



***TOWNSHIP OF WEST ORANGE
COUNTY OF ESSEX, NEW JERSEY***

**FINANCIAL STATEMENTS AND
SUPPLEMENTARY SCHEDULES**

**FOR THE YEARS ENDED DECEMBER 31, 2016 AND
2015**

TOWNSHIP OF WEST ORANGE
ESSEX COUNTY, NEW JERSEY

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ESSEX COUNTY, NEW JERSEY

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**TOWNSHIP OF WEST ORANGE
ESSEX COUNTY, NEW JERSEY**

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PART I

**INDEPENDENT AUDITORS' REPORT
FINANCIAL STATEMENTS
AND FOOTNOTES**



Independent Auditors' Report

The Honorable and Members of
the Town Council
Township of West Orange
County of Essex
West Orange, New Jersey

Report on the Financial Statements

We have audited the accompanying regulatory basis financial statements of the various funds and account group of the Township of West Orange, (the "Township"), Essex County, State of New Jersey which comprise the balance sheets as of and for the years ended December 31, 2016 and 2015, and the related statements of revenues, expenditures and changes in fund balances for the years ended, statements of revenues, statements of expenditures and the related notes to the financial statements, which collectively comprise the Town's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with the financial reporting provisions of the Division of Local Government Services, Department of Community Affairs, State of New Jersey (the "Division"). Management is also responsible for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express opinions on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America, the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller of the United States and the requirements prescribed by the Division. Those standards and requirements prescribed by the Division 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 Township'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.

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

As described in Note 1 to the financial statements, the financial statements are prepared by the Township on the basis of the financial reporting provisions of the Division (regulatory basis), which is a basis of accounting other than accounting principles generally accepted in the United States of America, to meet the requirements of the Division.

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

Adverse Opinion on U.S. Generally Accepted Accounting Principles

In our opinion, because of the significance of the matter discussed in the preceding paragraph, the financial statements referred to above do not present fairly in accordance with accounting principles generally accepted in the United States of America, the financial position of the Township as of December 31, 2016 and 2015, or the results of its operations and changes in fund balances for the years then ended.

Basis for Disclaimer of Opinion on Length of Service Award Program Fund ("LOSAP")

As described in Note 12, the financial statements of the Length of Service Award Program Fund ("LOSAP") have not been audited and were not required by the Division to be audited nor were we engaged to audit the LOSAP financial statements as part of our audit of the Township's financial statements. The LOSAP's financial activities are included in the Township's Trust Fund, and represent 4.19% and 5.33% of the assets and liabilities, respectively, of the Township's Trust Funds as of December 31, 2016 and 2015, respectively.

Disclaimer of Opinion on Length of Service Award Program Fund ("LOSAP")

Due to the fact that we were not required by the Division to audit nor were we engaged to audit the LOSAP financial statements as part of our audit of the Township's financial statements, we do not express an opinion on the LOSAP financial statements.

Qualified Opinion on Regulatory Basis of Accounting

In our opinion, except for the effects of such adjustments, if any, as might have been determined to be necessary had the LOSAP financial statements been audited, the financial statements referred to above present fairly, in all material respects the balance sheets-regulatory basis of the various funds and account group of the Township as of December 31, 2016 and 2015, and the results of its operations and changes in fund balances of such funds – regulatory basis for the years then ended, and the revenues – regulatory basis and expenditures – regulatory basis of the various funds for the year ended December 31, 2016 in accordance with the financial reporting provisions of the Division as described in Note 1 to the financial statements.

Other Matters

Report on Supplementary Information as Required by the Division in Accordance with the Regulatory-Basis

Our audits were conducted for the purpose of forming an opinion on the financial statements taken as a whole. The supplementary information, identified in the table of contents as Schedules 1-A through 5-E and the comments section, is presented for purposes of additional analysis as required by the Division and is not a required part of the regulatory – basis financial statements of the Township. The schedule of expenditures of federal awards is presented for purposes of additional analysis as required by Title 2 U.S. Code of Federal Regulations (CFR) Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards*, and is also not a required part of the basic 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 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 supplementary information is fairly stated, in all material respects, in relation to the financial statements taken as a whole.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated May 19, 2017 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.

May 26, 2017
Livingston, New Jersey

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

**TOWNSHIP OF WEST ORANGE
CURRENT AND GRANT FUND**

A
Sheet # 1

**COMPARATIVE BALANCE SHEETS
REGULATORY BASIS
DECEMBER 31, 2016 AND 2015**

<u>ASSETS</u>	<u>Ref.</u>	<u>2016</u>	<u>2015</u>
CURRENT FUND:			
Cash	A-4	\$ 12,793,493.15	\$ 13,622,451.33
Due from State of New Jersey - Ch. 20, P.L. 1971	A-16	<u>30,232.43</u>	<u>30,232.43</u>
		12,793,493.15	13,652,683.76
 RECEIVABLES AND OTHER ASSETS WITH FULL RESERVES:			
Change Funds	A-6	650.00	450.00
Due from Retiree Drug Subsidy Program	A-6A		89,140.67
Delinquent Property Taxes	A-7	2,568,921.50	2,474,569.33
Tax Title Liens Receivable	A-8	39,086.54	1,088,852.87
Property Acquired for Taxes - Assessed Valuation	A-9	1,652,465.00	392,465.00
Revenue Accounts Receivable	A-11	42,256.86	170,138.88
Sewer User Charges Receivable	A-12	<u>517,774.55</u>	<u>348,594.50</u>
		4,821,154.45	4,564,211.25
		17,614,647.60	18,216,895.01
 DEFERRED CHARGES:			
Special Emergency Authorizations (40A:4-53)	A-27	<u>2,110,077.00</u>	<u>3,638,050.00</u>
		19,724,724.60	21,854,945.01
 GRANT FUND:			
Grants Receivable	A-23	1,501,944.67	1,504,900.18
Due from Current Fund	A-24	<u>745,439.76</u>	<u>540,576.57</u>
		2,247,384.43	2,045,476.75
		<u>\$ 21,972,109.03</u>	<u>\$ 23,900,421.76</u>

**TOWNSHIP OF WEST ORANGE
CURRENT AND GRANT FUND**

A
Sheet # 2

**COMPARATIVE BALANCE SHEETS
REGULATORY BASIS
DECEMBER 31, 2016 AND 2015**

<u>LIABILITIES, RESERVES AND FUND BALANCE</u>	<u>Ref.</u>	<u>2016</u>	<u>2015</u>
CURRENT FUND:			
LIABILITIES:			
Appropriation Reserves	A-3, A-15	\$ 818,300.06	\$ 1,366,830.15
Reserve for Encumbrances	A-3, A-15	1,071,149.46	1,005,075.55
Due to State of New Jersey - Ch. 20, P.L. 1971	A-16	648.63	
Accounts Payable	A-17	14,500.00	21,150.00
County Taxes Payable	A-20	73,994.28	49,446.51
School Taxes Payable	A-19	1.50	1.02
Fees Due to State of New Jersey	A-21	27,397.00	8,518.00
Prepaid Taxes	A-22	1,336,218.58	1,315,722.23
Special Emergency Notes Payable	A-14	2,110,077.00	3,631,550.00
Tax Appeals Payable	A-10	53,649.66	831,120.73
Tax Title Lienholders Payable	A-10A	247,385.18	489,027.88
Tax Title Lien Premiums Payable	A-10B	3,973,653.14	4,565,853.14
Due to Grant Fund	A-13	745,440.76	540,576.57
Tax Overpayments	A-18		37,789.71
Prepaid Health Licenses	A-14C	6,165.00	
Sewer Rent Overpayments	A-17A	9,440.02	9,224.24
		<u>10,488,020.27</u>	<u>13,871,885.73</u>
Reserve for Receivables and Other Assets	A	4,821,154.45	4,564,211.25
FUND BALANCE	A-1	<u>4,415,550.88</u>	<u>3,418,848.03</u>
		 <u>19,724,725.60</u>	 <u>21,854,945.01</u>
GRANT FUND:			
Reserve for appropriated grants	A-25	2,088,508.61	1,825,078.90
Reserve for unappropriated grants	A-26	158,875.82	220,397.85
		<u>2,247,384.43</u>	<u>2,045,476.75</u>
		 <u>\$ 21,972,110.03</u>	 <u>\$ 23,900,421.76</u>

**TOWNSHIP OF WEST ORANGE
CURRENT FUND**

A-1

**STATEMENTS OF OPERATIONS AND CHANGES IN FUND BALANCE
REGULATORY BASIS
YEARS ENDED DECEMBER 31, 2016 AND 2015**

	<u>Ref.</u>	<u>2016</u>	<u>2015</u>
REVENUE AND OTHER INCOME:			
Fund Balance Utilized	A-2	\$ 2,898,302.12	\$ 2,898,302.12
Miscellaneous Anticipated Revenue	A-2	20,419,194.13	16,589,690.51
Receipts from Delinquent Taxes	A-2	3,391,817.38	2,288,377.30
Receipts from Current Taxes	A-2, A-7	215,704,861.98	211,161,577.43
Non-Budget Revenues	A-2	553,834.53	456,673.55
Other Credit to Income:			
Appropriation Reserves Lapsed	A-15	603,662.76	1,161,290.13
Retiree Drug Subsidy Receivable Liquidated (Net)	A-6A	89,140.77	120,333.96
TOTAL REVENUE AND OTHER INCOME		243,660,813.67	234,676,245.00
EXPENDITURES:			
Budgeted and Emergency Appropriations	A-3	76,220,316.91	72,801,094.63
Prior Year Exemptions Disallowed	A-16	148.63	2,750.00
Increase in Change Fund	A-6	200.00	
Interfund Receivable Cancelled			0.02
Deferred Charge - Cancelled			346,537.00
Local District School Tax	A-19	132,632,637.00	130,774,418.00
County Taxes	A-20	31,186,201.09	29,994,060.40
Special Improvement District Assessment	A-14B	104,274.18	104,683.67
Adjustment to Due From/To State of New Jersey	A-16	34,272.84	
Adjustment to Prepaid Taxes	A-22	41,898.34	
Open Space Trust	A-14A	145,859.71	145,550.94
TOTAL EXPENDITURES		240,365,808.70	234,169,094.66
EXCESS OF REVENUE OVER EXPENDITURES		3,295,004.97	507,150.34
ADJUSTMENTS TO INCOME BEFORE FUND BALANCE:			
EXPENDITURES INCLUDED ABOVE WHICH ARE BY STATUTE DEFERRED CHARGES TO BUDGET OF SUCCEEDING YEAR	A-3	600,000.00	2,306,500.00
STATUTORY EXCESS TO FUND BALANCE		3,895,004.97	2,813,650.34
FUND BALANCE, BEGINNING OF YEAR	A	3,418,848.03	3,503,499.81
		7,313,853.00	6,317,150.15
UTILIZED AS ANTICIPATED REVENUE	A-2	2,898,302.12	2,898,302.12
FUND BALANCE, END OF YEAR	A	\$ 4,415,550.88	\$ 3,418,848.03

**TOWNSHIP OF WEST ORANGE
CURRENT FUND**

A-2
Sheet # 1

**STATEMENT OF REVENUES
REGULATORY BASIS
YEAR ENDED DECEMBER 31, 2016**

	Ref.	Anticipated Budget	Realized	Excess or (Deficit)
FUND BALANCE ANTICIPATED	A-1	\$ 2,898,302.12	\$ 2,898,302.12	\$
MISCELLANEOUS REVENUES:				
Licenses:				
Alcoholic Beverages	A-11	\$ 69,520.32	\$ 69,882.36	\$ 362.04
Other	A-11	53,689.00	58,886.00	5,197.00
Fees and Permits	A-11	284,485.93	302,701.55	18,215.62
Fines and Costs - Municipal Court	A-11	500,786.09	796,934.14	296,148.05
Interest and Costs on Taxes	A-11	614,034.92	973,837.00	359,802.08
Parking Meters	A-11	20,595.58	18,886.45	(1,709.13)
Interest on Investments	A-11	34,886.76	30,535.83	(4,350.93)
Payments in Lieu of Taxes:				
West Orange Senior Citizen Housing	A-11	117,900.00	117,900.00	
Jewish Federation Plaza	A-11	107,436.32	118,115.50	10,679.18
Eagle Rock Senior Citizen Housing	A-11	60,407.00	60,407.00	
Woodland Valley	A-11	32,332.50	30,341.10	(1,991.40)
St. Barnabas	A-11	286,500.00	292,491.88	5,991.88
Sewer User Charges	A-12	7,084,350.00	6,886,119.87	(198,230.13)
Energy Receipts Tax	A-11	4,691,252.00	4,691,252.00	
Watershed Moratorium Offset Aid	A-11	5,217.00	5,217.00	
Uniform Construction Code Fees	A-11	729,187.00	972,242.00	243,055.00
Interlocal Service Agreements	A-11	10,474.00	11,099.16	625.16
Uniform Fire Safety Act	A-11	63,229.63	69,491.52	6,261.89
General Capital Fund Surplus	A-11	259,001.23	259,001.23	
Supplemental Sewer Fees	A-11	202,400.00	59,544.00	(142,856.00)
Cable TV Franchise Fees	A-11	638,895.41	660,936.52	22,041.11
Reserve for Tax Appeals		594,374.39	594,374.39	
Ground Leases	A-11	177,672.48	127,133.50	(50,538.98)
Hotel Tax	A-11	481,246.51	505,490.98	24,244.47
Community Development Fund Balance	A-11	0.13	0.13	
Open Space Trust Fund-Debt Service	A-11	12,922.60	12,922.60	
Medical Transport Billing Service	A-11	786,939.32	1,316,679.78	529,740.46
Reserve to Pay Debt Service	A-11	397,502.58	397,502.58	
Assessment Trust Fund Balance	A-11	16,287.24	16,287.24	
Rental-Environmental Center	A-11	102,000.00	68,000.00	(34,000.00)
Reserve for Parking Garage	A-11	36,073.26	36,073.26	
Trust Fund Balance	A-11	14,804.93	14,804.93	
Swimming Pool Fund Balance	A-11	4,500.00	4,500.00	
Board of Education Reserve	A-11	1.02	1.02	
Extra Duty Fees	A-11	143,230.96	251,944.47	108,713.51
		<u>18,634,136.11</u>	<u>19,831,536.99</u>	<u>1,197,400.88</u>

**TOWNSHIP OF WEST ORANGE
CURRENT FUND**

A-2
Sheet # 2

**STATEMENT OF REVENUES
REGULATORY BASIS
YEAR ENDED DECEMBER 31, 2016**

	<u>Ref.</u>	<u>Anticipated Budget</u>	<u>Realized</u>	<u>Excess or (Deficit)</u>
State Grants:				
Transportation Municipal Aid	A-13	\$ 221,000.00	\$ 221,000.00	\$
Hazardous Discharge Grant	A-13	0.09	0.09	
Clean Communities Program	A-13	78,776.36	78,776.36	
Municipal Alliance for Alcoholism and Drug Abuse	A-13	59,800.00	59,800.00	
Essex County DOA Senior Citizens	A-13	16,127.00	16,127.00	
Essex County Delinquency Prevention Grant	A-13	18,563.00	18,563.00	
Edward Byrne Memorial Justice Assistance	A-13	9,934.56	9,934.56	
Body Armor Replacement Fund	A-13	22,548.37	22,548.37	
Bullet Proof Vest Fund	A-13	7,303.56	7,303.56	
Recycling Tonnage Grant	A-13	60,443.18	60,443.18	
Body Worn Cameras	A-13	30,000.00	30,000.00	
NJACCCHO Grant	A-13	8,700.00	8,700.00	
ANJEC Grant	A-13	3,000.00	3,000.00	
ANJEC Grant	A-13	1,500.00	1,500.00	
CTTEC Grant	A-13	42,549.53	42,549.53	
SAFER Grant	A-13	10,411.49	10,411.49	
		<u>590,657.14</u>	<u>590,657.14</u>	
 TOTAL MISCELLANEOUS ANTICIPATED REVENUES	 A-1	 <u>19,224,793.25</u>	 <u>20,419,194.13</u>	 <u>1,194,400.88</u>
 RECEIPTS FROM DELINQUENT TAXES	 A-1,A-2	 <u>2,551,766.64</u>	 <u>3,391,817.38</u>	 <u>840,050.74</u>
 AMOUNT TO BE RAISED BY TAXES FOR SUPPORT OF MUNICIPAL BUDGET	 A-2	 <u>53,922,038.13</u>	 <u>54,522,947.99</u>	 <u>600,909.86</u>
 BUDGET TOTALS	 A-3	 <u>78,596,900.14</u>	 <u>81,232,261.62</u>	 <u>2,635,361.48</u>
 NON-BUDGET REVENUES				
Miscellaneous Revenues Not Anticipated	A-1, A-11		<u>\$ 553,834.53</u>	
			<u>\$ 81,786,096.15</u>	

**TOWNSHIP OF WEST ORANGE
CURRENT FUND**

A-2
Sheet # 3

**STATEMENT OF REVENUE
REGULATORY BASIS
YEAR ENDED DECEMBER 31, 2016**

	<u>Ref.</u>	
ANALYSIS OF REALIZED REVENUES:		
Allocation of Current Tax Collection:		
Revenue from Collections	A-1, A-7	<u>\$ 215,704,861.98</u>
Allocated to - Municipal Open Space Tax	A-1, A-7	145,859.71
Allocated to - Special Improvement District	A-1, A-7	104,274.18
Allocated to - School Taxes	A-1, A-7	132,632,637.00
Allocated to - County Taxes	A-1, A-7	31,186,201.09
Total Allocated to Other Agencies		<u>164,068,971.98</u>
Balance for Support of Municipal Budget Appropriations		51,635,890.00
Add Appropriation Reserve for Uncollected Taxes	A-3	<u>2,887,057.99</u>
Amount for Support of Municipal Budget Appropriations	A-2	<u>\$ 54,522,947.99</u>
Delinquent Tax Collections		
Cash Received		
Taxes	A-7	\$ 2,610,334.93
Tax Title Lien Redemption	A-8	781,482.45
Total Delinquent Tax Collections	A-1	<u>\$ 3,391,817.38</u>

TOWNSHIP OF WEST ORANGE
CURRENT FUND

STATEMENT OF EXPENDITURES
REGULATORY BASIS
YEAR ENDED DECEMBER 31, 2016

GENERAL APPROPRIATIONS	Budget	Budget After Modification	Expended			Unexpended Balance Canceled
			Paid or Charged	Encumbered	Reserved	
(A) Operations - within "CAPS"						
EXECUTIVE AND LEGISLATIVE DEPARTMENT						
Office of the Mayor and Agencies						
Office of the Mayor						
Salaries and Wages	\$ 101,593.09	\$ 101,593.09	\$ 101,592.92	\$ -	\$ 0.17	
Other Expenses	21,446.00	11,446.00	585.83		10,860.17	
Public Information Officer						
Other Expenses	595.00	595.00	480.00	90.48	24.52	
Governing Body						
Town Council						
Salaries and Wages	62,435.00	62,435.00	62,433.80		1.20	
Other Expenses	32,400.00	27,400.00	23,834.56	1,179.53	2,385.91	
Alcoholic Beverage Control						
Salaries and Wages	700.00	700.00			700.00	
Other Expenses	250.00	250.00	198.00		52.00	
Litigation Expenses						
Other Expenses	275,000.00	473,483.93	465,858.93	6,287.86	1,337.14	
Office of the Township Clerk						
Township Clerk						
Salaries and Wages	180,213.20	180,213.20	178,715.64		1,497.36	
Other Expenses	2,000.00	2,000.00	229.00		1,771.00	
Elections						
Salaries and Wages	4,000.00	4,000.00	3,376.09		623.91	
Other Expenses	17,500.00	18,958.69	18,958.69			
Office of the Township Attorney						
Township Attorney						
Salaries and Wages	42,500.00	42,500.00	42,499.86		0.14	
Other Expenses	92,940.00	92,940.00	54,400.00	1,611.45	36,928.55	
Human Relations Commission						
Other Expenses	5,100.00	5,100.00	3,268.04	60.48	1,771.48	
Statutory Agencies						
Planning Board						
Salaries and Wages	5,250.00	5,250.00	5,249.92		0.08	
Other Expenses	10,400.00	10,400.00	3,618.78	366.81	6,414.41	
Board of Adjustment						
Salaries and Wages	5,250.00	5,250.00	5,249.66		0.34	
Other Expenses	4,530.00	4,530.00	1,952.02	130.16	2,447.82	

TOWNSHIP OF WEST ORANGE
CURRENT FUND

STATEMENT OF EXPENDITURES
REGULATORY BASIS
YEAR ENDED DECEMBER 31, 2016

	Budget	Budget After Modification	Expended			Unexpended Balance Canceled
			Paid or Charged	Encumbered	Reserved	
Waste Management						
Other Expenses	\$ 417,180.93	\$ 417,180.93	\$ 301,583.37	\$ 27,416.37	\$ 88,181.19	
Municipal Court						
Salaries and Wages	326,304.63	326,304.63	314,360.01		11,944.62	
Other Expenses	31,300.00	31,300.00	24,321.95	937.49	6,040.56	
Public Defender (P.L. 1997, C.256)						
Salaries and Wages	6,000.00	6,000.00	1,750.00		4,250.00	
Other Expenses	18,200.00	18,200.00	13,490.00	350.00	4,360.00	
Open Space Recreation and Environmental Commission (N.J.S.A. 40.56A-1)						
Other Expenses	150.00	150.00	80.69		69.31	
Rent Leveling Board						
Other Expenses	75.00	75.00			75.00	
TOTAL EXECUTIVE AND LEGISLATIVE DEPT.	1,663,312.85	1,648,255.47	1,628,067.98	38,430.63	181,736.88	
DEPT. OF ADMINISTRATION AND FINANCE						
Office of the Business Administrator						
Director						
Salaries and Wages	261,369.24	263,981.13	263,981.13			
Other Expenses	173,200.00	173,200.00	101,840.42	8,972.04	62,387.54	
Administration of Township Owned Property						
Other Expenses	1,000.00	1,000.00	518.00		482.00	
Division of Administration						
Central Purchasing						
Salaries and Wages	166,349.83	166,349.63	166,349.82		0.01	
Other Expenses	38,400.00	38,959.40	37,853.98	1,105.42	(0.00)	
Central Printing and Supplies						
Other Expenses	27,700.00	7,700.00	6,453.55	170.46	1,075.99	
Central Telephone						
Other Expenses	235,000.00	261,662.79	235,227.46	26,435.33		
Central Insurance						
Insurance Fund S&W	2,400.00	2,400.00			2,400.00	
Employee Group Health (Emergency)	12,281,765.12	11,681,765.12	11,569,002.58	71,354.20	41,408.34	
Unemployment Compensation Insurance	80,000.00	80,000.00	80,000.00			
General Liability	874,712.00	897,667.00	897,667.00			
Workers Compensation	500,000.00	500,000.00	500,000.00			
Central Mailing Service						
Other Expenses	73,750.00	63,750.00	63,467.35		282.65	

**TOWNSHIP OF WEST ORANGE
CURRENT FUND
STATEMENT OF EXPENDITURES
REGULATORY BASIS
YEAR ENDED DECEMBER 31, 2016**

	Budget	Budget After Modification	Expended			Unexpended Balance Canceled
			Paid or Charged	Encumbered	Reserved	
Township Physician						
Other Expenses	\$ 9,365.00	\$ 9,365.00	\$ 2,024.00	\$ 2,463.33	\$ 4,877.67	
Division of Treasury						
Collector's Office						
Salaries and Wages	208,914.28	208,914.26	208,913.90		0.36	
Other Expenses	20,900.00	20,900.00	12,558.40	189.98	8,151.62	
Township Treasurer						
Other Expenses	9,900.00	9,900.00	6,137.65	539.00	3,223.35	
Division of Accounts and Control						
Comptroller's Office						
Salaries and Wages	550,985.23	550,985.23	452,373.15		98,612.08	
Other Expenses	189,285.00	189,285.00	132,005.12	256.19	57,023.69	
TOTAL DEPARTMENT OF ADMINISTRATION AND FINANCE	15,704,995.68	15,127,784.76	14,736,373.51	111,485.95	279,925.30	
DEPARTMENT OF PLANNING AND DEVELOPMENT						
Director						
Planning Department						
Salaries and Wages	181,980.79	181,980.79	170,809.16		11,171.63	
Other Expenses	32,045.00	32,045.00	31,502.84		542.16	
Housing Code Enforcement						
Salaries and Wages	283,441.39	283,441.39	283,424.61		16.78	
Other Expenses	5,725.00	5,725.00	1,096.54		4,628.46	
Historic Preservation Commission (N.J.S.A. 40A:55D-107)						
Other Expenses	1,500.00	1,500.00	84.10	1,400.00	15.90	
Arts Council						
Other Expenses	1,500.00	1,500.00	1,240.82		259.18	
Downtown West Orange Alliance						
Other Expenses	42,509.00	42,509.00	41,682.93		816.07	
Energy Commission						
Other Expenses	1,000.00	1,000.00	330.00		670.00	
TOTAL DEPARTMENT OF PLANNING AND DEVELOPMENT	549,701.18	549,701.18	530,181.00	1,400.00	18,120.18	
DEPARTMENT OF ASSESSMENT						
Assessor's Office						
Salaries and Wages	248,161.01	248,876.68	248,876.68			
Other Expenses	10,600.00	10,600.00	4,913.79	3,180.44	2,525.77	
TOTAL DEPARTMENT OF ASSESSMENT	258,761.01	259,476.68	253,790.47	3,160.44	2,525.77	

TOWNSHIP OF WEST ORANGE
CURRENT FUND

STATEMENT OF EXPENDITURES
REGULATORY BASIS
YEAR ENDED DECEMBER 31, 2016

	Budget	Budget After Modification	Expended			Unexpended Balance Canceled
			Paid or Charged	Encumbered	Reserved	
DEPARTMENT OF POLICE						
Division of Police						
Salaries and Wages	\$ 12,130,576.40	\$ 12,132,910.09	\$ 12,132,910.09	\$ -	\$ -	
Uniform Allowance	97,600.00	97,600.00	96,400.00		1,200.00	
Other Expenses	420,824.00	424,493.44	402,565.13	21,928.15	0.16	
TOTAL DEPARTMENT OF POLICE	12,649,000.40	12,655,003.53	12,631,875.22	21,928.15	1,200.16	
DEPARTMENT OF FIRE						
Division of Fire						
Salaries and Wages	9,169,350.05	9,579,152.88	9,579,152.88			
Other Expenses	122,200.00	122,200.00	114,831.45	6,427.79	1,140.76	
Uniforms	74,400.00	74,400.00	68,200.00		6,200.00	
Uniform Fire Safety Act (C. 383, P.L. 1983)						
Salaries and Wages	28,250.00	28,250.00			28,250.00	
Other Expenses	38,530.00	41,887.44	16,838.45	25,048.99		
Emergency Management Service						
Salaries and Wages	4,950.00	4,950.00			4,950.00	
Other Expenses	5,800.00	5,950.74	5,950.74			
TOTAL DEPARTMENT OF FIRE	9,443,480.05	9,856,791.06	9,764,773.52	31,476.78	40,540.76	
DEPARTMENT OF PUBLIC WORKS						
Division of Engineering						
Office of the Township Engineer						
Salaries and Wages	488,123.65	494,296.70	494,296.70			
Other Expenses	6,500.00	6,500.00	3,565.23	1,531.30	1,403.47	
Division of Building and Property						
Public Building Operations and Maintenance						
Other Expenses	395,100.00	360,100.00	286,666.70	69,714.78	3,718.52	
Shade Tree Care and Pruning						
Other Expenses	70,250.00	89,806.97	71,783.83	18,023.14		
Parking Facilities, Maintenance and Repairs						
Salaries and Wages	2,200.00	2,200.00			2,200.00	
Other Expenses	2,970.00	3,632.20	3,632.20			
Division of Public Works						
Salaries and Wages	2,482,043.14	2,494,594.10	2,494,594.10			
Division of Street Services						
Street Service, Cleaning and Drainage						
Salt, Chloride and Plowing	800,000.00	800,000.00	692,857.19	100,685.12	457.69	
Other Expenses	48,600.00	48,600.00	36,704.22	7,490.62	4,405.16	
Street Repairs						
Other Expenses	70,350.00	65,350.00	36,343.51	19,512.75	9,493.74	

