TOWNSHIP OF WEST ORANGE
COUNTY OF ESSEX, NEW JERSEY

****

FINANCIAL STATEMENTS AND

SUPPLEMENTARY SCHEDULES

FOR THE YEARS ENDED DECEMBER 31, 2017 AND 2016

PKF O'CONNOR DAVIES
ACCOUNTANTS AND ADVISORS

TOWNSHIP OF WEST ORANGE
ESSEX COUNTY, NEW JERSEY

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ESSEX COUNTY, NEW JERSEY

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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

ROSTER OF OFFICIALS
INDEPENDENT AUDITORS' REPORT
FINANCIAL STATEMENTS
AND NOTES TO THE FINANCIAL STATEMENTS

ROSTER OF OFFICIALS

The following officials were in office as of December 31, 2017:

Name	Title
Robert D. Parisi	Mayor
Susan McCartney	Councilwoman
Victor Cirilo	Councilman
Michelle Casalino	Councilwoman
Jerry Guarino	Councilman
Joseph Krakoviak	Council President
John K. Sayers	Business Administrator
Karen J. Carnevale	Municipal Clerk
John O. Gross	Comptroller, Treasurer and Chief Financial Officer
Joanne Gagliardo	Tax Collector
Dennis O'Dowd	Chief Judge – Municipal Court
Dawn Donohue	Judge - Municipal Court
Yvonne Bowers	Municipal Court Administrator
Kevin Dillon	Tax Assessor

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, Essex County, State of New Jersey (the "Township") which comprise the balance sheets as of and for the years ended December 31, 2017 and 2016, and the related statements of operations and changes in the fund balance for the years then ended and related notes to the financial statements, the statements of changes in fund balance, statements of revenue and statements of expenditures for the year ended December 31, 2017 which collectively comprise the Township's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with the 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.

PKF O'Connor Davies, LLP is a member firm of the PKF International Limited network of legally independent firms and does not accept any responsibility or liability for the actions or inactions on the part of any other individual member firm or firms.

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

As described in Note 1, the financial statements are prepared by the Township on the basis of the financial reporting provisions of the Division to demonstrate compliance with Division's regulatory-basis of accounting, which is a basis of accounting other than accounting principles generally accepted in the United States of America. The effects on the financial statements of the variances between the basis of accounting described in Note 1 and accounting principles generally accepted in the United States of America, although not reasonably determinable, are presumed to be material.

Adverse Opinion on U.S. Generally Accepted Accounting Principles

In our opinion, because of the significance of the matter discussed in the Basis for Adverse Opinion on U.S. Generally Accepted Accounting Principles paragraph, the financial statements referred to above do not present fairly in accordance with accounting principles generally accepted in the United States of America, the financial position of the Township as of December 31, 2017 and 2016, 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 11, 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 3.07% and 4.19% of the assets and liabilities, respectively, of the Township's Trust Funds as of December 31, 2017 and 2016, 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 financial position of the various funds and account group of the Township as of December 31, 2017 and 2016, and the results of its operations and changes in fund balances of such funds for the years then ended, the statements of changes in fund balances and the statement of revenues and statement of expenditures of the various funds for the year ended December 31, 2017 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.

Report on Supplementary Information as Required by the Uniform Guidance

Our audit was conducted for the purpose of forming opinions on the regulatory basis financial statements that collectively comprise the Township's basic financial statements. The accompanying schedule of expenditures of federal awards and financial data schedules related to Section 8 Program, as required by *Office of Management and Budget Title 2 U.S. Code of Federal Regulations (CFR) Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards (Uniform Guidance)* is presented for purposes of additional analysis and is not a required part of the basic financial statements.

The schedule of expenditures of federal awards and financial data schedules related to Section 8 Program, are the responsibility of management and was derived from and relate directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the schedules of expenditures of federal awards is fairly stated, in all material respects, in relation to the basic financial statements as a whole.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated June 28, 2018 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.

PKF O'Connor Davies, LLP

June 28, 2018
Livingston, New Jersey

Francis M. McEnerney, CPA
Licensed Registered Municipal Accountant, No. 539

TOWNSHIP OF WEST ORANGE
CURRENT AND GRANT FUND

COMPARATIVE BALANCE SHEETS
REGULATORY BASIS
DECEMBER 31, 2017 AND 2016

ASSETS	Ref.	2017	2016
CURRENT FUND:			
Cash	A-4	$ 27,593,762.66	$ 12,793,493.15
Receivables and Other Assets with Full Reserves:			
Change Funds	A-6	650.00	650.00
Delinquent Property Taxes	A-7	3,309,924.85	2,568,921.50
Tax Title Liens Receivable	A-8	50,234.82	39,086.54
Property Acquired for Taxes - Assessed Valuation	A-9	1,652,465.00	1,652,465.00
Revenue Accounts Receivable	A-11	43,673.82	42,256.86
Sewer User Charges Receivable	A-12	362,308.37	517,774.55
		5,419,256.86	4,821,154.45
		33,013,019.52	17,614,647.60
Deferred Charges:			
Special Emergency Authorizations (40A:4-55)	A-27	2,658,384.00	2,110,077.00
		35,671,403.52	19,724,724.60
GRANT FUND:			
Grants Receivable	A-23	998,277.11	1,501,944.67
Due from Current Fund	A-24	729,557.52	745,439.76
		1,727,834.63	2,247,384.43
		$ 37,399,238.15	$ 21,972,109.03

See Accompanying Notes to Financial Statements

TOWNSHIP OF WEST ORANGE
CURRENT AND GRANT FUND

COMPARATIVE BALANCE SHEETS
REGULATORY BASIS
DECEMBER 31, 2017 AND 2016

LIABILITIES, RESERVES AND FUND BALANCE	Ref.	2017	2016
CURRENT FUND:			
Liabilities:			
Appropriation Reserves	A-3, A-15	$ 546,691.98	$ 818,300.06
Reserve for Encumbrances	A-3, A-15	716,753.83	1,071,149.46
Due to State of New Jersey - Ch. 20, P.L. 1971	A-16	1,451.37	648.63
Accounts Payable	A-17	8,658.80	14,500.00
County Taxes Payable	A-20	21,437.02	73,994.28
School Taxes Payable	A-19	-	1.50
Fees Due to State of New Jersey	A-21	12,416.00	27,397.00
Prepaid Taxes	A-22	16,401,153.52	1,336,218.58
Special Emergency Notes Payable	A-14	2,660,052.00	2,110,077.00
Tax Appeals Payable	A-10	162,772.69	53,649.66
Tax Title Lienholders Payable	A-10A	247,832.62	247,385.18
Tax Title Lien Premiums Payable	A-10B	4,682,653.14	3,973,653.14
Due to Grant Fund	A-13	729,557.52	745,439.76
Prepaid Health Licenses	A-14C	2,780.00	6,165.00
Sewer Rent Overpayments	A-17A	16,153.69	9,440.02
Reserve for Tax Appeals	A-18	256,466.47	-
		26,466,830.65	10,488,019.27
Reserve for Receivables and Other Assets	A	5,419,256.86	4,821,154.45
Fund Balance	A-1	3,785,316.01	4,415,550.88
		35,671,403.52	19,724,724.60
GRANT FUND:			
Reserve for appropriated grants	A-25	1,584,414.28	2,088,508.61
Reserve for unappropriated grants	A-26	143,420.35	158,875.82
		1,727,834.63	2,247,384.43
		$ 37,399,238.15	$ 21,972,109.03

See Accompanying Notes to Financial Statements

TOWNSHIP OF WEST ORANGE
CURRENT FUND

STATEMENTS OF OPERATIONS AND CHANGES IN FUND BALANCE
REGULATORY BASIS
YEARS ENDED DECEMBER 31, 2017 AND 2016

	Ref.	2017	2016
REVENUE AND OTHER INCOME:			
Fund Balance Utilized	A-2	$ 3,022,376.78	$ 2,898,302.12
Miscellaneous Anticipated Revenue	A-2	19,399,713.12	20,419,194.13
Receipts from Delinquent Taxes	A-2	2,593,966.13	3,391,817.38
Receipts from Current Taxes	A-2, A-7	219,892,502.43	215,704,861.98
Non-Budget Revenues	A-2	1,005,856.50	553,834.53
Other Credit to Income:			
Appropriation Reserves Lapsed	A-15	1,145,852.47	603,662.76
Retiree Drug Subsidy Receivable Liquidated (Net)		-	89,140.77
TOTAL REVENUE AND OTHER INCOME		247,060,267.43	243,660,813.67
EXPENDITURES:			
Budgeted and Emergency Appropriations	A-3	77,860,923.84	76,220,316.91
Prior Year Exemptions Disallowed		-	148.63
Increase in Change Fund		-	200.00
Local District School Tax	A-19	136,344,646.00	132,632,637.00
County Taxes	A-20	31,420,087.14	31,186,201.09
Special Improvement District Assessment	A-14B	96,893.38	104,274.18
Adjustment to Due From/To State of New Jersey		-	34,272.84
Adjustment to Prepaid Taxes		-	41,898.34
Open Space Trust	A-14A	145,575.16	145,859.71
TOTAL EXPENDITURES		245,868,125.52	240,365,808.70
EXCESS OF REVENUE OVER EXPENDITURES		1,192,141.91	3,295,004.97
ADJUSTMENTS TO INCOME BEFORE FUND BALANCE:			
EXPENDITURES INCLUDED ABOVE WHICH ARE BY STATUTE DEFERRED CHARGES TO BUDGET OF SUCCEEDING YEAR	A-3	1,200,000.00	600,000.00
STATUTORY EXCESS TO FUND BALANCE		2,392,141.91	3,895,004.97
FUND BALANCE, BEGINNING OF YEAR	A	4,415,550.88	3,418,848.03
		6,807,692.79	7,313,853.00
UTILIZED AS ANTICIPATED REVENUE	A-2	3,022,376.78	2,898,302.12
FUND BALANCE, END OF YEAR	A	$ 3,785,316.01	$ 4,415,550.88

See Accompanying Notes to Financial Statements

TOWNSHIP OF WEST ORANGE
CURRENT FUND

STATEMENT OF REVENUES
REGULATORY BASIS
YEAR ENDED DECEMBER 31, 2017

	Ref.	Anticipated Budget	Realized	Excess or (Deficit)
FUND BALANCE ANTICIPATED	A-1	$ 3,022,376.78	$ 3,022,376.78	$
MISCELLANEOUS REVENUES:				
Licenses:				
Alcoholic Beverages	A-11	$ 69,882.36	$ 69,209.22	$ (673.14)
Other	A-11	58,886.00	50,865.00	(8,021.00)
Fees and Permits	A-11	302,701.55	285,272.19	(17,429.36)
Fines and Costs - Municipal Court	A-11	634,267.09	581,817.44	(52,449.65)
Interest and Costs on Taxes	A-11	973,837.00	964,643.82	(9,193.18)
Parking Meters	A-11	18,886.45	13,027.29	(5,859.16)
Interest on Investments	A-11	30,535.83	43,747.92	13,212.09
Payments in Lieu of Taxes:				
West Orange Senior Citizen Housing	A-11	117,900.00	117,900.00	-
Jewish Federation Plaza	A-11	118,115.50	100,762.82	(17,352.68)
Eagle Rock Senior Citizen Housing	A-11	60,407.00	60,407.00	-
Woodland Valley	A-11	30,341.10	27,463.50	(2,877.60)
St. Barnabas	A-11	292,991.88	286,688.00	(6,303.88)
Sewer User Charges	A-12	6,886,119.87	7,226,098.37	339,978.50
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	972,242.00	753,707.00	(218,535.00)
Interlocal Service Agreements	A-11	10,474.00	3,775.76	(6,698.24)
Uniform Fire Safety Act	A-11	69,491.52	66,542.49	(2,949.03)
General Capital Fund Surplus	A-11	341,899.41	341,899.41	-
Supplemental Sewer Fees	A-11	59,544.00	33,482.86	(26,061.14)
Cable TV Franchise Fees	A-11	660,936.52	670,746.50	9,809.98
Ground Leases	A-11	127,133.50	136,030.15	8,896.65
Hotel Tax	A-11	505,490.98	493,797.83	(11,693.15)
Open Space Trust Fund-Debt Service	A-11	12,922.60	12,922.60	-
Medical Transport Billing Service	A-11	1,316,679.78	1,395,358.94	78,679.16
Reserve to Pay Debt Service	A-11	89,627.81	89,627.81	-
Assessment Trust Fund Balance	A-11	15,165.93	315,165.93	300,000.00
Board of Education Reserve	A-11	1.50	1.50	-
Extra Duty Fees	A-11	251,944.47	183,597.68	(68,346.79)
		18,724,894.65	19,021,028.03	296,133.38

See Accompanying Notes to Financial Statements

TOWNSHIP OF WEST ORANGE
CURRENT FUND

STATEMENT OF REVENUES
REGULATORY BASIS
YEAR ENDED DECEMBER 31, 2017

	Ref.	Anticipated Budget	Realized	Excess or (Deficit)
State Grants:				
Partners for Health	A-13	$ 10,000.00	$ 10,000.00	
Hazardous Discharge Grant	A-13	77,238.00	77,238.00	
Clean Communities Program	A-13	90,053.54	90,053.54	
Click It or Ticket	A-13	5,500.00	5,500.00	
Municipal Alliance for Alcoholism and Drug Abuse	A-13	59,202.00	59,202.00	
U Drive, U Text, U Pay	A-13	5,500.00	5,500.00	
Essex County DOA Senior Citizens	A-13	16,127.00	16,127.00	
Historical Preservation Grant	A-13	15,000.00	15,000.00	
Essex County Delinquency Prevention Grant	A-13	18,563.00	18,563.00	
Body Armor Replacement Fund	A-13	8,279.27	8,279.27	
Bullet Proof Vest Fund	A-13	4,400.00	4,400.00	
Recycling Tonnage Grant	A-13	48,705.00	48,705.00	
Drunk Driving Enforcement Fund	A-13	18,667.28	18,667.28	
NJACCCHO Grant	A-13	1,450.00	1,450.00	
		378,685.09	378,685.09	-
TOTAL MISCELLANEOUS ANTICIPATED REVENUES	A-1	19,103,579.74	19,399,713.12	$ 296,133.38
RECEIPTS FROM DELINQUENT TAXES	A-1,A-2	2,580,884.76	2,593,966.13	13,081.37
AMOUNT TO BE RAISED BY TAXES FOR SUPPORT OF MUNICIPAL BUDGET	A-2	55,000,478.89	54,772,358.74	(228,120.15)
BUDGET TOTALS	A-3	79,707,320.17	79,788,414.77	81,094.60
NON-BUDGET REVENUES				
Miscellaneous Revenues Not Anticipated	A-1, A-11		$ 1,005,856.50	
			$ 80,794,271.27	

See Accompanying Notes to Financial Statements

TOWNSHIP OF WEST ORANGE
CURRENT FUND

STATEMENT OF REVENUE
REGULATORY BASIS
YEAR ENDED DECEMBER 31, 2017

	Ref.	
ANALYSIS OF REALIZED REVENUES:		
Allocation of Current Tax Collection:		
Revenue from Collections	A-1, A-7	$ 219,892,502.43
Allocated to - Municipal Open Space Tax	A-1, A-7	145,575.16
Allocated to - Special Improvement District	A-1, A-7	96,893.38
Allocated to - School Taxes	A-1, A-7	136,344,646.00
Allocated to - County Taxes	A-1, A-7	31,420,087.14
Total Allocated to Other Agencies		168,007,201.68
Balance for Support of Municipal Budget Appropriations		51,885,300.75
Add Appropriation Reserve for Uncollected Taxes	A-3	2,887,057.99
Amount for Support of Municipal Budget Appropriations	A-2	$ 54,772,358.74
Delinquent Tax Collections		
Cash Received		
Taxes	A-7	$ 2,593,966.13
Total Delinquent Tax Collections	A-1	$ 2,593,966.13

See Accompanying Notes to Financial Statements

TOWNSHIP OF WEST ORANGE
CURRENT FUND

STATEMENT OF EXPENDITURES
REGULATORY BASIS
YEAR ENDED DECEMBER 31, 2017

	Budget	Budget After Modification	Expended: Paid or Charged	Expended: Encumbered	Expended: Reserved	Unexpended Balance Canceled
GENERAL APPROPRIATIONS						
(A) Operations - within "CAPS"						
EXECUTIVE AND LEGISLATIVE DEPARTMENT						
Office of the Mayor and Agencies						
Office of the Mayor						
Salaries and Wages	$ 103,125.54	$ 103,125.88	$ 103,125.88			
Other Expenses	21,446.00	1,818.00	614.63	$ 548.00	$ 655.37	
Public Information Officer						
Other Expenses	595.00	595.00	518.20		76.80	
Governing Body						
Town Council						
Salaries and Wages	62,435.00	62,435.10	62,435.10			
Other Expenses	32,400.00	32,400.00	15,711.31	507.34	16,181.35	
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	190,611.97	190,146.97	465.00		
Office of the Township Clerk						
Township Clerk						
Salaries and Wages	191,313.86	190,118.17	190,118.17			
Other Expenses	2,000.00	2,000.00	226.99	182.19	1,590.82	
Elections						
Salaries and Wages	4,000.00	2,922.19	2,922.19			
Other Expenses	19,000.00	19,787.30	19,787.30			
Office of the Township Attorney						
Township Attorney						
Salaries and Wages	42,500.00	42,500.12	42,500.12			
Other Expenses	92,940.00	79,641.20	79,641.20			
Human Relations Commission						
Other Expenses	5,100.00	5,100.00	4,593.33	56.13	450.54	
Statutory Agencies						
Planning Board						
Salaries and Wages	5,250.00	5,250.36	5,250.36			
Other Expenses	10,400.00	10,400.00	2,041.98	240.55	8,117.47	
Board of Adjustment						
Salaries and Wages	5,250.00	5,250.00	5,250.00			
Other Expenses	4,530.00	4,530.00	1,246.65	127.20	3,156.15	

