	—	116,633	109,608	7,025
Employee physicals:						
Other expenses	10,000	32,500	—	42,500	30,690	11,810
Health Benefit Waiver	24,974	—	—	24,974	—	24,974
Employee life insurance:						
Other expenses	11,053	—	8,000	19,053	8,000	11,053
Insurance miscellaneous:						
Other expenses	10,114	—	—	10,114	94	10,020
Health and Safety Programs						
Other expenses	1,492	6,254	—	7,746	6,254	1,492
Division of Law:						
Other expenses	19,535	40,911	—	60,446	54,592	5,854
Division of Engineering:						
Other expenses	10,000	29,491	—	39,491	18,289	21,202
Municipal Land Use Law (N.J.S.A. 40:55):						
Division of Planning and Zoning:						
Salaries and wages	22,186	—	—	22,186	300	21,886
Other expenses	30,414	32,460	(8,000)	54,874	24,149	30,725
Division of Finance:						
Bureau of Treasury:						
Salaries and wages	2,598	—	—	2,598	—	2,598
Other expenses	544	994	—	1,538	994	544
Bureau of Collections:						
Salaries and wages	521	—	—	521	—	521
Other expenses	614	560	—	1,174	617	557
Bureau of Assessment:						
Salaries and wages	34	—	—	34	—	34
Other expenses	2,353	9,717	—	12,070	9,717	2,353
Auditor:						
Other expenses	3,250	3,500	—	6,750	3,500	3,250
DPW administration:						
Salaries and wages	6,331	—	—	6,331	—	6,331
Other expenses	53	242	—	295	227	68
Management Consulting Services	6,214	195	—	6,409	—	6,409
DPW streets and roads:						
Salaries and wages	507	—	—	507	—	507
Other expenses	7,132	18,650	—	25,782	14,094	11,688
DPW buildings and grounds:						
Salaries and wages	20,791	—	—	20,791	—	20,791
Other expenses	5,254	29,503	—	34,757	23,785	10,972

(continued)

TOWNSHIP OF MAHWAH

Schedule of Appropriation Reserves

Current Fund

Year ended December 31, 2015

	Balance Dec. 31, 2014	Transfer of encum- brances	Transfers	Balance after transfers	Paid or charged	Unexpended balances lapsed
General appropriations:						
DPW emergency services:						
Other expenses	\$ 11,214	23,083	—	34,297	19,812	14,485
DPW parks and playgrounds:						
Salaries and wages	59	—	—	59	—	59
Other expenses	21,633	15,502	—	37,135	11,368	25,767
DPW recycling:						
Salaries and wages	29,826	—	—	29,826	—	29,826
Other expenses	466	1,119	—	1,585	1,320	265
DPW motor pool:						
Salaries and wages	826	—	—	826	—	826
Other expenses	15,238	99,080	—	114,318	99,445	14,873
DPW snow removal:						
Salaries and wages	2,147	—	—	2,147	—	2,147
Other expenses	4,057	32,355	—	36,412	32,324	4,088
DPW overtime:						
Salaries and wages	10,555	—	—	10,555	—	10,555
Sanitation:						
Collection service:						
Other expenses	7,667	66,166	—	73,833	66,167	7,666
Disposal:						
Other expenses	13,528	100,510	—	114,038	57,806	56,232
Disposal/Recyclables:						
Other expenses	858	2,460	—	3,318	2,345	973
Municipal Services Act:						
Other expenses	29,798	20,890	—	50,688	45,640	5,048
Board of Health:						
Board of Health administration:						
Salaries and wages	2,403	—	—	2,403	20	2,383
Other expenses	9,240	1,938	—	11,178	2,431	8,747
Health Officer services (Paramus):						
Other expenses	5	—	—	5	—	5
Visiting Nurse service:						
Other expenses	861	34,399	—	35,260	34,398	862
Department of Police:						
Police administration:						
Salaries and wages	95	—	—	95	—	95
Other expenses	5,633	59,345	—	64,978	58,179	6,799
Police records:						
Salaries and wages	2	—	—	2	—	2
Police patrol:						
Salaries and wages	26,934	—	—	26,934	—	26,934
Police dispatchers:						
Salaries and wages	9,731	—	—	9,731	—	9,731
Police detectives:						
Salaries and wages	20,377	—	—	20,377	—	20,377
Police crossing guards:						
Salaries and wages	8,467	—	—	8,467	—	8,467
Police purchase of police cars:						
Other expenses	—	78,379	—	78,379	78,379	—
Police supplemental programs: Municipal Alliance/ DARE						
Other expenses	150	350	—	500	350	150
Emergency Management:						
Bureau of Emergency Management:						
Salaries and wages	5,197	—	—	5,197	—	5,197
Other expenses	16,925	61,835	—	78,760	60,399	18,361
Fire Department:						
Salaries and wages	6,342	—	—	6,342	2,448	3,894
Other expenses	28,233	59,704	—	87,937	50,900	37,037
Bureau of Fire Prevention:						
Salaries and wages	708	—	—	708	—	708
Other expenses	641	—	—	641	—	641
Mahwah Emergency Medical Services						
Salaries and wages	3,755	—	—	3,755	850	2,905
Other expenses	—	—	—	—	—	—

(continued)

TOWNSHIP OF MAHWAH

Schedule of Appropriation Reserves

Current Fund

Year ended December 31, 2015

	Balance Dec. 31, 2014	Transfer of encum- brances	Transfers	Balance after transfers	Paid or charged	Unexpended balances lapsed
General appropriations:						
Division of Human Services:						
Salaries and wages	546	—	—	546	—	546
Other expenses	373	—	—	373	—	373
Senior Citizens activities:						
Salaries and wages	51	—	—	51	—	51
Other expenses	4,323	8,688	—	13,011	7,461	5,550
Access Transportation:						
Salaries and wages	2,061	—	—	2,061	—	2,061
Other expenses	623	—	—	623	—	623
Boards, Commissions and Committees:						
Environmental Commission:						
Other expenses	3,055	500	—	3,555	500	3,055
Housing Commission:						
Other expenses	550	2,400	—	2,950	2,400	550
Historic Preservation Commission:						
Other expenses	2,533	370	—	2,903	370	2,533
Recreation:						
Salaries and wages	18,671	—	—	18,671	—	18,671
Other expenses	12,475	9,869	—	22,344	10,153	12,191
Municipal Pool:						
Salaries and wages	2,464	—	—	2,464	—	2,464
Other expenses	32,252	13,114	—	45,366	9,532	35,834
Municipal Prosecutor						
Other expenses	10,200	3,267	—	13,467	3,267	10,200
Municipal Court:						
Salaries and wages	16,793	—	—	16,793	—	16,793
Other expenses	6,275	4,253	—	10,528	5,607	4,921
Public Defender:						
Other expenses	20,886	6,170	—	27,056	11,512	15,544
Computer Equipment/Consultant	13,346	12,156	—	25,502	13,811	11,691
Community Cable Television:						
Other expenses	2,918	4,300	—	7,218	4,300	2,918
Uniform Construction Code-Appropriations Offset by Dedicated Revenues (N.J.A.C. 5:23-4.17):						
Uniform Construction Code official:						
Salaries and wages	3,702	—	—	3,702	—	3,702
Other expenses	13,210	1,237	—	14,447	1,385	13,062
Building Sub-code official:						
Salaries and wages	8,433	—	—	8,433	—	8,433
Plumbing Sub-code official:						
Salaries and wages	3,094	—	—	3,094	—	3,094
Electrical Sub-code official:						
Salaries and wages	7,993	—	—	7,993	—	7,993
Fire Sub-code official:						
Salaries and wages	1,086	—	—	1,086	—	1,086
Unclassified:						
Central accounts:						
Gasoline	37,251	8,061	(2,000)	43,312	13,164	30,148
Fuel oil - Diesel	9,800	15,104	2,000	26,904	25,044	1,860
Electricity	32,919	—	—	32,919	18,605	14,314
Street lighting	27,170	—	—	27,170	20,441	6,729
Telephone	34,575	14,866	—	49,441	40,457	8,984
Telecommunication	1,213	501	—	1,714	501	1,213
Natural gas	25,346	—	—	25,346	12,461	12,885
Heating oil	5,856	8,496	—	14,352	4,185	10,167
Photocopying	6,861	3,466	—	10,327	3,305	7,022
Printing and binding	11,301	3,281	—	14,582	3,076	11,506
Postage	13,097	205	—	13,302	205	13,097
Office supplies	6,666	8,047	—	14,713	8,015	6,698
Salary Adjustment Account	157,304	—	—	157,304	150,000	7,304
Tuition Reimbursement Account	412	—	2,000	2,412	2,100	312
Contingent	3,426	—	—	3,426	—	3,426

(continued)