TOWNSHIP OF WEST ORANGE
CURRENT FUND
STATEMENT OF EXPENDITURES
REGULATORY BASIS
YEAR ENDED DECEMBER 31, 2016

	Budget	Budget After Modification	Expended			Unexpended Balance Canceled
			Paid or Charged	Encumbered	Reserved	
Street Services and Traffic						
Other Expenses	\$ 13,100.00	\$ 13,728.67	\$ 9,635.15	\$ 4,093.52	\$ -	
Division of Sewers and Sanitation						
Sanitation and General Township Service Force						
Other Expenses	8,100.00	7,584.00	7,394.00	190.00		
Central Automotive						
Other Expenses	641,200.00	641,200.00	535,726.67	84,828.46	20,644.67	
Sewage and Pumping Stations						
Other Expenses	65,800.00	65,800.00	36,489.54	20,101.64	9,208.82	
TOTAL DEPARTMENT OF PUBLIC WORKS	<u>5,092,336.79</u>	<u>5,093,394.64</u>	<u>4,709,691.04</u>	<u>332,171.33</u>	<u>51,532.27</u>	
DEPARTMENT OF HEALTH AND WELFARE						
Division of Health						
General Health Services						
Salaries and Wages	561,093.75	561,093.75	547,575.62		13,518.13	
Other Expenses	22,372.00	22,372.00	19,336.82	376.65		2,658.53
Senior Citizen's Transportation Program						
Salaries and Wages	195,893.73	195,893.73	191,772.14		4,121.59	
Other Expenses	950.00	950.00	804.11		345.89	
Aid to Health Care Facilities (N.J.S.A. 44:5-2 as Amended)						
Other Expenses	1,500.00	1,500.00	1,500.00			
Division of Welfare						
Administration of Public Assistance						
Salaries and Wages	135,951.36	135,951.36	134,950.66		1,000.70	
Other Expenses	5,050.00	5,050.00	525.00		4,525.00	
Animal Control						
Salaries and Wages	120,113.92	128,982.99	128,982.99			
Other Expenses	3,175.00	3,666.88	3,666.88			
Podiatry Clinic						
Other Expenses	9,500.00	9,500.00	3,368.43	2,522.20	3,609.37	
Senior Citizen Health Center						
Salaries and Wages	184,272.40	184,272.40	180,456.88		3,815.52	
Other Expenses	4,775.00	4,775.00	2,730.34	912.80	1,131.86	
Child Health Clinic						
Salaries and Wages	3,000.00	3,000.00			3,000.00	
Other Expenses	4,150.00	4,150.00	3,553.17	176.78	420.05	
Retired Citizens Program	20,850.00	20,850.00	15,288.47	2,708.48	2,853.05	
Right to Know Program (P.L. 1983, Ch. 315)						
Other Expenses	425.00	425.00	257.22	116.00	51.78	
Garbage and Trash Removal Contract						
Other Expenses	3,041,365.00	3,049,525.78	2,795,692.17	253,833.61		
TOTAL DEPARTMENT OF HEALTH AND WELFARE	<u>4,314,437.16</u>	<u>4,331,958.89</u>	<u>4,030,260.90</u>	<u>260,646.52</u>	<u>41,051.47</u>	

TOWNSHIP OF WEST ORANGE
CURRENT FUND

STATEMENT OF EXPENDITURES
REGULATORY BASIS
YEAR ENDED DECEMBER 31, 2016

	Budget	Budget After Modification	Expended			Unexpended Balance Canceled
			Paid or Charged	Encumbered	Reserved	
DEPARTMENT OF RECREATION						
Community Services, Recreational and Civic Contracts						
Other Expenses	\$ 78,250.00	\$ 78,250.00	\$ 71,500.00	\$ -	\$ 4,750.00	
Parks and Playgrounds						
Salaries and Wages	642,034.85	622,034.85	582,256.62		39,778.23	
Other Expenses	123,700.00	123,700.00	106,692.08	8,763.68	8,244.24	
Celebration of Public Events, Anniversary or Holiday						
Other Expenses	45,600.00	45,600.00	37,431.58	574.45	7,593.97	
TOTAL DEPARTMENT OF RECREATION	867,584.85	867,584.85	797,880.28	9,338.13	60,366.44	
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	576,064.97	576,064.97	575,163.63		901.34	
Other Expenses	99,700.00	84,700.00	58,677.78	2,282.37	3,739.85	
TOTAL UNIFORM CONSTRUCTION CODE	675,764.97	640,764.97	633,841.41	2,282.37	4,641.19	
UNCLASSIFIED						
Utilities						
Electricity	515,000.00	365,000.00	301,319.58	55,119.66	8,560.76	
Street Lighting	600,000.00	621,513.20	518,899.42	102,613.78		
Gasoline	413,460.00	376,082.88	236,662.04	36,556.55	102,864.29	
Water	46,000.00	46,000.00	37,127.09	3,796.68	5,076.23	
Fire Hydrant Service	618,850.00	635,078.66	580,078.66	55,000.00		
Challenge Grant Bus Shuttle	175,000.00	192,421.24	192,121.24	300.00		
Compensated Absence Liability (Emergency)	5,000.00	605,000.00	605,000.00			
Membership-NJ League of Municipalities	3,696.00	3,696.00	3,243.00		453.00	
Medical Transport Billing Service	190,000.00	315,730.81	315,730.81			
TOTAL UNCLASSIFIED	2,566,806.00	3,160,522.79	2,790,181.84	253,386.67	116,954.28	
Total Operations (Item 8(A)) within "CAPS"	53,806,180.94	54,391,238.82	52,526,937.15	1,065,708.97	798,594.70	
B. Contingent	1,000.00	1,000.00			1,000.00	
Total Operations Including Contingent within "CAPS"	53,807,180.94	54,392,238.82	52,526,937.15	1,065,708.97	799,594.70	

TOWNSHIP OF WEST ORANGE
CURRENT FUND

STATEMENT OF EXPENDITURES
REGULATORY BASIS
YEAR ENDED DECEMBER 31, 2016

	Budget	Budget After Modification	Expended			Unexpended Balance Canceled
			Paid or Charged	Encumbered	Reserved	
Detail:						
Salaries & Wages	\$ 29,366,785.89	\$ 30,389,825.05	\$ 30,157,070.86	\$ -	\$ 232,754.19	
Other Expenses (Including Contingent)	24,440,415.05	24,002,413.77	22,369,866.29	1,065,706.97	566,840.51	
(E) Deferred Charges and Statutory Expenditures - Municipal within "CAPS"						
(2) STATUTORY EXPENDITURES:						
Public Employees' Retirement System	978,469.00	978,469.00	978,469.00			
Social Security System (O.A.S.I.)	1,027,979.00	1,042,921.12	1,036,791.78		6,129.34	
Police and Firemen's Retirement System	4,205,512.00	4,205,512.00	4,205,512.00			
Defined Contribution Retirement Program	5,000.00	5,000.00	5,000.00			
Total Deferred Charges and Statutory	6,216,960.00	6,231,902.12	6,225,772.78		6,129.34	
(H-1) Total General Appropriations for Municipal Purposes within "CAPS"	60,024,140.94	60,624,140.94	58,752,709.93	1,065,706.97	805,724.04	
(A) Operations - Excluded from "CAPS"						
Chapter 10, P.L. 1977-Joint Outlet Sewer Maintenance	2,927,643.14	2,927,643.14	2,914,643.16	5,442.49	7,557.49	
Maintenance of Free Public Library (Ch. 541-82, P.L. 1985)	1,988,181.00	1,988,181.00	1,988,181.00			
Tax Appeal Refunds	350,000.00	350,000.00	350,000.00			
Total Other Operations - Excluded from "CAPS"	5,265,824.14	5,265,824.14	5,252,824.16	5,442.49	7,557.49	
Shared Service Agreements						
Borough of Essex Fells Health Services-Interlocal Contract						
Salaries and Wages	10,473.93	10,473.93	10,473.93			
Essex County CJIS	5,018.53	5,018.53			5,018.53	
Total Shared Service Agreements	15,492.46	15,492.46	10,473.93		5,018.53	
Public and Private Programs Offset by Revenues						
Clean Communities	78,776.36	78,776.36	78,776.36			
Recycling Tonnage	60,443.18	60,443.18	60,443.18			
CTTEC Grant	42,549.53	42,549.53	42,549.53			
NJACCHO Grant	8,700.00	8,700.00	8,700.00			
Essex County DOA Senior Citizens Grant	18,127.00	18,127.00	18,127.00			
Essex County DOA Senior Citizens Grant - Local match	184.00	184.00	184.00			
Municipal Alliance	59,800.00	59,800.00	59,800.00			
Municipal Alliance - Local match	14,950.00	14,950.00	14,950.00			
SAFER Grant	10,411.49	10,411.49	10,411.49			
Hazardous Discharge Site Remediation	0.09	0.09	0.09			
ANJAC Grant	1,500.00	1,500.00	1,500.00			
Essex County Delinquency Prevention Grant	18,563.00	18,563.00	18,563.00			
Body Armor Replacement Fund	22,548.37	22,548.37	22,548.37			
Body Worn Cameras	30,000.00	30,000.00	30,000.00			
Byrne Memorial Justice Assistance	9,934.56	9,934.56	9,934.56			
Bullet Proof Vest Partnership	7,303.56	7,303.56	7,303.56			
NJDOT - Misc Streets	221,000.00	221,000.00	221,000.00			
NJPN Grant		3,000.00	3,000.00			
Total Public and Private Programs Offset by Revenue	602,771.14	605,771.14	605,771.14			

TOWNSHIP OF WEST ORANGE
CURRENT FUND

STATEMENT OF EXPENDITURES
REGULATORY BASIS
YEAR ENDED DECEMBER 31, 2016

	Budget	Budget After Modification	Expended			Unexpended Balance Canceled
			Paid or Charged	Encumbered	Reserved	
Total Operations - Excluded from "CAPS"	\$ 5,884,087.74	\$ 5,887,087.74	\$ 5,869,069.23	\$ 5,442.49	\$ 12,576.02	
Detail:						
Salaries & Wages	10,473.93	10,473.93	10,473.93			
Other Expenses	5,873,613.81	5,876,613.81	5,856,595.30	5,442.49	12,576.02	
Capital Improvement Fund	500,000.00	500,000.00	500,000.00			
Total Capital Improvements - Excluded from "CAPS"	500,000.00	500,000.00	500,000.00			
(D) Municipal Debt Service - Excluded from "CAPS"						
Payment of Bond Principal	4,080,000.00	4,080,000.00	4,080,000.00			
Payment of Bond Anticipation Notes and Capital Notes	1,599,067.33	1,600,698.07	1,600,698.07			
Interest on Bonds	765,113.77	763,483.03	705,732.51			\$ 57,750.52
Interest on Notes	419,227.15	419,227.15	409,943.30			9,283.85
NJ Environmental Infrastructure Trust and Fund Loans						
Principal	247,850.96	247,850.96	232,955.79			14,895.17
Interest	59,381.26	59,381.26	51,785.56			7,595.70
Total Municipal Debt Service - Excluded from "CAPS"	7,170,640.47	7,170,640.47	7,081,115.23			89,525.24
(E) Deferred Charges - Municipal - Excluded from "CAPS"						
Deferred Charges to Future Taxation-Unfunded						
ORD#2322-11 Severance Liabilities	89,780.00	89,780.00	89,780.00			
2013 Severance Liability	240,000.00	240,000.00	240,000.00			
2014 Severance Liability	131,693.00	131,693.00	131,693.00			
2015 Severance Liability	160,000.00	160,000.00	160,000.00			
Library downpayment	6,500.00	6,500.00	6,500.00			
Health benefits	1,500,000.00	1,500,000.00	1,500,000.00			
Total Deferred Charges - Municipal - Excluded from "CAPS"	2,127,973.00	2,127,973.00	2,127,973.00			
(H-2) Total General Appropriations for Municipal Purposes Excluded from "CAPS"	15,682,701.21	15,685,701.21	15,578,157.46	5,442.49	12,576.02	89,525.24

TOWNSHIP OF WEST ORANGE
CURRENT FUND

STATEMENT OF EXPENDITURES
REGULATORY BASIS
YEAR ENDED DECEMBER 31, 2016

	Budget	Budget After Modification	Paid or Charged	Expended		Unexpended Balance Canceled
				Encumbered	Reserved	
(O) Total General Appropriations - Excluded from "CAPS"	\$ 15,682,701.21	\$ 15,685,701.21	\$ 15,578,157.46	\$ 5,442.49	\$ 12,576.02	\$ 89,525.24
(L) Subtotal General Appropriations	75,706,842.15	78,309,842.15	74,330,867.39	1,071,149.46	818,300.06	89,525.24
(M) Reserve for Uncollected Taxes	2,887,057.99	2,887,057.99	2,887,057.99			
Total General Appropriations	\$ 78,593,900.14	\$ 79,196,900.14	\$ 77,217,925.38	\$ 1,071,149.46	\$ 818,300.06	\$ 89,525.24
<u>Ref.</u>	A-2	Below	Below	A	A	Below
	<u>Ref.</u>					
Adopted Budget	A-2	\$ 78,593,900.14				
Emergency Appropriation NJSA 40A:4-46:						
Compensated Absence Liability (Emergency)	A-27	600,000.00				
Appropriation By NJSA 40A:4-87	A-2	3,000.00				
		<u>\$ 79,196,900.14</u>				
Budget	Above	\$ 79,196,900.14	\$			
Reserve for Uncollected Taxes	A-2	(2,887,057.99)	2,887,057.99			
Cash Disbursed	A-4		71,247,123.25			
Reserve for Tax Appeals	A-10		350,000.00			
Deferred Charges	A-27		2,127,973.00			
Match	A-25		15,114.00			
Reserve for Grants	A-25		590,657.14			
Canceled	Above	(89,525.24)				
	A-1	<u>\$ 76,220,316.91</u>	<u>\$ 77,217,925.38</u>			

**TOWNSHIP OF WEST ORANGE
TRUST FUND**

B
Sheet # 1

**COMPARATIVE BALANCE SHEETS
REGULATORY BASIS
DECEMBER 31, 2016 AND 2015**

<u>ASSETS</u>	<u>Ref.</u>	<u>2016</u>	<u>2015</u>
ANIMAL CONTROL FUND:			
Cash	B-3	\$ 61,616.83	\$ 58,876.93
GENERAL TRUST FUND:			
Cash	B-3	\$ 5,491,081.07	\$ 4,841,592.64
INSURANCE TRUST FUND:			
Cash	B-4	\$ 13,094.25	\$ 91,781.50
FEDERAL GRANT TRUST FUND:			
Cash	B-5	\$ 124,516.87	\$ 23,547.31
Grant Receivable	B-6	640,000.00	440,000.00
		<u>\$ 764,516.87</u>	<u>\$ 463,547.31</u>
OPEN SPACE TRUST FUND			
Cash	B-2	\$ 723,407.87	\$ 626,438.42
ASSESSMENT TRUST FUND			
Cash	B-3	\$ 15,165.93	\$ 16,287.24
Assessments Receivable	B-7	304.27	15,470.20
		<u>\$ 15,470.20</u>	<u>\$ 31,757.44</u>
LENGTH OF SERVICE AWARD PROGRAM			
Funds held in trust - unaudited	B	\$ 309,185.16	\$ 344,148.03

See Accompanying Notes to Financial Statements

**TOWNSHIP OF WEST ORANGE
TRUST FUND**

B
Sheet # 2

**COMPARARTIVE BALANCE SHEETS
REGULATORY BASIS
DECEMBER 31, 2016 AND 2015**

<u>LIABILITIES, RESERVES AND FUND BALANCE</u>	<u>Ref.</u>	<u>2016</u>	<u>2015</u>
ANIMAL CONTROL FUND:			
Prepaid License Fees	B-9	\$ 3,495.00	\$ 3,705.00
Reserve For Animal Control Fund Expenditures	B-12	58,121.83	55,171.93
		<u>\$ 61,616.83</u>	<u>\$ 58,876.93</u>
GENERAL TRUST FUND:			
Special Deposits	B-10	\$ 5,491,081.07	\$ 4,826,787.71
Fund Balance	B-1A		14,804.93
		<u>\$ 5,491,081.07</u>	<u>\$ 4,841,592.64</u>
INSURANCE TRUST FUND:			
Reserve for Insurance Claims	B-13	\$ 13,094.25	\$ 91,781.50
		<u>\$ 13,094.25</u>	<u>\$ 91,781.50</u>
FEDERAL GRANT TRUST FUND:			
Reserve for Grant Expenditures:			
Community Development Block Grant	B-14	\$ 640,000.00	\$ 440,000.00
CDBG Fund Balance	B-1A		0.13
Section 8 Housing	B-15	124,516.87	23,547.18
		<u>\$ 764,516.87</u>	<u>\$ 463,547.31</u>
OPEN SPACE TRUST FUND			
Reserve for Open Space Expenditures	B-16	\$ 723,407.87	\$ 626,438.42
ASSESSMENT TRUST FUND			
Reserve for Assessment Receivable	B-11	\$ 304.27	\$ 15,470.20
Fund Balance	B-1	15,165.93	16,287.24
		<u>\$ 15,470.20</u>	<u>\$ 31,757.44</u>
LENGTH OF SERVICE AWARD PROGRAM			
Reserve for funds held in trust - unaudited	B	\$ 309,185.16	\$ 344,148.03

**TOWNSHIP OF WEST ORANGE
TRUST FUNDS**

**STATEMENT OF FUND BALANCE
ASSESSMENT TRUST
REGULATORY BASIS
YEAR ENDED DECEMBER 31, 2016**

	<u>Ref.</u>		B-1
Balance, December 31, 2015	B	\$	16,287.24
Increased by:			
Unpledged Assessments	B-3		15,165.93
			<u>31,453.17</u>
Decreased by:			
Payment to Current Fund as Anticipated Revenue	B-3		16,287.24
			<u>16,287.24</u>
Balance, December 31, 2016	B	\$	<u>15,165.93</u>

**STATEMENT OF FUND BALANCE
GENERAL TRUST FUND/FEDERAL GRANT TRUST FUND
REGULATORY BASIS
YEAR ENDED DECEMBER 31, 2016**

	<u>Ref.</u>	<u>General Trust</u>	<u>CDBG</u>	B-1A
Balance, December 31, 2015	B	\$ 14,804.93	\$ 0.13	
Decreased by:				
Current Fund Anticipated Revenue	B-3, B-5	<u>14,804.93</u>	<u>0.13</u>	
Balance, December 31, 2016	B	<u>\$</u>	<u>\$</u>	

**TOWNSHIP OF WEST ORANGE
GENERAL CAPITAL FUND**

C

**COMPARATIVE BALANCE SHEETS
REGULATORY BASIS
DECEMBER 31, 2016 AND 2015**

<u>ASSETS</u>	<u>Ref.</u>	<u>2016</u>	<u>2015</u>
Cash	C-2	<u>\$ 2,299,395.07</u>	<u>\$ 2,868,051.76</u>
NJEPA Trust and Fund Loan Receivable	C-14	284,270.00	1,638,618.00
State Grants Receivable	C-13	<u>1,553,338.99</u>	<u>1,553,338.99</u>
		<u>1,837,608.99</u>	<u>3,191,956.99</u>
Deferred Charges to Future Taxation:			
Funded	C-6	37,058,617.57	22,912,984.53
Unfunded	C-7	<u>33,041,256.00</u>	<u>43,176,038.00</u>
		<u>70,099,873.57</u>	<u>66,089,022.53</u>
		<u>\$ 74,236,877.63</u>	<u>\$ 72,149,031.28</u>
 <u>LIABILITIES AND FUND BALANCE</u>			
Serial Bonds	C-8	\$ 33,416,000.00	\$ 20,235,000.00
NJEPA Trust and Fund Loan-ORD#1823-02	C-4	338,140.90	393,789.09
NJEPA Trust and Fund Loan-ORD#2017-05	C-4	1,265,493.72	1,393,892.56
NJEPA Trust and Fund Loan-ORD#2050-05	C-4	433,748.22	473,494.41
NJEPA Trust and Fund Loan-ORD#2214-09	C-4	392,750.73	416,808.47
NJEPA Trust and Fund Loan-ORD#2425-14	C-4	1,212,484.00	1,212,484.00
Bond Anticipation Notes	C-9	19,384,340.00	30,754,248.00
Improvement Authorizations:			
Funded	C-10	1,335,044.83	45,922.56
Unfunded	C-10	14,483,126.96	15,074,865.07
Capital Improvement Fund	C-11	88,592.96	321.96
Reserve to Pay Debt service	C-5	89,627.81	335,865.24
Reserve for Grants Receivable	C-15	1,455,628.09	1,553,338.69
Fund Balance	C-1	<u>341,899.41</u>	<u>259,001.23</u>
		<u>\$ 74,236,877.63</u>	<u>\$ 72,149,031.28</u>
 Bonds and Notes Authorized but Not Issued	 C-12	 <u>\$ 13,656,906.00</u>	 <u>\$ 12,421,780.00</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, 2016

	<u>Ref.</u>	
Balance, December 31, 2015	C	\$ 259,001.23
Increased by:		
Premium on Sale of Serial Bonds	C-2	202,226.41
Premium on Sale of Bond Anticipation Notes	C-2	<u>139,673.00</u>
		600,900.64
Decreased by:		
Payment to Current Fund as Anticipated Revenue	C-2	<u>259,001.23</u>
Balance, December 31, 2016	C	<u>\$ 341,899.41</u>

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

D

**BALANCE SHEETS
REGULATORY BASIS
DECEMBER 31, 2016 AND 2015**

<u>ASSETS</u>	<u>Ref.</u>	<u>2016</u>	<u>2015</u>
OPERATING FUND:			
Cash	D-4	\$ 78,660.00	\$ 53,122.13
CAPITAL FUND:			
Fixed Capital	D-5	523,433.15	523,433.15
		<u>\$ 602,093.15</u>	<u>\$ 576,555.28</u>
<u>LIABILITIES AND FUND BALANCES</u>			
OPERATING FUND:			
Appropriation reserves:			
Encumbered	D-3	\$ 6,575.00	
Unencumbered	D-3	31,647.87	
Fund Balance	D-1	40,437.13	\$ 53,122.13
		<u>78,660.00</u>	<u>53,122.13</u>
CAPITAL FUND:			
Reserve for Amortization	D-6	523,433.15	523,433.15
		<u>\$ 602,093.15</u>	<u>\$ 576,555.28</u>

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, 2016 AND 2015**

	<u>Ref.</u>	<u>2016</u>	<u>2015</u>
REVENUE AND OTHER INCOME:			
Fund Balance Utilized	D-2	\$ 43,152.73	\$ 46,664.98
Membership Fees	D-2	211,030.00	179,420.00
Miscellaneous Revenue Anticipated	D-2	<u>72,242.00</u>	<u>68,884.27</u>
TOTAL REVENUE AND OTHER INCOME		<u>326,424.73</u>	<u>294,969.25</u>
EXPENDITURES:			
Budgeted Appropriations:			
Salaries and Wages	D-3	169,665.00	157,911.26
Other Expenses	D-3	110,505.00	85,578.87
Statutory Expenditures	D-3	<u>11,287.00</u>	
TOTAL EXPENDITURES	D-3	<u>291,457.00</u>	<u>243,490.13</u>
EXCESS OF REVENUE OVER EXPENDITURES		34,967.73	51,479.12
FUND BALANCE, BEGINNING OF YEAR	D	<u>53,122.13</u>	<u>48,307.99</u>
		88,089.86	99,787.11
UTILIZED AS ANTICIPATED REVENUE IN CURRENT FUND	D-4	4,500.00	
UTILIZED AS ANTICIPATED REVENUE IN POOL UTILITY		<u>43,152.73</u>	<u>46,664.98</u>
FUND BALANCE, END OF YEAR	D	<u><u>\$ 40,437.13</u></u>	<u><u>\$ 53,122.13</u></u>

See accompanying notes to financial statements

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

D-2

**STATEMENT OF REVENUES
YEAR ENDED DECEMBER 31, 2016**

	<u>Ref.</u>	<u>Anticipated Budget</u>	<u>Realized</u>	<u>Excess</u>
Fund Balance Anticipated	D-1	\$ 43,152.73	\$ 43,152.73	\$
Membership Fees	D-1, D-4	180,450.00	211,030.00	30,580.00
Miscellaneous	D-1, D-4	<u>67,854.27</u>	<u>72,242.00</u>	<u>4,387.73</u>
	D-3	<u>\$ 291,457.00</u>	<u>\$ 326,424.73</u>	<u>\$ 34,967.73</u>

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

**STATEMENT OF EXPENDITURES
YEAR ENDED DECEMBER 31, 2016**

	<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	\$ 169,665.00	\$ 169,665.00	\$ 160,953.11	\$	\$ 8,711.89
Other Expenses	110,505.00	110,505.00	92,281.02	6,575.00	11,648.98
STATUTORY EXPENDITURES:					
Social Security	11,286.00	11,286.00			11,286.00
Unemployment Insurance	1.00	1.00			1.00
	<u>\$ 291,457.00</u>	<u>\$ 291,457.00</u>	<u>\$ 253,234.13</u>	<u>\$ 6,575.00</u>	<u>\$ 31,647.87</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, 2016 AND 2015

<u>ASSETS</u>	<u>Ref.</u>	<u>2016</u>	<u>2015</u>
Cash	E-5	<u>\$ 1,553.59</u>	<u>\$ 1,553.59</u>
		<u>\$ 1,553.59</u>	<u>\$ 1,553.59</u>
 <u>LIABILITIES AND RESERVES</u>			
Fund Balance	E-1	<u>\$ 1,553.59</u>	<u>\$ 1,553.59</u>
		<u>\$ 1,553.59</u>	<u>\$ 1,553.59</u>

**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, 2016 AND 2015**

	<u>Ref.</u>	<u>2016</u>	<u>2015</u>
REVENUE AND OTHER INCOME:			
Misc. Revenues	E-7	\$ 4,393.69	\$ 19,595.00
TOTAL REVENUE AND OTHER INCOME		<u>4,393.69</u>	<u>19,595.00</u>
EXPENDITURES:			
Due to Current Fund	E-7	4,393.69	19,595.00
TOTAL EXPENDITURES		<u>4,393.69</u>	<u>19,595.00</u>
EXCESS OF REVENUE OVER EXPENDITURES			
FUND BALANCE, BEGINNING OF YEAR	E	<u>1,553.59</u>	<u>1,553.59</u>
FUND BALANCE, END OF YEAR	E	<u>\$ 1,553.59</u>	<u>\$ 1,553.59</u>

**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, 2016 AND 2015**

	<u>Ref.</u>	<u>2016</u>	<u>2015</u>
REVENUE AND OTHER INCOME:			
State Aid	E-3	\$ 228,112.17	\$ 219,094.00
Supplemental Security Income Reimbursements	E-3	6,558.00	19,595.00
		<hr/>	<hr/>
TOTAL REVENUE AND OTHER INCOME	E-3	<u>234,670.17</u>	<u>238,689.00</u>
EXPENDITURES:			
Public Assistance	E-4	234,670.17	238,689.00
		<hr/>	<hr/>
TOTAL EXPENDITURES		<u>234,670.17</u>	<u>238,689.00</u>
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 2016 AND 2015**

F

ASSETS

	December 31,	
	2016	2015
Movable Fixed Assets		
Office Equipment	\$ 2,884,326.67	\$ 2,766,986.46
Vehicles	13,222,765.11	12,941,144.11
Other Equipment	5,759,661.52	5,532,951.71
	21,866,753.30	21,241,082.28
Building	17,471,253.00	17,471,253.00
Land	12,019,932.00	12,019,932.00
	29,491,185.00	29,491,185.00
	\$ 51,357,938.30	\$ 50,732,267.28
FUND BALANCE		
Investments in General Fixed Assets	\$ 51,357,938.30	\$ 50,732,267.28

NOTES TO FINANCIAL STATEMENTS

TOWNSHIP OF WEST ORANGE

NOTES TO FINANCIAL STATEMENTS DECEMBER 31, 2016 AND 2015

1. REPORTING ENTITY AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Reporting Entity

The Township of West Orange, Essex County, New Jersey (the "Township") was incorporated in 1863 and operates under an elected Mayor/Council form of government. The Town's major operations include public safety, road repair and maintenance, sanitation, fire protection, recreation and parks, health services, and general administrative services.

