



TOWNSHIP OF WEST ORANGE

FINANCIAL STATEMENTS

WITH

INDEPENDENT AUDITORS' REPORT

AND

REPORTS ON INTERNAL CONTROL AND COMPLIANCE

YEAR ENDED DECEMBER 31, 2012

TOWNSHIP OF WEST ORANGE

PART I

**ROSTER OF OFFICIALS, INDEPENDENT AUDITORS' REPORT, FINANCIAL STATEMENTS
AND SUPPLEMENTARY INFORMATION AND SCHEDULES**

YEAR ENDED DECEMBER 31, 2012

ROSTER OF OFFICIALS

The following officials were in office as of December 31, 2012:

<u>Name</u>	<u>Title</u>
Robert D. Parisi	Mayor
Sal M. Anderton	President
Victor Cirilo	Councilman
Joseph Krakoviak	Councilman
Susan McCartney	Councilman
Patty Spango	Councilwoman
John K. Sayers	Business Administrator
Karen J. Carnevale	Municipal Clerk
John O. Gross	Comptroller, Treasurer and Chief Financial Officer
Joanne Gagliardo	Tax Collector
Harry L. Starrett	Chief Judge - Municipal Court
Margaret Padavano	Judge - Municipal Court
Edrie Daniels	Municipal Court Administrator
Kevin Dillon	Tax Assessor



Independent Auditors' Report

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

Report on the Financial Statements

We have audited the accompanying regulatory basis financial statements of the various funds of the Township of West Orange, County of Essex, New Jersey (the "Township") as of and for the years ended December 31, 2012 and 2011, the statements of revenues, expenditures and changes in fund balances for the year ended December 31, 2012 and the related notes to the financial statements, which collectively comprise the Township's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting practices prescribed by the Division of Local Government Services, Department of Community Affairs, State of New Jersey (the "Division"); 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 audits. We conducted our audits in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller of the United States; and audit requirements as prescribed by the Division. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the regulatory basis financial statements are free of material misstatement.

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

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

Basis for Qualified Opinion

Management has prepared the financial statements in conformity with accounting practices prescribed by the Division which are designed primarily for determining compliance with legal provisions and budgetary restrictions and as a means of reporting on the stewardship of public officials with respect to public funds. These practices differ in certain respects, which in some instances may be material, from accounting principles generally accepted in the United States of America applicable to local government units. The more significant of these practices are described in Note 1 to the financial statements.

Qualified Opinion

In our opinion, because of the Township's policy to prepare its financial statements on the basis of accounting discussed above, the financial statements referred to above do not present fairly, in conformity with accounting principles generally accepted in the United States of America, the financial position of the Township as of December 31, 2012 or the results of its operations for the year then ended.

Unmodified Opinion

In our opinion, the regulatory basis financial statements referred to above present fairly, in all material respects, the respective financial position of the various funds of the Township of West Orange, Essex County, New Jersey, as of December 31, 2012, and the respective changes in financial position and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles and practices prescribed by the Division, as described in Note 1 to the financial statements.

Other Matters

Other Information

Our audit was conducted for the purpose of forming opinions on the regulatory basis financial statements that collectively comprise Township's basic financial statements. The accompanying supplementary sections and schedules of expenditures of state awards, as required by New Jersey State Office of Management and Budget Circular Letter 04-04, *State Grants and State Aid* are presented for purposes of additional analysis and are not a required part of the basic financial statements.

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

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated November 6, 2013 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 the Township's internal control over financial reporting and compliance.



Livingston, New Jersey
November 6, 2013

Francis M. McEnerney, RMA
Licensed Registered Municipal Accountant # 539

TOWNSHIP OF WEST ORANGE
CURRENT FUND

A
Sheet # 1

COMPARATIVE BALANCE SHEETS
REGULATORY BASIS
DECEMBER 31, 2012 AND 2011

<u>ASSETS</u>	<u>Ref.</u>	<u>2012</u>	<u>2011</u>
CASH		\$ 9,898,757.14	\$ 7,750,983.63
	A-4	<u>9,898,757.14</u>	<u>7,750,983.63</u>
RECEIVABLES AND OTHER ASSETS WITH FULL RESERVES:			
Change Funds	A-6	450.00	450.00
Delinquent Property Taxes	A-7	2,331,358.29	3,147,736.63
Tax Title Liens	A-8	734,211.54	169,198.38
Property Acquired for Taxes - Assessed Valuation	A-9	392,465.00	392,465.00
Revenue Accounts Receivable	A-11	635,803.60	685,616.10
Sewer User Charges Receivable	A-12	210,880.27	206,302.41
Due From All Other Funds	A-13	37,932.57	
Due From Grant Fund	A-13	320,056.18	450,733.09
		<u>4,663,157.45</u>	<u>5,052,501.61</u>
		14,561,914.59	12,803,485.24
DEFERRED CHARGES:			
Special Emergency Authorizations (40A:4-53)	A-28	959,120.00	448,900.00
		<u>15,521,034.59</u>	<u>13,252,385.24</u>
STATE AND FEDERAL GRANTS RECEIVABLE			
State and Federal Grants Receivable	A-24	2,439,864.29	3,019,131.23
		<u>2,439,864.29</u>	<u>3,019,131.23</u>
		<u>\$ 17,960,898.88</u>	<u>\$ 16,271,516.47</u>

See Accompanying Notes to Financial Statements

TOWNSHIP OF WEST ORANGE
CURRENT FUND

A
Sheet # 2

COMPARATIVE BALANCE SHEETS
REGULATORY BASIS
DECEMBER 31, 2012 AND 2011

<u>LIABILITIES, RESERVES AND FUND BALANCE</u>	<u>Ref.</u>	<u>2012</u>	<u>2011</u>
LIABILITIES:			
Appropriation Reserves	A-3, A-15	\$ 2,114,590.13	\$ 1,984,808.33
Reserve for Encumbrances	A-3, A-15	999,893.00	390,307.24
Due to State of New Jersey - Ch. 20, P.L. 1971	A-16	4,648.12	5,883.74
Accounts Payable	A-17	52,376.41	45,320.27
County Taxes Payable	A-20	44,211.35	70,683.08
School Taxes Payable	A-19	1.02	
Fees Due to State of New Jersey	A-21	16,032.00	1,700.00
Prepaid Taxes	A-22	822,835.16	718,117.84
Deferred Revenue	A-23	462.85	462.85
Emergency Note	A-14	359,120.00	448,900.00
Deposit on Sale of Property			1,000.00
Tax Appeals Payable	A-10	1,024,327.14	1,420,243.80
Tax Title Lienholders Payable	A-10A	38.00	
Tax Title Lien Premiums Payable	A-10B	2,332,200.00	
Tax Overpayments	A-18	27,927.83	33,026.40
Special Improvement District Assessment	A-14B	687.65	
Local Opens Space Tax due to Open Space Trust	A-14A	174.80	1,059.99
		<u>7,799,525.46</u>	<u>5,121,513.54</u>
Reserve for Receivables and Other Assets	A	<u>4,663,157.45</u>	<u>5,052,501.61</u>
FUND BALANCE	A-1	<u>3,058,351.68</u>	<u>3,078,370.09</u>
		<u>15,521,034.59</u>	<u>13,252,385.24</u>
STATE AND FEDERAL GRANT FUND			
Appropriated Reserves-Grants	A-26	1,915,910.40	2,501,612.43
Unappropriated Reserves-Grants	A-27	203,897.71	66,785.71
Due to Current Fund	A-25	320,056.18	450,733.09
		<u>2,439,864.29</u>	<u>3,019,131.23</u>
		<u>\$ 17,960,898.88</u>	<u>\$ 16,271,516.47</u>

See Accompanying Notes to Financial Statements

TOWNSHIP OF WEST ORANGE
CURRENT FUND

A-1

STATEMENTS OF OPERATIONS AND CHANGES IN FUND BALANCE
REGULATORY BASIS
YEARS ENDED DECEMBER 31, 2012 AND 2011

	<u>Ref.</u>	<u>2012</u>	<u>2011</u>
REVENUE AND OTHER INCOME:			
Fund Balance Utilized	A-2	\$ 2,537,253.00	\$ 3,400,000.00
Miscellaneous Anticipated Revenue	A-2	14,549,491.81	16,519,918.91
Receipts from Delinquent Taxes	A-2	2,967,489.10	1,543,761.33
Receipts from Current Taxes	A-2, A-7	198,813,009.77	196,135,553.75
Non-Budget Revenues	A-2	458,398.03	138,239.60
Other Credit to Income:			
Appropriation Reserves Lapsed	A-15	749,745.15	732,520.40
Interfund Decrease	A-13	91,684.35	
Accounts Payable Canceled			84,999.90
TOTAL REVENUE AND OTHER INCOME		220,167,071.21	218,554,993.89
EXPENDITURES:			
Budgeted and Emergency Appropriations	A-3	54,771,994.87	55,455,020.82
Capital Improvements	A-3	210,100.00	230,100.00
Municipal Debt Service	A-3	5,710,502.55	4,914,999.99
Statutory Expenditures and Deferred Charges	A-3	6,601,144.07	7,546,334.89
Prior Year Exemptions Disallowed			3,261.64
Interfund Increase			450,733.09
Local District School Tax	A-19	121,879,095.00	120,287,738.00
County Taxes	A-20	28,823,003.15	27,900,312.78
Special Improvement District Assessment	A-14B	106,004.56	
Grant Receivable Cancelled			1,572.73
Open Space Trust	A-2, A-4, A-14A	147,992.42	151,508.40
TOTAL EXPENDITURES		218,249,836.62	216,941,582.34
EXCESS OF REVENUE OVER EXPENDITURES		1,917,234.59	1,613,411.55
ADJUSTMENTS TO INCOME BEFORE FUND BALANCE:			
EXPENDITURES INCLUDED ABOVE WHICH ARE BY STATUTE DEFERRED CHARGES TO BUDGET OF SUCCEEDING YEAR		600,000.00	448,900.00
STATUTORY EXCESS TO FUND BALANCE		2,517,234.59	2,062,311.55
FUND BALANCE, BEGINNING OF YEAR	A	3,078,370.09	4,416,058.54
		5,595,604.68	6,478,370.09
UTILIZED AS ANTICIPATED REVENUE	A-2	2,537,253.00	3,400,000.00
FUND BALANCE, END OF YEAR	A	\$ 3,058,351.68	\$ 3,078,370.09

See Accompanying Notes to Financial Statements

**TOWNSHIP OF WEST ORANGE
CURRENT FUND**

A-2
Sheet # 1

**STATEMENT OF REVENUES
REGULATORY BASIS
YEAR ENDED DECEMBER 31, 2012**

	<u>Ref.</u>	<u>Anticipated Budget</u>	<u>Realized</u>	<u>Excess or (Deficit)</u>
FUND BALANCE ANTICIPATED	A-1	\$ 2,537,253.00	\$ 2,537,253.00	\$
MISCELLANEOUS REVENUES:				
Licenses:				
Alcoholic Beverages	A-11	74,058.94	70,911.60	(3,147.34)
Other	A-11	61,828.72	21,944.49	(39,884.23)
Fees and Permits:	A-2	76,099.75	131,015.30	54,915.55
Fines and Costs - Municipal Court	A-11	474,280.63	451,549.74	(22,730.89)
Interest and Costs on Taxes	A-11	526,209.36	764,781.21	238,571.85
Parking Meters	A-11	31,886.63	28,886.19	(3,000.44)
Interest on Investments	A-11	48,350.97	36,754.64	(11,596.33)
Payments in Lieu of Taxes:				
West Orange Senior Citizen Housing	A-11	88,425.00	31,575.00	(56,850.00)
Jewish Federation Plaza	A-11	62,289.00	60,407.00	(1,882.00)
Eagle Rock Senior Citizen Housing	A-11	76,036.00	92,275.32	16,239.32
Woodland Valley	A-11	31,762.35	30,589.35	(1,173.00)
St. Barnabas	A-11	214,500.00	359,018.92	144,518.92
Energy Receipts Tax	A-11	4,398,434.00	4,398,434.00	
Consolidated Municipal Property Tax Relief Aid	A-11	292,818.00	292,818.00	
Watershed Moratorium Offset Aid	A-11	5,217.00	5,217.00	
Uniform Construction Code Fees	A-11	591,824.85	747,978.34	156,153.49
Reimbursement Board of Education	A-11	2,300.00		(2,300.00)
Uniform Fire Safety Act	A-11	75,416.90	56,307.86	(19,109.04)
General Capital Fund Surplus	A-11	195,000.00	195,000.00	
Supplemental Sewer Fees	A-11	134,100.00	44,766.00	(89,334.00)
Cable TV Franchise Fees	A-11	548,342.23	573,708.85	25,366.62
Ground Leases	A-11	135,296.50	136,747.43	1,450.93
Hotel Tax	A-11	413,689.65	431,629.26	17,939.61
Medical Transport Billing Service	A-11	448,746.37	570,164.07	121,417.70
Reserve to Pay Debt Service	A-11	294,572.68	294,572.68	
Assessment Trust Fund Balance	A-11	23,639.98	23,639.98	
Rental-Environmental Center	A-11	90,000.00	105,000.00	15,000.00
Trust Fund Balance	A-11	215,000.00	215,000.00	
Swimming Pool Fund Balance	A-11	95,000.00	95,000.00	
Sewer User Charges	A-12	3,534,932.61	3,716,804.70	181,872.09

**TOWNSHIP OF WEST ORANGE
CURRENT FUND**

A-2
Sheet # 2

**STATEMENT OF REVENUES
REGULATORY BASIS
YEAR ENDED DECEMBER 31, 2012**

	<u>Ref.</u>	<u>Anticipated Budget</u>	<u>Realized</u>	<u>Excess or (Deficit)</u>
State Grants:				
Transportation Municipal Aid	A-24	\$ 210,000.00	\$ 210,000.00	\$
Recycling Tonnage Grant	A-28	54,817.70	54,817.70	
Drunk Driving Enforcement Fund	A-28	3,372.53	3,372.53	
Clean Communities	A-24	58,852.85	58,852.85	
West Orange Municipal Alliance	A-24	71,149.71	71,149.71	
Safe and Secure Communities	A-24	60,000.00	60,000.00	
Body Armor Replacement Fund	A-28	8,594.71	8,594.71	
Essex County Office on Aging:	A-24	17,171.00	17,171.00	
Delinquency Prevention Grant	A-24	18,562.00	18,562.00	
Essex County ILEA Grant	A-24	27,840.00	27,840.00	
Bullet Proof Vest Program Grant	A-24	21,302.25	21,302.25	
Cops in Shops	A-24	1,546.13	1,546.13	
NJ Clean Energy	A-24	13,786.00	13,786.00	
<hr/>				
TOTAL MISCELLANEOUS ANTICIPATED REVENUES	A-1	13,827,053.00	14,549,491.81	722,438.81
RECEIPTS FROM DELINQUENT TAXES	A-1, A-7	2,992,856.81	2,967,489.10	(25,367.71)
<hr/>				
AMOUNT TO BE RAISED BY TAXES FOR SUPPORT OF MUNICIPAL BUDGET	A-2	51,075,300.00	51,136,625.60	61,325.60
<hr/>				
BUDGET TOTALS	A-3	\$ 70,432,462.81	\$ 71,190,859.51	\$ 758,396.70
<hr/>				
NON-BUDGET REVENUES				
Miscellaneous Revenues Not Anticipated	A-11		\$ 474,438.04	
Less: Other Miscellaneous Items - Net			16,040.01	
<hr/>				
NON-BUDGET REVENUES TOTALS	A-1		458,398.03	
<hr/>				
			\$ 71,649,257.54	
<hr/>				

**TOWNSHIP OF WEST ORANGE
CURRENT FUND**

A-2
Sheet # 3

**STATEMENT OF REVENUE
REGULATORY BASIS
YEAR ENDED DECEMBER 31, 2012**

Ref.

ANALYSIS OF REALIZED REVENUES:

Allocation of Current Tax Collection:

Revenue from Collections	A-1, A-7	\$198,813,009.77
Allocated to - Municipal Open Space Tax	A-1, A-7	(147,992.42)
Allocated to - Special Improvement District	A-7	(106,004.56)
Allocated to - School and County Taxes	A-7	<u>(150,702,098.15)</u>

Balance for Support of Municipal Budget Appropriations		47,856,914.64
---	--	---------------

Add Appropriation Reserve for Uncollected Taxes	A-3	<u>3,279,710.96</u>
--	-----	---------------------

Amount for Support of Municipal Budget Appropriations	A-2	<u>\$ 51,136,625.60</u>
--	-----	-------------------------

Licenses-Other:

Clerk	A-2	<u>\$ 21,944.49</u>
-------	-----	---------------------

Fees and Permits-Other:

Health	A-11	\$ 52,092.00
Public Works	A-11	5,750.00
Permits	A-11	12,667.00
Planning Board	A-11	10,252.55
Zoning Board	A-11	16,338.75
Fire	A-11	2,952.00
Police	A-11	13,234.00
Tax Searches	A-11	375.50
Tree	A-11	125.00
Fence	A-11	3,808.50
Recycling Center	A-11	13,420.00
	A-2	<u>\$ 131,015.30</u>

TOWNSHIP OF WEST ORANGE
CURRENT FUND

STATEMENT OF EXPENDITURES
REGULATORY BASIS
YEAR ENDED DECEMBER 31, 2012

	Budget	Budget After Modification	Expended			Unexpended Balance Canceled
			Paid or Charged	Encumbered	Reserved	
8. GENERAL APPROPRIATIONS						
(A) Operations - within "CAPS"						
EXECUTIVE AND LEGISLATIVE DEPARTMENT						
Office of the Mayor and Agencies						
Office of the Mayor						
Salaries and Wages	\$ 73,206.00	\$ 73,206.00	\$ 73,205.60	\$	\$	\$ 0.40
Other Expenses	21,446.00	21,446.00	1,247.78	278.07	19,920.15	
Public Information Officer						
Other Expenses	595.00	595.00			595.00	
Governing Body						
Town Council						
Salaries and Wages	53,069.75	53,069.75	53,069.75			
Advertising Expenses	4,000.00	4,000.00	1,011.64		2,988.36	
Other Expenses	30,650.00	30,650.00	18,487.32	7,778.58	4,384.10	
Alcoholic Beverage Control						
Salaries and Wages	700.00	700.00				700.00
Other Expenses	250.00	250.00	204.00		46.00	
Litigation Expenses						
Other Expenses	275,000.00	275,000.00	209,513.87	25,249.00	40,237.13	
Office of the Township Clerk						
Township Clerk						
Salaries and Wages	240,402.00	240,402.00	239,449.05			952.95
Other Expenses	4,810.00	4,810.00	1,346.45	61.00	3,402.54	
Elections						
Salaries and Wages	7,500.00	7,500.00	5,138.55			2,361.45
Other Expenses	88,500.00	88,500.00	81,066.65			7,433.34
Office of the Township Attorney						
Township Attorney						
Salaries and Wages	112,400.00	122,400.00	121,149.12		1,250.00	0.88
Other Expenses						
Human Relations Commission						
Other Expenses	5,100.00	1,147.51	1,147.51			
Statutory Agencies						
Planning Board						
Salaries and Wages	5,250.00	5,250.00	5,250.00			
Other Expenses	10,400.00	10,400.00	5,821.43	376.17	4,202.40	
Board of Adjustment						
Salaries and Wages	5,250.00	5,250.00	5,248.80			1.20
Other Expenses	3,730.00	3,730.00	3,262.52	270.00	197.48	

TOWNSHIP OF WEST ORANGE
CURRENT FUND

STATEMENT OF EXPENDITURES
REGULATORY BASIS
YEAR ENDED DECEMBER 31, 2012

	Budget	Budget After Modification	Expended			Unexpended Balance Canceled
			Paid or Charged	Encumbered	Reserved	
Waste Management						
Salaries and Wages	\$ 5,300.00	\$ 5,300.00	\$ 5,300.00			\$
Other Expenses	281,528.00	235,008.54	226,666.64		8,341.90	
Municipal Court						
Salaries and Wages	345,210.00	345,210.00	335,565.24			9,644.76
Other Expenses	28,300.00	28,300.00	23,861.11	1,240.66	3,198.23	
Public Defender (P.L. 1997, C.256)						
Salaries and Wages	24,200.00	20,650.00	20,650.00			
Open Space Recreation and Environmental Commission (N.J.S.A. 40:56A-1)						
Other Expenses	150.00	150.00				150.00
Rent Leveling Board						
Other Expenses	75.00	75.00				75.00
TOTAL EXECUTIVE AND LEGISLATIVE DEPT.	1,627,021.75	1,582,999.80	1,437,663.05	35,253.48	88,763.29	21,319.98
DEPT. OF ADMINISTRATION AND FINANCE						
Office of the Business Administrator						
Director						
Salaries and Wages	240,467.00	245,586.46	245,586.46			
Other Expenses	173,200.00	173,200.00	98,947.47	778.19	73,474.34	
Administration of Township Owned Property						
Other Expenses	1,000.00	1,000.00				1,000.00
Division of Administration						
Central Purchasing						
Salaries and Wages	140,779.00	140,779.00	140,778.56			0.44
Other Expenses	38,500.00	38,500.00	36,267.08	2,078.81	154.11	
Central Printing and Supplies						
Other Expenses	27,700.00	27,700.00	13,815.70	1,685.80	12,198.50	
Central Telephone						
Other Expenses	257,300.00	257,300.00	190,042.32	24,052.68	43,205.00	
Central Insurance						
Unemployment Compensation Insurance	100.00	100.00				100.00
General Liability	847,805.00	847,805.00	847,805.00			
Workers Compensation	500,000.00	500,000.00	500,000.00			
Employee Group Health	9,206,600.00	9,417,493.28	9,367,719.31		49,773.97	
Central Mailing Service						
Other Expenses	73,750.00	73,750.00	70,119.25		3,630.75	

TOWNSHIP OF WEST ORANGE
CURRENT FUND

STATEMENT OF EXPENDITURES
REGULATORY BASIS
YEAR ENDED DECEMBER 31, 2012

	Budget	Budget After Modification	Expended			Unexpended Balance Canceled
			Paid or Charged	Encumbered	Reserved	
Township Physician						
Salaries and Wages	\$ 7,000.00	\$ 1,000.00	\$ 1,000.00	\$	\$	\$
Other Expenses	3,365.00	3,365.00	963.00	1,103.00	1,299.00	
Division of Treasury						
Collector's Office						
Salaries and Wages	165,432.00	165,432.00	163,684.22			1,747.78
Other Expenses	19,300.00	19,300.00	15,796.36	1,507.50	1,996.14	
Township Treasurer						
Other Expenses	9,900.00	9,900.00	8,838.02	858.61	203.37	
Division of Accounts and Control						
Comptroller's Office						
Salaries and Wages	406,105.00	429,029.50	429,029.50			
Other Expenses	137,025.00	137,025.00	77,730.29	190.00	9,104.71	50,000.00
TOTAL DEPARTMENT OF ADMINISTRATION AND FINANCE	<u>12,255,328.00</u>	<u>12,488,265.24</u>	<u>12,208,122.54</u>	<u>32,254.59</u>	<u>195,139.89</u>	<u>52,748.22</u>
DEPARTMENT OF PLANNING AND DEVELOPMENT						
Director						
Planning Department						
Salaries and Wages	281,103.00	277,102.28	277,102.28			
Other Expenses	8,095.00	13,095.00	9,781.48	2,895.00	418.52	
Housing Code Enforcement						
Salaries and Wages	191,631.00	191,631.00	191,129.64			501.36
Other Expenses	5,725.00	6,725.00	6,017.71	375.00	332.29	
Historic Preservation Commission (N.J.S.A. 40A:55D-107)						
Other Expenses	1,500.00	1,500.00	3.24	40.00	400.00	1,056.76
Arts Council						
Other Expenses	1,500.00	1,500.00				1,500.00
Downtown West Orange Alliance						
Salaries and Wages	40,809.00					
Other Expenses	1,700.00	42,509.00	41,544.66	631.91	332.43	
Energy Commission						
Other Expenses	1,000.00	1,000.00				1,000.00
TOTAL DEPARTMENT OF PLANNING AND DEVELOPMENT	<u>533,063.00</u>	<u>535,062.28</u>	<u>525,579.01</u>	<u>3,941.91</u>	<u>1,483.24</u>	<u>4,058.12</u>
DEPARTMENT OF ASSESSMENT						
Assessor's Office						
Salaries and Wages	205,673.00	205,673.00	205,672.48			0.52
Other Expenses	50,600.00	50,600.00	21,443.76	8,252.00	20,904.24	
TOTAL DEPARTMENT OF ASSESSMENT	<u>256,273.00</u>	<u>256,273.00</u>	<u>227,116.24</u>	<u>8,252.00</u>	<u>20,904.24</u>	<u>0.52</u>

TOWNSHIP OF WEST ORANGE
CURRENT FUND

STATEMENT OF EXPENDITURES
REGULATORY BASIS
YEAR ENDED DECEMBER 31, 2012

	Budget	Budget After Modification	Expended			Unexpended Balance Canceled
			Paid or Charged	Encumbered	Reserved	
DEPARTMENT OF POLICE						
Division of Police						
Salaries and Wages	\$ 11,624,390.00	\$ 11,624,390.00	\$ 11,483,901.62		\$ 92,785.80	\$ 47,702.58
Uniform Allowance	98,500.00	98,500.00	94,300.00			4,200.00
Other Expenses	403,151.00	403,151.00	335,493.67	19,368.21	48,289.12	
TOTAL DEPARTMENT OF POLICE	12,126,041.00	12,126,041.00	11,913,695.29	19,368.21	141,074.92	51,902.58
DEPARTMENT OF FIRE						
Division of Fire						
Salaries and Wages	8,518,056.32	8,518,056.32	8,475,842.12		42,214.20	
Other Expenses	121,200.00	121,200.00	111,561.37	4,556.68	5,081.95	
Uniform Fire Safety Act (C. 383, P.L. 1983)						
Salaries and Wages	20,000.00	20,000.00	6,960.81			13,039.19
Other Expenses	33,772.00	33,772.00	15,014.57	3,435.67	15,321.76	
Emergency Management Service						
Salaries and Wages						
Other Expenses	5,800.00	5,800.00	2,813.45	790.00	2,196.55	
TOTAL DEPARTMENT OF FIRE	8,698,828.32	8,698,828.32	8,612,192.32	8,782.35	64,814.46	13,039.19
DEPARTMENT OF PUBLIC WORKS						
Division of Engineering						
Office of the Township Engineer						
Salaries and Wages	538,833.00	538,833.00	538,833.00			
Other Expenses	4,600.00	4,600.00	4,138.81	20.10	441.09	
Division of Building and Property						
Public Building Operations and Maintenance						
Other Expenses	399,875.00	399,875.00	297,232.14	34,916.72	67,726.14	
Shade Tree Care and Pruning						
Other Expenses	70,250.00	70,250.00	50,190.18		20,059.82	
Parking Facilities, Maintenance and Repairs						
Salaries and Wages	2,200.00	2,200.00				2,200.00
Other Expenses	4,470.00	4,470.00	1,980.00	2,070.00	420.00	
Division of Public Works						
Salaries and Wages	2,789,081.00	3,025,485.32	2,862,127.91		5,315.84	158,041.57
Division of Street Services						
Street Service, Cleaning and Drainage						
Salt, Chloride and Plowing	445,000.00	445,000.00	101,756.15	91,048.59	252,195.26	
Other Expenses	48,600.00	201,100.00	43,507.68	49,511.32	107,979.21	101.79
Street Repairs						
Other Expenses	70,350.00	70,350.00	56,835.02	2,826.20	10,608.00	80.78

TOWNSHIP OF WEST ORANGE
CURRENT FUND

STATEMENT OF EXPENDITURES
REGULATORY BASIS
YEAR ENDED DECEMBER 31, 2012

	Budget	Budget After Modification	Expended			Unexpended Balance Canceled
			Paid or Charged	Encumbered	Reserved	
Street Services and Traffic						
Other Expenses	\$ 13,100.00	\$ 13,100.00	\$ 9,337.05	\$ 703.00	\$ 2,643.00	\$ 416.95
Division of Sewers and Sanitation						
Sanitation and General Township Service Force						
Other Expenses	6,100.00	6,100.00	2,983.37		3,000.00	116.63
Central Automotive						
Other Expenses	537,500.00	547,500.00	493,089.44	24,468.15	29,942.41	
Sewage and Pumping Stations						
Other Expenses	57,800.00	57,800.00	32,798.20		25,000.00	1.80
TOTAL DEPARTMENT OF PUBLIC WORKS	<u>4,987,759.00</u>	<u>5,386,663.32</u>	<u>4,494,808.95</u>	<u>205,564.08</u>	<u>525,330.77</u>	<u>160,959.52</u>
DEPARTMENT OF HEALTH AND WELFARE						
Division of Health						
General Health Services						
Salaries and Wages	516,939.00	516,939.00	516,271.44			667.56
Other Expenses	22,372.00	22,372.00	19,405.72	1,104.06	1,862.22	
Senior Citizen's Transportation Program						
Salaries and Wages	208,657.00	203,238.11	191,019.77		9,500.00	2,718.34
Other Expenses	950.00	950.00	489.85	210.00	250.15	
Aid to Health Care Facilities (N.J.S.A. 44:5-2 as Amended)						
Other Expenses	1,500.00	1,500.00	750.00		750.00	
Division of Welfare						
Administration of Public Assistance						
Salaries and Wages	114,372.00	114,372.00	114,372.00			
Other Expenses	5,050.00	5,050.00	1,024.00	376.00	1,000.00	2,650.00
Animal Control						
Salaries and Wages	122,408.00	122,408.00	122,408.00			
Other Expenses	3,175.00	3,375.00	1,826.30	1,389.01	159.69	
Podiatry Clinic						
Salaries and Wages	10,000.00					
Other Expenses	4,500.00	14,500.00	5,612.18	246.30	2,000.00	6,641.52
Senior Citizen Health Center						
Salaries and Wages	166,474.00	166,474.00	163,633.81			2,840.19
Other Expenses	4,775.00	4,775.00	3,159.62	86.17	1,000.00	529.21