See Accompanying Notes to Financial Statements

TOWNSHIP OF WEST ORANGE
CURRENT FUND

STATEMENT OF EXPENDITURES
REGULATORY BASIS
YEAR ENDED DECEMBER 31, 2017

	Budget	Budget After Modification	Expended: Paid or Charged	Expended: Encumbered	Expended: Reserved	Unexpended Balance Canceled
Waste Management						
Other Expenses	$ 417,180.93	$ 307,662.92	$ 302,787.37		$ 4,875.55	
Municipal Court						
Salaries and Wages	332,566.39	306,469.29	306,469.29			
Other Expenses	31,300.00	31,300.00	24,302.71	$ 2,714.99	4,282.30	
Public Defender (P.L. 1997, C.256)						
Other Expenses	24,200.00	24,200.00	17,600.00	200.00	6,400.00	
Open Space Recreation and Environmental Commission (N.J.S.A. 40:56A-1)						
Other Expenses	150.00	150.00		66.65	83.35	
Rent Leveling Board						
Other Expenses	75.00	75.00			75.00	
TOTAL EXECUTIVE AND LEGISLATIVE DEPT.	1,683,707.72	1,429,292.50	1,378,187.75	5,108.05	45,996.70	
DEPT. OF ADMINISTRATION AND FINANCE						
Office of the Business Administrator						
Director						
Salaries and Wages	266,556.72	266,604.40	266,604.40			
Other Expenses	173,200.00	173,200.00	121,185.26	16,834.18	35,180.56	
Administration of Township Owned Property						
Other Expenses	3,500.00	3,500.00	3,168.00		332.00	
Division of Administration						
Central Purchasing						
Salaries and Wages	169,676.82	170,792.55	170,792.55			
Other Expenses	38,400.00	38,400.00	30,264.57	1,902.34	6,233.09	
Central Printing and Supplies						
Other Expenses	6,700.00	9,052.15	8,909.56	142.59		
Central Telephone						
Other Expenses	256,000.00	256,000.00	214,881.52	19,600.45	21,518.03	
Central Insurance						
Insurance Fund S&W	2,400.00	2,400.00	2,400.00			
Employee Group Health (Emergency)	12,916,062.95	13,584,187.78	13,419,539.85	629.40	164,018.53	
Unemployment Compensation Insurance	80,000.00	80,000.00	80,000.00			
General Liability	832,423.00	900,000.00	900,000.00			
Workers Compensation	500,000.00	500,000.00	500,000.00			
Central Mailing Service						
Other Expenses	73,750.00	73,750.00	65,667.73	600.00	7,482.27	

See Accompanying Notes to Financial Statements

TOWNSHIP OF WEST ORANGE
CURRENT FUND

STATEMENT OF EXPENDITURES
REGULATORY BASIS
YEAR ENDED DECEMBER 31, 2017

			Expended			Unexpended
	Budget	Budget After Modification	Paid or Charged	Encumbered	Reserved	Balance Canceled
Township Physician						
Other Expenses	$ 9,365.00	$ 9,365.00	$ 1,126.00	$ 80.00	$ 8,159.00	
Division of Treasury						
Collector's Office						
Salaries and Wages	214,533.84	219,406.08	219,406.08			
Other Expenses	20,900.00	23,267.25	23,267.25			
Township Treasurer						
Other Expenses	9,900.00	9,900.00	2,888.92	1,614.00	5,397.08	
Division of Accounts and Control						
Comptroller's Office						
Salaries and Wages	574,898.38	563,757.19	563,757.19			
Other Expenses	189,285.00	201,716.30	182,058.21	14,202.12	5,455.97	
TOTAL DEPARTMENT OF ADMINISTRATION AND FINANCE	16,337,551.71	17,085,298.70	16,775,917.09	55,605.08	253,776.53	
DEPARTMENT OF PLANNING AND DEVELOPMENT						
Director						
Planning Department						
Salaries and Wages	114,983.00	115,400.41	115,400.41			
Other Expenses	32,045.00	32,045.00	26,102.95	4,885.84	1,056.21	
Housing Code Enforcement						
Salaries and Wages	282,960.23	245,676.91	245,676.91			
Other Expenses	5,725.00	5,725.00	1,269.23	17.83	4,437.94	
Historic Preservation Commission (N.J.S.A. 40A:55D-107)						
Other Expenses	5,500.00	5,500.00	103.60	4,999.20	397.20	
Arts Council						
Other Expenses	1,500.00	1,500.00	621.25	814.66	64.09	
Downtown West Orange Alliance						
Other Expenses	42,509.00	42,509.00	40,873.48		1,635.52	
Energy Commission						
Other Expenses	1,000.00	1,000.00	50.00		950.00	
TOTAL DEPARTMENT OF PLANNING AND DEVELOPMENT	486,222.23	449,356.32	430,097.83	10,717.53	8,540.96	
DEPARTMENT OF ASSESSMENT						
Assessor's Office						
Salaries and Wages	253,853.55	253,855.16	253,855.16			
Other Expenses	10,600.00	10,600.00	213.38	5,100.00	5,286.62	
TOTAL DEPARTMENT OF ASSESSMENT	264,453.55	264,455.16	254,068.54	5,100.00	5,286.62	

See Accompanying Notes to Financial Statements

TOWNSHIP OF WEST ORANGE
CURRENT FUND

STATEMENT OF EXPENDITURES
REGULATORY BASIS
YEAR ENDED DECEMBER 31, 2017

	Budget	Budget After Modification	Expended: Paid or Charged	Expended: Encumbered	Expended: Reserved	Unexpended Balance Canceled
DEPARTMENT OF POLICE						
Division of Police						
Salaries and Wages	$ 12,652,929.94	$ 12,351,446.10	$ 12,351,446.10			
Uniform Allowance	99,200.00	99,200.00	96,900.00		$ 2,300.00	
Other Expenses	420,824.00	449,251.66	406,428.75	$ 42,822.91		
TOTAL DEPARTMENT OF POLICE	13,172,953.94	12,899,897.76	12,854,774.85	42,822.91	2,300.00	
DEPARTMENT OF FIRE						
Division of Fire						
Salaries and Wages	9,858,408.80	10,081,883.61	10,071,472.12		10,411.49	
Other Expenses	132,800.00	132,800.00	111,234.41	20,587.78	977.81	
Uniforms	74,400.00	74,400.00	69,800.00		4,600.00	
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	38,530.00	34,712.99	3,512.45	304.56	
Emergency Management Service						
Salaries and Wages	4,950.00	4,950.00	4,950.00			
Other Expenses	5,800.00	5,800.00	3,370.48	2,368.15	61.37	
TOTAL DEPARTMENT OF FIRE	10,143,138.80	10,366,613.61	10,323,790.00	26,468.38	16,355.23	
DEPARTMENT OF PUBLIC WORKS						
Division of Engineering						
Office of the Township Engineer						
Salaries and Wages	494,752.91	498,402.71	498,402.71			
Other Expenses	12,500.00	12,500.00	962.23	10,285.63	1,252.14	
Division of Building and Property						
Public Building Operations and Maintenance						
Other Expenses	395,100.00	398,239.02	361,171.26	37,067.76	0.00	
Shade Tree Care and Pruning						
Other Expenses	70,250.00	70,250.00	51,209.78	16,965.71	2,074.51	
Parking Facilities, Maintenance and Repairs						
Salaries and Wages	2,200.00	768.00	768.00			
Other Expenses	2,970.00	2,970.00	545.00	1,765.00	660.00	
Division of Public Works						
Salaries and Wages	2,415,054.69	2,450,399.59	2,450,399.59			
Division of Street Services						
Street Service, Cleaning and Drainage						
Salt, Chloride and Plowing	800,000.00	736,579.00	619,126.79	117,452.21		
Other Expenses	48,600.00	48,600.00	20,614.68	8,733.14	19,252.18	
Street Repairs						
Other Expenses	70,350.00	70,350.00	31,801.96	13,353.47	25,194.57	

See Accompanying Notes to Financial Statements

TOWNSHIP OF WEST ORANGE
CURRENT FUND

STATEMENT OF EXPENDITURES
REGULATORY BASIS
YEAR ENDED DECEMBER 31, 2017

	Budget	Budget After Modification	Expended: Paid or Charged	Expended: Encumbered	Expended: Reserved	Unexpended Balance Canceled
Street Services and Traffic						
Other Expenses	$ 13,100.00	$ 13,100.00	$ 9,878.43	$ 2,500.00	$ 721.57	
Division of Sewers and Sanitation						
Sanitation and General Township Service Force						
Other Expenses	6,100.00	6,100.00	4,226.84	415.88	1,457.28	
Central Automotive						
Other Expenses	540,500.00	548,947.80	433,982.84	114,964.96		
Sewage and Pumping Stations						
Other Expenses	65,800.00	65,800.00	36,630.72	5,685.00	23,484.28	
TOTAL DEPARTMENT OF PUBLIC WORKS	4,937,277.60	4,923,006.12	4,519,720.83	329,188.76	74,096.53	
DEPARTMENT OF HEALTH AND WELFARE						
Division of Health						
General Health Services						
Salaries and Wages	581,018.93	575,355.93	575,355.93			
Other Expenses	25,972.00	25,972.00	19,487.88	1,113.09	5,371.03	
Senior Citizen's Transportation Program						
Salaries and Wages	199,481.60	195,760.81	195,760.81			
Other Expenses	950.00	950.00	545.66	100.00	304.34	
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	140,213.14	139,212.58	139,212.58			
Other Expenses	5,050.00	5,050.00	474.10	1.66	4,574.24	
Animal Control						
Salaries and Wages	122,406.20	122,406.20	122,406.20			
Other Expenses	3,175.00	3,175.00	3,175.00			
Podiatry Clinic						
Other Expenses	9,500.00	9,500.00	4,179.63	500.00	4,820.37	
Senior Citizen Health Center						
Salaries and Wages	188,160.39	180,274.30	180,274.30			
Other Expenses	4,775.00	4,775.00	2,433.43	1,053.13	1,288.44	
Child Health Clinic						
Salaries and Wages	3,000.00	3,000.00	3,000.00			
Other Expenses	4,150.00	4,150.00	3,434.87		715.13	
Retired Citizens Program	20,850.00	20,850.00	14,877.37	3,510.73	2,461.90	
Right to Know Program (P.L. 1983, Ch. 315)						
Other Expenses	425.00	425.00	245.63		179.37	
Garbage and Trash Removal Contract						
Other Expenses	3,041,365.00	2,854,534.21	2,854,249.21	285.00		
TOTAL DEPARTMENT OF HEALTH AND WELFARE	4,351,992.26	4,146,891.03	4,120,612.60	6,563.61	19,714.82	

See Accompanying Notes to Financial Statements

TOWNSHIP OF WEST ORANGE
CURRENT FUND

STATEMENT OF EXPENDITURES
REGULATORY BASIS
YEAR ENDED DECEMBER 31, 2017

	Budget	Budget After Modification	Expended: Paid or Charged	Expended: Encumbered	Expended: Reserved	Unexpended Balance Canceled
DEPARTMENT OF RECREATION						
Community Services, Recreational and Civic Contracts						
Other Expenses	$ 76,250.00	$ 76,250.00	$ 57,000.00	$ 9,500.00	$ 9,750.00	
Parks and Playgrounds						
Salaries and Wages	623,077.52	588,653.81	588,653.81			
Other Expenses	140,940.00	140,940.00	118,676.26	12,740.63	9,523.11	
Celebration of Public Events, Anniversary or Holiday						
Other Expenses	53,100.00	53,100.00	49,475.18	825.76	2,799.06	
TOTAL DEPARTMENT OF RECREATION	893,367.52	858,943.81	813,805.25	23,066.39	22,072.17	
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	591,019.43	568,016.47	568,016.47			
Other Expenses	99,700.00	99,700.00	67,878.24	6,114.55	25,707.21	
TOTAL UNIFORM CONSTRUCTION CODE	690,719.43	667,716.47	635,894.71	6,114.55	25,707.21	
UNCLASSIFIED						
Utilities						
Electricity	515,000.00	546,729.72	546,729.72			
Street Lighting	650,000.00	650,000.00	633,135.68	13,860.72	3,003.60	
Gasoline	413,460.00	325,527.35	287,037.25	38,490.10		
Water	46,000.00	46,000.00	39,589.36	3,000.00	3,410.64	
Fire Hydrant Service	650,000.00	576,116.21	471,303.81	104,812.40		
Challenge Grant Bus Shuttle	220,000.00	220,000.00	217,110.65		2,889.35	
Compensated Absence Liability (Emergency)	5,000.00	1,205,000.00	1,205,000.00			
Membership-NJ League of Municipalities	3,696.00	3,696.00	3,290.00		406.00	
Medical Transport Billing Service	375,000.00	375,000.00	300,307.15	45,835.35	28,857.50	
TOTAL UNCLASSIFIED	2,878,156.00	3,948,069.28	3,703,503.62	205,998.57	38,567.09	
Total Operations {Item 8(A)} within "CAPS"	55,839,540.76	57,039,540.76	55,810,373.07	716,753.83	512,413.86	
B. Contingent	1,000.00	1,000.00	580.00		420.00	
Total Operations Including Contingent within "CAPS"	55,840,540.76	57,040,540.76	55,810,953.07	716,753.83	512,833.86	

See Accompanying Notes to Financial Statements

TOWNSHIP OF WEST ORANGE
CURRENT FUND

STATEMENT OF EXPENDITURES
REGULATORY BASIS
YEAR ENDED DECEMBER 31, 2017

	Budget	Budget After Modification	Expended: Paid or Charged	Expended: Encumbered	Expended: Reserved	Unexpended Balance Canceled
Detail:						
Salaries & Wages	$ 30,536,926.88	$ 31,550,443.92	$ 31,540,032.43		$ 10,411.49	
Other Expenses (Including Contingent)	25,303,613.88	25,490,096.84	24,270,920.64	$ 716,753.83	502,422.37	
(E) Deferred Charges and Statutory Expenditures - Municipal within "CAPS"						
(2) STATUTORY EXPENDITURES:						
Public Employees' Retirement System	1,047,790.76	1,047,790.76	1,039,276.30		8,514.46	
Social Security System (O.A.S.I.)	1,027,979.00	1,027,979.00	1,020,653.87		7,325.13	
Police and Firemen's Retirement System	4,578,563.29	4,578,563.29	4,578,563.29			
Defined Contribution Retirement Program	10,000.00	10,000.00	10,000.00			
Total Deferred Charges and Statutory	6,664,333.05	6,664,333.05	6,648,493.46		15,839.59	
(H-1) Total General Appropriations for Municipal Purposes within "CAPS"	62,504,873.81	63,704,873.81	62,459,446.53	716,753.83	528,673.45	
(A) Operations - Excluded from "CAPS"						
Chapter 10, P.L. 1977-Joint Outlet Sewer Maintenance	2,876,295.00	2,876,295.00	2,863,295.00		13,000.00	
Maintenance of Free Public Library (Ch. 541-82, P.L. 1985)	2,017,654.00	2,017,654.00	2,017,654.00			
Tax Appeal Refunds	350,000.00	350,000.00	350,000.00			
Total Other Operations - Excluded from "CAPS"	5,243,949.00	5,243,949.00	5,230,949.00		13,000.00	
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						
U Drive, U Text, U Pay	5,500.00	5,500.00	5,500.00			
Partners for Health	10,000.00	10,000.00	10,000.00			
Clean Communities	90,053.54	90,053.54	90,053.54			
Recycling Tonnage	48,705.00	48,705.00	48,705.00			
NJACCHO Grant	1,450.00	1,450.00	1,450.00			
Essex County DOA Senior Citizens Grant	16,127.00	16,127.00	16,127.00			
Essex County DOA Senior Citizens Grant - Local match	164.00	164.00	164.00			
Municipal Alliance	59,202.00	59,202.00	59,202.00			
Municipal Alliance - Local match	14,950.00	14,950.00	14,950.00			
Historical Preservation Grant	15,000.00	15,000.00	15,000.00			
Hazardous Discharge Site Remediation	77,238.00	77,238.00	77,238.00			
Essex County Delinquency Prevention Grant	18,563.00	18,563.00	18,563.00			
Drunk Driving Enforcement Fund	18,667.28	18,667.28	18,667.28			
Click It or Ticket	5,500.00	5,500.00	5,500.00			
Body Armor Replacement Fund	8,279.27	8,279.27	8,279.27			
Bullet Proof Vest Partnership	4,400.00	4,400.00	4,400.00			
Total Public and Private Programs Offset by Revenue	393,799.09	393,799.09	393,799.09			

See Accompanying Notes to Financial Statements

TOWNSHIP OF WEST ORANGE
CURRENT FUND

STATEMENT OF EXPENDITURES
REGULATORY BASIS
YEAR ENDED DECEMBER 31, 2017

	Budget	Budget After Modification	Expended: Paid or Charged	Expended: Encumbered	Expended: Reserved	Unexpended Balance Canceled
Total Operations - Excluded from "CAPS"	$ 5,653,240.55	$ 5,653,240.55	$ 5,635,222.02		$ 18,018.53	
Detail:						
Salaries & Wages	10,473.93	10,473.93	10,473.93			
Other Expenses	5,642,766.62	5,642,766.62	5,624,748.09		18,018.53	
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	4,140,000.00	4,140,000.00	4,140,000.00			
Payment of Bond Anticipation Notes and Capital Notes	1,599,068.00	1,599,068.00	1,599,068.00			
Interest on Bonds	1,026,150.19	1,026,150.19	1,022,246.63			$ 3,903.56
Interest on Notes	360,019.41	360,019.41	326,827.20			33,192.21
NJ Environmental Infrastructure Trust and Fund Loans						
Principal	308,544.46	308,544.46	232,157.92			76,386.54
Interest	76,672.76	76,672.76	30,816.73			45,856.03
Total Municipal Debt Service - Excluded from "CAPS"	7,510,454.82	7,510,454.82	7,351,116.48			159,338.34
(E) Deferred Charges - Municipal - Excluded from "CAPS"						
Deferred Charges to Future Taxation-Unfunded						
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			
2016 Severance Liability	120,000.00	120,000.00	120,000.00			
Total Deferred Charges - Municipal - Excluded from "CAPS"	651,693.00	651,693.00	651,693.00			
(H-2) Total General Appropriations for Municipal Purposes Excluded from "CAPS"	14,315,388.37	14,315,388.37	14,138,031.50		18,018.53	159,338.34