The Governmental Accounting Standards Board and subsequent Codification (collectively, "GASB") is the accepted standard-setting body for establishing governmental accounting and financial reporting principles. GASB statement No. 14 as amended by GASB Statement No. 61 establishes certain standards for defining and reporting on the financial reporting entity. In accordance with these standards, the reporting entity should include the primary government and those component units which are fiscally accountable to the primary government. The municipalities in the State of New Jersey do not prepare financial statements in accordance with accounting principles generally accepted in the United States of America ("US GAAP") and thus do not comply with all of the GASB pronouncements.

The financial statements of the Township have been prepared on a basis of accounting in conformity with accounting principles and practices prescribed or permitted by the Division of Local Government Services, Department of Community Affairs, State of New Jersey (the "Division"), which is a regulatory basis of accounting other than US GAAP. Such principles and practices are designed primarily for determining compliance with legal provisions and budgetary restrictions and as a means of reporting on the stewardship of public officials with respect to public funds. Under this method of accounting, the Township accounts for its financial transactions through separate funds, which differ from the fund structure required by US GAAP.

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

The financial statements contained herein include only those boards, bodies, officers or commissions as required by N.J.S.A. 40A:5-5. Accordingly, the financial statements of the Township do not include the Library or the Board of Education.

The Township uses funds, as required by the Division, to report on its financial position and the results of its operations. Fund accounting is designed to demonstrate legal compliance and to aid financial administration by segregating transactions related to certain Township functions or activities. The Township also uses an account group, which is designed to provide accountability for certain assets that are not recorded in those funds.

TOWNSHIP OF WEST ORANGE

NOTES TO FINANCIAL STATEMENTS DECEMBER 31, 2016 AND 2015

1. REPORTING ENTITY AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Measurements Focus, Basis of Accounting and Basis of Presentation

The Town has the following funds and account groups:

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

Trust Funds – Trust funds are used to account for assets held by the government in a trustee capacity. Funds held by the Town as an agent for individuals, private organizations, or other governments are recorded in Trust Funds. These funds include dedicated fees/proceeds collected, developer deposits, payroll related deposits and funds deposited with the Town as collateral.

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

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

Swimming Pool Utility Fund – This fund is used to account for the revenues and expenditures for operation of the Township's swimming pool and the assets and liabilities related to such activities. Acquisition or improvement of capital facilities and other capital assets for the swimming pool utility is accounted for in the capital section of the fund.

Public Assistance Fund – This fund is used to account for the receipts and disbursements of funds that provide assistance to certain residents of the Township pursuant to Title 44 of New Jersey Statutes.

General Fixed Assets Account Group – This account group is used to account for all general fixed assets of the Township, other than those accounted for in the Swimming Pool Utility Fund. The Township's infrastructure is not reported in the account group.

Basis of Accounting

The Township follows the regulatory basis of accounting. Under this method of accounting, revenues, except for Federal and State Aid, are recognized when received and expenditures are recorded when incurred. The accounting principles and practices prescribed or permitted for municipalities by the Division ("regulatory basis of accounting") differ in certain respects from US GAAP applicable to local government units.

TOWNSHIP OF WEST ORANGE

NOTES TO FINANCIAL STATEMENTS DECEMBER 31, 2016 AND 2015

1. REPORTING ENTITY AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

The more significant differences are as follows:

Property Tax Revenues – Real property taxes are assessed locally, based upon the assessed value of the property. The tax bill includes a levy for Municipal, County, and School purposes. The bills are mailed annually in June for that calendar year's levy. Taxes are payable in four quarterly installments on February 1, May 1, August 1, and November 1. The amounts of the first and second installments are determined as one-quarter of the total tax levied against the property for the preceding year. The installment due the third and fourth quarters is determined by taking the current year levy less the amount previously charged for the first and second installments, with the remainder being divided equally. If unpaid on these dates, the amount due becomes delinquent and subject to interest at 8% per annum, or 18% on any delinquency amount in excess of \$1,500. The School levy is turned over to the Board of Education as expenditures are incurred, and the balance, if any, must be transferred as of June 30 of each fiscal year. County taxes are paid quarterly on February 15, May 15, August 15 and November 15, to the County by the Township. When unpaid taxes or any municipal lien, or part thereof, on real property, remains in arrears on April 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 standard tax sale. The Township also has the option when unpaid taxes or any municipal lien, or part thereof, on real property remains in arrears on the 11th day of the 11th month in the fiscal year when the taxes or lien became in arrears, the collector in the municipality shall, subject to the provisions of the New Jersey Statutes, enforce the lien by placing property on an accelerated tax sale, provided that the sale is conducted and completed no earlier than in the last month of the fiscal year. The Township may institute annual in rem tax foreclosure proceedings to enforce the tax collection or acquisition of title to the property. In accordance with the accounting principles prescribed by the State of New Jersey, current and delinquent taxes are realized as revenue when collected. Since delinquent taxes and liens are fully reserved, no provision has been made to estimate that portion of the tax receivable and tax title liens that are uncollectible. US GAAP requires property tax revenues to be recognized in the accounting period when they become susceptible to accrual (i.e., when they are both levied and available), reduced by an allowance for doubtful accounts.

Miscellaneous Revenues - Miscellaneous revenues are recognized on a cash basis. Receivables for miscellaneous items that are susceptible to accrual are recorded with offsetting reserves on the balance sheet of the Township's Current Fund. US GAAP requires such revenues to be recognized in the accounting period when they become susceptible to accrual (i.e., when they are both measurable and available).

Sewer Rents - Sewer charges are levied quarterly based upon a consumption or usage charge. Revenues from these sources are recognized on a cash basis. Receivables that are susceptible to accrual are recorded with offsetting reserves on the balance sheet of the Township's Current Fund. US GAAP requires such revenues to be recognized in the accounting period when they become susceptible to accrual (i.e. when they are both levied and available).

Grant and Similar Award Revenues - Federal and State grants, entitlements or shared revenues received, for purposes normally financed through the Current Fund, are recognized when anticipated in the Township's budget. US GAAP requires such revenues to be recognized as soon as all eligibility requirements imposed by the grantor or provider have been met.

TOWNSHIP OF WEST ORANGE

**NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2016 AND 2015**

1. REPORTING ENTITY AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

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

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

- Trust Funds
- General Capital Fund
- Swimming Pool Utility Capital Fund
- Public Assistance Fund

The governing body is required to introduce and approve the annual budget no later than the last day in February of the fiscal year. The budget is required to be adopted no later than April 20, and prior to adoption, must be certified by the Division. 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. The governing body of the municipality may authorize emergency appropriations and the inclusion of certain special items of revenue to the budget after its adoption and determination of the tax rate. During the last two months of the fiscal year, the governing body may, by a 2/3 vote, amend the budget through line item transfers. Management has no authority to amend the budget without the approval of the governing body. Expenditures may not legally exceed budgeted appropriations at the line item level. In addition, the governing body approved several budget transfers during 2016.

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

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

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

Operating Deficits - Deficits resulting from expenditures and other debits which exceed cash revenues, other realized revenues and credits to income in such fiscal year, are recorded as deferred charges on the balance sheet of the respective operating fund at year end and are required to be funded in the succeeding year's budget. US GAAP does not permit the deferral of operating deficits at year end.

TOWNSHIP OF WEST ORANGE

NOTES TO FINANCIAL STATEMENTS DECEMBER 31, 2016 AND 2015

1. REPORTING ENTITY AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Compensated Absences - Expenditures relating to obligations for unused vested accumulated vacation and sick leave are not recorded until paid; however, municipalities may establish and budget reserve funds subject to N.J.S.A. 40A:4-39 for the future payment of compensated absences. US GAAP requires that the amount that would normally be liquidated with expendable available financial resources be recorded as an expenditure in the operating funds and the remaining obligations are recorded as a long-term obligation in the government-wide financial statements.

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

Interfund Receivables - Interfund receivables in the Current Fund are recorded with offsetting reserves, which are created by charges to operations. Income is recognized in the year the receivables are liquidated. Interfund receivables in the other funds are not offset by reserves. US GAAP does not require the establishment of an offsetting reserve for interfunds and, therefore, does not recognize income in the year liquidated.

Inventories - The cost of inventories of supplies for all funds are recorded as expenditures at the time individual items are purchased. The costs of inventories are not included on the various balance sheets. US GAAP requires inventories to be recorded as assets in proprietary-type funds.

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

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

General Fixed Assets - In accordance with N.J.A.C. 5:30-5.6, Accounting for Governmental Fixed Assets, the Township has developed a fixed assets accounting and reporting system. Fixed assets are defined by the Township as assets with an initial, individual cost of \$2,000 and an estimated useful life in excess of two years.

Fixed assets used in governmental operations (general fixed assets) are accounted for in the General Fixed Assets Account Group. Public domain ("infrastructure") general fixed assets consisting of certain improvements other than buildings, such as roads, bridges, curbs and gutters, streets and sidewalks are not capitalized.

TOWNSHIP OF WEST ORANGE

NOTES TO FINANCIAL STATEMENTS DECEMBER 31, 2016 AND 2015

1. REPORTING ENTITY AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Fixed Assets purchased after December 31, 1999 are stated at cost. Donated fixed assets are recorded at estimated fair market value at the date of donation.

Fixed Assets purchased prior to December 31, 1999 are stated as follows:

Land and Buildings	Assessed Value
Machinery and Equipment	Replacement Costs

No depreciation has been provided for in the financial statements.

Expenditures for construction in progress are recorded in the Capital Funds until such time as the construction is completed and put into operation.

Accounting for Utility Fund "fixed capital" remains unchanged under N.J.A.C. 5:30-5.6.

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

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

Recent Pronouncements

The GASB issued Statement 75, Accounting and Financial Reporting for Postemployment Benefits Other than Pensions in June 2015. This Statement replaces the requirements of Statement 45 and the primary objective of this Statement is to improve accounting and reporting by state and local governments for postemployment benefits other than pensions (other postemployment benefits or OPEB). It also improves information provided by state and local government employers about financial support for OPEB that is provided by other entities. The requirements of this Statement are effective for financial statements for reporting periods beginning after June 15, 2017. Management has not yet determined the impact of the Statement on the financial statements.

The GASB issued Statement 77, Tax Abatement Disclosures in August 2015. This Statement is intended to improve financial reporting by requiring disclosure of tax abatement information about a reporting government's own tax abatement agreements and those that are entered into by other governments and that reduce the reporting government's tax revenues. The requirements of this Statement are effective for financial statements for reporting periods beginning after December 15, 2015. The Township has implemented this standard in the current year. The detail is reflected in footnote 18.

TOWNSHIP OF WEST ORANGE

NOTES TO FINANCIAL STATEMENTS DECEMBER 31, 2016 AND 2015

1. REPORTING ENTITY AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Use of Estimates - The preparation of financial statements requires management of the Township to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of accrued revenues and expenditures during the reporting period. Accordingly, actual results could differ from those estimates.

Comparative Data - Comparative data for the prior year has been presented in the accompanying financial statements in order to provide an understanding of changes in the Township's financial position and operations. However, comparative data have not been presented in all statements because their inclusion would make certain statements unduly complex and difficult to understand.

Basic Financial Statements

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

2. DEPOSITS AND INVESTMENTS

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

Deposits

The Township's deposits are insured through either the Federal Deposit Insurance Corporation ("FDIC") or New Jersey's Governmental Unit Deposit Protection Act ("GUDPA"). The Township is required to deposit their funds in a depository which is protecting such funds pursuant to GUDPA. 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 to deposit these amounts with the Federal Reserve Bank for all deposits not covered by the FDIC.

Custodial Credit Risk – the custodial credit risk for deposits is the risk that in the event of a bank failure, the Township's deposits may not be returned to it. Although the Township does not have a formal deposit policy for custodial credit risk, N.J.S.A. 17:9-41 et seq. requires that governmental units shall deposit public funds in a public depositories protected from loss under the provisions of GUDPA. Public funds owned by the municipality in excess of FDIC insured amounts are protected by GUDPA. However, GUDPA does not protect intermingled trust funds such as salary withholdings, bail funds, or funds that may pass to the municipality relative to the happening of a future condition. As of December 31, 2016 and 2015 the Township's bank balances were exposed to custodial credit risk.

TOWNSHIP OF WEST ORANGE

**NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2016 AND 2015**

2. DEPOSITS AND INVESTMENTS (continued)

Bank balances are insured up to \$250,000 in the aggregate by the FDIC for each bank for periods ending December 31, 2016 and 2015. At December 31, 2016 and 2015, the book value of the Township's deposits were \$21,601,995 and \$22,203,703, respectively. The Township's deposits, which are displayed on the various fund Balance Sheet as "cash and cash equivalents", are categorized as:

<u>Depository Account</u>	<u>December 31, 2016</u>	<u>December 31, 2015</u>
Insured	\$ 751,554	\$ 1,001,554
Uninsured and Collateralized	22,569,323	24,046,599
	<u>\$ 23,320,877</u>	<u>\$ 25,048,153</u>

Investments

The Township is permitted to invest public funds in accordance with the types of securities authorized by N.J.S.A. 40A:515.1. Investments include bonds or other obligations of the United States or obligations guaranteed by the United States of America, Government Money Market Mutual Funds, bonds or other obligations of the Township or bonds or other obligations of the School Districts which are a part of the Township or School Districts located within the Township, Local Government investment pools, and agreements for the repurchase of fully collateralized securities, if transacted in accordance with N.J.S.A. 40A:5-15.1 (8a-8e).

As of December 31, 2016 and 2015, the Township had no investments.

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

3. MUNICIPAL DEBT

The Local Bond Law governs the issuance of bonds and notes used to finance capital expenditures. General obligation bonds have been issued for both General Capital and Utility Funds. All bonds are retired in serial installments within the statutory period of usefulness. Bonds issued by the Township are general obligation bonds, backed by the full faith and credit of the Township. Bond anticipation notes, which are issued to temporarily finance capital projects, must be paid off within ten years and four months or retired by the issuance of bonds.

TOWNSHIP OF WEST ORANGE

**NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2016 AND 2015**

3. MUNICIPAL DEBT (continued)

The Township's debt as of December 31, is summarized as follows:

	2016	2015
Issued		
General Capital Fund and Current Fund Bonds, Notes and Loans	\$ 58,553,035	\$ 58,511,267
Net Debt Issued	58,553,035	58,511,267
Authorized But Not Issued		
General Capital Fund Bonds, Notes and Loans	13,656,906	12,410,780
Net Bonds and Notes Issued and Authorized Not Issued	\$ 72,209,941	\$ 70,922,047

The statement of debt condition that follows is extracted from the Township's Annual Debt Statement and indicates a statutory net debt of 1.220% at December 31, 2016.

	<u>Gross Debt</u>	<u>Deductions</u>	<u>Net Debt</u>
General Debt	\$ 72,209,941		\$ 72,209,941
School Debt	34,421,781	\$ 34,421,781	
Total	\$ 106,631,722	\$ 34,421,781	\$ 72,209,941

The Township's remaining borrowing power under N.J.S.A. 40A:2-6, as amended, at December 31, 2016 as follows:

3-1/2% of Equalized Valuation Basis (Municipal)	\$ 207,089,461
Net Debt	72,209,941
Remaining Statutory Borrowing Power	\$ 134,879,520

TOWNSHIP OF WEST ORANGE

**NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2016 AND 2015**

3. MUNICIPAL DEBT (continued)

General Obligation Bonds

The Township levies ad valorem taxes to pay debt service on general obligation bonds. General obligation bonds outstanding at December 31, 2016 and 2015 are as follows:

	2016	2015
\$1,770,000, 2003 General Obligation Refunding Bonds, due in annual installments of \$55,000 to \$245,000 through April 2023, interest at 5.40% to 5.70%	\$1,100,000	\$1,230,000
\$11,015,000, 2004 General Obligation Bonds, due in one annual installment of \$1,070,000 through February 2017, interest at 5.00%	1,070,000	2,170,000
\$9,100,000, 2005 General Obligation Bonds, matured in March 2016		1,550,000
\$8,735,000, 2008 General Improvement Bonds, due in annual installments of \$900,000 through 2018, interest at 3.50% to 3.75%	1,800,000	6,235,000
\$11,505,000, 2011 General Improvement Bonds and 2011 Tax Appeal Refunding Bonds, due in an annual installment of \$800,000 to \$850,000 through 2026, interest at 3.00% to 4.00%	8,250,000	9,050,000
\$17,391,000, 2016 General Improvement Bonds, 2016 Open Space Bonds and 2016 Special Assessment Bonds, due in annual Installments of \$265,000 to \$1,495,000 through February 2031, interest at 2.00% to 4.00%	17,391,000	
\$3,805,000, 2016 General Obligation Refunding Bonds, due in annual Installments of \$905,000 to \$970,000 through August 2022, interest at 4.00%	3,805,000	
	\$33,416,000	\$20,235,000

TOWNSHIP OF WEST ORANGE

**NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2016 AND 2015**

3. MUNICIPAL DEBT (continued)

The Township's principal and interest for general obligation bonds issued and outstanding as of December 31, 2016 is as follows:

<u>Calendar Year</u>	<u>General</u>	
	<u>Principal</u>	<u>Interest</u>
2017	\$ 4,140,000	\$ 794,887
2018	3,170,000	677,262
2019	3,210,000	681,102
2020	3,320,000	601,048
2021	3,355,000	470,796
2022-2026	12,450,000	1,258,253
2027-2031	3,771,000	160,702
	<u>\$33,416,000</u>	<u>\$3,695,462</u>

New Jersey Environmental Trust and Fund Loans

On November 7, 2002, the Township of West Orange 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.

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.

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.

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 through the American Resource Recovery Act.

TOWNSHIP OF WEST ORANGE

**NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2016 AND 2015**

3. MUNICIPAL DEBT (continued)

The Township's principal and interest for New Jersey Environmental Trust and Fund Loans outstanding as of December 31, 2016 is as follows:

Calendar Year	<u>General</u>	
	<u>Principal</u>	<u>Interest</u>
2017	\$ 310,000	\$67,631
2018	314,873	61,881
2019	311,272	55,576
2020	329,018	49,781
2021	347,529	42,756
2022-2026	1,362,203	114,794
2027-2031	450,641	29,200
2032	217,081	5,400
	<u>\$3,642,618</u>	<u>\$427,200</u>

Changes in Long-Term Municipal Debt

The Township's long-term capital debt activity for 2016 and 2015 is as follows:

	Balance, December 31, 2015	Increases	Reductions	Balance, December 31, 2016	Due Within One Year
General Capital Fund					
Bonds Payable	\$ 20,235,000	\$21,196,000	\$8,015,000	\$ 33,416,000	\$ 4,140,000
NJEPA Trust and Fund Loan Payable	3,890,469		247,851	3,642,618	310,000
	<u>\$ 24,125,469</u>	<u>\$21,196,000</u>	<u>\$8,262,851</u>	<u>\$ 37,058,618</u>	<u>\$ 4,450,000</u>
	Balance, December 31, 2015	Increases	Reductions	Balance, December 31, 2016	Due Within One Year
General Capital Fund					
Bonds Payable	\$24,075,000		\$3,840,000	\$ 20,235,000	\$ 4,080,000
NJEPA Trust and Fund Loan Payable	2,912,748	1,212,484	234,763	3,890,469	247,851
	<u>\$ 26,987,748</u>	<u>\$ 1,212,484</u>	<u>\$4,074,763</u>	<u>\$ 24,125,469</u>	<u>\$ 4,327,851</u>

TOWNSHIP OF WEST ORANGE

**NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2016 AND 2015**

3. MUNICIPAL DEBT (continued)

Short-Term Debt

The Township's short-term capital debt activity for 2016 and 2015 is as follows:

	Balance, December 31, <u>2015</u>	<u>Additions</u>	<u>Reductions</u>	Balance, December 31, <u>2016</u>
Bond Anticipation Notes	\$30,754,248	\$19,384,340	\$30,754,248	\$19,384,340
Emergency Note	<u>3,631,550</u>	<u>600,000</u>	<u>2,121,473</u>	<u>2,110,077</u>
Total	<u>\$34,385,798</u>	<u>\$19,984,340</u>	<u>\$32,875,721</u>	<u>\$21,494,417</u>

	Balance, December 31, <u>2014</u>	<u>Additions</u>	<u>Reductions</u>	Balance, December 31, <u>2015</u>
Bond Anticipation Notes	\$27,273,195	\$30,754,248	\$27,273,195	\$30,754,248
Emergency Note	<u>4,424,262</u>	<u>5,916,252</u>	<u>6,708,964</u>	<u>3,631,550</u>
Total	<u>\$31,697,457</u>	<u>\$36,670,500</u>	<u>\$33,982,159</u>	<u>\$34,385,798</u>

4. FIXED ASSETS

General Fixed Assets

The following is a summary of changes in the General Fixed Assets account group as of December 31, 2016 and 2015:

	Balance December 31, <u>2015</u>	<u>Additions</u>	<u>Retirements</u>	Balance December 31., <u>2016</u>
Land and Land Improvements	\$ 12,019,932	\$	\$	\$ 12,019,932
Buildings and Building Improvements	17,471,253			17,471,253
Machinery and Equipment	<u>21,241,082</u>	<u>625,671</u>		<u>21,866,753</u>
	<u>\$ 50,732,267</u>	<u>\$ 625,671</u>	<u>\$</u>	<u>\$ 51,357,938</u>

	Balance December 31, <u>2014</u>	<u>Additions</u>	<u>Retirements</u>	Balance December 31., <u>2015</u>
Land and Land Improvements	\$ 12,022,932	\$	\$ 3,000	\$ 12,019,932
Buildings and Building Improvements	17,471,253			17,471,253
Machinery and Equipment	<u>19,953,821</u>	<u>1,287,261</u>		<u>21,241,082</u>
	<u>\$ 49,448,006</u>	<u>\$ 1,287,261</u>	<u>\$ 3,000</u>	<u>\$ 50,732,267</u>

TOWNSHIP OF WEST ORANGE

**NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2016 AND 2015**

4. FIXED ASSETS (continued)

Utility Fund Fixed Assets

The following is a summary of changes in the Utility Fund fixed assets as of December 31, 2016 and 2015:

Swimming Pool Utility Fund	Balance December 31, <u>2015</u>	<u>Increases</u>	<u>Decreases</u>	Balance December 31, <u>2016</u>
Fixed Capital				
Land and Land Improvements	\$ 64,600	\$	\$	\$ 64,600
Buildings and Building Improvements	453,088			453,088
Machinery and Equipment	5,745			5,745
	<u>\$ 523,433</u>	<u>\$</u>	<u>\$</u>	<u>\$ 523,433</u>

Swimming Pool Utility Fund	Balance December 31, <u>2014</u>	<u>Increases</u>	<u>Decreases</u>	Balance December 31, <u>2015</u>
Fixed Capital				
Land and Land Improvements	\$ 64,600	\$	\$	\$ 64,600
Buildings and Building Improvements	453,088			453,800
Machinery and Equipment	5,745			5,745
	<u>\$ 523,433</u>	<u>\$</u>	<u>\$</u>	<u>\$ 523,433</u>

5. DUE TO/FROM OTHER FUNDS

As of December 31, 2016 and 2015, interfund receivables and payables that resulted from various interfund transactions are as follows:

	2016		2015	
	Due From Other Funds	Due To Other Funds	Due From Other Funds	Due To Other Funds
Current Fund:				
Regular	\$	\$ 745,440	\$	\$ 540,577
Grant	745,440		540,577	
	<u>\$ 745,440</u>	<u>\$ 745,440</u>	<u>\$ 540,577</u>	<u>\$ 540,577</u>
Total	<u>\$ 745,440</u>	<u>\$ 745,440</u>	<u>\$ 540,577</u>	<u>\$ 540,577</u>

The above balances are the result of expenditures being paid by one fund on behalf of another. The Township expects all interfund balances to be liquidated within one year.

TOWNSHIP OF WEST ORANGE

**NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2016 AND 2015**

6. FUND BALANCES APPROPRIATED

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

	2016		2015	
	Fund Balance <u>December 31,</u>	Utilized in Subsequent Year's Budget	Fund Balance <u>December 31</u>	Utilized in Subsequent Year's Budget
Current Fund				
Cash Surplus	<u>\$ 4,415,551</u>	<u>\$ 3,012,279</u>	<u>\$ 3,418,848</u>	<u>\$ 2,898,302</u>
Sewer Utility Operating Fund				
Cash Surplus	<u>\$ 40,437</u>	<u>\$ 16,055</u>	<u>\$ 53,122</u>	<u>\$ 43,153</u>

The above fund balance amounts utilized represents the surplus anticipated in the 2017 and 2016 municipal budgets.

7. DEFERRED CHARGES TO BE RAISED IN SUCCEEDING BUDGETS

As noted in Note 2, certain expenditures are required to be deferred to budgets of succeeding years.

The following deferred charges are shown of the December 31, 2016 and 2015 balance sheet of the Township's Current Fund.

	2016	2015
Special Emergency Authorization (40A:4-53)	<u>\$2,110,077</u>	<u>\$3,638,050</u>

The special emergency authorizations consist of \$2,110,077 of appropriations to pay the costs associated with severance liabilities. Of these balances, one-fifth of the deferred charges for each year will be raised in the Township's 2016 Current Fund budget. The remaining deferred charges from the special emergencies in the Current Fund will be raised in the Township's 2017-2020 budgets.

8. COMPENSATED ABSENCES

Under the existing policies and labor agreements of the Township, employees are allowed to accumulate, with certain restrictions, unused vacation benefits, sick leave and compensation time in lieu of overtime over the life of their working careers and to redeem such unused leave time in cash upon death, retirement or by extended absence immediately preceding retirement.

It is estimated that the current cost of such unpaid compensation and salary related payments would approximate \$18,025,952.00 and \$18,238,077.00 at December 31, 2016 and 2015 respectively. This estimate by management is unaudited.

As of December 31, 2016 and 2015, the Township has reserved \$153,395.05 and \$140,723.70, respectively to fund compensated absences in accordance with N.J.S.A. 40A:4-39.