TOWNSHIP OF WEST ORANGE
CURRENT FUND

STATEMENT OF EXPENDITURES
REGULATORY BASIS
YEAR ENDED DECEMBER 31, 2012

	Budget	Budget After Modification	Expended			Unexpended Balance Canceled
			Paid or Charged	Encumbered	Reserved	
Borough of Essex Fells Health Services-Interlocal Contract						
Salaries and Wages	\$ 9,872.00	\$ 9,872.00	\$ 9,872.00	\$	\$	\$
Child Health Clinic						
Salaries and Wages	5,800.00	3,000.00	1,231.50		500.00	1,268.50
Other Expenses	1,350.00	4,150.00	3,422.00		728.00	
Retired Citizens Program	20,850.00	20,850.00	12,531.12	3,047.48	1,000.00	4,271.40
Right to Know Program (P.L. 1983, Ch. 315)						
Salaries and Wages	4,850.00	4,850.00	3,727.88			1,122.12
Other Expenses	425.00	425.00	425.00			
Garbage and Trash Removal Contract						
Other Expenses	3,400,000.00	3,400,000.00	2,835,634.92	548,947.76		15,417.32
TOTAL DEPARTMENT OF HEALTH AND WELFARE	4,624,319.00	4,619,100.11	4,006,817.11	555,406.78	18,750.06	38,126.16
DEPARTMENT OF RECREATION						
Community Services, Recreational and Civic Contracts						
Other Expenses	75,250.00	75,250.00	68,500.00	2,500.00	4,250.00	
Parks and Playgrounds						
Salaries and Wages	660,870.00	660,870.00	595,122.92			65,747.08
Other Expenses	119,200.00	119,200.00	101,855.07	6,405.94	10,938.99	
Programs for Retired Citizens						
Salaries and Wages						
Other Expenses						
Celebration of Public Events, Anniversary or Holiday						
Other Expenses	53,650.00	53,650.00	50,194.89	2,299.13	1,155.98	
TOTAL DEPARTMENT OF RECREATION	908,970.00	908,970.00	815,672.88	11,205.07	16,344.97	65,747.08
Uniform Construction Code-						
Appropriations Offset by Dedicated						
Revenues (N.J.A.C. 5:23-4.17)						
State Uniform Construction Code						
Construction Official						
Salaries and Wages	419,125.00	413,125.00	369,427.56		2,000.00	41,697.44
Other Expenses	38,700.00	44,700.00	17,252.52	25,335.93	1,000.00	1,111.55
TOTAL UNIFORM CONSTRUCTION CODE	457,825.00	457,825.00	386,680.08	25,335.93	3,000.00	42,808.99

TOWNSHIP OF WEST ORANGE
CURRENT FUND

STATEMENT OF EXPENDITURES
REGULATORY BASIS
YEAR ENDED DECEMBER 31, 2012

	Budget	Budget After Modification	Expended			Unexpended Balance Canceled
			Paid or Charged	Encumbered	Reserved	
UNCLASSIFIED:						
Utilities						
Gasoline	\$ 654,798.00	\$ 654,798.00	\$ 449,653.44	\$ 28,059.28	\$ 177,085.28	\$
Fuel Oil	2,500.00	2,500.00			2,500.00	
Electricity	585,000.00	585,000.00	316,957.19	11,372.78	256,670.03	
Street Lighting	630,000.00	630,000.00	266,175.03		363,824.97	
Fire Hydrant Service	626,944.00	626,944.00	550,178.42		76,765.58	
Water	38,000.00	38,000.00	28,892.08	470.21	8,637.71	
Membership-NJ League of Municipalities	3,305.00	3,305.00	3,055.00		250.00	
Challenge Grant Bus Shuttle	110,000.00	125,400.00	81,700.00	43,700.00		
Compensated Absence Liability	5,000.00	5,000.00				5,000.00
Medical Transport Billing Service	100,000.00	100,000.00	84,367.48	10,876.33	4,756.19	
TOTAL UNCLASSIFIED	<u>2,755,547.00</u>	<u>2,770,947.00</u>	<u>1,780,978.64</u>	<u>94,478.60</u>	<u>890,489.76</u>	<u>5,000.00</u>
Total Operations (Item 8(A)) within "CAPS"	<u>49,230,975.07</u>	<u>49,830,975.07</u>	<u>46,409,326.11</u>	<u>999,843.00</u>	<u>1,966,095.60</u>	<u>455,710.36</u>
B. Contingent	1,000.00	1,000.00				1,000.00
Total Operations Including Contingent within "CAPS"	<u>49,231,975.07</u>	<u>49,831,975.07</u>	<u>46,409,326.11</u>	<u>999,843.00</u>	<u>1,966,095.60</u>	<u>456,710.36</u>
Detail:						
Salaries & Wages						
Other Expenses (Including Contingent)	49,231,975.07	49,831,975.07	46,409,326.11	999,843.00	1,966,095.60	456,710.36
(E) Deferred Charges and Statutory Expenditures - Municipal within "CAPS"						
(1) DEFERRED CHARGES						
Emergency Authorizations						
(2) STATUTORY EXPENDITURES:						
Public Employees' Retirement System	981,821.00	981,821.00	981,821.00			
Social Security System (O.A.S.I.)	1,046,582.07	1,046,582.07	999,918.88	50.00	46,613.19	
Consolidated Police and Firemen's Police and Firemen's Retirement System	4,570,741.00	4,570,741.00	4,570,741.00			
Unemployment Insurance						
Defined Contribution Retirement Program	2,000.00	2,000.00	2,000.00			
Total Deferred Charges and Statutory	<u>6,601,144.07</u>	<u>6,601,144.07</u>	<u>6,554,480.88</u>	<u>50.00</u>	<u>46,613.19</u>	
(G) Cash Deficit of Preceding Year						
(H-1) Total General Appropriations for Municipal Purposes within "CAPS"	<u>55,833,119.14</u>	<u>56,433,119.14</u>	<u>52,963,806.99</u>	<u>999,893.00</u>	<u>2,012,708.79</u>	<u>456,710.36</u>

TOWNSHIP OF WEST ORANGE
CURRENT FUND

STATEMENT OF EXPENDITURES
REGULATORY BASIS
YEAR ENDED DECEMBER 31, 2012

	Budget	Budget After Modification	Expended			Unexpended Balance Canceled
			Paid or Charged	Encumbered	Reserved	
(A) Operations - Excluded from "CAPS"						
Police and Firemen's Retirement System						
Public Employees Retirement System						
Insurance						
Employee Group Health	\$ 33,425.86	\$ 33,425.86	\$ 33,425.86	\$	\$	\$
Chapter 10, P.L. 1977-Joint Outlet Sewer Maintenance	2,221,912.00	2,153,890.42	2,079,009.08		74,881.34	
Maintenance of Free Public Library (Ch. 541-82, P.L. 1985)	2,085,639.00	2,085,639.00	2,085,639.00			
Tax Appeal Refunds	650,000.00	650,000.00	650,000.00			
LOSAP-First Aid Pension Costs	27,000.00	27,000.00			27,000.00	
Total Other Operations - Excluded from "CAPS"	<u>5,017,976.86</u>	<u>4,949,955.28</u>	<u>4,848,073.94</u>		<u>101,881.34</u>	
Shared Service Agreements						
School Board Election						
Salaries and Wages	1,700.00	1,700.00				1,700.00
Other Expenses	600.00	600.00				600.00
Total Shared Service Agreements	<u>2,300.00</u>	<u>2,300.00</u>				<u>2,300.00</u>
Public and Private Programs Offset by Revenues						
Public Health Priority Funding Act of 1977						
Drunk Driving Enforcement Fund	3,372.53	3,372.53	3,372.53			
NJ Dept. of Environmental Protection						
Clean Communities Program	58,852.85	58,852.85	58,852.85			
NJ Dept. of Solid Waste Administration						
Recycling Tonnage Grant						
Essex County Office on Aging-Title III Older						
Americans Act	17,171.00	17,171.00	17,171.00			
Essex County Office on Alcoholism, Drug Abuse and						
Addiction Services	71,149.71	71,149.71	71,149.71			
West Orange Municipal Alliance						
Safe and Secure Communities Program	60,000.00	60,000.00	60,000.00			
NJLM Educational Foundation						
Sustainable Jersey Small Grant						

TOWNSHIP OF WEST ORANGE
CURRENT FUND

STATEMENT OF EXPENDITURES
REGULATORY BASIS
YEAR ENDED DECEMBER 31, 2012

	Budget	Budget After Modification	Expended			Unexpended Balance Canceled
			Paid or Charged	Encumbered	Reserved	
NJ Department of Law and Public Safety						
Body Armor Replacement Fund	\$ 8,594.71	\$ 8,594.71	\$ 8,594.71	\$	\$	\$
NJ Transit-Commuter Shuttle						
County of Essex-Delinquency Prevention Grant	18,562.00	18,562.00	18,562.00			
New Jersey Department of Environmental Protection						
No Net Loss Reforestation Act						
Cops In Shops	1,546.13	1,546.13	1,546.13			
Body Armor Replacement Fund						
Assistance to Firefighters Grant						
Federal Domestic Assistance						
West Orange Streetscape						
Property Acquisition-Parking Garage						
Edward Byrne Memorial Justice Assistance Grant						
Recycling Tonnage	54,817.70	54,817.70	54,817.70			
NJ Clean Energy		13,786.00	13,786.00			
NJ Dept. of Law and Public Safety						
Pedestrian Safety Enforcement						
County of Essex-ILEA Grant	27,840.00	27,840.00	27,840.00			
Bullet Proof Vest Program Grant	21,302.25	21,302.25	21,302.25			
Total Public and Private Programs Offset by Revenue	343,208.88	356,994.88	356,994.88			
Total Operations - Excluded from "CAPS"	5,363,485.74	5,309,250.16	5,205,068.82		101,881.34	2,300.00
Detail:						
Salaries & Wages	65,072.53					
Other Expenses	5,298,413.21	5,309,250.16	5,205,068.82		101,881.34	2,300.00
(C) Capital Improvements - Excluded from "CAPS"						
Down Payments on Improvements						
Capital Improvement Fund	100.00	100.00	100.00			
Public and Private Programs Offset by Revenues:						
New Jersey DOT Trust Fund Authority Act						
Beile Terre Road and Roosevelt Ave.	210,000.00	210,000.00	210,000.00			
Total Capital Improvements - Excluded from "CAPS"	210,100.00	210,100.00	210,100.00			
(D) Municipal Debt Service - Excluded from "CAPS"						
Payment of Bond Principal	3,385,000.00	3,385,000.00	3,385,000.00			
Payment of Bond Anticipation Notes and Capital Notes	487,052.00	564,500.00	564,500.00			
Interest on Bonds	1,259,748.00	1,259,747.52	1,259,747.52			
Interest on Notes	194,045.97	186,884.21	186,884.21			

TOWNSHIP OF WEST ORANGE
CURRENT FUND

STATEMENT OF EXPENDITURES
REGULATORY BASIS
YEAR ENDED DECEMBER 31, 2012

	Budget	Budget After Modification	Expended			Unexpended Balance Canceled
			Paid or Charged	Encumbered	Reserved	
NJ Environmental Infrastructure Trust and Fund Loans						
Principal	\$ 237,229.00	\$ 237,229.00	\$ 237,229.00	\$	\$	\$
Interest	79,406.00	77,141.82	77,141.82			
Total Municipal Debt Service - Excluded from "CAPS"	5,642,480.97	5,710,502.55	5,710,502.55			
(E) Deferred Charges - Municipal - Excluded from "CAPS"						
(1) DEFERRED CHARGES:						
Emergency Authorizations						
Special Emergency Authorizations-						
5 Years (N.J.S.A. 40A:4-55)						
Special Emergency Authorizations-						
3 Years (N.J.S.A. 40A:4-55.1 & 40A:4-55.13)						
Deferred Charges to Future Taxation-Unfunded						
ORD#2322-11 Severance Liabilities	89,780.00	89,780.00	89,780.00			
Total Deferred Charges - Municipal - Excluded from "CAPS"	89,780.00	89,780.00	89,780.00			
(F) Judgments (N.J.S.A. 40A:4-45.3cc)						
(N) Transferred to Board of Education for Use of Local Schools (N.J.S.A. 40:48-17.1 & 17.3)						
(G) With Prior Consent of Local Finance Board: Cash Deficit of Preceding Year						
(H-2) Total General Appropriations for Municipal Purposes Excluded from "CAPS"	11,305,846.71	11,319,632.71	11,215,451.37		101,881.34	2,300.00

TOWNSHIP OF WEST ORANGE
CURRENT FUND

STATEMENT OF EXPENDITURES
REGULATORY BASIS
YEAR ENDED DECEMBER 31, 2012

	Budget	Budget After Modification	Paid or Charged	Expended		Unexpended Balance Canceled
				Encumbered	Reserved	
For Local District School Purposes - Excluded from "CAPS"						
(I) Type 1 District School Debt Service	\$	\$	\$	\$	\$	\$
Payment of Bond Principal						
Payment of Bond Anticipation Notes						
Interest on Bonds						
Interest on Notes						
Total of Type 1 District School Debt Service - Excluded from "CAPS"						
(J) Deferred Charges and Statutory Expenditures - Local School - Excluded from "CAPS"						
Emergency Authorizations - Schools						
Capital Project for Land, Building or Equipment N.J.S.A. 18A:22-20						
Total of Deferred Charges and Statutory - Expenditures-Local School - Excluded from "CAPS"						
(K) Total Municipal Appropriations for Local District School Purposes (Item (I) and (J)) - Excluded from "CAPS"						
(O) Total General Appropriations - Excluded from "CAPS"	11,305,846.71	11,319,632.71	11,215,451.37		101,881.34	2,300.00
(L) Subtotal General Appropriations	67,138,965.85	67,752,751.85	64,179,258.36	999,893.00	2,114,590.13	459,010.36
(M) Reserve for Uncollected Taxes	3,279,710.96	3,279,710.96	3,279,710.96			
Total General Appropriations	\$ 70,418,676.81	\$ 71,032,462.81	\$ 67,458,969.32	\$ 999,893.00	\$ 2,114,590.13	\$ 459,010.36

	Ref.	Below	A	A	A-1
Original Budget	A-2	\$ 70,418,676.81			
Added per N.J.S.A. 40A:4-54	A-28	600,000.00			
Added per N.J.S.A. 40A:4-87	A-2	13,786.00			
		<u>\$ 71,032,462.81</u>			
Cash Disbursed	A-4	\$ 62,872,483.48			
Deferred Charges	A-28	89,780.00			
Reserve for Tax Appeals	A-10	650,000.00			
Reserve for Grants	A-26	566,994.88			
Reserve for Uncollected Taxes	A-2	3,279,710.96			
		<u>\$ 67,458,969.32</u>			

**TOWNSHIP OF WEST ORANGE
TRUST FUND**

B
Sheet # 1

**COMPARATIVE BALANCE SHEETS
REGULATORY BASIS
DECEMBER 31, 2012 AND 2011**

<u>ASSETS</u>	<u>Ref.</u>	<u>2012</u>	<u>2011</u>
ANIMAL CONTROL FUND:			
Cash	B-3	\$ 36,165.81	\$ 59,454.69
		<u>\$ 36,165.81</u>	<u>\$ 59,454.69</u>
GENERAL TRUST FUND:			
Cash	B-3	\$ 4,222,180.44	\$ 5,931,037.86
		<u>\$ 4,222,180.44</u>	<u>\$ 5,931,037.86</u>
INSURANCE TRUST FUND:			
Cash	B-4	\$ 467,141.72	\$ 687,235.20
		<u>\$ 467,141.72</u>	<u>\$ 687,235.20</u>
FEDERAL GRANT TRUST FUND:			
Cash	B-5	\$ 132,190.46	\$ 63,253.00
Grant Receivable	B-6	351,351.87	444,749.87
		<u>\$ 483,542.33</u>	<u>\$ 508,002.87</u>
OPEN SPACE TRUST FUND			
Cash	B-2	\$ 525,852.48	\$ 476,171.72
Due from Current Fund	B-10A	226.73	1,059.99
		<u>\$ 526,079.21</u>	<u>\$ 477,231.71</u>
SPECIAL IMPROVEMENT DISTRICT FUND			
SID Receivable	B-9	\$	\$ 7,751.58
		<u>\$</u>	<u>\$ 7,751.58</u>
ASSESSMENT TRUST FUND			
Cash	B-3	\$ 23,091.98	\$ 23,639.98
Assessments Receivable	B-7	57,612.70	80,704.68
		<u>\$ 80,704.68</u>	<u>\$ 104,344.66</u>

**TOWNSHIP OF WEST ORANGE
TRUST FUND**

B
Sheet # 2

**COMPARATIVE BALANCE SHEETS
REGULATORY BASIS
DECEMBER 31, 2012 AND 2011**

<u>LIABILITIES, RESERVES AND FUND BALANCE</u>	<u>Ref.</u>	<u>2012</u>	<u>2011</u>
ANIMAL CONTROL FUND:			
Prepaid License Fees	B-12	\$ 3,949.80	\$ 3,132.00
Accounts Payable			274.42
Due to State of New Jersey	B-10	478.20	42.00
Reserve For Dog Fund Expenditures	B-15	31,737.81	56,006.27
		<u>\$ 36,165.81</u>	<u>\$ 59,454.69</u>
GENERAL TRUST FUND:			
Special Deposits	B-13	\$ 4,006,727.23	\$ 5,712,959.12
Accounts Payable			1,240.03
Fund Balance	B-1A	215,453.21	216,838.71
		<u>\$ 4,222,180.44</u>	<u>\$ 5,931,037.86</u>
INSURANCE TRUST FUND:			
Reserve for Insurance Claims	B-16	\$ 462,271.87	\$ 682,367.35
Fund Balance	B-11	4,869.85	
Due to State of New Jersey			4,867.85
		<u>\$ 467,141.72</u>	<u>\$ 687,235.20</u>
FEDERAL GRANT TRUST FUND:			
Reserve for Grant Expenditures:			
Community Development Block Grant	B-17	\$ 358,843.55	\$ 444,750.00
Section 8 Housing	B-18	124,698.78	63,252.87
		<u>\$ 483,542.33</u>	<u>\$ 508,002.87</u>
OPEN SPACE TRUST FUND			
Reserve for Open Space Expenditures	B-19	\$ 526,079.21	\$ 477,231.71
		<u>\$ 526,079.21</u>	<u>\$ 477,231.71</u>
SPECIAL IMPROVEMENT DISTRICT FUND			
Reserve for SID Receivable	B-14	\$	\$ 7,751.58
		<u>\$</u>	<u>\$ 7,751.58</u>
ASSESSMENT TRUST FUND			
Reserve for Assessment Receivable	B-20	\$ 57,612.70	\$ 80,704.68
Fund Balance	B-1	23,091.98	23,639.98
		<u>\$ 80,704.68</u>	<u>\$ 104,344.66</u>

See Accompanying Notes to Financial Statements

**TOWNSHIP OF WEST ORANGE
TRUST FUNDS**

**STATEMENT OF FUND BALANCE
ASSESSMENT TRUST
REGULATORY BASIS
YEAR ENDED DECEMBER 31, 2012**

	<u>Ref.</u>		B-1
Balance, December 31, 2011	B	\$	23,639.98
Increased by:			
Cash Receipts	B-3		523,091.98
			546,731.96
Decreased by:			
Llewellyn Park Assessment	B-3	\$ 500,000.00	
Payment to Current Fund as Anticipated Revenue	B-3	23,639.98	523,639.98
Balance, December 31, 2012	B	\$	23,091.98

**STATEMENT OF FUND BALANCE
GENERAL TRUST FUND
REGULATORY BASIS
YEAR ENDED DECEMBER 31, 2012**

	<u>Ref.</u>		B-1A
Balance, December 31, 2011	B	\$	216,838.71
Increased by:			
Cancelations	B-13, B-21		213,614.50
			430,453.21
Decreased by:			
Payment to Current Fund as Anticipated Revenue	B-3A		215,000.00
Balance, December 31, 2012	B	\$	215,453.21

**TOWNSHIP OF WEST ORANGE
GENERAL CAPITAL FUND**

C

**COMPARATIVE BALANCE SHEETS
REGULATORY BASIS
DECEMBER 31, 2012 AND 2011**

<u>ASSETS</u>	<u>Ref.</u>	<u>2012</u>	<u>2011</u>
Cash	C-2	\$ 4,059,380.40	\$ 3,190,219.03
NJEPA Trust and Fund Loan Receivable	C-15	1,378,831.00	1,825,251.00
State Grants Receivable	C-14	1,913,647.62	1,913,647.62
		<u>3,292,478.62</u>	<u>3,738,898.62</u>
Deferred Charges to Future Taxation:			
Funded	C-6	34,334,941.31	37,957,170.14
Unfunded	C-7	27,937,147.68	18,517,342.68
		<u>62,272,088.99</u>	<u>56,474,512.82</u>
		<u>\$ 69,623,948.01</u>	<u>\$ 63,403,630.47</u>
 <u>LIABILITIES AND FUND BALANCE</u>			
Serial Bonds	C-9	\$ 30,950,000.00	\$ 34,335,000.00
NJEPA Trust and Fund Loan-ORD#1823-02	C-4	541,177.27	591,903.35
NJEPA Trust and Fund Loan-ORD#2017-05	C-4	598,310.36	1,875,452.55
NJEPA Trust and Fund Loan-ORD#2050-05	C-4	488,981.49	641,774.81
NJEPA Trust and Fund Loan-ORD#2214-09	C-4	1,756,472.19	513,039.43
Bond Anticipation Notes	C-10	15,607,303.00	12,487,498.00
Improvement Authorizations:			
Funded	C-11	336,961.16	500,095.13
Unfunded	C-11	11,842,994.27	5,516,371.43
Encumbered	C-11	5,518,726.36	4,572,566.89
Capital Improvement Fund	C-12	3,223.96	3,123.96
Accounts Payable			1,879.72
Due From/To Community Development			18,368.71
Reserve-Parking Garage	C-17	36,073.26	36,073.26
Reserve for Green Acres Receivable	C-14	103,270.02	103,270.02
Reserve-Board of Education	C-14	1,712,666.70	1,712,666.70
Reserve to Pay Debt Service			294,572.68
Fund Balance	C-1	127,787.97	199,973.83
		<u>\$ 69,623,948.01</u>	<u>\$ 63,403,630.47</u>
 Bonds and Notes Authorized but Not Issued	 C-13	 <u>\$ 12,329,844.68</u>	 <u>\$ 6,029,844.68</u>

See Accompanying Notes to Financial Statements

TOWNSHIP OF WEST ORANGE
GENERAL CAPITAL FUND

C-1

STATEMENT OF FUND BALANCE
REGULATORY BASIS
YEAR ENDED DECEMBER 31, 2012

	<u>Ref.</u>		
Balance, December 31, 2011	C		\$ 199,973.83
Increased by:			
Cancelation of Accounts Payable	C-8	\$ 1,879.72	
Premium on Sale of Bond Anticipation Notes	C-2	<u>120,934.42</u>	<u>122,814.14</u>
			322,787.97
Decreased by:			
Payment to Current Fund as Anticipated Revenue	C-2		<u>195,000.00</u>
Balance, December 31, 2012	C		<u>\$ 127,787.97</u>

DRAFT

TOWNSHIP OF WEST ORANGE
SWIMMING POOL UTILITY FUND

D

BALANCE SHEETS
REGULATORY BASIS
DECEMBER 31, 2012 AND 2011

<u>ASSETS</u>	<u>Ref.</u>	<u>2012</u>	<u>2011</u>
OPERATING FUND:			
Cash	D-4	\$ 61,217.06	\$ 130,155.60
ACCOUNTS RECEIVABLE			29.25
		61,217.06	130,184.85
CAPITAL FUND:			
Fixed Capital	D-6	523,433.15	523,433.15
		\$ 584,650.21	\$ 653,618.00
<u>LIABILITIES AND FUND BALANCES</u>			
OPERATING FUND:			
Appropriation Reserves	D-3, D-7	\$ 26,942.49	\$ 29,310.29
Fund Balance	D-1	34,274.57	100,874.56
		61,217.06	130,184.85
CAPITAL FUND:			
Reserve for Amortization	D-8	523,433.15	523,433.15
		\$ 584,650.21	\$ 653,618.00

See accompanying notes to financial statements.

**TOWNSHIP OF WEST ORANGE
SWIMMING POOL UTILITY FUND**

D-1

**STATEMENT OF OPERATIONS
AND CHANGES IN FUND BALANCE
REGULATORY BASIS
YEARS ENDED DECEMBER 31, 2012 AND 2011**

	<u>Ref.</u>	<u>2012</u>	<u>2011</u>
REVENUE AND OTHER INCOME:			
Fund Balance Utilized	D-2	\$ 3,376.00	\$
Membership Fees	D-2	179,601.00	185,030.00
Miscellaneous Revenue Anticipated	D-2	59,576.46	51,791.51
Other Credits to Income:			
Appropriation Reserves Lapsed	D-7	<u>29,127.80</u>	<u>3,156.86</u>
TOTAL REVENUE AND OTHER INCOME		<u>271,681.26</u>	<u>239,978.37</u>
EXPENDITURES:			
Budgeted Appropriations:			
Salaries and Wages	D-3	155,110.47	147,529.00
Other Expenses	D-3	73,478.53	81,060.00
Statutory Expenditures	D-3	11,287.00	11,287.00
Other Adjustments to Income:			
Account Receivable Canceled	D-5	<u>29.25</u>	<u></u>
TOTAL EXPENDITURES	D-3	<u>239,905.25</u>	<u>239,876.00</u>
EXCESS OF REVENUE OVER EXPENDITURES		31,776.01	102.37
FUND BALANCE, BEGINNING OF YEAR	D	<u>100,874.56</u>	<u>275,772.19</u>
		132,650.57	275,874.56
UTILIZED AS ANTICIPATED REVENUE IN CURRENT FUND	D-4	95,000.00	175,000.00
UTILIZED AS ANTICIPATED REVENUE IN POOL UTILITY	D-2	<u>3,376.00</u>	<u></u>
FUND BALANCE, END OF YEAR	D	<u>\$ 34,274.57</u>	<u>\$ 100,874.56</u>

See accompanying notes to financial statements.

**TOWNSHIP OF WEST ORANGE
SWIMMING POOL UTILITY FUND**

D-2

**STATEMENT OF REVENUES
YEAR ENDED DECEMBER 31, 2012**

	Ref.	Anticipated Budget	Realized	Excess or (Deficit)
Fund Balance Anticipated	D-1	\$ 3,376.00	\$ 3,376.00	\$
Membership Fees	D-1, D-4	186,400.00	179,601.00	(6,799.00)
Miscellaneous	D-1, D-4	<u>50,100.00</u>	<u>59,576.46</u>	<u>9,476.46</u>
	D-3	<u>\$ 239,876.00</u>	<u>\$ 242,553.46</u>	<u>\$ 2,677.46</u>

ANALYSIS OF MISCELLANEOUS REVENUES:

Guest Fees	\$ 27,162.00
Food Concession	10,552.52
Swimming Pool Lessons and Courses	6,550.00
Swim Team Fees	5,310.00
Pool Parties	3,143.00
Miscellaneous	6,858.94
	<u>\$ 59,576.46</u>

DRAFT

See accompanying notes to financial statements.

**TOWNSHIP OF WEST ORANGE
SWIMMING POOL UTILITY FUND**

**STATEMENT OF EXPENDITURES
YEAR ENDED DECEMBER 31, 2012**

	<u>Budget</u>	<u>Budget After Modification</u>	<u>Expended</u>		
			<u>Paid or Charged</u>	<u>Encumbered</u>	<u>Reserved</u>
OPERATING:					
Salaries and Wages	\$ 147,529.00	\$ 155,110.47	\$ 155,110.47	\$	\$
Other Expenses	81,060.00	73,478.53	57,823.04	4,968.00	10,687.49
STATUTORY EXPENDITURES:					
Social Security	11,286.00	11,286.00			11,286.00
Unemployment Insurance	1.00	1.00			1.00
	<u>\$ 239,876.00</u>	<u>\$ 239,876.00</u>	<u>\$ 212,933.51</u>	<u>\$ 4,968.00</u>	<u>\$ 21,974.49</u>
<u>Ref.</u>	D-1, D-2	D-1, D-2	D-4	D	D

TOWNSHIP OF WEST ORANGE
PUBLIC ASSISTANCE FUND

E

COMPARATIVE BALANCE SHEETS
REGULATORY BASIS
DECEMBER 31, 2012 AND 2011

<u>ASSETS</u>	<u>Ref.</u>	<u>2012</u>	<u>2011</u>
Cash	E-5	<u>\$ 1,553.99</u>	<u>\$ 1,553.59</u>
		<u>\$ 1,553.99</u>	<u>\$ 1,553.59</u>
<u>LIABILITIES AND RESERVES</u>			
Fund Balance	E-1	<u>\$ 1,553.99</u>	<u>\$ 1,553.59</u>
		<u>\$ 1,553.99</u>	<u>\$ 1,553.59</u>

DRAFT

**TOWNSHIP OF WEST ORANGE
PUBLIC ASSISTANCE FUND**

E-1

**STATEMENTS OF OPERATIONS
AND CHANGES IN FUND BALANCE - TRUST I
REGULATORY BASIS
YEARS ENDED DECEMBER 31, 2012 AND 2011**

	<u>Ref.</u>	<u>2012</u>	<u>2011</u>
REVENUE AND OTHER INCOME:			
Misc Revenues	E-7	\$ 4,443.66	\$ 1,000,000.00
TOTAL REVENUE AND OTHER INCOME		<u>4,443.66</u>	<u>1,000,000.00</u>
EXPENDITURES:			
Due to Current Fund	E-7	4,443.66	1,000,000.00
TOTAL EXPENDITURES		<u>4,443.66</u>	<u>1,000,000.00</u>
EXCESS OF REVENUE OVER EXPENDITURES			
FUND BALANCE, BEGINNING OF YEAR	E	<u>1,553.99</u>	<u>1,553.99</u>
FUND BALANCE, END OF YEAR	E	<u>\$ 1,553.99</u>	<u>\$ 1,553.99</u>

DRAFT

**TOWNSHIP OF WEST ORANGE
PUBLIC ASSISTANCE FUND**

E-2

**STATEMENTS OF OPERATIONS
AND CHANGES IN FUND BALANCE - TRUST II
REGULATORY BASIS
YEARS ENDED DECEMBER 31, 2012 AND 2011**

	<u>Ref.</u>	<u>2012</u>	<u>2011</u>
REVENUE AND OTHER INCOME:			
State Aid	E-3	\$ 298,290.24	\$ 361,025.28
Supplemental Security Income Reimbursements	E-3	44,099.77	45,946.15
		<hr/>	<hr/>
TOTAL REVENUE AND OTHER INCOME	E-3	342,390.01	406,971.43
EXPENDITURES:			
Public Assistance	E-4	342,390.01	406,971.43
		<hr/>	<hr/>
TOTAL EXPENDITURES		342,390.01	406,971.43
EXCESS OF REVENUE OVER EXPENDITURES			
FUND BALANCE, BEGINNING OF YEAR	E	<hr/>	<hr/>
FUND BALANCE, END OF YEAR	E	<u>\$</u>	<u>\$</u>

See accompanying notes to financial statements.

TOWNSHIP OF WEST ORANGE
GENERAL FIXED ASSETS GROUP
BALANCE SHEETS
REGULATORY BASIS
DECEMBER 2012 AND 2011

ASSETS

	December 31,	
	2012	2011
Movable Fixed Assets		
Office Equipment	\$ 2,536,515.00	\$ 2,536,515.00
Vehicles	10,776,850.00	10,776,850.00
Other Equipment	5,183,792.81	4,596,921.17
	18,497,157.81	17,910,286.17
Building	17,471,253.00	17,471,253.00
Land	11,846,821.00	11,893,150.00
	29,318,074.00	29,364,403.00
	\$ 47,815,231.81	\$ 47,274,689.17
FUND BALANCE		
Investments in General Fixed Assets	\$ 47,815,231.81	\$ 47,274,689.17

DRAFT

**TOWNSHIP OF WEST ORANGE
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED DECEMBER 31, 2012**

A. Reporting Entity and Summary of Significant Accounting Policies:

Reporting Entity

The Township of West Orange (the "Township"), formed in 1863, operates under the Mayor-Council system of municipal government, created by N.J.S.A. 40:69A-149.1 et seq. (the "Faulkner Act"). Within this form of government, the Mayor and each member of the Township Council is elected to four year terms on a staggered basis, in nonpartisan elections and serves on an at-large basis, representing the Township.