See Accompanying Notes to Financial Statements

TOWNSHIP OF WEST ORANGE
CURRENT FUND

STATEMENT OF EXPENDITURES
REGULATORY BASIS
YEAR ENDED DECEMBER 31, 2017

	Budget	Budget After Modification	Expended: Paid or Charged	Expended: Encumbered	Expended: Reserved	Unexpended Balance Canceled
(O) Total General Appropriations - Excluded from "CAPS"	$ 14,315,388.37	$ 14,315,388.37	$ 14,138,031.50		$ 18,018.53	$ 159,338.34
(L) Subtotal General Appropriations	76,820,262.18	78,020,262.18	76,597,478.03	$ 716,753.83	546,691.98	159,338.34
(M) Reserve for Uncollected Taxes	2,887,057.99	2,887,057.99	2,887,057.99			
Total General Appropriations	$ 79,707,320.17	$ 80,907,320.17	$ 79,484,536.02	$ 716,753.83	$ 546,691.98	$ 159,338.34
Ref.	A-2	Below	Below	A	A	Below

	Ref.	
Adopted Budget	A-2	$ 79,707,320.17
Special Emergency Appropriation NJSA 40A:4-55:		
Severance Liability (Special Emergency)	A-27	1,200,000.00
		$ 80,907,320.17

Budget	Above	$ 80,907,320.17	$
Reserve for Uncollected Taxes	A-2	(2,887,057.99)	2,887,057.99
Cash Disbursed	A-4		75,201,985.94
Reserve for Tax Appeals	A-10		350,000.00
Deferred Charges	A-27		651,693.00
Match	A-25		15,114.00
Reserve for Grants	A-25		378,685.09
Canceled	Above	(159,338.34)	
	A-1	$ 77,860,923.84	$ 79,484,536.02

See Accompanying Notes to Financial Statements

TOWNSHIP OF WEST ORANGE
TRUST FUND

COMPARARTIVE BALANCE SHEETS
REGULATORY BASIS
DECEMBER 31, 2017 AND 2016

ASSETS	Ref.	2017	2016
ANIMAL CONTROL FUND:			
Cash	B-3	$ 64,144.22	$ 61,616.83
GENERAL TRUST FUND:			
Cash	B-3	$ 5,556,853.97	$ 5,491,081.07
INSURANCE TRUST FUND:			
Cash	B-4	$ 40,702.97	$ 13,094.25
FEDERAL GRANT TRUST FUND:			
Cash	B-5	$ 12,063.63	$ 124,516.87
Grant Receivable	B-6	580,000.00	640,000.00
		$ 592,063.63	$ 764,516.87
OPEN SPACE TRUST FUND:			
Cash	B-2	$ 828,939.68	$ 723,407.87
ASSESSMENT TRUST FUND:			
Cash	B-3	$ 331,613.75	$ 15,165.93
Assessments Receivable	B-7	3,159,594.71	304.27
Interfund Receivable	B-17	90,624.83	
Assessments to be Raised by Taxation	B-18	720,780.46	
		$ 4,302,613.75	$ 15,470.20
LENGTH OF SERVICE AWARD PROGRAM:			
Funds held in trust - unaudited	B	$ 334,457.19	$ 309,185.16

See Accompanying Notes to Financial Statements

TOWNSHIP OF WEST ORANGE
TRUST FUND

COMPARARTIVE BALANCE SHEETS
REGULATORY BASIS
DECEMBER 31, 2017 AND 2016

LIABILITIES, RESERVES AND FUND BALANCE	Ref.	2017	2016
ANIMAL CONTROL FUND:			
Prepaid License Fees	B-9	$ 2,205.00	$ 3,495.00
Reserve For Animal Control Fund Expenditures	B-12	61,939.22	58,121.83
		$ 64,144.22	$ 61,616.83
GENERAL TRUST FUND:			
Special Deposits	B-10	$ 5,451,643.71	$ 5,491,081.07
Fund Balance	B-1A	105,210.26	
		$ 5,556,853.97	$ 5,491,081.07
INSURANCE TRUST FUND:			
Reserve for Insurance Claims	B-13	$ 40,702.97	$ 13,094.25
		$ 40,702.97	$ 13,094.25
FEDERAL GRANT TRUST FUND:			
Reserve for Grant Expenditures:			
Community Development Block Grant	B-14	$ 580,000.00	$ 640,000.00
Section 8 Housing	B-15	12,063.63	124,516.87
		$ 592,063.63	$ 764,516.87
OPEN SPACE TRUST FUND:			
Reserve for Open Space Expenditures	B-16	$ 828,939.68	$ 723,407.87
ASSESSMENT TRUST FUND:			
Reserve for Assessment Receivable	B-11		$ 304.27
Serial Bonds Payable	B-19	$ 3,971,000.00	
Fund Balance	B-1	331,613.75	15,165.93
		$ 4,302,613.75	$ 15,470.20
LENGTH OF SERVICE AWARD PROGRAM:			
Reserve for funds held in trust - unaudited	B	$ 334,457.19	$ 309,185.16

See Accompanying Notes to Financial Statements

TOWNSHIP OF WEST ORANGE
TRUST FUNDS

STATEMENT OF FUND BALANCE
ASSESMENT TRUST
REGULATORY BASIS
YEAR ENDED DECEMBER 31, 2017

	Ref.	B-1
Balance, December 31, 2016	B	$ 15,165.93
Increased by:		
Pledged Assessments	B-3	631,613.75
		646,779.68
Decreased by:		
Payment to Current Fund as Anticipated Revenue	B-3	315,165.93
Balance, December 31, 2017	B	$ 331,613.75

STATEMENT OF FUND BALANCE
GENERAL TRUST FUND/FEDERAL GRANT TRUST FUND
REGULATORY BASIS
YEAR ENDED DECEMBER 31, 2017

	Ref.	General Trust	B-1A CDBG
Balance, December 31, 2016	B		$ 60,000.00
Increased by:			
Cancellation of Reserve	B-10	$ 105,210.26	
Decreased by:			
Current Fund Anticipated Revenue	B-5		60,000.00
Balance, December 31, 2017	B	$ 105,210.26	$ -

See Accompanying Notes to Financial Statements

TOWNSHIP OF WEST ORANGE
GENERAL CAPITAL FUND

C

COMPARATIVE BALANCE SHEETS
REGULATORY BASIS
DECEMBER 31, 2017 AND 2016

ASSETS	Ref.	2017	2016
Cash	C-2	$ 1,417,548.81	$ 2,299,395.07
Notes Receivable	C-16	1,200,000.00	
NJEPA Trust and Fund Loan Receivable	C-14	284,270.00	284,270.00
State Grants Receivable	C-13	1,450,068.97	1,553,338.99
		2,934,338.97	1,837,608.99
Deferred Charges to Future Taxation:			
Funded	C-6	37,550,674.93	37,058,617.57
Unfunded	C-7	34,349,678.00	33,041,246.00
		71,900,352.93	70,099,863.57
		$ 76,252,240.71	$ 74,236,867.63
LIABILITIES AND FUND BALANCE			
Serial Bonds	C-8	$ 34,705,000.00	$ 33,416,000.00
NJEPA Trust and Fund Loan-ORD#1823-02	C-4	275,482.87	338,140.90
NJEPA Trust and Fund Loan-ORD#2017-05	C-4	892,553.54	1,265,493.72
NJEPA Trust and Fund Loan-ORD#2050-05	C-4	389,475.80	433,748.22
NJEPA Trust and Fund Loan-ORD#2214-09	C-4	354,692.88	392,750.73
NJEPA Trust and Fund Loan-ORD#2425-14	C-4	933,469.84	1,212,484.00
Bond Anticipation Notes	C-9	18,275,253.00	19,384,340.00
Improvement Authorizations:			
Funded	C-10	2,406,589.65	1,335,044.83
Unfunded	C-10	16,185,608.41	14,483,126.96
Capital Improvement Fund	C-11	130,546.96	88,592.96
Reserve to Pay Debt service	C-5	970.83	89,627.81
Reserve for Grants Receivable	C-15	1,352,358.07	1,455,628.09
Interfund Payable	C-17	90,624.83	
Fund Balance	C-1	259,614.03	341,889.41
		$ 76,252,240.71	$ 74,236,867.63
Bonds and Notes Authorized but Not Issued	C-12	$ 16,074,425.00	$ 13,656,906.00

See Accompanying Notes to Financial Statements

TOWNSHIP OF WEST ORANGE
GENERAL CAPITAL FUND

STATEMENT OF FUND BALANCE
REGULATORY BASIS
YEAR ENDED DECEMBER 31, 2017

	Ref.	
Balance, December 31, 2016	C	$ 341,889.41
Increased by:		
Collection of Grants Receivable previously reserved	C-2	103,270.02
Premium on Sale of Serial Bonds	C-2	154,676.01
Premium on Sale of Bond Anticipation Notes	C-2	1,678.00
		601,513.44
Decreased by:		
Payment to Current Fund as Anticipated Revenue	C-2	341,899.41
Balance, December 31, 2017	C	$ 259,614.03

See Accompanying Notes to Financial Statements

TOWNSHIP OF WEST ORANGE
SWIMMING POOL UTILITY FUND

BALANCE SHEETS
REGULATORY BASIS
DECEMBER 31, 2017 AND 2016

ASSETS	Ref.	2017	2016
OPERATING FUND:			
Cash	D-4	$ 94,883.93	$ 78,660.00
CAPITAL FUND:			
Fixed Capital	D-5	523,433.15	523,433.15
		$ 618,317.08	$ 602,093.15
LIABILITIES AND FUND BALANCES			
OPERATING FUND:			
Appropriation reserves:			
Encumbered	D-3, D-7	$ 1,465.00	$ 6,575.00
Unencumbered	D-3, D-7	2,549.74	31,647.87
Fund Balance	D-1	90,869.19	40,437.13
		94,883.93	78,660.00
CAPITAL FUND:			
Reserve for Amortization	D-6	523,433.15	523,433.15
		$ 618,317.08	$ 602,093.15

See accompanying notes to financial statements

TOWNSHIP OF WEST ORANGE
SWIMMING POOL UTILITY FUND

STATEMENT OF OPERATIONS
AND CHANGES IN FUND BALANCE
REGULATORY BASIS
YEARS ENDED DECEMBER 31, 2017 AND 2016

	Ref.	2017	2016
REVENUE AND OTHER INCOME:			
Fund Balance Utilized	D-2	$ 16,055.00	$ 43,152.73
Membership Fees	D-2	222,741.00	211,030.00
Miscellaneous Revenue Anticipated	D-2	61,098.00	72,242.00
Other Credits to Income:			
Appropriation Reserves Lapsed	D-7	34,723.11	
TOTAL REVENUE AND OTHER INCOME		$ 334,617.11	$ 326,424.73
EXPENDITURES:			
Budgeted Appropriations:			
Salaries and Wages	D-3	173,706.34	169,665.00
Other Expenses	D-3	94,423.71	110,505.00
Statutory Expenditures	D-3	-	11,287.00
TOTAL EXPENDITURES	D-3	$ 268,130.05	$ 291,457.00
EXCESS OF REVENUE OVER EXPENDITURES		66,487.06	34,967.73
FUND BALANCE, BEGINNING OF YEAR	D	40,437.13	53,122.13
		106,924.19	88,089.86
UTILIZED AS ANTICIPATED REVENUE IN CURRENT FUND	D-4	-	4,500.00
UTILIZED AS ANTICIPATED REVENUE IN POOL UTILITY	D-2	16,055.00	43,152.73
FUND BALANCE, END OF YEAR	D	$ 90,869.19	$ 40,437.13

See accompanying notes to financial statements

TOWNSHIP OF WEST ORANGE
SWIMMING POOL UTILITY FUND

STATEMENT OF REVENUES
YEAR ENDED DECEMBER 31, 2017

	Ref.	Anticipated Budget	Realized	Excess (Deficit)
Fund Balance Anticipated	D-1	$ 16,055.00	$ 16,055.00	
Membership Fees	D-1, D-4	211,030.00	222,741.00	$ 11,711.00
Miscellaneous	D-1, D-4	72,192.00	61,098.00	(11,094.00)
	D-3	$ 299,277.00	$ 299,894.00	$ 617.00

See accompanying notes to financial statements

TOWNSHIP OF WEST ORANGE
SWIMMING POOL UTILITY FUND

STATEMENT OF EXPENDITURES
YEAR ENDED DECEMBER 31, 2017

	Budget	Budget After Modification	Expended: Paid or Charged	Expended: Encumbered	Expended: Reserved	Canceled
OPERATING:						
Salaries and Wages	$ 169,665.00	$ 173,706.34	$ 173,706.34			
Other Expenses	118,325.00	114,283.66	90,408.97	$ 1,465.00	$ 2,549.74	$ 19,859.95
STATUTORY EXPENDITURES:						
Social Security	11,286.00	11,286.00				11,286.00
Unemployment Insurance	1.00	1.00				1.00
	$ 299,277.00	$ 299,277.00	$ 264,115.31	$ 1,465.00	$ 2,549.74	$ 31,146.95
Ref.	D-1, D-2	D-1, D-2	D-4	D	D	

See accompanying notes to financial statements

TOWNSHIP OF WEST ORANGE
PUBLIC ASSISTANCE FUND

COMPARATIVE BALANCE SHEETS
REGULATORY BASIS
DECEMBER 31, 2017 AND 2016

ASSETS	Ref.	2017	2016
Cash:			
Trust Fund Account #1	E-5	$ 836.28	$ 1,553.59
Trust Fund Account #2	E-5	65,057.00	
		$ 65,893.28	$ 1,553.59
LIABILITIES AND RESERVES			
Fund Balance	E-1	$ 65,893.28	$ 1,553.59
		$ 65,893.28	$ 1,553.59

See Accompanying Notes to Financial Statements

TOWNSHIP OF WEST ORANGE
PUBLIC ASSISTANCE FUND

STATEMENTS OF OPERATIONS AND CHANGES IN FUND BALANCE - TRUST I REGULATORY BASIS YEARS ENDED DECEMBER 31, 2017 AND 2016

	Ref.	2017	2016
REVENUE AND OTHER INCOME:			
Misc. Revenues	E-5, E-7	$ 7,292.97	$ 4,393.69
TOTAL REVENUE AND OTHER INCOME		7,292.97	4,393.69
EXPENDITURES:			
Due to Current Fund	E-5, E-7	8,010.28	4,393.69
TOTAL EXPENDITURES		8,010.28	4,393.69
(DEFICIT) OF REVENUE OVER EXPENDITURES		(717.31)	-
FUND BALANCE, BEGINNING OF YEAR	E	1,553.59	1,553.59
FUND BALANCE, END OF YEAR	E	$ 836.28	$ 1,553.59

See Accompanying Notes to Financial Statements

TOWNSHIP OF WEST ORANGE
PUBLIC ASSISTANCE FUND

STATEMENTS OF OPERATIONS AND CHANGES IN FUND BALANCE - TRUST II
REGULATORY BASIS
YEARS ENDED DECEMBER 31, 2017 AND 2016

	Ref.	2017	2016
REVENUE AND OTHER INCOME:			
State Aid	E-3	$ 188,600.00	$ 228,112.17
Supplemental Security Income Reimbursements	E-3	39,276.00	6,558.00
TOTAL REVENUE AND OTHER INCOME	E-3	$ 227,876.00	$ 234,670.17
EXPENDITURES:			
Public Assistance	E-4	162,819.00	234,670.17
TOTAL EXPENDITURES		$ 162,819.00	$ 234,670.17
EXCESS OF REVENUE OVER EXPENDITURES		65,057.00	-
FUND BALANCE, BEGINNING OF YEAR	E	-	-
FUND BALANCE, END OF YEAR	E	$ 65,057.00	$ -

See accompanying notes to financial statements

TOWNSHIP OF WEST ORANGE
GENERAL FIXED ASSETS GROUP
BALANCE SHEETS
REGULATORY BASIS
DECEMBER 2017 AND 2016

ASSETS

	December 31, 2017	December 31, 2016
Movable Fixed Assets		
Office Equipment	$ 3,056,956.71	$ 2,884,326.67
Vehicles	14,571,225.99	13,222,765.11
Other Equipment	5,904,527.20	5,759,661.52
	23,532,709.90	21,866,753.30
Building	17,290,328.00	17,471,253.00
Land	11,925,932.00	12,019,932.00
	29,216,260.00	29,491,185.00
	$ 52,748,969.90	$ 51,357,938.30

FUND BALANCE

Investments in General Fixed Assets	$ 52,748,969.90	$ 51,357,938.30

See Accompanying Notes to Financial Statements

NOTES TO FINANCIAL STATEMENTS

1. REPORTNG 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.

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

Measurements Focus, Basis of Accounting and Basis of Presentation

The Township 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 Township 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 Township 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.

1. REPORTNG 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.

1. REPORTNG 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 2018.

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.

1. REPORTNG 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-l5.l 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.

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.

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

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.

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

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 my pass to the municipality relative to the happening of a future condition. As of December 31, 2017 and 2016 the Township's bank balances were exposed to custodial credit risk.

Bank balances are insured up to $250,000 in the aggregate by the FDIC for each bank for periods ending December 31, 2017 and 2016. At December 31, 2017 and 2016, the book value of the Township's deposits were $36,157,127 and $21,601,995, respectively. The Township's deposits, which are displayed on the various fund Balance Sheets as "Cash", are categorized as:

Depository Account	December 31, 2017	December 31, 2016
Insured	$ 600,000	$ 751,554
Uninsured and Collateralized	$32,365,294	$22,569,323
	$32,965,294	$ 23,320,877

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-l5.1 (8a-8e).

As of December 31, 2017 and 2016, the Township had no investments.

2. DEPOSITS AND INVESTMENTS (continued)

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.

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

	2017	2016
Issued		
General Capital and Trust Assessment Funds		
Bonds, Notes and Loans	$ 59,796,928	$ 58,553,035
Net Debt Issued	59,796,928	58,553,035
Authorized but Not Issued		
General Capital Fund		
Bonds, Notes and Loans	16,074,425	13,656,906
Net Bonds and Notes Issued and Authorized but Not Issued	$ 75,871,353	$ 72,209,941

The statement of debt condition that follows is extracted from the Township's Annual Debt Statement and indicates a statutory net debt of 1.250% at December 31, 2017.