TOWNSHIP OF MAHWAH

Schedule of Appropriation Reserves

Current Fund

Year ended December 31, 2015

	Balance Dec. 31, 2014	Transfer of encum- brances	Transfers	Balance after transfers	Paid or charged	Unexpended balances lapsed
General appropriations:						
Deferred charges and statutory expenditures - municipal within "CAPS":						
Statutory expenditures - contributions to:						
Social Security System (O.A.S.I.)	56,657	—	—	56,657	10,639	46,018
Defined Contribution Retirement Program (DCRP)	2,408	—	—	2,408	738	1,670
Operations excluded from "CAPS" - mandated expenditures per N.J.S.A. 40A:4-45.3g:						
Length of Service Award Program (L.O.S.A.P.)	255,000	—	—	255,000	200,000	55,000
Employee Medical Insurance	64,400	—	—	64,400	64,400	—
Recycling Tax	2,896	5,445	—	8,341	2,797	5,544
DPW Snow Removal						
Salaries and wages	60,000	—	—	60,000	—	60,000
Other expenses	55,000	—	—	55,000	—	55,000
Public and private programs offset by revenues:						
NJ Clean Communities Grant	—	15,109	—	15,109	15,109	—
NJ Dept. L&PS:						
Body Armor Fund	—	5,114	—	5,114	5,114	—
Recycling Tonnage Grant	—	4,723	—	4,723	4,723	—
Bergen County Open Space Trust Fund	—	33,342	—	33,342	33,342	—
Cap Imp fund	—	52,900	—	52,900	52,900	—
	<u>\$ 1,594,946</u>	<u>1,389,822</u>	<u>—</u>	<u>2,984,768</u>	<u>1,865,792</u>	<u>1,118,976</u>
			Disbursed		\$ 1,408,919	
			Accounts payable		<u>456,873</u>	
					<u>\$ 1,865,792</u>	

TOWNSHIP OF MAHWAH

Schedule of Unappropriated Reserves

Current Fund

Year ended December 31, 2015

	Balance Dec. 31, 2014	Increased by cash received	Balance Dec. 31, 2015
	<u> </u>	<u> </u>	<u> </u>
Security deposit - tower	\$ 41,001	—	41,001
Security deposit - sublease	426	—	426
Security deposit	<u>31,165</u>	<u>—</u>	<u>31,165</u>
	<u>\$ 72,592</u>	<u>—</u>	<u>72,592</u>

TOWNSHIP OF MAHWAH

Schedule of Local District School
Taxes Payable

Current Fund

Year ended December 31, 2015

Balance, December 31, 2014	\$	—
Increased by tax levy		<u>59,242,714</u>
		59,242,714
Decreased by payments		<u>59,242,714</u>
Balance, December 31, 2015	\$	<u><u>—</u></u>

TOWNSHIP OF MAHWAH
 Schedule of County Taxes Payable
 Current Fund
 Year ended December 31, 2015

Balance, December 31, 2014		\$	<u>—</u>
Increased by:			
Increased by County tax levy			14,238,005
County Open Space Preservation			<u>150,767</u>
			<u>14,388,772</u>
			14,388,772
Decreased by:			
Payments			<u>14,388,772</u>
Balance, December 31, 2015		\$	<u><u>—</u></u>

TOWNSHIP OF MAHWAH

Schedule of Due County for Added
and Omitted Taxes

Current Fund

Year ended December 31, 2015

Balance, December 31, 2014	\$ 49,442
Increased by 2015 added taxes	<u>20,161</u>
	69,603
Decreased by payments	<u>49,442</u>
Balance, December 31, 2015	<u><u>\$ 20,161</u></u>

TOWNSHIP OF MAHWAH
 Schedule of Encumbrances Payable

Current Fund

Year ended December 31, 2015

Balance, December 31, 2014	\$	1,389,822
Increased by budget encumbrances		<u>1,412,791</u>
		<u>2,802,613</u>
Decreased by:		
Transfer to Appropriation Reserves		<u>1,389,822</u>
Balance, December 31, 2015	\$	<u><u>1,412,791</u></u>

TOWNSHIP OF MAHWAH

Schedule of Tax Overpayments

Current Fund

Year ended December 31, 2015

Balance, December 31, 2014	\$	1,400
Increased by cash receipts		<u>363,919</u>
		365,319
Decreased by:		
Cash disbursed		<u>360,393</u>
Balance, December 31, 2015	\$	<u><u>4,926</u></u>

TOWNSHIP OF MAHWAH

Schedule of Prepaid Taxes

Current Fund

Year ended December 31, 2015

Balance, December 31, 2014	\$	852,826
Increased by cash receipts		<u>727,510</u>
		1,580,336
Decreased by transfer to taxes receivable		<u>852,826</u>
Balance, December 31, 2015	\$	<u><u>727,510</u></u>

TOWNSHIP OF MAHWAH
 Schedule of Prepaid Health Licenses

Current Fund

Year ended December 31, 2015

Balance, December 31, 2014	\$	775
Increased by cash receipts		<u>190</u>
		965
Decreased by revenue realized		<u>775</u>
Balance, December 31, 2015	\$	<u><u>190</u></u>

TOWNSHIP OF MAHWAH

Schedule of Reserve for Tax Appeals

Current Fund

Year ended December 31, 2015

Balance, December 31, 2014	\$ <u>696,511</u>
Increased by:	
Contested amount of taxes collected pending appeal	500,000
Budget appropriations	<u>200,000</u>
	<u>700,000</u>
	1,396,511
Decreased by cash disbursements for tax refunds	<u>207,531</u>
Balance, December 31, 2015	\$ <u><u>1,188,980</u></u>

TOWNSHIP OF MAHWAH

Schedule of Various Reserves

Current Fund

Year ended December 31, 2015

	<u>Accounts payable</u>	<u>Premium on tax sale</u>	<u>Burial Disinterment</u>	<u>Marriage Lic. and Domestic Partnership</u>	<u>Totals</u>
Balance, December 31, 2014	\$ 639,400	231,000	40	475	870,915
Increased by:					
Cash receipts	—	402,800	—	2,896	405,696
Appropriation reserves	456,873	—	—	—	456,873
	<u>456,873</u>	<u>402,800</u>	<u>—</u>	<u>2,896</u>	<u>862,569</u>
	<u>1,096,273</u>	<u>633,800</u>	<u>40</u>	<u>3,371</u>	<u>1,733,484</u>
Decreased by:					
Cancellation	81,860	—	—	—	81,860
Cash disbursed	309,262	262,800	—	2,096	574,158
	<u>391,122</u>	<u>262,800</u>	<u>—</u>	<u>2,096</u>	<u>656,018</u>
Balance, December 31, 2015	<u>\$ 705,151</u>	<u>371,000</u>	<u>40</u>	<u>1,275</u>	<u>1,077,466</u>

TOWNSHIP OF MAHWAH

Schedule of Interfunds

Current Fund

Year ended December 31, 2015

	Dog License Fund	Other Trust Fund	General Capital Fund	Federal and State Grant Fund
Balance, December 31, 2014, due from (to)	\$ 4,020	121	11	362,273
Increased by:				
Statutory excess	9,004	—	—	—
Interest earned	—	1,178	126	—
Debt service reserve anticipated	—	—	291,500	—
Grant receivables	—	—	—	135,237
Cancellation of Appropriated Reserves	—	—	—	1,027
Grant expenditures paid by Current Fund	—	—	—	101,213
	<u>9,004</u>	<u>1,178</u>	<u>291,626</u>	<u>237,477</u>
	<u>13,024</u>	<u>1,299</u>	<u>291,637</u>	<u>599,750</u>
Decreased by:				
Cash receipts	4,020	1,211	160,967	—
Unappropriated grants received deposited in Current Fund	—	—	—	5,462
Grant receipts deposited in Current Fund	—	—	—	281,302
Deferred Charges Funded	—	—	655	—
Budget Appropriation	—	—	130,000	—
Grants Appropriated	—	—	—	138,156
Cancellation of Grants receivable	—	—	—	990
	<u>4,020</u>	<u>1,211</u>	<u>291,622</u>	<u>425,910</u>
Balance, December 31, 2015, due from (to)	<u>\$ 9,004</u>	<u>88</u>	<u>15</u>	<u>173,840</u>
Soil	\$ 8			
Escrow		80		
	<u>\$ 88</u>			

TOWNSHIP OF MAHWAH

Schedule of Grants Receivable

Federal and State Grant Fund

Year ended December 31, 2015

	Balance, Dec. 31, 2014	Awarded in 2015	Received	Canceled	Balance, Dec. 31, 2015
NJ Highlands Water Protection	\$ 145,827	—	28,500	—	117,327
NJ DEP Flood Management	37,877	—	—	—	37,877
NJ DEP River De-Snagging	100,000	—	—	—	100,000
County of Bergen:					
Replacement of Pulis Avenue Bridge	82,080	—	—	—	82,080
Alcohol Education and Rehabilitation Act	—	6,129	6,129	—	—
Municipal Alliance on Alcoholism and Drug Abuse	—	11,677	11,526	151	—
State of New Jersey - Department of Transportation:					
Schhol Safety Signs	52,900	—	39,675	—	13,225
Clean Communities	—	52,045	52,045	—	—
County of Bergen:					
Open Space Trust Fund - Veterans Park	160,619	—	131,862	138	28,619
Office of County Prosecutor - Mahwah Municipal Escrow - Police	8,570	65,386	11,565	701	61,690
	<u>\$ 587,873</u>	<u>135,237</u>	<u>281,302</u>	<u>990</u>	<u>440,818</u>
			\$ 281,302		
			<u>\$ 281,302</u>		
Due from Current Fund			\$ 281,302		

TOWNSHIP OF MAHWAH

Schedule of Appropriated Reserves

Federal and State Grant Fund

Year ended December 31, 2015

	Balance, Dec. 31, 2014	Transferred from budget	Appropriation by 40A:4-87	Expended	Canceled	Balance, Dec. 31, 2015
NJ DEP - River De-Snagging	\$ 100,000	—	—	—	—	100,000
NJ Highlands Water Protection	34,272	—	—	—	—	34,272
Bergen County Open Space Trust Fund	33,337	—	—	4,580	138	28,619
Bergen County Prosecutor's Office						
Escrow Account - Police Department	8,570	9,739	55,647	51,795	701	21,460
Alcohol Education Rehabilitation Fund	—	—	6,129	6,129	—	—
Drunk Driving Enforcement Act	28,798	—	—	801	—	27,997
NJ Clean Communities Grant	4,271	—	52,045	24,707	—	31,609
Municipal Alliance on Alcoholism and Drug Abuse	—	14,596	—	—	188	14,408
Recycling Tonnage Grant	16,352	—	—	13,501	—	2,851
	<u>\$ 225,600</u>	<u>24,335</u>	<u>113,821</u>	<u>101,513</u>	<u>1,027</u>	<u>261,216</u>
Encumbrances				\$ 300		
Due to Current Fund				<u>101,213</u>		
				<u>\$ 101,513</u>		