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 the provisions of N.J.S.A. 40A:5-5.

GASB Statement 14 establishes criteria to be used to determine which component units should be included in the financial statements of the oversight entity. The Division of Local Government Services, Department of Community Affairs, State of New Jersey (the "Division") requires the financial statements of the Township to be reported separately. The financial statements of the Township do not include the operations of the Library and Board of Education.

Description of Funds

The Governmental Accounting Standards Board and subsequent Codification (collectively, "GASB") is the accepted standard-setting body for the establishing governmental accounting and financial reporting principles for state and local governments. The GASB established seven fund types and two account groups to be used by general purpose governmental units when reporting financial position and results of operations in accordance with generally accepted accounting principles ("GAAP").

The accounting policies of the Township conform to the accounting principles and practices prescribed by the Division. Such principles and practices are designed primarily for determining compliance with legal provisions and budgetary restrictions and as a means of reporting on the stewardship of public officials with respect to public funds. Under this method of accounting, the Township accounts for its financial activities through the following separate funds which differ from the fund structure required by generally accepted accounting principles:

Current Fund:

Resources and expenditures for governmental operations of a general nature, including Federal and State grants for operations.

Trust Fund:

Receipts, custodianship, and disbursement of monies in accordance with the purpose for which each reserve was created.

General Capital Fund:

Receipt and disbursement of funds used for acquisition of general capital facilities, other than those acquired in the Current Fund. General bonds and notes payable are recorded in this fund offset by deferred charges to future taxation.

**TOWNSHIP OF WEST ORANGE
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED DECEMBER 31, 2012**

Utilities Funds:

Swimming Pool Utility is treated as a separate entity. The Utility maintains its own Operating and Capital Funds which reflect revenue, expenditures, stewardship, acquisitions of utility infrastructure and other capital facilities, debt service, long-term debt and other related activity.

General Fixed Assets Account Group:

Estimated cost of general fixed assets acquired by the Township.

Public Assistance Fund:

Receipts and disbursements of funds that provide assistance to certain residents of the Township pursuant to Title 44 of New Jersey Statutes.

Basis of Accounting

The accounting principles and practices prescribed for municipalities by the Division differ in certain respects from generally accepted accounting principles applicable to local government units. The more significant differences are as follows:

Property Taxes and Other Revenues:

Property taxes and other revenues are recognized on a cash basis. Receivables for property taxes and other items that are susceptible to accrual are recorded with offsetting reserves on the balance sheet of the Township's Current Fund. GAAP requires such revenue to be recognized in the accounting period when they become susceptible to accrual, reduced by an allowance for doubtful accounts.

Grant Revenues and Expenditures:

Federal and State grants, entitlements or shared revenues received for purposes normally financed through the Current Fund, are recognized when anticipated in the Township budget. GAAP requires such revenues to be recognized in the accounting period when they are earned and the expenditures to be recognized when the liability is incurred.

Expenditures:

Unexpended or uncommitted appropriations at December 31st are reported as expenditures through the establishment of appropriation reserves, unless canceled by the governing body. GAAP requires expenditures to be recognized in the accounting period in which the fund liability is incurred, except for un-matured interest on general long-term debt, which should be recognized when due.

Encumbrances:

Contractual orders at December 31st are reported as expenditures through the establishment of a reserve for encumbrances. Encumbrances do not constitute expenditures under GAAP.

Appropriation Reserves:

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

Compensated Absences:

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

**TOWNSHIP OF WEST ORANGE
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED DECEMBER 31, 2012**

Property Acquired for Taxes:

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

Fixed Assets:

Purchases by the Current and General Capital Funds are recorded as expenditures. A General Fixed Assets Account Group, required by GAAP and the Division to account for the Township's general property and equipment, excluding infrastructure items, has been established and, accordingly, is presented in the financial statements.

Cash and Investments:

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

Inter-funds:

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

Property Tax Revenues:

Real property taxes are assessed locally, based upon the assessed value of the property. The tax bill includes a levy for Municipal, County, and School purposes. Taxes are payable in four quarterly installments on August 1, November 1, February 1, and May 1. If unpaid on these dates, the amount due becomes delinquent and subject to interest at 8% per annum, or 18% on any delinquency amount in excess of \$1,500. The School levy is turned over to the Board of Education as expenditures are incurred, and the balance, if any, must be transferred as of June 30, of each fiscal year. County taxes are paid quarterly on February 15, May 15, August 15, and November 15, to the County by the Township. When unpaid taxes or any municipal lien, or part thereof, on real property, remains in arrears on November 1 in the year following the calendar year levy when the same became in arrears, the collector in the municipality shall, subject to the provisions of the New Jersey Statutes, enforce the lien by placing the property on a tax sale.

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

Miscellaneous Revenues:

Miscellaneous revenues are recognized on a cash basis. Receivables for the miscellaneous items that are susceptible to accrual are recorded with offsetting reserves on the balance sheet of the Township's Current Fund. GAAP requires such revenues to be recognized in the accounting period when they become susceptible to accrual.

**TOWNSHIP OF WEST ORANGE
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED DECEMBER 31, 2012**

Grant Revenues:

Federal and State grants, entitlements or shared revenues received for purposes normally financed the Current Fund are recognized when anticipated in the Township's budget. GAAP requires such revenues to be recognized in the accounting period when they become susceptible to accrual.

Budget and Budgetary Accounting:

An annual budget is required to be adopted and integrated into the accounting system to provide budgetary control over revenues and expenditures. Budget amounts presented in the accompanying financial statements represent amounts adopted by the Township and approved by the State Division of Local Government Services per N.J.S.A. 40A:4 et seq.

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

- General Capital Funds
- Trust Funds
- Public Assistance Funds

The governing body shall introduce and approve the annual budget not later than February 10th of the fiscal year. The budget shall be adopted not later than March 20th and prior to adoption must be certified by the Division of Local Government Services, Department of Community Affairs, and State of New Jersey. The Director of the Division, with the approval of the Local Finance Board, may extend the introduction and approval and adoption dates of the municipal budget. The budget is prepared by fund, function, activity and line item (salary or other expense) and includes information on the previous year.

The legal level of control for appropriations is exercised at the individual line item level for all operating budgets adopted. Emergency appropriations, those made after the adoption of the budget and determination of the tax rate, may be authorized by the governing body of the municipality. During the last two months of the year, the governing body may, by a 2/3 vote, amend the budget through line item transfers. Management has no authority to amend the budget without the approval of the Governing Body. Expenditures may not legally exceed budgeted appropriations at the line item level.

Basic Financial Statements

The GASB also defines the financial statements of a governmental unit to be presented in the general purpose financial statements to be in accordance with GAAP. The Township presents the financial statements on the basis of accounting described in Note 1, as required by the Division, and differs from the financial statements required by GAAP. In addition, the Division requires the financial statements to be referenced to the supplementary schedules. This practice differs from GAAP.

Use of Estimates

The preparation of financial statements in conformity with GAAP and the Division requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reported period. Actual results could differ from those estimates.

**TOWNSHIP OF WEST ORANGE
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED DECEMBER 31, 2012**

B. Deposits and Investments:

Deposits/Concentration of Credit Risk

New Jersey statutes permit the deposit of public funds in institutions located in New Jersey which are insured by the Federal Deposit Insurance Corporation ("FDIC"), the Savings Association Insurance Fund ("SAIF"), or by any other agencies of the United States that insures deposits or the State of New Jersey Cash Management Fund.

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

The Market Value of the collateral must equal five percent of the average daily balance of public funds; or

If the public funds deposited exceed 75 percent of the capital funds of the depository, the depository must provide collateral having a market value equal to 100 percent of the amount exceeding 75 percent.

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

The Township's deposits are insured through either the FDIC or New Jersey's Governmental Unit Deposit Protection Act ("GUDPA"). GUDPA requires all banks doing business in the State of New Jersey to maintain additional collateral in the amount of 5% of the average public deposits and deposit these amounts with the Federal Reserve Bank for all deposits not covered by the FDIC.

Investments/Concentration of Credit Risk

New Jersey statutes allow the Township to purchase the following types of securities:

- a. Bonds or other obligations of the United States or obligations guaranteed by the United States.
- b. Bonds of any Federal Intermediate Credit Bank, Federal Home Loan Bank, Federal National Mortgage Associates or of any United States Bank for Cooperatives which have a maturity date not greater than twelve months from the date of purchase.
- c. Bonds or other obligations of the Township or bonds or other obligations of school districts, which are a part of the Township or school districts located within the Township.
- d. Bonds or other obligations, having a maturity date of not more than twelve months from the date of purchase, which are approved by the New Jersey Department of Treasury, Division of Investments.
- e. Government Money Market Mutual Funds
- f. Local Government investment pools

The Township's investment activities are in accordance with New Jersey statutes. The investments are insured by SIPC up to \$500,000 of insurance.

**TOWNSHIP OF WEST ORANGE
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED DECEMBER 31, 2012**

The Township's cash and investments at December 31, 2012 are as follows:

<u>Type</u>	<u>Collateral</u>	<u>Bank Balance December 31, 2012</u>	<u>Carrying Amount December 31, 2012</u>	<u>Fund</u>
Deposits:				
Cash on Deposit	FDIC, State Collateral Pool	\$ 9,302,736.91	\$ 7,750,252.48	Current
	FDIC, State Collateral Pool	105,501.34		Payroll
	FDIC, State Collateral Pool	5,406,622.89	5,362,692.53	Trust
	FDIC, State Collateral Pool	3,920,357.43	4,059,380.40	Capital
	FDIC, State Collateral Pool	1,553.99	1,553.99	Public Assistance
	FDIC, State Collateral Pool	<u>61,217.06</u>	<u>61,217.06</u>	Swimming Pool
Total Cash		<u>\$18,982,210.36</u>	<u>\$17,230,600.71</u>	

C. Outstanding Debt:

General Serial Bonds

The Local Bond Law governs the issuance of bonds and notes to finance capital expenditures. All bonds are retired in serial installments within the statutory period of usefulness of the capital expenditures. All bonds issued by the Township are general obligation bonds, backed by the full faith and credit of the Township.

Bond and Tax Anticipation Notes

Under the Local Bond Law, the Township may issue bond anticipation notes to temporarily finance capital projects. The notes are full faith and credit obligations of the Township. Bond anticipation notes must be paid off within ten years and five months or retired by the issuance of bonds.

Under N.J.S.A. 40A:4-64, the Township may issue tax anticipation notes to temporarily finance current fund operations. Tax collections are pledged to the payment of such debt. The notes must be redeemed within one year.

At December 31, 2012, there were \$15,607,303.00 of bond anticipation notes outstanding consisting of bond anticipation notes in the amount of \$8,713,098.00 due on May 22, 2014 at 1.50% interest rate, bond anticipation notes in the amount of \$3,209,900.00 due on October 22, 2014 at 1.25% and bond anticipation notes in the amount of \$3,684,305.00 due on October 22, 2014 at 1.00%; additionally, there were special emergency notes issued in the amount of \$359,120.00, also due on October 22, 2014 at 1.50%.

**TOWNSHIP OF WEST ORANGE
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED DECEMBER 31, 2012**

Deferred Charges to Future Taxation Funded and Unfunded

Upon the authorization of capital projects, the Township established deferred charges for the cost 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 New Jersey Statutes Annotated 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 the particular year in the current budget. As funds are raised, the deferred charges are reduced.

Township debt is summarized as follows:

	December 31,	
	<u>2012</u>	<u>2011</u>
General Obligation Bonds and Notes		
Authorized But Not Issued	\$12,329,844.68	\$ 6,029,845.68
General Obligation Bonds and Notes – Issued	<u>50,293,364.31</u>	<u>50,444,668.14</u>
 Total General Debt	 <u>\$62,623,208.99</u>	 <u>\$56,474,513.82</u>

DRAFT

**TOWNSHIP OF WEST ORANGE
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED DECEMBER 31, 2012**

Principal and interest due on General Capital Bonds outstanding by issue is as follows:

	2002 NJEIT Issue		2000 and 2003 Issue		2004 Issue		2005 Issue		2008 NJEIT Issue		2008 NJEIT Issue		2008 Issue		2010 NJEIT Issue		2011 Issue	
	Principal	Interest	Principal	Interest	Principal	Interest	Principal	Interest	Principal	Interest	Principal	Interest	Principal	Interest	Principal	Interest	Principal	Interest
2013	49,947.21	15,037.50	80,000.00	81,001.26	1,115,000.00	247,125.00	1,258,000.00	179,837.50	117,203.47	41,268.76	42,534.09	7,500.00	400,000.00	289,812.50	24,057.74	10,800.00	500,000.00	349,125.00
2014	49,128.99	13,725.00	85,000.00	77,561.28	1,110,000.00	191,500.00	1,275,000.00	129,371.87	123,057.30	33,518.76	41,605.31	7,000.00	500,000.00	272,812.50	24,057.74	10,100.00	550,000.00	339,125.00
2015	48,311.58	12,412.50	110,000.00	71,606.28	1,105,000.00	158,125.00	1,375,000.00	81,688.75	121,718.90	25,618.76	40,875.75	6,800.00	500,000.00	265,312.50	24,057.74	9,800.00	750,000.00	324,125.00
2016	56,648.19	11,152.50	130,000.00	89,267.51	1,100,000.00	81,000.00	1,550,000.00	28,287.50	118,308.84	33,118.76	39,746.19	6,000.00	500,000.00	237,812.50	24,057.74	9,100.00	800,000.00	505,975.00
2017	54,713.95	9,682.50	150,000.00	57,713.78	1,070,000.00	20,750.00			126,719.58	30,518.76	39,816.51	5,500.00	900,000.00	220,312.50	20,057.74	8,800.00	800,000.00	281,315.00
2018	53,778.91	8,162.50	170,000.00	49,888.70					133,299.00	27,016.76	38,072.95	5,100.00	900,000.00	186,812.50	20,057.74	7,850.00	800,000.00	257,315.00
2019	52,844.28	6,662.50	190,000.00	38,828.38					131,347.82	24,243.75	37,929.31	4,700.00	900,000.00	155,002.50	20,057.74	7,100.00	800,000.00	233,315.00
2020	60,025.00	5,162.50	220,000.00	27,075.00					137,035.77	21,468.78	36,585.85	4,300.00	1,000,000.00	120,000.00	20,057.74	6,500.00	800,000.00	209,315.00
2021	58,934.67	3,412.50	245,000.00	19,822.50					143,700.78	18,693.76	50,137.88	3,800.00	1,000,000.00	80,000.00	20,057.74	5,750.00	800,000.00	185,315.00
2022	57,844.43	1,862.50	55,000.00	8,272.50					141,934.25	15,093.76	48,997.34	3,281.25	1,000,000.00	40,000.00	20,057.74	5,300.00	850,000.00	159,315.00
2023			45,000.00	1,682.50					147,413.48	11,593.76	47,837.00	2,682.50			20,057.74	4,700.00	850,000.00	131,750.00
2024									153,241.34	7,870.00	46,651.80	2,025.00			20,057.74	4,100.00	850,000.00	102,000.00
2025									160,897.39	5,037.00	45,257.44	1,275.00			20,057.74	3,500.00	850,000.00	68,000.00
2026															34,057.74	2,900.00	950,000.00	34,000.00
2027															34,057.74	2,200.00		
2028											44,072.41	837.50			34,057.74	1,400.00		
2029															20,057.86	800.00		
Total	\$591,803.35	\$170,750.00	\$1,585,000.00	\$774,586.65	\$8,060,000.00	\$994,000.00	\$6,200,000.00	\$627,750.38	\$1,475,452.55	\$354,837.82	\$641,774.91	\$58,381.25	\$5,035,000.00	\$2,156,750.00	\$1,013,039.45	\$111,000.00	\$11,505,000.00	\$3,370,875.00

The summarized statement of debt condition which follows is prepared in accordance with the required method used in preparing the Annual Debt Statement and indicates a statutory net debt of 1.015% as compared to the statutory net debt limitation of 3.5%.

**TOWNSHIP OF WEST ORANGE
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED DECEMBER 31, 2012**

Tier 1 Members (members enrolled prior to July 1, 2007) are eligible for retirement at age 60 with an annual benefit generally determined to be $1/55^{\text{th}}$ of the average annual compensation for the highest three fiscal years' compensation for each year of membership during years of creditable service. Early retirement is available to those under 60 with 25 or more years of credited service. Members who retire early and are under age 55 receive retirement benefits as calculated in the above mentioned formula, but at a reduced rate ($1/4$ of 1% for each month the member lacks of attaining age 55). Tier 2 Members (members enrolled July 1, 2007 to November 2, 2008) are eligible for retirement at age 66 with an annual benefit generally determined to be $1/55^{\text{th}}$ of the average annual compensation for the highest three fiscal years' compensation for each year of membership during years of creditable service. Early retirement is available to these under age 60 with 25 or more years of credited service. Members who retire early and are under age 60 receive retirement benefits as calculated in the above mentioned formula, but at a reduced rate ($1/12$ of 1% each month the member lacks attaining age 60, but over age 55 and $1/4$ of 1% for each month the member lacks of attaining age 55).

Chapter 89, P.L. 2008, established a minimum base salary of \$7,700 per year to be eligible for enrollment in Tier 3 of the PERS (members enrolled on or after November 2, 2008 and prior to May 21, 2011) are eligible for retirement at age 62 with an annual benefit generally determined to be $1/55^{\text{th}}$ of the average annual compensation for the highest three fiscal years' compensation for each year of membership during years of creditable service. Early retirement is available to those under age 62 with 25 or more years of credited service. Members who retire early and is under age 62 receive retirement benefits as calculated in the above mentioned formula, but at a reduced rate ($1/12$ of 1% for each month the member lacks of attaining age 62 but over age 55 and $1/4$ of 1% for each month the member lacks of attaining age 55).

Chapter 1, P.L. 2011, requires a minimum of 32 hours per week to be eligible to enroll in Tier 4 of PERS (members enrolled after May 21, 2011) and are eligible for retirement at age 62 with an annual benefit generally determined to be $1/60^{\text{th}}$ of the average annual compensation for the highest five fiscal years' compensation for each year of membership during years of creditable service. Early retirement is available to those under 62 with 25 or more years of credited service. Members who retire early and are under age 62, receive retirement benefits as calculated in the above mentioned formula, but at a reduced rate ($1/12$ of 1% for each month the member lacks of attaining age 62 but over age 55 and $1/4$ of 1% for each month the member lacks of attaining age 55). Chapter 1, P.L. 2011 imposes a maximum compensation limits for PERS pension contributions for those who become members after May 21, 2011. For 2011, that amount is \$106,800.00. Any members hired after May 21, 2011 whose annual maximum compensation will be reached in any year become a participant of the Defined Contribution Retirement Program ("DCRP") with regard to the remaining compensation, unless the member irrevocably elects to waive participation in the DCRP. For the amount of compensation in excess of the maximum compensation, 5.5 % will be deducted as a contribution for the purposes of the DCRP. The Township will be responsible for the DCRP's matching 3% contribution.

**TOWNSHIP OF WEST ORANGE
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED DECEMBER 31, 2012**

Police and Firemen's Retirement System

PFRS was established July 1, 1944 under the provisions of N.J.S.A. 43:16A, to provide coverage to substantially all full-time County and Municipal police or firemen and State firemen appointed after June 30, 1944. Membership is mandatory for such employees. Members may opt for Service Retirement if over age 55 or Special Retirement at any age if they have a minimum of 25 years of service or 20 years of service if enrolled in the PFRS as of January 18, 2000. Retirement benefits vary depending on age and years of service. Chapter 1, P.L. 2011 imposes a maximum compensation limit for officers who become members after May 21, 2011. For 2011, that amount is \$110,100.00. Any member hired after May 21, 2011, whose annual maximum compensation is reached in any year will become a participant of the DCRP with regard to the remaining compensation, unless the member irrevocably elects to waive participation in the DCRP. For the amount of compensation in excess of the maximum compensation, 5.5% will be deducted as a contribution for the purposes of the DCRP. The Township will be responsible for the DCRP's matching 3% contribution.

Defined Contribution Retirement Program

DCRP was established July 1, 2007, under the provisions of Chapter 92, P.L. 2007 and Chapter 103, P.L. 2007. Prudential is acting on behalf of the NJ Division of Pensions and Benefits as the record keeper and investment funds manager. Chapter 1, P.L. 2011 increased the minimum annual salary required for eligibility in the DCRP. An employee must earn an annual salary of at least \$5,000 to be eligible or to continue participation.

Covered employees are required by State statute to contribute a certain percentage of their salary to the Plan. In addition, the PERS and PFRS bill the Township annually, at an actuarially determinable rate for its required contribution. The current rate is 6.64% for PERS, 10.0% for PFRS and 5.5% for DCRP of annual covered payroll.

The contribution requirements of plan members and the Township are established and may be amended by the Board of Trustees of the respective plans.

E. Deferred Compensation Plan:

The Township offers its employees a deferred compensation plan (the "DC Plan") created in accordance with Internal Revenue Code Section 457. The DC Plan is administered by the Variable Annuity Life Insurance Company ("VALIC"). The DC Plan, available to all Township employees, permits them to defer a portion of their salary until future years. The Township adopted necessary changes to the DC Plan as required by the Economic Growth and Tax Reform Act of 2001 by resolution #9834-02.

As a result of legislative changes, all amounts of compensation deferred, all property and rights purchased, and all income, property, or rights are (until paid or made available to the employee or other beneficiary) held in trust for the exclusive benefit of the participants and their beneficiaries, whereas, prior to these legislative changes, these amounts were solely the property rights of the Township subject only to the claims of the Township's general creditors. As a result, the deferred compensation investments are no longer reported in the Township financial statements.

**TOWNSHIP OF WEST ORANGE
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED DECEMBER 31, 2012**

A separate report on the DC Plan is filed with the Division of Local Government Services and a copy with the Township Clerk's office.

The Township is currently delinquent in the filing of the 2011 and 2012 reports.

F. Length of Service Award Program:

The Township established a Length of Service Award Program ("LOSAP") in accordance with Internal Revenue Code Section 457 and P.L. 1977, C.388 of the statutes of New Jersey. The Plan is administered by the VALIC. The LOSAP was established to reward members of the West Orange Volunteer First Aid Squad for their services to the residents of the Township. The LOSAP provides for fixed annual contributions from the Township to a deferred income account for each volunteer that meets specific criteria.

A separate report on the LOSAP is filed with the Division of Local Government Services and a copy with the Township Clerk's office.

The Township is currently delinquent in the filing of the 2011 and 2012 reports.

G. Accrued Sick and Vacation Benefits:

The Township permits employees to accrue unused vacation and sick pay, which may be taken as time off or paid at a later date at an agreed upon rate. It is estimated that the current cost of such unpaid compensation would approximate \$16,173,620.00. The 2012 Township budget and the 2012 appropriation reserves include an appropriation for accrued benefits expected to be paid in 2012.

H. Fund Balance Appropriated:

\$2,898,302.12 of the \$3,058,351.68 fund balance of the Current Fund at December 31, 2012 has been appropriated as an item of revenue in the 2013 introduced Township budget.

\$25,000 of the fund balance of the Swimming Pool Utility Fund at December 31, 2012 has been appropriated as an item of revenue in the 2013 Current Fund budget.

\$1,037 of the fund balance of the Swimming Pool Utility Fund at December 31, 2012 has been appropriated as an item of revenue in the 2013 Swimming Pool Utility budget.

The 2013 budget has been adopted as of the audit date.

I. Insurance/Contingencies:

The Township became a member of the Garden State Municipal Joint Insurance Fund ("JIF") in November 2003.

Automobile

The Township is liable for the first \$1,000. Any claims in excess of \$1,000 on property per occurrence, per vehicle are covered by the Garden State Joint Insurance Fund to the sum of \$15,000,000. The vehicles are insured for replacement cost cash value. Claims are funded on a cash basis through budget appropriations. A separate fund is not maintained and there was no reserve established at December 31, 2011 for possible catastrophic claims.

**TOWNSHIP OF WEST ORANGE
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED DECEMBER 31, 2012**

General Liability

The Township claims are funded on a cash basis through budget appropriations. A separate fund is not maintained and there was no reserve established at December 31, 2012 for possible catastrophic claims.

The Municipal Insurance Trust Fund for the year 2012 is detailed as follows:

Balance: December 31, 2011		\$ 150,090.34
Increases:		
Budget	\$ 847,805.00	
Miscellaneous	34,708.98	
Interest	<u>679.12</u>	<u>883,192.10</u>
		1,033,282.44
Decreases:		
Claims and Administrative Expenses		<u>(993,310.38)</u>
Balance: December 31, 2012		<u>\$ 39,972.06</u>

The insurance coverage through the Garden State Joint Insurance Fund is up to a limit of \$15,000,000 for primary coverage on automobile, general liability, public officials liability (includes directors and officers), law enforcement liability, employment practices liability (sexual harassment, wrongful termination, failure to promote). Buildings are covered at replacement cost (per property schedule given by management).

Workers' Compensation

The Township self-insures for Worker's Compensation. Claims for Workers' Compensation are funded on a cash basis through budget appropriation. There was no reserve established at December 31, 2012 for possible catastrophic claims.

The Township is liable for the first \$500,000. Any claims in excess of \$500,000 are covered for a specific limit to the sum of \$5,000,000 under the Township Excess Liability Policy.

Processing and payment of Workers' Compensation claims for 2012 were administered by CCMSI.

There has been no provision included in the financial statements for claims incurred but not reported as of December 31, 2012.

The Workers' Compensation Trust Fund for the year 2012 is detailed as follows:

Balance: December 31, 2011		\$ 32,371.83
Increases:		
Budget	\$ 500,000.00	
Other Receipts	<u>8,078.72</u>	<u>508,078.72</u>
		540,450.55
Decreases:		
Claims		<u>(498,203.77)</u>
Balance: December 31, 2012		<u>\$ 42,246.78</u>

**TOWNSHIP OF WEST ORANGE
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED DECEMBER 31, 2012**

Unemployment Insurance

The Township is on a direct reimbursement plan with the State of New Jersey for Unemployment Claims.

The Unemployment Insurance Trust Fund for the year 2012 is detailed as follows:

Balance: December 31, 2011		\$499,905.18
Increases:		
Budget	\$ 7,000.00	
Interest	1,131.21	
Payroll Deductions	<u>30,489.59</u>	<u>38,620.80</u>
		538,525.98
Decreases:		
Claims		<u>(158,472.95)</u>
Balance: December 31, 2012		<u>\$380,053.03</u>

The Township is self-insured for Workers' Compensation, Unemployment Insurance, and is involved in various pending claims. The Township does not believe these pending claims, individually or in the aggregate, would have a material adverse effect on its financial position or changes in net assets. However, the ultimate outcome of these uncertainties may not be determined at December 31, 2012 and, accordingly, no amounts have been accrued to provide any possible contingencies related to these claims.

Health Benefits

Township employees have the option of enrolling in the NJ State Health Benefits Plan or under several Health Maintenance Organizations.

Processing and payment of health benefit claims are administered by Blue Cross and Blue Shield of New Jersey.

Premiums for health benefits are funded on a cash basis through budget appropriations. There was no reserve established at December 31, 2012 for possible catastrophic claims.

J. Note Payable, Lease Receivable, and Related Party Transaction:

On May 2, 2001, the Township entered into an Installment Purchase Agreement, Series 2001, for the acquisition of certain real property in the Township. The acquisition price of \$1,100,000 is being amortized over eleven years at 5.85% per annum, payable quarterly. Unsecured title to the property has been passed to the Township. This agreement represents a general obligation of the Township, which the Township has pledged its full faith and credit for the payment of the principal of and the interest on the agreement. The required final annual debt service was made in 2011.

**TOWNSHIP OF WEST ORANGE
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED DECEMBER 31, 2012**

Subsequent to the execution of the Installment Purchase Agreement, the Township entered into an agreement with the West Orange Board of Education for the lease of said real property. The agreement guaranteed minimum quarterly lease payments to the Township of \$73,070 for the period June 1, 2001 through March 1, 2006.

The Board of Education has the option to purchase the property. This option shall be deemed to have been exercised on the last day of the term if the Board had made all rent payments due and owing and fulfilled all other obligations in full and in a timely manner.

On November 7, 2002, the Township entered into a program, New Jersey Environmental Trust, 2002A for Capital Acquisitions of the Joint Meeting of Essex and Union Counties, of which it is a member. The Trust Loan of \$385,000.00 is being amortized over 20 years at 4.00-5.25% per annum, payable semiannually. The Fund Loan of \$338,473.72 is being amortized over 20 years, and is an interest free loan. This agreement represents a general obligation of the Township, which the Township has pledged its full faith and credit for the payment of the principal of and interest on the agreement.

The required future annual debt service is as follows:

<u>Year</u>	<u>Fund Loan Principal</u>	<u>Trust Loan Principal</u>	<u>Trust Loan Interest</u>	<u>Total</u>
2013	\$ 24,947.21	\$ 25,000.00	\$15,037.50	\$ 64,984.71
2014	24,129.39	25,000.00	13,725.00	62,854.39
2015	23,311.58	25,000.00	12,412.50	60,724.08
2016	25,648.19	30,000.00	11,162.50	66,810.69
2017	24,713.55	30,000.00	9,662.50	64,376.05
2018	23,778.91	30,000.00	8,162.50	61,941.41
2019	22,844.25	30,000.00	6,662.50	59,506.75
2020	25,025.09	35,000.00	5,162.50	65,187.59
2021	23,934.67	35,000.00	3,412.50	62,347.17
2022	<u>22,844.43</u>	<u>35,000.00</u>	<u>1,662.50</u>	<u>59,506.93</u>
Total	<u>\$241,177.27</u>	<u>\$300,000.00</u>	<u>\$87,062.50</u>	<u>\$628,239.77</u>

**TOWNSHIP OF WEST ORANGE
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED DECEMBER 31, 2012**

On October 25, 2005, the Township entered into a program, New Jersey Environmental Trust 2005, for Storm Drainage Improvements. The Trust Loan Series 2005A of \$1,145,000.00 is being amortized over 20 years at 4.00-5.00% per annum, payable semiannually. The Fund Loan of \$1,064,001.37 is being amortized over 20 years, interest free. This agreement represents a general obligation of the Township, which the Township has pledged its full faith and credit for the payment of the principal and interest.