	Gross Debt	Deductions	Net Debt
General Debt	$ 75,871,353	$ -	$ 75,871,353
School Debt	29,510,000	29,510,000	-
Total	$ 105,381,353	$ 29,510,000	$ 75,871,353

3. MUNICIPAL DEBT (continued)

The Township's remaining borrowing power under N.J.S.A. 40A:2-6, as amended, at December 31, 2017 as follows:

3 1/2% of Equalized Valuation Basis (Municipal)	$	212,497,028
Net Debt		75,871,353
Remaining Statutory Borrowing Power	$	136,625,675

General Obligation Bonds

The Township levies ad valorem taxes to pay debt service on general obligation bonds. General obligation bonds outstanding at December 31, 2017 and 2016 are as follows:

	2017	2016
$1,770,000, 2003 General Obligation Refunding Bonds, due in annual installments of $55,000 to $245,000 through April 2023, interest at 5.50% to 5.70%	$950,000	$1,100,000
$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
$8,735,000, 2008 General Improvement Bonds, due in an annual installment of $900,000 through 2018, interest at 3.75%	900,000	1,800,000
$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%	7,450,000	8,250,000
$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%	16,171,000	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	3,805,000
$9,400,000, 2017 General Improvement Bond, due in annual Installments of $715,000 to $965,000 through Feburary 2028, interest at 2.00% to 2.75%	9,400,000	-
	$38,676,000	$33,416,000

3. MUNICIPAL DEBT (continued)

The Township's principal and interest for general obligation bonds issued and outstanding as of December 31, 2017 is as follows:

	General	
Year	Principal	Interest
2018	$ 3,885,000	$ 865,262
2019	4,000,000	854,802
2020	4,120,000	758,948
2021	4,175,000	612,696
2022	4,075,000	514,733
2023-2027	15,145,000	1,364,605
2028-2031	3,276,000	110,442
	$ 38,676,000	$ 5,081,488

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.

3. MUNICIPAL DEBT (continued)

The Township's principal and interest for New Jersey Environmental Trust and Fund Loans outstanding as of December 31, 2017 is as follows:

	General	
Year	Principal	Interest
2018	$ 287,688	$ 53,815
2019	284,019	48,445
2020	299,465	43,213
2021	316,469	37,767
2022	311,780	31,215
2023-2027	874,180	80,693
2028-2032	351,371	22,960
2033-2034	120,703	2,800
	$ 2,845,675	$ 320,908

Changes in Long-Term Municipal Debt

The Township's long-term capital debt activity for 2017 and 2016 is as follows:

	Balance December 31, 2016	Increases	Reductions	Balance December 31, 2017	Due Within One Year
General Capital Fund* Bonds Payable	$ 33,416,000	$ 9,400,000	$ 4,140,000	$ 38,676,000	$ 3,885,000
NJEPA Trust and Fund Loan Payable	3,642,618		796,943	2,845,675	287,688
	$ 37,058,618	$ 9,400,000	$ 4,936,943	$ 41,521,675	$ 4,172,688

	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
	$ 24,125,469	$ 21,196,000	$ 8,262,851	$ 37,058,618	$ 4,450,000

* Includes Trust Assessment Fund

3. MUNICIPAL DEBT (continued)

Short-Term Debt

The Township's short-term capital debt activity for 2017 and 2016 is as follows:

	Balance, December 31, 2016	Additions	Reductions	Balance, December 31, 2017
Bond Anticipation Notes	$ 19,384,340	$ 18,275,253	$ 19,384,340	$ 18,275,253
Emergency Note	2,110,077	2,660,052	2,110,077	2,660,052
Total	$ 21,494,417	$ 20,935,305	$ 21,494,417	$ 20,935,305

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

4. FIXED ASSETS

General Fixed Assets

The following is a summary of changes in the General Fixed Assets account group as of December 31, 2017 and 2016:

	Balance December 31, 2016	Additions	Reductions	Balance December 31, 2017
Land and Land Improvements	$ 12,019,932		$ 94,000	$ 11,925,932
Buildings and Building Improvements	17,471,253		180,925	17,290,328
Machinery and Equipment	21,866,753	$ 1,665,957		23,532,710
	$ 51,357,938	$ 1,665,957	$ 274,925	$ 52,748,970

	Balance December 31, 2015	Additions	Reductions	Balance December 31, 2016
Land and Land Improvements	$ 12,019,932		$ 3,000	$ 12,019,932
Buildings and Building Improvements	17,471,253			17,471,253
Machinery and Equipment	21,241,082	$ 1,287,261		21,866,753
	$ 50,732,267	$ 1,287,261	$ 3,000	$ 51,357,938

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, 2017 and 2016:

Swimming Pool Utility Fund	Balance December 31, 2016	Additions	Reductions	Balance December 31, 2017
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
	$ 523,433	$ -	$ -	$ 523,433

Swimming Pool Utility Fund	Balance December 31, 2015	Additions	Reductions	Balance December 31, 2016
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
	$ 523,433	$ -	$ -	$ 523,433

5. DUE TO/FROM OTHER FUNDS

As of December 31, 2017 and 2016, interfund receivables and payables that resulted from various interfund transactions are as follows:

	2017		2016	
	Due From Other Funds	Due To Other Funds	Due From Other Funds	Due To Other Funds
Current Fund:				
Regular	$ -	$ 729,558	$ -	$ 745,440
Grant	729,558		745,440	
General Capital Fund		90,625		
Assessment Trust Fund	90,625			
Total	$ 820,183	$ 820,183	$ 745,440	$ 745,440

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.

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:

	2017		2016	
	Fund Balance December 31,	Utilized in Subsequent Year's Budget	Fund Balance December 31,	Utilized in Subsequent Year's Budget
Current Fund				
Cash Surplus	$ 3,785,316	$ 3,262,227	$ 4,415,551	$ 3,022,377
Swimming Pool Utility Operating Fund				
Cash Surplus	$ 90,869	$ 15,438	$ 40,437	$ 16,055

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

7. 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 $11,528,051.29 and $18,025,952.00 at December 31, 2017 and 2016 respectively. This estimate by management is unaudited.

As of December 31, 2017 and 2016, the Township has reserved $181,500.80 and $153,395.05, respectively to fund compensated absences in accordance with N.J.S.A. 40A:4-39.

8. EMPLOYEE RETIREMENT SYSTEMS

Public Employee Retirement System

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, 2017 and 2016:

	2017	2016
Inactive plan members or beneficiaries currently receiving benefits	170,124	170,685
Inactive plan members entitled to but not yet receiving benefits	650	650
Active plan members	254,685	254,685
Total	425,459	426,020

Contributing Employers – 1,703

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 6/7th 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, 2017 and 2016 the Township's total payroll for all employees was $31,623,739 and $30,328,498. Total PERS covered payroll was $8,010,986 and $7,808,686. Due to payroll system limitations, covered payroll refers to pensionable compensation, rather than total compensation, paid by the Town to active employees covered by the Plan.

8. EMPLOYEE RETIREMENT SYSTEMS (continued)

Specific Contribution Requirements and benefit provisions – The contribution policy is set by N.J.S.A 43:15 and requires contributions by active members and contributing employers. Members contribute at a uniform rate. Pursuant to the provisions of Chapter 78, P.L. 2011, the active member contribution rate increased from 5.5% of annual compensation to 6.5% plus an additional 1% phased-in over 7 years beginning in July 2012 until a 7.5% member contribution rate is reached in July 2018. The member contribution rate was 7.06% in State fiscal year 2016 and increased to 7.20% for State fiscal year 2017, commencing July 1, 2017. The phase-in of the additional incremental member contribution rate will take place in July of the subsequent State fiscal year.

Employers' contribution amounts are based on an actuarially determined rate. The annual employer contributions include funding for basic retirement allowances and noncontributory death benefits. 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. Township payments to PERS for the years ending December 31, 2017 and 2016 consisted of the following:

	2017	2016
Total Regular Billing	$1,014,943	$978,469

The Township recognizes liabilities to PERS 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. 43:15. PERS provides retirement, death and disability benefits. All benefits vest after ten years of service, except for medical benefits, which vest after 25 years of service or under the disability provisions of PERS.

The following represents the membership tiers for PERS:

Tier	Definition
1	Members who were enrolled prior to July 1, 2007.
2	Members who were eligible to enroll on or after July 1, 2007 and prior to November 8, 2008
3	Members who were eligible on or after November 2, 2008 and prior to May 22, 2010
4	Members who were eligible to enroll on or after May 22, 2010 and prior to June 28, 2011
5	Members who were eligible to enroll on or after June 28, 2011

A service retirement benefit of 1/55th of final average salary for each year of service credit is available to tier 1 and 2 members upon reaching age 60 and to tier 3 members upon reaching age 62. Service retirement benefits of 1/60th of final average salary for each year of service credit is available to tier 4 members upon reaching age 62 and tier 5 members upon reaching age 65. Early retirement benefits are available to tier 1 and 2 members before reaching age 60, to tier 3 and 4 members before age 62 and tier 5 members with 30 or more years of service credit before age 65. Benefits are reduced by a fraction of a percent for each month that a member retires prior to the retirement age of his/her respective tier. Deferred retirement is available to members who have at least 10 years of service credit and have not reached the service retirement age for the respective tier.

8. EMPLOYEE RETIREMENT SYSTEMS (continued)

Pension Liabilities, Pension Expense, Deferred Outflows of Resources, and Deferred Inflows of Resources Related to Pensions – The regulatory basis of accounting which is basis for the preparation of the Township's basic financial statements does not require or permit the inclusion of entity-wide, full accrual basis financial statements. Accordingly, the Township does not recognize pension liabilities for any current or prior period until the fiscal period in which such payments will become due and payable.

At June 30, 2017, the PERS reported a net pension liability of $23,278,401,588 for its Non-State Employer Member Group. The Township's proportionate share of the net pension liability for the Non-State Employer Member Group that is attributable to the Township was $27,610,111 or 0.1186082755%, which was an increase of 0.0043625171% from its proportion measured as of June 30, 2016.

At June 30, 2016, the PERS reported a net pension liability of $29,617,131,759 for its Non-State Employer Member Group. The Township's proportionate share of the net pension liability for the Non-State Employer Member Group that is attributable to the Township was $33,836,317 or 0.1142457584.

At December 31, 2017 the Township deferred outflows of resources and deferred inflows of resources related to PERS from the following sources, if GASB #68 was recognized:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expended and actual experience	$ 650,123	$ -
Changes of assumptions	5,562,486	5,542,093
Net difference between projected and actual investment earnings on pension plan investments	188,006	
Changes in proportion	1,004,830	418,110
Township contributions subsequent to the measurement date	1,098,779	
	$ 8,504,224	$ 5,960,203

$1,098,779 shown as deferred outflows of resources related to PERS resulting from Town contributions subsequent to the measurement date. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to PERS should have been recognized in pension expense as follows, if GASB #68 was recognized:

Year ended December 31,	Amount
2018	$ 1,983,923
2019	1,983,923
2020	1,861,794
2021	856,396
2022	
Total	$ 6,686,036

8. EMPLOYEE RETIREMENT SYSTEMS (continued)

Actuarial Assumptions- The total pension liability in the June 30, 2017 actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement:

	June 30, 2017	June 30, 2016
Inflation	2.25%	3.08%
Salary Increases (2012-2026)	1.65 - 4.15% Based on age	1.65 - 4.15% Based on age
Thereafter	2.65 - 5.15% Based on age	2.65 - 5.15% Based on age
Investment rate of return	7.00%	7.65%

Pre-retirement mortality rates were based on the RP-2000 Employee Preretirement Mortality Table for male and female active participants. For State employees, mortality tables are set back 4 years for males and females. For local employees, mortality tables are set back 2 years for males and 7 years for females. In addition, the tables provide for future improvements in mortality from the base year of 2013 using a generational approach based on the plan actuary's modified MP-2014 projection scale. Post-retirement mortality rates were based on the RP-2000 Combined Healthy Male and Female Mortality Tables (set back 1 year for males and females) for service retirements and beneficiaries of former members and a one-year static projection based on mortality improvement Scale AA. In addition, the tables for service retirements and beneficiaries of former members provide for future improvements in mortality from the base year of 2013 using a generational approach based on the plan actuary's modified MP-2014 projection scale.

Disability retirement rates used to value disabled retirees were based on the RP-2000 Disabled Mortality Table (set back 3 years for males and set forward 1 year for females).

The actuarial assumptions used in the July 1, 2016 valuation were based on the results of an actuarial experience study for the period July 1, 2011 to June 30, 2014. It is likely that future experience will not exactly conform to these assumptions. To the extent that actual experience deviates from these assumptions, the emerging liabilities may be higher or lower than anticipated. The more the experience deviates, the larger the impact on future financial statements.

In accordance with State statute, the long-term expected rate of return on plan investments (7.00% at June 30, 2017) 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 was determined using a building block method in which best-estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. Best estimates of arithmetic rates of return for each major asset class included in PERS's target asset allocation as of June 30, 2017 and 2016 are summarized in the following table:

8. EMPLOYEE RETIREMENT SYSTEMS (continued)

Asset Class	June 30, 2017		June 30, 2016	
	Target Allocation	Long-Term Expected Real Rate of Return	Target Allocation	Long-Term Expected Real Rate of Return
Cash equivalents	5.50%	1.00%	5.00%	0.87%
U.S. Treasuries	3.00%	1.87%	1.50%	1.74%
Global diversified credit	5.00%	7.10%		
Credit oriented hedge funds	1.00%	6.60%		
Debt related private equity	2.00%	10.63%		
Debt related real estate	1.00%	6.61%		
Private real asset	2.50%	11.83%	2.00%	6.91%
Equity related real estate	6.25%	9.23%		
U.S. equity	30.00%	8.19%	26.00%	8.53%
Non-U.S. developed markets equity	11.50%	9.00%		
Emerging markets equity	6.50%	11.64%	6.50%	9.95%
Buyouts/venture capital	8.25%	13.08%		
Absolute return/risk mitigation	5.00%	5.51%		
Investment grade credit	10.00%	3.78%	8.00%	1.79%
Public high yield	2.50%	6.82%		
Mortgages			2.00%	1.67%
High Yield Bonds			2.00%	4.56%
Inflation Indexed Bonds			1.50%	3.44%
Developed Foreign Markets			13.25%	6.83%
Private Equity			9.00%	12.40%
Hedge Funds/Absolute Returns			12.50%	4.68%
Commodities			0.50%	5.45%
Global Debt ex US			5.00%	-0.25%
REIT			5.25%	5.63%
	100.00%		100.00%	

Discount Rate – The discount rate used to measure the total pension liability as of June 30, 2016 was 3.98% and as of June 30, 2017 was 5.00%. This single blended discount rate was based on the long-term expected rate of return on pension plan investments of 7.00% and a municipal bond rate of 3.58% as of June 30, 2017 based on the Bond Buyer Go 20-Bond Municipal Bond Index, which includes tax-exempt general obligation municipal bonds with an average rating of AA/Aa or higher. The projection of cash flows used to determine the discount rate assumed that contributions from plan members will be made at the current member contribution rates and that contributions from employers will be made based on the contribution rate in the most recent fiscal year. The State employer contributed 40% of the actuarially determined contributions and the local employers contributed 100% of their actuarially determined contributions.

8. EMPLOYEE RETIREMENT SYSTEMS (continued)

Based on those assumptions, the plans fiduciary net position was projected to be available to make projected future benefit payments of current plan members through 2040. Therefore, the long-term expected rate of return on plan investments was applied to projected benefit payments through 2040 and the municipal bond rate was applied to projected benefit payments after that date in determining the total pension liability.

Sensitivity of Net Pension Liability – the following presents the net pension liability of PERS 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:

	At 1% Decrease	At Current Discount Rate	At 1% Increase
PERS	$ 34,252,217	$ 27,610,111	$ 22,076,414

Plan Fiduciary Net Position – The plan fiduciary net position for PERS, including the State of New Jersey, at June 30, 2017 and 2016 were $28,464,239,518 and $26,762,070,610, respectively. The portion of the Plan Fiduciary Net Position that was allocable to the Local (Non-State) Group at June 30, 2017 and 2016 was $21,573,965,463 and $19,857,566,387, respectively.

Additional information

Collective Local Group balances at June 30, 2017 are as follows:

Collective deferred outflows of resources	$ 6,424,456,842
Collective deferred inflows of resources	5,700,625,981
Collective net pension liability	23,278,401,588
Township's Proportion	0.1186082755%

Collective pension expense for the Local Group for the measurement period ended June 30, 2017 and 2016 was $1,694,305,613 and $2,830,763,540, respectively. The average of the expected remaining service lives of all plan members if 5.48, 5.57, 5.72 and 6.44 years for 2017, 2016, 2015 and 2014, respectively.

State Contribution Payable Dates

Prior to July 1, 2017 valuation, it is assumed the State will make pension contributions the June 30th following the valuation date. Effective with the July 1, 2017 valuation Chapter 83 P.L. 2016 requires the State to make pension contributions on a quarterly basis at least 25% by September 30, at least 50% by December 31, at least 75% by March 31, and at least 100% by June 30.

8. EMPLOYEE RETIREMENT SYSTEMS (continued)

Receivable Contributions

State contributions expected to be paid the June 30th following the valuation date. Effective with the July 1, 2017 valuation, State contributions expected to be paid in equal quarterly amounts as of September 30th, December 31st, March 31st and June 30th following the valuation date are discounted by the interest rate used at the valuation.

Local contributions expected to be paid the April 1st, following the valuation are discounted by the interest rate used at the valuation date.

Police and Firemen's Retirement System

The Police and Firemen's 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 PFRS Plan are as follows:

Plan Membership and Contributing Employers- Substantially all full-time county and municipal police and firemen and state firemen or officer employees with police powers appointed after June 30, 1944 are enrolled in PFRS Membership and contributing employers of the defined benefit pension plans consisted of the following at June 30, 2017 and 2016:

	2017	2016
Inactive plan members or beneficiaries currently receiving benefits	43,011	40,789
Inactive plan members entitled to but not yet receiving benefits	47	47
Active plan members	40,789	45,625
Total	83,847	86,461

Contributing Employers – 585

In addition to the State, who is the sole payer of regular employer contributions to the fund, PFRS's contributing employers include boards of education who elected to participate in the Early Retirement Incentive Program (ERIP) and are legally responsible to continue to pay towards their incurred liability. The current number of ERIP Contributing Employers is 26.

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 6/7th 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, 2017 and 2016 the Township's total payroll for all employees were $31,623,739 and $30,328,498, respectively. Total PFRS covered payroll was $18,379,475 and $17,976,836. Due to payroll system limitations, covered payroll refers to pensionable compensation, rather than total compensation, paid by the Town to active employees covered by the Plan.

8. EMPLOYEE RETIREMENT SYSTEMS (continued)

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. 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.