TOWNSHIP OF WEST ORANGE

NOTES TO FINANCIAL STATEMENTS DECEMBER 31, 2016 AND 2015

9. EMPLOYEE RETIREMENT SYSTEMS

Substantially, all Township employees participate in the Public Employees' Retirement System or the Police and Firemen's Retirement System. The Division of Pensions within the Treasury Department of the State of New Jersey is the administrator of the funds and charges municipalities annually for their respective contributions. The plans provide retirement and disability benefits, annual cost sharing multiple-employer defined benefit plans and as such do not maintain separate records for each municipality in the state and, therefore, the actuarial data for the Township if not available. The Division of Pensions issues publicly available financial reports for each of the plans that include financial statements and required supplementary information. The reports may be obtained by writing the State of New Jersey, Division of Pensions.

Covered employees are required by State statute to contribute a certain percentage of their salary to the plan. Each member's percentage is based on age determined at the effective date of enrollment. In addition, the PERS and PFRS bill the Township annually at an actuarially determined rate for its required contribution. The current rate is 7.20% and 10.00%, respectively, 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 plan. The Township's contributions to the PERS for the years ended December 31, 2016, 2015 and 2014 were \$978,469, \$975,896 and \$856,567, respectively, equal to the required contributions for the year. The Township's contributions to the PFRS for the years ended December 31, 2016, 2015 and 2014 were \$4,205,512, \$3,903,540 and \$3,765,789, respectively, equal to the required contributions for each year.

Other Post-Retirement Benefits Other Than Pension State Health Benefits Program (SHBP)

Plan Description – The Township contributes to the State Health Benefits Program (SHBP) a cost-sharing, multiple-employer defined benefit post-employment healthcare plan administered by the State of New Jersey Division of Pension and Benefits. 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.

The SHBP was extended to employees, retirees, and dependents of participating local public employers in 1964. Local employers must adopt a resolution to participate in the SHBP. Rules governing the operation and administration of the program are found in Title 17, Chapter 9 of the New Jersey Administrative Code. SHBP provides medical, prescription drugs, mental health/substance abuse, and Medicare Part B reimbursement to retirees and their covered dependents. 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 Pensions and Benefits issues a publicly available financial report that includes financial statements and required supplementary information for the SHBP. That report may be obtained by writing to State of New Jersey Division of Pensions and Benefits, P.O. Box 295, Trenton, NJ 08625-0295.

Plan Coverage - All active employees, including their dependents, are eligible to participate in the SHBP, upon completion of a sixty day waiting period. Retirees with twenty five years or more of active service with the Township are also eligible to participate in the SHBP.

Funding Policy – Participating employees contractually 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 1994. Prior to 1994, medical benefits were funded on an actuarial basis.

Contributions to pay for the health premiums of participating employees in the SHBP are billed to the Township on a monthly basis. Eligible employees and retirees have the option of choosing from six medical benefit plans (NJ Direct 15, NJ Direct 10, Aetna, Freedom 10, Aetna Freedom 15, Aetna HMO or Horizon HMO) with rates ranging from \$733.94 for a single participant to \$1,310.45 for family coverage.

TOWNSHIP OF WEST ORANGE

**NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2016 AND 2015**

9. EMPLOYEE RETIREMENT SYSTEMS (continued)

The Township's contributions to SHBP for post-retirement benefits for the years ended December 31, 2016, 2015 and 2014 were \$5,986,610, \$6,222,675 and \$4,919,463, respectively, which equaled the required contributions for each year.

Public Employee Retirement System (PERS)

The Public Employee Retirement System is a cost-sharing, multiple employer defined benefit pension plan as defined in GASB Statement No. 68. The Plan is administered by The New Jersey Division of Pensions and Benefits (Division). The more significant aspects of the PERS Plan are as follows:

Plan Membership and Contributing Employers- Substantially all full-time employees of the State of New Jersey or any county, municipality, school district or public agency are enrolled in PERS, provided the employee is not required to be a member of another state-administered retirement system or other state pension fund or other jurisdiction's pension fund. Membership and contributing employers of the defined benefit pension plans consisted of the following at June 30, 2016 and 2015:

	2016	2015
Inactive plan members or beneficiaries currently receiving benefits	170,685	166,637
Inactive plan members entitled to but not yet receiving benefits	650	703
Active plan members	<u>254,685</u>	<u>259,161</u>
 Total	 <u>426,020</u>	 <u>426,501</u>

Contributing Employers – 1,710

Significant Legislation – For State of New Jersey contributions to PERS, Chapter 1, P.L. 2010, effective May 21, 2010, required the State to resume making actuarially recommended contributions to the pension plan on a phased-in basis over a seven year period beginning in the fiscal year ended June 30, 2012. For State fiscal year 2016, the State was required to make a minimum contribution representing 5/7th of the actuarially determined contribution amount based on the July 1, 2014 actuarial valuation.

Chapter 19, P.L. 2009, effective March 17, 2009, provided an option for local employers of PERS to contribute 50% of the normal and accrued liability contribution amounts certified for payments due in State Fiscal Year 2009. Such an employer will be credited with the full payment and any such amounts will not be included in their unfunded liability. The actuaries will determine the unfunded liability of PERS, by employer, for the reduced normal and accrued liability contributions provided under this law. This unfunded liability will be paid by the employer in level annual payments over a period of 15 years beginning with the payments due in the fiscal year ended June 30, 2012 and will be adjusted by the rate of return on the actuarial value of assets.

Pursuant to the provision of Chapter 78, P.L. 2011, COLA increases were suspended for all current and future retirees of PERS.

For the year ended December 31, 2016 and 2015 the Township's total payroll for all employees was \$30,328,498 and \$29,571,341. Total PERS covered payroll was \$7,808,686 and \$7,827,811. Due to payroll system limitations, covered payroll refers to pensionable compensation, rather than total compensation, paid by the Township to active employees covered by the Plan.

TOWNSHIP OF WEST ORANGE

**NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2016 AND 2015**

9. EMPLOYEE RETIREMENT SYSTEMS (continued)

Significant Legislation – For State of New Jersey contributions to PFRS, Chapter 1, P.L. 2010, effective May 21, 2010, required the State to resume making actuarially recommended contributions to the pension plan on a phased-in basis over a seven year period beginning in the fiscal year ended June 30, 2012. For State fiscal year 2016, the State was required to make a minimum contribution representing 5/7th of the actuarially determined contribution amount based on the July 1, 2014 actuarial valuation.

Pursuant to the provision of Chapter 78, P.L. 2011, COLA increases were suspended for all current and future retirees of PFRS.

For the years ended December 31, 2016 and 2015 the Township's total payroll for all employees were \$30,328,498 and \$29,571,341, respectively. Total PFRS covered payroll was \$17,976,836 and \$17,297,464. Due to payroll system limitations, covered payroll refers to pensionable compensation, rather than total compensation, paid by the Township to active employees covered by the Plan

Specific Contribution Requirements and benefit provisions – The contribution policy is set by N.J.S.A. 43:16A and requires contributions by active members and contributing employers. Pursuant to the provisions of Chapter 78, P.L. 2011, the active member contributions rate increased from 8.5% of annual compensation to 10.0% in October 2011. Employer contribution amounts are based on an actuarially determined rate. The annual employer contributions include funding for basic retirement allowances and noncontributory death benefits. The Township's cash basis contributions to the Plan for the years ended December 31, 2016 and 2015 were \$4,205,512 and \$3,903,540, respectively. Township contributions are due and payable on April 1st in the second fiscal period subsequent to plan year for which the contributions requirements were calculated.

The Township recognizes liabilities to PFRS and records expenditures for same in the fiscal period that bills become due.

The vesting and benefit provisions are set by N.J.S.A. 43:16A. PFRS provides retirement, death and disability benefits. All benefits vest after ten years of service, except for disability benefits, which vest after 4 years of service.

The following represents the membership tiers for PFRS:

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

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

TOWNSHIP OF WEST ORANGE

**NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2016 AND 2015**

9. EMPLOYEE RETIREMENT SYSTEMS (continued)

Actuarial Assumptions- The total pension liability in the June 30, 2016 actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement:

	<u>June 30, 2016</u>	<u>June 30, 2015</u>
Inflation	3.08%	3.04%
Salary Increases (2012-2021)	2.10-8.98% based on age	2.60-9.48% based on age
Thereafter	3.10-9.98% based on age	3.60-10.48% based on age
Investment rate of return	7.65%	7.90%

Pre-retirement mortality rates were based on the RP-2000 Pre-Retirement mortality tables projected thirteen years using Projection Scale BB and then projected on a generational basis using the plan actuary's modified 2014 projection scales. Post-retirement mortality rates for male service retirements and beneficiaries are based the RP-2000 Combined Healthy Mortality Tables projected one year using Projection Scale AA and two years using the plan actuary's modified 2014 projection scales, which was further projected on a generational basis using the plan actuary's 2014 projection scales. Post-retirement mortality rates for female service retirements and beneficiaries were based the RP-2000 Combined Healthy Mortality Tables projected thirteen years using Projection Scale BB and then two years using the plan actuary's modified 2014 projection scales, which was further projected on a generational basis using the plan actuary's modified 2014 projection scales. Disability mortality tables were based on special mortality tables used for the period after disability retirement.

The actuarial assumptions used in the July 1, 2015 valuation were based on the results of an actuarial experience study for the period July 1, 2010 to June 30, 2013.

In accordance with State statute, the long-term expected rate of return on plan investments (7.65% at June 30, 2016) is determined by the State Treasurer, after consultation with the Directors of the Division of Investment and Division of Pensions and Benefits, the board of trustees and the actuaries

The long-term expected rate of return on pension plan investments was determined using a building-block method in which best-estimate ranges of expected future real rate of return (expected returns, net of pension plans investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. Best estimates of arithmetic real rates of return for each major asset class included in the pension plans' target asset allocation as of June 30, 2016 and 2015 are summarized in the following table:

TOWNSHIP OF WEST ORANGE

**NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2016 AND 2015**

9. EMPLOYEE RETIREMENT SYSTEMS (continued)

<u>Asset Class</u>	<u>June 30, 2016</u>		<u>June 30, 2015</u>	
	<u>Target</u>	<u>Long-Term</u>	<u>Target</u>	<u>Long-Term</u>
	<u>Allocation</u>	<u>Expected Real</u> <u>Rate of Return</u>	<u>Allocation</u>	<u>Expected Real</u> <u>Rate of Return</u>
Cash	5.00%	0.87%	5.00%	1.04%
Mortgages	2.00%	1.67%	2.10%	1.62%
High Yield Bonds	2.00%	4.56%	2.00%	4.03%
Inflation Indexed Bonds	1.50%	3.44%	1.50%	3.25%
Broad U.S. Equities	26.00%	8.53%	27.25%	8.52%
Developed Foreign Equities	13.25%	6.83%	12.00%	6.88%
Emerging Market Equities	6.50%	9.95%	6.40%	10.00%
Private Equity	9.00%	12.40%	9.25%	12.41%
Hedge Funds/Absolute Returns	12.50%	4.68%	12.00%	4.72%
Real Estate (Property)	2.00%	6.91%	2.00%	6.83%
Commodities	0.50%	5.45%	1.00%	5.32%
U.S. Treasuries	1.50%	1.74%	1.75%	1.64%
Investment Grade Credit	8.00%	1.79%	10.00%	1.79%
Global Debt ex US	5.00%	-0.25%	3.50%	-0.40%
REIT	5.25%	5.63%	4.25%	5.12%
	<u>100.00%</u>		<u>100.00%</u>	

Discount Rate – The discount rate used to measure the total pension liability was 5.55% as of June 30, 2016. This single blended discount rate was based on the long-term expected rate of return on pension plan investments of 7.65% and a municipal bond rate of 2.85% as of June 30, 2016 based on the Bond Buyer Go 20-Bond Municipal Bond Index, which includes tax-exempt general obligation municipal bonds with an average rating of AA/Aa or higher. The projection of cash flows used to determine the discount rate assumed that contributions from plan members will be made at the current member contribution rates and that contributions from employers and the nonemployer contributing entity will be made based on the contribution rate in the most recent fiscal year. The State employer contributed 30% of the actuarially determined contributions and the local employers contributed 100% of their actuarially determined contributions. Based on those assumptions, the plan's fiduciary net position was projected to be available to make projected future benefit payments of current plan members through 2050. Therefore, the long-term expected rate of return on plan investments was applied to projected benefit payments through 2050, and the municipal bond rate was applied to projected benefit payments after that date in determining the total pension liability

TOWNSHIP OF WEST ORANGE

**NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2016 AND 2015**

9. EMPLOYEE RETIREMENT SYSTEMS (continued)

Sensitivity of Net Pension Liability – the following presents the net pension liability of PFRS calculated using the discount rates as disclosed above as well as what the net pension liability would be if it were calculated using a discount rate that is 1 percentage point lower or 1 percentage rate higher than the current rate:

	<u>At 1% Decrease</u>	<u>At current discount rate</u>	<u>At 1% increase</u>
PFRS	\$132,214,904	\$102,537,745	\$78,337,807

Plan Fiduciary Net Position – The plan fiduciary net position for PFRS at June 30, 2016 and 2015 was \$23,984,726,664 and \$25,106,858,921, respectively.

Special Funding Situation

Additional information

Collective Local Group balances at June 30, 2016 are as follows:

Collective deferred outflows of resources	\$	4,547,316,543
Collective deferred inflows of resources		688,197,590
Collective net pension liability		20,706,699,056
 Town's Proportion		 0.2327650575%

Collective pension expense for the Local Group for the measurement period ended June 30, 2016 and 2015 \$2,255,296,958 and \$1,645,612,699, respectively.

The average of the expected remaining service lives of all plan members is 5.58, 5.53 and 6.17 years for 2016, 2015 and 2014, respectively.

Special Funding Situation

Under N.J.S.A. 43:16A-15, local participating employers are responsible for their own contributions based on actuarially determined amounts, except where legislation was passed which legally obligated the State if certain circumstances occurred. The amounts contributed on behalf of the local participating employers under this legislation is considered to be a special funding situation and the State is treated as a non-employer contributing entity. The non-employer contributing entities' total proportionate share of the collective net pension liability that is associated with the Township as of June 30, 2016 and 2015 are 0.5367749426% and 0.5173780689% and the non-employer contributing entities' contribution for the year ended June 30, 2016 and 2015 was \$329,934 and \$393,404. The State's proportionate share of the net pension liability attributable to the Township for the years ended December 31, 2016 and 2015 was \$8,610,627 and \$7,557,447, respectively.

TOWNSHIP OF WEST ORANGE

**NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2016 AND 2015**

9. EMPLOYEE RETIREMENT SYSTEMS (continued)

Defined Contribution Retirement Plan

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

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

Contribution Requirement and Benefit Provisions - State and local government employers contribute 3% of the employee's base salary. Active members contribute 5.5% of base salary.

Eligible members are provided with a defined contribution retirement plan intended to qualify for favorable Federal income tax treatment under IRC Section 401(a), a noncontributory group life insurance plan and a noncontributory group disability benefit plan. A participant's interest in that portion of his or her defined contribution retirement plan account attributable to employee contributions shall immediately become and shall at all times remain fully vested and non forfeitable. A participant's interest in that portion of his or her defined contribution retirement plan account attributable to employer contributions shall be vested and non forfeitable on the date the participant commences the second year of employment or upon his or her attainment of age 65, while employed by an employer, whichever occurs first.

For the year ended December 31, 2016 and 2015, the Township had thirteen employees enrolled in the DCRP.

10. 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.

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.

TOWNSHIP OF WEST ORANGE

**NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2016 AND 2015**

11. HEALTH BENEFITS

The State of New Jersey adopted P.L. 2011 Chapter 78 which requires all municipalities to increase the share of health benefit coverage paid by public employees and retirees who receive employer paid health benefits. The law changes the health care contributions standards set in Chapter 2 of 2010, by increasing the amounts contributed. The contribution rates are increased over a four year period and are based on an employee's contractual salary. The law became effective for non-union contract agreements on July 1, 2011, which was then extended to October 1 and for all union contracts after they expire. In the Township, all union contracts expired December 31, 2011. The new contribution rates began on January 1, 2012.

12. LENGTH OF SERVICE AWARD PROGRAM (LOSAP) - UNAUDITED

The Township has established a LOSAP in accordance with N.J.A.C. 5:30-14. Annually, the Township appropriates funds and makes contributions into the LOSAP on behalf of its active emergency service volunteers that are tax-deferred income benefits.

In accordance with N.J.A.C. 5:30-14, the funds held in the LOSAP remain the assets of the Township until they are distributed and as such are subject to the claims of the Township's general creditors.

As of December 31, 2016 and 2015, there was \$309,185 and \$344,148, respectively, held in the LOSAP and is recorded in the Trust Fund of the Township as funds held in trust. The plan is administered by The Variable Annuity Life Insurance Company.

13. DEFERRED CHARGES TO BE RAISED IN SUCCEEDING YEARS BUDGETS

Certain expenditures are required to be deferred to budgets of succeeding years. At December 31, 2016 and 2015, the following deferred charges existed:

	<u>2016</u>	<u>2015</u>
Health benefits	\$	\$ 1,500,000
Library down payment		6,500
Severance liabilities	2,110,077	2,131,550

15. TAX APPEALS

There are several tax appeals pending before the State Tax Court of New Jersey requesting a reduction of assessments for the year 2016 and prior. Any reduction in assessed valuation will result in a refund of prior years' taxes in the year of settlement, which may be funded from tax revenues, through the establishment of a reserve or by the issuance of refunding bonds per N.J.S. 40A:2-51. The Township has made a provision from tax revenues, in the amount of \$350,000 for these appeals in the event that the tax reductions are granted. In accordance with the National Council on Governmental Accounting Statement 4, Accounting and Financial Reporting Principles for Claims and Judgments and Compensated Absences, the Township charges to current fund operations or a reduction of current tax collections, all state board judgments rendered during the year which will be paid from expendable available resources. The Township's share of the County taxes paid on any successful tax appeal would result in appropriate reductions applied against the County tax levy of the following year.

TOWNSHIP OF WEST ORANGE

**NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2016 AND 2015**

16. COMMITMENTS AND CONTINGENCIES

The Township receives financial assistance from the State of New Jersey and U.S. Government in the form of grants. Entitlement to the funds is generally conditional upon compliance with terms and conditions of the grant agreements and applicable regulations, including the expenditure of the funds for eligible purposes.

Substantially all grants, entitlements and cost reimbursements are subject to financial and compliance audits by the grantors. As a result of these audits, costs previously reimbursed could be disallowed and require repayment to the grantor agency. As of December 31, 2016, the Township estimates that no material liabilities will result from such audits.

The Township is involved in certain legal proceedings, the resolution and impact on the financial statements of which, individually or in the aggregate, in the opinion of management as advised by legal counsel, would not be significant to the accompanying financial statements.

17. FEDERAL ARBITRAGE REGULATIONS

The Township is subject to Section 148 of the Internal Revenue Code as it pertains to the arbitrage rebate on a tax-exempt obligations, both long and short-term debt. Under the 1986 Tax Reform Act, the Internal Revenue Service ("IRS") required that all excess earnings from investment proceeds be rebated to the IRS. Arbitrage, for purposes of these regulations, is defined as the difference between the yield on the investment and the yield on the obligations issued. If there are excess earnings, this amount may be required to be rebated to the IRS. At December 31, 2016, the Township had no estimated arbitrage earnings due to the IRS.

18. GASB 77 TAX ABATEMENTS

The Township has entered into several property tax abatement agreements in order to provide incentives to redevelop areas that are in need for improvement or to create economic growth. These agreements are authorized under various New Jersey state statutes. The following represent the Township's most significant tax abatement agreements:

Entity Name	Commencement Date	Termination Date	Pilot Billing	Taxes If Billed In Full	Abated Taxes
PILOT - St. Barnabas	December 18, 1999	Open	\$ 286,000	\$ 442,623	\$ 156,623
PILOT - Woodland Valley	June 9, 1992	Open	32,332	298,348	266,016
PILOT - Eagle Rock	August 17, 1978	Open	107,436	890,199	782,763
PILOT - Jewish Fedration	September 26, 1978	Open	60,407	906,831	846,424
PILOT - WO Senior Housing	September 5, 1972	Open	117,900	1,053,138	935,238
Total			<u>\$ 604,075</u>	<u>\$ 3,591,139</u>	<u>\$ 2,987,064</u>

19. SUBSEQUENT EVENTS

The Township has evaluated subsequent events occurring after December 31, 2016 through May 26, 2017, which is the date the financial statements were available to be issued. Based on this evaluation, management has determined that no events require disclosure.

**TOWNSHIP OF WEST ORANGE
ESSEX COUNTY, NEW JERSEY**

PART II

**SUPPLEMENTARY SCHEDULES –
SUPPLEMENTARY INFORMATION –
AS REQUIRED BY THE DIVISION OF LOCAL GOVERNMENT SERVICES**

**TOWNSHIP OF WEST ORANGE
CURRENT FUND**

A-4

**CASH RECEIPTS AND DISBURSEMENTS - TREASURER
YEAR ENDED DECEMBER 31, 2016**

	<u>Ref.</u>	<u>Regular Fund</u>
Balance, December 31, 2015	A	\$ 13,622,451.33
Increased by Receipts:		
Tax Collector	A-5	<u>236,713,536.96</u>
		<u>250,335,988.29</u>
Decreased by Disbursements:		
Budget Appropriations	A-3	71,247,123.25
Change Funds	A-6	200.00
Retiree Drug Subsidy Program	A-6A	96,139.18
Tax Appeals Paid	A-10	1,127,471.07
Tax Title Lienholders Payable	A-10A	1,834,391.30
Tax Title Lien Premium Payable	A-10B	1,792,600.00
Interfund Advances	A-13	342,341.43
Appropriation Reserves	A-15	1,768,242.94
Accounts Payable	A-17	6,650.00
Special Emergency Notes	A-14	2,121,473.00
Open Space Trust	A-14A	145,859.71
Special Improvement District Assessment	A-14B	104,274.18
School Tax Payable	A-19	132,632,636.52
County Tax Payable	A-20	31,136,432.43
Fees Due to State of New Jersey	A-21	69,813.00
Prepaid Tax Refunds	A-22	<u>2,967.00</u>
		<u>244,428,615.01</u>
Balance, December 31, 2016	A	<u>\$ 5,907,373.28</u>

**TOWNSHIP OF WEST ORANGE
CURRENT FUND**

A-5

**CASH RECEIPTS AND DISBURSEMENTS - COLLECTOR
YEAR ENDED DECEMBER 31, 2016**

	<u>Ref.</u>	<u>Regular Fund</u>
Increased by Receipts:		
Taxes Receivable	A-7	\$ 216,779,651.97
Drug Subsidy Program	A-6A	185,279.95
Tax Title Liens Receivable	A-8	1,353,400.95
Tax Title Lienholders Payable	A-10A	1,592,748.60
Tax Title Lien Premium Payable	A-10B	1,200,800.00
Revenue Accounts Receivable	A-11	12,904,877.26
Sewer Rents	A-12	-
Interfund	A-13	532,090.62
Special Emergency Notes	A-14	600,000.00
Exemptions Due from State of New Jersey	A-16	181,459.59
Fees Due to State of New Jersey	A-21	88,692.00
Prepaid Taxes	A-22	1,294,320.24
Sewer Rent Overpayments	A-17A	215.78
Prepaid Health Licenses	A-14C	6,165.00
		<hr/> 236,713,536.96
Decreased by Disbursements:		
Township Treasurer	A-4	<hr/> 236,713,536.96
Balance, December 31, 2016		<hr/> <hr/> \$

**TOWNSHIP OF WEST ORANGE
CURRENT FUND**

A-6

**SCHEDULE OF CASH - CHANGE FUNDS
YEAR ENDED DECEMBER 31, 2016**

	<u>Ref.</u>	
Balance, December 31, 2015	A	\$ 450.00
Increased by:		
Transfer from Treasurer	A-1, A-4	<u>200.00</u>
Balance, December 31, 2016	A	<u>\$ 650.00</u>
Analysis of Balance:		
Tax Collector		\$ 300.00
Health Department		25.00
Police Department		25.00
Municipal Court		<u>300.00</u>
	Above	<u>\$ 650.00</u>

**DUE FROM RETIREE DRUG SUBSIDY PROGRAM
DECEMBER 31, 2016**

A-6A

	<u>Ref.</u>	
Balance, December 31, 2015	A	\$ 89,140.77
Increased by:		
Cash Disbursements	A-4	<u>96,139.18</u> 185,279.95
Decreased by:		
Collections	A-5	<u>185,279.95</u>
Balance, December 31, 2016	A	<u>\$</u>

TOWNSHIP OF WEST ORANGE
CURRENT FUND

TAXES RECEIVABLE AND ANALYSIS OF PROPERTY TAX LEVY
YEAR ENDED DECEMBER 31, 2016

Year	Balance, December 31, 2015	2016 Levy	Added Taxes	Collections		Canceled	Senior Citizens' and Veterans' Deductions (Net)	Tax Title Liens	Overpayments Applied	Balance, December 31, 2016
				2015	2016					
2014	\$ 5,629.42	\$	\$	\$	\$ 5,629.42	\$	\$	\$	\$	\$
2015	2,468,939.91		135,765.60		2,604,705.51					
2016		218,449,817.06	178,937.01	1,312,755.23	214,169,317.04	266,775.51	185,000.00	88,195.08	37,789.71	2,568,921.50
	<u>\$ 2,474,569.33</u>	<u>\$ 218,449,817.06</u>	<u>\$ 314,702.61</u>	<u>\$ 1,312,755.23</u>	<u>\$ 216,779,651.97</u>	<u>\$ 266,775.51</u>	<u>\$ 185,000.00</u>	<u>\$ 88,195.08</u>	<u>\$ 37,789.71</u>	<u>\$ 2,568,921.50</u>
Ref.	A	Below	Reserve	A-22, Below	A-5, Below	Reserve	A-16, Below	A-8	A-18, Below	A
Collected in 2016					\$ 214,169,317.04					
Collected in 2015					1,312,755.23					
Senior citizens and veterans deductions (net)					185,000.00					
Overpayments applied					37,789.71					
					<u>\$ 215,704,851.98</u>					
Local District School Tax Levy	A-19	\$ 132,632,637.00								
			A-2	\$ 132,632,637.00						
County Tax	A-20	30,209,880.27								
County Open Space Tax	A-20	902,331.26								
Due County for Added Taxes	A-20	<u>73,989.56</u>								
			A-2	31,186,201.09						
Local Tax for Municipal Purposes		51,933,857.13								
Add Additional from Cty Tax Rate		438,612.78								
Add Additional Tax Levied		<u>15,538.47</u>								
			A-2	52,388,006.38						
Local Tax for Library Purposes		1,988,181.00								
Add Additional Tax Levied		<u>4,657.70</u>								
				1,992,838.70						
Open Space Tax		145,460.49								
Add Additional Open Space Tax		<u>399.22</u>								
	A-14A		A-2	145,859.71						
SID Assessment	A-14B		A-2	<u>104,274.18</u>						
				<u>\$ 218,449,817.06</u>						

**TOWNSHIP OF WEST ORANGE
CURRENT FUND**

**TAX TITLE LIENS RECEIVABLE
YEAR ENDED DECEMBER 31, 2016**

A-8

	<u>Ref.</u>		
Balance, December 31, 2015	A		\$ 1,088,852.87
Increased by:			
Transfer from Taxes Receivable	A-7	\$ 88,195.08	
Adjustment	Reserve	30,742.85	
Tax Sale Cost	Reserve	7,979.48	
Interest and Costs	Reserve	<u>571,918.50</u>	
			<u>698,835.91</u>
			698,835.91
Decreased by:			
Foreclosed or Deeded	A-9	395,201.29	
Cash Receipts - Tax Title Lien Redemption	A-2, A-5	781,482.45	
Cash Receipts - Interest and Costs	A-5	<u>571,918.50</u>	
			<u>1,748,602.24</u>
Balance, December 31, 2016	A		<u>\$ 39,086.54</u>