<u>Year</u>	<u>Fund Loan Principal</u>	<u>Trust Loan Principal</u>	<u>Trust Loan Interest</u>	<u>Total</u>
2013	\$ 62,203.47	\$ 55,000.00	\$ 41,268.76	\$ 158,472.23
2014	63,657.30	60,000.00	38,518.76	162,176.06
2015	61,718.86	60,000.00	35,518.76	157,237.62
2016	63,398.84	65,000.00	33,118.76	161,517.60
2017	61,718.86	65,000.00	30,518.76	157,237.62
2018	63,269.60	70,000.00	27,918.76	161,188.36
2019	61,347.32	70,000.00	24,943.76	156,291.08
2020	62,655.77	75,000.00	21,968.76	159,624.53
2021	63,705.76	80,000.00	18,593.76	162,299.52
2022	61,444.25	80,000.00	15,093.76	156,538.01
2023	62,413.46	85,000.00	11,593.76	159,007.22
2024	63,241.34	90,000.00	7,875.00	161,116.34
2025	<u>60,697.36</u>	<u>90,000.00</u>	<u>3,937.50</u>	<u>154,634.86</u>
Total	<u>\$811,472.19</u>	<u>\$945,000.00</u>	<u>\$310,868.86</u>	<u>\$2,067,341.05</u>

On October 24, 2006, the Township entered into a program, New Jersey Environmental Trust, 2006 for Capital Acquisitions of the Joint Meeting of Essex and Union Counties, of which it is a member. The Trust Loan of \$210,000.00 is being amortized over twenty (20) years at 4.00-5.00% per annum, payable semi-annually. The Fund Loan of \$567,187.84 is being amortized over twenty (20) years, interest free. This agreement represents a general obligation of the Township, which the Township has pledged its full faith and credit for the payment of the principal and interest.

<u>Year</u>	<u>Fund Loan Principal</u>	<u>Trust Loan Principal</u>	<u>Trust Loan Interest</u>	<u>Total</u>
2013	\$ 32,534.89	\$ 10,000.00	\$ 7,500.00	\$ 50,034.89
2014	31,605.31	10,000.00	7,000.00	48,605.31
2015	30,675.75	10,000.00	6,500.00	47,175.75
2016	29,746.19	10,000.00	6,000.00	45,746.19
2017	28,816.61	10,000.00	5,500.00	44,316.61
2018	28,072.95	10,000.00	5,100.00	43,172.95
2019	27,329.31	10,000.00	4,700.00	42,029.31
2020	26,585.65	10,000.00	4,300.00	40,885.65
2021	35,137.68	15,000.00	3,900.00	54,037.68
2022	33,987.34	15,000.00	3,281.25	52,268.59
2023	32,837.00	15,000.00	2,662.50	50,499.50
2024	31,651.80	15,000.00	2,025.00	48,676.80
2025	30,257.44	15,000.00	1,275.00	46,532.44
2026	<u>29,072.44</u>	<u>15,000.00</u>	<u>637.50</u>	<u>44,709.94</u>
Total	<u>\$428,310.36</u>	<u>\$170,000.00</u>	<u>\$60,381.25</u>	<u>\$658,691.61</u>

**TOWNSHIP OF WEST ORANGE
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED DECEMBER 31, 2012**

On October 25, 2010, the Township entered into a program, New Jersey Environmental Trust, 2010 for Capital Improvements of the Joint Meeting of Essex and Union Counties, of which it is a member. The Trust Loan of \$270,000.00 is being amortized over twenty (20) years at 3.00-5.00% per annum, payable semi-annually. The Fund Loan of \$276,469.00 is being amortized over twenty (20) years, interest free. This agreement represents a general obligation of the Township, which the Township has pledged its full faith and credit for the payment of the principal and interest.

It is noted that the Trust Loan was reduced by \$552,937.00 due to funding thru the American Resource Recovery Act.

<u>Year</u>	<u>Fund Loan Principal</u>	<u>Trust Loan Principal</u>	<u>Trust Loan Interest</u>	<u>Total</u>
2013	\$ 14,057.74	\$ 10,000.00	\$ 10,600.00	\$ 34,657.74
2014	14,057.74	10,000.00	10,100.00	34,157.74
2015	14,057.74	10,000.00	9,600.00	33,657.74
2016	14,057.74	10,000.00	9,100.00	33,157.74
2017	14,057.74	15,000.00	8,600.00	37,657.74
2018	14,057.74	15,000.00	7,850.00	36,907.74
2019	14,057.74	15,000.00	7,100.00	36,157.74
2020	14,057.74	15,000.00	6,500.00	35,557.74
2021	14,057.74	15,000.00	5,750.00	34,807.74
2022	14,057.74	15,000.00	5,300.00	34,357.74
2023	14,057.74	15,000.00	4,700.00	33,757.74
2024	14,057.74	15,000.00	4,100.00	33,157.74
2025	14,057.74	15,000.00	3,500.00	32,557.74
2026	14,057.74	20,000.00	2,900.00	36,957.74
2027	14,057.74	20,000.00	2,200.00	36,257.74
2028	14,057.74	20,000.00	1,400.00	35,457.74
2029	14,057.65	15,000.00	600.00	29,657.85
Total	<u>\$238,981.49</u>	<u>\$250,000.00</u>	<u>\$99,900.00</u>	<u>\$588,881.69</u>

K. Post Retirement Benefits:

The Township contributes to the New Jersey Health Benefits Program (the "SHBP"), a cost-sharing multiple-employer defined benefit post-employment healthcare plan administered by the New Jersey Division of Pensions and Benefits. The SHBP was established in 1961 under N.J.S.A. 52:14-17.25 et seq., to provide health benefits to State employees, retirees, and their dependents. Rules governing the operation and administration of the program are found in Title 17, Chapter 9 of the New Jersey Administrative Code. The SHBP provides medical, prescription drugs, mental health/substance abuse, and Medicare Part B reimbursement to retirees and their covered dependents.

The SHBP was extended to employees, retirees, and dependents of participating local public employees in 1964. Local employers must adopt a resolution to participate in the SHBP. In 1998, the Township authorized participation in the SHBP's post-retirement benefits program through resolution number 5964-88 effective January 1, 1989.

**TOWNSHIP OF WEST ORANGE
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED DECEMBER 31, 2012**

Chapter 384 of Public Laws of 1987 and Chapter 6 of Public Laws 1990 require funding of post-retirement medical benefits for those participants after accumulating 25 years of credited service or who are on a disability retirement.

The State Health Benefits Commission is the executive body established by statute to be responsible for the operation of the SHBP. The State of New Jersey Division of Pension and Benefits issues a publicly available financial report that includes financial statements and required supplementary information of SHBP. That report may be obtained by writing to: State of New Jersey Division of Pensions and Benefits, P.O. Box 295, Trenton, NJ 08625-09295 or by visiting their website at www.state.nj.us/treasury/pensions/gasb-43-sept2008.pdf.

Funding Policy: Participating employers are contractually required to contribute based on the amount of premiums attributable to their retirees. Post-retirement medical benefits under the plan have been funded on a pay-as-you-go basis since 1989.

Contributions to pay for the health premiums of participating retirees in the SHBP are billed to the Township of West Orange on a monthly basis. The Township assumes cost through taxation.

The Township of West Orange contributions to Health Benefits for the years ended December 31, 2009, 2010, 2011 and 2012 are as follows:

Year	Health Benefits	Medicare Reimbursements	Number of Participants
2009	\$2,742,151	\$297,812	271
2010	2,790,105	297,587	271
2011	3,182,682	286,831	301
2012	3,495,874	291,507	296

L. Health Benefits:

P.L. 2011 Ch. 78 Section 39 established guidelines for implementing employee contributions to the cost of their health insurance coverage.

The benefit cost of coverage is the premium. For State Health Benefit Plan ("SHBP") employers, the cost of coverage is the cost of medical and prescription coverage. For non-SHBP employers, the law requires that the cost of coverage includes all health care benefits; medical, prescription, dental, vision, etc.

The base salary of the employees determines the percent of premium cost that is contributed.

The contribution is phased in at 25% per year:

- a) Immediately, for employees hired on June 28, 2011 and not subject to Collective Negotiations Agreement ("CNA") that is in effect.
- b) When a CNA that is in effect on June 28, 2011 expires or is in almost any way modified.

**TOWNSHIP OF WEST ORANGE
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED DECEMBER 31, 2012**

Full contribution (Year 4) takes effect immediately for employees hired after June 28, 2011 who are not covered by a CNA or would be covered by a CNA that has expired.

When contributions begin, if the 1.5% of base salary calculation under Ch. 2 is greater than the standard contribution, that amount is paid until the new contribution percentage is greater.

M. Litigation:

The Township is not currently involved in any matters which if determined adversely would have a negative impact on the financial condition of the Township.

DRAFT

TOWNSHIP OF WEST ORANGE

PART I

SUPPLEMENTARY INFORMATION

YEAR ENDED DECMEBER 31, 2012

DRAFT

**TOWNSHIP OF WEST ORANGE
SUPPLEMENTARY INFORMATION**

COMPARATIVE SCHEDULE OF TAX RATE INFORMATION

	<u>2012</u>	<u>2011*</u>	<u>2010</u>
Tax Rate	<u>\$3.544</u>	<u>\$3.481</u>	<u>\$12.983</u>
Apportionment of Tax Rate:			
Municipal	0.860	0.855	3.384
Minimum Library Tax	0.037	0.037	
County	0.489	0.469	1.701
School	2.139	2.100	7.822
Municipal – Open Space	0.037	0.003	0.10
County – Open Space	0.017	0.017	0.66
	<u>\$3.544</u>	<u>\$3.481</u>	<u>\$12.983</u>
Assessed Valuation	<u>\$5,697,136,003</u>	<u>\$5,727,444,799</u>	<u>\$1,509,248,964</u>

*In 2011, the Township performed a revaluation.

SCHEDULE OF TAX LEVIES AND COLLECTION CURRENTLY

<u>Year</u>	<u>Tax Levy</u>	<u>Collections</u>	<u>Percentage of Collections</u>
2012	\$202,455,564.33	\$198,813,009.77	98.20%
2011	199,950,523.48	196,135,553.75	98.10%
2010	196,442,732.54	192,446,833.53	97.95%
2009	194,862,048.93	192,923,538.64	99.00%
2008	188,262,592.49	186,298,309.69	98.95%

SCHEDULE OF DELINQUENT TAXES AND TAX TITLE LIENS

This schedule 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>December 31, Year</u>	<u>Amount of Tax Title Liens</u>	<u>Amount of Delinquent Taxes</u>	<u>Total Delinquent</u>	<u>Percentage of Tax Levy</u>
2012	\$734,211.54	\$2,331,358.29	\$3,065,569.83	1.514%
2011	169,198.38	3,147,736.63	3,316,935.01	1.659%
2010	156,756.86	1,557,515.11	1,714,271.97	.873%
2009	14,047.89	1,563,235.23	1,577,283.12	.809%
2008	12,643.00	1,317,444.00	1,330,087.00	.714%

**TOWNSHIP OF WEST ORANGE
SUPPLEMENTARY INFORMATION**

SCHEDULE OF PROPERTY ACQUIRED BY TAX TITLE LIQUIDATION

The value of all property acquired by liquidation of tax title liens based upon the December 31st valuation of such properties.

<u>Year</u>	<u>Amount</u>
2012	\$392,465.00
2011	392,465.00
2010	392,465.00
2009	392,465.00
2008	392,465.00

SCHEDULE OF FUND BALANCES - CURRENT FUND

<u>Year</u> <u>Current Fund</u>	<u>Balance</u> <u>December 31,</u>	<u>Utilized in Budget</u> <u>of Succeeding Year</u>
2012	\$3,058,351.68	\$2,898,302.12
2011	3,078,370.00	2,537,253.00 *
2010	4,416,059.00	3,400,000.00
2009	5,585,603.00	4,450,000.00
2008	4,223,907.00	3,100,000.00

SCHEDULE OF FUND BALANCES - SWIMMING POOL UTILITY

<u>Year</u> <u>Current Fund</u>	<u>Balance</u> <u>December 31,</u>	<u>Utilized in Budget</u> <u>of Succeeding Year</u>
2012	\$ 34,274.57	26,037.00
2011	100,874.56	98,376.00 *
2010	275,772.00	
2009	279,237.00	46,983.00
2008	297,227.00	17,900.00

* As Adopted

TOWNSHIP OF WEST ORANGE
CURRENT FUND

A-4

CASH RECEIPTS AND DISBURSEMENTS - TREASURER
YEAR ENDED DECEMBER 31, 2012

	<u>Ref.</u>	<u>Regular Fund</u>	<u>State and Federal Grant Fund</u>
Balance, December 31, 2011	A	\$ 7,750,983.63	\$
Increased by Receipts:			
Tax Collector	A-5	222,481,714.90	1,283,373.82
		230,232,698.53	1,283,373.82
Decreased by Disbursements:			
Budget Appropriations	A-3	62,872,483.48	64,463,860
Return of Deposits on Sale of Property	A-17A	1,000.00	1,543,544
Tax Appeals Paid	A-10	1,045,916.66	62,920,316
Tax Title Lienholders Payable	A-10A	732,300.53	47,833
Tax Title Lien Premium Payable	A-10B	343,900.00	
Interfund Settlements	A-13	2,065,555.84	
Special Emergency Notes	A-14	89,780.00	
Appropriation Reserves	A-15	1,617,725.47	
Accounts Payable	A-17	13,117.32	
Refund of Tax Overpayments	A-18	514,157.70	
Open Space Trust	A-14A	147,817.62	
Special Improvement District Assessment	A-14B	105,316.91	
School Tax Payable	A-19	121,879,093.98	
County Tax Payable	A-20	28,849,474.88	
Fees Due to State of New Jersey	A-21	56,301.00	
Interfund Settlements	A-24		130,676.91
Reserve for State Grants	A-26		1,152,696.91
		220,333,941.39	1,283,373.82
Balance, December 31, 2012	A	\$ 9,898,757.14	\$

**TOWNSHIP OF WEST ORANGE
CURRENT FUND**

A-5

**CASH RECEIPTS AND DISBURSEMENTS - COLLECTOR
YEAR ENDED DECEMBER 31, 2012**

	<u>Ref.</u>	<u>Regular Fund</u>	<u>State and Federal Grant Fund</u>
Balance, December 31, 2011		\$ _____	\$ _____
Increased by Receipts:			
Taxes Receivable	A-7	200,807,369.01	
Tax Title Lienholders Payable	A-10A	732,338.53	
Tax Title Lien Premium Payable	A-10B	2,659,000.00	
Revenue Accounts Receivable	A-11	10,740,130.27	
Sewer Rents	A-12	3,716,804.70	
Interfunds	A-13	2,157,240.19	
Exemptions Due from State of New Jersey	A-16	220,750.00	
Tax Overpayments	A-18	542,085.53	
Fees Due to State of New Jersey	A-21	70,633.00	
Prepaid Taxes	A-22	822,835.16	
Transfer from Revenue to Accounts Payable	A-17	12,528.51	
State Grants Receivable	A-24		1,079,476.88
Reserve for State Grants	A-27		203,896.94
		222,481,714.90	1,283,373.82
Decreased by Disbursements:			
Township Treasurer	A-4	\$ 222,481,714.90	\$ 1,283,373.82
		\$ _____	\$ _____
Balance, December 31, 2012		\$ _____	\$ _____

See Independent Auditors' Report

TOWNSHIP OF WEST ORANGE
CURRENT FUND

A-6

SCHEDULE OF CASH - CHANGE FUNDS
YEAR ENDED DECEMBER 31, 2012

	<u>Ref.</u>	
Balance, December 31, 2012 and 2011	A	<u>\$ 450.00</u>
Analysis of Balance:		
Tax Collector		\$ 100.00
Health Department		25.00
Police Department		25.00
Municipal Court		<u>300.00</u>
	Above	<u>\$ 450.00</u>

DRAFT

TOWNSHIP OF WEST ORANGE
CURRENT FUND

TAXES RECEIVABLE AND ANALYSIS OF PROPERTY TAX LEVY
YEAR ENDED DECEMBER 31, 2012

Year	Balance, December 31, 2011	2012 Levy	Added Taxes	2011	Collected 2012	Senior Citizens' and Veterans' Deductions (Net)	Tax Title Liens	Canceled	Balance, December 31, 2012
2009	\$ 3,132.65	\$	\$	\$	\$ 3,132.65	\$	\$	\$	\$
2010	11,632.77				11,632.77				
2011	3,132,971.21		47,495.18		2,952,723.68		227,742.71		
2012		<u>202,455,564.33</u>		<u>718,117.84</u>	<u>197,872,906.31</u>	<u>221,985.62</u>	<u>269,574.36</u>	<u>1,041,621.91</u>	<u>2,331,358.29</u>
	<u>\$ 3,147,736.63</u>	<u>\$ 202,455,564.33</u>	<u>\$ 47,495.18</u>	<u>\$ 718,117.84</u>	<u>\$ 200,840,395.41</u>	<u>\$ 221,985.62</u>	<u>\$ 497,317.07</u>	<u>\$ 1,041,621.91</u>	<u>\$ 2,331,358.29</u>
Reference	A	Below	Reserve	A-22		A-16	A-8		A
		Overpayment Applied		Ref.					
		Cash Receipts		A-18	\$ 33,026.40				
				A-5	<u>200,807,369.01</u>				
					<u>\$ 200,840,395.41</u>				
ANALYSIS OF PROPERTY TAX LEVY:	<u>Ref.</u>								
General Purpose Tax: General Property Tax	Above	<u>\$ 202,455,564.33</u>							
Tax Levy:									
Local District School Tax Levy	A-19	\$ 121,879,095.00							
County Tax	A-20	27,834,764.94							
County Open Space Tax	A-20	944,026.83							
Due County for Added Taxes	A-20	42,726.01							
Due County for Added Open Space	A-20	<u>1,485.37</u>							
	A-2	\$ 150,702,098.15							
Local Tax for Municipal Purposes		51,075,300.00							
Add Additional Tax Levied		<u>424,169.20</u>							
	A-2	51,499,469.20							
Open Space Tax		147,817.62							
Add Additional Open Space Tax		<u>174.80</u>							
	A-2, A-14A	147,992.42							
SID Assessment		106,004.56							
	A-2, A-14B	<u>106,004.56</u>							
		<u>\$ 202,455,564.33</u>							

**TOWNSHIP OF WEST ORANGE
CURRENT FUND**

**TAX TITLE LIENS RECEIVABLE
YEAR ENDED DECEMBER 31, 2012**

A-8

	<u>Ref.</u>		
Balance, December 31, 2011	A	\$	169,198.38
Increased by:			
Transfer from Taxes Receivable	A-7	\$	497,317.07
Year End Penalty	Reserve		46,363.39
Tax Sale Cost	Reserve		375.31
Interest and Costs	Reserve		20,957.39
			565,013.16
Balance, December 31, 2012	A	\$	734,211.54

**PROPERTY ACQUIRED FOR TAXES
DECEMBER 31, 2012**

A-9

	<u>Ref.</u>		
Balance, December 31, 2011	A	\$	392,465.00
Balance, December 31, 2012	A	\$	392,465.00

**TOWNSHIP OF WEST ORANGE
CURRENT FUND**

A-10

**RESERVE FOR TAX APPEALS PENDING
YEAR ENDED DECEMBER 31, 2012**

	<u>Ref.</u>	
Balance, December 31, 2011	A	\$ 1,420,243.80
Increased by:		
Current Year Budget Appropriation	A-3	650,000.00
		<u>2,070,243.80</u>
Decreased by:		
Tax Appeals Paid	A-4	1,045,916.66
		<u>1,045,916.66</u>
Balance, December 31, 2012	A	<u>\$ 1,024,327.14</u>

**RESERVE FOR TAX TITLE LIENHOLDERS PAYABLE
YEAR ENDING DECEMBER 31, 2012**

	<u>Ref.</u>	
		A-10A
Balance, December 31, 2011	A	\$
Increased by:		
Tax Lien Sale	A-5	732,338.53
		<u>732,338.53</u>
Decreased by:		
Redemptions	A-4	732,300.53
		<u>732,300.53</u>
Balance, December 31, 2012	A	<u>\$ 38.00</u>

**RESERVE FOR TAX TITLE LIEN PREMIUMS PAYABLE
YEAR ENDING DECEMBER 31, 2012**

	<u>Ref.</u>	
		A-10B
Balance, December 31, 2011	A	\$
Increased by:		
Tax Lien Sale	A-5	\$ 2,659,000.00
Adjustments	Reserve	17,100.00
		<u>2,676,100.00</u>
		2,676,100.00
Decreased by:		
Redemptions	A-4	343,900.00
		<u>343,900.00</u>
Balance, December 31, 2012	A	<u>\$ 2,332,200.00</u>

See Independent Auditors' Report

TOWNSHIP OF WEST ORANGE
CURRENT FUND

REVENUE ACCOUNTS RECEIVABLE
YEAR ENDED DECEMBER 31, 2012

	<u>Ref.</u>	Balance, December 31, 2011	Accrued in 2012	Collected by Treasurer	Balance, December 31, 2012
BUDGET REVENUE:					
Township Clerk:					
Alcoholic Beverages Licenses	A-2	\$	\$ 70,911.60	\$ 70,911.60	\$
Other Licenses	A-2		21,944.49	21,944.49	
Department of Health:					
Permits and Fees	A-2		52,092.00	52,092.00	
Department of Public Works:					
Other Permits	A-2		5,750.00	5,750.00	
Tree Permits	A-2		125.00	125.00	
Fence Permits	A-2		3,808.50	3,808.50	
Recycling Center Permits	A-2		13,420.00	13,420.00	
Parking:					
Permits	A-2		12,667.00	12,667.00	
Department of Planning/Development:					
Planning Board Fees	A-2		10,252.55	10,252.55	
Zoning Board Fees	A-2		16,338.75	16,338.75	
Public Safety:					
Fire Permits and Inspection Fees	A-2		2,952.00	2,952.00	
Police Reports and Fees	A-2		13,234.00	13,234.00	
Tax Collector:					
Tax Searches	A-2		375.50	375.50	
Municipal Court Fines and Costs	A-2	64,164.84	425,575.49	451,549.74	38,190.59
Interest on Delinquent Taxes	A-2		752,921.56	752,921.56	
Cost of Tax Sale	A-2		11,859.65	11,859.65	
Parking Meters	A-2		28,886.19	28,886.19	
Interest on Investments	A-2		36,754.64	36,754.64	
In Lieu of Taxes:					
West Orange Senior Citizens Housing	A-2		31,575.00	31,575.00	
Jewish Federation Plaza	A-2		60,407.00	60,407.00	
Eagle Rock Housing	A-2		92,275.32	92,275.32	
Woodland Valley	A-2		30,589.35	30,589.35	
St. Barnabas	A-2		359,018.92	359,018.92	

TOWNSHIP OF WEST ORANGE
CURRENT FUND

REVENUE ACCOUNTS RECEIVABLE
YEAR ENDED DECEMBER 31, 2012

	Ref.	Balance, December 31, 2011	Accrued in 2012	Collected by Treasurer	Balance, December 31, 2012
State of New Jersey:					
Consolidated Municipal Property Tax Relief Act	A-2	\$	\$ 292,818.00	\$ 292,818.00	\$
Energy Receipts Tax	A-2		4,398,434.00	4,398,434.00	
State of New Jersey:					
Watershed Moratorium Offset Aid	A-2		5,217.00	5,217.00	
Construction Code Official:					
Permits and Fees	A-2		747,978.34	747,978.34	
Uniform Fire Safety Act	A-2		56,307.86	56,307.86	
General Capital Fund Balance	A-2		195,000.00	195,000.00	
Supplemental Sewer Fees	A-2		44,766.00	44,766.00	
Comcast Cable/Verizon Franchise Fee	A-2	573,708.85	589,393.01	573,708.85	589,393.01
Ground Leases	A-2		136,747.43	136,747.43	
Hotel Fee	A-2	34,012.20	397,617.06	431,629.26	
Medical Transport Billing Service	A-2		570,164.07	570,164.07	
Reserve to Pay Debt Service	A-2		294,572.68	294,572.68	
Assessment Trust Fund Balance	A-2		23,639.98	23,639.98	
Rental-Environmental Center	A-2	7,500.00	105,000.00	105,000.00	7,500.00
Trust Fund Balance	A-2		215,000.00	215,000.00	
Swim Pool Fund Balance	A-2		95,000.00	95,000.00	
MISCELLANEOUS REVENUE NOT ANTICIPATED:					
Duplicate Tax Bills			406.00	406.00	
Garage Sales, Signs and Sidewalk Café			1,281.62	1,281.62	
Ordinances, Maps, Flood Letters			8,211.42	8,211.42	
Copies-Tax & Sewer History			3,983.75	3,983.75	
Copies-Clerk (OPRA)			676.43	676.43	
Administrative Fee-Sr. Cit. & Vet Deduction			4,415.00	4,415.00	
DMV-Enhanced NV Inspections			2,550.00	2,550.00	

TOWNSHIP OF WEST ORANGE
CURRENT FUND

REVENUE ACCOUNTS RECEIVABLE
YEAR ENDED DECEMBER 31, 2012

<u>Ref.</u>	Balance, December 31, 2011	Accrued in 2012	Collected by Treasurer	Balance, December 31, 2012
Firehouse as Polling Place	\$	\$ 80.00	\$ 80.00	\$
Podiatry-Medicare		2,536.68	2,536.68	
Sale of Auto-Junk Titles		22.00	22.00	
Rent-Town Owned Property		1,650.00	1,650.00	
Criminal Restitution		538.67	538.67	
Sundry Receipts		3,342.37	3,342.37	
Senior Dental-West Orange		150.00	150.00	
Senior Health		825.00	825.00	
Transportation		974.00	974.00	
Child Health		644.00	644.00	
Return Check Charge		1,480.00	1,480.00	
Franchise Fee-Bus Shelters	1,204.16	809.61	2,013.77	
Transport of NJ-In Lieu of Taxes Applications		4,090.00	4,090.00	
North Caldwell Animal Control		1,875.00	1,875.00	
Essex Fells Health Services	2,464.00	10,303.25	12,767.25	
Towing Contract	2,385.00	9,240.00	10,905.00	720.00
Commission-Vending Machines	177.05	491.60	668.65	
Essex Fells Animal Control		4,471.88	4,471.88	
Animal Control-Roseland		5,421.92	5,421.92	
Lien Redemption Statement		75.00	75.00	
Rental-Toby Katz Fieldhouse		26,480.00	26,480.00	
Right of Way-Verizon		1,000.00	1,000.00	
Bid Specifications		4,250.00	4,250.00	
FEMA Reimbursement		214,802.13	214,802.13	
Road Inspections		3,540.45	3,540.45	
DPW Misc. Receipts		3,462.60	3,462.60	
Recreation Fees		2,370.49	2,370.49	
Misc.		49.22	49.22	
Extra Duty Fees		95,095.74	95,095.74	
Sale of Municipal Owned Property		46,332.00	46,332.00	
	<u>\$ 685,616.10</u>	<u>\$ 10,690,317.77</u>	<u>\$ 10,740,130.27</u>	<u>\$ 635,803.60</u>

Ref.