TOWNSHIP OF MAHWAH

Schedule of Unappropriated Reserves

Federal and State Grant Fund

Year ended December 31, 2015

	Balance, Dec. 31, 2014	Received	Balance, Dec. 31, 2015
	<u> </u>	<u> </u>	<u> </u>
State:			
Body Armor Fund	\$ —	4,962	4,962
Mahwah Elks - Police Department	<u>—</u>	<u>500</u>	<u>500</u>
	<u>\$ —</u>	<u>5,462</u>	<u>5,462</u>

TOWNSHIP OF MAHWAH

Schedule of Foreclosed Property

Current Fund

Year ended December 31, 2015

Balance, December 31, 2015 and 2014	\$ <u><u>1,353,400</u></u>
-------------------------------------	----------------------------

TOWNSHIP OF MAHWAH

Schedule of Reserve for Arbitrage Rebate Payable

Current Fund

Year ended December 31, 2015

Balance, December 31, 2014	\$ <u>30,000</u>
----------------------------	------------------

Balance, December 31, 2015	\$ <u>30,000</u>
----------------------------	------------------

TOWNSHIP OF MAHWAH
Schedule of Encumbrances Payable
Federal and State Grant Fund
Year ended December 31, 2015

Balance, December 31, 2014	\$	—
Increased by encumbrances authorized		<u>300</u>
Balance, December 31, 2015	\$	<u><u>300</u></u>

TOWNSHIP OF MAHWAH

Schedule of Cash - Treasurer

Trust Funds

Year ended December 31, 2015

	Dog License Fund	Other Trust Funds	Unemployment Compensation Fund	Uniform Construction Code Training Fees
Balance, December 31, 2014	\$ 31,134	6,256,077	346,182	10,307
Increased by receipts:				
Dog license fees	10,132	—	—	—
Due to State of New Jersey	2,380	—	—	—
Recreation contributions	—	63,539	—	—
Reserve for Other Expenses	—	7,371,735	—	—
Due from Current Fund	—	1,178	—	—
Special deposits	—	881,193	—	—
Deposits	—	—	70,782	—
Training fees collected	—	—	—	39,975
	<u>12,512</u>	<u>8,317,645</u>	<u>70,782</u>	<u>39,975</u>
	<u>43,646</u>	<u>14,573,722</u>	<u>416,964</u>	<u>50,282</u>
Decreased by disbursements:				
Payments to State of New Jersey	2,386	—	31,148	41,392
Dog license expenditures	2,190	—	—	—
Due to Current Fund	4,020	1,211	—	—
Recreation expenses	—	63,425	—	—
Special deposits - refunded	—	787,779	—	—
Reserve for Other Expenses	—	7,318,758	—	—
	<u>8,596</u>	<u>8,171,173</u>	<u>31,148</u>	<u>41,392</u>
Balance, December 31, 2015	\$ <u>35,050</u>	<u>6,402,549</u>	<u>385,816</u>	<u>8,890</u>

TOWNSHIP OF MAHWAH

Schedule of Reserve for Dog License
Fund Expenditures - Dog License Fund

Trust Funds

Year ended December 31, 2015

Balance, December 31, 2014	\$	27,118
Increased by:		
Licenses and fees		<u>10,132</u>
		<u>37,250</u>
Decreased by:		
Expenditures under R.S. 4:19-15.11:		
Excess balance due to Current Fund		9,004
Other disbursements		<u>2,190</u>
		<u>11,194</u>
Balance, December 31, 2015	\$	<u><u>26,056</u></u>
2013 license revenue	\$	13,534
2014 license revenue		<u>12,522</u>
	\$	<u><u>26,056</u></u>

TOWNSHIP OF MAHWAH

Schedule of Due to (from) State of New Jersey -
Dog License Fund

Trust Funds

Year ended December 31, 2015

Balance, December 31, 2014	\$	(4)
Increased by cash collected		<u>2,380</u>
		2,376
Decreased by cash disbursed		<u>2,386</u>
Balance, December 31, 2015	\$	<u><u>(10)</u></u>

TOWNSHIP OF MAHWAH

Schedule of Reserve for Special Deposits -
Other Trust Funds

Trust Funds

Year ended December 31, 2015

Balance, December 31, 2014	\$	2,311,218
Increased by:		
Deposits		<u>881,193</u>
		3,192,411
Decreased by disbursements		<u>787,779</u>
Balance, December 31, 2015	\$	<u><u>2,404,632</u></u>

TOWNSHIP OF MAHWAH

Schedule of Reserve for State
Unemployment Insurance -
Unemployment Compensation Fund

Trust Funds

Year ended December 31, 2015

Balance, December 31, 2014	\$ <u>346,182</u>
Increased by:	
Budget appropriation	55,000
Employee contributions	15,645
Interest	<u>137</u>
	<u>70,782</u>
	416,964
Decreased by disbursed State of New Jersey	<u>31,148</u>
Balance, December 31, 2015	\$ <u><u>385,816</u></u>

TOWNSHIP OF MAHWAH

Schedule of Reserve for Uniform Construction
Code Training Fees -
Uniform Construction Code Fund

Trust Funds

Year ended December 31, 2015

Balance, December 31, 2014	\$	10,307
Increased by training fees collected		<u>39,975</u>
		50,282
Decreased by cash disbursements		<u>41,392</u>
Balance, December 31, 2015	\$	<u><u>8,890</u></u>

TOWNSHIP OF MAHWAH

Schedule of Due to (from) Current

Trust Funds

Year ended December 31, 2015

	Dog License Fund	Escrow	Soil	Total
Balance, December 31, 2014, Due to	\$ 4,020	116	5	4,141
Increased by:				
Excess balance in Dog License fund	9,004	—	—	9,004
Cash received	—	1,076	102	1,178
	<u>9,004</u>	<u>1,076</u>	<u>102</u>	<u>10,182</u>
	<u>13,024</u>	<u>1,192</u>	<u>107</u>	<u>14,323</u>
Decreased by:				
Cash disbursed	4,020	1,112	99	5,231
Balance, December 31, 2015, Due to	<u>\$ 9,004</u>	<u>80</u>	<u>8</u>	<u>9,092</u>

TOWNSHIP OF MAHWAH

Schedule of Reserve for Recreation
Expenses - Other Trust Funds

Trust Funds

Year ended December 31, 2015

Balance, December 31, 2014	\$	6,675
Increased by contributions		<u>63,539</u>
		70,214
Decreased by cash disbursements		<u>63,425</u>
Balance, December 31, 2015	\$	<u><u>6,789</u></u>

TOWNSHIP OF MAHWAH

Schedule of Various Reserves for Other
Trust Fund Expenses -
Other Trust Funds

Trust Funds

Year ended December 31, 2015

	Balance, Dec. 31, 2014	Increased	Decreased	Balance, Dec. 31, 2015
Reserve for:				
Historic Preservation	\$ 3,244	—	—	3,244
Self Insurance - Optical	18,511	40,182	39,172	19,521
Open Space	95,992	569,756	592,079	73,669
Lien Redemption	—	270,478	261,852	8,626
Community Donation	12,815	—	195	12,620
Access Transportation	50,851	2,958	—	53,809
Municipal Court	190	112	—	302
Celebration of Public Events	23,088	14,850	12,888	25,050
Beautification project	2,290	4	—	2,294
Winter Park	21,289	2,829	21,289	2,829
Affordable Housing	2,175,022	315,944	353,078	2,137,888
Development fees	355,275	12,971	—	368,246
Shade Tree	75,291	—	—	75,291
Sidewalk	167,434	35,186	179,401	23,219
Senior Center	9,141	1,123	—	10,264
Outside Detail	130,078	263,241	287,661	105,658
Self Insurance	598,968	5,636,150	5,409,310	825,808
Self Insurance - Section 125 Plan	46,254	87,496	91,126	42,624
Developers' escrow - Soil Movement	152,330	118,455	70,707	200,078
	<u>\$ 3,938,063</u>	<u>7,371,735</u>	<u>7,318,758</u>	<u>3,991,040</u>

TOWNSHIP OF MAHWAH

Schedule of Cash - Treasurer

General Capital Fund

Year ended December 31, 2015

Balance, December 31, 2014	\$ <u>3,606,687</u>
Increased by receipts:	
Interest earned	126
Bond anticipation note proceeds	3,378,000
Premium on sale of notes	<u>181,818</u>
	<u>3,559,944</u>
	<u>7,166,631</u>
Decreased by disbursements:	
Due from Current Fund	160,967
Nonrenewal of notes	1,000
Improvement authorizations	<u>3,241,118</u>
	<u>3,403,085</u>
Balance, December 31, 2015	\$ <u><u>3,763,546</u></u>

TOWNSHIP OF MAHWAH

Schedule of Analysis of General Capital Cash

General Capital Fund

December 31, 2015

Encumbrances payable	\$ 1,841,589
Due to Current Fund	15
Reserve for payment of debt	768,232
Capital Improvement Fund	1,197
Fund balance	196,587

Improvement Authorizations:

Ordinance number	Improvement description	
1387	Various improvements	4,015
1420	Various capital improvements	92,462
1446	Various capital improvements	15,470
1488	Acquisition of land	53,877
1546	Various improvements	(183)
1576	Various capital improvements	20,275
1612	Various capital improvements	(572)
1707	Various capital improvements	4,851
1722	Various capital improvements	24,521
1746	Various capital improvements	49,111
1760	Various road improvements	77,440
1765	Various capital improvements	614,659
		<u>\$ 3,763,546</u>

TOWNSHIP OF MAHWAH

Schedule of Amount Due from /(to) Current Fund

General Capital Fund

Year ended December 31, 2015

Balance, December 31, 2014 (Due To)	\$ <u>(11)</u>
Increased by:	
Interfund transfer	160,967
Deferred charge raised in budget	655
Budget appropriation	<u>130,000</u>
	<u>291,622</u>
	<u>291,611</u>
Decreased by:	
Interest earned	126
Debt service reserve anticipated	<u>291,500</u>
	<u>291,626</u>
Balance, December 31, 2015 (Due To)	\$ <u><u>(15)</u></u>

TOWNSHIP OF MAHWAH

Schedule of Deferred Charges to
Future Taxation Funded

General Capital Fund

Year ended December 31, 2015

Balance, December 31, 2014	\$ 19,895,000
Decreased by bonds paid	<u>2,140,000</u>
Balance, December 31, 2015	<u><u>\$ 17,755,000</u></u>

TOWNSHIP OF MAHWAH

Schedule of Deferred Charges to Future Taxation - Unfunded

General Capital Fund

Year ended December 31, 2015

Ordinance number	Description	Balance, Dec. 31, 2014	Authorizations	Notes paid	Cancelled/ Funded	Balance, Dec. 31, 2015	Analysis of balance		Unexpended balance of improvement authorizations
							Bond anticipation notes	Expended	
1518	Various capital improvements	\$ 343,000	—	162,500	—	180,500	180,500	—	—
1546	Various improvements	457,788	—	189,000	1,340	267,448	257,000	183	10,265
1558	Renovation of police building	244,000	—	42,000	—	202,000	202,000	—	—
1576	Various capital improvements	77,187	—	12,000	187	65,000	65,000	—	—
1612	Various capital improvements	1,154,670	—	238,500	—	916,170	891,700	572	23,898
1643	Various capital improvements	276,000	—	40,000	—	236,000	236,000	—	—
1665	Various road improvements	400,000	—	50,000	—	350,000	350,000	—	—
1672	Various capital improvements	255,468	—	30,000	468	225,000	225,000	—	—
1692	Various capital improvements	611,000	—	86,000	—	525,000	525,000	—	—
1707	Various capital improvements	1,718,850	—	100,000	10,208	1,608,642	1,600,000	—	8,642
1718	Various road improvements	690,000	—	—	—	690,000	690,000	—	—
1722	Various capital improvements	1,080,706	—	—	6,809	1,073,897	1,050,300	—	23,597
1746	Various capital improvements	3,541,000	—	—	49,335	3,491,665	3,497,500	(5,835)	—
1760	Various road improvements	—	1,330,000	—	—	1,330,000	1,330,000	—	—
1765	Various capital improvements	—	1,340,450	—	—	1,340,450	1,327,000	—	13,450
		<u>\$ 10,849,669</u>	<u>2,670,450</u>	<u>950,000</u>	<u>68,347</u>	<u>12,501,772</u>	<u>12,427,000</u>	<u>(5,080)</u>	<u>79,852</u>
						Improvement authorizations unfunded			\$ 586,596
						Less - Unexpended note proceeds:			
						Ordinance 1576			20,275
						Ordinance 1707			4,851
						Ordinance 1722			24,521
						Ordinance 1746			43,276
						Ordinance 1760			77,440
						Ordinance 1765			336,381
									<u>506,744</u>
									<u>\$ 79,852</u>

TOWNSHIP OF MAHWAH

Schedule of Capital Improvement Fund

General Capital Fund

Year ended December 31, 2015

Balance, December 31, 2014	\$	11,747
Increased by:		.
Budget appropriation		<u>130,000</u>
		141,747
Decreased by appropriated to finance improvement authorizations		<u>140,550</u>
Balance, December 31, 2015	\$	<u><u>1,197</u></u>

TOWNSHIP OF MAHWAH

Schedule of Encumbrances Payable

General Capital Fund

Year ended December 31, 2015

Balance, December 31, 2014	\$	1,993,951
Increased by improvement authorization encumbrances		<u>2,013,325</u>
		4,007,276
Decreased by encumbrances canceled		<u>2,165,687</u>
Balance, December 31, 2015	\$	<u><u>1,841,589</u></u>

TOWNSHIP OF MAHWAH

Schedule of Reserve for Payment of Debt

General Capital Fund

Year ended December 31, 2015

Balance, December 31, 2014	\$	1,059,732
Decreased by:		
Anticipation as Current Fund revenue		<u>291,500</u>
Balance, December 31, 2015	\$	<u><u>768,232</u></u>

TOWNSHIP OF MAHWAH

Schedule of Bond Anticipation Notes

General Capital Fund

Year ended December 31, 2015

Ordinance number	Purpose	Original date of issue	Date of issue	Date of maturity	Interest rate	Balance, Dec. 31, 2014	Increased	Decreased	Balance, Dec. 31, 2015
1518	Various capital improvements	8/17/06	8/5/15	8/5/16	2.000%	316,000	158,000	316,000	158,000
1518	Various capital improvements	8/12/10	8/5/15	8/5/16	2.000%	27,000	22,500	27,000	22,500
1546	Various capital improvements	8/17/06	8/5/15	8/5/16	2.000%	350,000	175,000	350,000	175,000
1546	Various capital improvements	8/12/10	8/5/15	8/5/16	2.000%	42,500	35,000	42,500	35,000
1546	Various Road Improvements	8/11/11	8/5/15	8/5/16	2.000%	44,000	37,500	44,000	37,500
1546	Various road Improvements	8/7/14	8/5/15	8/5/16	2.000%	7,500	7,500	7,500	7,500
1546	Various road Improvements	8/5/15	8/5/15	8/5/16	2.000%	—	2,000	—	2,000
1558	Expansion of police department	8/13/09	8/5/15	8/5/16	2.000%	142,500	117,500	142,500	117,500
1558	Expansion of police department	8/12/10	8/5/15	8/5/16	2.000%	101,500	84,500	101,500	84,500
1576	Various capital improvements	8/12/10	8/5/15	8/5/16	2.000%	59,000	48,000	59,000	48,000
1576	Various capital improvements	8/11/11	8/5/15	8/5/16	2.000%	19,000	17,000	19,000	17,000
1612	Various capital improvements	8/14/08	8/5/15	8/5/16	2.000%	510,000	385,000	510,000	385,000
1612	Various capital improvements	8/13/09	8/5/15	8/5/16	2.000%	546,500	446,500	546,500	446,500
1612	Various capital improvements	8/12/10	8/5/15	8/5/16	2.000%	59,000	49,000	59,000	49,000
1612	Various capital improvements	8/11/11	8/5/15	8/5/16	2.000%	12,500	10,000	12,500	10,000
1612	Various capital improvements	8/7/14	8/5/15	8/5/16	2.000%	1,000	—	1,000	—
1612	Various capital improvements	8/5/15	8/5/15	8/5/16	2.000%	—	1,200	—	1,200
1643	Various capital improvements	8/12/10	8/5/15	8/5/16	2.000%	202,500	172,500	202,500	172,500
1643	Various capital improvements	8/11/11	8/5/15	8/5/16	2.000%	53,000	45,500	53,000	45,500
1643	Various capital improvements	8/9/12	8/5/15	8/5/16	2.000%	20,500	18,000	20,500	18,000
1665	Various road Improvements	8/12/10	8/5/15	8/5/16	2.000%	400,000	350,000	400,000	350,000
1672	Various capital improvements	8/11/11	8/5/15	8/5/16	2.000%	241,500	211,500	241,500	211,500
1672	Various capital improvements	8/7/14	8/5/15	8/5/16	2.000%	13,500	13,500	13,500	13,500
1692	Various capital improvements	8/11/11	8/5/15	8/5/16	2.000%	502,000	427,000	502,000	427,000
1692	Various capital improvements	8/9/12	8/5/15	8/5/16	2.000%	100,000	89,000	100,000	89,000
1692	Various capital improvements	8/7/14	8/5/15	8/5/16	2.000%	6,500	6,500	6,500	6,500
1692	Various capital improvements	8/5/15	8/5/15	8/5/16	2.000%	—	2,500	—	2,500
1707	Various capital improvements	8/9/12	8/5/15	8/5/16	2.000%	1,700,000	1,600,000	1,700,000	1,600,000
1718	Various road Improvements	8/9/13	8/5/15	8/5/16	2.000%	690,000	690,000	690,000	690,000
1722	Various capital improvements	8/9/13	8/5/15	8/5/16	2.000%	335,000	335,000	335,000	335,000
1722	Various capital improvements	8/5/15	8/5/15	8/5/16	2.000%	—	715,300	—	715,300
1746	Various capital improvements	8/7/14	8/5/15	8/5/16	2.000%	3,497,500	3,497,500	3,497,500	3,497,500
1760	Various road Improvements	8/5/15	8/5/15	8/5/16	2.000%	—	1,330,000	—	1,330,000
1765	Various capital improvements	10/7/15	10/7/15	10/7/16	2.000%	—	1,327,000	—	1,327,000
						<u>\$ 10,000,000</u>	<u>12,427,000</u>	<u>10,000,000</u>	<u>12,427,000</u>
							\$ 9,049,000	9,049,000	
							3,378,000	—	
							—	1,000	
							—	950,000	
							<u>\$ 12,427,000</u>	<u>10,000,000</u>	