**PROPERTY ACQUIRED FOR TAXES - ASSESSED VALUATION
DECEMBER 31, 2016**

A-9

	<u>Ref.</u>		
Balance, December 31, 2015	A		\$ 392,465.00
Increased by:			
Tax Title Liens Liquidated	A-8	\$ 395,201.29	
Foreclosed or Deeded	Reserve	<u>864,798.71</u>	1,260,000.00
Balance, December 31, 2016	A		<u>\$ 1,652,465.00</u>

**TOWNSHIP OF WEST ORANGE
CURRENT FUND**

A-10

**TAX APPEALS PAYABLE
YEAR ENDED DECEMBER 31, 2016**

	<u>Ref.</u>	
Balance, December 31, 2015	A	\$ 831,120.73
Increased by		
Budget appropriation	A-3	350,000.00
		1,181,120.73
Decreased by		
Tax Appeals Paid	A-4	1,127,471.07
		1,127,471.07
Balance, December 31, 2016	A	\$ 53,649.66

**TAX TITLE LIENHOLDERS PAYABLE
YEAR ENDED DECEMBER 31, 2016**

A-10A

	<u>Ref.</u>	
Balance, December 31, 2015	A	\$ 489,027.88
Increased by:		
Tax Lien Sale	A-5	1,592,748.60
		2,081,776.48
Decreased by:		
Redemptions	A-4	1,834,391.30
		1,834,391.30
Balance, December 31, 2016	A	\$ 247,385.18

**TAX TITLE LIEN PREMIUMS PAYABLE
YEAR ENDED DECEMBER 31, 2016**

A-10B

	<u>Ref.</u>	
Balance, December 31, 2015	A	\$ 4,565,453.14
Increased by:		
Tax Lien Sale	A-5	1,200,800.00
		5,766,253.14
Decreased by:		
Cash Disbursements	A-4	1,792,600.00
		1,792,600.00
Balance, December 31, 2016	A	\$ 3,973,653.14

See Independent Auditors' Report

**TOWNSHIP OF WEST ORANGE
CURRENT FUND**

**REVENUE ACCOUNTS RECEIVABLE
YEAR ENDED DECEMBER 31, 2016**

BUDGET REVENUE:	Ref.	Balance, December 31, 2015	Accrued in 2016	Collected by Treasurer	Balance, December 31, 2016
In Lieu of Taxes:					
West Orange Senior Citizens Housing	A-2	\$	\$ 117,900.00	\$ 117,900.00	\$
Jewish Federation Plaza	A-2		118,115.50	118,115.50	
Eagle Rock Housing	A-2		60,407.00	60,407.00	
Woodland Valley	A-2		30,341.10	30,341.10	
St. Barnabas	A-2		292,491.88	292,491.88	
Twp Clerk: Alcoholic Beverages Licenses	A-2		69,882.36	69,882.36	
Twp Clerk: Other Licenses	A-2		58,886.00	58,886.00	
Fees and Permits	A-2		302,701.55	302,701.55	
Municipal Court Fines and Costs	A-2	170,138.88	669,052.12	796,934.14	42,256.86
Parking Meters	A-2		18,886.45	18,886.45	
Interest on Delinquent Taxes	A-2		973,837.00	973,837.00	
Interest on Investments	A-2		30,535.83	30,535.83	
State of New Jersey:					
St of NJ: Energy Receipts Tax	A-2		4,691,252.00	4,691,252.00	
Watershed Moratorium Offset Aid	A-2		5,217.00	5,217.00	
Construction Code Official: Permits and Fees	A-2		972,242.00	972,242.00	
Interlocal Service Agreements	A-2		11,099.16	11,099.16	
Rental-Environmental Center	A-2		68,000.00	68,000.00	
Uniform Fire Safety Act	A-2		69,491.52	69,491.52	
Supplemental Sewer Fees	A-2		59,544.00	59,544.00	
Medical Transport Billing Service	A-2		1,316,679.78	1,316,679.78	
Comcast Cable/Verizon Franchise Fee	A-2		660,936.52	660,936.52	
Ground Leases	A-2		127,133.50	127,133.50	
Hotel Tax	A-2		505,490.98	505,490.98	
Swim Pool Fund Balance	A-2		4,500.00	4,500.00	
Trust Fund Balance	A-2		14,804.93	14,804.93	
Reserve to Pay Debt Service	A-2		397,502.58	397,502.58	
General Capital Fund Balance	A-2		259,001.23	259,001.23	
Community Development Fund Balance	A-2		0.13	0.13	
Open Space Trust Fund-Debt Service	A-2		12,922.60	12,922.60	
Assessment Trust Fund Balance	A-2		16,287.24	16,287.24	
Board of Education Reserve	A-2		1.02	1.02	
Reserve for Parking Garage	A-2		36,073.26	36,073.26	
Extra Duty Fees	A-2		251,944.47	251,944.47	
		<u>170,138.88</u>	<u>\$ 12,223,160.71</u>	<u>12,351,042.73</u>	<u>42,256.86</u>
 Total Anticipated Revenues		 <u>170,138.88</u>	 <u>\$ 12,223,160.71</u>	 <u>12,351,042.73</u>	 <u>42,256.86</u>
 Miscellaneous Revenue Not Anticipated	 A-2		 553,834.53	 553,834.53	
		<u>\$ 170,138.88</u>	<u>\$ 12,776,995.24</u>	<u>\$ 12,904,877.26</u>	<u>\$ 42,256.86</u>
 See Independent Auditors' Report	 Ref.	 A	 Reserve	 A-5	 A

**TOWNSHIP OF WEST ORANGE
CURRENT FUND**

A-12

**SEWER USER CHARGES RECEIVABLE
YEAR ENDED DECEMBER 31, 2016**

	<u>Ref.</u>	
Balance, December 31, 2015	A	\$ 348,594.50
Increased by:		
Sewer Charges	Reserve	<u>7,055,299.92</u>
		7,403,894.42
Decreased by:		
Cash Receipts	A-2, A-5	<u>6,886,119.87</u>
Balance, December 31, 2016	A	<u><u>\$ 517,774.55</u></u>

**TOWNSHIP OF WEST ORANGE
CURRENT FUND**

A-13

**DUE TO GRANT FUND
YEAR ENDED DECEMBER 31, 2016**

	<u>Ref.</u>		
Balance, December 31, 2015			
To (From)	A		\$ 540,577.57
Increased by:			
Budget Appropriations	A-3	\$ 605,771.14	
Cash Receipts	A-5	373,214.80	
Unappropriated Grants	A-5	158,875.82	
			1,137,861.76
Decreased by:			
Revenue Anticipated	A-2	590,657.14	
Cash Disbursements	A-4	342,341.43	
			932,998.57
Balance, December 31, 2016	A		\$ 745,440.76

**TOWNSHIP OF WEST ORANGE
CURRENT FUND**

**SPECIAL EMERGENCY NOTES PAYABLE
YEAR ENDED DECEMBER 31, 2016**

A-14

	<u>Ref.</u>	
Balance, December 31, 2015	A	\$ 3,631,550.00
Increased by:		
Notes Issued	A-5	600,000.00
		<u>4,231,550.00</u>
Decreased by:		
Notes Paid	A-4	2,121,473.00
		<u>2,121,473.00</u>
Balance, December 31, 2016	A	<u>\$ 2,110,077.00</u>

**LOCAL OPEN SPACE TAXES PAYABLE
YEAR ENDED DECEMBER 31, 2016**

A-14A

	<u>Ref.</u>	
Balance, December 31, 2015	A	\$
Increased by:		
Local Open Space Taxes Received	A-1, A-7	145,859.71
		<u>145,859.71</u>
Decreased by:		
Local Open Space Taxes Paid to Trust	A-4	145,859.71
		<u>145,859.71</u>
Balance, December 31, 2016	A	<u>\$</u>

**SPECIAL IMPROVEMENT DISTRICT ASSESSMENT
YEAR ENDED DECEMBER 31, 2016**

A-14B

	<u>Ref.</u>	
Balance, December 31, 2015	A	\$
Increased by:		
SID Funds Received	A-1, A-7	104,274.18
		<u>104,274.18</u>
Decreased by:		
SID Funds Disbursed	A-4	104,274.18
		<u>104,274.18</u>
Balance, December 31, 2016	A	<u>\$</u>

**PREPAID HEALTH LICENSES
YEAR ENDED DECEMBER 31, 2016**

A-14C

	<u>Ref.</u>	
Balance, December 31, 2015	A	\$
Increased by:		
Cash Receipts	A-4	6,165.00
		<u>6,165.00</u>
Balance, December 31, 2016	A	<u>\$ 6,165.00</u>

**TOWNSHIP OF WEST ORANGE
CURRENT FUND**

**APPROPRIATION RESERVES
YEAR ENDED DECEMBER 31, 2016**

	Balance, December 31, <u>2015</u>	Encumbrances December 31, <u>2015</u>	Balance, After <u>Transfer</u>	Paid or <u>Charged</u>	<u>Lapsed</u>
SALARIES AND WAGES:					
Mayor	\$	\$	\$ 71.00	\$ 71.00	\$
Municipal Court			1,223.91	1,223.91	
Comptroller			703.21	703.21	
Planning Director			224.22	224.22	
Downtown West Orange Alliance	718.55	88.85	807.40	88.85	718.55
Police Department	47,612.65		114,428.70	114,428.70	
Department of Fire	31,923.06		56,554.90	56,554.90	
Engineering			1,557.50	1,557.50	
Public Works			4,512.59	4,512.59	
General Health			393.06	393.06	
Senior Citizen Transportation			672.00	672.00	
Animal Control			1,141.98	1,141.98	
Parks and Playgrounds			6,460.96	6,460.96	
Construction Official			17,119.13	17,119.13	
Total Salaries and Wages	<u>80,254.26</u>	<u>88.85</u>	<u>205,870.56</u>	<u>205,152.01</u>	<u>718.55</u>

**TOWNSHIP OF WEST ORANGE
CURRENT FUND**

A-15
Sheet # 2

**APPROPRIATION RESERVES
YEAR ENDED DECEMBER 31, 2016**

	Balance, December 31, <u>2015</u>	Encumbrances December 31, <u>2015</u>	Balance, After <u>Transfer</u>	Paid or <u>Charged</u>	<u>Lapsed</u>
OTHER EXPENSES:					
Office of the Mayor	\$	\$ 162.99	\$ 162.99	\$ 131.22	\$ 31.77
Township Council		1,985.01	2,009.24	1,980.32	28.92
Litigation - Arbitration	9,561.28		9,561.28	8,836.80	724.48
Township Clerk	899.78		899.78		899.78
Elections	1,382.91		1,382.91		1,382.91
Legal Services	1,340.00	5,000.00	8,000.00	7,140.00	860.00
Human Relations	2,586.49	88.55	2,675.04	383.28	2,291.76
Planning Board	4,516.19	609.11	5,125.30	165.17	4,960.13
Board of Adjustment	1,016.50	203.80	1,220.30	198.20	1,022.10
Waste Management	88,181.19	54,833.04	54,833.64	54,833.64	
Municipal Court	2,323.93	3,870.48	6,194.41	2,776.31	3,418.10
Public Defender	6,000.00		6,000.00		6,000.00
Open Space Recreation	25.00		25.00		25.00
Rent Leveling Board	75.00		75.00		75.00
Business Administrator	77,340.60	5,542.58	82,883.18	1,097.65	81,785.53
Administration of Town-Owned Property	1,000.00		1,000.00		1,000.00
Central Purchasing	8,295.32	1,355.56	9,650.88	2,118.24	7,532.64
Central Printing and Supply	11,117.76	1,806.32	12,924.08	1,251.50	11,672.58
Central Telephone	689.77	12,353.71	25,556.52	13,202.81	12,353.71
Employee Group Health	33,191.99	30.28	33,222.27		33,222.27
Unemployment Insurance	4,163.01		4,163.01		4,163.01
Worker's Compensation	5,787.41		5,787.41		5,787.41
Central Mailing	11,189.84	45.00	11,234.84	45.00	11,189.84
Township Physician	6,769.00	900.00	7,669.00	955.00	6,714.00
Tax Collector	2,583.50	3,021.51	5,605.01	2,410.11	3,194.90
Treasurer	6,610.60	402.33	7,012.93	139.31	6,873.62
Comptroller	6,621.55	9,480.57	25,966.82	24,638.82	1,328.00
Planning Director	2,695.63	5,318.25	8,013.88	5,318.25	2,695.63
Housing Code Enforcement	2,099.29	617.73	2,717.02	617.73	2,099.29
Energy Commission	1,000.00		1,000.00		1,000.00
Historical Commission	1,496.40		1,496.40		1,496.40
Tax Assessor	1,898.45	3,148.35	5,046.80	2,705.95	2,340.85
Police Department	10,004.06	51,055.95	61,060.01	54,378.13	6,681.88

See Independent Auditors' Report

**TOWNSHIP OF WEST ORANGE
CURRENT FUND**

A-15
Sheet # 3

**APPROPRIATION RESERVES
YEAR ENDED DECEMBER 31, 2016**

	Balance, December 31, <u>2015</u>	Encumbrances December 31, <u>2015</u>	Balance, After <u>Transfer</u>	Paid or <u>Charged</u>	<u>Lapsed</u>
Department of Fire	\$ 843.69	\$ 26,409.25	\$ 27,252.94	\$ 16,194.30	\$ 11,058.64
Fire Uniforms	5,066.68		5,066.68		5,066.68
Uniform Fire Safety		15,463.15	15,463.15	6,441.22	9,021.93
Emergency Management Services		3,307.36	3,307.36	3,250.76	56.60
Engineering	178.27	470.18	648.45	118.80	529.65
Building and Grounds	1,432.96	37,757.10	62,024.55	49,763.28	12,261.27
Arts Council		955.02	955.02	955.02	
Shade Tree	3,429.67	3,645.91	7,075.58	6,605.32	470.26
Parking Facilities-Maint & Repair		325.00	325.00		325.00
Snow Plowing and Salt	60,033.79	5,869.08	65,902.87	6,154.36	59,748.51
Street Services-Cleaning & Drainage	6,685.84		6,685.84	144.74	6,541.10
Street Repairs	24,448.61	8,009.00	32,457.61	6,778.43	25,679.18
Street Services & Traffic	2,936.25	64.00	3,000.25	1,288.10	1,712.15
Sanitation	3,522.20		3,522.20		3,522.20
Automotive	55,316.46	62,875.22	118,191.68	84,376.60	33,815.08
Sewage and Pumping Stations	7,618.56	22,052.00	29,670.56	29,256.79	413.77
General Health	2,633.84	861.22	3,495.06	861.22	2,633.84
Senior Citizen Transportation	357.10		357.10		357.10
Public Assistance	3,953.50		3,953.50		3,953.50
Animal Control	62.34	568.18	630.52	560.57	69.95
Podiatry	3,551.68	2,560.36	6,112.04	246.30	5,865.74
Senior Citizen Health Center	1,345.37	755.01	2,100.38	618.58	1,481.80
Child Health Clinic	736.93		736.93		736.93
Retired Citizens Program	6,768.97	3,636.41	10,405.38	2,860.04	7,545.34
Right to Know Program	200.00	150.00	350.00	150.00	200.00
Garbage and Trash Removal		495,776.74	496,001.74	490,635.07	5,366.67
Community Services	4,750.00		4,750.00		4,750.00
Parks and Playgrounds	7,659.22	13,500.55	21,159.77	7,562.49	13,597.28
Public Celebrations	7,887.79	560.95	8,448.74	1,010.95	7,437.79
Construction Official	35,793.75	7,871.49	43,665.24	6,840.65	36,824.59
Electricity	125,718.42	145,792.60	242,048.39	197,254.22	44,794.17
Street Lighting	20,856.66	239,407.31	299,276.49	293,565.45	5,711.04
Gasoline	100,000.00	65,633.20	71,614.99	71,575.27	39.72

See Independent Auditors' Report

**TOWNSHIP OF WEST ORANGE
CURRENT FUND**

A-15
Sheet # 4

**APPROPRIATION RESERVES
YEAR ENDED DECEMBER 31, 2016**

	Balance, December 31, <u>2015</u>	Encumbrances December 31, <u>2015</u>	Balance, After <u>Transfer</u>	Paid or <u>Charged</u>	<u>Lapsed</u>
Water	\$	\$ 10,440.99	\$ 10,440.99	\$ 9,903.36	\$ 537.63
Fire Hydrant Service	109,310.66		109,310.66	52,225.80	57,084.86
Challenge Grant Bus Shuttle	732.40	14,175.40	14,907.80	14,552.30	355.50
Medical Transport Billing Service		16,017.50	16,017.50	16,017.50	
Contingent	<u>1,000.00</u>		<u>1,000.00</u>		<u>1,000.00</u>
Total Other Expenses	<u>917,294.06</u>	<u>1,366,741.30</u>	<u>2,158,507.91</u>	<u>1,563,090.93</u>	<u>595,416.98</u>
 STATUTORY EXPENDITURES:					
Social Security System (O.A.S.I.)	6,527.23		6,527.23		6,527.23
Defined Contribution Retirement Program	<u>1,000.00</u>		<u>1,000.00</u>		<u>1,000.00</u>
Total Statutory Expenditures	<u>7,527.23</u>		<u>7,527.23</u>		<u>7,527.23</u>
	<u><u>1,005,075.55</u></u>	<u><u>1,366,830.15</u></u>	<u><u>2,371,905.70</u></u>	<u><u>1,768,242.94</u></u>	<u><u>603,662.76</u></u>
<u>Ref.</u>	A	A		A-4	A-1

**TOWNSHIP OF WEST ORANGE
CURRENT FUND**

**DUE FROM (TO) STATE OF NEW JERSEY
YEAR ENDED DECEMBER 31, 2016**

A-16

Balance, December 31, 2015	<u>Ref.</u> A		\$ 30,232.43
Increased by:			
Exemptions Granted per Billing		\$ 185,500.00	
Exemptions Granted by Tax Collector		<u>2,000.00</u>	
	A-7		<u>187,500.00</u>
			217,732.43
Decreased by:			
Exemptions Disallowed by Tax Collector			
2016 Taxes	A-7	2,500.00	
2015 Taxes	A-1	148.63	
Cash Receipts	A-5	181,459.59	
Adjustments	A-1	<u>34,272.84</u>	
			<u>\$ 218,381.06</u>
Balance, December 31, 2016	A		<u>\$ (648.63)</u>

**ACCOUNTS PAYABLE
YEAR ENDED DECEMBER 31, 2016**

A-17

Balance, December 31, 2015	<u>Ref.</u> A		\$ 21,150.00
Decreased by:			
Cash Disbursements	A-4		<u>6,650.00</u>
Balance, December 31, 2016	A		<u>\$ 14,500.00</u>

**SEWER RENT OVERPAYMENTS
YEAR ENDED DECEMBER 31, 2016**

A-17A

Balance, December 31, 2015	<u>Ref.</u> A		\$ 9,224.24
Increased by:			
Cash Receipts	A-5		<u>215.78</u>
Balance, December 31, 2016	A		<u>\$ 9,440.02</u>

**TOWNSHIP OF WEST ORANGE
CURRENT FUND**

**TAX OVERPAYMENTS
YEAR ENDED DECEMBER 31, 2016**

A-18

	<u>Ref.</u>	
Balance, December 31, 2015	A	\$ 37,789.71
Decreased by:		
Application of tax overpayments	A-7	<u>37,789.71</u>
Balance, December 31, 2016	A	<u><u>\$ -</u></u>

**LOCAL DISTRICT SCHOOL TAXES PAYABLE
YEAR ENDED DECEMBER 31, 2016**

A-19

	<u>Ref.</u>	
Balance, December 31, 2015	A	\$ 1.02
Increased by:		
Calendar Year Levy	A-1, A-7	<u>132,632,637.00</u>
		132,632,638.02
Decreased by:		
Cash Payments	A-4	<u>132,632,636.52</u>
Balance, December 31, 2016	A	<u><u>\$ 1.50</u></u>

**COUNTY TAXES PAYABLE
YEAR ENDED DECEMBER 31, 2016**

A-20

	<u>Ref.</u>	
Balance December 31, 2015	A	\$ 49,446.51
Increased by:		
General Levy		\$ 30,209,880.27
Open Space Levy		902,331.26
General Levy Added/Omitted Taxes	A-1, A-7	<u>73,989.56</u>
	A-1, A-7	<u>31,186,201.09</u>
		31,235,647.60
Decreased by:		
Cash Payments	A-4	31,136,432.43
Adjustments		<u>25,220.89</u>
Balance December 31, 2016	A	<u><u>\$ 73,994.28</u></u>

**TOWNSHIP OF WEST ORANGE
CURRENT FUND**

**FEEES DUE TO STATE OF NEW JERSEY
YEAR ENDED DECEMBER 31, 2016**

A-21

	<u>Ref.</u>	<u>Total</u>	<u>Marriage License</u>	<u>Building Surcharge</u>
Balance, December 31, 2015	A	\$ 8,518.00	\$ 1,361.00	\$ 7,157.00
Increased by:				
Cash Receipts	A-5	88,692.00	8,725.00	79,967.00
		97,210.00	10,086.00	87,124.00
Decreased by:				
Cash Disbursements	A-4	69,813.00	8,825.00	60,988.00
Balance, December 31, 2016	A	\$ 27,397.00	\$ 1,261.00	\$ 26,136.00

**PREPAID TAXES
YEAR ENDED DECEMBER 31, 2016**

A-22

	<u>Ref.</u>	
Balance, December 31, 2015	A	\$ 1,315,722.23
Increased by:		
Cash Receipts	A-5	1,294,320.24
Adjustments	A-1	41,898.34
		2,651,940.81
Decreased by:		
Refunds	A-4	2,967.00
Prepaid Applied	A-7	1,312,755.23
Balance, December 31, 2016	A	\$ 1,336,218.58

**TOWNSHIP OF WEST ORANGE
GRANT FUND**

**GRANTS RECEIVABLE
YEAR ENDED DECEMBER 31, 2016**

	<u>Balance</u> <u>Dec. 31, 2015</u>	<u>Grant</u> <u>Award</u>	<u>Collections</u>	<u>Balance</u> <u>Dec. 31, 2016</u>
Transportation Municipal Aid:				
Bell Terrace	\$ 110,000.00	\$	\$	\$ 110,000.00
Streetscape	391,047.45			391,047.45
Various - 2014	56,000.00			56,000.00
Various - 2015	226,000.00		169,500.00	56,500.00
Various - 2016		221,000.00		221,000.00
Municipal Alliance for Alcoholism and Drug Abuse	13,747.22	59,800.00	19,452.53	54,094.69
Pedestrian Safety Enforcement	8,000.00			8,000.00
Drunk Driving Enforcement Fund				
Municipal Stormwater Regulation Program	5,155.00			5,155.00
Delinquency Prevention Grant - Summer Expansion	21,084.26		21,084.26	
Wastewater Treatment Fund	123,899.00			123,899.00
Essex County DOA Senior Citizens Grant	5,199.00	16,127.00	16,128.00	5,198.00
Essex County Delinquency Prevention Grant	74,252.00	18,563.00	65,582.74	27,232.26
ILEA Grant	27,840.00			27,840.00
Recycling Tonnage Grant				
Bullet Proof Vest Fund	9,168.85	7,303.56	2,640.00	13,832.41
Body Armour Replacement		13,965.73	8,279.27	5,686.48
COPS in Shops	10,959.40			10,959.40
Drive Sober or Get Pulled Over	5,000.00			5,000.00
Hazardous Mitigation Grant	375,000.00			375,000.00
Community Stewardship Program	20,000.00		20,000.00	
EMMA Grant	10,000.00		5,000.00	5,000.00
ANJAC Grants		500.00		500.00
NJPN Grant		3,000.00	3,000.00	
St. Cloud Historic Survey Grant	12,548.00		12,548.00	
Body Worn Cameras		30,000.00	30,000.00	
	<u>\$ 1,504,900.18</u>	<u>\$ 370,259.29</u>	<u>\$ 373,214.80</u>	<u>\$ 1,501,944.67</u>
<u>Ref.</u>	A	A-25	A-24	A

**TOWNSHIP OF WEST ORANGE
GRANT FUND**

A-24

**DUE FROM CURRENT FUND
YEAR ENDED DECEMBER 31, 2016**

	<u>Ref.</u>			
Balance, December 31, 2015	A		\$	540,576.57
Increased by:				
Collection of Grant Receivable	A-23	\$ 373,214.80		
Unappropriated Grants	A-26	158,875.82		
Municipal Match	A-25	<u>15,114.00</u>		<u>547,204.62</u>
				<u>1,087,781.19</u>
Decreased by:				
Cash Disbursed	A-25			<u>342,341.43</u>
Balance, December 31, 2016	A		<u>\$</u>	<u>745,439.76</u>

**TOWNSHIP OF WEST ORANGE
GRANT FUND**

A-25

**RESERVE FOR APPROPRIATED GRANTS
YEAR ENDED DECEMBER 31, 2016**

	<u>Balance</u> <u>Dec. 31, 2015</u>	<u>Budget</u> <u>Appropriation</u>	<u>Cash</u> <u>Disbursed</u>	<u>Balance</u> <u>Dec. 31, 2016</u>
Drunk Driving Enforcement Fund	\$ 5,164.82	\$	\$ 4,684.93	\$ 479.89
Transportation Municipal Aid - 2014	226,000.00	221,000.00	65,985.10	381,014.90
Clean Communities	204,254.00	78,776.36	86,773.87	196,256.49
Municipal Alliance for Alcoholism and Drug Abuse:				
2014	17,784.28	59,800.00	55,029.17	22,555.11
2015	18,537.57			18,537.57
Municipal Match		14,950.00	14,950.00	
Body Armor Replacement Fund	1,999.73	22,548.37	1,765.97	22,782.13
Municipal Stormwater Regulation Program	20,619.00		587.84	20,031.16
Bullet Proof Vest Partnership	2,848.36	7,303.56	1,765.98	8,385.94
Pedestrian Safety Enforcement	8,000.00			8,000.00
Delinquency Prevention Grant	599.18			599.18
Cops in Shops	364.58			364.58
Byrne Memorial Justice Assistance	115.39	9,934.56		10,049.95
Wastewater Treatment Fund	279,358.00			279,358.00
Hazardous Discharge Site Remediation	125,480.94	0.09		125,481.03
Essex County DOA Senior Citizens Grant		16,291.00	16,291.00	
Essex County Delinquency Prevention Grant	5,515.76	18,563.00	16,142.51	7,936.25
Recycling Tonnage Grant	2,048.95	60,443.18	9,548.00	52,944.13
Essex County ILEA Grant	27,840.00		9,280.00	18,560.00
CTTEC Grant	588.80	42,549.53	9,828.08	33,310.25
ABC Grant	11,629.88			11,629.88
SAFER Grant		10,411.49		10,411.49
ANJAC Grant		1,500.00	1,500.00	
Body Worn Cameras		30,000.00	30,000.00	
NJPN Grant		3,000.00		3,000.00
NACCHO Grant		8,700.00	2,862.98	5,837.02
EMMA Grant	1,240.57			1,240.57
PSE&G Grant	251,969.75			251,969.75
Drive Sober or Get Pulled Over	3,089.73			3,089.73
St. Cloud Historic Preservation	12,548.00		12,548.00	
Hazardous Mitigation Grant	375,000.00			375,000.00
Community Stewardship Program	3,091.00		2,798.00	293.00
West Orange Streetscape	219,390.61			219,390.61
	<u>\$ 1,825,078.90</u>	<u>\$ 605,771.14</u>	<u>\$ 342,341.43</u>	<u>\$ 2,088,508.61</u>
<u>Ref.</u>	A	Below	A-24	A
Budget Appropriation	A-23	\$ 370,259.29		
Transfer from reserve for unappropriated grants	A-26	220,397.85		
Match	A-24	<u>15,114.00</u>		
	Above, A-3	<u>\$ 605,771.14</u>		

**TOWNSHIP OF WEST ORANGE
GRANT FUND**

**RESERVE FOR UNAPPROPRIATED GRANTS
YEAR ENDED DECEMBER 31, 2016**

A-26

	<u>Balance</u> <u>Dec. 31, 2015</u>	<u>Increased</u>	<u>Decreased</u>	<u>Balance</u> <u>Dec. 31, 2016</u>
Body Armor Replacement Fund	\$ 8,582.64	\$	\$ 8,582.64	\$
ABC Grants				
Clean Communities Grant	78,776.36	90,053.54	78,776.36	90,053.54
Recycling Tonnage Grant	60,443.18	48,705.00	60,443.18	48,705.00
Drunk Driving Enforcement Fund		18,667.28		18,667.28
SAFER Grant	10,411.49		10,411.49	
NJACCHO Grant	8,700.00	1,450.00	8,700.00	1,450.00
CTTEC Grant	42,549.53		42,549.53	
ANJAC Grant	1,000.00		1,000.00	
Byrne Memorial Justice	9,934.56		9,934.56	
Hazardous Discharge Site Remediation	0.09		0.09	
	<u>\$ 220,397.85</u>	<u>\$ 158,875.82</u>	<u>\$ 220,397.85</u>	<u>\$ 158,875.82</u>

Ref.