A

A-5

A

TOWNSHIP OF WEST ORANGE
CURRENT FUND

A-12

SEWER CHARGES RECEIVABLE
YEAR ENDED DECEMBER 31, 2012

	<u>Ref.</u>		
Balance, December 31, 2011	A		\$ 206,302.41
Increased by:			
Overpayments Applied	Reserve	\$ 3.58	
Sewer Charges	Reserve	<u>3,771,754.73</u>	<u>3,771,758.31</u>
			3,978,060.72
Decreased by:			
Cash Receipts	A-2, A-5	3,716,804.70	
Canceled	Reserve	<u>50,375.75</u>	<u>3,767,180.45</u>
Balance, December 31, 2012	A		<u><u>\$ 210,880.27</u></u>

DRAFT

TOWNSHIP OF WEST ORANGE
CURRENT FUND

INTERFUNDS
YEAR ENDED DECEMBER 31, 2012

	Ref.	Total	State & Federal Grant Fund	General Trust Fund	Community Development Fund	Workers Compensation Fund	NJ Unemployment Insurance Fund	General Capital Fund	Section 8 Fund	Open Space Fund
Balance, December 31, 2011:										
To (From)	A	\$ 449,673.10	\$450,733.09	\$	\$	\$	\$	\$	\$	\$ (1,059.99)
Increased by:										
Cash Settlements	A-4	2,065,555.84		1,202,301.78	333,500.00	305,000.00	7,000.00	89,780.00	37,932.57	90,041.49
Subtotal		2,065,555.84		1,202,301.78	333,500.00	305,000.00	7,000.00	89,780.00	37,932.57	90,041.49
Decreased by:										
Cash Receipts - Collector	A-5	2,157,240.19	130,676.91	1,202,301.78	333,500.00	305,000.00	7,000.00	89,780.00		88,981.50
		2,157,240.19	130,676.91	1,202,301.78	333,500.00	305,000.00	7,000.00	89,780.00		88,981.50
Balance, December 31, 2012:										
To	A	\$ 357,988.75	\$320,056.18	\$	\$	\$	\$	\$	\$37,932.57	\$

**TOWNSHIP OF WEST ORANGE
CURRENT FUND**

**SPECIAL EMERGENCY NOTES
YEAR ENDED DECEMBER 31, 2012**

A-14

	<u>Ref.</u>	
Balance, December 31, 2011	A	\$ 448,900.00
Decreased by:		
Notes Paid	A-4	<u>89,780.00</u>
Balance, December 31, 2012	A	<u>\$ 359,120.00</u>

**LOCAL OPEN SPACE TAXES PAYABLE
YEAR ENDED DECEMBER 31, 2012**

A-14A

	<u>Ref.</u>	
Balance, December 31, 2011	A	\$
Increased by:		
Local Open Space Taxes Received	A-7	<u>147,992.42</u>
		147,992.42
Decreased by:		
Local Open Space Taxes Paid to Trust	A-4	<u>147,817.62</u>
Balance, December 31, 2012	A	<u>\$ 174.80</u>

**SPECIAL IMPROVEMENT DISTRICT ASSESSMENT
YEAR ENDED DECEMBER 31, 2012**

A-14B

	<u>Ref.</u>	
Balance, December 31, 2011	A	\$
Increased by:		
SID Funds Received	A-7	<u>106,004.56</u>
		106,004.56
Decreased by:		
SID Funds Disbursed	A-4	<u>105,316.91</u>
Balance, December 31, 2012	A	<u>\$ 687.65</u>

**TOWNSHIP OF WEST ORANGE
CURRENT FUND**

**APPROPRIATION RESERVES
YEAR ENDED DECEMBER 31, 2012**

	Balance, December 31, <u>2011</u>	Encumbrances December 31, <u>2011</u>	Opening Balances December 31, <u>2012</u>	Balance, After <u>Transfer</u>	Paid or <u>Charged</u>	<u>Lapsed</u>
SALARIES AND WAGES:						
Township Clerk	\$ 2,768.08	\$	\$ 2,768.08	\$ 3,768.08	\$ 1,278.00	\$ 2,490.08
Municipal Court	5,523.41		5,523.41	5,523.41	2,376.83	3,146.58
Comptroller	3,500.00		3,500.00	3,500.00	859.35	2,640.65
Planning Director	999.27		999.27	999.27		999.27
Department of Fire	40,000.00		40,000.00	65,000.00	39,053.18	25,946.82
Police Department	75,000.00	583.40	75,583.40	75,583.40	50,692.62	24,890.78
Public Works	10,521.92		10,521.92	10,521.92	3,108.71	7,413.21
Senior Citizen Transportation	7,020.45		7,020.45	7,020.45	896.00	6,124.45
Animal Control	1,488.09		1,488.09	1,488.09	521.29	966.80
Podiatry	876.85		876.85	1,876.85	246.30	1,630.55
Child Health				500.00	123.15	376.85
Parks and Playgrounds		7058.37	7,058.37	7,058.37		7,058.37
Construction Official	1,800.56		1,800.56	1,800.56	1,743.00	57.56
Total Salaries and Wages	<u>149,498.63</u>	<u>7,641.77</u>	<u>157,140.40</u>	<u>184,640.40</u>	<u>100,898.43</u>	<u>83,741.97</u>

**TOWNSHIP OF WEST ORANGE
CURRENT FUND**

**APPROPRIATION RESERVES
YEAR ENDED DECEMBER 31, 2012**

	Balance, December 31, <u>2011</u>	Encumbrances December 31, <u>2011</u>	Opening Balances December 31, <u>2012</u>	Balance, After Transfer	Paid or Charged	Lapsed
OTHER EXPENSES:						
Office of the Mayor	\$ 1,162.07	\$ 2.09	\$ 1,164.16	\$ 1,164.16		\$ 1,164.16
Public Information Officer	282.62		282.62	282.62		282.62
Township Council	14,500.19	429.36	14,929.55	14,929.55	4,244.46	10,685.09
Township Council - Advertising	2,396.64	817.56	3,214.20	3,214.20	1,630.74	1,583.46
Litigation - Arbitration	13,403.21	14,374.88	27,778.09	102,778.09	65,955.66	36,822.43
Alcohol Beverage Control	46.00		46.00	46.00		46.00
Township Clerk	550.12	83.70	633.82	633.82	83.74	550.08
Human Relations	76.22	325.00	401.22	401.22	325.00	76.22
Elections	7,124.23		7,124.23	7,124.23		7,124.23
Planning Board	523.37	4,479.32	5,002.69	5,002.69	41.40	4,961.29
Board of Adjustment	140.96	10.00	150.96	150.96	23.04	127.92
Board of Appeals	43.00		43.00	43.00		43.00
Environmental Commission		150.00	150.00	150.00	122.02	27.98
Waste Management	50,733.37		50,733.37	50,733.37	28,333.33	22,400.04
Municipal Court	13,488.66	1,504.93	14,993.59	14,993.59	2,581.33	12,412.26
Rent Leveling Board		75.00	75.00	75.00		75.00
Business Administrator	44,277.45	25,557.32	69,834.77	69,834.77	25,739.92	44,094.85
Administration of Town-Owned Property	1,000.00		1,000.00	1,000.00		1,000.00
Central Printing and Supply	11,763.50	1,696.32	13,459.82	13,459.82	6,068.13	7,391.69
Central Purchasing	2,106.56	597.53	2,704.09	2,704.09	2,129.60	574.49
Central Telephone	24,224.10	1,933.20	26,157.30	26,157.30	23,677.26	2,480.04
Central Mailing	26,730.74		26,730.74	26,730.74		26,730.74
Employee Group Health	172,075.76		172,075.76	52,075.76	50,593.61	1,482.15
Township Physician	415.00	982.00	1,397.00	1,397.00	594.96	802.04
Tax Collector		1,000.00	1,000.00	1,500.00	1,123.17	376.83
Comptroller	151.30	51,573.38	51,724.68	51,724.68	49,996.85	1,727.83
Treasurer	1,166.42	759.31	1,925.73	1,925.73	759.31	1,166.42
Planning Director	959.96	1,662.86	2,622.82	2,622.82	1,529.72	1,093.10
Housing Code Enforcement	1,864.89	1,292.68	3,157.57	3,157.57	1,188.64	1,968.93
Downtown W.O. Alliance	256.23		256.23	256.23	161.47	94.76
Arts Council	1.14	1,498.86	1,500.00	1,500.00	1,498.86	1.14
Historical Commission	721.81	770.99	1,492.80	1,492.80	770.99	721.81
Energy Commission	1,000.00	520.51	1,520.51	1,520.51		1,520.51
Tax Assessor	20,218.79	8,800.00	29,018.79	29,018.79	8,739.13	20,279.66
Department of Fire	3,088.01	14,055.29	17,143.30	17,143.30	14,086.90	3,056.40
Uniform Fire Safety	18.40	14,027.73	14,046.13	16,046.13	12,097.28	3,948.85
Emergency Management Services		1,511.36	1,511.36	1,511.36		1,511.36
Police Department	146,990.92	28,099.68	175,090.60	175,090.60	73,706.41	101,384.19
Police Uniform Allowance	1,078.00		1,078.00	1,078.00		1,078.00
Engineering	1,913.93	925.89	2,839.82	2,839.82	1,974.86	864.96
Building and Grounds	783.22	31,870.75	32,653.97	42,653.97	34,865.02	7,788.95

TOWNSHIP OF WEST ORANGE
CURRENT FUND

APPROPRIATION RESERVES
YEAR ENDED DECEMBER 31, 2012

	Balance, December 31, 2011	Encumbrances December 31, 2011	Opening Balances January 1, 2012	Balance, After Transfer	Paid or Charged	Lapsed
Parking Facilities-Maint & Repair	\$ 1,173.48	\$	\$ 1,173.48	\$ 1,173.48	\$	\$ 1,173.48
Shade Trees	38,874.44		38,874.44	44,874.44	44,508.58	365.86
Snow Plowing and Salt	266,399.48		266,399.48	227,399.48	211,205.59	16,193.89
Street Services-Cleaning & Drainage	4,944.15	612.40	5,556.55	5,556.55	612.40	4,944.15
Street Repairs	23,505.77		23,505.77	23,505.77	19,672.92	3,832.85
Street Services & Traffic	3,102.45	507.00	3,609.45	3,609.45	1,063.00	2,546.45
Sanitation	3,995.00		3,995.00	3,995.00		3,995.00
Automotive	53,481.04	30,383.73	83,864.77	83,864.77	49,541.21	34,323.56
Sewage and Pumping Stations	5,080.64	269.05	5,349.69	20,349.69	18,715.00	1,634.69
General Health	2,524.73	1,008.09	3,532.82	3,532.82	1,207.36	2,325.46
Senior Citizen Transportation	324.39	155.94	480.33	480.33	146.14	334.19
Public Assistance	275.00	30.85	305.85	305.85	30.85	275.00
Animal Control	158.17	118.43	276.60	276.60	5.37	271.23
Garbage and Trash Removal	363,739.28		363,739.28	363,739.28	280,898.29	82,840.99
Podiatry	(854.88)	949.31	94.43	94.43	72.46	21.97
Senior Citizen Health Center	1,302.26	201.53	1,503.79	1,503.79	107.31	1,396.48
Retired Citizens Program	135.76	3,893.12	4,028.88	4,528.88	4,185.68	343.20
Child Health Clinic	100.00	30.98	130.98	130.98		130.98
Right to Know	0.27	253.78	254.05	254.05	253.78	0.27
Community Services	250.00		250.00	250.00		250.00
Parks and Playgrounds	37,250.25		37,250.25	37,250.25	13,205.82	24,044.43
Program for Retired Citizens	50.83		50.83	10,050.83	7,389.50	2,661.33
Public Celebrations	5,571.98	722.00	6,293.98	6,293.98	1,422.00	4,871.98
NJ League of Municipalities	325.00		325.00	325.00		325.00
Challenge Grant Bus Shuttle	10,202.00		10,202.00	20,202.00	19,925.00	277.00
Gasoline	648.29	102,231.86	102,880.15	102,880.15	102,381.25	498.90
Fuel Oil	556.48	1,062.90	1,619.38	1,619.38	1,617.68	1.70
Electricity	5,091.84		5,091.84	5,091.84	4,499.98	591.86
Fire Hydrant Service	84,383.44		84,383.44	84,383.44	49,386.48	34,996.96
Water	4,215.80		4,215.80	4,215.80	3,633.78	582.02
Medical Transport Billing Service	51,340.36		51,340.36	51,340.36	47,346.92	3,993.44
Street Lighting	253,088.68		253,088.68	253,088.68	171,579.88	81,508.80
Contingent	100.00		100.00	100.00		100.00
Construction Official	1,089.58	28,847.00	29,936.58	29,936.58	28,686.70	1,249.88
LOSAP-First Aid Pension Costs	27,000.00		27,000.00	27,000.00	24,428.25	2,571.75
Legal Services				2,500.00	2,100.00	400.00
Total Other Expenses	1,816,702.75	382,665.47	2,199,368.22	2,171,868.22	1,524,471.99	647,396.23

TOWNSHIP OF WEST ORANGE
CURRENT FUND

APPROPRIATION RESERVES
YEAR ENDED DECEMBER 31, 2012

	Balance, December 31, 2011	Encumbrances December 31, 2011	Opening Balances December 31, 2012	Balance, After Transfer	Paid or Charged	Lapsed
STATUTORY EXPENDITURES:						
Social Security System	\$ 18,606.95	\$	\$ 18,606.95	\$ 18,606.95	\$	\$ 18,606.95
Total Statutory Expenditures	18,606.95		18,606.95	18,606.95		18,606.95
	<u>\$ 1,984,808.33</u>	<u>\$ 390,307.24</u>	<u>\$ 2,375,115.57</u>	<u>\$ 2,375,115.57</u>	<u>\$ 1,625,370.42</u>	<u>\$ 749,745.15</u>
	A					A-1

Ref.

Ref.

Cash Disbursed
Accounts Payable

A-4
A-17

\$ 1,617,725.47
7,644.95
\$ 1,625,370.42

Ref.

Appropriation Reserves
Reserve for Encumbrances

A
A

\$ 1,984,808.33
390,307.24
\$ 2,375,115.57

**TOWNSHIP OF WEST ORANGE
CURRENT FUND**

**DUE TO/FROM STATE OF NEW JERSEY
YEAR ENDED DECEMBER 31, 2012**

A-16

	<u>Ref.</u>			
Balance, December 31, 2011 (Due to)	A		\$	5,883.74
Increased by:				
Exemptions Disallowed by Tax Collector				
2011 Taxes	A-1	\$ 3,264.38		
Cash Receipts	A-5	<u>220,750.00</u>		<u>224,014.38</u>
				229,898.12
Decreased by:				
Exemptions Granted per Billing		222,250.00		
2012 Exemptions Granted by Tax Collector		<u>3,000.00</u>		
	A-7			<u>225,250.00</u>
Balance, December 31, 2012 (Due to)	A		\$	<u><u>4,648.12</u></u>

**SCHEDULE OF ACCOUNTS PAYABLE
YEAR ENDED DECEMBER 31, 2012**

A-17

	<u>Ref.</u>			
Balance, December 31, 2011	A		\$	45,320.27
Increased by:				
Transfer from Appropriation Reserves	A-15	\$ 7,644.95		
Transfer from Anticipated Revenue	A-5	<u>12,528.51</u>		<u>20,173.46</u>
				65,493.73
Decreased by:				
Cash Disbursed	A-4			<u>13,117.32</u>
Balance, December 31, 2012	A		\$	<u><u>52,376.41</u></u>

**DEPOSIT ON SALE OF PROPERTY
YEAR ENDED DECEMBER 31, 2012**

A-17A

	<u>Ref.</u>			
Balance, December 31, 2011	A		\$	1,000.00
Decreased by:				
Cash Disbursed	A-4			<u>1,000.00</u>
Balance, December 31, 2012	A		\$	<u><u> </u></u>

**TOWNSHIP OF WEST ORANGE
CURRENT FUND**

**TAX OVERPAYMENTS
YEAR ENDED DECEMBER 31, 2012**

	<u>Ref.</u>		A-18
Balance, December 31, 2011	A	\$	33,026.40
Increased by:			
Collections	A-7		542,085.53
			575,111.93
Decreased by:			
Overpayments Applied	A-7	\$ 33,026.40	
Cash Disbursements	A-4	514,157.70	547,184.10
Balance, December 31, 2012	A		\$ 27,927.83

**LOCAL DISTRICT SCHOOL TAXES PAYABLE
YEAR ENDED DECEMBER 31, 2012**

	<u>Ref.</u>		A-19
Balance, December 31, 2011	A	\$	
Increased by:			
Calendar Year Levy	A-1, A-7		121,879,095.00
Decreased by:			
Cash Payments	A-4		121,879,093.98
Balance, December 31, 2012	A		\$ 1.02

**COUNTY TAXES PAYABLE
YEAR ENDED DECEMBER 31, 2012**

	<u>Ref.</u>		A-20
Balance December 31, 2011	A	\$	70,683.08
Increased by:			
General Levy	A-7	\$ 27,834,764.94	
Open Space Levy	A-7	944,026.83	
Added Taxes	A-7	44,211.38	28,823,003.15
	A-1		28,893,686.23
Decreased by:			
Cash Payments	A-4		28,849,474.88
Balance December 31, 2012	A		\$ 44,211.35

**TOWNSHIP OF WEST ORANGE
CURRENT FUND**

**DUE TO STATE OF NEW JERSEY
YEAR ENDED DECEMBER 31, 2012**

A-21

	<u>Ref.</u>	<u>Total</u>	<u>Marriage License</u>	<u>Building Surcharge</u>
Balance, December 31, 2011	A	\$ 1,700.00	\$ 1,700.00	\$
Increased by:				
Cash Receipts	A-5	70,633.00	7,225.00	63,408.00
		<u>72,333.00</u>	<u>8,925.00</u>	<u>63,408.00</u>
Decreased by:				
Cash Disbursements	A-4	56,301.00	7,425.00	48,876.00
		<u>56,301.00</u>	<u>7,425.00</u>	<u>48,876.00</u>
Balance, December 31, 2012	A	<u>\$ 16,032.00</u>	<u>\$ 1,500.00</u>	<u>\$ 14,532.00</u>

**PREPAID TAXES
YEAR ENDED DECEMBER 31, 2012**

A-22

	<u>Ref.</u>	
Balance, December 31, 2011	A	\$ 718,117.84
Increased by:		
Cash Receipts	A-5	822,835.16
		<u>822,835.16</u>
		\$ 1,540,953.00
Decreased by:		
Applied to Taxes Receivable	A-7	718,117.84
		<u>718,117.84</u>
Balance, December 31, 2012	A	<u>\$ 822,835.16</u>

**DEFERRED REVENUE
YEAR ENDED DECEMBER 31, 2012**

A-23

	<u>Ref.</u>	<u>Total</u>	<u>Watershed Moratorium</u>	<u>Joint Sewer Outlet</u>
Balance, December 31, 2011	A	\$ 462.85	\$	\$ 462.85
Balance, December 31, 2012	A	<u>\$ 462.85</u>	<u>\$</u>	<u>\$ 462.85</u>

**TOWNSHIP OF WEST ORANGE
CURRENT FUND**

**FEDERAL AND STATE GRANTS RECEIVABLE
YEAR ENDED DECEMBER 31, 2012**

	<u>Balance</u> <u>Dec. 31, 2011</u>	<u>Grant</u> <u>Award</u>	<u>Collections</u>	<u>Unappropriated</u> <u>Applied</u>	<u>Canceled</u>	<u>Balance</u> <u>Dec. 31, 2012</u>
Transportation Municipal Aid	\$ 2,327,700.15	\$ 210,000.00	\$ 791,914.48	\$	\$	\$ 1,745,785.67
Clean Communities		58,852.85	58,852.85			
Municipal Alliance for Alcoholism and Drug Abuse	44,588.90	71,149.71	75,971.61			39,767.00
Pedestrian Safety Enforcement	8,000.00					8,000.00
Safe and Secure Communities Program		60,000.00				60,000.00
Drunk Driving Enforcement Fund		3,372.53		3,372.53		
Municipal Stormwater Regulation Program	5,155.00					5,155.00
Byrne Memorial Equipment Grant	67,616.00		64,109.00			3,507.00
Commuter Shuttle Grant	60,000.00					60,000.00
Delinquency Prevention Grant	2,902.26		380.00			2,522.26
Wastewater Treatment Fund	123,899.00					123,899.00
Hazardous Discharge Site Remediation Block Grant	92,975.65 155,800.00		71,076.94			21,898.71 155,800.00
Body Armor Replacement Fund		8,594.71		8,594.71		
No Net Loss Tree Reforestation Project	98,100.00					98,100.00
Essex County DOA Senior Citizens	4,418.00	17,171.00	17,172.00			4,417.00
Essex County Delinquency Prevention Grant	18,563.00	18,562.00				37,125.00
ILEA Grant		27,840.00				27,840.00
Recycling Tonnage Grant		54,817.70		54,817.70		
Bullet Proof Vest Fund		21,302.25				21,302.25
COPS in Shops	9,413.27	1,546.13				10,959.40
NJ Clean Energy Grant		13,786.00				13,786.00
Assistance to Firefighters Grant						
	<u>\$ 3,019,131.23</u>	<u>\$ 566,994.88</u>	<u>\$ 1,079,476.88</u>	<u>\$ 66,784.94</u>	<u>\$</u>	<u>\$ 2,439,864.29</u>

<u>Ref.</u>	A	A-2	A-5	A-27	A
-------------	---	-----	-----	------	---

TOWNSHIP OF WEST ORANGE
CURRENT FUND

A-25

DUE FROM/TO CURRENT FUND
YEAR ENDED DECEMBER 31, 2012

	<u>Ref.</u>	<u>State and Federal Grant Fund</u>
Balance, December 31, 2011	A	\$ (450,733.09)
Decreased by:		
Advance to Current	A-4	<u>130,676.91</u>
Balance, December 31, 2012	A	<u>\$ (320,056.18)</u>

DRAFT

TOWNSHIP OF WEST ORANGE
CURRENT FUND

A-26

RESERVE FOR FEDERAL AND STATE GRANTS - APPROPRIATED
YEAR ENDED DECEMBER 31, 2012

	Balance <u>Dec. 31, 2011</u>	Budget <u>Appropriation</u>	Cash <u>Disbursed</u>	<u>Canceled</u>	Balance <u>Dec. 31, 2012</u>
Drunk Driving Enforcement Fund	\$ 5,484.47	\$ 3,372.53	\$ 1,240.28	\$	\$ 7,616.72
Neighborhood Preservation-Valley	73.24				73.24
Transportation Municipal Aid	376,110.18	210,000.00	59,776.16		526,334.02
Public Health Priority Funding	17.38				17.38
Clean Communities	89,663.39	58,852.85	10,677.23		137,839.01
Municipal Alliance for Alcoholism and Drug Abuse	41,051.56	71,149.71	73,371.92		38,829.35
Safe and Secure Communities Program		60,000.00			60,000.00
Body Armor Replacement Fund	10,040.00	8,594.71	6,760.00		11,874.71
Municipal Stormwater Regulation Program	20,619.00				20,619.00
Bullet Proof Vest Partnership	6,195.00	21,302.25	5,915.00		21,582.25
Pedestrian Safety Enforcement	8,000.00				8,000.00
Delinquency Prevention Grant	1,399.17				1,399.17
Cops in Shops	9,117.46	1,546.13	9,195.06		1,468.53
Enhanced E-911 Assistance	11,287.53				11,287.53
Commuter Shuttle Grant	60,000.00				60,000.00
Byrne Memorial Justice Assistance	7,316.10		7,132.49		183.61
Wastewater Treatment Fund	279,358.00				279,358.00
Hazardous Discharge Site Remediation	147,379.74				147,379.74
Energy Efficiency and Conservation Block Grant	155,800.00				155,800.00
Sustainable Jersey Small Grant	183.00				183.00
No Net Loss Reforestation Grant	24,284.87		24,284.87		
Assistance to Firefighters Grant	459.11				459.11
Essex County DOA Senior Citizens		17,171.00	17,171.00		
Essex County Delinquency Prevention Grant	2,902.26	18,562.00	17,854.08		3,610.18
Recycling Tonnage Grant		54,817.70			54,817.70
NJ Clean Energy Grant		13,786.00			13,786.00
Essex County ILEA Grant		27,840.00			27,840.00
West Orange Streetscape	1,244,870.97		919,318.82		325,552.15
	<u>\$ 2,501,612.43</u>	<u>\$ 566,994.88</u>	<u>\$ 1,152,696.91</u>	<u>\$</u>	<u>\$ 1,915,910.40</u>

Ref

A

A-3

A-4

A

**TOWNSHIP OF WEST ORANGE
CURRENT FUND**

**RESERVE FOR FEDERAL AND STATE GRANTS - UNAPPROPRIATED
YEAR ENDED DECEMBER 31, 2012**

A-27

	<u>Balance Dec. 31, 2011</u>	<u>Increased</u>	<u>Decreased</u>	<u>Balance Dec. 31, 2012</u>
Drunk Driving Enforcement Fund	\$ 3,372.53	\$	\$ 3,372.53	\$
Body Armor Replacement Fund	8,594.71	8,643.61	8,594.71	8,643.61
ABC Grants		14,652.03		14,652.03
PSE&G Project		128,593.00		128,593.00
Recycling Tonnage Grant	54,818.47	52,008.30	54,817.70	52,009.07
	<u>\$ 66,785.71</u>	<u>\$ 203,896.94</u>	<u>\$ 66,784.94</u>	<u>\$ 203,897.71</u>
<u>Ref.</u>	A	A-5	A-2, A-24	A

**DEFERRED CHARGES
N.J.S.A. 40A:4-55 SPECIAL EMERGENCY
YEAR ENDED DECEMBER 31, 2012**

A-28

<u>Date Authorized</u>	<u>Purpose</u>	<u>Net Amount Authorized</u>	<u>1/5 of Net Amount Authorized</u>	<u>Balance Dec. 31, 2011</u>	<u>Budget Appropriation</u>	<u>Balance Dec. 31, 2012</u>
Tuesday, June 14, 2011	Hurricane Sandy Severance Liability	\$ 600,000.00	\$	\$	\$ 600,000.00	\$ 600,000.00
		448,900.00	89,780.00	448,900.00	(89,780.00)	359,120.00
		<u>\$ 1,048,900.00</u>	<u>\$ 89,780.00</u>	<u>\$ 448,900.00</u>	<u>\$ 510,220.00</u>	<u>\$ 959,120.00</u>
			<u>Ref.</u>	A	Below	A
	Budget Appropriation 2012			A-3	\$ 600,000.00	
	Budget Appropriation Expenditure			A-3	89,780.00	
					<u>\$ 510,220.00</u>	

TOWNSHIP OF WEST ORANGE
TRUST FUND

B-2

OPEN SPACE FUND
SCHEDULE OF CASH
YEAR ENDED DECEMBER 31, 2012

	<u>Ref.</u>		
Balance, December 31, 2011	B		\$ 476,171.72
Increased by:			
2012 Open Space Tax	B-19	\$ 147,817.62	
Due from Current	B-10A	1,059.99	
Interest on Investments	B-19	<u>796.14</u>	<u>149,673.75</u>
			625,845.47
Decreased by:			
Open Space Expenditures	B-19		<u>99,992.99</u>
Balance, December 31, 2012	B		<u>\$ 525,852.48</u>

DRAFT

**TOWNSHIP OF WEST ORANGE
TRUST FUND**

B-3

**CASH - TREASURER
YEAR ENDED DECEMBER 31, 2012**

	<u>Ref.</u>	Animal Control <u>Fund</u>	General Trust <u>Fund</u>	Assessment Trust <u>Fund</u>
Balance, December 31, 2011	B	<u>\$ 59,454.69</u>	<u>\$ 5,931,037.86</u>	<u>\$ 23,639.98</u>
Increased by:				
Animal Control Fees	B-15	24,943.58		
Miscellaneous Revenue	B-15	7,819.68		
Due from Current Fund	B-8		1,205,602.80	
Due From COAH	B-8		162,992.01	
Due From Escrow	B-8		8,211.20	
SID Deposits	B-3A		8,282.56	
Accounts Receivable	B-7, B-20			14,468.85
Prepaid License Fees	B-12	4,428.00		
Llewellyn Park Assessment	B-7A			500,000.00
Special Deposits	B-3A		6,469,781.49	
Interest on Deposits	Various	36.22	2,455.37	8,623.13
		<u>37,227.48</u>	<u>7,857,325.43</u>	<u>523,091.98</u>
		<u>96,682.17</u>	<u>13,788,363.29</u>	<u>546,731.96</u>
Decreased by:				
Expenditures	B-13, B-15	60,163.72	7,964,855.93	
Due to Current Fund	B-8	36.22	1,211,064.19	
Due From COAH	B-8		162,992.01	
Due From Escrow	B-8		3,988.16	
SID Deposits	B-3A		8,282.56	
Accounts Payable	B-22	274.42		
Due to State of NJ	B-10	42.00		
Llewellyn Park Assessment	B-7A			500,000.00
Current Fund Anticipated Revenue	B-8A		215,000.00	23,639.98
		<u>60,516.36</u>	<u>9,566,182.85</u>	<u>523,639.98</u>
Balance, December 31, 2012	B	<u>\$ 36,165.81</u>	<u>\$ 4,222,180.44</u>	<u>\$ 23,091.98</u>

See Independent Auditors' Report

**TOWNSHIP OF WEST ORANGE
TRUST FUND**

B-3A

**CASH BY ACCOUNT - TREASURER
YEAR ENDED DECEMBER 31, 2012**

	Ref.	Total	PNC General Trust	PNC Escrow	GSCG COAH	GSCG Growth Share
Balance, December 31, 2011	B	\$ 5,931,037.86	\$ 3,290,594.57	\$ 184,168.87	\$2,214,806.10	\$ 241,468.32
Increased by:						
Special Deposits	B-3	6,469,781.49	5,930,732.08	34,300.17	504,749.24	
SID Deposits	Net	8,282.56	8,282.56			
Due From Current	B-8	1,205,602.80	1,201,614.64	3,988.16		
Due From COAH	B-8	162,992.01	162,992.01			
Due From Escrow	B-8	8,211.20	8,211.20			
Interest on Deposits	B-16	2,455.37	1,238.35			1,217.02
		<u>7,857,325.43</u>	<u>7,313,070.84</u>	<u>38,288.33</u>	<u>504,749.24</u>	<u>1,217.02</u>
		13,788,363.29	10,603,665.41	222,457.20	2,719,555.34	242,685.34
Decreased by:						
Return of Deposits	B-13	7,964,855.93	7,313,942.54	27,066.25	623,847.14	
SID Payments	Net	8,282.56	8,282.56			
Due To Current	B-8	1,211,064.19	1,202,852.99	8,211.20		
Due From COAH	B-8	162,992.01	162,992.01			
Due From Escrow	B-8	3,988.16	3,988.16			
Current Fund Anticipated Revenue	B-1A	215,000.00	215,000.00			
		<u>9,566,182.85</u>	<u>8,907,058.26</u>	<u>35,277.45</u>	<u>623,847.14</u>	
Balance, December 31, 2012	B	\$ <u>4,222,180.44</u>	\$ <u>1,696,607.15</u>	\$ <u>187,179.75</u>	\$ <u>2,095,708.20</u>	\$ <u>242,685.34</u>

See Independent Auditors' Report

**TOWNSHIP OF WEST ORANGE
TRUST FUND**

**CASH - INSURANCE TRUST FUND - TREASURER
YEAR ENDED DECEMBER 31, 2012**

	<u>Ref.</u>	<u>Total</u>	<u>Workers' Compensation</u>	<u>Unemployment Compensation</u>	<u>Municipal Insurance</u>
Balance, December 31, 2011	B	\$ 687,235.20	\$ 32,371.83	\$ 504,773.03	\$ 150,090.34
Increased by:					
Budget Appropriation	B-16	1,347,805.00	500,000.00		847,805.00
Refunds and Subrogation	B-16	42,753.77	8,045.79		34,707.98
Payroll Deductions	B-16	30,489.59		30,489.59	
Due from Current Fund	B-16	312,000.00	305,000.00	7,000.00	
Interest on Deposits	B-16	1,843.26	32.93	1,131.21	679.12
		<u>1,734,891.62</u>	<u>813,078.72</u>	<u>38,620.80</u>	<u>883,192.10</u>
		<u>2,422,126.82</u>	<u>845,450.55</u>	<u>543,393.83</u>	<u>1,033,282.44</u>
Decreased by:					
Workers' Compensation Claims and Administrative Fees	B-16	498,170.84	498,170.84		
Due to Current	B-8B	313,843.26	305,032.93	8,131.21	679.12
Due to State of New Jersey: Claims Paid	B-16	150,339.74		150,339.74	
Insurance Settlements	B-16	992,631.26			992,631.26
		<u>1,954,985.10</u>	<u>803,203.77</u>	<u>158,470.95</u>	<u>993,310.38</u>
Balance, December 31, 2012	B	<u>\$ 467,141.72</u>	<u>\$ 42,246.78</u>	<u>\$ 384,922.88</u>	<u>\$ 39,972.06</u>

**TOWNSHIP OF WEST ORANGE
TRUST FUND**

B-5

**CASH - FEDERAL GRANT TRUST FUND - TREASURER
YEAR ENDED DECEMBER 31, 2012**

	<u>Ref.</u>	<u>Total</u>	<u>Community Development Block Grant</u>	<u>Section 8 Housing</u>
Balance, December 31, 2011	B	\$ 63,253.00	\$ 0.13	\$ 63,252.87
Increased by:				
Collection of Grants Receivable	B-6	1,562,056.30	392,422.77	1,169,633.53
Portability-In	B-18	267,785.00		267,785.00
Recoveries	B-18	1,673.00		1,673.00
Interest on Investments	B-18	98.71		98.71
		<u>1,831,613.01</u>	<u>392,422.77</u>	<u>1,439,190.24</u>
		<u>1,894,866.01</u>	<u>392,422.90</u>	<u>1,502,443.11</u>
Decreased by:				
Grant Expenditures	B-17, B-18	1,762,675.55	384,931.22	1,377,744.33
Prepaid Payroll	B-8A			
		<u>1,762,675.55</u>	<u>384,931.22</u>	<u>1,377,744.33</u>
Balance, December 31, 2012	B	\$ 132,190.46	\$ 7,491.68	\$ 124,698.78

**TOWNSHIP OF WEST ORANGE
TRUST FUND**

B-6

**FEDERAL GRANTS RECEIVABLE
YEAR ENDED DECEMBER 31, 2012**

	<u>Ref.</u>	<u>Total</u>	<u>Community Development Block Grant</u>	<u>Section 8 Housing</u>
Balance, December 31, 2011	B	\$ 444,749.87	\$ 444,749.87	\$
Increased by:				
Community Development	B-17	446,802.41	446,802.41	
Section 8 Housing	B-18	1,169,633.53		1,169,633.53
		<u>1,616,435.94</u>	<u>446,802.41</u>	<u>1,169,633.53</u>
		2,061,185.81	891,552.28	1,169,633.53
Decreased by:				
Cash Receipts	B-5	1,562,056.30	392,422.77	1,169,633.53
Paid Directly by Third Party	B-17	55,750.00	55,750.00	
Cancelations	B-17	92,027.64	92,027.64	
		<u>1,709,833.94</u>	<u>540,200.41</u>	<u>1,169,633.53</u>
Balance, December 31, 2012	B	<u>\$ 351,351.87</u>	<u>\$ 351,351.87</u>	<u>\$</u>