TOWNSHIP OF MAHWAH

Schedule of Serial Bonds Payable

General Capital Fund

Year ended December 31, 2015

<u>Date of Issue</u>	<u>Purpose</u>	<u>Original Issue</u>	<u>Maturity of Bonds Outstanding</u>		<u>Interest Rate</u>	<u>Balance, Dec. 31, 2014</u>	<u>Bonds paid</u>	<u>Balance, Dec. 31, 2015</u>
			<u>Date</u>	<u>Amount</u>				
Feb. 25, 2009	General Improvement	14,885,000	12/01/16	400,000	2.375			
	Refunding Bonds		12/01/16	905,000	3.500			
	(Bonds maturing on or after Dec. 1, 2020 are subject to redemption on or after Dec. 1, 2019)		12/01/17	1,285,000	4.000			
			12/01/18	1,275,000	3.250			
			12/01/19	1,250,000	5.000			
			12/01/20	1,250,000	5.000			
			12/01/21	1,250,000	4.000			
			12/01/22	1,215,000	5.000	10,090,000	1,260,000	8,830,000
Feb. 23, 2012	General Improvement	10,215,000	10/15/16	920,000	3.000			
	Refunding Bonds		10/15/17	985,000	4.000			
	(Bonds maturing on or after Oct. 15, 2022 are subject to redemption on or after Oct. 15, 2021)		10/15/18	1,010,000	4.000			
			10/15/19	1,005,000	4.000			
			10/15/20	1,005,000	3.000			
			10/15/21	990,000	5.000			
			10/15/22	1,000,000	5.000			
			10/15/23	760,000	4.000			
			10/15/23	250,000	5.000			
			10/15/24	1,000,000	4.000			
						9,805,000	880,000	8,925,000
						<u>\$ 19,895,000</u>	<u>2,140,000</u>	<u>17,755,000</u>

TOWNSHIP OF MAHWAH

Schedule of Bonds and Notes Authorized but not Issued

General Capital Fund

Year ended December 31, 2015

<u>Ordinance number</u>	<u>Description</u>	<u>Balance, Dec. 31, 2014</u>	<u>2015 authorizations</u>	<u>Debt Issued</u>	<u>Cancellation/ Appropriated</u>	<u>Balance, Dec. 31, 2015</u>
1546	Various improvements	\$ 13,788	—	2,000	1,340	10,448
1612	Varios capital improvements	25,670	—	1,200	—	24,470
1672	Various capital improvements	468	—	—	468	—
1692	Various capital improvements	2,500	—	2,500	—	—
1707	Various capital improvements	18,850	—	—	10,208	8,642
1722	Various capital improvements	745,706	—	715,300	6,809	23,597
1746	Various capital improvements	43,500	—	—	43,500	—
1760	Various capital improvements	—	1,330,000	1,330,000	—	—
1765	Various capital improvements	—	1,340,450	1,327,000	—	13,450
		<u>\$ 850,482</u>	<u>2,670,450</u>	<u>3,378,000</u>	<u>62,325</u>	<u>80,607</u>
	Deferred charge raised in budget				\$ 468	
	Cancelled				<u>61,857</u>	
					<u>\$ 62,325</u>	

TOWNSHIP OF MAHWAH

Schedule of Cash - Treasurer

Water Utility Fund

Year Ended December 31, 2015

	<u>Operating</u>	<u>Capital</u>
Balance, December 31, 2014	\$ 6,233,290	868,299
Increased by receipts:		
Water rents	4,988,865	—
Tapping and capacity fees	144,957	—
Miscellaneous revenue not anticipated	27,768	—
Note proceeds	—	163,500
Premium on notes	—	94,018
Premium on water liens	32,000	—
Interest earned	—	129
Due from Water Utility Capital Fund	4,942	29,826
Overpayments	385,900	—
Outstanding checks cancelled	18,735	—
Due from Sewer Utility Operating Fund	59,535	—
	<u>5,662,702</u>	<u>287,473</u>
	<u>11,895,992</u>	<u>1,155,772</u>
Decreased by disbursements:		
Accounts payable	—	6,109
Budget appropriations	4,061,052	—
Appropriation reserves	513,912	—
Refund of prior year revenue	69	—
Due from Water Capital Fund	29,826	—
Due from Sewer Utility - Operating Fund	61,472	—
Accrued Interest on Notes	55,000	—
Premium on water liens refunded	25,200	—
Water overpayments refunded	379,524	—
Note retired	—	190,500
Improvement authorizations	—	5,094
	<u>5,126,055</u>	<u>201,703</u>
Balance, December 31, 2015	<u>\$ 6,769,937</u>	<u>954,069</u>

TOWNSHIP OF MAHWAH

Schedule of Analysis of Capital Fund Cash

Water Utility Capital Fund

December 31, 2015

Encumbrances		\$	161,107
Reserve for various improvements			16,000
Due to Water Utility Operating Fund			21
Capital Improvement Fund			186,369
Reserve for payment of debt			56,816
Fund balance			534,221
Improvement authorizations:			
Ordinance			
number	Improvement description		
1361/1394	Various improvements		(224)
1544	Various improvements		(39)
1575	Various improvements		(5)
1613	Various improvements		(78)
1677	Improvements to Ford Well Field		(56)
1708	Various improvements		(63)
		\$	<u>954,069</u>

TOWNSHIP OF MAHWAH

Schedule of Bond Anticipation Notes Payable

Water Utility Capital Fund

Year ended December 31, 2015

Ordinance number	Purpose	Original date of issue	Date of issue	Date of maturity	Interest rate	Balance, Dec. 31, 2014	Increase	Decrease	Balance, Dec. 31, 2015
1165/1183	Various improvements	Oct. 7, 2015	Oct. 7, 2015	Oct. 7, 2016	2.00%	\$ —	60,300	—	60,300
1361/1394	Various improvements	Oct. 7, 2015	Oct. 7, 2015	Oct. 7, 2016	2.00%	—	78,800	—	78,800
1575	Various improvements	Oct. 7, 2015	Oct. 7, 2015	Oct. 7, 2016	2.00%	—	24,400	—	24,400
1519/1567	Various improvements	Oct. 19, 2006	Oct. 7, 2015	Oct. 7, 2016	2.00%	100,000	50,000	100,000	50,000
1519/1567	Various improvements	Oct. 16, 2008	Oct. 7, 2015	Oct. 7, 2016	2.00%	475,000	350,000	475,000	350,000
1575	Various improvements	Oct. 16, 2008	Oct. 7, 2015	Oct. 7, 2016	2.00%	200,000	175,000	200,000	175,000
1613	Various improvements	Oct. 16, 2008	Oct. 7, 2015	Oct. 7, 2016	2.00%	275,000	190,600	275,000	190,600
1519/1567	Various improvements	Oct. 15, 2009	Oct. 7, 2015	Oct. 7, 2016	2.00%	225,000	150,000	225,000	150,000
1575	Various improvements	Oct. 14, 2010	Oct. 7, 2015	Oct. 7, 2016	2.00%	1,850,000	1,550,000	1,850,000	1,550,000
1677	Ford Well Field	Oct. 14, 2010	Oct. 7, 2015	Oct. 7, 2016	2.00%	1,350,000	1,047,400	1,350,000	1,047,400
1519/1567	Various improvements	Oct. 13, 2011	Oct. 7, 2015	Oct. 7, 2016	2.00%	50,000	25,000	50,000	25,000
1708	Various improvements	Oct. 11, 2012	Oct. 7, 2015	Oct. 7, 2016	2.00%	850,000	671,500	850,000	671,500
1677	Ford Well Field	Oct. 11, 2012	Oct. 7, 2015	Oct. 7, 2016	2.00%	125,000	100,000	125,000	100,000
						<u>\$ 5,500,000</u>	<u>4,473,000</u>	<u>5,500,000</u>	<u>4,473,000</u>
				Renewed			\$ 4,309,500	4,309,500	
				Issued			163,500	—	
				Paid not renewed			—	190,500	
				Paid - Budget			—	1,000,000	
							<u>\$ 4,473,000</u>	<u>5,500,000</u>	

TOWNSHIP OF MAHWAH

Schedule of Water Accounts Receivable

Water Utility Operating Fund

Year Ended December 31, 2015

Balance, December 31, 2014	\$	251,175
Increased by water rents levied		<u>4,974,993</u>
		5,226,168
Decreased by:		
Water rents collected		<u>4,988,865</u>
Balance, December 31, 2015	\$	<u><u>237,303</u></u>

TOWNSHIP OF MAHWAH

Schedule of Water Overpayments

Water Utility Operating Fund

Year Ended December 31, 2015

Balance, December 31, 2014	\$	4,113
Increased by water overpayments		<u>385,900</u>
		390,013
Decreased by disbursements		<u>379,524</u>
Balance, December 31, 2015	\$	<u><u>10,489</u></u>

TOWNSHIP OF MAHWAH

Schedule of Fixed Capital

Water Utility Capital Fund

Year ended December 31, 2015

	Balance, Dec. 31, 2014	Additions	Balance, Dec. 31, 2015
Acquisition and improvement of plant	\$ 157,623		157,623
Bond issue expenses	1,665	—	1,665
Professional services	62,397	—	62,397
Interest	12,342	—	12,342
General equipment	148,361	—	148,361
Improvement of water supply and distribution system	9,060,773	3,768,752	12,829,525
Vehicle equipment	72,810	—	72,810
Acquisition of land	856,834	—	856,834
	<u>\$ 10,372,805</u>	<u>3,768,752</u>	<u>14,141,557</u>