A

A-24

A-25

A

**TOWNSHIP OF WEST ORANGE
GRANT FUND**

**DEFERRED CHARGES
N.J.S.A. 40A:4-55 SPECIAL EMERGENCY
YEAR ENDED DECEMBER 31, 2016**

A-27

<u>Purpose</u>	<u>Net Amount Authorized</u>	<u>1/5 of Net Amount Authorized</u>	<u>Balance Dec. 31, 2015</u>	<u>Increase</u>	<u>Decrease</u>	<u>Balance Dec. 31, 2016</u>
Health benefits	\$ 1,500,000.00	\$ 300,000.00	\$ 1,500,000.00	\$	\$ 1,500,000.00	\$
Library Downpayment	6,500.00	1,300.00	6,500.00		6,500.00	
2015 Severance Liability	800,000.00	160,000.00	800,000.00		160,000.00	640,000.00
2014 Severance Liability	658,465.00	131,693.00	521,770.00		131,693.00	390,077.00
Severance Liability	1,200,000.00	240,000.00	720,000.00		240,000.00	480,000.00
Severance Liability	448,900.00	89,780.00	89,780.00		89,780.00	
Severance Liability	600,000.00	120,000.00		600,000.00		600,000.00
	<u>\$ 5,213,865.00</u>	<u>\$ 1,042,773.00</u>	<u>\$ 3,638,050.00</u>	<u>\$ 600,000.00</u>	<u>\$ 2,127,973.00</u>	<u>\$ 2,110,077.00</u>
		<u>Ref.</u>	<u>A</u>	<u>A-3</u>	<u>A-3</u>	<u>A</u>

**TOWNSHIP OF WEST ORANGE
TRUST FUND**

B-2

**OPEN SPACE FUND
SCHEDULE OF CASH
YEAR ENDED DECEMBER 31, 2016**

	<u>Ref.</u>		
Balance, December 31, 2015	B		\$ 626,438.42
Increased by:			
2016 Open Space Tax	B-16	\$ 145,859.71	
Interest on Investments	B-16	<u>2,405.56</u>	
			<u>148,265.27</u>
Decreased by:			
Open Space Expenditures	B-16	38,373.22	
Transfer to Current Fund	B-16	<u>12,922.60</u>	
			<u>51,295.82</u>
Balance, December 31, 2016	B		<u><u>\$ 723,407.87</u></u>

**TOWNSHIP OF WEST ORANGE
TRUST FUND**

B-3

**CASH - TREASURER
YEAR ENDED DECEMBER 31, 2016**

	<u>Ref.</u>	<u>Animal Control Fund</u>	<u>General Trust Fund</u>	<u>Assessment Trust Fund</u>
Balance, December 31, 2015	B	<u>\$ 58,876.93</u>	<u>\$ 4,841,592.64</u>	<u>\$ 16,287.24</u>
Increased by:				
Animal Control Fees	B-12	6,789.00		
Miscellaneous Revenue	B-12	32,632.50		
Due to State of NJ	B-8	3,084.00		
Prepaid License Fees	B-9	3,495.00		
Unpledged Assessments	B-1			15,165.93
Special Deposits	B-10		<u>6,867,287.48</u>	
		<u>46,000.50</u>	<u>6,867,287.48</u>	<u>15,165.93</u>
		<u>104,877.43</u>	<u>11,708,880.12</u>	<u>31,453.17</u>
Decreased by:				
Expenditures	B-10, B-12	36,471.60	6,202,994.12	
Due to State of NJ	B-8	3,084.00		
Prepaid License Fees	B-9	3,705.00		
Current Fund Anticipated Revenue	B-1, B1A		14,804.93	16,287.24
		<u>43,260.60</u>	<u>6,217,799.05</u>	<u>16,287.24</u>
Balance, December 31, 2016	B	<u><u>\$ 61,616.83</u></u>	<u><u>\$ 5,491,081.07</u></u>	<u><u>\$ 15,165.93</u></u>

See Independent Auditors' Report

**TOWNSHIP OF WEST ORANGE
TRUST FUND**

**CASH - INSURANCE TRUST FUND - TREASURER
YEAR ENDED DECEMBER 31, 2016**

	<u>Ref.</u>	<u>Total</u>	<u>Workers' Compensation</u>	<u>Unemployment Compensation</u>	<u>Municipal Insurance</u>
Balance, December 31, 2015	B	\$ 91,781.50	\$ 74,395.08	\$ 3,270.33	\$ 14,116.09
Increased by:					
Current Fund Budget Appropriation	B-13	1,477,667.00	500,000.00	80,000.00	897,667.00
Refunds and Subrogation	B-13	91,544.12	37,285.19		54,258.93
Interest on Deposits	B-13	303.96	0.04		303.92
		<u>1,569,515.08</u>	<u>537,285.23</u>	<u>80,000.00</u>	<u>952,229.85</u>
		<u>1,661,296.58</u>	<u>611,680.31</u>	<u>83,270.33</u>	<u>966,345.94</u>
Decreased by:					
Workers' Compensation Claims and Administrative Fees	B-13	610,130.62	610,130.62		
Insurance Settlements and Premiums Due to Current Fund	B-13	958,535.93			958,535.93
Due To State of New Jersey	B-13	303.92			303.92
	B-13	79,231.86		79,231.86	
		<u>1,648,202.33</u>	<u>610,130.62</u>	<u>79,231.86</u>	<u>958,839.85</u>
Balance, December 31, 2016	B	<u>\$ 13,094.25</u>	<u>\$ 1,549.69</u>	<u>\$ 4,038.47</u>	<u>\$ 7,506.09</u>

**TOWNSHIP OF WEST ORANGE
TRUST FUND**

B-5

**CASH - FEDERAL GRANT TRUST FUND - TREASURER
YEAR ENDED DECEMBER 31, 2016**

	<u>Ref.</u>	<u>Total</u>	<u>Community Development Block Grant</u>	<u>Section 8 Housing</u>
Balance, December 31, 2015	B	\$ 23,547.31	\$ 0.13	\$ 23,547.18
Increased by:				
Collection of Grants Receivable	B-6, B-15	1,521,606.93	240,000.00	1,281,606.93
Prepaid Advances	B-15	100,386.00		100,386.00
		<u>1,621,992.93</u>	<u>240,000.00</u>	<u>1,381,992.93</u>
		<u>1,645,540.24</u>	<u>240,000.13</u>	<u>1,405,540.11</u>
Decreased by:				
Grant Expenditures	B-14, B-15	1,521,023.24	240,000.00	1,281,023.24
Transferred to Current Fund	B-1A	0.13	0.13	
		<u>1,521,023.37</u>	<u>240,000.13</u>	<u>1,281,023.24</u>
Balance, December 31, 2016	B	<u>\$ 124,516.87</u>	<u>\$</u>	<u>\$ 124,516.87</u>

**TOWNSHIP OF WEST ORANGE
TRUST FUND**

B-6

**FEDERAL GRANTS RECEIVABLE
YEAR ENDED DECEMBER 31, 2016**

	<u>Ref.</u>	<u>Total</u>	<u>Community Development Block Grant</u>	<u>Section 8 Housing</u>
Balance, December 31, 2015	B	\$ 440,000.00	\$ 440,000.00	\$
Increased by:				
Community Development	B-14	440,000.00	440,000.00	
Section 8 Housing	B-15	1,281,606.93		1,281,606.93
		<u>1,721,606.93</u>	<u>440,000.00</u>	<u>1,281,606.93</u>
		2,161,606.93	880,000.00	1,281,606.93
Decreased by:				
Cash Receipts	B-5	1,521,606.93	240,000.00	1,281,606.93
		<u>1,521,606.93</u>	<u>240,000.00</u>	<u>1,281,606.93</u>
Balance, December 31, 2016	B	<u>\$ 640,000.00</u>	<u>\$ 640,000.00</u>	<u>\$</u>

TOWNSHIP OF WEST ORANGE
TRUST FUND

B-7

ASSESSMENTS RECEIVABLE
YEAR ENDED DECEMBER 31, 2016

	<u>Ref.</u>	<u>Assessment Fund</u>
Balance, December 31, 2015	B	\$ 15,470.20
Decreased by:		
Collections-Unpledged	B-11	<u>15,165.93</u>
Balance, December 31, 2016	B	<u>\$ 304.27</u>
Analysis of Balance		
Assessments-Unpledged		<u>\$ 304.27</u>

TOWNSHIP OF WEST ORANGE
TRUST FUND

B-8

ANIMAL CONTROL FUND
DUE TO STATE OF NEW JERSEY
YEAR ENDED DECEMBER 31, 2016

	<u>Ref.</u>	
Increased by:		
Cash Receipts	B-3	<u>\$ 3,084.00</u>
Decreased by:		
Paid to State	B-3	<u>3,084.00</u>
Balance, December 31, 2016		<u><u>\$</u></u>

**TOWNSHIP OF WEST ORANGE
TRUST FUND**

B-9

**ANIMAL CONTROL FUND
PREPAID LICENSES
YEAR ENDED DECEMBER 31, 2016**

	<u>Ref.</u>	
Balance, December 31, 2015	B	\$ 3,705.00
Increased by:		
Cash Receipts	B-3	<u>3,495.00</u>
		7,200.00
Decreased by:		
Applied to Current Year Revenue	B-12	<u>3,705.00</u>
Balance, December 31, 2016	B	<u><u>\$ 3,495.00</u></u>
Analysis of Balance:		
Dog Licenses		\$ 3,231.00
Cat Licenses		<u>264.00</u>
		<u><u>\$ 3,495.00</u></u>

**TOWNSHIP OF WEST ORANGE
TRUST FUND**

B-10

**SCHEDULE OF SPECIAL DEPOSITS
YEAR ENDED DECEMBER 31, 2016**

Purpose	Balance at Dec. 31, 2015	Receipts	Disbursements	Balance at Dec. 31, 2016
Accumulated Absence Trust	\$ 140,722.70	\$ 605,000.00	\$ 592,327.65	\$ 153,395.05
Confiscated Funds	16,351.40	609.00		16,960.40
Digitizing Trust	190,205.10	9,102.50		199,307.60
Donation Trust	9,575.03	42,855.59	7,838.00	44,592.62
Uniform Fire Safety-Penalties	42,196.81	10,203.00	17,940.25	34,459.56
Human Relations Trust	1,996.81			1,996.81
Lake Management Trust	153,710.72			153,710.72
Parking Offenses Adjudication	35,740.49	5,802.00	6,700.58	34,841.91
Health Trust	3,211.56			3,211.56
Payroll Deposits	241,685.60	3,172,720.75	3,124,393.17	290,013.18
Public Defender Application	1,756.35	3,730.50	2,780.00	2,706.85
Public Safety Trust	9,184.59			9,184.59
Recycling-Local Program	15,682.91	9,847.20	840.00	24,690.11
Environmental Commission Trust	250.00			250.00
Health Trust #2	119,749.98	51,385.64	51,710.17	119,425.45
Planning Trust	108,039.19	119,864.23	104,764.52	123,138.90
Public Relations Trust	7,796.18			7,796.18
Energy Commission Trust	1,162.45			1,162.45
Cash Bonds/Other Deposits #1	75,106.37	13,000.00	4,500.00	83,606.37
Cash Bonds/Other Deposits #2	162,986.00	5,925.00	2,500.00	166,411.00
Cash Bonds/Other Deposits#3	127,359.18	187,689.84	126,659.04	188,389.98
Planning and Zoning Escrow	3,963.06	8,331.28		12,294.34
Recreation Trip Account	154,159.80	168,818.50	174,777.69	148,200.61
Extra Duty Security	0.00	1,784,693.68	1,776,284.95	8,408.73
Bid Bonds	0.00	16,500.00		16,500.00
Growth Share-COAH	246,353.02	1,234.83		247,587.85
Developers Fees-COAH	2,609,686.67	526,020.70	77,396.97	3,058,310.40
Planning and Zoning Escrow II	97,784.71	86,958.66	72,622.57	112,120.80
Law Enforcement Trust	250,371.03	36,994.58	58,958.56	228,407.05
Subtotals this Sheet Only	<u>\$ 4,826,787.71</u>	<u>\$ 6,867,287.48</u>	<u>\$ 6,202,994.12</u>	<u>\$ 5,491,081.07</u>

Ref.

B

B-3

B-3

B

TOWNSHIP OF WEST ORANGE
TRUST FUND

B-11

RESERVE FOR ASSESSMENTS RECEIVABLE
YEAR ENDED DECEMBER 31, 2016

	<u>Ref.</u>	
Balance, December 31, 2015	B	\$ 15,470.20
Decreased by:		
Collections-Unpledged	B-7	<u>15,165.93</u>
Balance, December 31, 2016	B	<u>\$ 304.27</u>

**TOWNSHIP OF WEST ORANGE
TRUST FUND**

B-12

**RESERVE FOR ANIMAL CONTROL FUND EXPENDITURES
YEAR ENDED DECEMBER 31, 2016**

	<u>Ref.</u>	
REVENUE AND OTHER INCOME:		
Animal Control Fees:		
Current Year Collections	B-3	\$ 3,084.00
Prepayments Applied - Dog License Fees	B-9	3,585.00
Prepayments Applied - Cat License Fees	B-9	120.00
		6,789.00
Miscellaneous Revenue:		
Animal Control Interlocals and Donations	B-9	30,964.50
Cat Licenses	B-9	1,668.00
TOTAL REVENUE AND OTHER INCOME		39,421.50
EXPENDITURES:		
Animal Control Expenditures	B-3	36,471.60
TOTAL EXPENDITURES		36,471.60
DEFICIT OF REVENUE UNDER EXPENDITURES		2,949.90
BALANCE, BEGINNING OF YEAR		55,171.93
BALANCE, END OF YEAR	B	\$ 58,121.83

**TOWNSHIP OF WEST ORANGE
TRUST FUND**

**RESERVE FOR INSURANCE TRUST FUND
YEAR ENDED DECEMBER 31, 2016**

	<u>Ref.</u>	<u>Total</u>	<u>Workers' Compensation</u>	<u>Unemployment Compensation</u>	<u>Municipal Insurance</u>
Balance, December 31, 2015	B	\$ 91,781.50	\$ 74,395.08	\$ 3,270.33	\$ 14,116.09
Increased by:					
Current Fund Budget Appropriation	B-4	1,477,667.00	500,000.00	80,000.00	897,667.00
Refunds and Subrogation	B-4	91,544.12	37,285.19		54,258.93
Interest on Deposits	B-4	303.96	0.04		303.92
		<u>1,569,515.08</u>	<u>537,285.23</u>	<u>80,000.00</u>	<u>952,229.85</u>
		<u>1,661,296.58</u>	<u>611,680.31</u>	<u>83,270.33</u>	<u>966,345.94</u>
Decreased by:					
Workers' Compensation Claims and Administrative Fees	B-4	610,130.62	610,130.62		
Insurance Settlements and Premiums Due to Current Fund	B-4	958,535.93			958,535.93
Due To State of New Jersey: Unemployment	B-4	303.92			303.92
	B-4	79,231.86		79,231.86	
		<u>1,648,202.33</u>	<u>610,130.62</u>	<u>79,231.86</u>	<u>958,839.85</u>
Balance, December 31, 2016	B	<u>\$ 13,094.25</u>	<u>\$ 1,549.69</u>	<u>\$ 4,038.47</u>	<u>\$ 7,506.09</u>

**TOWNSHIP OF WEST ORANGE
TRUST FUND**

**RESERVE FOR COMMUNITY DEVELOPMENT BLOCK GRANT
YEAR ENDED DECEMBER 31, 2016**

	<u>Balance</u> <u>Dec. 31, 2015</u>	<u>Increase</u> 2016 <u>Grant</u> <u>Award</u>	<u>Expended By</u> <u>Township</u>	<u>Balance</u> <u>Dec. 31, 2016</u>
Community Development Block Grant:				
Direct Funding:				
Project Year 2015				
Main Street Counseling	\$ 10,000.00	\$	\$ 10,000.00	\$
West Orange Community House	200,000.00			200,000.00
Watson Avenue Reconstruction	230,000.00		230,000.00	
Project Year 2016				
Chestnut Street Roadway Improvements		146,000.00		146,000.00
Samuel Street Roadway Improvements		115,000.00		115,000.00
Ridge Avenue Roadway Improvements		119,000.00		119,000.00
Main Street Counseling		10,000.00		10,000.00
Bethany Center		50,000.00		50,000.00
	<u>\$ 440,000.00</u>	<u>\$ 440,000.00</u>	<u>\$ 240,000.00</u>	<u>\$ 640,000.00</u>
<u>Ref.</u>	B	B-6	B-5	B

**TOWNSHIP OF WEST ORANGE
TRUST FUND**

B-15

**RESERVE FOR SECTION 8 HOUSING
YEAR ENDED DECEMBER 31, 2016**

	<u>Ref.</u>		
Balance, December 31, 2015	B		\$ 23,547.18
Increased by:			
Grant Awards	B-6	\$ 1,281,606.93	
Prepaid Advances	B-5	<u>100,386.00</u>	
			1,405,540.11
Decreased by:			
Housing Choice Voucher Payments	B-5		<u>1,281,023.24</u>
Balance, December 31, 2016	B		<u>\$ 124,516.87</u>

**TOWNSHIP OF WEST ORANGE
TRUST FUND**

B-16

**RESERVE FOR OPEN SPACE EXPENDITURES
YEAR ENDED DECEMBER 31, 2016**

	<u>Ref.</u>		
Balance, December 31, 2015	B		\$ 626,438.42
Increased by:			
2016 Open Space Tax	B-2	\$ 145,859.71	
Interest Earned	B-2	<u>2,405.56</u>	
			<u>148,265.27</u>
			<u>774,703.69</u>
Decreased by:			
Open Space Expenditures	B-2	38,373.22	
Transfer to Current Fund	B-2	<u>12,922.60</u>	<u>51,295.82</u>
Balance, December 31, 2016	B		<u><u>\$ 723,407.87</u></u>

**TOWNSHIP OF WEST ORANGE
GENERAL CAPITAL FUND**

C-2

**CASH - TREASURER
YEAR ENDED DECEMBER 31, 2016**

	<u>Ref.</u>	
Balance, December 31, 2015	C	\$ 2,868,051.76
Increased by Receipts:		
NJEP A Trust and Loans Collections	C-14	141,864.00
Bond Anticipation Notes	C-9	7,621,780.00
Reserve to Pay Debt Service	C-5	89,627.81
Capital Improvement Fund	C-11	500,000.00
Premium on Serial Bonds	C-1	202,226.41
Premium on Sale of Bond Anticipation Notes	C-1	139,673.00
		8,695,171.22
		11,563,222.98
Decreased by Disbursements:		
Current Fund Anticipated Revenue - Fund Balance	C-1	259,001.23
Current Fund Anticipated Revenue - Reserve to Pay Debt Service	C-5	397,502.58
Current Fund Anticipated Revenue - Reserve for Parking Garage Improvement Authorizations	C-15	36,073.26
	C-10	8,571,250.84
		9,263,827.91
Balance, December 31, 2016	C	\$ 2,299,395.07

TOWNSHIP OF WEST ORANGE
GENERAL CAPITAL FUND

ANALYSIS OF CASH
YEAR ENDED DECEMBER 31, 2016

Ordinance Number	Balance Dec. 31, 2015	Adjustment	Receipts		Disbursements		To	Transfers		Balance Dec. 31, 2016
			Other	BANs	Other	Improvement Authorizations		From		
Fund Balance	\$ 259,001.23		\$ 341,889.41		\$ 259,001.23					\$ 341,889.41
Capital Improvement Fund	321.96		500,000.00							88,592.96
Reserve to Pay Debt Service	335,665.24		89,627.81		397,502.58		61,637.34		\$ 411,729.00	89,627.81
NJERA Loans			141,064.00		39,073.28				61,637.34	44,153.40
Improvement Authorizations:										
1122-92 Various Capital Improvements	109,315.61									x 109,315.61
1374-96 Regional Contribution Agreement	191,012.98				\$ 126,429.91					x 54,582.75
1435-97 Various Capital Improvements	273.57				0.16					x 8,115.00
1790-01 Various Capital Improvements	8,115.16				243.00					x 1,979.80
1823-02 Capital Assessment-Joint Meeting	243.00				27,243.10					x 1,085.00
1840-02 Various Capital Improvements	29,222.90									x 5,168.07
1886-03 Various Capital Improvements	1,085.00				981.54					x (316,601.58)
1905-03 Various Capital Improvements	6,129.61				27,088.87					x 292.58
2017-05 Storm Drainage Improvements	(289,512.71)				273.67					x 59.00
2018-05 Various Capital Improvements	292.58				32,326.44					x 3,343.38
2019-05 Various Road Improvements	273.57				3,343.38					x 329,893.23
2050-05 Joint Meeting Capital Assessment	32,387.44				7,890.12					x 240.12
2055-06 Improvements at Stag Field	3,343.38				2,002.30					x 435.00
2067-06 Redevelopment Study	337,573.35									x 164,545.97
2069-06 Various Capital Improvements	2,242.42									x 14,585.06
2070-06 Various Road Improvements	435.00									x 65,171.65
2078-06 Various Capital Improvements	164,545.97									x 132,715.84
2125-07 Various Capital Improvements	14,585.06				3,929.28					x 51,697.80
2127-07 Various Capital Improvements	65,171.65				4,570.01					x 278,386.16
2133-07 Various Capital Improvements	196,645.22									x 2,417.82
2160-07 Acquisition of Mobile Communication System	4,570.01									x 95,000.00
2166-08 Various Capital Improvements	51,697.80									x (57,050.89)
2172-08 Various Capital Improvements	348,510.39				72,124.23					x 21,421.06
2176-08 Consulting Study-New Communications Study	2,417.82									x 289.18
2194-09 Acquisition of Computer System Managing Equipment	95,000.00									x 8,536.87
2209-09 Various Capital Improvements	(56,898.11)				152.58					x 18,400.00
2211-09 Various Road Improvements	21,421.06									x 59,026.25
2214-09 Joint Meeting Capital Assessment										x 263,001.22
2216-09 Various Road Improvements	565.95			10.00	278.37					x 108,480.00
2222-09 Communications System Upgrade	8,536.87									x 97,646.78
2232-09 Various Capital Improvements	18,400.00									x 22,887.51
2237-09 Various Capital Improvements	59,026.25									x 263,001.22
2238-09 Various Capital Improvements	263,001.22									x 108,480.00
2272-10 Various Capital Improvements	108,480.00									x 97,646.78
2278-10 Various Capital Improvements	97,646.78				298.18					x 22,887.51
2290-10 Various Capital Improvements	22,887.51									x 135,771.79
2299-10 Telecommunications Systems										x 45,146.98
2358-12 Llewellyn Park Sanitary Project	135,771.79									x 29,819.35
2409-14 Llewellyn Park Sanitary Project										x 83,605.36
2365-12 Various Capital Improvements	83,605.36									x 53,994.04
2375-13 Ridgeway Ave Park	53,994.04									x 1,617,824.66
2393-13 Tax Appeal Refunding										x 9,226.51
2407-14 Various Capital Improvements	1,617,824.66				693,690.51					x 923,934.17
2408-14 Replacement of Bleachers	9,226.51									x 9,226.51
2409-14 Llewellyn Park Sanitary Project										x 1,370,454.78
2400-15 Refunding Tax Appeals										x 33,996.01
2450-15 Various Capital Improvements	(1,330,729.15)			5,998,260.00	3,267,060.07					x 1,370,454.78
2463-15 Renovations to Library	(123,500.00)			123,500.00						x (355,148.02)
2474-16 General Improvements					373,008.02		17,880.00			x (1,663,843.97)
2475-16 Various Capital Improvements				1,500,000.00	3,515,312.97		351,369.00			x (1,663,843.97)
2485-16 Various Capital Improvements										x (265,731.82)
2487-16 Various Capital Improvements							42,500.00			x (2,299,405.07)
	\$ 2,889,051.79	\$ -	\$ 1,073,391.22	\$ 7,821,790.00	\$ 692,577.07	\$ 8,571,260.84	\$ 473,396.34	\$ 473,366.34		\$ (2,299,405.07)
\$										
Ref.	C		C-2	C-2	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, 2016**

	<u>Ref.</u>	
Balance, December 31, 2015	C	\$ 3,890,468.53
Decreased by:		
2016 Budget Appropriation for Payment of NJ Trust Fund Loan Bonds	C-6	<u>247,850.96</u>
Balance, December 31, 2016	C	<u>\$ 3,642,617.57</u>
 Analysis		
	<u>ORD#</u>	
New Jersey Trust 2002 A	1823-02	\$ 338,140.90
New Jersey Trust 2005 A	2017-05	1,265,493.72
New Jersey Trust 2006 A	2050-05	433,748.22
New Jersey Trust 2010 A	2214-09	392,750.73
New Jersey Trust 2014 A	2425-14	<u>1,212,484.00</u>
Balance, December 31, 2016		<u>\$ 3,642,617.57</u>

TOWNSHIP OF WEST ORANGE
GENERAL CAPITAL FUND

C-5

RESERVE TO PAY DEBT SERVICE
YEAR ENDED DECEMBER 31, 2016

	<u>Ref.</u>		
Balance, December 31, 2015	C		\$ 335,865.24
Increased by:			
Cash Receipts	C-2	89,627.81	
Adjustment	C-15	<u>61,637.34</u>	
			487,130.39
Decreased by:			
Utilized as revenue in 2016 budget	C-2		<u>397,502.58</u>
Balance, December 31, 2016	C		<u>\$ 89,627.81</u>