DRAFT

**TOWNSHIP OF WEST ORANGE
TRUST FUND**

B-7

**ASSESSMENTS RECEIVABLE
YEAR ENDED DECEMBER 31, 2012**

	<u>Ref.</u>	<u>Assessment Fund</u>
Balance, December 31, 2011	B	\$ 80,704.68
Decreased by:		
Collections-Unpledged	B-3	<u>23,091.98</u>
Balance, December 31, 2012	B	<u>\$ 57,612.70</u>
Analysis of Balance		
Assessments-Unpledged		<u>\$ 57,612.70</u>

**LLEWELLYN PARK ASSESSMENT
YEAR ENDED DECEMBER 31, 2012**

B-7A

	<u>Ref.</u>	<u>Assessment Fund</u>
Balance, December 31, 2011	B	\$
Increased by:		
Cash Disbursements	B-3	500,000.00
Decreased by:		
Cash Receipts	B-3	<u>500,000.00</u>
Balance, December 31, 2012	B	<u>\$</u>

**TOWNSHIP OF WEST ORANGE
GENERAL TRUST FUND**

B-8

**INTERFUNDS RECEIVABLES
YEAR ENDED DECEMBER 31, 2012**

	<u>Ref.</u>		<u>Animal Control Fund</u>	<u>COAH Fund</u>	<u>Current Fund</u>	<u>Escrow Fund</u>
Balance, December 31, 2011	B	\$		\$	\$	\$ 4,223.04
Increased by:						
Cash Disbursements	B-3		36.22	162,992.01	\$ 1,202,852.99	3,988.16
Decreased by:						
Cash Receipts	B-3		<u>36.22</u>	<u>162,992.01</u>	<u>1,202,852.99</u>	<u>8,211.20</u>
Balance, December 31, 2012	B	\$	<u><u> </u></u>	<u><u> </u></u>	<u><u> </u></u>	<u><u> </u></u>

DRAFT

**TOWNSHIP OF WEST ORANGE
INSURANCE TRUST FUND**

B-8A

**INTERFUND RECEIVABLES
YEAR ENDED DECEMBER 31, 2012**

	<u>Ref.</u>	<u>Total</u>	<u>Workers' Compensation Fund</u>	<u>Unemployment Fund</u>	<u>Municipal Insurance Fund</u>
Balance, December 31, 2011	B	\$	\$	\$	\$
Increased by:					
Cash Disbursements	B-4	313,843.26	305,032.93	8,131.21	679.12
Decreased by:					
Cash Receipts	B-4	<u>313,843.26</u>	<u>305,032.93</u>	<u>8,131.21</u>	<u>679.12</u>
Balance, December 31, 2012	B	<u>\$</u>	<u>\$</u>	<u>\$</u>	<u>\$</u>

DRAFT

TOWNSHIP OF WEST ORANGE
TRUST FUND

B-9

SPECIAL IMPROVEMENT DISTRICT RECEIVABLE
YEAR ENDED DECEMBER 31, 2012

	<u>Ref.</u>	
Balance, December 31, 2011	B	\$ 7,751.58
Decreased by:		
Receipts from Current Fund	B-14	<u>7,751.58</u>
Balance, December 31, 2012	B	<u><u>\$</u></u>

DRAFT

**TOWNSHIP OF WEST ORANGE
TRUST FUND**

B-10

**ANIMAL CONTROL FUND
DUE TO (FROM) STATE OF NEW JERSEY
YEAR ENDED DECEMBER 31, 2012**

	<u>Ref.</u>	
Balance, December 31, 2011	B	\$ 42.00
Increased by:		
Prepaid Applied	B-12	478.20
		<hr/> 520.20
Decreased by:		
Paid to State	B-3	42.00
		<hr/> 42.00
Balance, December 31, 2012	B	<u><u>\$ 478.20</u></u>

**OPEN SPACE FUND
DUE FROM (TO) CURRENT FUND
YEAR ENDED DECEMBER 31, 2012**

B-10A

	<u>Ref.</u>	<u>Open Space Fund</u>
Balance, December 31, 2011	B	\$ 1,059.99
Increased by:		
Cash Disbursements	B-2	226.73
		<hr/> 1,286.72
Decreased by:		
Cash Receipts	B-2	1,059.99
		<hr/> 1,059.99
Balance, December 31, 2012	B	<u><u>\$ 226.73</u></u>

**TOWNSHIP OF WEST ORANGE
TRUST FUND**

B-11

**ACCOUNTS PAYABLE (RECEIVABLE)
YEAR ENDED DECEMBER 31, 2012**

	<u>Ref.</u>	<u>Insurance Trust Fund</u>
Balance, December 31, 2011	B	\$ 4,867.85
Increased by:		
Audit Adjustment	B-16	2.00
		4,869.85
Decreased by:		
Canceled to Fund Balance	B-11A	4,869.85
Balance, December 31, 2012	Below	\$

**STATEMENT OF RESERVE
REGULATORY BASIS
YEAR ENDED DECEMBER 31, 2012**

	<u>Ref.</u>	<u>Insurance Trust Fund</u>
Balance, December 31, 2011	B	\$
Increased by:		
Cancelations	B-11	4,869.85
Balance, December 31, 2012	B	\$ 4,869.85

**TOWNSHIP OF WEST ORANGE
TRUST FUND**

B-12

**ANIMAL CONTROL FUND
PREPAID LICENSES
YEAR ENDED DECEMBER 31, 2012**

	<u>Ref.</u>		
Balance December 31, 2011	B		\$ 3,132.00
Increased by:			
Cash Receipts	B-3		4,428.00
			7,560.00
Decreased by:			
Applied to Current Year Revenue	B-15	\$ 3,132.00	
Due to State of New Jersey	B-10	478.20	3,610.20
			3,610.20
Balance December 31, 2012	B		\$ 3,949.80
Analysis of Balance:			
Dog Licenses		\$ 3,574.80	
Cat Licenses		375.00	3,949.80
			\$ 3,949.80

DRAFT

**TOWNSHIP OF WEST ORANGE
TRUST FUND**

B-13

**SCHEDULE OF SPECIAL DEPOSITS
YEAR ENDED DECEMBER 31, 2012**

	<u>Ref.</u>		
Balance December 31, 2011	B		\$ 5,712,959.12
Increased by:			
Special Deposits	B-3	\$ 6,470,998.51	
Interest Earned	B-3	<u>1,238.35</u>	<u>6,472,236.86</u>
			12,185,195.98
Decreased by:			
Deposits Returned	B-3	7,964,855.93	
Special Deposits Canceled	B-1A	212,374.47	
Due to Current Fund	B-3	<u>1,238.35</u>	<u>8,178,468.75</u>
			<u>\$ 4,006,727.23</u>
Balance December 31, 2012	B		<u>\$ 4,006,727.23</u>
Analysis of Balance:			
Developer's Fee - COAH			\$ 2,095,708.20
Accumulated Absence			2,218.55
Cash Bonds/Other Deposits			798,683.86
Recycling - Local Program			109,779.17
Planning and Zoning Escrow			49,286.62
Planning and Zoning Escrow II			97,371.02
Payroll Deposits			223,792.54
Growth Share-COAH			242,685.34
Recreation Trip Account			172,099.70
Confiscated Funds			89,808.73
Uniform Fire Safety Act - Penalties			70,573.60
Parking Offenses Adjudication Act			21,818.49
Extra Duty Security			28,728.56
Public Defender Application Fee			<u>4,172.85</u>
			<u>\$ 4,006,727.23</u>

TOWNSHIP OF WEST ORANGE
TRUST FUND

B-14

RESERVE FOR SPECIAL IMPROVEMENT DISTRICT RECEIVABLE
YEAR ENDED DECEMBER 31, 2012

	<u>Ref.</u>	
Balance, December 31, 2011	B	\$ 7,751.58
Decreased by:		
Payments Made to SID by Current Fund		
West Orange Alliance	B-9	<u>7,751.58</u>
⁵ Balance, December 31, 2012	B	<u><u>\$</u></u>

DRAFT

**TOWNSHIP OF WEST ORANGE
TRUST FUND**

B-15

**RESERVE FOR DOG FUND EXPENDITURES
YEAR ENDED DECEMBER 31, 2012**

	<u>Ref.</u>	
REVENUE AND OTHER INCOME:		
Animal Control Fees:		
Current Year Collections	B-3	\$ 24,943.58
Prepayments Applied - Cat License Fees	B-12	336.00
Prepayments Applied - Dog License Fees	B-12	2,796.00
		<u>28,075.58</u>
Miscellaneous Revenue:		
Roseland Animal Control Contract		2,684.64
Essex Fells Animal Contract		1,490.62
Cat Licenses		3,019.42
North Caldwell		625.00
	B-3	<u>7,819.68</u>
TOTAL REVENUE AND OTHER INCOME		<u>35,895.26</u>
EXPENDITURES:		
Animal Control Expenditures	B-3	60,163.72
Prepaid Dog License		
Prepaid Cat Licenses		
Due to State of NJ		
TOTAL EXPENDITURES		<u>60,163.72</u>
DEFICIT OF REVENUE UNDER EXPENDITURES		(24,268.46)
BALANCE, BEGINNING OF YEAR	B	<u>56,006.27</u>
BALANCE, END OF YEAR	B	<u>\$ 31,737.81</u>

**TOWNSHIP OF WEST ORANGE
TRUST FUND**

**RESERVE FOR INSURANCE TRUST FUND
YEAR ENDED DECEMBER 31, 2012**

	<u>Ref.</u>	<u>Total</u>	<u>Workers' Compensation</u>	<u>Unemployment Compensation</u>	<u>Municipal Insurance</u>
Balance, December 31, 2011	B	\$ 682,367.35	\$ 32,371.83	\$ 499,905.18	\$ 150,090.34
Increased by:					
Current Fund Budget Appropriation	B-4	1,347,805.00	500,000.00		847,805.00
Refunds and Subrogation	B-4	42,753.77	8,045.79		34,707.98
Due From Current Fund	B-4 & B-8B	312,000.00	305,000.00	7,000.00	
Payroll Deductions	B-4	30,489.59		30,489.59	
Interest on Deposits	B-4 & B-8B	1,843.26	32.93	1,131.21	679.12
		<u>1,734,891.62</u>	<u>813,078.72</u>	<u>38,620.80</u>	<u>883,192.10</u>
		<u>2,417,258.97</u>	<u>845,450.55</u>	<u>538,525.98</u>	<u>1,033,282.44</u>
Decreased by:					
Audit Adjustment	B-11	2.00		2.00	
Workers' Compensation Claims and Administrative Fees	B-4	498,170.84	498,170.84		
Insurance Settlements and Premiums Due From Current Fund	B-4 B-8B	992,631.26 313,843.26	305,032.93	8,131.21	992,631.26 679.12
Due To State of New Jersey: Cash Disbursements	B-4	150,339.74		150,339.74	
		<u>1,954,985.10</u>	<u>803,203.77</u>	<u>158,472.95</u>	<u>993,310.38</u>
Balance, December 31, 2012	B	<u>\$ 462,271.87</u>	<u>\$ 42,246.78</u>	<u>\$ 380,053.03</u>	<u>\$ 39,972.06</u>

**TOWNSHIP OF WEST ORANGE
TRUST FUND**

**RESERVE FOR COMMUNITY DEVELOPMENT BLOCK GRANT
YEAR ENDED DECEMBER 31, 2012**

	<u>Balance Dec. 31, 2011</u>	<u>Increase 2012 Grant Award</u>	<u>Reprogrammed Funds</u>	<u>Expended By Township</u>	<u>Expended By Third Party</u>	<u>Canceled</u>	<u>Balance Dec. 31, 2012</u>
Community Development Block Grant:							
Direct Funding:							
Project Year 2011							
Valley Settlement House - Roof Replacement	\$ 12,000.00	\$	\$	\$	\$ 12,000.00	\$	\$
Downtown Streetscape Planters (SID District)	20,000.00			20,000.00			
Seward Street Reconstruction	69,000.00		19,581.46	88,581.46			
Edisonia Terrace Reconstruction	98,000.00			98,000.00			
Sheperd Terrace Reconstruction	100,000.00		72,446.18	172,446.18			
William Street Reconstruction	70,000.00					70,000.00	
Cherry Street Reconstruction	32,000.00			2,480.81		22,027.64	7,491.55
Bethany Center for Champions Outreach for At-Risk Youth	33,750.00				33,750.00		
Main Street Counseling - Accessible	10,000.00				10,000.00		
Project Year 2012							
Erwin Place Street Reconstruction		132,000.00					132,000.00
Liberty Street Street Reconstruction		40,000.00					40,000.00
Ridge Avenue Street Reconstruction		52,352.00					52,352.00
Kling Street Street Reconstruction		117,000.00					117,000.00
Main Street Counseling		10,000.00					10,000.00
SID Parking Lot Improvements			3,422.77	3,422.77			
	<u>\$ 444,750.00</u>	<u>\$ 351,352.00</u>	<u>\$ 95,450.41</u>	<u>\$ 384,931.22</u>	<u>\$ 55,750.00</u>	<u>\$ 92,027.64</u>	<u>\$ 358,843.55</u>
Ref.	B	B-6	B-6	Below	Below	Below	B
		<u>Ref.</u>					
Cash		B-5		\$ 384,931.22	\$	\$	
Canceled		B-6				\$ 92,027.64	
Paid Directly by Third Party		B-6			55,750.00		
				<u>\$ 384,931.22</u>	<u>\$ 55,750.00</u>	<u>\$ 92,027.64</u>	

**TOWNSHIP OF WEST ORANGE
TRUST FUND**

B-18

**RESERVE FOR SECTION 8 HOUSING
YEAR ENDED DECEMBER 31, 2012**

	<u>Ref.</u>		
Balance, December 31, 2011	B		\$ 63,252.87
Increased by:			
Grant Awards	B-6	\$1,169,633.53	
Interest on Investments	B-5	98.71	
Recoveries	B-5	1,673.00	
Portability-In	B-5	<u>267,785.00</u>	<u>1,439,190.24</u>
			1,502,443.11
Decreased by:			
Due to Current	B-5	98.71	
Housing Choice Voucher Payments	B-5	1,016,466.00	
Administrative Costs	B-5	95,808.62	
Portability-In	B-5	<u>265,371.00</u>	<u>1,377,744.33</u>
Balance, December 31, 2012	B		<u>\$ 124,698.78</u>

DRAFT

**TOWNSHIP OF WEST ORANGE
TRUST FUND**

B-19

**RESERVE FOR OPEN SPACE EXPENDITURES
YEAR ENDED DECEMBER 31, 2012**

	<u>Ref.</u>		
Balance, December 31, 2011	B		\$ 477,231.71
Increased by:			
2012 Open Space Tax	B-2	\$ 147,817.62	
2012 Open Space Tax Due from Current	B	226.73	
Interest on Investments	B-2	796.14	148,840.49
			626,072.20
Decreased by:			
Open Space Expenditures	B-2		99,992.99
Balance, December 31, 2012	B		\$ 526,079.21

DRAFT

TOWNSHIP OF WEST ORANGE
TRUST FUND

B-20

RESERVE FOR ASSESSMENT TRUST FUND
YEAR ENDED DECEMBER 31, 2012

	<u>Ref.</u>	
Balance, December 31, 2011	B	\$ 80,704.68
Decreased by:		
Cash Receipts	B-3	<u>23,091.98</u>
Balance, December 31, 2012	B	<u>\$ 57,612.70</u>

DRAFT

TOWNSHIP OF WEST ORANGE
TRUST FUND

B-21

GENERAL TRUST ACCOUNTS PAYABLE
YEAR ENDED DECEMBER 31, 2012

	<u>Ref.</u>	<u>General Trust Fund</u>
Balance, December 31, 2011		\$ 1,240.03
Decreased by:		
General Trust Cancelations	B-1A	<u>1,240.03</u>
Balance, December 31, 2012	B	<u><u>\$</u></u>

DRAFT

TOWNSHIP OF WEST ORANGE
TRUST FUND

B-22

ANIMAL CONTROL ACCOUNTS PAYABLE
YEAR ENDED DECEMBER 31, 2012

	<u>Ref.</u>	<u>Animal Control Fund</u>
Balance, December 31, 2011	B	\$ 274.42
Decreased by:		
Animal Control Disbursement	B-3	<u>274.42</u>
Balance, December 31, 2012	B-3	<u>\$</u>

DRAFT

**TOWNSHIP OF WEST ORANGE
GENERAL CAPITAL FUND**

C-2

**CASH - TREASURER
YEAR ENDED DECEMBER 31, 2012**

	<u>Ref.</u>		
Balance, December 31, 2011	C		\$ 3,190,219.03
Increased by Receipts:			
NJGIT Trust and Fund Loan	C-4	\$ 446,420.00	
Bond Anticipation Notes	C-10	15,607,303.00	
Interfunds Receivable	C-5	81,208.59	
Capital Improvement Fund	C-12	500,100.00	
Premium on BANS Issued	C-1	120,934.42	
		16,755,966.01	
			19,946,185.04
Decreased by Disbursements:			
Current Fund Anticipated Revenue	C-1	195,000.00	
Bond Anticipation Notes	C-10	11,922,998.00	
Interfunds Payable	C-5	81,208.59	
Reserve to Pay Debt Service	C-16	294,572.68	
Improvement Authorizations	C-11	3,393,025.37	
		15,886,804.64	
Balance, December 31, 2012	C		\$ 4,059,380.40

DRAFT

TOWNSHIP OF WEST ORANGE
GENERAL CAPITAL FUND

ANALYSIS OF CASH
YEAR ENDED DECEMBER 31, 2012

Ordinance Number	Balance Dec. 31, 2011	Post Audit Adjustment	Receipts	Disbursements	Transfers		Balance Dec. 31, 2012
					To	From	
Fund Balance	\$ 199,973.84	\$	\$ 120,934.42	\$ 195,000.00	\$ 1,879.72	\$	\$ 127,787.98
Due From/To Current Fund			81,208.59	1,328.59	9,900.00		
Capital Improvement Fund	3,123.96		500,100.00				3,223.96
Deferred Charges-Unfunded			564,500.00				564,500.00
NJEPA Trust and Fund Loan Receivable			446,420.00				446,420.00
Bond Anticipation Notes			16,376,323.00	13,336,398.00	644,380.00		3,684,305.00
Reserve to Pay Debt Service	294,572.68			294,572.68			
Parking Garage	36,073.26						36,073.26
Accounts Payable	1,879.72					1,879.72	
<u>Improvement Authorizations:</u>							
1122-92 Various Capital Improvements	19,315.61						19,315.61
1374-96 Regional Contribution Agreement	68,920.45			650.00			68,270.45
1697-00 Various Capital Improvements	40,755.89			5,680.70			35,075.19
1720-00 Various Capital Improvements	916.00			916.00			
1760-01 Various Capital Improvements	114,954.18			17,811.00			97,143.18
1761-01 Various Capital Improvements	24,986.80						24,986.80
1768-01 Various Capital Improvements	3,131.96						3,131.96
1791-01 Various Capital Improvements	16,712.95			13,191.51			3,521.44
1819-02 Various Capital Improvements	12,239.80						12,239.80
1823-02 Capital Assessment-Joint Meeting	15,225.72			1,320.00	16,430.00		30,335.72
1840-02 Various Capital Improvements	8,585.94			2,705.76			5,880.18
1886-03 Various Capital Improvements	7,075.77						7,075.77
1892-03 Various Capital Improvements	46,397.89			10,952.00			35,445.89
1905-03 Various Capital Improvements	24,825.84			7,504.84			17,321.00
2017-05 Storm Drainage Improvements	(34,257.65)		651.51	707,164.17	429,990.00		(310,780.31)
2018-05 Various Capital Improvements	52,217.16			7,852.07			44,365.09
2019-05 Various Road Improvements	18,805.26						18,805.26
2050-05 Joint Meeting Capital Assessment	37,387.44			645.00			36,742.44
2055-06 Improvements at Stagg Field	39,773.73						39,773.73

TOWNSHIP OF WEST ORANGE
GENERAL CAPITAL FUND

ANALYSIS OF CASH
YEAR ENDED DECEMBER 31, 2012

Ordinance Number		Balance Dec. 31, 2011	Post Audit Adjustment	Receipts	Disbursements	To	Transfers From	Balance Dec. 31, 2012
2067-06	Redevelopment Study	\$ 10,073.35	\$	\$	\$	\$	\$	\$
2069-06	Various Capital Improvements	4,808.45			31,285.50			(26,477.05)
2070-06	Various Road Improvements	22,969.69			11,865.00			11,104.69
2078-06	Various Capital Improvements	138,969.03			62,039.04			76,929.99
2125-07	Various Capital Improvements	12,003.23			9,545.00			2,458.23
2127-07	Various Capital Improvements	223,746.37		2,500.00	16,291.23			209,955.14
2133-07	Various Capital Improvements	44,488.70			140,676.51			(96,187.81)
2160-07	Acquisition of Mobile Communication System	4,760.01						4,760.01
2166-08	Various Capital Improvements	59,971.91						59,971.91
2172-08	Various Capital Improvements	158,422.50			145,618.96			12,803.54
2176-08	Consulting Study-New Communications Study	37,591.99						37,591.99
2194-09	Acquisition of Computer System Managing Equipment	(290.98)			14,150.00			(14,440.98)
2209-09	Various Capital Improvements	140,753.15			51,479.94			89,273.21
2211-09	Various Road Improvements	38,823.65						38,823.65
2214-09	Joint Meeting Capital Assessment	6,658.36			3,574.76			3,083.60
2216-09	Various Road Improvements	17,160.21						17,160.21
2222-09	Communications System Upgrade	156,536.67			150,000.00			6,536.67
2232-09	Various Capital Improvements	1,843.83			1,492.67			351.16
2237-09	Various Capital Improvements	183,907.40			8,460.19			175,447.21
2272-10	Various Capital Improvements	329,167.28			201,852.10			127,315.18
2278-10	Various Capital Improvements	8,815.32			1,770.32			7,045.00
2290-10	Various Capital Improvements	623,247.84		90,139.11	670,746.23			42,640.72
2237-09	Telecommunications Systems	(106,171.83)	18,368.71		117,940.63			(205,743.75)
2358-12	Llewellyn Park Sanitary Project				1,071,134.86	4,184,305.00		3,113,170.14
		<u>\$ 3,171,850.33</u>	<u>\$ 18,368.71</u>	<u>\$ 18,182,776.63</u>	<u>\$ 17,313,615.26</u>	<u>\$ 5,286,884.72</u>	<u>\$ 5,286,884.72</u>	<u>\$ 4,049,307.06</u>
Ref.		C	C-5	C-2	C-2	Contra	Contra	C

**TOWNSHIP OF WEST ORANGE
GENERAL CAPITAL FUND**

C-4

**NJEPa TRUST
AND FUND LOAN PAYABLE
YEAR ENDED DECEMBER 31, 2012**

	<u>Ref.</u>	
Balance, December 31, 2011	C	\$ 3,622,170.14
Decreased by:		
2012 Budget Appropriation for Payment of NJ Trust Fund Loan Bonds	C-6	<u>237,228.83</u>
Balance, December 31, 2012	C	<u>\$ 3,384,941.31</u>
 Analysis		
	<u>ORD#</u>	
New Jersey Trust 2002 A	1823-02	\$ 541,177.27
New Jersey Trust 2005 A	2017-05	598,310.36
New Jersey Trust 2006 A	2050-05	488,981.49
New Jersey Trust 2010 A	2214-09	<u>1,756,472.19</u>
Balance, December 31, 2012		<u>\$ 3,384,941.31</u>

DRAFT

**TOWNSHIP OF WEST ORANGE
GENERAL CAPITAL FUND**

C-5

**INTERFUNDS RECEIVABLE
YEAR ENDED DECEMBER 31, 2012**

	<u>Ref.</u>	Total	Current Fund	CDBG
Balance, December 31, 2011	C	\$ 18,368.71	\$	\$ 18,368.71
Increased by:				
Cash Receipts	C-2	81,208.59	81,208.59	
		99,577.30	81,208.59	18,368.71
Decreased by:				
Cash Disbursements	C-2	81,208.59	81,208.59	
Post Audit Adjustment	C-11	18,368.71		18,368.71
		18,368.71		18,368.71
Balance, December 31, 2012	C	\$	\$	\$

DRAFT

TOWNSHIP OF WEST ORANGE
GENERAL CAPITAL FUND

C-6

DEFERRED CHARGES TO FUTURE TAXATION - FUNDED
YEAR ENDED DECEMBER 31, 2012

	<u>Ref.</u>		
Balance, December 31, 2011	C		\$37,957,170.14
Decreased by:			
2012 Current Fund Budget Appropriation for Payment of Serial Bonds	C-9	\$ 3,385,000.00	
2012 Current Fund Budget Appropriation for Payment of NJEPA Trust and Loans	C-4	<u>237,228.83</u>	
			<u>3,622,228.83</u>
Balance, December 31, 2012	C		<u><u>\$34,334,941.31</u></u>

DRAFT

TOWNSHIP OF WEST ORANGE
GENERAL CAPITAL FUND

DEFERRED CHARGES TO FUTURE TAXATION - UNFUNDED
YEAR ENDED DECEMBER 31, 2012

Ordinance Number	Improvement Description	Balance, December 31, 2011	2012 Authorizations	Decrease	Canceled	Balance, December 31, 2012	Analysis of Balance		
							Bond Anticipation Notes	Expenditures	Unfunded Improvement Authorizations
1122-92	Various Capital Improvements	\$ 90,000.00	\$	\$	\$	\$ 90,000.00	\$	\$	\$ 90,000.00
1374-96	Regional Contribution Agreement	1,325,250.00				1,325,250.00			1,325,250.00
1435-97	Various Capital Improvements	50,000.00		2,500.00		47,500.00	47,500.00		
1760-01	Various Capital Improvements	150,000.00				150,000.00			150,000.00
1840-02	Various Capital Improvements	250,000.00				250,000.00			250,000.00
1905-03	Various Capital Improvements	104,770.00				104,770.00	44,770.00		60,000.00
2017-05	Storm Drainage Improvements	152,909.00				152,909.00			152,909.00
2018-05	Various Capital Improvements	150,000.00				150,000.00	150,000.00		
2067-06	Redevelopment Study	327,500.00				327,500.00			327,500.00
2069-06	Various Capital Improvements	161,453.00				161,453.00	51,453.00		110,000.00
2078-06	Various Capital Improvements	550,000.00		6,000.00		544,000.00	344,000.00		200,000.00
2125-07	Various Capital Improvements	136,666.68				136,666.68	50,000.00		86,666.68
2133-07	Various Capital Improvements	682,250.00				682,250.00	400,000.00		282,250.00
2166-08	Various Capital Improvements	400,000.00		16,000.00		384,000.00	384,000.00		
2172-08	Various Capital Improvements	1,500,000.00				1,500,000.00	650,000.00		850,000.00
2194-09	Acquisition of Computer System Managing Equipment	95,000.00				95,000.00			95,000.00
2209-09	Various Capital Improvements	817,000.00				817,000.00	675,000.00		142,000.00
2211-09	Various Road Improvements	429,400.00				429,400.00	404,400.00		25,000.00
2214-09	Joint Meeting Capital Assessment	70,594.00				70,594.00	25,000.00		45,594.00
2216-09	Various Road Improvements	1,733,750.00		75,000.00		1,658,750.00	1,658,750.00		
2222-09	Upgrade of the Communications System	1,615,000.00				1,615,000.00	1,615,000.00		
2232-09	Various Capital Improvements	83,125.00				83,125.00	33,125.00		50,000.00
2237-09	Various Capital Improvements	2,850,000.00				2,850,000.00	2,200,000.00		650,000.00
2238-09	Tax Appeal-Refunding	1,395,000.00		465,000.00		930,000.00	930,000.00		
2272-10	Various Capital Improvements	1,070,650.00				1,070,650.00	750,000.00		320,650.00
2278-10	Various Capital Improvements	111,435.00				111,435.00	10,000.00		101,435.00
2290-10	Various Capital Improvements	1,982,840.00				1,982,840.00	1,500,000.00		482,840.00
2299-10	Telecommunications Improvements	232,750.00				232,750.00			232,750.00
2354-12	Edison Redevelopment		6,300,000			6,300,000.00			6,300,000.00
2358-12	Llewellyn Park Sanitation Project		3,684,305			3,684,305.00	3,684,305.00		
		<u>\$ 18,517,342.68</u>	<u>\$ 9,984,305.00</u>	<u>\$ 564,500.00</u>	<u>\$</u>	<u>\$ 27,937,147.68</u>	<u>\$ 15,607,303.00</u>	<u>\$</u>	<u>\$ 12,329,844.68</u>
Ref.	C		C-11	C-10		C	C-10		

TOWNSHIP OF WEST ORANGE
GENERAL CAPITAL FUND

C-8

ACCOUNTS PAYABLE
YEAR ENDED DECEMBER 31, 2012

	<u>Ref.</u>	
Balance, December 31, 2011	C	\$ 1,879.72
Decreased by:		
Cancellation	C-1	<u>1,879.72</u>
Balance, December 31, 2012	C	<u><u>\$</u></u>

DRAFT

TOWNSHIP OF WEST ORANGE
GENERAL CAPITAL FUND

SERIAL BONDS PAYABLE
YEAR ENDED DECEMBER 31, 2012

Date of Issue	Amount of Original Issue	Maturities of Bonds Outstanding, December 31, 2011		Interest Rate	Balance December 31, 2011	Increased	Decreased	Balance December 31, 2012
		Date	Amount					
4/1/2003	\$ 1,770,000.00				\$ 1,585,000.00	\$	\$ 70,000.00	\$ 1,515,000.00
		4/1/2013	\$ 80,000.00	5.20%				
		4/1/2014	95,000.00	5.20%				
		4/1/2015	110,000.00	5.30%				
		4/1/2016	130,000.00	5.38%				
		4/1/2017	150,000.00	5.40%				
		4/1/2018	170,000.00	5.50%				
		4/1/2019	195,000.00	5.625%				
		4/1/2020	220,000.00	5.70%				
		4/1/2021	245,000.00	5.70%				
		4/1/2022	55,000.00	5.70%				
		4/1/2023	65,000.00	5.70%				
			<u>1,615,000.00</u>					
2/15/2004	11,015,000.00				6,960,000.00		1,460,000.00	5,500,000.00
		2/15/2013	1,115,000.00	5.00%				
		2/15/2014	1,110,000.00	5.00%				
		2/15/2015	1,105,000.00	5.00%				
		2/15/2016	1,100,000.00	5.00%				
		2/15/2017	1,070,000.00	5.00%				
			<u>5,500,000.00</u>					
3/1/2005	9,100,000.00				6,250,000.00		800,000.00	5,450,000.00
		3/1/2013	1,250,000.00	3.625%				
		3/1/2014	1,275,000.00	3.625%				
		3/1/2015	1,375,000.00	3.65%				
		3/1/2016	1,550,000.00	3.65%				
			<u>5,450,000.00</u>					
8/1/2008	8,735,000.00				8,035,000.00		400,000.00	7,635,000.00
		8/1/2013	400,000.00	3.50%				
		8/1/2014	500,000.00	3.50%				
		8/1/2015	500,000.00	3.50%				
		8/1/2016	500,000.00	3.50%				
		8/1/2017	900,000.00	3.50%				
		8/1/2018	900,000.00	3.75%				
		8/1/2019	935,000.00	3.75%				
		8/1/2020	1,000,000.00	4.00%				
		8/1/2021	1,000,000.00	4.00%				
		8/1/2022	1,000,000.00	4.00%				
			<u>7,635,000.00</u>					