TOWNSHIP OF MAHWAH

Schedule of Fixed Capital Authorized and Uncompleted

Water Utility Capital Fund

Year Ended December 31, 2015

Ordinance number	Improvement description	Original Amount	Balance, Dec. 31, 2014	Decreased	Balance, Dec. 31, 2015
1165/1183	Various water improvements	\$ 6,200,000	6,124,718	401,003	5,723,715
1361/ 1394	Various improvements	2,897,000	2,791,024	—	2,791,024
1519/1567	Various improvements	2,270,000	2,444,692	2,444,692	—
1544	Various improvements	638,000	501,221	501,221	—
1575	Various improvements	2,875,000	2,861,006	—	2,861,006
1613	Various improvements	1,030,000	1,022,530	48,474	974,056
1677	Improvements to Ford Well Field	2,765,000	2,765,000	—	2,765,000
1708	Various improvements	1,100,000	1,100,000	1,100,000	—
			<u>\$ 19,610,191</u>	<u>4,495,390</u>	<u>15,114,801</u>
			Cancellation	\$ 721,696	
			Deferred charges.	4,942	
			Project completed	<u>3,768,752</u>	
				<u>\$ 4,495,390</u>	

TOWNSHIP OF MAHWAH

Schedule of Accrued Interest
on Notes

Water Utility Operating Fund
Year Ended December 31, 2015

Balance, December 31, 2014	\$	12,681
Increased by:		
Budget appropriation		<u>200,000</u>
		<u>212,681</u>
Decreased by:		
Payments		55,000
Cancellations		<u>136,559</u>
		<u>191,559</u>
Balance, December 31, 2015	\$	<u><u>21,122</u></u>

TOWNSHIP OF MAHWAH

Schedule of Amount Due from Water Utility Capital Fund

Water Utility Operating Fund
Year Ended December 31, 2015

Balance, December 31, 2014	\$ <u>8</u>
Increased by:	
Interest earned in Capital Fund	129
Cash disbursed	<u>29,826</u>
	<u>29,955</u>
	29,963
Decreased by:	
Capital Improvement Fund	25,000
Cash received	<u>4,942</u>
	<u>29,942</u>
Balance, December 31, 2015	\$ <u><u>21</u></u>

TOWNSHIP OF MAHWAH

Schedule of Reserve for Amortization

Water Utility Capital Fund

Year Ended December 31, 2015

Balance, December 31, 2014	\$ 19,487,805
Increased by:	
Transfer from Deferred Reserve	145,400
Bond anticipation notes paid	<u>1,000,000</u>
	<u>1,145,400</u>
Balance, December 31, 2015	<u><u>\$ 20,633,205</u></u>

TOWNSHIP OF MAHWAH

Schedule of Deferred Reserve for
Amortization

Water Utility Capital Fund
Year Ended December 31, 2015

Balance, December 31, 2014	\$ 2,292,750
Decreased by:	
Transfer to reserve for amortization	<u>145,400</u>
Balance, December 31, 2015	<u><u>\$ 2,147,350</u></u>

Analysis of Balance

Ordinance #1165/1183	\$ 1,796,000
Ordinance #1361/ 1394	144,850
Ordinance #1567	11,250
Ordinance #1575	143,750
Ordinance #1613	<u>51,500</u>
	<u><u>\$ 2,147,350</u></u>

TOWNSHIP OF MAHWAH

Schedule of Reverse for Various Improvements

Water Utility Capital Fund

Year Ended December 31, 2015

Balance, December 31, 2014	\$ <u>16,000</u>
Balance, December 31, 2015	\$ <u><u>16,000</u></u>

TOWNSHIP OF MAHWAH

Schedule of Improvement Authorizations

Water Utility Capital Fund

Year Ended December 31, 2015

Ordinance number	Improvement description	Balance, December 31, 2014			Authorizations Canceled	Balance, December 31, 2015	
		Amount	Unfunded	Expended		Funded	Unfunded
1165/1183	Various water improvements	—	733,718	60,300	51,003	—	622,415
1361/1394	Various improvements	—	79,023	79,023	—	—	—
1544	Various improvements	—	118,782	—	118,782	—	—
1575	Various improvements	—	26,994	26,993	—	—	1
1613	Various improvements	—	338,035	183	48,474	—	289,378
1647	Renovation of Campgaw Water Tank	23,337	350,000	—	373,337	—	—
1677	Improvements to Ford Well Field	—	1,087,968	(2,576)	—	—	1,090,544
1708	Various Improvements	—	154,001	564	153,437	—	—
		<u>\$ 23,337</u>	<u>2,888,521</u>	<u>164,487</u>	<u>745,033</u>	<u>—</u>	<u>2,002,338</u>
	Cash			\$ 5,094			
	Encumbrances canceled			(3,555)			
	Encumbrances			<u>162,948</u>			
				<u>\$ 164,487</u>			

TOWNSHIP OF MAHWAH

Schedule of Encumbrances Payable

Water Utility Capital Fund

Year Ended December 31, 2015

Balance, December 31, 2014	\$ 7,823
Increased by charges to improvement authorizations	<u>162,948</u>
	170,771
Decreased by:	
Cancellations	3,555
Disbursements	<u>6,109</u>
	<u>9,664</u>
Balance, December 31, 2015	<u><u>\$ 161,107</u></u>

TOWNSHIP OF MAHWAH

Schedule of Capital Improvement Fund

Water Utility Capital Fund

Year Ended December 31, 2015

Balance, December 31, 2014	\$	161,369
Increased by:		
Budget appropriation		<u>25,000</u>
Balance, December 31, 2015	\$	<u><u>186,369</u></u>

TOWNSHIP OF MAHWAH

Schedule of Appropriation Reserves

Water Utility Operating Fund

Year Ended December 31, 2015

	Balance Dec. 31, 2014	Transfer of encum- brances	Balance after transfers	Paid or charged	Balance lapsed
Salaries and wages	\$ 78,745	—	78,745	35,683	43,062
Other expenses	387,576	220,573	608,149	413,862	194,287
Insurance	242,775	15,656	258,431	16,127	242,304
Capital Improvement:					
Capital Outlay	—	55,000	55,000	55,000	—
Statutory expenditures - contribution to:					
Social Security System (O.A.S.I.)	22,056	—	22,056	2,686	19,370
	<u>\$ 731,152</u>	<u>291,229</u>	<u>1,022,381</u>	<u>523,358</u>	<u>499,023</u>
		Accounts payable		9,446	
		Cash		<u>513,912</u>	
				<u>523,358</u>	

TOWNSHIP OF MAHWAH

Schedule of Bonds and Notes Authorized but not Issued

Water Utility Capital Fund

Year Ended December 31, 2015

Ordinance number	Description	Balance, Dec. 31, 2014	Increased by nonrenewal	Decreased by Issued	Cancelled/ Appropriated	Balance, Dec. 31, 2015
1165/1183	Various water improvements	\$ 733,718	—	60,300	(51,003)	622,415
1361/1394	Various improvements	79,024	—	78,800	—	224
1519/1567	Various improvements	354,942	—	—	(354,942)	—
1544	Various improvements	118,821	—	—	(118,782)	39
1575	Various improvements	24,406	—	24,400	—	6
1613	Various improvements	328,530	9,400	—	(48,474)	289,456
1677	Improvements to Ford Well Field	988,000	102,600	—	—	1,090,600
1708	Various improvements	75,000	78,500	—	(153,437)	63
		<u>\$ 2,702,441</u>	<u>190,500</u>	<u>163,500</u>	<u>(726,638)</u>	<u>2,002,803</u>

TOWNSHIP OF MAHWAH

Schedule of Reserve for Payment of Debt

Water Utility Capital Fund

Year Ended December 31, 2015

Balance, December 31, 2014	\$ <u>56,816</u>
Balance, December 31, 2015	\$ <u>56,816</u>

TOWNSHIP OF MAHWAH

Schedule of Accounts Payable

Water Utility Operating Fund

Year Ended December 31, 2015

Balance, December 31, 2014	\$	56,877
Increased by:		
Transfer from appropriation reserves		<u>9,446</u>
Balance, December 31, 2015	\$	<u><u>66,323</u></u>

TOWNSHIP OF MAHWAH

Schedule of Premium on Water Liens

Water Utility Operating Fund

Year Ended December 31, 2015

Balance, December 31, 2014	\$	3,400
Increased by premiums collected		<u>32,000</u>
		35,400
Decreased by premiums disbursed		<u>25,200</u>
Balance December 31, 2015	\$	<u><u>10,200</u></u>

TOWNSHIP OF MAHWAH

Schedule of Due To Sewer Utility Operating Fund

Water Utility Operating Fund

Year Ended December 31, 2015

Balance, December 31, 2014	\$	3,668
Increased by cash received		<u>59,535</u>
		63,203
Decreased by cash disbursed		<u>61,472</u>
Balance December 31, 2015	\$	<u><u>1,731</u></u>