Township payments to PFRS for the years ending December 31, 2017 and 2016 consisted of the following:

	2017	2016
Total Regular Billing	$ 4,376,544	$ 4,205,512

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:

Tier	Definition
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.

Pension Liabilities, Pension Expense, Deferred Outflows of Resources, and Deferred Inflows of Resources Related to Pensions – The regulatory basis of accounting which is basis for the preparation of the Town's basic financial statements does not require or permit the inclusion of entity-wide, full accrual basis financial statements. Accordingly, the Town does not recognize pension liabilities for any current or prior period until the fiscal period in which such payments will become due and payable.

8. EMPLOYEE RETIREMENT SYSTEMS (continued)

At June 30, 2017, the PFRS reported a net pension liability of $17,167,260,198 for its Non-State, Non-Special Funding Situation Employer Member Group. The Township's proportionate share of the net pension liability for the Non-State Non-Special Funding Situation Employer Member Group was $85,473.106, or 0.5536516166% which was an increase of 0.0168766740% from its proportion measured as of June 30, 2016. Then pension liability for the June 30, 2017 measurement date was determined by an actuarial valuation as of July 1, 2016, which was rolled forward to June 30, 2017.

At June 30, 2016, the PFRS reported a net pension liability of $20,706,699,056 for its Non-State, Non-Special Funding Situation Employer Member Group. The Township's proportionate share of the net pension liability for the Non-State Non-Special Funding Situation Employer Member Group was $102,537,745, or 0.5367749426%.

At December 31, 2017 the Town would have reported deferred outflows of resources and deferred inflows of resources related to PFRS from the following sources, if GASB #68 was recognized:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expended and actual experience	$ 554,499	$ 501,656
Changes of assumptions	10,539,786	13,997,996
Net difference between projected and actual investment earnings on pension plan investments	1,631,027	
Changes in proportion	3,856,467	748,779
Township contributions subsequent to the measurement date	4,899,919	
	$ 21,481,698	$ 15,248,431

$4,899,919 is reflected above as deferred outflows of resources related to pensions resulting from Township contributions subsequent to the measurement date. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions would be recognized in pension expense on the GAAP basis as follows:

Year ended December 31,	Amount
2018	$ 1,922,849
2019	1,922,848
2020	1,212,688
2021	(1,767,746)
2022	(1,957,291)
Total	$ 1,333,348

Actuarial Assumptions- The total pension liability in the June 30, 2017 actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement:

8. EMPLOYEE RETIREMENT SYSTEMS (continued)

	June 30, 2017	June 30, 2016
Inflation	2.25%	3.08%
Salary Increases (2012-2026)	2.10 -8.98% Based on age	2.10 -8.98% Based on age
Thereafter	3.10 - 9.98% Based on age	3.10 - 9.98% Based on age
Investment rate of return	7.00%	7.65%

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, 2016 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 (7.00% at June 30, 2017) 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 was determined using a building block method in which best-estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. Best estimates of arithmetic real rates of return for each major asset class included in the pension plans' target asset allocation as of June 30, 2017 and 2016 are summarized in the following table:

8. EMPLOYEE RETIREMENT SYSTEMS (continued)

Asset Class	June 30, 2017		June 30, 2016	
	Target Allocation	Long-Term Expected Real Rate of Return	Target Allocation	Long-Term Expected Real Rate of Return
Cash equivalents	5.50%	1.00%	5.00%	0.87%
U.S. Treasuries	3.00%	1.87%	1.50%	1.74%
Global diversified credit	5.00%	7.10%		
Credit oriented hedge funds	1.00%	6.60%		
Debt related private equity	2.00%	10.63%		
Debt related real estate	1.00%	6.61%		
Private real asset	2.50%	11.83%	2.00%	6.91%
Equity related real estate	6.25%	9.23%		
U.S. equity	30.00%	8.19%	26.00%	8.53%
Non-U.S. developed markets equity	11.50%	9.00%		
Emerging markets equity	6.50%	11.64%	6.50%	9.95%
Buyouts/venture capital	8.25%	13.08%		13.08%
Absolute return/risk mitigation	5.00%	5.51%		
Investment grade credit	10.00%	3.78%	8.00%	1.79%
Public high yield	2.50%	6.82%		
Mortgages			2.00%	1.67%
High yield bonds			2.00%	4.56%
Inflation indexed bonds			1.50%	3.44%
Private equity			9.00%	12.40%
Hedge funds/absolute returns			12.50%	4.68%
Commodities			0.50%	5.45%
Developed foreign markets			13.25%	6.83%
REIT			5.25%	5.63%
Global debt ex US			5.00%	-0.25%
	100.00%		100.00%	

Discount Rate – The discount rate used to measure the total pension liability as of June 30, 2016 was 5.55% and as of June 30, 2017 was 6.14%. This single blended discount rate was based on the long-term expected rate of return on pension plan investments of 7.00% and a municipal bond rate of 3.58% as of June 30, 2017 based on the Bond Buyer Go 20-Bond Municipal Bond Index, which includes tax-exempt general obligation municipal bonds with an average rating of AA/Aa or higher. The projection of cash flows used to determine the discount rate assumed that contributions from plan members will be made at the current member contribution rates and that contributions from employers will be made based on the contribution rate in the most recent fiscal year. The State employer contributed 40% 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 2057. Therefore, the long-term expected rate of return on plan investments was applied to projected benefit payments through 2057, and the municipal bond rate was applied to projected benefit payments after that date in determining the total pension liability.

8. 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:

	At 1% Decrease	At Current Discount Rate	At 1% Increase
PFRS	$ 112,617,856	$ 85,473,106	$ 63,170,607

Plan Fiduciary Net Position – The plan fiduciary net position for PFRS at June 30, 2017 and 2016 was $25,847,718,399 and $23,984,726,664, respectively.

Additional information

Collective Local Group balances at June 30, 2017 are as follows:

Collective deferred outflows of resources	$ 2,941,953,753
Collective deferred inflows of resources	3,262,432,093
Collective net pension liability	17,167,260,198
Township's Proportion	0.5536516166%

Collective pension expense for the Local Group for the measurement period ended June 30, 2017 and 2016 was $1,624,455,951 and $2,255,296,958, respectively. The average of the expected remaining service lives of all plan members if 5.59, 5.58, 5.53 and 6.17 years for 2017, 2016, 2015 and 2014, respectively.

State Contribution Payable Dates

Prior to July 1, 2017 valuation, it is assumed the State will make pension contributions the June 30th following the valuation date. Effective with the July 1, 2017 valuation Chapter 83 P.L. 2016 requires the State to make pension contributions on a quarterly basis at least 25% by September 30, at least 50% by December 31, at least 75% by March 31, and at least 100% by June 30.

Local contributions expected to be paid the April 1st, following the valuation are discounted by the interest rate used at the valuation date.

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, 2017 and 2016 are 0.5536516166% and 0.5367749426% and the non-employer contributing entities' contribution for the year ended June 30, 2017 and 2016 was $478,726 and $329.934. The State's proportionate share of the net pension liability attributable to the Township for the years ended December 31, 2017 and 2016 was $9,573,708 and $8,610,627, respectively.

8. 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, 2017 and 2016, the Township had thirteen employees enrolled in the DCRP.

9. 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.

10. 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.

11. 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, 2017 and 2016, there was $334,457 and $309,185, 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.

12. DEFERRED CHARGES TO BE RAISED IN SUCCEEDING YEARS BUDGETS

Certain expenditures are required to be deferred to budgets of succeeding years. At December 31, 2017 and 2016, the following deferred charges existed:

	2017	2016
Severance liabilities	$ 2,658,384	$ 2,110,077

13. 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 as of December 31, 2017 and 2016. 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.

14. 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, 2017, 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.

15. 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, 2017, the Township had no estimated arbitrage earnings due to the IRS.

16. 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	32,333	298,348	266,015
PILOT - Eagle Rock	August 17, 1978	Open	107,436	890,199	782,763
PILOT - Jewish Federation	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			$ 604,076	$ 3,591,139	$ 2,987,063

17. POST-RETIREMENT HEALTH COVERAGE

Plan Description

The Township provides a post-employment healthcare plan (the "Plan") for its eligible retirees and their dependents. The Plan is a single-employer defined healthcare plan administered by the Township. In accordance with Township employment contracts and personnel policies, the Township provides post-retirement health coverage to its eligible retired employees and their dependents at the time of retirement at the same cost to the retiree as there would be, if any, if they remained an employee. Township employees who have at least 25 years of service with the Township at the time of retirement, are eligible for employer provided post-retirement health coverage.

17. POST-RETIREMENT HEALTH COVERAGE (continued)

Funding Policy

The Township funds its post-retirement health coverage on a pay-as-you-go basis. For the years 2017, 2016 and 2015, the Township paid $13,419,539.85, $11,569,002.58, and $11,816,991.56, respectively, for post-retirement health coverage premiums for eligible retirees and their dependents.

Annual OPEB Cost and Net OPEB Obligation

Division of Local Government Services, State of New Jersey, Local Finance Notice 2009-13R requires an actuarial calculation every two years.

The following information is required to be updated every three years. The information stated below is for the 2017 fiscal year.

The Township's annual other post-employment benefit ("OPEB") cost (expense) is calculated based on the annual required contribution of the employer ("ARC"), an amount actuarially determined in accordance within the parameters of GASB Statement 45. The ARC represents a level of funding that, if paid on an ongoing basis, is projected to cover normal cost each year and amortize any unfunded actuarial liabilities (or funding excess) over a period not to exceed 30 years.

The following table shows the components of the Township's annual OPEB cost for 2017, the amount actually contributed to the Plan, and changes in the Township's net OPEB obligation to the Plan:

Annual OPEB Cost (Expense)	$ 6,266,544
Contributions Made	-
Increase in Net OPEB Obligation	6,266,544
Net OPEB Obligation - Beginning of Year	85,451,379
Net OPEB Obligation - End of Year	$ 91,717,923

The Township's annual OPEB cost, the percentage of annual OPEB cost contributed to the Plan, and the net OPEB obligation for the year 2017 was as follows:

Year Ended December 31,	Annual OPEB Cost	Percentage of Annual OPEB Cost Contributed	Net OPEB Obligations
2017	$ 6,266,544	0.0%	$ 91,717,923

Funded Status and Funding Progress

As of December 31, 2017, the most recent actuarial valuation date, the Plan was not funded. The actuarial accrued liability for benefits was $91,717,923 and the actuarial value of assets was $-0-, resulting in an unfunded actuarial accrued liability ("UAAL") of $91,717,923.

Actuarial valuations of an ongoing plan involve estimates of the value of reported amounts and assumptions about the probability of occurrence of events far into the future. Examples include assumptions about future employment, mortality, and the healthcare cost trend. Amounts determined regarding the funded status of the plan and the annual required contributions of the employer are subject to continual revision as actual results are compared with past expectations and new estimates are made about the future.

17. POST-RETIREMENT HEALTH COVERAGE (continued)

Actuarial Methods and Assumptions

Projections of benefits for financial reporting purposes are based on the substantive plan (the plan as understood by the employer and the plan members) and include the types of benefits provided at the time of each valuation and the historical pattern of sharing of benefit costs between the employer and plan members to that point. The actuarial methods and assumptions used include techniques that are designed to reduce the effects of short-term volatility in actuarial accrued liabilities and the actuarial value of assets, consistent with the long-term perspective of the calculations.

In the December 31, 2017 actuarial valuation, the Projected Unit Credit Funding Method was used. The actuarial assumptions included a 4% investment rate of return (net of administrative expense), which is a blended rate of the expected long-term investment returns on Plan assets and on the employer's own investments calculated based on the funded level of the Plan at the valuation date, and for healthcare benefits an annual healthcare cost trend rate of 6.0% initially, reduced by increments to an ultimate rate of 5% after 10 years.

18. SUBSEQUENT EVENTS

The Township has evaluated subsequent events occurring after December 31, 2017 through June 28, 2018, 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
COUNTY OF ESSEX, NEW JERSEY
YEAR ENDED DECEMBER 31, 2017

Comparative Schedule of Tax Rate Information

	2017	2016	2015
Tax Rate	$ 3.986	$ 3.89	$ 3.82
Apportionment of Tax Rate:			
Municipal	0.948	0.927	0.910
Mimimum Library Tax	0.036	0.035	0.034
County	0.545	0.540	0.520
School	2.438	2.369	2.335
Municipal - Open Space	0.003	0.003	0.002
County - Open Space	0.016	0.016	0.015
	$ 3.986	$ 3.89	$ 3.82
Assessed Valuation	$ 5,592,104,073	$ 5,599,688,525	$ 5,601,313,855

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.

Year	Tax Levy	Cash Collections	Percent of Collections
2017	$ 223,138,412.68	$ 219,892,502.43	98.55%
2016	218,449,817.06	215,704,861.98	98.74%
2015	214,069,446.45	211,159,561.28	98.64%

TOWNSHIP OF WEST ORANGE
COUNTY OF ESSEX, NEW JERSEY
YEAR ENDED DECEMBER 31, 2017

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.

Year	Amount of Tax Title Liens	Amount of Delinquent Taxes	Total Delinquent	Percentage of Tax Levy
2017	$ 50,234.82	$ 3,309,924.85	$ 3,360,159.67	1.51%
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

The last tax sale was held via the internet on October 5, 2017 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:

Years	Tax Title Liens
2017	9
2016	9
2015	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:

Years	Amount
2017	$ 1,652,465
2016	1,652,465
2015	392,465

Equalized Valuations – Real Property

Year	Amount
2017	$ 6,215,620,287
2016	6,043,723,568
2015	5,954,687,114

TOWNSHIP OF WEST ORANGE
COUNTY OF ESSEX, NEW JERSEY
YEAR ENDED DECEMBER 31, 2017

Comparison of Sewer Utility Levies and Collections

Year	Levy	Cash Collections(*)	Percentage of Collection
2017	$ 7,070,632.19	$ 7,226,098.37	102.20%
2016	7,055,299.92	6,886,119.87	97.60%
2015	5,034,383.94	5,056,608.79	100.44%

* Includes collection of prior year receivables

Comparative Schedule of Fund Balances

Current Fund

Year	Balance December 31	Utilized in Budget of Succeeding Year
2017	$ 3,785,316.01	$ 3,262,227.48
2016	4,415,550.88	2,898,302.12
2015	3,418,848.03	2,898,302.12

Swimming Pool Utility Fund

Year	Balance December 31	Utilized in Budget of Succeeding Year
2017	$ 90,869.19	$ 15,438.00
2016	40,437.13	16,055.00
2015	53,122.13	43,152.73

Bonded Officials

The following officials were bonded during the year ended December 31, 2017 through policies issued by Western Surety Company:

Name	Title	Amount
Yvonne Bowers	Municipal Court Administrator	$ 75,000
Joanne Gagliardo	Tax Collector	720,000
John O. Gross	Chief Financial Officer	50,000
Dawn Donohue	Municipal Judge	75,000
Dennis Dowd	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
CURRENT FUND

CASH RECEIPTS AND DISBURSEMENTS - TREASURER
YEAR ENDED DECEMBER 31, 2017

	Ref.		Regular Fund
Balance, December 31, 2016	A	$	12,793,493.15
Increased by Receipts:			
Tax Collector	A-5		267,671,292.00
			280,464,785.15
Decreased by Disbursements:			
Budget Appropriations	A-3		75,201,985.94
State and County Judgments	A-10		240,876.97
Tax Title Lienholders Payable	A-10A		1,553,299.24
Tax Title Lien Premium Payable	A-10B		1,532,900.00
Interfund Advances	A-13		369,085.97
Appropriation Reserves	A-15		740,888.25
Accounts Payable	A-17		8,550.00
Special Emergency Notes	A-14		2,110,077.00
Open Space Trust	A-14A		145,575.16
Special Improvement District Assessment	A-14B		96,893.38
Prepaid Health Licenses	A-14C		6,165.00
Tax Appeals Paid	A-18		2,943,533.53
School Tax Payable	A-19		136,344,647.50
County Tax Payable	A-20		31,472,644.40
Fees Due to State of New Jersey	A-21		82,955.00
Prepaid Tax Refunds	A-22		20,945.15
			252,871,022.49
Balance, December 31, 2017	A	$	27,593,762.66

See Independent Auditors' Report

TOWNSHIP OF WEST ORANGE
CURRENT FUND

CASH RECEIPTS AND DISBURSEMENTS - COLLECTOR
YEAR ENDED DECEMBER 31, 2017

	Ref.	Regular Fund
Increased by Receipts:		
Taxes Receivable	A-7	$ 220,982,499.98
Tax Title Lienholders Payable	A-10A	1,553,746.68
Tax Title Lien Premium Payable	A-10B	2,241,900.00
Revenue Accounts Receivable	A-11	12,800,786.16
Sewer Rents	A-12	7,226,098.37
Interfund	A-13	3,538,089.73
Special Emergency Notes	A-14	2,660,052.00
Exemptions Due from State of New Jersey	A-16	168,552.74
Fees Due to State of New Jersey	A-21	67,974.00
Prepaid Taxes	A-22	16,422,098.67
Sewer Rent Overpayments	A-17A	6,713.67
Prepaid Health Licenses	A-14C	2,780.00
		267,671,292.00
Decreased by Disbursements:		
Township Treasurer	A-4	267,671,292.00
Balance, December 31, 2017		$

See Independent Auditors' Report

TOWNSHIP OF WEST ORANGE
CURRENT FUND

SCHEDULE OF CASH - CHANGE FUNDS
YEAR ENDED DECEMBER 31, 2017

	Ref.		
Balance, December 31, 2017 and 2016	A	$	650.00
Analysis of Balance:			
Tax Collector		$	300.00
Health Department			25.00
Police Department			25.00
Municipal Court			300.00
	Above	$	650.00

See Independent Auditors' Report

TOWNSHIP OF WEST ORANGE
CURRENT FUND

TAXES RECEIVABLE AND ANALYSIS OF PROPERTY TAX LEVY
YEAR ENDED DECEMBER 31, 2017

Year	Balance, December 31, 2016	2017 Levy	Added Taxes	Collections 2016	Collections 2017	Canceled	Senior Citizens' and Veterans' Deductions (Net)	Tax Title Liens	Balance, December 31, 2017
2016	$ 2,568,921.50		$ 88,192.94		$ 2,593,966.13	$ 5,397.76		$ 1,387.00	$ 56,363.55
2017		$ 223,138,412.68	358,915.51	$ 1,336,218.58	218,388,533.85	341,725.07	$ 167,750.00	9,539.39	3,253,561.30
	$ 2,568,921.50	$ 223,138,412.68	$ 447,108.45	$ 1,336,218.58	$ 220,982,499.98	$ 347,122.83	$ 167,750.00	$ 10,926.39	$ 3,309,924.85
Ref.	A	Below	Reserve	A-22, Below	A-5, Below	Reserve	A-16, Below	A-8	A