TOWNSHIP OF WEST ORANGE
GENERAL CAPITAL FUND

SERIAL BONDS PAYABLE
YEAR ENDED DECEMBER 31, 2012

Date of Issue	Amount of Original Issue	Maturities of Bonds Outstanding, December 31, 2011		Interest Rate	Balance December 31, 2011	Increased	Decreased	Balance December 31, 2012
		Date	Amount					
8/1/2008	\$ 11,505,000.00				\$ 11,505,000.00	\$	\$ 655,000.00	\$ 10,850,000.00
		5/1/2013	\$ 500,000.00	0.00%				
		5/1/2014	550,000.00	0.00%				
		5/1/2015	750,000.00	2.50%				
		5/1/2016	800,000.00	3.00%				
		5/1/2017	800,000.00	3.00%				
		5/1/2018	800,000.00	3.00%				
		5/1/2019	800,000.00	3.00%				
		5/1/2020	800,000.00	3.00%				
		5/1/2021	800,000.00	3.25%				
		5/1/2022	850,000.00	3.25%				
		5/1/2023	850,000.00	3.50%				
		5/1/2024	850,000.00	4.00%				
		5/1/2025	850,000.00	4.00%				
		5/1/2026	850,000.00	4.00%				
			<u>10,850,000.00</u>					
			<u>\$ 30,950,000.00</u>		<u>\$ 34,335,000.00</u>	<u>\$</u>	<u>\$ 3,385,000.00</u>	<u>\$ 30,950,000.00</u>
				Ref.	C		C-6	C

TOWNSHIP OF WEST ORANGE
GENERAL CAPITAL FUND

SCHEDULE OF BOND ANTICIPATION NOTES
YEAR ENDED DECEMBER 31, 2012

Ordinance Number	Improvement Description	Original		Date of Issue	Date of Maturity*	Interest Rate	December 31,		December 31,	
		Amount	Date				2011	Increased	Decreased	2012
1435-97	Various Capital Improvements	\$ 50,000.00	12/30/09	10/26/2010	10/22/2013	1.25%	\$ 50,000.00	\$ 47,500.00	\$ 50,000.00	\$ 47,500.00
1905-03	Various Capital Improvements	300,000.00	12/01/08	9/30/2010	5/22/2013	1.50%	30,000.00	30,000.00	30,000.00	30,000.00
		14,770.00	12/15/10	12/15/2010	5/22/2013	1.50%	14,770.00	14,770.00	14,770.00	14,770.00
2018-05	Various Capital Improvements	150,000.00	12/15/10	12/15/2010	5/22/2013	1.50%	150,000.00	150,000.00	150,000.00	150,000.00
2069-06	Various Capital Improvements	51,453.00	12/15/10	12/15/2010	5/22/2013	1.50%	51,453.00	51,453.00	51,453.00	51,453.00
2078-06	Various Capital Improvements	188,981.00	04/09/09	9/30/2010	5/22/2013	1.50%	150,000.00	150,000.00	150,000.00	150,000.00
2078-06	Various Capital Improvements	200,000.00	12/30/09	10/26/2010	10/22/2013	1.25%	200,000.00	194,000.00	200,000.00	194,000.00
2125-07	Various Capital Improvements	150,000.00	04/09/09	9/30/2010	5/22/2013	1.50%	50,000.00	50,000.00	50,000.00	50,000.00
2133-07	Various Capital Improvements	500,000.00	04/09/09	9/30/2010	5/22/2013	1.50%	400,000.00	400,000.00	400,000.00	400,000.00
2166-08	Various Capital Improvements	400,000.00	12/30/09	10/26/2010	10/22/2013	1.25%	400,000.00	384,000.00	400,000.00	384,000.00
2172-08	Various Capital Improvements	952,517.00	04/09/09	9/30/2010	5/22/2013	1.50%	650,000.00	650,000.00	650,000.00	650,000.00
2209-09	Various Capital Improvements	375,000.00	12/15/10	12/15/2010	5/22/2013	1.50%	375,000.00	375,000.00	375,000.00	375,000.00
		300,000.00	05/22/13	5/22/2013	5/22/2013	1.50%	300,000.00	300,000.00	300,000.00	300,000.00
2211-09	Various Road Improvements	229,400.00	12/30/09	10/26/2010	10/22/2013	1.25%	229,400.00	229,400.00	229,400.00	229,400.00
		150,000.00	12/15/10	12/15/2010	5/22/2013	1.50%	150,000.00	150,000.00	150,000.00	150,000.00
		25,000.00	05/22/13	5/22/2013	5/22/2013	1.50%	25,000.00	25,000.00	25,000.00	25,000.00
2214-09	Joint Meeting Capital Assessment	25,000.00	12/15/10	12/15/2010	5/22/2013	1.50%	25,000.00	25,000.00	25,000.00	25,000.00
2216-09	Various Road Improvements	1,500,000.00	12/30/09	10/26/2010	10/22/2013	1.25%	1,500,000.00	1,425,000.00	1,500,000.00	1,425,000.00
		233,750.00	12/15/10	12/15/2010	5/22/2013	1.50%	233,750.00	233,750.00	233,750.00	233,750.00
2222-09	Upgrade of the Communications System	1,318,490.00	12/15/10	12/15/2010	5/22/2013	1.50%	1,318,490.00	1,318,490.00	1,318,490.00	1,318,490.00
		296,510.00	05/22/13	5/22/2013	5/22/2013	1.50%	296,510.00	296,510.00	296,510.00	296,510.00
2232-09	Various Capital Improvements	23,125.00	12/15/10	12/15/2010	5/22/2013	1.50%	23,125.00	23,125.00	23,125.00	23,125.00
		10,000.00	05/22/13	5/22/2013	5/22/2013	1.50%	10,000.00	10,000.00	10,000.00	10,000.00
2237-09	Various Capital Improvements	2,100,000.00	12/15/10	12/15/2010	5/22/2013	1.50%	2,100,000.00	2,100,000.00	2,100,000.00	2,100,000.00
		100,000.00	05/22/13	5/22/2013	5/22/2013	1.50%	100,000.00	100,000.00	100,000.00	100,000.00
2238-09	Refunding-Tax Appeals	2,325,000.00	12/30/09	10/26/2010	10/22/2013	1.25%	1,395,000.00	930,000.00	1,395,000.00	930,000.00
2272-10	Various Capital Improvements	750,000.00	07/07/11	7/7/2011	5/22/2013	1.50%	750,000.00	750,000.00	750,000.00	750,000.00
2278-10	Various Capital Improvements	10,000.00	07/07/11	7/7/2011	5/22/2013	1.50%	10,000.00	10,000.00	10,000.00	10,000.00
2290-10	Various Capital Improvements	1,500,000.00	07/07/11	7/7/2011	5/22/2013	1.50%	1,500,000.00	1,500,000.00	1,500,000.00	1,500,000.00
2358-12	Llewellyn Park Sanitary Project	3,684,305.00	6/12/2012	12/20/2012	10/22/2013	1.00%		3,684,305.00		3,684,305.00
							<u>\$ 12,487,498.00</u>	<u>\$ 15,607,303.00</u>	<u>\$ 12,487,498.00</u>	<u>\$ 15,607,303.00</u>

Ref.	C	Below	Below	C, C-7
Bond Anticipation Notes Issued	C-3, C-13	\$ 3,684,305.00	\$	
Bond Anticipation Notes Reissued	Contra	<u>11,922,998.00</u>	<u>11,922,998.00</u>	
	C-2	15,607,303.00	11,922,998.00	
Payment of BAN Principal	C-2, C-7		<u>564,500.00</u>	
	Above	<u>\$ 15,607,303.00</u>	<u>\$ 12,487,498.00</u>	

* Maturity dates have been extended to 2014

TOWNSHIP OF WEST ORANGE
GENERAL CAPITAL FUND

IMPROVEMENT AUTHORIZATIONS
YEAR ENDED DECEMBER 31, 2012

Ordinance Number	Improvement Description	Original		Balance December 31, 2011			2012 Authorizations	2012 Post Audit Adjustment	2012 Cancelations/Transfers	Paid or Charged	Balance December 31, 2012		
		Amount	Date	Funded	Unfunded	Encumbered					Funded	Unfunded	Encumbered
1122-92	Various Capital Improvements	\$ 1,122,500	08/18/92	\$ 13,535.12	\$ 95,780.49	\$	\$	\$	\$	\$ 650.00	\$ 13,535.12	\$ 95,780.49	\$ 212,249.63
1374-96	Regional Contribution Agreement	1,395,000	02/06/96	68,920.45	1,325,250.00					5,680.70	(39,805.89)	1,181,270.82	39,805.89
1697-00	Various Capital Improvements	918,500	04/04/00		39,805.89	950.00		(35,075.19)		5,680.70	(39,805.89)	39,805.89	
1720-00	Various Capital Improvements	570,500	09/05/00			916.00				916.00			
1760-01	Various Capital Improvements	1,301,000	04/10/01		107,223.18	157,731.00		(78,570.18)		17,811.00	54,614.82	107,223.18	6,735.00
1761-01	Various Capital Improvements	349,000	04/10/01	24,986.80				(22,209.62)			2,777.18		
1768-01	Various Capital Improvements	306,000	06/12/01		3,131.96								3,131.96
1791-01	Various Capital Improvements	658,000	11/07/01		14,041.06	2,671.89		(3,521.44)		13,191.51			
1819-02	Various Capital Improvements	386,600	04/23/02		12,239.80			(12,239.80)					
1823-02	Joint Meeting-Capital Assessment	900,000	06/25/02		15,225.72					1,320.00		13,905.72	
1840-02	Various Capital Improvements	1,096,500	09/03/02		258,585.94					2,705.76		255,880.18	
1886-03	Various Capital Improvements	839,000	04/22/03		5,990.77	1,085.00		(35,445.89)		10,952.00		3,763.91	3,311.86
1892-03	Various Capital Improvements	778,000	05/20/03		36,347.89	10,050.00				7,504.84		62,955.93	14,365.07
1905-03	Various Capital Improvements	636,600	09/23/03		75,993.14	8,832.70				708,512.66	245,550.94	7,312.58	991,838.75
2017-05	Storm Drainage Improvements	2,600,000	07/19/05	354,586.92		1,589,315.43		(36,759.93)		7,852.07		18,805.26	292.58
2018-05	Various Capital Improvements	1,540,000	06/14/05		48,018.51	4,198.65							
2019-05	Various Road Improvements	935,000	06/14/05		18,805.26					645.00	36,742.44		
2050-05	Joint Meeting-Capital Assessment			37,387.44									
2055-06	Improvements at Staggy Field	372,500	03/21/06		38,773.73			(36,430.35)				3,343.38	
2067-06	Redevelopment Study	450,000	03/21/06		337,573.35							337,573.35	
2069-06	Various Capital Improvements	1,422,243	04/11/06		94,950.45	19,858.00				31,285.50	(0.00)	81,678.63	1,844.32
2070-06	Various Road Improvements	1,642,500	04/11/06		22,969.69					11,865.00			11,104.69
2078-06	Various Capital Improvements	1,027,000	06/27/06		193,217.03	145,752.00				62,039.04		112,384.02	164,545.97
2104-06	Refunding-Tax Appeals	1,150,000	11/21/06										
2125-07	Various Capital Improvements	656,000	03/20/07		95,339.91	3,330.00		(63,034.85)		9,545.00		13,890.06	12,200.00
2127-07	Various Capital Improvements	2,315,000	04/10/07		88,247.53	135,498.84		(70,879.85)		13,791.23	(0.00)	2,500.00	136,575.29
2133-07	Various Capital Improvements	1,455,000	05/22/07		193,042.77	133,695.93		(35,835.18)		140,676.51		115,116.18	35,110.83
2160-07	Acquisition of a Mobile Communications System	325,000	01/09/08		4,760.01			(190.00)				4,570.01	
2166-08	Various Capital Improvements	2,505,500	04/29/08		53,035.55	6,936.36		(8,174.11)				44,761.44	7,036.36
2172-08	Various Capital Improvements	2,581,617	06/10/08		647,453.88	360,968.62				145,618.96		546,929.73	315,873.81
2176-08	Consulting Study-New Communications System	100,000	06/24/08		35,174.17	2,417.82		(35,174.17)			(0.00)		2,417.82
2194-09	Acquisition of Computer System Managing Equipment	100,000	01/20/09	878.40	94,030.62			(17,913.37)		14,150.00	(0.00)		62,645.65
2209-09	Various Capital Improvements	1,700,000	05/12/09		120,592.79	259,871.26		(106,522.55)		51,479.94	20,546.55	120,592.79	81,321.82
2211-09	Various Road Improvements	887,000	05/26/09		44,208.78	19,614.87					(0.00)	6,456.28	57,367.37
2214-09	Joint Meeting Capital Assessment	1,170,000	06/30/09		52,252.36					3,574.76		48,577.60	
2216-09	Various Road Improvements	1,825,000	06/30/09		17,160.21							17,160.21	
2222-09	Upgrade to the Communications Systems	1,700,000	08/11/09			156,536.67				150,000.00	0.00		6,536.67
2232-09	Various Capital Improvements	87,500	09/15/09		51,843.83			(34,951.16)		1,492.67		15,400.00	
2237-09	Various Capital Improvements	3,000,000	10/13/09		652,080.96	181,826.44		(652,080.96)		8,460.19	(0.00)		173,366.25
2238-09	Tax Appeal Refunding	2,325,000	12/02/09										
2272-10	Various Capital Improvements	1,127,000	06/29/10		146,419.03	503,398.25		(103,536.09)		201,852.10	0.00	16,372.52	328,056.57
2278-10	Various Capital Improvements	117,300	09/14/10		110,250.32					1,770.32		80,921.51	27,558.49
2290-10	Various Capital Improvements	2,087,200	10/12/10		356,917.41	749,170.43		(214,135.42)		580,607.12		133,624.44	177,720.86
2299-10	Telecommunications System	245,000	01/15/11		8,637.44	117,940.73		(4,118.74)		117,940.63		22,887.51	
2354-12	Edison Redevelopment	6,300,000	03/20/12				6,300,000.00	18,368.71				6,300,000.00	
2358-12	Llewellyn Park Sanitation Project	4,184,305	06/12/12				4,184,305.00			1,071,134.86	3,000.00	426,982.00	2,683,188.14
2366-12	Various Capital Improvements	1,606,799	12/18/12								1,606,799.25	1,604,468.65	2,330.60
				<u>\$ 500,095.13</u>	<u>\$ 5,516,371.43</u>	<u>\$ 4,572,566.89</u>	<u>\$ 10,484,305.00</u>	<u>\$ 18,368.71</u>	<u>\$</u>	<u>\$ 3,393,025.37</u>	<u>\$ 336,961.16</u>	<u>\$ 11,842,994.27</u>	<u>\$ 5,518,726.36</u>
				Ref.	C	C	C	Below	C-5	C-2	C	C	C
							Ref.						
							C-7	\$ 9,984,305.00					
							C-12	500,000.00					
								Above					\$ 10,484,305.00

TOWNSHIP OF WEST ORANGE
GENERAL CAPITAL FUND

C-12

CAPITAL IMPROVEMENT FUND
YEAR ENDED DECEMBER 31, 2012

	<u>Ref.</u>		
Balance, December 31, 2011	C		\$ 3,123.96
Increased by Receipts:			
From Assessment Fund	C-2, C-11	\$ 500,000.00	
Budget Appropriation	C-2	<u>100.00</u>	<u>500,100.00</u>
			503,223.96
Decreased by Funding of Ordinances:			
Ordinance# 2358-12	C-11		<u>500,000.00</u>
Balance, December 31, 2012	C		<u><u>\$ 3,223.96</u></u>

DRAFT

TOWNSHIP OF WEST ORANGE
GENERAL CAPITAL FUND

BONDS AND NOTES AUTHORIZED BUT NOT ISSUED
YEAR ENDED DECEMBER 31, 2012

Ordinance Number	Improvement Description	Balance December 31, 2011	2012 Authorizations/Transfers	Debt Issued	Decrease	Balance December 31, 2012
1122-92	Various Capital Improvements	\$ 90,000.00	\$	\$	\$	\$ 90,000.00
1374-96	Regional Contribution Agreement	1,325,250.00				1,325,250.00
1435-97	Various Capital Improvements					
1448-97	Various Capital Improvements					
1760-01	Various Capital Improvements	150,000.00				150,000.00
1840-02	Various Capital Improvements	250,000.00				250,000.00
1905-03	Various Capital Improvements	60,000.00				60,000.00
2017-05	Storm Drainage Improvements	152,909.00				152,909.00
2018-05	Various Capital Improvements					
2067-06	Redevelopment Study	327,500.00				327,500.00
2069-06	Various Capital Improvements	110,000.00				110,000.00
2078-06	Various Capital Improvements	200,000.00				200,000.00
2125-07	Various Capital Improvements	100,000.00				100,000.00
2133-07	Various Capital Improvements	268,916.68				268,916.68
2172-08	Various Capital Improvements	850,000.00				850,000.00
2194-09	Consulting Study-New Communications					
	Managing Equipment	95,000.00				95,000.00
2209-09	Various Capital Improvements	142,000.00				142,000.00
2211-09	Various Road Improvements	25,000.00				25,000.00
2214-09	Joint Meeting-Capital Assessment	45,594.00				45,594.00
2216-09	Various Road Improvements					
2222-09	Communications System Upgrade					
2232-09	Various Capital Improvements	50,000.00				50,000.00
2237-09	Various Capital Improvements	650,000.00				650,000.00
2272-10	Various Capital Improvements	320,650.00				320,650.00
2278-10	Various Capital Improvements	101,435.00				101,435.00
2290-10	Various Capital Improvements	482,840.00				482,840.00
2299-10	Telecommunications equipment	232,750.00				232,750.00
2354-12	Edison Redevelopment		6,300,000.00			6,300,000.00
2358-12	Llewelyn Park Sanitation		3,684,305.00	3,684,305.00		
		<u>\$ 6,029,844.68</u>	<u>\$ 9,984,305.00</u>	<u>\$ 3,684,305.00</u>	<u>\$</u>	<u>\$ 12,329,844.68</u>

Ref. C C-7 C-10 C

TOWNSHIP OF WEST ORANGE
GENERAL CAPITAL FUND

C-14

STATE GRANTS RECEIVABLE
YEAR ENDED DECEMBER 31, 2012

	<u>Ref.</u>	
Balance, December 31, 2012 and 2011	C	<u>\$1,913,647.62</u>
 <u>Analysis of Balance:</u>		
	<u>ORD#</u>	<u>Ref.</u>
Green Acres Matching Grant	1992-04	C
West Orange Board of Education	1896-03	C
West Orange Board of Education	2125-07	C
NJ Transportation Trust Fund-Byrne Road	2209-09	
NJ Transportation Trust Fund-Undercliff Terrace	2209-09	
West Orange Board of Education	2237-09	C
		<u>\$ 103,270.02</u>
		220,000.00
		66,666.70
		35,210.90
		62,500.00
		<u>1,426,000.00</u>
Balance, December 31, 2012	C	<u>\$1,913,647.62</u>

DRAFT

TOWNSHIP OF WEST ORANGE
GENERAL CAPITAL FUND

C-15

NJEPA TRUST AND FUND LOAN RECEIVABLE
YEAR ENDED DECEMBER 31, 2012

	<u>Ref.</u>	
Balance, December 31, 2011	C	\$ 1,825,251.00
Decreased by:		
Cash Receipts	C-2	<u>446,420.00</u>
Balance, December 31, 2012	C	<u>\$ 1,378,831.00</u>

DRAFT

TOWNSHIP OF WEST ORANGE
GENERAL CAPITAL FUND

C-16

RESERVE TO PAY DEBT SERVICE
YEAR ENDED DECEMBER 31, 2012

	<u>Ref.</u>	
Balance, December 31, 2011	C	\$ 294,572.68
Decreased by:		
Budget Appropriation	C-2	<u>294,572.68</u>
Balance, December 31, 2012	C	<u>\$</u>

DRAFT

TOWNSHIP OF WEST ORANGE
GENERAL CAPITAL FUND

C-17

LEASE PAYABLE -PARKING GARAGE
YEAR ENDED DECEMBER 31, 2012

	<u>Ref.</u>	
Balance, December 31, 2012 and 2011	C	<u>\$ 36,073.26</u>
<u>Analysis of Balance</u>		
Reserve-Parking Garage	C	<u>\$ 36,073.26</u>

DRAFT

**TOWNSHIP OF WEST ORANGE
SWIMMING POOL UTILITY FUND**

D-4

**SCHEDULE OF CASH - TREASURER
YEAR ENDED DECEMBER 31, 2012**

	<u>Ref.</u>		
Balance, December 31, 2011	D		\$ 130,155.60
Increased by Receipts:			
Membership Fees	D-2	\$ 179,601.00	
Miscellaneous Revenue Anticipated	D-2	<u>59,576.46</u>	
			<u>239,177.46</u>
			369,333.06
Decreased by Disbursements:			
Appropriations	D-3	212,933.51	
Appropriation Reserves	D-7	182.49	
Fund Balance to Current Fund Budget	D-1	<u>95,000.00</u>	
			<u>308,116.00</u>
Balance, December 31, 2012	D		<u><u>\$ 61,217.06</u></u>

DRAFT

**TOWNSHIP OF WEST ORANGE
SWIMMING POOL UTILITY FUND**

**SCHEDULE OF ACCOUNTS RECEIVABLE
YEAR ENDED DECEMBER 31, 2012**

	<u>Ref.</u>	D-5
Balance, December 31, 2011	D	\$ 29.25
Decreased by:		
Cancellation	D-1	<u>29.25</u>
Balance, December 31, 2012	D	<u><u>\$</u></u>

**SCHEDULE OF FIXED CAPITAL
YEAR ENDED DECEMBER 31, 2012**

	<u>Ref.</u>	D-6
Balance, December 31, 2012 and 2011	D	<u><u>\$ 523,433.15</u></u>
Analysis of Balance:		
Swimming Pool and Bathhouse		\$ 378,557.15
Architect, Planning and Promotion		52,165.00
Pool Equipment		5,745.00
Tennis Courts		22,366.00
Landscaping and Paving		<u>64,600.00</u>
		<u><u>\$ 523,433.15</u></u>

**TOWNSHIP OF WEST ORANGE
SWIMMING POOL UTILITY FUND**

**SCHEDULE OF 2011
APPROPRIATION RESERVES
YEAR ENDED DECEMBER 31, 2012**

D-7

	<u>Balance, December 31, 2011</u>	<u>Balance After Transfer</u>	<u>Paid or Charged</u>	<u>Lapsed</u>
Operating:				
Other Expenses	\$ 28,656.26	\$ 28,656.26	\$ 182.49	\$ 28,473.77
Social Security	654.03	654.03		654.03
	<u>\$ 29,310.29</u>	<u>\$ 29,310.29</u>	<u>\$ 182.49</u>	<u>\$ 29,127.80</u>
<u>Ref.</u>	D		D-4	D-1

**SCHEDULE OF RESERVE FOR AMORTIZATION
YEAR ENDED DECEMBER 31, 2012**

D-8

	<u>Ref.</u>		
Balance, December 31, 2012 and 2011	D		<u>\$ 523,433.15</u>

**TOWNSHIP OF WEST ORANGE
PUBLIC ASSISTANCE FUND**

**STATEMENT OF REVENUES
REGULATORY BASIS
YEAR ENDED DECEMBER 31, 2012**

E-3

	<u>Ref</u>	
State Aid Payments	E-2	\$ 298,290.24
Supplemental Security Income:		
State Refund	E-2	<u>44,099.77</u>
		<u><u>\$ 342,390.01</u></u>

**STATEMENT OF EXPENDITURES
REGULATORY BASIS
YEAR ENDED DECEMBER 31, 2012**

E-4

	<u>Ref</u>	
Maintenance Payments		\$ 159,642.00
Other:		
Temporary Rental Assistance		104,784.38
Emergency Services		<u>33,863.86</u>
	E-6	298,290.24
Supplemental Security Income:	E-6	<u>44,099.77</u>
	E-2	<u><u>\$ 342,390.01</u></u>

TOWNSHIP OF WEST ORANGE
PUBLIC ASSISTANCE FUND

E-5

RECEIPTS AND DISBURSEMENTS
YEAR ENDED DECEMBER 31, 2012

	Ref.	Trust Fund Account #1		Trust Fund Account #2	
Balance, December 31, 2011	E	\$	\$ 1,553.99	\$	\$
Increase by:					
Due from State of New Jersey	E-6			342,390.01	
Due from Current Fund	E-7	4,443.66			
			4,443.66		342,390.01
			5,997.65		342,390.01
Decreased by:					
Public Assistance	E-6				
Supplemental Security Income	E-6			342,390.01	
Reimbursements	E-6				
Due to Current Fund	E-7	4,443.66	4,443.66		342,390.01
Balance, December 31, 2012	E	\$	\$ 1,553.99	\$	\$

DRAFT

TOWNSHIP OF WEST ORANGE
PUBLIC ASSISTANCE FUND

E-6

DUE FROM (TO) STATE OF NEW JERSEY
YEAR ENDED DECEMBER 31, 2012

	<u>Ref.</u>	<u>Trust Fund Account #2</u>	
Balance December 31, 2011	E		\$
Increased by:			
2012 State Aid Allotments	E-5	\$ 298,290.24	
Supplemental Security Income Reimbursements	E-5	<u>44,099.77</u>	<u>342,390.01</u>
			342,390.01
Decreased by:			
Collections:			
State Aid Allotments	E-5	298,290.24	
Supplemental Security Income Reimbursements	E-5	<u>44,099.77</u>	
			<u>342,390.01</u>
Balance December 31, 2012	E		<u>\$</u>

DRAFT

TOWNSHIP OF WEST ORANGE
PUBLIC ASSISTANCE FUND

E-7

DUE TO CURRENT FUND
YEAR ENDED DECEMBER 31, 2012

	Ref.	
Balance, December 31, 2011	E	\$
Increased by:		
Misc Revenues	E-1, E-5	4,443.66
Decreased by:		
Disbursements	E-1, E-5	<u>4,443.66</u>
Balance, December 31, 2012	E	<u><u>\$</u></u>

DRAFT

TOWNSHIP OF WEST ORANGE

PART II

SINGLE AUDIT SECTION

YEAR ENDED DECEMBER 31, 2012

DRAFT



**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**

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

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the regulatory basis financial statements of the various funds of the Township of West Orange, Essex County, New Jersey (the "Township"), as of and for the year ended December 31, 2012, the related statement of revenues, expenditures and changes in fund balances for the year ended December 31, 2012 and the related notes to the financial statements, which collectively comprise the Township's basic financial statements, and have issued our report thereon dated November 6, 2013.

Internal Control Over Financial Reporting

In planning and performing our audit of the regulatory basis 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 regulatory basis 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 the Township's regulatory basis 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 Township's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the entity's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.



Livingston, New Jersey
November 6, 2013

Francis M. McEnerney, RMA
Licensed Registered Municipal Accountant # 539

DRAFT



McENERNEY, BRADY & COMPANY, LLC
Certified Public Accountants

**Report on Compliance For Each Major Federal
Program; Report on Internal Control Over Compliance; and Report on the Schedule of
Expenditures of Federal Awards Required by OMB Circular A-133**

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

Report on Compliance for Each Major Federal Program

We have audited the Township of West Orange, County of Essex, New Jersey's (the "Township") compliance with the types of compliance requirements described in the *OMB Circular A-133* that could have a direct and material effect on each of the Township's major programs for the year ended December 31, 2012. The Township's major programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

Management's Responsibility

Management is responsible for compliance with the requirements of laws, regulations, contracts, and grants applicable to its state programs.

Auditor's Responsibility

Our responsibility is to express an opinion on compliance for each of the Township's major programs based on our audit of the types of compliance requirements referred to above. We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America 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 noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major program occurred. An audit includes examining, on a test basis, evidence about the Township's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances.

We believe that our audit provides a reasonable basis for our opinion on compliance for each major program. However, our audit does not provide a legal determination of the Township's compliance.

Opinion on Each Major Program

In our opinion, the Township complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major programs for the year ended December 31, 2012.

Report on Internal Control Over Compliance

Management of the Township is responsible for establishing and maintaining effective internal control over compliance with the types of compliance requirements referred to above. In planning and performing our audit of compliance, we considered the Township's internal control over compliance with the types of requirements

293 Eisenhower Parkway, Livingston, NJ 07039
(973) 535-2880

832 McLean Avenue, Yonkers, NY 10704
(914) 237-3676

that could have a direct and material effect on each major program to determine the auditing procedures that

are appropriate in the circumstances for the purpose of expressing an opinion on compliance for each major program and to test and report on internal control over compliance in accordance with OMB Circular A-133, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of the Township's internal control over compliance.

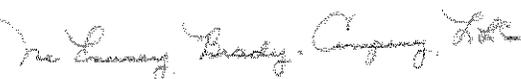
A deficiency in internal control over compliance exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, noncompliance with a type of compliance requirement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

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

The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the results of that testing based on the requirements of OMB Circular A-133. Accordingly, this report is not suitable for any other purpose.

Report on Schedule of Expenditures of Federal Awards Required by OMB Circular A-133

We have audited the regulatory basis financial statements of the Township as of and for the year ended December 31, 2012, and have issued our report thereon dated November 6, 2013, which contained an unmodified opinion on those financial statements on the basis of accounting prescribed by the Division of Local Government Services, Department of Community Affairs, State of New Jersey. Our audit was conducted for the purpose of forming an opinion on the regulatory basis financial statements as a whole. The accompanying schedules of expenditures of federal awards is presented for purposes of additional analysis as required by OMB Circular A-133 and is not a required part of the regulatory basis financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the regulatory basis financial statements. The 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 schedules of expenditures of federal awards are fairly stated in all material respects in relation to the financial statements as a whole.