TOWNSHIP OF MAHWAH

Schedule of Cash

Sewer Utility Fund

Year ended December 31, 2015

	<u>Operating</u>	<u>Capital</u>	<u>Assessment</u>
Balance, December 31, 2014	\$ 5,003,348	552,183	1,320,806
Increased by receipts:			
Sewer rents	5,630,997	—	—
Miscellaneous revenues not anticipated	70,709	—	—
Due from Sewer Utility Capital Fund	19	—	—
Due to Water Operating Fund	61,472	—	—
Due from Sewer Assessment Fund	37,828	—	—
Due to Sewer Utility Operating Fund	—	21	37,763
Sewer overpayments	7,395	—	—
Assessments receivable	—	—	236,589
	<u>5,808,420</u>	<u>21</u>	<u>274,352</u>
	<u>10,811,768</u>	<u>552,204</u>	<u>1,595,158</u>
Decreased by disbursements:			
Budget appropriations	5,598,566	—	—
Appropriation reserves	93,372	—	—
Accrued interest on notes	7,279	—	—
Due to Water Utility Operating Fund	59,535	—	—
Due to Sewer Utility Operating Fund	—	19	37,828
Payment of notes	—	—	450,000
Refund of overpayments	6,179	—	—
Refund of prior year revenue	397	—	—
	<u>5,765,328</u>	<u>19</u>	<u>487,828</u>
Balance, December 31, 2015	\$ <u>5,046,440</u>	<u>552,185</u>	<u>1,107,330</u>

TOWNSHIP OF MAHWAH

Schedule of Analysis of Cash

Sewer Utility Capital Fund

December 31, 2015

Reserve for payment of debt		\$	44,242
Due to Sewer Utility Operating Fund			3
Capital Improvement Fund			146,947
Fund balance			361,418
Improvement authorizations:			
Ordinance	Improvement description		
number			
1545	Improvements to sanitary sewer system		<u>(425)</u>
		\$	<u><u>552,185</u></u>

TOWNSHIP OF MAHWAH

Schedule of Sewer Rents Receivable

Sewer Utility Operating Fund

Year ended December 31, 2015

Balance, December 31, 2014	\$	199,715
Increased by sewer rents levied		<u>5,623,737</u>
		5,823,452
Decreased by sewer rents collected		<u>5,630,997</u>
Balance, December 31, 2015	\$	<u><u>192,455</u></u>

TOWNSHIP OF MAHWAH

Schedule of Accounts Payable

Sewer Utility Operating Fund

Year ended December 31, 2015

Balance, December 31, 2014	\$	27,560
Increased by:		
Transfer from appropriation reserve		<u>1,925</u>
Balance, December 31, 2015	\$	<u><u>29,485</u></u>

TOWNSHIP OF MAHWAH

Schedule of Fixed Capital Authorized and Uncompleted

Sewer Utility Capital Fund

Year ended December 31, 2015

<u>Ordinance number</u>	<u>Improvement description</u>	<u>Balance, Dec. 31, 2015</u>	<u>Balance, Dec. 31, 2014</u>
1545	Various improvements	\$ 561,000	561,000
		<u>\$ 561,000</u>	<u>561,000</u>

TOWNSHIP OF MAHWAH

Schedule of Reserve for Assessments and Liens

Utility Assessment Trust Fund

Year ended December 31, 2015

Balance, December 31, 2014	\$	800
Increased by notes paid		<u>63,881</u>
		64,681
Decreased by collections		<u>11,146</u>
Balance, December 31, 2015	\$	<u><u>53,535</u></u>

TOWNSHIP OF MAHWAH

Schedule of Appropriation Reserves

Sewer Utility Operating Fund

Year ended December 31, 2015

	<u>Balance Dec. 31, 2014</u>	<u>Encum- brances</u>	<u>Balance after transfers</u>	<u>Paid or charged</u>	<u>Balance lapsed</u>
Operating:					
Salaries and wages	\$ 71,149	—	71,149	12,683	58,466
Other expenses	60,209	41,702	101,911	38,298	63,613
Insurance	161,646	3,346	164,992	3,346	161,646
NW Bergen County Utility Authority	134,851	—	134,851	—	134,851
Capital Improvements					
Capital Outlay	—	40,000	40,000	40,000	—
Deferred charges:					
Statutory expenditures - contribution to: Social Security System	9,830	—	9,830	970	8,860
	<u>\$ 437,685</u>	<u>85,048</u>	<u>522,733</u>	<u>95,297</u>	<u>427,436</u>
			Cash	93,372	
			Accounts payable	1,925	
				<u>95,297</u>	

TOWNSHIP OF MAHWAH

Schedule of Due from Water Operating Fund

Sewer Utility Operating Fund

Year ended December 31, 2015

Balance, December 31, 2014	\$	3,668
Increased by disbursements		<u>59,535</u>
		63,203
Decreased by collections		<u>61,472</u>
Balance, December 31, 2015	\$	<u><u>1,731</u></u>

TOWNSHIP OF MAHWAH

Schedule of Improvement Authorizations

Sewer Utility Capital Fund

Year ended December 31, 2015

<u>Ordinance number</u>	<u>Improvement description</u>	<u>Balance, December 31, 2014</u>		<u>Balance, December 31, 2015</u>	
		<u>Funded</u>	<u>Unfunded</u>	<u>Funded</u>	<u>Unfunded</u>
1545	Various improvements	\$ —	267,775	—	267,775
		<u>\$ —</u>	<u>267,775</u>	<u>—</u>	<u>267,775</u>

TOWNSHIP OF MAHWAH

Schedule of Bond Anticipation Notes Payable

Sewer Utility Assessment Fund

Year ended December 31, 2015

<u>Ordinance number</u>	<u>Purpose</u>	<u>Original date of issue</u>	<u>Date of issue</u>	<u>Date of maturity</u>	<u>Interest rate</u>	<u>Balance, Dec. 31, 2014</u>	<u>Increased</u>	<u>Paid</u>	<u>Balance, Dec. 31, 2015</u>
1507/1553/ 1566	Sanitary Sewer - Phase V	Jun. 14, 2007	Jun. 3, 2015	Jun. 3, 2016	0.53%	\$ 1,331,000	881,000	1,331,000	881,000
						<u>\$ 1,331,000</u>	<u>881,000</u>	<u>1,331,000</u>	<u>881,000</u>
					Renewed		\$ 881,000	881,000	
					Paid by assessment budget		—	450,000	
							<u>\$ 881,000</u>	<u>1,331,000</u>	

TOWNSHIP OF MAHWAH

Schedule of Deferred Reserve
for Amortization

Sewer Utility Capital Fund

Year ended December 31, 2015

Balance, December 31, 2014	\$ <u>28,050</u>
Balance, December 31, 2015	\$ <u>28,050</u>

Analysis of Balance

Ordinance #1545	<u>28,050</u>
	\$ <u>28,050</u>

TOWNSHIP OF MAHWAH

Schedule of Reserve for Amortization

Sewer Utility Capital Fund

Year ended December 31, 2015

Balance, December 31, 2014	\$ 25,288,725
Increased by:	
Budget appropriation for payment of bond anticipation notes	<u>325,000</u>
Balance, December 31, 2015	<u><u>\$ 25,613,725</u></u>

TOWNSHIP OF MAHWAH

Schedule of Sewer Overpayments

Sewer Operating Fund

Year ended December 31, 2015

Balance, December 31, 2014	\$	6,179
Increased by cash received		<u>7,395</u>
		13,574
Decreased by refunded		<u>6,179</u>
Balance, December 31, 2015	\$	<u><u>7,395</u></u>

TOWNSHIP OF MAHWAH

Schedule of Capital Improvement Fund

Sewer Utility Capital Fund

Year ended December 31, 2015

Balance, December 31, 2014	\$ <u>146,947</u>
Balance, December 31, 2015	\$ <u>146,947</u>

TOWNSHIP OF MAHWAH

Schedule of Assessments Receivable

Sewer Utility Assessment Fund

Year ended December 31, 2015

<u>Ordinance number</u>	<u>Improvement description</u>	<u>Date of confirmation</u>	<u>Balance, Dec. 31, 2014</u>	<u>Assessments collected</u>	<u>Balance, Dec. 31, 2015</u>
1343	Construction of sanitary sewer system - Phase IV	May 12, 2005	\$ 800	800	—
1507/1553/1566	Construction of sanitary sewer system - Phase V	Mar. 31, 2012	<u>1,170,322</u>	<u>235,789</u>	<u>934,533</u>
			<u>\$ 1,171,122</u>	<u>236,589</u>	<u>934,533</u>

TOWNSHIP OF MAHWAH

Schedule of Bond Anticipation Notes Payable

Sewer Utility Capital Fund

Year ended December 31, 2015

<u>Ordinance number</u>	<u>Purpose</u>	<u>Original date of issue</u>	<u>Date of issue</u>	<u>Date of maturity</u>	<u>Interest rate</u>	<u>Balance, Dec. 31, 2014</u>	<u>Increased</u>	<u>Paid</u>	<u>Balance, Dec. 31, 2015</u>
1507/1553/ 1566	Sanitary sewer - Phase V	Jun. 14, 2007	Jun. 3, 2015	Jun. 3, 2016	0.53%	\$ 944,000	619,000	944,000	619,000
						<u>\$ 944,000</u>	<u>619,000</u>	<u>944,000</u>	<u>619,000</u>
					Renewed		\$ 619,000	619,000	
					Paid by budget appropriation		—	325,000	
							<u>\$ 619,000</u>	<u>944,000</u>	

TOWNSHIP OF MAHWAH

Schedule of Reserve for Payment of Debt

Sewer Utility Capital Fund

Year ended December 31, 2015

Balance, December 31, 2014	\$ <u>44,242</u>
Balance, December 31, 2015	\$ <u>44,242</u>

TOWNSHIP OF MAHWAH

Schedule of Amount Due from (to) Sewer
Utility Capital Fund

Sewer Utility Operating Fund

Year ended December 31, 2015

Balance, December 31, 2014	\$ <u>1</u>
Increased by	
Interest earned	<u>21</u>
	22
Decreased by:	
Interfund returned	<u>19</u>
Balance, December 31, 2015	\$ <u><u>3</u></u>