Collected in 2017	Above
Collected in 2016	Above
Senior citizens and veterans deductions (net)	Above
	A-2

				$ 218,388,533.85
				1,336,218.58
				167,750.00
				$ 219,892,502.43

Local District School Tax Levy	A-19	$ 136,344,646.00	A-2	$ 136,344,646.00
County Tax	A-20	30,481,207.30		
County Open Space Tax	A-20	917,447.54		
Due County for Added Taxes	A-20	21,432.30	A-2	31,420,087.14
Local Tax for Municipal Purposes		52,982,824.98		
Add Additional Tax Levied		129,356.76	A-2	53,112,181.74
Local Tax for Library Purposes		2,017,653.91		
Add Additional Tax Levied		1,375.35		2,019,029.26
Open Space Tax		145,460.49		
Add Additional Open Space Tax		114.67		
	A-14A		A-2	145,575.16
SID Assessment	A-14B		A-2	96,893.38
				$ 223,138,412.68

See Independent Auditors' Report

TOWNSHIP OF WEST ORANGE
CURRENT FUND

TAX TITLE LIENS RECEIVABLE
YEAR ENDED DECEMBER 31, 2017

A-8

	Ref.		
Balance, December 31, 2016	A		$ 39,086.54
Increased by:			
Transfer from Taxes Receivable	A-7	$ 10,926.39	
Interest and Costs	Reserve	221.89	
			11,148.28
Balance, December 31, 2017	A		$ 50,234.82

PROPERTY ACQUIRED FOR TAXES - ASSESSED VALUATION
DECEMBER 31, 2017

A-9

	Ref.	
Balance, December 31, 2017 and 2016	A	$ 1,652,465.00

See Independent Auditors' Report

TOWNSHIP OF WEST ORANGE
CURRENT FUND

TAX APPEALS PAYABLE
YEAR ENDED DECEMBER 31, 2017

A-10

	Ref.	
Balance, December 31, 2016	A	$ 53,649.66
Increased by		
Budget Appropriation	A-3	350,000.00
		403,649.66
Decreased by		
Tax Appeals Paid	A-4	240,876.97
Balance, December 31, 2017	A	$ 162,772.69

TAX TITLE LIENHOLDERS PAYABLE
YEAR ENDED DECEMBER 31, 2017

A-10A

	Ref.	
Balance, December 31, 2016	A	$ 247,385.18
Increased by:		
Tax Lien Sale	A-5	1,553,746.68
		1,801,131.86
Decreased by:		
Redemptions	A-4	1,553,299.24
Balance, December 31, 2017	A	$ 247,832.62

TAX TITLE LIEN PREMIUMS PAYABLE
YEAR ENDED DECEMBER 31, 2017

A-10B

	Ref.	
Balance, December 31, 2016	A	$ 3,973,653.14
Increased by:		
Tax Lien Sale	A-5	2,241,900.00
		6,215,553.14
Decreased by:		
Cash Disbursements	A-4	1,532,900.00
Balance, December 31, 2017	A	$ 4,682,653.14

See Independent Auditors' Report

TOWNSHIP OF WEST ORANGE
CURRENT FUND

REVENUE ACCOUNTS RECEIVABLE
YEAR ENDED DECEMBER 31, 2017

BUDGET REVENUE:	Ref.	Balance, December 31, 2016	Accrued in 2017	Collected by Treasurer	Balance, December 31, 2017
In Lieu of Taxes:					
West Orange Senior Citizens Housing	A-2		$ 117,900.00	$ 117,900.00	
Jewish Federation Plaza	A-2		100,762.82	100,762.82	
Eagle Rock Housing	A-2		60,407.00	60,407.00	
Woodland Valley	A-2		27,463.50	27,463.50	
St. Barnabas	A-2		286,688.00	286,688.00	
Twp Clerk: Alcoholic Beverages Licenses	A-2		69,209.22	69,209.22	
Twp Clerk: Other Licenses	A-2		50,865.00	50,865.00	
Fees and Permits	A-2		285,272.19	285,272.19	
Municipal Court Fines and Costs	A-2	$ 42,256.86	570,566.83	581,817.44	$ 31,006.25
Parking Meters	A-2		13,027.29	13,027.29	
Interest on Delinquent Taxes	A-2		964,643.82	964,643.82	
Interest on Investments	A-2		43,747.92	43,747.92	
State of New Jersey:					
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		753,707.00	753,707.00	
Interlocal Service Agreements	A-2		3,775.76	3,775.76	
Uniform Fire Safety Act	A-2		66,542.49	66,542.49	
Supplemental Sewer Fees	A-2		33,482.86	33,482.86	
Medical Transport Billing Service	A-2		1,395,358.94	1,395,358.94	
Comcast Cable/Verizon Franchise Fee	A-2		670,746.50	670,746.50	
Ground Leases	A-2		136,030.15	136,030.15	
Hotel Tax	A-2		493,797.83	493,797.83	
Reserve to Pay Debt Service	A-2		89,627.81	89,627.81	
General Capital Fund Balance	A-2		341,899.41	341,899.41	
Open Space Trust Fund-Debt Service	A-2		12,922.60	12,922.60	
Assessment Trust Fund Balance	A-2		315,165.93	315,165.93	
Board of Education Reserve	A-2		1.50	1.50	
Extra Duty Fees	A-2		196,265.25	183,597.68	12,667.57
Total Anticipated Revenues		$ 42,256.86	$ 11,796,346.62	$ 11,794,929.66	$ 43,673.82
Miscellaneous Revenue Not Anticipated	A-2		1,005,856.50	1,005,856.50	
		$ 42,256.86	$ 12,802,203.12	$ 12,800,786.16	$ 43,673.82
	Ref.	A	Reserve	A-5	A

See Independent Auditors' Report

TOWNSHIP OF WEST ORANGE
CURRENT FUND

SEWER USER CHARGES RECEIVABLE
YEAR ENDED DECEMBER 31, 2017

	Ref.	
Balance, December 31, 2016	A	$ 517,774.55
Increased by:		
Sewer Charges	Reserve	7,070,632.19
		7,588,406.74
Decreased by:		
Cash Receipts	A-2, A-5	7,226,098.37
Balance, December 31, 2017	A	$ 362,308.37

See Independent Auditors' Report

TOWNSHIP OF WEST ORANGE
CURRENT FUND

INTERFUNDS PAYABLE
YEAR ENDED DECEMBER 31, 2017

	Ref.	Total	General Capital Fund	Federal and State Grant Fund
Balance, December 31, 2016				
To (From)	A	$ 745,439.76	$ -	$ 745,439.76
Increased by:				
Budget Appropriation	A-3	393,799.09		393,799.09
Cash Receipts	A-5	3,394,669.38	3,200,000.00	194,669.38
Unappropriated Grants	A-5	143,420.35		143,420.35
		3,931,888.82	3,200,000.00	731,888.82
Decreased by:				
Revenue Anticipated	A-2	378,685.09		378,685.09
Cash Disbursements	A-4	369,085.97		369,085.97
Reserve for Tax Appeals	A-18	3,200,000.00	3,200,000.00	
		3,947,771.06	3,200,000.00	747,771.06
Balance, December 31, 2017				
To (From)	A	$ 729,557.52	$ -	$ 729,557.52

See Independent Auditors' Report

TOWNSHIP OF WEST ORANGE
CURRENT FUND

SPECIAL EMERGENCY NOTES PAYABLE
YEAR ENDED DECEMBER 31, 2017

	Ref.	A-14
Balance, December 31, 2016	A	$ 2,110,077.00
Increased by:		
Notes Issued	A-5	2,660,052.00
		4,770,129.00
Decreased by:		
Notes Paid	A-4	2,110,077.00
Balance, December 31, 2017	A	$ 2,660,052.00

LOCAL OPEN SPACE TAXES PAYABLE
YEAR ENDED DECEMBER 31, 2017

	Ref.	A-14A
Balance, December 31, 2016	A	$ -
Increased by:		
Local Open Space Taxes Received	A-1, A-7	145,575.16
		145,575.16
Decreased by:		
Local Open Space Taxes Paid to Trust	A-4	145,575.16
Balance, December 31, 2017	A	$ -

SPECIAL IMPROVEMENT DISTRICT ASSESSMENT
YEAR ENDED DECEMBER 31, 2017

	Ref.	A-14B
Balance, December 31, 2016	A	$
Increased by:		
SID Funds Received	A-1, A-7	96,893.38
		96,893.38
Decreased by:		
SID Funds Disbursed	A-4	96,893.38
Balance, December 31, 2017	A	$

PREPAID HEALTH LICENSES
YEAR ENDED DECEMBER 31, 2017

	Ref.	A-14C
Balance, December 31, 2016	A	$ 6,165.00
Increased by:		
Cash Receipts	A-5	2,780.00
		8,945.00
Decreased by:		
Refunds	A-4	6,165.00
Balance, December 31, 2017	A	$ 2,780.00

See Independent Auditors' Report

TOWNSHIP OF WEST ORANGE
CURRENT FUND

2016 APPROPRIATION RESERVES
YEAR ENDED DECEMBER 31, 2017

	Balance, December 31, 2016	Encumbrances December 31, 2016	Balance, After Transfer	Paid or Charged	Lapsed
SALARIES AND WAGES:					
Mayor	$ 0.17	$ -	$ 0.17	$ -	$ 0.17
Town Council	1.20	-	1.20	-	1.20
Alcoholic Beverage Control	700.00	-	700.00	-	700.00
Township Clerk	1,497.36	-	1,497.36	-	1,497.36
Elections	623.91	-	623.91	-	623.91
Township Attorney	0.14	-	0.14	-	0.14
Planning Board	0.08	-	0.08	-	0.08
Board of Adjustment	0.34	-	0.34	-	0.34
Municipal Court	11,944.62	-	11,944.62	-	11,944.62
Public Defender	4,250.00	-	4,250.00	-	4,250.00
Central Purchasing	0.01	-	0.01	-	0.01
Central Insurance Fund	2,400.00	-	2,400.00	-	2,400.00
Tax Collector	0.36	-	0.36	-	0.36
Comptroller's Office	98,612.08	-	98,612.08	-	98,612.08
Planning Director	11,171.63	-	11,171.63	-	11,171.63
Housing Code Enforcement	16.78	-	16.78	-	16.78
Uniform Fire Safety	28,250.00	-	28,250.00	-	28,250.00
Emergency Management	4,950.00	-	4,950.00	-	4,950.00
Parking Facilities, Maintenance and Repairs	2,200.00	-	2,200.00	-	2,200.00
General Health	13,518.13	-	13,518.13	-	13,518.13
Senior Citizen Transportation	4,121.59	-	4,121.59	-	4,121.59
Welfare	1,000.70	-	1,000.70	-	1,000.70
Sen Citizen Health Care	3,815.52	-	3,815.52	-	3,815.52
Child Health	3,000.00	-	3,000.00	-	3,000.00
Parks and Playgrounds	39,778.23	-	39,778.23	-	39,778.23
Construction Official	901.34	-	901.34	-	901.34
Total Salaries and Wages	232,754.19	-	232,754.19	-	232,754.19

TOWNSHIP OF WEST ORANGE
CURRENT FUND

2016 APPROPRIATION RESERVES
YEAR ENDED DECEMBER 31, 2017

	Balance, December 31, 2016	Encumbrances December 31, 2016	Balance, After Transfer	Paid or Charged	Lapsed
OTHER EXPENSES:					
Office of the Mayor	$ 10,860.17		$ 10,860.17		$ 10,860.17
Public Information Officer	24.52	$ 90.48	115.00	$ 81.01	33.99
Township Council	2,385.91	1,179.53	3,565.44	1,134.67	2,430.77
Alcohol Beverage Control	52.00		52.00		52.00
Litigation - Arbitration	1,337.14	6,287.86	7,625.00	7,502.36	122.64
Township Clerk	1,771.00		1,771.00		1,771.00
Legal Services	36,928.55	1,611.45	38,540.00		38,540.00
Human Relations	1,771.48	60.48	1,831.96		1,831.96
Planning Board	6,414.41	366.81	6,781.22	366.81	6,414.41
Board of Adjustment	2,447.82	130.16	2,577.98	71.86	2,506.12
Waste Management	88,181.19	27,416.37	115,597.56	27,416.37	88,181.19
Municipal Court	6,040.56	937.49	6,978.05	1,139.70	5,838.35
Public Defender	4,360.00	350.00	4,710.00	350.00	4,360.00
Open Space Recreation	69.31		69.31		69.31
Rent Leveling Board	75.00		75.00		75.00
Business Administrator	62,387.54	8,972.04	71,359.58	4,469.40	66,890.18
Administration of Town-Owned Property	482.00		482.00		482.00
Central Purchasing		1,105.42	1,105.42		1,105.42
Central Printing and Supply	1,075.99	170.46	1,246.45	572.48	673.97
Central Telephone		26,435.33	26,435.33	192.24	26,243.09
Employee Group Health	41,408.34	71,354.20	112,762.54	(404.30)	113,166.84
Central Mailing	282.65		282.65		282.65
Township Physician	4,877.67	2,463.33	7,341.00	80.00	7,261.00
Tax Collector	8,151.62	189.98	8,341.60	466.98	7,874.62
Treasurer	3,223.35	539.00	3,762.35	440.00	3,322.35
Comptroller	57,023.69	256.19	57,279.88	18,132.57	39,147.31
Planning Director	542.16		542.16		542.16
Housing Code Enforcement	4,628.46		4,628.46		4,628.46
Downtown W.O. Alliance	816.07		816.07		816.07
Energy Commission	670.00		670.00		670.00
Historical Commission	15.90	1,400.00	1,415.90	1,400.00	15.90
Tax Assessor	2,525.77	3,160.44	5,686.21	2,702.87	2,983.34
Police Uniform Allowance	1,200.00		1,200.00		1,200.00

See Independent Auditors' Report

TOWNSHIP OF WEST ORANGE
CURRENT FUND

2016 APPROPRIATION RESERVES
YEAR ENDED DECEMBER 31, 2017

	Balance, December 31, 2016	Encumbrances December 31, 2016	Balance, After Transfer	Paid or Charged	Lapsed
Police Department	$ 0.16	$ 21,928.15	$ 21,928.31	$ 20,456.06	$ 1,472.25
Department of Fire	1,140.76	6,427.79	7,568.55	4,551.86	3,016.69
Fire Uniforms	6,200.00		6,200.00		6,200.00
Uniform Fire Safety		25,048.99	25,048.99	24,909.56	139.43
Engineering	1,403.47	1,531.30	2,934.77	1,531.30	1,403.47
Building and Grounds	3,718.52	69,714.78	73,433.30	30,354.17	43,079.13
Arts Council	259.18		259.18		259.18
Shade Tree		18,023.14	18,023.14		18,023.14
Snow Plowing and Salt	457.69	106,685.12	107,142.81	95,644.75	11,498.06
Street Services-Cleaning & Drainage	4,405.16	7,490.62	11,895.78	6,707.17	5,188.61
Street Repairs	9,493.74	19,512.75	29,006.49	5,580.65	23,425.84
Street Services & Traffic		4,093.52	4,093.52	1,368.30	2,725.22
Sanitation		190.00	190.00		190.00
Automotive	20,644.87	84,828.46	105,473.33	60,635.13	44,838.20
Sewage and Pumping Stations	9,208.82	20,101.64	29,310.46	15,981.98	13,328.48
General Health	2,658.53	376.65	3,035.18	55.00	2,980.18
Senior Citizen Transportation	345.89		345.89		345.89
Public Assistance	4,525.00		4,525.00		4,525.00
Podiatry	3,609.37	2,522.20	6,131.57		6,131.57
Senior Citizen Health Center	1,131.86	912.80	2,044.66	834.70	1,209.96
Child Health Clinic	420.05	176.78	596.83	100.00	496.83
Retired Citizens Program	2,853.05	2,708.48	5,561.53	3,202.76	2,358.77
Right to Know Program	51.78	116.00	167.78		167.78
Garbage and Trash Removal		253,833.61	253,833.61	244,569.65	9,263.96
Community Services	4,750.00		4,750.00		4,750.00
Parks and Playgrounds	8,244.24	8,763.68	17,007.92	3,566.89	13,441.03
Public Celebrations	7,593.97	574.45	8,168.42		8,168.42
Construction Official	3,739.85	2,282.37	6,022.22	2,659.37	3,362.85
Electricity	8,560.76	55,119.66	63,680.42		63,680.42
Street Lighting		102,613.78	102,613.78	97,471.20	5,142.58
Gasoline	102,864.29	36,556.55	139,420.84	(6,569.09)	145,989.93

TOWNSHIP OF WEST ORANGE
CURRENT FUND

2016 APPROPRIATION RESERVES
YEAR ENDED DECEMBER 31, 2017

	Balance, December 31, 2016	Encumbrances December 31, 2016	Balance, After Transfer	Paid or Charged	Lapsed
Water	$ 5,076.23	$ 3,796.68	$ 8,872.91	$ 3,428.13	$ 5,444.78
Fire Hydrant Service		55,000.00	55,000.00	55,000.00	-
Challenge Grant Bus Shuttle		300.00	300.00		300.00
NJ League of Municipalities	453.00		453.00		453.00
Contingent	1,000.00		1,000.00		1,000.00
Total Other Expenses	566,840.51	1,065,706.97	1,632,547.48	738,154.56	894,392.92
STATUTORY EXPENDITURES:					
Social Security System (O.A.S.I.)	6,129.34		6,129.34		6,129.34
Total Statutory Expenditures	6,129.34		6,129.34	-	6,129.34
Essex County CJIS	5,018.53		5,018.53		5,018.53
Chapter 10, P.L. 1977-Joint Outlet Sewer Maintena	7,557.49	5,442.49	12,999.98	5,442.49	7,557.49
Total Other Operations - Excluded from "CAPS"	12,576.02	5,442.49	18,018.51	5,442.49	12,576.02
	$ 818,300.06	$ 1,071,149.46	$ 1,889,449.52	$ 743,597.05	$ 1,145,852.47
Ref.	A	A			A-1