Livingston, New Jersey
November 6, 2013

Francis M. McEnerney, RMA
Licensed Registered Municipal Accountant # 593

**TOWNSHIP OF WEST ORANGE
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
THROUGH DECEMBER 31, 2012**

Federal Funding Department and Description	Ref.	Grant Number	Catalog Number	Grant Period		Funds Received	Total Awards	Balance Dec. 31, 2011	2012 Grant	Adjustments	Paid or Charged	Balance Dec. 31, 2012
				From	To							
U.S. Department of Housing and Urban Development Lower Income Housing Housing Choice Voucher Program	B											
		NJ39V-108	14.182	1-1-12	12-31-12	\$ 1,439,190.24	\$ 1,439,190.24	\$	\$ 1,439,190.24	\$	\$ 1,377,744.33	\$ 61,445.91
		NJ39V-108	14.182	1-1-11	12-31-11		1,144,753.00	63,252.87				63,252.87
						<u>1,439,190.24</u>	<u>2,583,943.24</u>	<u>63,252.87</u>	<u>1,439,190.24</u>		<u>1,377,744.33</u>	<u>124,698.78</u>
U.S. Department of Justice Office of Justice Programs Bullet Proof Vest Partnership	A		16.607	1-1-11	12-31-11		21,302.24		21,302.25			21,302.25
Bullet Proof Vest Partnership	A		16.607	1-1-06	12-31-06		6,690.00	6,195.00			5,915.00	280.00
							<u>27,992.24</u>	<u>6,195.00</u>	<u>21,302.25</u>		<u>5,915.00</u>	<u>21,582.25</u>
U.S. Department of Energy Energy Efficiency and Conservation Block Grant	A	10EE001345	81.128	12-31-09	6-30-12	20,000.00	175,800.00	155,800.00				155,800.00
						<u>20,000.00</u>	<u>175,800.00</u>	<u>155,800.00</u>				<u>155,800.00</u>
U.S. Homeland Security Assistance to Firefighters Grant	A	EMW-2009-FO-11636	97.044	3-5-10	3-4-11	47,483.00	47,483.00	459.11				459.11
						<u>47,483.00</u>	<u>47,483.00</u>	<u>459.11</u>				<u>459.11</u>
U.S. Department of Transportation Highway Planning and Construction StreetScape	A		20.205	9-21-10	9-21-13		2,016,777.00	1,244,870.97			919,318.82	325,552.15
Passed Through County of Essex. Housing and Urban Development Community Development Block Grants:	B											
Program Year 2012		B-12-UC-34-0101	14.218	7-27-11	7-27-12		351,352.00		351,352.00			351,352.00
Program Year 2011		B-11-UC-34-0101	14.218	7-27-10	7-27-11	415,327.87	444,750.00	444,750.00	3,422.77		384,931.22	63,241.55
						<u>415,327.87</u>	<u>796,102.00</u>	<u>444,750.00</u>	<u>354,774.77</u>		<u>384,931.22</u>	<u>414,593.55</u>
						<u>\$ 1,922,001.11</u>	<u>\$ 5,647,097.48</u>	<u>\$ 1,915,327.95</u>	<u>\$ 1,815,267.26</u>	<u>\$</u>	<u>\$ 2,687,909.37</u>	<u>\$ 1,042,685.84</u>

Legend (References)

A - Current Fund

B- Trust Fund

**TOWNSHIP OF WEST ORANGE
SCHEDULE OF EXPENDITURES OF STATE AWARDS
THROUGH DECEMBER 31, 2012**

State Funding Department and Description	Ref	Grant Number	Grant Period		Balance Dec. 31, 2011	2012 Grant	Local Match	Canceled	Paid or Charged	Balance Dec. 31, 2012	
			From	To						Appropriated	Unappropriated
<u>County Offices on Alcoholism, Drug Abuse and Addiction Services:</u>											
West Orange Municipal Alliance	A	2000-475-9915120-60	1-1-12	12-31-12	\$	\$ 71,149.71	\$	\$	\$ 36,277.79	\$ 34,871.92	\$
West Orange Municipal Alliance	A	2000-475-9915120-60	1-1-11	12-31-11	41,051.56				37,094.13	3,957.43	
<u>Department of Law and Public Safety</u>											
Cops in Shops	A	ABC-36-09	6-1-12	5-31-13		1,546.13			77.60	1,468.53	
Cops in Shops	A	ABC-26-08	6-1-11	5-31-12	9,117.46				9,117.46		
Safe and Secure	A		6-1-11	5-31-12		60,000.00				60,000.00	
ABC Grant	A		1-1-12	12-31-12		14,652.03					14,652.03
<u>Transportation</u>											
1984 New Jersey Transportation Trust											
Municipal Aid by Formula											
Bradley Terrace					850.00					850.00	
Municipal Aid by Formula											
Belle Terre Road & Roosevelt Ave.	A				230,000.00	210,000.00				440,000.00	
Municipal Aid by Formula											
Undercliff Terrace	A				3,023.20					3,023.20	
Municipal Aid by Formula											
Byrne Road	A				60,210.90					60,210.90	
Municipal Aid by Formula											
Old Salem Road and Salem Place	A				82,026.08				59,776.16	22,249.92	

**TOWNSHIP OF WEST ORANGE
SCHEDULE OF EXPENDITURES OF STATE AWARDS
THROUGH DECEMBER 31, 2012**

State Funding Department and Description	Ref.	Grant Number	Grant Period		Balance Dec. 31, 2011	2012 Grant	Local Match	Canceled	Paid or Charged	Balance Dec. 31, 2012	
			From	To						Appropriated	Unappropriated
<u>Environmental Protection</u>											
Clean Communities-2012	A	4900-765-042-4900	1-1-12	12-31-12	\$	\$ 58,852.85	\$	\$	\$	\$ 58,852.85	\$
Clean Communities-2011	A	4900-765-042-4900	1-1-11	12-31-11	59,800.00					59,800.00	
Clean Communities-2010	A	4900-765-042-4900	1-1-10	12-31-10	29,863.39				10,677.23	19,186.16	
Municipal Stormwater Regulation Program	A	WQ05-229 (66,605)	1-1-05	12-31-05	20,619.00					20,619.00	
<u>Health and Senior Services</u>											
Public Health Priority Funding	A	4230-100-046-4E11	1-1-09	12-31-09	17.39					17.39	
<u>Motor Vehicles</u>											
Drunk Driving Enforcement Fund	A	6400-100-078-6400	1-1-11	12-31-11	3,372.53					3,372.53	
Drunk Driving Enforcement Fund	A	6400-100-078-6400	1-1-10	12-31-10	3,265.00					3,265.00	
Drunk Driving Enforcement Fund	A	6400-100-078-6400	1-1-09	12-31-09	2,219.47				1,240.28	979.19	
<u>Division of Criminal Justice</u>											
Body Armor Replacement Fund	A	1020CJ24515(2011)	1-1-12	12-31-12		8,643.61					8,643.61
Body Armor Replacement Fund	A	1020CJ24515(2011)	1-1-11	12-31-11	8,594.71					8,594.71	
Body Armor Replacement Fund	A	1020CJ24515(2009)	1-1-09	12-31-09	10,040.00				6,760.00	3,280.00	
Neighborhood Preservation Program-Valley	A	2005-02351-3892-07	1-1-07	12-31-07	73.24					73.24	
<u>Juvenile Justice System</u>											
Delinquency Prevention	A		6-1-12	12-31-12		18,562.00			16,454.91	2,107.09	
Delinquency Prevention	A		6-1-11	12-31-11	2,902.26					2,902.26	
Delinquency Prevention	A				1,399.17				1,399.17		
<u>Department of Environmental Protection</u>											
No Net Loss Reforestation Act	A	PF.09-748	10-1-08	3-31-12	24,284.87				24,284.87		
Wastewater Treatment Fund	A				279,358.00					279,358.00	
<u>New Jersey Transit</u>											
Commuter Shuttle Grant	A	L-40083	1-15-11		10,000.00					10,000.00	
Commuter Shuttle Grant	A	L-40083	1-15-10		20,000.00					20,000.00	
Commuter Shuttle Grant	A	L-40083	1-15-09		30,000.00					30,000.00	
<u>PSE&G Grant</u>											
PSE&G Project Settlement	A	L-40083	1-15-11			128,593.00					128,593.00
<u>County of Essex</u>											
Essex County Office on Aging Title III Older Americans Act			1-1-11	12-31-11		17,171.00			17,171.00		
Essex County ILEA Grant			1-1-12	12-31-12		27,840.00				27,840.00	

**TOWNSHIP OF WEST ORANGE
SCHEDULE OF EXPENDITURES OF STATE AWARDS
THROUGH DECEMBER 31, 2012**

State Funding Department and Description	Ref.	Grant Number	Grant Period		Balance Dec. 31, 2011	2012 Grant	Local Match	Canceled	Paid or Charged	Balance Dec. 31, 2012	
			From	To						Appropriated	Unappropriated
Edward Byrne Memorial Justice Assistance											
Grant Program					\$ 3,809.10	\$	\$	\$	\$ 3,625.49	\$ 183.61	\$
Grant Program	A				3,507.00				3,507.00		
Grant Program											
Office of Information Technology											
Enhanced E-911 General Assistance	A	07-G-07-330	7-1-07	6-30-09	11,287.53					11,287.53	
New Jersey Economic Development Authority											
Hazardous Discharge Site Remediation	A	P18695			147,379.74					147,379.74	
Division of Highway and Traffic Safety											
Pedestrian Safety Enforcement	A	PS09460118	10-1-10	9-30-10	8,000.00					8,000.00	
NJ Energy Incentives											
Sustainable Jersey Small Grant	A				183.00					183.00	
NJ Clean Energy Program	A					13,786.00				13,786.00	
Solid Waste Administration											
Recycling Tonnage Grant	A	4900RC09553				52,009.07					52,009.07
Recycling Tonnage Grant	A	4900RC09553			54,817.70					54,817.70	
					<u>\$ 1,161,072.29</u>	<u>\$ 682,805.40</u>	<u>\$</u>	<u>\$</u>	<u>\$ 227,483.09</u>	<u>\$ 1,412,516.89</u>	<u>\$ 203,897.71</u>

Legend (References)

A-Current Fund

TOWNSHIP OF WEST ORANGE
NOTES TO SCHEDULES OF EXPENDITURES OF FEDERAL AND STATE AWARDS
YEAR ENDED DECEMBER 31, 2012

1. **General**

The accompanying Schedules of Expenditures of Federal and State Awards present the activity of all federal and state financial assistance programs of the Township of West Orange. The Township of West Orange is defined in Note A to the Township's financial statements. All federal financial assistance received directly from federal agencies, as well as federal expenditures of financial assistance passed through other government agencies is included on the Schedule of Federal Financial Awards.

2. **Basis of Accounting**

The accompanying Schedules of Expenditures of Federal and State Awards are presented using the basis of accounting followed by the Township of West Orange, which is described in Note A, Summary of Significant Accounting Policies, to the Township's financial statements. The information in the Schedule of Expenditures of Federal and State Awards is presented in accordance with OMB Circular A-133, "Audits of States, Local Governments, and Non-Profit Organizations" and NJ OMB Circular 04-04 "Single Audit Policy for Recipients of Federal Grants, State Grants and State Aid".

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

Amounts reported in the accompanying schedules agree with the amounts reported in the related federal and state financial reports.

4. **State Loan Outstanding**

The Township had the following outstanding loans at December 31, 2012

General Capital Fund:

Environmental Infrastructure	<u>\$3,384,941.31</u>
------------------------------	-----------------------

5. **Department of Homeland Security**

The Township received \$214,802.13 in 2012 for cost incurred in 2011 related to Hurricane Irene.

**TOWNSHIP OF WEST ORANGE
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
YEAR ENDED DECEMBER 31, 2012**

Section 1 – Summary of Auditors’ Results

Financial Statements

Type of auditors’ report issued:	Unmodified
Internal control over financial reporting:	
Material weaknesses identified?	No
Significant deficiencies identified that are not considered to be material weaknesses?	Yes
Noncompliance material to financial statements noted?	No

Federal Awards

Internal control over major programs:	
Material weaknesses identified?	No
Significant deficiencies identified that are not considered to be material weaknesses?	No
Type of auditors’ report issued on compliance for major programs:	Unmodified
Any audit findings disclosed that are required to be reported in accordance with section 510(a) of OMB Circular A-133?	Yes

Identification of major federal and state program:

CFDA/Grant Number	Name of Federal Program
14.218	Community Development Block Grant
14.871	Section 8 Housing Choice Vouchers
20.205	Department of Transportation - Streetscape

Dollar threshold used to distinguish between type A and type B programs:	\$300,000
Auditee qualified as low-risk auditee?	No

**TOWNSHIP OF WEST ORANGE
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
YEAR ENDED DECEMBER 31, 2012**

Section 2 - Financial Statement Findings

Finding No. 2012-1

Capital Fund

Criteria

The Township is required by the State of New Jersey Division of Local Government regulations to implement policies and procedures to ensure that all activity is accurate and complete, as well as the safeguarding of assets.

Condition and Effect

During the course of our engagement, it was noted that the Green Acres matching grant receivable on Ordinance #1992-04 of \$103,270.02 has been carried for a number of years; as well as grants from the West Orange Board of Education totaling \$286,666.70. The effect, as these amounts have been fully reserved, is that additional fund balance will be recognized upon collection of the receivables.

Cause

The condition is a result of the Township not designing, implementing and adhering to relevant accounting policies and procedures relating to the internal process of tracking of grant expenditures, reimbursements and remaining balances on grants.

Recommendation

The Township should implement policies and procedures to 1) determine if these funds could be used as revenues with offsetting expenditures in subsequent years' budgets and 2) properly account for grant expenditures and reimbursed amounts.

Questioned Costs

There are no known questioned costs.

Management's Response

**TOWNSHIP OF WEST ORANGE
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
YEAR ENDED DECEMBER 31, 2012**

Finding No. 2012-2

Construction Code Department

Criteria

The Township is required by the State of New Jersey Division of Local Government regulations to implement policies and procedures to ensure that all activity is accurate and complete, as well as the safeguarding of assets.

Condition and Effect

During the course of our engagement, it was noted that there were differences during testing of the cash receipts. One difference of \$5,897 was noted between the department cash receipt and the computer generated reporting system. The second difference in the amount of \$1,160 was between the computer and the Treasurer's revenue report. The effect is that the Finance Department is not able to perform a reconciliation of amounts and determine that the amounts that should be collected were actually collected.

Cause

The condition is a result of the Township not designing, implementing and adhering to relevant accounting policies and procedures, as well as statutory requirements, with respect to fees charged and collected by the Construction Code Department.

Recommendation

The Township should review current policies and procedures with respect to statutory requirements, as well as implement procedures in order to ensure that all permits issued are properly maintained and documentation reviewed for accuracy and completeness. Reconciliations should be performed to ensure that all fees collected are properly accounted for, as well as proper recording in the general ledger.

Questioned Costs

There are no known questioned costs.

Management's Response

**TOWNSHIP OF WEST ORANGE
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
YEAR ENDED DECEMBER 31, 2012**

Finding No. 2012-3

Recreation Department

Criteria

The Township is required by the State of New Jersey Division of Local Government regulations to implement policies and procedures to ensure that all activity is accurate and complete, as well as the safeguarding of assets.

Condition and Effect

During the course of our engagement, it was noted that the amount of receipts recorded by the department does not agree to the amount of receipts received and posted by the Finance Department. There were differences noted during testing of the cash receipts. There were differences of \$885 and \$2,304 noted between cash receipts books and the treasurer's revenue report for the Pool and Recreation Departments. The effect is that the Finance Department is not able to perform a reconciliation of amounts and determine that the amounts that should be collected were actually collected and may not be collecting and accounting for the proper amounts received for fees, as well as the potential to understate cash and revenue.

Cause

The condition is a result of the Township not designing, implementing and adhering to relevant accounting policies and procedures, as well as statutory requirements with respect to internal controls over financial activity and reporting.

Recommendation

The Township should implement reconciliation procedures in order to ensure that activity is being properly recorded, classified and reconciled.

Questioned Costs

There are no known questioned costs.

Management's Response

**TOWNSHIP OF WEST ORANGE
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
YEAR ENDED DECEMBER 31, 2012**

Finding No. 2012-4

Health and Vital Statistics Department

Criteria

The Township is required by the State of New Jersey Division of Local Government regulations to implement policies and procedures to ensure that all activity is accurate and complete, as well as the safeguarding of assets.

Condition and Effect

During the course of our engagement, it was noted that the amount of receipts recorded by the department does not agree to the amount of receipts received and posted by the Finance Department. There were differences noted during testing of the cash receipts. There were differences noted during testing of the cash receipts. There was a difference of \$5,174 noted between cash receipts books and the treasurer's revenue report. The effect is that the Finance Department is not able to perform a reconciliation of amounts and determine that the amounts that should be collected were actually collected and may not be collecting and accounting for the proper amounts received for fees, as well as the potential to understate cash and revenue.

In addition, amounts received were not deposited within 48 hours of receipt. The effect was to understate the respective Department's cash and to understate revenue. In addition, the requirement to remit funds within 48 hours is a statutory requirement, of which the Township is non-compliant with N.J.S.A. 40A:5-15.

Cause

The condition is a result of the Township not designing, implementing and adhering to relevant accounting policies and procedures, as well as statutory requirements with respect to internal controls over financial activity and reporting.

Recommendation

The Township should implement reconciliation procedures in order to ensure that activity is being properly recorded, classified and reconciled, as well as implement procedures in order to ensure that all required funds are deposited on a timely basis.

Questioned Costs

There are no known questioned costs.

Management's Response

**TOWNSHIP OF WEST ORANGE
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
YEAR ENDED DECEMBER 31, 2012**

Finding No. 2012-5

Voucher Testing

Criteria

The Township is required by the State of New Jersey Division of Local Government regulations to implement policies and procedures to ensure that all activity is accurate and complete, as well as the safeguarding of assets and adherence to Local Public Contracts Laws and N.J.S.A. 40A:11-4 regarding bids and quotes.

Condition and Effect

During the course of our engagement, the following items were noted during the compliance testing of purchase orders:

- 1) Insufficient support and authorization on purchase orders
- 2) The Business Registration Certificates for several vendors were not available for audit review.
- 3) Several vouchers did not contain quotes when more than one quote was required to be on file.
- 4) Several vouchers were prepared after the goods or services were already rendered resulting in confirming purchase orders.
- 5) Non-compliance with issuing IRS Form 1099 to unincorporated vendors receiving \$600 or more from the Township
- 6) Documentation of vendor political contribution disclosures

The effect is that:

- 1) The Governing Body is not approving expenditures
- 2) The Township is not in compliance with the State of New Jersey Division of Local Government regulations.
- 3) The encumbrance system is not being properly utilized.

Cause

The condition is a result of the Township not designing, implementing and adhering to relevant accounting policies and procedures relating to reconciling the control account to detail subsidiary ledger of tax assessments.

Recommendation

The Township should implement month end closing procedures in order to ensure that activity is being properly recorded, classified and reconciled.

Questioned Costs

There are no known questioned costs.

Management's Response

**TOWNSHIP OF WEST ORANGE
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
YEAR ENDED DECEMBER 31, 2012**

Finding No. 2012-6

Outside Employment of Off-Duty Police Officers

Criteria

The Township is required to 1) maintain an escrow account for the purpose of receiving deposits from persons or entities requesting use of off-duty police personnel and 2) receive funds from requesting party in advance prior to approving request and/or rendering services.

Condition and Effect

During the course of our engagement, it was noted that there were several instances that services of off-duty police personnel were rendered without the required funds being paid prior to the services being rendered. The effect is that the Township is not in compliance with statutory requirements with respect to the funding and use of off-duty police personnel.

Cause

The condition is a result of the Township not designing, implementing and adhering to relevant accounting policies and procedures, as well as statutory requirements with respect to funding and use of off-duty police personnel.

Recommendation

The Township should review current policies and procedures with respect to statutory requirements, as well as implement procedures in order to ensure that all statutorily required deposits from requesting persons or entities are received prior to approval of requests and/or rendering services.

Questioned Costs

There are no known questioned costs.

Management's Response

**TOWNSHIP OF WEST ORANGE
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
YEAR ENDED DECEMBER 31, 2012**

Finding No. 2012-7

Statutory Filings

Criteria

In accordance with N.J.S.A. 40A:5-4, the Township is required to submit their audited financial statements to the Division of Local Government Services no later than six (6) months after the close of its fiscal year.

Condition and Effect

The audit of the Township's financial statements were not completed by the required due date. The effect is that the Township is non-compliant with N.J.S.A 40:5-4 with respect to filing its annual audited financial statements.

It has also been noted that the Township is delinquent in completing and submitting its annual financial statements for the Deferred Compensation Plan (2011 and 2012) and the Length of Service Award Program (2012).

Cause

The condition is a result of the Township not designing, implementing and adhering to relevant accounting policies and procedures, as well as statutory requirements with respect to completing its financial statements on a timely basis, as well as other annual required filings.

Recommendation

The Township should review current policies and procedures with respect to statutory requirements, as well as implement procedures in order to ensure that all statutorily required filings are completed on a timely basis.

Questioned Costs

There are no known questioned costs.

Management's Response

Section 3 – Major Federal Award Findings and Questioned Costs

None Noted

Section 4 – Prior Year Audit Findings and Questioned Costs

None Noted

Section 5 – Corrective Action Plan

Not Applicable

**TOWNSHIP OF WEST ORANGE
GENERAL COMMENTS**

Scope of Audit

The audit of the financial statements of the Township of West Orange, County of Essex, New Jersey, as required by the Division of Local Government Services, covered the financial transactions of the Treasurer, Tax Collector, and the activities of the Township and the records of the various outside departments.

The audit did not and could not determine the character of services rendered for which payment had been made or for which reserves had been set up, nor could it determine the character, proper price or quantity of materials supplied for which claims had been passed. These details were necessarily covered by the internal review and control before approval of such claims by the governing body.

**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 awarded by the contracting agent for the provision or performance of any goods or services, the cost of which in the aggregate exceeds the bid threshold, shall be awarded only resolution of the governing body of the contracting unit to the lowest responsible bidder 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 bid threshold within the fiscal year. The bid threshold is \$21,000 or up to \$29,000 if the purchasing agent is qualified pursuant to subsection b. of section 9 of P.L.1971, c.198 (c.40A: 11-9). As of July 1, 2011, the bid thresholds increased to \$26,000 and \$36,000, respectively. Where question arises as to whether any contract or agreement might result in violation of the statute, the Township Counsel's opinion should be sought before a commitment is made.

The minutes indicate that bids were requested by public advertising.

The minutes indicate that resolutions were adopted and advertised authorizing the awarding of contracts or agreements for "Professional Services" per N.J.S.A. 40A: 11-5.

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

Notwithstanding, N.J.S.A. 40A:11-3a, P.L. 2005, Chapter 51 and N.J.S.A. 19:44-20.5, known as the "Pay to Play Law", provides that a municipality is prohibited from executing any contract in excess of \$17,500.00 on or after January 1, 2006, to a business entity that made certain reportable contributions to any municipal committee of a political party if a member of that party is in office as a member of the governing body of the municipality when the contract is awarded unless proposals or qualifications are solicited through a fair and open process.

It is further noted that contracts between \$17,500.00 and the municipal bidding threshold, known as "window contracts", can be issued by resolution of the governing body without competitive bidding if a non-fair and open process is implemented which prohibits reportable contributions by the business entity.

**TOWNSHIP OF WEST ORANGE
GENERAL COMMENTS**

Purchases, Contracts or Agreements Not Required to be Advertised (N.J.S.A. 40A:11-6.1)

N.J.S.A. 40A:11-6.1 states "Expect contracts which require the performance of professional services, all contracts or agreements which do not require public advertising for bids and the estimated cost or price exceeds \$4,350.00 thru June 30, 2011 and \$5,400.00 effective July 1, 2011 at least two quotations as to the cost of price are required. Quotations, whenever practicable, shall be solicited by the contracting agent, and the contract or agreement shall be made with and awarded to the lowest responsible bidder.

Our review disclosed that three purchases exceeded the quote threshold and there was no documentation presented to show quotes were obtained.

Bonded Officials

The following officials were bonded during the year ended December 31, 2012 through policies issued by Western Surety Company:

<u>Name</u>	<u>Title</u>	<u>Amount</u>
Edrie A. Daniels	Municipal Court Adm.	\$ 75,000
Joanne Gagliardo	Tax Collector	550,000
John O. Gross	Chief Financial Officer	50,000
Harry L. Starrett	Municipal Judge	75,000
Margaret E. Padovano	Municipal Judge	75,000
Karen Carnevale	Township Clerk	5,000

The Public Employees' Blanket Bond is carried to cover all other officials not specifically covered by a separate bond.

Collection of Interest on Delinquent Taxes and Assessments

The statute provides the method for authorizing interest and the maximum rate 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:

"Not to exceed 8% per annum on the first \$1,500 of the delinquency and 18% on any amount in excess of \$1,500."

"The Township Council by resolution instructed the Tax Collector to permit a ten (10) day grace period in the collection of taxes before a charge of interest is made."

"Be it further resolved that an additional 6% penalty be charged for delinquencies in excess of \$10,000 remaining unpaid at the end of the calendar year in accordance with the amended provisions of N.J.S.A. 54:4-67."

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

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

**TOWNSHIP OF WEST ORANGE
GENERAL COMMENTS**

Delinquent Taxes and Tax Title Liens

The delinquent taxes at December 31, 2012 consist of unpaid taxes for the year 2012. It is quite evident, that a determined effort has been made to enforce the payment of delinquent taxes.

The last tax sale was held on October 25, 2012 and was complete except for one property which was in bankruptcy.

Pension Eligibility

The State of New Jersey enacted legislation under Ch. 92 P.L. 2007 and codified under N.J.S.A. 43:15A-7.2 and 43:15c-2b(4). The law establishes that individuals performing professional services 1) under a contract awarded pursuant to N.J.S.A 40A:11.5 and 1 or 2 under an independent contract as determined in accordance with rules and policy of the IRS are eligible for membership in the State's Pension System - PERS. There were no "grandfathering" provisions under N.J.S.A. 43:15A-7.2. The municipalities were required to remove them from the pension roles.

It appears there are no individuals who are enrolled in PERS who do not meet the requirements under the statutes.

Capital Fixed Assets

The Division of Local Government Services in the Department of Community Affairs in the State of New Jersey requires all municipalities in the State to establish and maintain sets of accounts and inventories reflecting costs of other valuations of all of its fixed assets, including land, buildings, improvement, machinery, furniture and equipment. Such accounts, to be included under "Capital Fixed Assets", would insure complete fiscal reliability of records, establish a basis for claims of losses and other insurance purposes, augment protective measures against the misuse or theft of property and furnish data on aging, anticipated life and other information on assets. Failure to maintain fixed asset records could jeopardize the Township's eligibility for future Federal and State Grants.

Corrective Action Plan

In accordance with regulations promulgated by the Single Audit Act and the Division of Local Government Services, all municipalities are required to prepare and submit to the Division of Local Government Services a Corrective Action Plan with regard to audit deficiencies. This plan must be approved by formal resolution of the Governing Body and submitted within 60 days from the date the audit is received. A Corrective Action Plan was prepared for the 2011 audit.

Status of Prior Years' Audit Recommendations

A review was performed on all prior years' recommendations and correction action was taken on all with the exception of the following, which is included in this year's recommendations:

General

That old outstanding grant receivables in the General Capital Fund be reviewed to determine its collectability.

**TOWNSHIP OF WEST ORANGE
GENERAL COMMENTS**

Miscellaneous

A separate report summarizing collections of Dog License Fees and remittances of State Registration Fees was also prepared and filed with the New Jersey Department of Health and the Division of Local Government Services.

A statutory report on the operations of the Municipal Court was prepared as part of our examination and copies were filed with the New Jersey Administrative Office of the Courts, the Division of Local Government Services, the Municipal Court, and the Township Clerk.

Revenue and receipts were established and verified as to source and amount only insofar as the local records permitted.

In verifying expenditures, computations were tested on claims approved and paid. No attempt was made in this connection to establish proof of rendition, character or extent of services, nor quantities, nature, propriety of prices or receipt of materials, these elements being left necessarily to internal review in connection with approval of claims.

Registers of fixed assets by title or account grouping are not maintained in the Swimming Pool Utility Capital Funds. The fixed capital reported on Exhibits D-8 is as taken from municipal records and does not necessarily reflect the true condition of such fixed capital.

The propriety of deductions for pensions, withholding tax, social security and other purposes from individual employee salaries was not verified as part of this examination.

Activity of the State Unemployment Compensation Insurance Trust Fund, established for the accumulation of pertinent payroll deductions, municipal contributions and interest on deposits, appears in Section "B" of the report.

A copy of this report was filed with the New Jersey Division of Local Government Services.

A summary or synopsis of this report was prepared for publication and filed with the Township Clerk.

TOWNSHIP OF WEST ORANGE

--

COMMENTS AND RECOMMENDATIONS

YEAR ENDED DECEMBER 31, 2012

DRAFT

**TOWNSHIP OF WEST ORANGE
COMMENTS AND RECOMMENDATIONS
DECEMBER 31, 2012**

CAPITAL FUND

Finding: Green Acres matching grant receivable on Ordinance #1992-04 of \$103,270.02 has been carried for a number of years; as well as grants from the West Orange Board of Education totaling \$286,666.70.

Recommendation: These receivables should be reviewed in order to determine its collectability.

VOUCHER TESTING

Findings: During voucher testing various exceptions were noted including the use of confirming orders, inadequate authorization signatures on purchase orders, lack of quotes, lack of quotes, non- issuance of 1099's and documentation of vendors' political contributions.

Recommendation: All applicable purchasing guidelines and Local Public Contracts Laws should be adhered to.

CONSTRUCTION CODE

Finding: There were differences noted during testing of the cash receipts. One difference of \$5,897 was noted between the department cash receipt and the computer generated reporting system. The second difference in the amount of \$1,160 was between the computer and the Treasurer's revenue report. Staff could not explain these differences.

Recommendation: Greater care should be taken when inputting cash receipts into the computer system. All revenue reports should be reconciled and agreed on a monthly basis.

RECREATION

Finding: There were differences noted during testing of the cash receipts. There were differences of \$885 and \$2,304 noted between cash receipts books and the treasurer's revenue report for the Pool and Recreation Departments. Staff could not explain these differences.

Recommendation: Greater care should be taken when inputting cash receipts into the computer system. All revenue reports should be reconciled and agreed on a monthly basis.

HEALTH AND VITAL STATISTICS

Finding: There were differences noted during testing of the cash receipts. There was a difference of \$5,174 noted between cash receipts books and the treasurer's revenue report. Staff could not explain these differences. Additionally, funds were not turned over within forty-eight hours.

Recommendation: Greater care should be taken when inputting cash receipts into the computer system. All revenue reports should be reconciled and agreed on a monthly basis. All deposits should be made within forty-eight hours.

POLICE OUTSIDE SERVICES

Finding: It was observed that police officers were being paid for outside work before vendors were being billed and funds were being collected.

Recommendation: Police officer should be paid for outside work subsequent to the vendors being billed and funds received.

The forgoing comments and resultant recommendation are not of sufficient materiality whereby they would affect our ability to express an opinion on the financial statements taken as a whole.

We shall be pleased to confer on any questions that might arise with respect to any matters in this report and to assist in the implementation of recommendations.

We desire to express our appreciation for the assistance and courtesies rendered by the Township officials and employees during the course of the examination.

Respectfully submitted,

McEnerney, Brady & Company, L.L.C.
Certified Public Accountants

Francis McEnerney, RMA

Livingston, New Jersey
November 6, 2013