**TOWNSHIP OF WEST ORANGE
GENERAL CAPITAL FUND**

C-6

**DEFERRED CHARGES TO FUTURE TAXATION - FUNDED
YEAR ENDED DECEMBER 31, 2016**

	<u>Ref.</u>		
Balance, December 31, 2015	C		\$ 22,912,984.53
Increased by:			
Issuance of Serial Bonds	C-8	21,196,000.00	
Adjustments	C-14	<u>1,212,484.00</u>	
			45,321,468.53
Decreased by:			
2016 Current Fund Budget Appropriation for Payment of Serial Bonds	C-8	\$ 4,080,000.00	
Refunding of Previously Issued Bonds	C-8	3,935,000.00	
2016 Current Fund Budget Appropriation for Payment of NJEPA Trust and Loans	C-4	<u>247,850.96</u>	<u>8,262,850.96</u>
Balance, December 31, 2016	C		<u><u>\$ 37,058,617.57</u></u>

TOWNSHIP OF WEST ORANGE
GENERAL CAPITAL FUND

DEFERRED CHARGES TO FUTURE TAXATION - UNFUNDED
YEAR ENDED DECEMBER 31, 2016

Ordinance Number	Improvement Description	Balance, December 31, 2015	2016 Authorizations	Decrease	Balance, December 31, 2016	Analysis of Balance		
						Bond Anticipation Notes	Expenditures	Unfunded Improvement Authorizations
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	39,605.26		39,605.26				
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	90,841.34		90,841.34				
2017-05	Storm Drainage Improvements	152,909.00		152,909.00				
2018-05	Various Capital Improvements	135,295.00		135,295.00				
2067-06	Redevelopment Study	327,500.00		327,500.00				
2069-06	Various Capital Improvements	149,615.66		149,615.66				
2078-06	Various Capital Improvements	517,043.02		517,043.02				
2125-07	Various Capital Improvements	142,374.18		142,374.18				
2133-07	Various Capital Improvements	645,486.50		645,486.50				
2166-08	Various Capital Improvements	331,414.68		331,414.68				
2172-08	Various Capital Improvements	1,442,236.68		1,442,236.68				
2194-09	Acquisition of Computer System Managing Equipment	95,000.00			95,000.00	95,000.00		
2209-09	Various Capital Improvements	686,119.88		544,119.88	142,000.00	142,000.00		
2211-09	Various Road Improvements	366,863.16		341,863.16	25,000.00	25,000.00		
2214-09	Joint Meeting Capital Assessment	69,644.62		24,050.62	45,594.00	45,594.00		
2216-09	Various Road Improvements	1,385,010.11		1,385,000.11	10.00			\$ 10.00
2222-09	Upgrade of the Communications System	1,265,116.23		1,265,116.23				
2232-09	Various Capital Improvements	79,490.60			50,000.00	50,000.00		
2237-09	Various Capital Improvements	2,507,894.72		1,857,894.72	650,000.00	650,000.00		
2272-10	Various Capital Improvements	1,026,245.02		705,595.02	320,650.00	320,650.00		
2278-10	Various Capital Improvements	110,745.34		9,310.34	101,435.00	101,435.00		
2290-10	Various Capital Improvements	1,826,590.00		1,343,750.00	482,840.00	482,840.00		
2299-10	Telecommunications Improvements	232,750.00			232,750.00	232,750.00		
2354-12	Edison Redevelopment	6,300,000.00			6,300,000.00			6,300,000.00
2358-12/2409-14	Llewellyn Park Sanitation Project	4,171,859.00		3,621,859.00	550,000.00	550,000.00		
2375-13	Ridgeway Ave Park	475,000.00		475,000.00				
2393-13	Tax Appeal-Refunding	1,675,000.00		837,500.00	837,500.00	837,500.00		
2407-14	Various Capital Improvements	6,649,656.00			6,649,656.00	6,649,656.00		
2408-14	Bleacher Replacement	57,000.00			57,000.00	57,000.00		
2400-15	Refunding Tax Appeals	2,284,702.00		761,567.00	1,523,135.00	1,523,135.00		
2450-15	Various Capital Improvements	5,998,280.00			5,998,280.00	5,998,280.00		
2463-15	Renovation to Library	123,500.00			123,500.00	123,500.00		
2474-16	General Improvements		357,140.00		357,140.00		355,148.02	1,991.98
2475-16	Various Capital Improvements		7,027,266.00		7,027,266.00	1,500,000.00	1,663,943.97	3,863,322.03
2485-16	Various Capital Improvements		4,600,000.00	3,935,000.00	665,000.00			665,000.00
2487-16	Various Capital Improvements		807,500.00		807,500.00		265,731.82	541,768.18
		<u>\$ 43,176,038.00</u>	<u>\$ 12,791,906.00</u>	<u>\$ 22,926,688.00</u>	<u>\$ 33,041,256.00</u>	<u>\$ 19,384,340.00</u>	<u>\$ 2,284,823.81</u>	<u>\$ 11,372,092.19</u>
	Ref.	C	C-10	Below	C	C-9		C-10
	Budget Appropriation	C-9		\$ 1,600,698.00				
	Issuance of serial bonds	C-8, C-9		21,196,000.00				
	Issuance of serial bonds - redemption premium	C-9		130,000.00				
				<u>\$ 22,926,698.00</u>				
				Above				

**TOWNSHIP OF WEST ORANGE
GENERAL CAPITAL FUND
SERIAL BONDS PAYABLE
YEAR ENDED DECEMBER 31, 2016**

Date of Issue	Amount of Original Issue	Title of Issue	Maturities of Bonds Outstanding, December 31, 2015		Interest Rate	Balance December 31, 2015	Increased	Decreased	Balance December 31, 2016	
			Date	Amount						
3/20/2003	\$ 1,770,000.00	General Obligation Refunding Bonds, Series 2003	4/1/2017	\$ 150,000.00	5.40%	\$ 1,230,000.00	\$	\$ 130,000.00	\$ 1,100,000.00	
			4/1/2018	170,000.00	5.50%					
			4/1/2019	195,000.00	5.63%					
			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%					
				1,100,000.00						
2/15/2004	11,015,000.00	General Obligation Refunding Bonds, Series 2004	2/15/2017	1,070,000.00	5.00%	2,170,000.00		1,100,000.00	1,070,000.00	
4/21/2005	9,100,000.00	General Obligation Bonds, Series 2005				1,550,000.00		1,550,000.00		
7/15/2008	8,735,000.00	General Improvement Bonds, Series 2008	8/1/2017	900,000.00	3.50%	6,235,000.00		4,435,000.00	1,800,000.00	
			8/1/2018	900,000.00	3.75%					
				1,800,000.00						
5/18/2011	\$ 11,505,000.00	General Improvement Bonds, Series 2011 (\$11,275,000) Tax Apportionment Refunding Bonds, Series 2011 (\$230,000)	5/1/2017	800,000.00	3.00%	9,050,000.00		800,000.00	8,250,000.00	
			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%					
				6,250,000.00						
5/3/2016	17,391,000.00	General Improvement Bonds, Series 2016 (\$13,295,000) Open Space Bonds, Series 2016 (\$475,000) Special Assessment Bonds, Series 2016 (\$3,621,000)	2/1/2017	1,220,000.00	2.00%		17,391,000.00		17,391,000.00	
			2/1/2018	1,300,000.00	2.00%					
			2/1/2019	1,310,000.00	2.00%					
			2/1/2020	1,330,000.00	4.00%					
			2/1/2021	1,345,000.00	2.00%					
			2/1/2022	1,370,000.00	2.00%					
			2/1/2023	1,395,000.00	2.00%					
			2/1/2024	1,420,000.00	2.00%					
			2/1/2025	1,450,000.00	2.00%					
			2/1/2026	1,480,000.00	2.00%					
			2/1/2027	1,480,000.00	2.00%					
			2/1/2028	1,495,000.00	2.00%					
			2/1/2029	265,000.00	2.00%					
2/1/2030	275,000.00	2.25%								
2/1/2031	275,000.00	2.25%								
				17,391,000.00						
8/31/2016	3,805,000.00	General Obligation Refunding Bonds, Series 2016	8/1/2019	965,000.00	4.00%		3,805,000.00		3,805,000.00	
			8/1/2020	870,000.00	4.00%					
			8/1/2021	965,000.00	4.00%					
			8/1/2022	965,000.00	4.00%					
				3,805,000.00						
						\$ 20,235,000.00	\$ 21,198,000.00	\$ 8,015,000.00	\$ 33,418,000.00	
						Ref.	C	C-8	Below	C
						Current Fund Appropriation		C-8	4,080,000.00	
						Bond Refunding		C-10	3,935,000.00	
								Above	8,015,000.00	

See Independent Auditors' Report

TOWNSHIP OF WEST ORANGE
GENERAL CAPITAL FUND

SCHEDULE OF BOND ANTICIPATION NOTES
YEAR ENDED DECEMBER 31, 2016

Ordinance Number	Improvement Description	Original		Date of Issue	Date of Maturity*	Interest Rate	December 31, 2015	Increased	Decreased	December 31, 2016
		Amount	Date							
1122-92	Various Capital Improvements	\$ 90,000.00	10/22/13	10/19/2015	5/18/2016	1.25%	\$ 90,000.00	\$	\$ 90,000.00	\$
1374-96	Regional Contribution Agreements	1,325,000.00	10/22/13	10/19/2015	5/18/2016	1.25%	1,325,250.00		1,325,250.00	
1435-97	Various Capital Improvements	50,000.00	12/30/09	10/19/2015	5/18/2016	1.25%	39,605.26		39,605.26	
1760-01	Various Capital Improvements	150,000.00	10/22/13	10/19/2015	5/18/2016	1.25%	150,000.00		150,000.00	
1840-02	Various Capital Improvements	250,000.00	10/22/13	10/19/2015	5/18/2016	1.25%	250,000.00		250,000.00	
1905-03	Various Capital Improvements	30,000.00	12/01/08	5/19/2015	5/18/2016	2.00%	17,266.59		17,266.59	
		14,770.00	12/15/10	5/19/2015	5/18/2016	2.00%	13,574.75		13,574.75	
		60,000.00	10/22/13	10/19/2015	5/18/2016	1.25%	60,000.00		60,000.00	
2017-05	Storm Drainage Improvements	152,909.00	10/22/13	10/19/2015	5/18/2016	1.25%	152,909.00		152,909.00	
2018-05	Various Capital Improvements	150,000.00	12/15/10	5/19/2015	5/18/2016	2.00%	135,295.00		135,295.00	
2067-06	Redevelopment Study	327,500.00	10/22/13	10/19/2015	5/18/2016	1.25%	327,500.00		327,500.00	
2069-06	Various Capital Improvements	51,453.00	12/15/10	5/19/2015	5/18/2016	2.00%	39,615.66		39,615.66	
		110,000.00	10/22/13	10/19/2015	5/18/2016	1.25%	110,000.00		110,000.00	
2078-06	Various Capital Improvements	188,981.00	04/09/09	5/19/2015	5/18/2016	2.00%	136,903.60		136,903.60	
		200,000.00	12/30/09	10/19/2015	5/18/2016	1.25%	180,139.42		180,139.42	
		200,000.00	10/22/13	10/19/2015	5/18/2016	1.25%	200,000.00		200,000.00	
2125-07	Various Capital Improvements	50,000.00	04/09/09	5/19/2015	5/18/2016	2.00%	42,374.18		42,374.18	
		100,000.00	10/22/13	10/19/2015	5/18/2016	1.25%	100,000.00		100,000.00	
2133-07	Various Capital Improvements	400,000.00	04/09/09	5/19/2015	5/18/2016	2.00%	376,569.82		376,569.82	
		268,916.68	10/22/13	10/19/2015	5/18/2016	1.25%	268,916.68		268,916.68	
2166-08	Various Capital Improvements	400,000.00	12/30/09	10/19/2015	5/18/2016	1.25%	331,414.68		331,414.68	
2172-08	Various Capital Improvements	6,500,000.00	04/09/09	5/19/2015	5/18/2016	2.00%	592,236.68		592,236.68	
		850,000.00	10/22/13	10/19/2015	5/18/2016	1.25%	850,000.00		850,000.00	
2194-09	Consulting Study-New Communications Managing Equipment	95,000.00	7/29/2015	4/14/2016	4/13/2017	2.00%	95,000.00	95,000.00	95,000.00	95,000.00
2209-09	Various Capital Improvements	376,000.00	12/15/10	5/19/2015	5/18/2016	2.00%	266,881.64		266,881.64	
		300,000.00	05/24/11	5/19/2015	5/18/2016	2.00%	277,238.24		277,238.24	
		142,000.00	7/29/2015	4/14/2016	4/13/2017	2.00%	142,000.00	142,000.00	142,000.00	142,000.00
2211-09	Various Road Improvements	229,400.00	12/30/09	10/19/2015	5/18/2016	1.25%	193,178.96		193,178.96	
		150,000.00	12/15/10	5/19/2015	5/18/2016	2.00%	124,999.99		124,999.99	
		25,000.00	05/24/11	5/19/2015	5/18/2016	2.00%	23,684.21		23,684.21	
		25,000.00	07/20/15	4/14/2016	4/13/2017	2.00%	25,000.00	25,000.00	25,000.00	25,000.00
2214-09	Joint Meeting Capital Assessment	25,000.00	12/15/10	5/19/2015	5/18/2016	2.00%	24,050.62		24,050.62	
		45,594.00	07/20/15	4/14/2016	4/13/2017	2.00%	45,594.00	45,594.00	45,594.00	45,594.00
2216-09	Various Road Improvements	1,500,000.00	12/30/09	10/19/2015	5/18/2016	1.25%	1,188,158.00		1,188,158.00	
		233,750.00	12/15/10	5/19/2015	5/18/2016	2.00%	196,842.11		196,842.11	
2222-09	Upgrade of the Communications System	1,318,490.00	12/15/10	5/19/2015	5/18/2016	2.00%	991,414.61		991,414.61	
		296,510.00	05/23/12	5/19/2015	5/18/2016	2.00%	273,701.62		273,701.62	
2232-09	Various Capital Improvements	23,125.00	12/15/10	5/19/2015	5/18/2016	2.00%	19,490.60		19,490.60	
		10,000.00	05/24/11	5/19/2015	5/18/2016	2.00%	10,000.00		10,000.00	
		50,000.00	07/20/15	4/14/2016	4/13/2017	2.00%	50,000.00	50,000.00	50,000.00	50,000.00
2237-09	Various Capital Improvements	2,100,000.00	12/15/10	5/19/2015	5/18/2016	2.00%	1,763,157.88		1,763,157.88	
		100,000.00	05/24/11	5/19/2015	5/18/2016	2.00%	94,736.84		94,736.84	
		650,000.00	07/20/15	4/14/2016	4/13/2017	2.00%	650,000.00	650,000.00	650,000.00	650,000.00
2272-10	Various Capital Improvements	750,000.00	07/07/11	5/19/2015	5/18/2016	2.00%	705,595.02		705,595.02	
		320,650.00	07/20/15	4/14/2016	4/13/2017	2.00%	320,650.00	320,650.00	320,650.00	320,650.00
2278-10	Various Capital Improvements	10,000.00	07/07/11	5/19/2015	5/18/2016	2.00%	9,310.34		9,310.34	
		101,435.00	07/20/15	4/14/2016	4/13/2017	2.00%	101,435.00	101,435.00	101,435.00	101,435.00

TOWNSHIP OF WEST ORANGE
GENERAL CAPITAL FUND

SCHEDULE OF BOND ANTICIPATION NOTES
YEAR ENDED DECEMBER 31, 2016

Ordinance Number	Improvement Description	Original		Date of Issue	Date of Maturity*	Interest Rate	December 31, 2015	Increased	Decreased	December 31, 2016
		Amount	Date							
2290-10	Various Capital Improvements	1,500,000.00	07/07/11	5/19/2015	5/18/2016	2.00%	\$ 1,343,750.00	\$	\$ 1,343,750.00	\$
		482,840.00	07/20/15	4/14/2016	4/13/2017	2.00%	482,840.00	482,840.00	482,840.00	482,840.00
2299-10	Telecommunications Equipment	232,750.00	07/20/15	4/14/2016	4/13/2017	2.00%	232,750.00	232,750.00	232,750.00	232,750.00
2358-12	Llewellyn Park Sanitary Project	3,684,305.00	12/20/12	12/14/2015	6/16/2016	1.50%	3,621,859.00		3,621,859.00	
		550,000.00	07/20/15	4/14/2016	4/13/2017	2.00%	550,000.00	550,000.00	550,000.00	550,000.00
2375-13	Ridgeway Ave Park	475,000.00	10/20/12	10/19/2015	5/18/2016	1.25%	475,000.00		475,000.00	
2393-13	Tax Appeal Refunding	3,350,000.00	12/31/13	5/17/2016	5/16/2017	0.97%	1,675,000.00	837,500.00	1,675,000.00	837,500.00
2407-14	Various Capital Improvements	6,649,656.00	11/13/14	4/14/2016	4/13/2017	2.00%	6,649,656.00	6,649,656.00	6,649,656.00	6,649,656.00
2408-14	Replacement of Bleachers	57,000.00	11/13/14	4/14/2016	4/13/2017	2.00%	57,000.00	57,000.00	57,000.00	57,000.00
2400-15	Refunding Tax Appeals	2,284,702.00	12/14/15	5/17/2016	5/16/2017	0.97%	2,284,702.00	1,523,135.00	2,284,702.00	1,523,135.00
2450-15	Various Capital Improvements	5,998,280.00	09/09/16	9/9/2016	9/8/2017	2.00%		5,998,280.00		5,998,280.00
2463-15	Renovations to the Public Library	123,500.00	09/09/16	9/9/2016	9/8/2017	2.00%		123,500.00		123,500.00
2475-16	Various Capital Improvements	150,000.00	12/29/16	12/29/16	5/16/2017	1.75%		1,500,000.00		1,500,000.00
							<u>\$ 30,754,248.00</u>	<u>\$ 19,384,340.00</u>	<u>\$ 30,754,248.00</u>	<u>\$ 19,384,340.00</u>
						Ref.	C			C
	Bond Anticipation Notes Issued						C-2, C-12	\$ 7,621,780.00	\$	
	Bond Anticipation Notes Reissued						Contra	7,827,550.00	7,827,550.00	
	Amounts refunded by bond issuance						C-7	3,935,000.00		
	Payment of BAN Principal by budget appropriation						C-7		1,600,698.00	
	Payment of BAN Principal by issuance of serial bonds						C-7		21,196,000.00	
	Payment of BAN Principal by issuance of serial bonds - redemption premium						C-7		130,000.00	
							Above	<u>\$ 19,384,330.00</u>	<u>\$ 30,754,248.00</u>	

TOWNSHIP OF WEST ORANGE
GENERAL CAPITAL FUND

IMPROVEMENT AUTHORIZATIONS
YEAR ENDED DECEMBER 31, 2016

Ordinance Number	Improvement Description	Original Date	Balance December 31, 2015		2016 Authorizations	Paid or Charged	Balance December 31, 2016	
			Funded	Unfunded			Funded	Unfunded
1122-92	Various Capital Improvements	08/18/92	\$ 13,535.12	\$ 95,780.49	\$	\$	\$ 109,315.61	\$
1374-96	Regional Contribution Agreement	02/06/96		181,012.66		126,429.91	54,582.75	
1760-01	Various Capital Improvements	04/10/01		8,115.16		0.16	8,115.00	
1823-02	Joint Meeting-Capital Assessment	06/25/02		243.00		243.00		
1840-02	Various Capital Improvements	09/03/02		29,222.90		27,243.10	1,979.80	
1866-03	Various Capital Improvements	04/22/03		1,085.00			1,085.00	
1905-03	Various Capital Improvements	09/23/03		6,129.61		961.54	5,168.07	
2017-05	Storm Drainage Improvements	07/19/05		136,621.29		27,088.87	109,532.42	
2018-05	Various Capital Improvements	06/14/05		292.58			292.58	
2019-05	Various Road Improvements	06/14/05		273.67		273.67		
2050-05	Joint Meeting-Capital Assessment	12/20/05	32,387.44			32,328.44	59.00	
2055-06	Improvements at Stagg Field	03/21/06		3,343.38		3,343.38		
2067-06	Redevelopment Study	03/21/06		337,573.35		7,680.12	329,893.23	
2069-06	Various Capital Improvements	04/11/06		2,242.42		2,002.30	240.12	
2070-06	Various Road Improvements	04/11/06		435.00			435.00	
2078-06	Various Capital Improvements	06/27/06		164,545.97			164,545.97	
2125-07	Various Capital Improvements	03/20/07		14,585.06			14,585.06	
2127-07	Various Capital Improvements	04/10/07		65,171.65			65,171.65	
2133-07	Various Capital Improvements	05/22/07		136,645.22		3,929.28	132,715.94	
2160-07	Acquisition of a Mobile Communications System	01/08/08		4,570.01		4,570.01		
2166-08	Various Capital Improvements	04/29/08		51,697.80			51,697.80	
2172-08	Various Capital Improvements	06/10/08		348,510.38		72,124.23	276,386.16	
2176-08	Consulting Study-New Communications System	06/24/08		2,417.62			2,417.62	
2209-09	Various Capital Improvements	05/12/09		40,812.79		152.58		40,660.21
2211-09	Various Road Improvements	05/26/09		21,421.06				21,421.06
2216-09	Various Road Improvements	06/30/09		565.55		276.37	289.18	
2222-09	Upgrade to the Communications Systems	08/11/09		6,536.67			6,536.67	
2232-09	Various Capital Improvements	09/15/09		15,400.00				15,400.00
2237-09	Various Capital Improvements	10/13/09		59,026.25				59,026.25
2272-10	Various Capital Improvements	06/29/10		263,001.22				263,001.22
2278-10	Various Capital Improvements	09/14/10		108,480.00				108,480.00
2290-10	Various Capital Improvements	10/12/10		97,946.96		298.18		97,648.78
2299-10	Telecommunications System	01/15/11		22,887.51				22,887.51
2354-12	Edison Redevelopment	03/20/12		6,300,000.00				6,300,000.00
2358-12/2409-14	Llewellyn Park Sanitation Project	06/12/12		135,771.79		45,146.96		90,624.83
2366-12	Various Capital Improvements	12/18/12		63,605.36		29,619.35		33,986.01
2375-13	Ridgeway Avenue Park	05/21/13		53,994.04				53,994.04
2407-14	Various Capital Improvements	05/06/14		1,618,124.08		693,890.51		924,233.57
2408-14	Replacement of Bleachers	05/06/14		9,226.51				9,226.51
2450-15	Various Capital Improvements	02/24/15		4,667,550.85		3,297,096.07		1,370,454.78
2474-16	General Improvements	02/09/16			375,000.00	373,008.02		1,991.98
2475-16	Various Capital Improvements	02/09/16			7,378,635.00	3,515,312.97		3,863,322.03
2485-16	Various Capital Improvements	06/14/16			4,600,000.00	3,935,000.00		665,000.00
2487-16	Various Capital Improvements	06/28/16			850,000.00	308,231.82		541,768.18
			<u>\$ 45,922.56</u>	<u>\$ 15,074,865.07</u>	<u>\$ 13,203,635.00</u>	<u>\$ 12,506,250.84</u>	<u>\$ 1,335,044.83</u>	<u>\$ 14,483,126.96</u>

Ref.	C	C	Below	Below	C	C
Deferred Charges Unfunded		Ref.	\$ 12,791,906.00			
Capital Improvement Fund		C-7	411,729.00			
		C-11	<u>\$ 13,203,635.00</u>			
		Ref.				
Cash Disbursements		C-2	\$ 8,571,250.84			
Bond Refunding		C-8	3,935,000.00			
		Above	<u>\$ 12,506,250.84</u>			

TOWNSHIP OF WEST ORANGE
GENERAL CAPITAL FUND

C-11

CAPITAL IMPROVEMENT FUND
YEAR ENDED DECEMBER 31, 2016

	<u>Ref.</u>	
Balance, December 31, 2015	C	\$ 321.96
Increased by Receipts:		
Budget Appropriation	C-2	<u>500,000.00</u>
		500,321.96
Decreased by Funding of Ordinances:		
Improvement Authorizations	C-10	<u>411,729.00</u>
Balance, December 31, 2016	C	<u><u>\$ 88,592.96</u></u>

**TOWNSHIP OF WEST ORANGE
GENERAL CAPITAL FUND**

**BONDS AND NOTES AUTHORIZED BUT NOT ISSUED
YEAR ENDED DECEMBER 31, 2016**

<u>Ordinance Number</u>	<u>Improvement Description</u>	Balance December 31, <u>2015</u>	2016 <u>Authorizations/Transfers</u>	Debt <u>Issued</u>	Balance December 31, <u>2016</u>
2354-12	Edison Redevelopment	\$ 6,300,000.00	\$	\$	\$ 6,300,000.00
2450-15	Various Capital Improvements	5,998,280.00		5,998,280.00	
2463-15	Renovations to Library	123,500.00		123,500.00	
2474-16	General Improvements		357,140.00		357,140.00
2475-16	Various Capital Improvements		7,027,266.00	1,500,000.00	5,527,266.00
2485-16	Various Capital Improvements		4,600,000.00	3,935,000.00	665,000.00
2487-16	Various Capital Improvements		807,500.00		807,500.00
		<u>\$ 12,421,780.00</u>	<u>\$ 12,791,906.00</u>	<u>\$ 11,556,780.00</u>	<u>\$ 13,656,906.00</u>
<u>Ref.</u>	C		C-7	C-9	C

TOWNSHIP OF WEST ORANGE
GENERAL CAPITAL FUND

C-13

STATE GRANTS RECEIVABLE
YEAR ENDED DECEMBER 31, 2016

	<u>Ref.</u>	
Balance, December 31, 2016 and 2015	C	<u>\$ 1,553,338.99</u>
<u>Analysis of Balance:</u>	<u>ORD#</u>	
Green Acres Matching Grant	1992-04	\$ 103,270.02
West Orange Board of Education	1896-03	105,000.00
West Orange Board of Education	2125-07	46,666.70
NJ Transportation Trust Fund-Byrne Road	2209-09	35,210.90
NJ Transportation Trust Fund-Undercliff Terrace	2209-09	62,500.00
West Orange Board of Education	2237-09	<u>1,200,691.37</u>
Balance, December 31, 2016 and 2015	C	<u>\$ 1,553,338.99</u>

**TOWNSHIP OF WEST ORANGE
GENERAL CAPITAL FUND**

C-14

**NJEPA TRUST AND FUND LOAN RECEIVABLE
YEAR ENDED DECEMBER 31, 2016**

	<u>Ref.</u>	
Balance, December 31, 2015	C	\$ 1,638,618.00
Decreased by:		
Cash Receipts	C-2	\$ 141,864.00
Adjustments	C-6	<u>1,212,484.00</u>
		<u>1,354,348.00</u>
Balance, December 31, 2016	C	<u>\$ 284,270.00</u>

**RESERVE FOR GRANTS RECEIVABLE
YEAR ENDED DECEMBER 31, 2016**

C-15

	<u>Ref.</u>	
Balance, December 31, 2015	C	\$ 1,553,338.69
Decreased by:		
Adjustments	C-5	\$ 61,637.34
Utilized as revenue in 2016 budget	C-2	<u>36,073.26</u>
		<u>97,710.60</u>
Balance, December 31, 2016	C	<u>\$ 1,455,628.09</u>