Cash Disbursed	A-4	$ 740,888.25
Transferred to Accounts Payable	A-17	2,708.80
		$ 743,597.05

TOWNSHIP OF WEST ORANGE
CURRENT FUND

DUE FROM (TO) STATE OF NEW JERSEY
YEAR ENDED DECEMBER 31, 2017

	Ref.		A-16
Balance, December 31, 2016	A		$ (648.63)
Increased by:			
Exemptions Granted per Billing		$ 168,000.00	
Exemptions Granted by Tax Collector		3,000.00	
	A-7		171,000.00
			170,351.37
Decreased by:			
Exemptions Disallowed by Tax Collector			
2017 Taxes	A-7	3,250.00	
Cash Receipts	A-5	168,552.74	
			$ 171,802.74
Balance, December 31, 2017	A		$ (1,451.37)

ACCOUNTS PAYABLE
YEAR ENDED DECEMBER 31, 2017

	Ref.	A-17
Balance, December 31, 2016	A	$ 14,500.00
Increased by:		
Transfer from Reserve for Encumbrances	A-15	2,708.80
		17,208.80
Decreased by:		
Cash Disbursements	A-4	8,550.00
Balance, December 31, 2017	A	$ 8,658.80

SEWER RENT OVERPAYMENTS
YEAR ENDED DECEMBER 31, 2017

	Ref.	A-17A
Balance, December 31, 2016	A	$ 9,440.02
Increased by:		
Cash Receipts	A-5	6,713.67
Balance, December 31, 2017	A	$ 16,153.69

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TOWNSHIP OF WEST ORANGE
CURRENT FUND

RESERVE FOR TAX APPEALS
YEAR ENDED DECEMBER 31, 2017

A-18

	Ref.	
Balance, December 31, 2016	A	$ -
Increased by:		
Transfer from General Capital Fund	A-13	3,200,000.00
		3,200,000.00
Decreased by:		
Cash Disbursements	A-4	2,943,533.53
Balance, December 31, 2017	A	$ 256,466.47

LOCAL DISTRICT SCHOOL TAXES PAYABLE
YEAR ENDED DECEMBER 31, 2017

A-19

	Ref.	
Balance, December 31, 2016	A	$ 1.50
Increased by:		
Calendar Year Levy	A-1, A-7	136,344,646.00
		136,344,647.50
Decreased by:		
Cash Payments	A-4	136,344,647.50
Balance, December 31, 2017	A	$ -

COUNTY TAXES PAYABLE
YEAR ENDED DECEMBER 31, 2017

A-20

	Ref.		
Balance December 31, 2016	A		$ 73,994.28
Increased by:			
General Levy		$ 30,481,207.30	
Open Space Levy		917,447.54	
General Levy Added/Omitted Taxes		21,432.30	
	A-1, A-7		31,420,087.14
			31,494,081.42
Decreased by:			
Cash Payments	A-4		31,472,644.40
Balance December 31, 2017	A		$ 21,437.02

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TOWNSHIP OF WEST ORANGE
CURRENT FUND

FEES DUE TO STATE OF NEW JERSEY
YEAR ENDED DECEMBER 31, 2017

A-21

	Ref.	Total	Marriage License	Building Surcharge
Balance, December 31, 2016	A	$ 27,397.00	$ 1,261.00	$ 26,136.00
Increased by:				
Cash Receipts	A-5	67,974.00	9,225.00	58,749.00
		95,371.00	10,486.00	84,885.00
Decreased by:				
Cash Disbursements	A-4	82,955.00	9,100.00	73,855.00
Balance, December 31, 2017	A	$ 12,416.00	$ 1,386.00	$ 11,030.00

PREPAID TAXES
YEAR ENDED DECEMBER 31, 2017

A-22

	Ref.	
Balance, December 31, 2016	A	$ 1,336,218.58
Increased by:		
Cash Receipts	A-5	16,422,098.67
		17,758,317.25
Decreased by:		
Refunds	A-4	20,945.15
Prepaid Applied	A-7	1,336,218.58
Balance, December 31, 2017	A	$ 16,401,153.52

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TOWNSHIP OF WEST ORANGE
GRANT FUND

GRANTS RECEIVABLE
YEAR ENDED DECEMBER 31, 2017

	Balance Dec. 31, 2016	Grant Award	Collections	Canceled	Balance Dec. 31, 2017
DOT - Various Streets	$ 834,547.45			$ 367,634.47	$ 466,912.98
Municipal Alliance for Alcoholism and Drug Abuse	54,094.69	$ 59,202.00	$ 53,310.00		59,986.69
Pedestrian Safety Enforcement	8,000.00			8,000.00	
Municipal Stormwater Regulation Program	5,155.00			5,155.00	
Wastewater Treatment Fund	123,899.00			123,899.00	
Essex County DOA Senior Citizens Grant	5,198.00	16,127.00	16,127.00		5,198.00
Essex County Delinquency Prevention Grant	27,232.26	18,563.00	14,994.48	8,924.79	21,875.99
ILEA Grant	27,840.00				27,840.00
Bullet Proof Vest Fund	13,832.41	4,400.00			18,232.41
Body Armour Replacement	5,686.46	8,279.27			13,965.73
COPS in Shops	10,959.40			9,639.19	1,320.21
Drive Sober or Get Pulled Over	5,000.00		3,000.00		2,000.00
Hazardous Mitigation Grant	375,000.00				375,000.00
Hazardous Discharge Grant		77,238.00	77,237.90		0.10
EMMA Grant	5,000.00		5,000.00		
ANJAC Grants	500.00				500.00
U Drive, U Text, U Pay		5,500.00		5,500.00	
Partners for Health		10,000.00	10,000.00		
Historical Preservation Grant		15,000.00	15,000.00		
Click It or Ticket		5,500.00		55.00	5,445.00
	$ 1,501,944.67	$ 219,809.27	$ 194,669.38	$ 528,807.45	$ 998,277.11
Ref.	A	A-25	A-24	A-25	A

TOWNSHIP OF WEST ORANGE
GRANT FUND

DUE FROM CURRENT FUND
YEAR ENDED DECEMBER 31, 2017

	Ref.		
Balance, December 31, 2016	A		$ 745,439.76
Increased by:			
Collection of Grant Receivable	A-23	$ 194,669.38	
Unappropriated Grants	A-26	143,420.35	
Municipal Match	A-25	15,114.00	353,203.73
			1,098,643.49
Decreased by:			
Cash Disbursed	A-25		369,085.97
Balance, December 31, 2017	A		$ 729,557.52

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TOWNSHIP OF WEST ORANGE
GRANT FUND

RESERVE FOR APPROPRIATED GRANTS
YEAR ENDED DECEMBER 31, 2017

	Balance Dec. 31, 2016	Budget Appropriation	Cash Disbursed	Canceled	Balance Dec. 31, 2017
Drunk Driving Enforcement Fund	$ 479.89	$ 18,667.28	$ 1,436.26		$ 17,710.91
DOT - Various Streets	600,405.51		11,771.04	$ 367,634.47	221,000.00
Clean Communities	196,256.49	90,053.54	16,250.00		270,060.03
Municipal Alliance for Alcoholism and Drug Abuse	41,092.68	74,152.00	69,349.72		45,894.96
Body Armor Replacement Fund	22,782.13	8,279.27	13,190.00		17,871.40
Municipal Stormwater Regulation Program	20,619.00			5,155.00	15,464.00
Bullet Proof Vest Partnership	8,385.94	4,400.00	7,844.31		4,941.63
Pedestrian Safety Enforcement	8,000.00			8,000.00	
Junior Police	599.18			599.18	
Cops in Shops	364.58			364.58	
Byrne Memorial Justice Assistance	10,049.95				10,049.95
Wastewater Treatment Fund	279,358.00			123,899.00	155,459.00
Hazardous Discharge Site Remediation	124,893.19	77,238.00	129,809.24		72,321.95
Essex County DOA Senior Citizens Grant		16,291.00	16,291.00		
Essex County Delinquency Prevention Grant	7,936.25	18,563.00	18,173.64	8,325.61	
Recycling Tonnage Grant	52,944.13	48,705.00	19,300.00		82,349.13
Essex County ILEA Grant	18,560.00				18,560.00
CTTEC Grant	33,310.25		19,662.10		13,648.15
ABC Grant	11,629.88		5,445.00	6,184.88	
SAFER Grant	10,411.49		10,411.49		
NJPN Grant	3,000.00				3,000.00
NACCHO Grant	5,837.02	1,450.00	4,707.17		2,579.85
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	
U Drive, U Text, U Pay		5,500.00	5,445.00	55.00	
Partners for Health		10,000.00	5,000.00		5,000.00
Historical Preservation Grant		15,000.00	15,000.00		
Click It or Ticket		5,500.00		5,500.00	
Hazardous Mitigation Grant	375,000.00				375,000.00
Community Stewardship Program	293.00				293.00
	$ 2,088,508.61	$ 393,799.09	$ 369,085.97	$ 528,807.45	$ 1,584,414.28
Ref.	A	Below	A-24	A-23	A

Budget Appropriation	A-23	$ 219,809.27
Transfer from Reserve for Unappropriated Grants	A-26	158,875.82
Match	A-24	15,114.00
	Above, A-3	$ 393,799.09

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TOWNSHIP OF WEST ORANGE
GRANT FUND

RESERVE FOR UNAPPROPRIATED GRANTS
YEAR ENDED DECEMBER 31, 2017

A-26

	Balance Dec. 31, 2016	Increased	Decreased	Balance Dec. 31, 2017
Clean Communities Grant	$ 90,053.54		$ 90,053.54	
Recycling Tonnage Grant	48,705.00		48,705.00	
Drunk Driving Enforcement Fund	18,667.28		18,667.28	
NJACCHO Grant	1,450.00		1,450.00	
NJ Prevention		$ 1,500.00		$ 1,500.00
EMMA Assistance		2,000.00		2,000.00
Drunk Driving		10,890.00		10,890.00
Clean Communities Grant 2017		76,506.14		76,506.14
Recycling Tonnage Grant 2017		52,524.21		52,524.21
	$ 158,875.82	$ 143,420.35	$ 158,875.82	$ 143,420.35
Ref.	A	A-24	A-25	A

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TOWNSHIP OF WEST ORANGE
GRANT FUND

DEFERRED CHARGES
N.J.S.A. 40A:4-55 SPECIAL EMERGENCY
YEAR ENDED DECEMBER 31, 2017

A-27

Purpose	Net Amount Authorized	1/5 of Net Amount Authorized	Balance Dec. 31, 2016	Increase	Decrease	Balance Dec. 31, 2017
2013 Severance Liability	$ 1,200,000.00	$ 240,000.00	$ 480,000.00		$ 240,000.00	$ 240,000.00
2014 Severance Liability	658,465.00	131,693.00	390,077.00		131,693.00	258,384.00
2015 Severance Liability	800,000.00	160,000.00	640,000.00		160,000.00	480,000.00
2016 Severance Liability	600,000.00	120,000.00	600,000.00		120,000.00	480,000.00
2017 Severance Liability	1,200,000.00	240,000.00		$ 1,200,000.00		1,200,000.00
	$ 4,458,465.00	$ 891,693.00	$ 2,110,077.00	$ 1,200,000.00	$ 651,693.00	$ 2,658,384.00
		Ref.	A	A-3	A-3	A

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TOWNSHIP OF WEST ORANGE
TRUST FUND

OPEN SPACE FUND
SCHEDULE OF CASH
YEAR ENDED DECEMBER 31, 2017

	Ref.		
Balance, December 31, 2016	B		$ 723,407.87
Increased by:			
2017 Open Space Tax	B-16	$ 145,575.16	
Miscellaneous Cash Receipts	B-16	57,411.90	
Interest on Investments	B-16	1,418.35	
			204,405.41
			927,813.28
Decreased by:			
Open Space Expenditures	B-16		98,873.60
Balance, December 31, 2017	B		$ 828,939.68

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TOWNSHIP OF WEST ORANGE
TRUST FUND

CASH - TREASURER
YEAR ENDED DECEMBER 31, 2017

	Ref.	Animal Control Fund	General Trust Fund	Assessment Trust Fund
Balance, December 31, 2016	B	$ 61,616.83	$ 5,491,081.07	$ 15,165.93
Increased by:				
Dog license fees	B-12	31,291.22		
Cat license fees	B-12	1,847.00		
Due to State of New Jersey	B-8	2,953.80		
Collections of Prepaid License Fees	B-9	2,205.00		
Pledged Assessments	B-1			631,613.75
Special Deposits	B-10		7,252,214.44	
		38,297.02	7,252,214.44	631,613.75
		99,913.85	12,743,295.51	646,779.68
Decreased by:				
Expenditures	B-10, B-12	29,320.83	7,186,441.54	
Due to State of New Jersey	B-8	2,953.80		
Refunds of Prepaid License Fees	B-9	3,495.00		
Current Fund Anticipated Revenue	B-1			315,165.93
		35,769.63	7,186,441.54	315,165.93
Balance, December 31, 2017	B	$ 64,144.22	$ 5,556,853.97	$ 331,613.75

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TOWNSHIP OF WEST ORANGE
TRUST FUND

CASH - INSURANCE TRUST FUND - TREASURER
YEAR ENDED DECEMBER 31, 2017

	Ref.	Total	Workers' Compensation	Unemployment Compensation	Municipal Insurance
Balance, December 31, 2016	B	$ 13,094.25	$ 1,549.69	$ 4,038.47	$ 7,506.09
Increased by:					
Current Fund Budget Appropriation	B-13	1,412,423.00	500,000.00	80,000.00	832,423.00
Refunds and Subrogation	B-13	630,517.32	382,756.29	104,071.25	143,689.78
Interest on Deposits	B-13	1,439.39	1,209.54		229.85
		2,044,379.71	883,965.83	184,071.25	976,342.63
		2,057,473.96	885,515.52	188,109.72	983,848.72
Decreased by:					
Workers' Compensation Claims and Administrative Fees	B-13	853,201.98	853,201.98		
Insurance Settlements and Premiums	B-13	976,640.38			976,640.38
Due to Current Fund	B-13	229.85			229.85
Due To State of New Jersey	B-13	186,698.78		186,698.78	
		2,016,770.99	853,201.98	186,698.78	976,870.23
Balance, December 31, 2017	B	$ 40,702.97	$ 32,313.54	$ 1,410.94	$ 6,978.49

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TOWNSHIP OF WEST ORANGE
TRUST FUND

CASH - FEDERAL GRANT TRUST FUND - TREASURER
YEAR ENDED DECEMBER 31, 2017

	Ref.	Total	Community Development Block Grant	Section 8 Housing
Balance, December 31, 2016	B	$ 124,516.87	$ -	$ 124,516.87
Increased by:				
Collection of Grants Receivable	B-6, B-15	1,241,399.59	60,000.00	1,181,399.59
		1,365,916.46	60,000.00	1,305,916.46
Decreased by:				
Grant Expenditures	B-14, B-1A	1,353,852.83	60,000.00	1,293,852.83
Balance, December 31, 2017	B	$ 12,063.63	$ -	$ 12,063.63

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TOWNSHIP OF WEST ORANGE
TRUST FUND

FEDERAL GRANTS RECEIVABLE
YEAR ENDED DECEMBER 31, 2017

	Ref.	Total	Community Development Block Grant	Section 8 Housing
Balance, December 31, 2016	B	$ 640,000.00	$ 640,000.00	$ -
Increased by:				
Section 8 Housing	B-15	1,181,399.59		1,181,399.59
		1,821,399.59	640,000.00	1,181,399.59
Decreased by:				
Cash Receipts	B-5	1,241,399.59	60,000.00	1,181,399.59
Balance, December 31, 2017	B	$ 580,000.00	$ 580,000.00	$ -

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TOWNSHIP OF WEST ORANGE
TRUST FUND

ASSESSMENTS RECEIVABLE
YEAR ENDED DECEMBER 31, 2017

		Ref.	Assessment Fund
Balance, December 31, 2016		B	$ 304.27
Increased by:			
	Assessment Confirmed	B-11	3,790,904.19
			3,791,208.46
Decreased by:			
	Cash Receipts	B-3	631,613.75
Balance, December 31, 2017		B	$ 3,159,594.71

Analysis of Balance:

Ordinance Number	Improvement Description	
2358-12/2409-14	Liewellyn Park Sanitation Project	$ 3,159,594.71

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TOWNSHIP OF WEST ORANGE
TRUST FUND

ANIMAL CONTROL FUND
DUE TO STATE OF NEW JERSEY
YEAR ENDED DECEMBER 31, 2017

	Ref.	
Balance, December 31, 2016	B	$ -
Increased by:		
Cash Receipts	B-3	2,953.80
Decreased by:		
Paid to State	B-3	2,953.80
Balance, December 31, 2017		$ -

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TOWNSHIP OF WEST ORANGE
TRUST FUND

ANIMAL CONTROL FUND
PREPAID LICENSES
YEAR ENDED DECEMBER 31, 2017

	Ref.	
Balance, December 31, 2016	B	$ 3,495.00
Increased by:		
Cash Receipts	B-3	2,205.00
		5,700.00
Decreased by:		
Applied to Current Year Revenue	B-12	3,495.00
Balance, December 31, 2017	B	$ 2,205.00

Analysis of Balance:	
Dog Licenses	$ 2,109.00
Cat Licenses	96.00
	$ 2,205.00

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TOWNSHIP OF WEST ORANGE
TRUST FUND