TOWNSHIP OF MAHWAH

Schedule of Accrued Interest on Notes

Sewer Utility Operating Fund

Year ended December 31, 2015

Balance, December 31, 2014	\$ 4,226
Increased by:	
Budget appropriation	<u>200,000</u>
	<u>204,226</u>
Decreased by:	
Cancellation	192,287
Cash disbursed	<u>7,279</u>
	<u>199,566</u>
Balance, December 31, 2015	<u><u>\$ 4,660</u></u>

TOWNSHIP OF MAHWAH

Schedule of Reserve for Arbitrage Payable

Sewer Utility Operating Fund

Year ended December 31, 2015

Balance, December 31, 2014	\$ <u>45,000</u>
Balance, December 31, 2015	\$ <u>45,000</u>

TOWNSHIP OF MAHWAH

Schedule of Bonds and Notes Authorized
but not Issued

Sewer Utility Capital Fund

Year ended December 31, 2015

Ordinance number	Improvement	Balance, Dec. 31, 2014	Balance, Dec. 31, 2015
1545	Various improvements	\$ 268,200	268,200
		<u>\$ 268,200</u>	<u>268,200</u>

TOWNSHIP OF MAHWAH

Schedule of Due from Sewer
Utility Assessment Trust Fund

Sewer Utility Operating Fund

Year ended December 31, 2015

Balance, December 31, 2014	\$	75
Increased by interest collected in assessment fund		<u>37,763</u>
		37,838
Decreased by interest transfer		<u>37,828</u>
Balance, December 31, 2014	\$	<u><u>10</u></u>

TOWNSHIP OF MAHWAH

Schedule of Fixed Capital

Sewer Utility Capital Fund

Year ended December 31, 2015

<u>Account</u>	<u>Balance, Dec. 31, 2014</u>	<u>Adjustment</u>	<u>Balance, Dec. 31, 2015</u>
Sanitary sewer system	\$ 25,325,008	—	25,325,008
Sewer cleaning machine	90,000	—	90,000
Sewer jet truck	196,692	—	196,692
Sanitary sewer - Darlington Project	241,275	—	241,275
Generators	65,000	—	65,000
Sewer mains	50,000	—	50,000
	<u>\$ 25,967,975</u>	<u>—</u>	<u>25,967,975</u>

TOWNSHIP OF MAHWAH

Schedule of Changes in General Fixed Assets

General Fixed Assets Account Group

Year Ended December 31, 2015

Category	Balance Dec. 31, 2014	Additions	Deletions	Balance Dec. 31, 2015
Land	\$ 21,482,058	111,845	—	21,593,903
Buildings	21,138,134	17,550	142,970	21,012,714
Vehicular equipment	14,484,120	1,170,373	246,833	15,407,660
General equipment and machinery	5,742,898	552,846	196,907	6,098,837
	<u>\$ 62,847,210</u>	<u>1,852,614</u>	<u>586,710</u>	<u>64,113,114</u>

SUPPLEMENTARY DATA

TOWNSHIP OF MAHWAH

Supplementary Data

December 31, 2015

Comparative Schedule of Tax Rate Information

	<u>2015</u>	<u>2014</u>	<u>2013</u>
Tax rate	\$ 1.723	1.694	1.664
Apportionment of tax rate:			
Municipal	0.417	0.410	0.395
Municipal Open Space	0.010	0.010	0.010
County	0.254	0.242	0.250
Local school	1.042	1.032	1.009
Assessed valuation:			
2015		\$ 5,685,282,594	
2014		5,634,213,094	
2013		5,663,744,555	

Comparison of Tax Levies and Collections Currently

<u>Year</u>	<u>Tax levy</u>	<u>Currently</u>	
		<u>Cash collections</u>	<u>Percentage of collection</u>
2015	\$ 98,094,196	97,499,676	99.39 %
2014	95,786,643	95,204,646	99.39
2013	94,306,067	93,391,400	99.03
2012	92,823,231	91,875,069	98.98
2011	90,694,305	89,985,674	99.22

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 five years.

<u>Dec.31</u>	<u>Amount of tax title liens</u>	<u>Amount of delinquent taxes</u>	<u>Total delinquent</u>	<u>Percentage of tax levy</u>
2015	\$ 310,704	411,772	722,476	0.74 %
2014	322,776	465,268	788,044	0.82
2013	294,886	479,286	774,172	0.82
2012	259,554	493,789	753,343	0.81
2011	268,351	480,272	748,623	0.83

(Continued)

TOWNSHIP OF MAHWAH

Supplementary Data

Property Acquired by Tax Title Lien Liquidation

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

<u>Year</u>	<u>Amount</u>
2015	\$ 1,353,400
2014	1,353,400
2013	1,353,400
2012	1,353,400
2011	1,353,400

Comparison of Water Utility Levies

<u>Year</u>	<u>Levy</u>	<u>Cash collections</u>	<u>Percent collected</u>
2015	\$ 4,974,993	4,988,865	100%
2014	4,667,980	4,723,582	101%
2013	4,838,563	4,855,727	100%
2012	5,012,172	4,862,966	97%
2011	4,550,161	4,643,021	102%

Comparison of Sewer Utility Levies

<u>Year</u>	<u>Levy</u>	<u>Cash collections</u>	<u>Percent collected</u>
2015	\$ 5,623,737	5,630,997	100%
2014	5,624,517	5,662,240	101%
2013	5,691,348	5,679,534	100%
2012	5,710,589	5,666,992	99%
2011	5,733,668	5,751,038	100%

(Continued)

TOWNSHIP OF MAHWAH

Supplementary Data

Comparative Schedule of Fund Balances

Fund	Year	Balance, Dec.31	Utilized in budget of succeeding year	Percent utilized
Current	2015	\$ 6,238,090	4,200,000	67%
	2014	6,181,222	4,100,000	66%
	2013	6,110,379	4,100,000	67%
	2012	6,266,446	3,895,000	62%
	2011	5,940,228	3,250,000	55%
Water Utility Operating	2015	\$ 4,553,921	3,271,305	72%
	2014	5,130,228	3,467,274	68%
	2013	5,063,043	2,569,986	51%
	2012	4,621,990	2,213,240	48%
	2011	3,962,335	2,116,220	53%
Sewer Utility Operating	2015	\$ 4,495,825	2,300,650	51%
	2014	4,401,394	2,064,385	47%
	2013	4,193,742	1,756,136	42%
	2012	3,271,904	1,669,150	51%
	2011	3,106,291	1,663,710	54%

(Continued)

TOWNSHIP OF MAHWAH

Supplementary Data

Officials in Office and Surety Bonds

The following officials were in office on December 31, 2015

Name	Title	Amount of bond
William C. Laforet	Mayor	
John F. Roth	Council President	
Steven Sbarra	Council Vice President	
H. Lisa DiGiulio	Councilmember	
Robert Hermansen	Councilmember	
Mary Amaroso	Councilmember	
Janet Ariemma	Councilmember	
Jonathan Womg	Councilmember	
Brain T. Campion	Business Administrator	
Kathrine G. Coviello	Township Clerk	
Kenneth Sesholtz	Chief Financial Officer	\$ 250,000
Donnelle DeCouto	Assistant to the Chief Financial Officer	100,000
Elizabeth M. Villano	Tax and Collector and Tax Search Officer	500,000
Maryann S. Malone	Water and Sewer Collector	100,000
Anthony J. Gianni	Municipal Court Judge	65,000
Lorraine Cuomo	Court Administrator	65,000
Rachel Neiger	Deputy Court Administrator	65,000
Stuart A. Stolarz	Tax Assessor	
Dan Mairella	Construction Official	
Kevin Boswell	Township Engineer	
Brian Chewcaskie	Township Attorney	

TOWNSHIP OF MAHWAH

General Comments and Recommendations

Year ended December 31, 2015

4TOWNSHIP OF MAHWAH

General Comments

Contracts and Agreements Required to be Advertised for N.J.S.A. 40A:11-4

N.J.S.A. 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."

The governing body of the Township has the responsibility of determining whether the expenditures in any category will exceed the statutory bid limit, within the fiscal year. Where question arises as to whether any contract or agreement might result in violation of the statute, the Township Attorney'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 that exceeded the bid threshold, that may have been negotiated and awarded without public advertising for bids and bidding per N.J.S.A. 40A:11-5.

Inasmuch as the system of records did not provide for an accumulation of payments by categories for the performance of any work or the furnishing or hiring of any material or supplies, the results of such an accumulation could not reasonably be ascertained. Disbursements were reviewed, however, to determine whether any clear-cut violations existed.

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

Collection of Interest on Delinquent Taxes and Assessments

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

"WHEREAS, the penalty for nonpayment of taxes becoming delinquent on and after January 8, 2015 shall be at the rate of eight per centum (8%) per year for the first \$1,500 of delinquency and eighteen per centum (18%) per year on amounts over \$1,500; and WHEREAS, Section 54:4-67 of the Revised Statutes has been amended to allow the Tax Collector to collect no interest if payment of any installment is made within ten (10) days after the date upon which the same became payable, provided it meets with the approval of the Mayor and Council; BE IT RESOLVED, that the Tax Collector is granted permission to withhold interest charges for a period of ten (10) days after the date upon which the installment became payable, provided it is received within the period."

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

(Continued)

TOWNSHIP OF MAHWAH

General Comments

Delinquent Taxes and Tax Title Liens

The last tax sale was held on March 18, 2015 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 receivable on December 31 of the last four years:

<u>Year</u>	<u>Number of liens</u>
2015	4
2014	12
2013	15
2012	10

Status of Prior Year Comments

There were no prior year comments.

Other Comments

Money collected at the annual rabies clinic was not deposited within 48 hours of receipt.

Recommendations

All money collected should be deposited within 48 hours of receipt.