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

D-4

**SCHEDULE OF CASH - TREASURER
YEAR ENDED DECEMBER 31, 2016**

	<u>Ref.</u>		
Balance, December 31, 2015	D		\$ 53,122.13
Increased by Receipts:			
Membership Fees	D-2	\$ 211,030.00	
Miscellaneous Revenue Anticipated	D-2	<u>72,242.00</u>	
			<u>283,272.00</u>
			336,394.13
Decreased by Disbursements:			
Appropriations	D-3	253,234.13	
Transfer to Current Fund	D-1	<u>4,500.00</u>	
			<u>257,734.13</u>
Balance, December 31, 2016	D		<u><u>\$ 78,660.00</u></u>

TOWNSHIP OF WEST ORANGE
SWIMMING POOL UTILITY FUND

D-5

SCHEDULE OF FIXED CAPITAL
YEAR ENDED DECEMBER 31, 2016

	<u>Ref.</u>	
Balance, December 31, 2016 and 2015	D	<u>\$ 523,433.15</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>\$ 523,433.15</u>

TOWNSHIP OF WEST ORANGE
SWIMMING POOL UTILITY FUND

SCHEDULE OF RESERVE FOR AMORTIZATION
YEAR ENDED DECEMBER 31, 2016

	<u>Ref.</u>	
Balance, December 31, 2016 and 2015	D	<u>\$ 523,433.15</u>

**TOWNSHIP OF WEST ORANGE
PUBLIC ASSISTANCE FUND**

**STATEMENT OF REVENUES
REGULATORY BASIS
YEAR ENDED DECEMBER 31, 2016**

E-3

	<u>Ref</u>	
State Aid Payments	E-2	\$ 228,112.17
Supplemental Security Income:		
State Refund	E-2	<u>6,558.00</u>
		<u><u>\$ 234,670.17</u></u>

**STATEMENT OF EXPENDITURES
REGULATORY BASIS
YEAR ENDED DECEMBER 31, 2016**

E-4

	<u>Ref</u>	
Maintenance Payments		\$ 140,352.20
Other:		
Temporary Rental Assistance		55,625.00
Emergency Services		<u>32,134.97</u>
	E-6	228,112.17
Supplemental Security Income	E-6	<u>6,558.00</u>
	E-2	<u><u>\$ 234,670.17</u></u>

**TOWNSHIP OF WEST ORANGE
PUBLIC ASSISTANCE FUND**

**RECEIPTS AND DISBURSEMENTS
YEAR ENDED DECEMBER 31, 2016**

	<u>Ref.</u>	<u>Trust Fund Account #1</u>		<u>Trust Fund Account #2</u>	
Balance, December 31, 2015	E	\$	\$ 1,553.99	\$	\$
Increase by:					
Due from State of New Jersey	E-6			234,670.17	
Due from Current Fund	E-7	4,393.69			
			<u>4,393.69</u>		<u>234,670.17</u>
			5,947.68		234,670.17
Decreased by:					
Supplemental Security Income Reimbursements	E-6			234,670.17	
Due to Current Fund	E-7	4,393.69	4,393.69		234,670.17
			<u>4,393.69</u>		<u>234,670.17</u>
Balance, December 31, 2016	E		<u>\$ 1,553.99</u>		<u>\$</u>

**TOWNSHIP OF WEST ORANGE
PUBLIC ASSISTANCE FUND**

E-6

**DUE FROM (TO) STATE OF NEW JERSEY
YEAR ENDED DECEMBER 31, 2016**

	<u>Ref.</u>	<u>Trust Fund Account #2</u>	
Balance December 31, 2015	E		\$
Increased by:			
2016 State Aid Allotments	E-5	\$ 228,112.17	
Supplemental Security Income Reimbursements	E-5	<u>6,558.00</u>	<u>234,670.17</u>
			234,670.17
Decreased by:			
Collections:			
State Aid Allotments	E-5	228,112.17	
Supplemental Security Income Reimbursements	E-5	<u>6,558.00</u>	<u>234,670.17</u>
			234,670.17
Balance December 31, 2016	E		<u><u>\$</u></u>

TOWNSHIP OF WEST ORANGE
PUBLIC ASSISTANCE FUND

E-7

DUE TO CURRENT FUND
YEAR ENDED DECEMBER 31, 2016

	<u>Ref.</u>	
Balance, December 31, 2015	E	\$
Increased by:		
Receipts	E-1, E-5	4,393.69
Decreased by:		
Disbursements	E-1, E-5	<u>4,393.69</u>
Balance, December 31, 2016	E	<u>\$</u>

**TOWNSHIP OF WEST ORANGE
ESSEX COUNTY, NEW JERSEY**

PART III

SINGLE AUDIT SECTION



**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 and Members of
the Township Council
Township of West Orange
County of Essex
West Orange, New Jersey**

We have audited, in accordance with the auditing standards generally accepted in the United States of America, the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States and the audit requirements prescribed by the Division of Local Government Services, Department of Community Affairs, State of New Jersey (the "Division"), 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, 2016, and the related notes to the financial statements, which collectively comprise the Township's basic financial statements, and have issued our report thereon dated May 26, 2017, in which we expressed an adverse opinion on the conformity of the statements with accounting principles generally accepted in the United States of America due to the differences between those principles and the financial reporting provisions of the Division.

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. We did not identify any deficiencies in internal control.

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*. We noted certain matters that we reported to management of the Township incorporated herein the schedule of findings and questions costs.

The Township responses to the findings identified in our audit are described in the accompanying schedule of findings and questioned costs. We did not audit the Township's response and accordingly, we express no opinion on it.

Purpose of this Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the entity's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the entity's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

Livingston, New Jersey
May 19, 2017

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



Report on Compliance For Each Major Federal Program and Report on Internal Control Over Compliance and Required by The Uniform Guidance

Independent Auditors' Report

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

Report on Compliance for Each Major Federal Program

We have audited the Township of West Orange, Essex County, New Jersey's (the "Township") compliance with the types of compliance requirements described in the *OMB Uniform Guidance* that could have a direct and material effect on each of the Township's major federal programs for the year ended December 31, 2016. The Township's major federal 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 federal statutes, regulations, and the terms and conditions of its federal awards applicable to its federal programs.

Auditor's Responsibility

Our responsibility is to express an opinion on compliance for each of the Township's major federal 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; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and the Audit requirements of Title 2 U.S. Code of Federal Regulations Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* ("*Uniform Guidance*"). Those standards and the Uniform Guidance 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 federal 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 federal program. However, our audit does not provide a legal determination of the Township's compliance.

Opinion on Each Major Federal 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 federal programs for the year ended December 31, 2016.

Other Matters

The results of our audit procedures disclosed instances of noncompliance, which are required to be reported in accordance with the Uniform Guidance and which are described in the accompanying schedule of findings and questioned costs as item 2016-001. Our opinion on the major federal program is not modified with respect to these matters.

The Township's response to the noncompliance findings identified in our audit is described in the accompanying schedule of findings and questioned costs. The Township's response was not subjected to the auditing procedures applied in the audit of compliance and, accordingly, we express no opinion on the response.

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 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 Uniform Guidance, 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 or state 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 or state 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 Uniform Guidance. Accordingly, this report is not suitable for any other purpose.

May 26, 2017
Livingston, New Jersey

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

**TOWNSHIP OF WEST ORANGE
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
THROUGH DECEMBER 31, 2015**

Federal Funding Department and Description	Grant Number	C.F.D.A. Number	Pass Through Entity Identifying Number	Passed Through to Sub Recipients	Award Amount	2016 Funds Received	12/31/16 Expenditures	Balance Dec. 31, 2016	Cumulative Program Expenditures
U.S. Department of Housing and Urban Development (B)									
Community Development Block Grant:									
Housing Choice Voucher Program	NJ39V-108	14.871			\$ 1,264,153.55	\$ 1,264,153.55	\$ 1,264,153.55		\$ 1,264,153.55
Housing Choice Voucher Program	NJ39V-108	14.871			1,250,000.00		16,869.69		1,250,000.00
					<u>2,514,153.55</u>	<u>1,264,153.55</u>	<u>1,281,023.24</u>		<u>2,514,153.55</u>
<u>Passed Through County of Essex:</u>									
<u>Housing and Urban Development:</u>									
Community Development Block Grant:									
Program Year 2016	B-12-UC-34-0101	14.218	22-6002433		240,000.00	240,000.00	240,000.00		240,000.00
					<u>240,000.00</u>	<u>240,000.00</u>	<u>240,000.00</u>		<u>240,000.00</u>
Total U.S. Department of Housing and Urban Development					<u>2,754,153.55</u>	<u>1,504,153.55</u>	<u>1,521,023.24</u>		<u>2,754,153.55</u>
U.S. Department of Justice (A)									
<u>Passed Through the New Jersey Department of Justice</u>									
<u>Office of Juvenile Justice and Delinquency Prevention</u>									
COPS in Shops	Not available	16.727			14,652.03			364.58	14,287.48
<u>Bureau of Justice Assistance</u>									
Bullet Proof Vest Partnership	Not available	16.607			11,692.37	7,303.56	1,765.98	8,385.94	9,692.64
Total U.S. Department of Justice					<u>26,344.40</u>	<u>7,303.56</u>	<u>1,765.98</u>	<u>8,750.52</u>	<u>23,980.12</u>
U.S. Department of Transportation (A)									
<u>Passed Through New Jersey Department of Transportation</u>									
<u>National Highway Traffic Safety Administration</u>									
Driver Sober or Get Pulled Over	Not available	20.601	078-6320-480		3,089.73			3,089.73	1,910.27
Pedestrian Safety Enforcement	PS094660118	20.205	078-6320-480		8,000.00			8,000.00	
StreetScape Various 2015	Not available	20.600	078-6320-480		367,634.47			219,390.61	296,487.72
Total U.S. Department of Transportation					<u>378,724.20</u>			<u>230,480.34</u>	<u>298,397.99</u>
U.S. Department of Homeland Security (A)									
<u>Passed Through the New Jersey Office of Homeland Security and Preparedness</u>									
<u>Federal Emergency Management Agency</u>									
Hazardous Mitigation Grant	Not available	97.039			375,000.00			375,000.00	
SAFER Grant	Not available	97.083			425,948.51	10,411.49		10,411.49	851,897.02
<u>Science and Technology</u>									
CTTEC Grant - Active Shooter Scenario	505036-78052	97.061			110,702.53	42,549.53	9,828.08	33,310.25	67,294.09
Total U.S. Department of Homeland Security					<u>911,651.04</u>	<u>52,961.02</u>	<u>9,828.08</u>	<u>418,721.74</u>	<u>919,191.11</u>
					<u>\$ 4,070,873.19</u>	<u>\$ 1,564,418.13</u>	<u>\$ 1,532,617.30</u>	<u>\$ 657,952.60</u>	<u>\$ 3,995,722.77</u>

Legend (References)

A - Current Fund

B- Trust Fund

See Notes to Schedule of Expenditures of Federal Awards

TOWNSHIP OF WEST ORANGE
NOTES TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
YEAR ENDED DECEMBER 31, 2016

1. General

The accompanying schedule of expenditures of federal awards present the activity of all federal awards programs of the Township of West Orange. The Township is defined in Note 1 to the Township's financial statements. All federal awards received directly from federal agencies, as well as federal awards passed through other government agencies is included on the schedule of expenditures of federal awards.

2. Basis of Accounting

The accompanying schedule of expenditures of federal awards is presented using the regulatory basis of accounting prescribed by the Division of Local Government Services, Department of Community Affairs, State of New Jersey, which is described in Note 1, Summary of Significant Accounting Policies, of the Township's financial statements. The information in the schedule of expenditures of federal awards is presented in accordance with OMB Uniform Guidance.

3. Relationship to Basic Regulatory-Basis Financial Statements

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

4. Indirect Cost Rate

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

TOWNSHIP OF WEST ORANGE
SUPPLEMENTARY INFORMATION
FINANCIAL DATA SCHEDULE -
BALANCE SHEET
SECTION 8 HOUSING CHOICE VOUCHER PROGRAM
FOR THE YEAR ENDED DECEMBER 31, 2016

<u>Line Item No./Description</u>	<u>14.871 Housing Choice Vouchers</u>	<u>Total</u>
Cash	<u>\$ 124,516.87</u>	<u>\$ 124,516.87</u>
Reserve for Grant Expenditures	<u>\$ 124,516.87</u>	<u>\$ 124,516.87</u>

See Notes to Schedule of Expenditures of Federal Awards

TOWNSHIP OF WEST ORANGE

SUPPLEMENTARY INFORMATION

FINANCIAL DATA SCHEDULE -

SCHEDULE OF CHANGES TO RESERVE

SECTION 8 HOUSING CHOICE VOUCHER PROGRAM

FOR THE YEAR ENDED DECEMBER 31, 2016

<u>Line Item No./Description</u>	<u>14.871 Housing Choice Vouchers</u>	<u>Total</u>
Grant Awards	\$ 1,281,606.93	\$ 1,281,606.93
Prepaid Advances	100,386.00	100,386.00
	<u>1,381,992.93</u>	<u>1,381,992.93</u>
Choice Housing Voucher Payments	<u>1,281,023.24</u>	<u>1,281,023.24</u>
Excess of Revenue over Payments	100,969.69	100,969.69
Beginning Reserve	<u>23,547.18</u>	<u>23,547.18</u>
Ending Reserve	<u>\$ 124,516.87</u>	<u>\$ 124,516.87</u>

See Notes to Schedule of Expenditures of Federal Awards

**TOWNSHIP OF WEST ORANGE
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
YEAR ENDED DECEMBER 31, 2016**

Section I – Summary of Auditor’s Results

Financial Statements

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

Internal control over financial reporting:

- 1) Material weakness(es) identified _____ Yes X No
- 2) Significant deficiency(ies) that are not considered to be material weakness(es)? _____ Yes X None

Noncompliance material to the financial statements noted? _____ Yes X No

Federal Awards Section

Internal Control over major programs:

- 1) Material weakness(es) identified _____ Yes X No
- 2) Significant deficiency(ies) that are not considered to be material weakness(es)? _____ Yes X No

Type of auditor’s report used on compliance for major programs Unmodified

Any audit findings disclosed that are required to be reported in accordance with Uniform Guidance _____ Yes X No

Identification of major programs:

<u>CFDA Number(s)</u>	<u>Name of Federal Program or Cluster</u>
14.871	Section 8 Housing Choice Vouchers

Dollar threshold used to distinguish between Type A and Type B Programs \$750,000

Auditee qualified as low-risk auditee? X Yes _____ No

**TOWNSHIP OF WEST ORANGE
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
YEAR ENDED DECEMBER 31, 2016**

Part II – Schedule of Financial Statement Findings

No financial statement findings noted that are required to be reported under *Government Auditing Standards*.

**TOWNSHIP OF WEST ORANGE
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
YEAR ENDED DECEMBER 31, 2016**

Part III – Schedule of Federal Award Findings and Questioned Costs

**Instance of Non-Compliance – Reporting – Financial Reports (OMB No. 2535-0107)
2016-01**

Federal Programs

Department of Housing and Urban Development - Section 8 Housing Choice Vouchers CFDA #14.871

Criteria: The Uniform Financial Reporting Standards (24 CFR section 5.801) requires the Township to submit timely GAAP-based unaudited and audited financial information electronically in a manner prescribed by HUD. The Township is required by regulation to submit their fiscal year-end financial information to HUD through the Financial Assessment Subsystem for Public Housing (FASS-PH).

Statement of Condition: The Township is not submitting their financial information through the FASS-PH system as required.

Questioned Costs: None

Context: During our testing of reporting compliance requirements, we noted that the Township did not comply with HUD regulations regarding submission of their financial information as the submissions were not being made.

Cause and Effect: 24 CFR 982.152(d) allows HUD to sanction the Township by reducing the Township's administrative fee if the Township fails to perform its administrative responsibilities correctly. The sanction will be calculated beginning the first day of the month following the submission closing due date. The monthly penalty will continue until such time as the Township complies with the reporting requirements or a waiver is granted. The imposition of such penalties represents a permanent reduction in funding for administrative fees for the calendar year that shall not be reversed.

Recommendation: The Township should submit their unaudited financial data no later than nine months after the Township's fiscal year end.

Views of Responsible Officials and Planned Corrective Action:

**TOWNSHIP OF WEST ORANGE
SUMMARY SCHEDULE OF PRIOR YEAR AUDIT FINDINGS
YEAR ENDED DECEMBER 31, 2016**

No prior year findings were noted.

**TOWNSHIP OF WEST ORANGE
ESSEX COUNTY, NEW JERSEY**

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PART IV

**SUPPLEMENTARY DATA AND SCHEDULES –
OTHER SUPPLEMENTARY INFORMATION –
AS REQUIRED BY THE DIVISION OF LOCAL GOVERNMENT SERVICES**

**TOWNSHIP OF WEST ORANGE
COUNTY OF ESSEX, NEW JERSEY
YEAR ENDED DECEMBER 31, 2016**

COMMENTS

An audit of the financial accounts and transactions for the Township of West Orange, County of Essex, New Jersey, for the year ended December 31, 2016, has recently been completed. The results of the audit are herewith set forth:

Scope of Audit

The audit covered the financial transactions of the Tax Collector and Treasurer, the activities of the Mayor and Township Council and the records of various outside departments.

Cash and investment balances were reconciled with independent certifications obtained directly from the depositories.

Revenues and receipts were established and verified as to source and amount insofar as the records permitted on a test basis.

Our audit was made in accordance with auditing standards generally accepted in the United States and in compliance with the audit requirements prescribed by the Division of Local Government Services, Department of Community Affairs, State of New Jersey ("Division"). Therefore, our audit included the procedures noted above as well as tests of the accounting records and such other auditing procedures as we considered necessary in the circumstances.

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

N.J.S.A. 40A:11-4, as amended states "Every contract or agreement, for the performance of any work or the furnishing or hiring of any materials or supplies, the cost or the contract price whereof is to be paid with or out of public funds not included within the terms of Section 3 of this act, shall be made or awarded only by the Governing Body of the contracting unit after public advertising for bids and bidding therefore, except as is provided otherwise in this act or specifically by any other law. No work, materials or supplies shall be undertaken, acquired or furnished for a sum exceeding in the bid threshold as set forth in New Jersey Statute 40A:11-4". The bidding threshold for the period under audit was \$17,500 in accordance with the provisions of N.J.S.A. 40A:11-3a since the Township does not have a qualified purchasing agent.

The Township Council has the responsibility of determining whether the expenditures in any category will exceed the threshold set for the fiscal year and, where question arises as to whether any contract or agreement might result in violation of the statute, the opinion of the Township Attorney should be sought before a commitment is made.

Notwithstanding N.J.S.A. 40A:11-3a, P.L. 2005, Chapter 51 and N.J.S.A. 19:44A-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 or 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.

The minutes indicate that bids were requested by public advertising for all required purchases.

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.

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

**TOWNSHIP OF WEST ORANGE
COUNTY OF ESSEX, NEW JERSEY
YEAR ENDED DECEMBER 31, 2016**

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, "Except 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 fifteen percent of the bid threshold or \$2,625, at least two quotations as to the cost or price, 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."

Reference is made to the Local Public Contract Guidelines and Local Public Contract Regulations (1977) promulgated by the New Jersey Division of Local Government Services in the Department of Community Affairs.

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.

Collection of Interest on Delinquent Taxes and Assessments

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.

Purchase Order System and Encumbrance System

The Township's budgetary operation is on a full encumbrance system with the exception of payrolls and other direct costs. All purchases are made directly by the purchasing department or subsequently confirmed on an emergency basis. Tests of the system disclosed no exceptions during 2016. Blanket orders and other outstanding encumbrances were reviewed at the close of the year, and adjustments and cancellations were made where appropriate to reflect actual commitments outstanding for budgetary control.

**TOWNSHIP OF WEST ORANGE
COUNTY OF ESSEX, NEW JERSEY
YEAR ENDED DECEMBER 31, 2016**

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 rolls.

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

Payment of Claims

The examination 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. Authorization for payment of claims is delegated to the Chief Financial Officer and bill lists are submitted to the Township Council for approval and recorded as a supplement to the official minutes.

Claims were examined on a test basis for the year under audit and the following opportunity for improvement was noted.

In accordance with N.J.A.C. 5:30-5.3, a certification of availability of funds must be made prior to any commitment of rendered services or purchased goods. Certain departments had confirming orders and thus a commitment of funds prior to the certification to availability of funds.

- 1.) We recommend that all requisitions are submitted prior to any commitment of services to avoid confirming orders.

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 loses 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.

**TOWNSHIP OF WEST ORANGE
COUNTY OF ESSEX, NEW JERSEY
YEAR ENDED DECEMBER 31, 2016**

Status of Prior Years' Audit Recommendation

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 plan was prepared for items found in the CY 2015 Report on Examination of Accounts.

A review was performed on all prior years' recommendations and corrective action was taken on all.

Miscellaneous

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

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 the basis of a statistical sampling of claims approved and paid. No attempt was made in this connection to establish proof of prices or receipts of materials, these elements being left necessarily to internal review in connection with approval of claims.

The propriety of deductions from employees' individual gross salaries for pensions, withholding tax, social security and other purposes was not verified as part of this examination. Remittances to authorized agencies of the amounts deducted were ascertained.

The totals of outstanding checks shown in the Cash Reconciliations appearing herein are in agreement with the records in the Office of the Township Treasurer as well as with independent verifications made part of this examination.

A copy of this report was filed with the State of New Jersey, Director of the Division of Local Government Services, Department of Community Affairs.

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

**TOWNSHIP OF WEST ORANGE
COUNTY OF ESSEX, NEW JERSEY
YEAR ENDED DECEMBER 31, 2016**

Comparative Schedule of Tax Rate Information

	2016	2015	2014
Tax Rate	<u>\$ 3.89</u>	<u>\$ 3.82</u>	<u>\$ 3.74</u>
Apportionment of Tax Rate:			
Municipal	0.927	0.910	0.891
Minimum Library Tax	0.035	0.034	0.034
County	0.540	0.520	0.514
School	2.369	2.335	2.285
Municipal - Open Space	0.003	0.002	0.002
County - Open Space	0.016	0.015	0.016
	<u>\$ 3.89</u>	<u>\$ 3.82</u>	<u>\$ 3.74</u>
Assessed Valuation	<u>\$ 5,599,688,525</u>	<u>\$ 5,601,313,855</u>	<u>\$ 5,602,146,397</u>

Comparison of Tax Levies and Collections

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

<u>Year</u>	<u>Tax Levy</u>	<u>Cash Collections</u>	<u>Percent of Collections</u>
2016	\$ 218,449,817.06	\$ 215,704,861.98	98.74%
2015	214,069,446.45	211,159,561.28	98.64%
2014	210,119,103.25	207,172,935.47	98.60%

**TOWNSHIP OF WEST ORANGE
COUNTY OF ESSEX, NEW JERSEY
YEAR ENDED DECEMBER 31, 2016**

Delinquent Taxes and Tax Title Liens

The delinquent taxes contained in the following tabulation are inclusive in each case, of delinquent taxes of the current year's levy. This tabulation includes a comparison, expressed in percentage, of the total of delinquent taxes and tax title liens, in relation to the tax levies of the last three years.

<u>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>
2016	\$ 39,086.54	\$2,568,921.50	\$2,608,008.04	1.19%
2015	1,088,852.87	2,474,569.33	3,563,422.20	1.66
2014	895,340.57	2,267,368.68	3,162,709.25	1.51

The last tax sale was held via the internet on October 19, 2016 and was complete.

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

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

<u>Years</u>	<u>Tax Title Liens</u>
2016	9
2015	12
2014	12

Property Acquired by Tax Title Lien Liquidation

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

<u>Years</u>	<u>Amount</u>
2016	\$ 1,652,465
2015	392,465
2014	392,465

Equalized Valuations – Real Property

<u>Year</u>	<u>Amount</u>
2016	\$ 6,043,723,568
2015	5,954,687,114
2014	5,752,114,585

**TOWNSHIP OF WEST ORANGE
COUNTY OF ESSEX, NEW JERSEY
YEAR ENDED DECEMBER 31, 2016**

Comparison of Sewer Utility Levies and Collections

<u>Year</u>	<u>Levy</u>	<u>Cash Collections(*)</u>	<u>Percentage of Collection</u>
2016	\$ 7,055,299.92	\$ 6,886,119.87	97.60%
2015	5,034,383.94	5,056,608.79	100.44%
2014	5,026,284.35	5,025,159.89	99.98%

* Includes collection of prior year receivables

Comparative Schedule of Fund Balances

Current Fund

<u>Year</u>	<u>Balance December 31</u>	<u>Utilized in Budget of Succeeding Year</u>
2016	\$ 4,415,550.88	\$ 3,012,278.52
2015	3,418,848.03	2,898,302.12
2014	3,503,499.81	2,898,302.12

Swimming Pool Utility Fund

<u>Year</u>	<u>Balance December 31</u>	<u>Utilized in Budget of Succeeding Year</u>
2016	\$ 40,437.13	\$ 16,055.00
2015	53,122.13	43,152.73
2014	48,307.99	46,664.98

Bonded Officials

The following officials were bonded during the year ended December 31, 2016 through policies issued by Western Surety Company:

<u>Name</u>	<u>Title</u>	<u>Amount</u>
Heather Prokop	Municipal Court Adm.	\$ 75,000
Joanne Gagliardo	Tax Collector	720,000
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.

TOWNSHIP OF WEST ORANGE

- -

COMMENTS AND RECOMMENDATIONS

YEAR ENDED DECEMBER 31, 2016

TOWNSHIP OF WEST ORANGE

- -

COMMENTS AND RECOMMENDATIONS

YEAR ENDED DECEMBER 31, 2016

Untimely Payment of Judgments

FINDING: Our audit procedures noted instances where judgments were not paid to the taxpayer within sixty days as required by state statute.

RECOMMENDATION: It is recommended that Township's management continue to monitor the timeliness of payment of judgments to ensure compliance with state statute.

Bank Reconciliations

FINDING: Our audit procedures noted that the monthly bank reconciliations did not contain evidence of a formal review and approval process.

RECOMMENDATION: It is recommended that each bank reconciliation review be documented with the initials or signature of the reviewer and the date on which the review was performed.

Municipal Court

FINDING: During our audit procedures over the municipal court, we identified the following:

- Multiple instances where the amounts collected for the municipal portion was not paid in full to the Finance Office without proper documentation explaining why the full amount was not remitted.
- Multiple instances where bail and general amounts were deposited to an improper account based on the nature of the activity.
- Two hundred and twenty seven tickets were assigned but not issued over 180 days as of December 31, 2016.
- Seventy three tickets were issued and not assigned as of December 31, 2016.
- Multiple instances where the Court was unable to provide support for time payments recorded.
- Multiple instances where the Court was unable to provide support for reconciling items on the correlating bank reconciliation.

RECOMMENDATION: It is recommended that the Court continue to monitor activity of the aforementioned nature to ensure that activity is properly maintained.

Purchasing

FINDING: During our internal control testing over cash disbursements, we identified several instances in which the Township did not properly encumber funds prior to placing an order with a vendor for the procurement of goods or services. This was mainly the result of departments not following Township procedures in the ordering of goods and services.

RECOMMENDATION: It is recommended that the Township properly encumber funds prior to procuring goods and/or services.

FINDING: N.J.A.C. 5:30-5.3 through 5:30-5.5 sets forth the requirements that the chief financial officer or certifying finance officer must perform in order to certify the availability of funds prior to the Township entering into a contract or executing a purchase order. Several instances were identified where the certification was not performed prior to entering into a contract or executing a purchase order.

RECOMMENDATION: It is recommended that the Township comply with the requirements set forth in N.J.A.C. 5:30-5 to ensure that the certification of the availability of funds is performed on a consistent basis.

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.

Respectfully submitted,

Livingston, New Jersey
May 26, 2017

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