SCHEDULE OF SPECIAL DEPOSITS
YEAR ENDED DECEMBER 31, 2017

B-10

Purpose	Balance at Dec. 31, 2016	Receipts	Disbursements	Balance at Dec. 31, 2017
Accumulated Absence Trust	$ 153,395.05	$ 1,205,000.00	$ 1,176,894.25	$ 181,500.80
Confiscated Funds	16,960.40			16,960.40
Digitizing Trust	199,307.60	13,710.00		213,017.60
Donation Trust	44,592.62	21,576.57	15,286.13	50,883.06
Uniform Fire Safety-Penalties	34,459.56	37,800.00	4,488.14	67,771.42
Human Relations Trust	1,996.81			1,996.81
Lake Management Trust	153,710.72			153,710.72
Parking Offenses Adjudication	34,841.91	4,132.00		38,973.91
Health Trust	3,211.56			3,211.56
Payroll Deposits	290,013.18	3,321,809.69	3,349,922.95	261,899.92
Public Defender Application	2,706.85	1,844.50		4,551.35
Public Safety Trust	9,184.59		5,365.69	3,818.90
Recycling-Local Program	24,690.11	9,501.73	6,431.24	27,760.60
Environmental Commission Trust	250.00			250.00
Health Trust #2	119,425.45	49,542.50	44,929.31	124,038.64
Planning Trust	123,138.90	9,271.61	62,238.48	70,172.03
Public Relations Trust	7,796.18			7,796.18
Energy Commission Trust	1,162.45			1,162.45
Cash Bonds/Other Deposits #1	83,606.37	1,200.00	379.98	84,426.39
Cash Bonds/Other Deposits #2	166,411.00	42,200.00	2,000.00	206,611.00
Cash Bonds/Other Deposits#3	188,389.98	146,681.38	181,387.39	153,683.97
Planning and Zoning Escrow	12,294.34			12,294.34
Recreation Trip Account	148,200.61	182,910.00	163,708.21	167,402.40
Extra Duty Security	8,408.73	1,918,712.36	1,866,005.83	61,115.26
Bid Bonds	16,500.00	20,000.00	31,500.00	5,000.00
Growth Share-COAH	247,587.85	1,416.60		249,004.45
Developers Fees-COAH	3,058,310.40	173,417.74	164,638.02	3,067,090.12
Planning and Zoning Escrow II	112,120.80	77,399.15	81,783.77	107,736.18
Law Enforcement Trust	228,407.05	14,088.61	134,692.41	107,803.25
	$ 5,491,081.07	$ 7,252,214.44	$ 7,291,651.80	$ 5,451,643.71
Ref.	B	B-3	Below	B

Cancellation of Reserve	B-1A	$ 105,210.26
Cash Disbursements	B-3	7,186,441.54
	Above	$ 7,291,651.80

TOWNSHIP OF WEST ORANGE
TRUST FUND

RESERVE FOR ASSESSMENTS RECEIVABLE
YEAR ENDED DECEMBER 31, 2017

	Ref.	
Balance, December 31, 2016	B	$ 304.27
Increased by:		
Assessment Confirmed	B-7	3,790,904.19
		3,791,208.46
Decreased by:		
Cash Receipts	B-7	631,613.75
Assessments Funded by Serial Bonds	B-19	3,159,594.71
Balance, December 31, 2017	B	$ -

See Independent Auditors' Report

TOWNSHIP OF WEST ORANGE
TRUST FUND

RESERVE FOR ANIMAL CONTROL FUND EXPENDITURES
YEAR ENDED DECEMBER 31, 2017

	Reference		
Balance, December 31, 2016	B	$	58,121.83
Increased by:			
Dog license fees collected	B-3		31,291.22
Cat license fees collected	B-3		1,847.00
			91,260.05
Decreased by:			
Expenditures under R.S. 4:19-15.11:			
Cash	B-3		29,320.83
Balance, December 31, 2017	B	$	61,939.22
License fees collected:			
2016		$	32,632.50
2015			30,341.02
		$	62,973.52

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TOWNSHIP OF WEST ORANGE
TRUST FUND

RESERVE FOR INSURANCE TRUST FUND
YEAR ENDED DECEMBER 31, 2017

	Ref.	Total	Workers' Compensation	Unemployment Compensation	Municipal Insurance
Balance, December 31, 2016	B	$ 13,094.25	$ 1,549.69	$ 4,038.47	$ 7,506.09
Increased by:					
Current Fund Budget Appropriation	B-4	1,412,423.00	500,000.00	80,000.00	832,423.00
Refunds and Subrogation	B-4	630,517.32	382,756.29	104,071.25	143,689.78
Interest on Deposits	B-4	1,439.39	1,209.54		229.85
		2,044,379.71	883,965.83	184,071.25	976,342.63
		2,057,473.96	885,515.52	188,109.72	983,848.72
Decreased by:					
Workers' Compensation Claims and Administrative Fees	B-4	853,201.98	853,201.98		
Insurance Settlements and Premiums	B-4	976,640.38			976,640.38
Due to Current Fund	B-4	229.85			229.85
Due To State of New Jersey: Unemployment	B-4	186,698.78		186,698.78	
		2,016,770.99	853,201.98	186,698.78	976,870.23
Balance, December 31, 2017	B	$ 40,702.97	$ 32,313.54	$ 1,410.94	$ 6,978.49

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TOWNSHIP OF WEST ORANGE
TRUST FUND

RESERVE FOR COMMUNITY DEVELOPMENT BLOCK GRANT
YEAR ENDED DECEMBER 31, 2017

	Balance Dec. 31, 2016	Expended By Township	Balance Dec. 31, 2017
Community Development Block Grant:			
Direct Funding:			
Project Year 2016			
West Orange Community House	$ 200,000.00		$ 200,000.00
Project Year 2017			
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	-
	$ 640,000.00	$ 60,000.00	$ 580,000.00
Ref.	B	B-5	B

TOWNSHIP OF WEST ORANGE
TRUST FUND

RESERVE FOR SECTION 8 HOUSING
YEAR ENDED DECEMBER 31, 2017

	Ref.	
Balance, December 31, 2016	B	$ 124,516.87
Increased by:		
Grant Awards	B-6	1,181,399.59
		1,305,916.46
Decreased by:		
Housing Choice Voucher Payments	B-5	1,293,852.83
Balance, December 31, 2017	B	$ 12,063.63

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TOWNSHIP OF WEST ORANGE
TRUST FUND

RESERVE FOR OPEN SPACE EXPENDITURES
YEAR ENDED DECEMBER 31, 2017

	Ref.		
Balance, December 31, 2016	B		$ 723,407.87
Increased by:			
2017 Open Space Tax	B-2	$ 145,575.16	
Miscellaneous Receipts	B-2	57,411.90	
Interest Earned	B-2	1,418.35	
			204,405.41
			927,813.28
Decreased by:			
Open Space Expenditures	B-2		98,873.60
Balance, December 31, 2017	B		$ 828,939.68

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TOWNSHIP OF WEST ORANGE
TRUST FUND

INTERFUND RECEIVABLE
YEAR ENDED DECEMBER 31, 2017

	Ref.	
Balance, December 31, 2016	B	$ -
Increased by:		
Confirmation of funded improvement authorizations	B-19	90,624.83
Balance, December 31, 2017	B	$ 90,624.83

TOWNSHIP OF WEST ORANGE
TRUST FUND

STATEMENT OF AMOUNT TO BE RAISED BY TAXATION - FUNDED BY ASSESSMENT BONDS
YEAR ENDED DECEMBER 31, 2017

Ordinance Number	Improvement Description	Assessment Confirmed	Balance December 31, 2017
2358-12/2409-14	Liewellyn Park Sanitation Project	$ 720,780.46	$ 720,780.46
	Ref.	B-19	B

TOWNSHIP OF WEST ORANGE
TRUST FUND

STATEMENT OF ASSESSMENT SERIAL BONDS
YEAR ENDED DECEMBER 31, 2017

Date of Issue	Amount of Original Issue	Title of Issue	Maturities of Bonds Outstanding, December 31, 2017 Date	Amount	Interest Rate	Balance December 31, 2016	Increased	Balance December 31, 2017
5/3/2016	$ 3,621,000.00	Special Assessment Bonds, Series 2016 ($3,621,000)	2/1/2018	$ 220,000.00	2.00%	$ -	$ 3,421,000.00	$ 3,421,000.00
			2/1/2019	220,000.00	2.00%			
			2/1/2020	225,000.00	4.00%			
			2/1/2021	225,000.00	2.00%			
			2/1/2022	230,000.00	2.00%			
			2/1/2023	235,000.00	2.00%			
			2/1/2024	240,000.00	2.00%			
			2/1/2025	245,000.00	2.00%			
			2/1/2026	250,000.00	2.00%			
			2/1/2027	255,000.00	2.00%			
			2/1/2028	260,000.00	2.00%			
			2/1/2029	265,000.00	2.00%			
			2/1/2030	275,000.00	2.25%			
			2/1/2031	276,000.00	2.25%			
				3,421,000.00				
4/4/2017	$ 550,000.00	Special Assessment Bonds, Series 2017 ($550,000)	2/1/2018	$ 40,000.00	2.00%			
			2/1/2019	45,000.00	2.00%			
			2/1/2020	45,000.00	2.00%			
			2/1/2021	50,000.00	2.00%			
			2/1/2022	50,000.00	2.00%			
			2/1/2023	50,000.00	2.00%			
			2/1/2024	50,000.00	2.25%			
			2/1/2025	55,000.00	2.25%			
			2/1/2026	55,000.00	2.50%			
			2/1/2027	55,000.00	2.75%			
			2/1/2028	55,000.00	2.75%	-	550,000.00	550,000.00
				550,000.00				
						$ -	$ 3,971,000.00	$ 3,971,000.00
					Ref.	B	Below	B

	Ref.	
Interfund Receivable	B-17	$ 90,624.83
Assessments to be Raised by Taxation	B-18	720,780.46
Reserve for Receivable	B-11	3,159,594.71
		$ 3,971,000.00
		Above

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TOWNSHIP OF WEST ORANGE
GENERAL CAPITAL FUND

CASH - TREASURER
YEAR ENDED DECEMBER 31, 2017

	Ref.		
Balance, December 31, 2016	C		$ 2,299,395.07
Increased by Receipts:			
Bond Anticipation Notes	C-9	$ 9,889,981.00	
Reserve to Pay Debt Service	C-5	970.83	
Capital Improvement Fund	C-11	500,000.00	
State Grants Receivable	C-13	103,270.02	
Premium on Serial Bonds	C-1	154,676.01	
Premium on Sale of Bond Anticipation Notes	C-1	1,678.00	
			10,650,575.86
			12,949,970.93
Decreased by Disbursements:			
Current Fund Anticipated Revenue - Fund Balance	C-1	341,899.41	
Current Fund Anticipated Revenue - Reserve to Pay Debt Service	C-5	89,627.81	
Improvement Authorizations	C-10	9,900,894.90	
Special Emergency Note - Current Fund	C-16	1,200,000.00	
			11,532,422.12
Balance, December 31, 2017	C		$ 1,417,548.81

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TOWNSHIP OF WEST ORANGE
GENERAL CAPITAL FUND

ANALYSIS OF CASH
YEAR ENDED DECEMBER 31, 2017

Ordinance Number		Balance Dec. 31, 2016	Balance Dec. 31, 2017
	Fund Balance	$ 341,899.41	$ 259,624.03
	Capital Improvement Fund	88,592.96	130,546.96
	Interfund Payable		90,624.83
	Reserve to Pay Debt Service	89,627.81	970.83
	Notes Receivable		(1,200,000.00)
	Improvement Authorizations:		
1122-92	Various Capital Improvements	109,315.61	109,315.61
1374-96	Regional Contribution Agreement	54,582.75	39,987.84
1760-01	Various Capital Improvements	8,115.00	8,115.00
1840-02	Various Capital Improvements	1,979.80	1,979.80
1886-03	Various Capital Improvements	1,085.00	-
1905-03	Various Capital Improvements	5,168.07	5,168.07
2017-05	Storm Drainage Improvements	(271,859.68)	(271,859.68)
2018-05	Various Capital Improvements	292.58	292.58
2050-05	Joint Meeting Capital Assessment	59.00	59.00
2067-06	Redevelopment Study	329,893.23	305,063.43
2069-06	Various Capital Improvements	240.12	240.12
2070-06	Various Road Improvements	435.00	435.00
2078-06	Various Capital Improvements	164,545.97	164,545.97
2125-07	Various Capital Improvements	14,585.06	12,869.00
2127-07	Various Capital Improvements	65,171.65	65,171.65
2133-07	Various Capital Improvements	132,715.94	121,903.80
2166-08	Various Capital Improvements	51,697.80	32,874.38
2172-08	Various Capital Improvements	276,386.16	243,456.04
2176-08	Consulting Study-New Communications Study	2,417.82	2,417.82
2209-09	Various Capital Improvements	40,660.21	28,787.85
2211-09	Various Road Improvements	21,421.06	21,421.06
2216-09	Various Road Improvements	289.18	289.18
2222-09	Communications System Upgrade	6,536.67	6,536.67
2232-09	Various Capital Improvements	15,400.00	15,400.00
2237-09	Various Capital Improvements	59,026.25	59,026.25
2272-10	Various Capital Improvements	263,001.22	263,001.22
2278-10	Various Capital Improvements	108,480.00	-
2290-10	Various Capital Improvements	97,648.78	88,156.58
2299-10	Telecommunications Systems	22,887.51	16,010.01
2409-14	Llewellyn Park Sanitary Project	90,624.83	-
2366-12	Various Capital Improvements	33,986.01	30,761.45
2375-13	Ridgeway Ave. Park	53,994.04	53,994.04
2407-14	Various Capital Improvements	923,634.77	674,707.99
2408-14	Replacement of Bleachers	9,226.51	9,226.51
2450-15	Various Capital Improvements	1,370,454.78	945,194.60
2474-16	General Improvements	(355,148.02)	(357,140.00)
2475-16	Various Capital Improvements	(1,663,943.97)	(4,205,165.01)
2487-16	Various Capital Improvements	(265,731.82)	(504,847.73)
2507-17	Various Capital Improvements		4,120,886.06
2526-17	Various Capital Improvements		27,500.00
		$ 2,299,395.07	$ 1,417,548.81
	Ref.	C	C

TOWNSHIP OF WEST ORANGE
GENERAL CAPITAL FUND

NJEPA TRUST
AND FUND LOAN PAYABLE
YEAR ENDED DECEMBER 31, 2017

		Ref.	
Balance, December 31, 2016		C	$ 3,642,617.57
Decreased by:			
2017 Budget appropriation for payment of NJ Trust Fund loan bonds		C-6	232,157.92
Loan principal forgiveness		C-6	564,784.72
			796,942.64
Balance, December 31, 2017		C	$ 2,845,674.93

Analysis

	ORD#		
New Jersey Trust 2002 A	1823-02	C	$ 275,482.87
New Jersey Trust 2005 A	2017-05	C	892,553.54
New Jersey Trust 2006 A	2050-05	C	389,475.80
New Jersey Trust 2010 A	2214-09	C	354,692.88
New Jersey Trust 2014 A	2425-14	C	933,469.84
Balance, December 31, 2017			$ 2,845,674.93

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TOWNSHIP OF WEST ORANGE
GENERAL CAPITAL FUND

RESERVE TO PAY DEBT SERVICE
YEAR ENDED DECEMBER 31, 2017

	Ref.	
Balance, December 31, 2016	C	$ 89,627.81
Increased by:		
Cash Receipts	C-2	970.83
		90,598.64
Decreased by:		
Utilized as revenue in 2017 budget	C-2	89,627.81
Balance, December 31, 2017	C	$ 970.83

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TOWNSHIP OF WEST ORANGE
GENERAL CAPITAL FUND

DEFERRED CHARGES TO FUTURE TAXATION - FUNDED
YEAR ENDED DECEMBER 31, 2017

	Ref.		
Balance, December 31, 2016	C		$ 37,058,617.57
Increased by:			
Issuance of Serial Bonds	C-8		9,400,000.00
			46,458,617.57
Decreased by:			
2017 Current Fund Budget Appropriation for Payment of Serial Bonds	C-8	$ 4,140,000.00	
2017 Current Fund Budget Appropriation for Payment of NJEPA Trust and Fund Loans	C-4	232,157.92	
NJEPA Trust and Fund Loans Principal Forgiveness	C-4	564,784.72	
Assessment Bonds Transferred to Trust Fund	C-8	3,971,000.00	
			8,907,942.64
Balance, December 31, 2017	C		$ 37,550,674.93

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TOWNSHIP OF WEST ORANGE
GENERAL CAPITAL FUND

DEFERRED CHARGES TO FUTURE TAXATION - UNFUNDED
YEAR ENDED DECEMBER 31, 2017

Ordinance Number	Improvement Description	Balance, December 31, 2016	2017 Authorizations	Decrease	Balance, December 31, 2017	Analysis of Balance: Bond Anticipation Notes	Analysis of Balance: Expenditures	Analysis of Balance: Unfunded Improvement Authorizations
2194-09	Acquisition of Computer System Managing Equipment	$ 95,000.00		$ 95,000.00				
2209-09	Various Capital Improvements	142,000.00		142,000.00				
2211-09	Various Road Improvements	25,000.00		25,000.00				
2214-09	Joint Meeting Capital Assessment	45,594.00		45,594.00				
2232-09	Various Capital Improvements	50,000.00		50,000.00				
2237-09	Various Capital Improvements	650,000.00		650,000.00				
2272-10	Various Capital Improvements	320,650.00		320,650.00				
2278-10	Various Capital Improvements	101,435.00		101,435.00				
2290-10	Various Capital Improvements	482,840.00		482,321.00	$ 519.00	$ 519.00		
2299-10	Telecommunications Improvements	232,750.00		232,000.00	750.00	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	550,000.00		550,000.00				
2393-13	Tax Appeal-Refunding	837,500.00		837,500.00				
2407-14	Various Capital Improvements	6,649,656.00		6,649,000.00	656.00	656.00		
2408-14	Bleacher Replacement	57,000.00		57,000.00				
2400-15	Refunding Tax Appeals	1,523,135.00		761,568.00	761,567.00	761,567.00		
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		$ 357,140.00	
2475-16	Various Capital Improvements	7,027,266.00			7,027,266.00	1,500,000.00	4,205,165.01	1,322,100.99
2485-16	Various Capital Improvements	665,000.00			665,000.00			665,000.00
2487-16	Various Capital Improvements	807,500.00			807,500.00		504,847.73	302,652.27
2507-17	Various Capital Improvements		$ 8,560,000.00		8,560,000.00	6,689,981.00	1,870,019.00	
2526-17	Various Capital Improvements		547,500.00		547,500.00			547,500.00
2529-17	Tax Appeal Refunding		3,200,000.00		3,200,000.00	3,200,000.00		
		$ 33,041,246.00	$ 12,307,500.00	$ 10,999,068.00	$ 34,349,678.00	$ 18,275,253.00	$ 6,937,171.74	$ 9,137,253.26
	Ref.	C	C-10	Below	C	C-9		Below

	Ref.	
Budget Appropriation	C-9	$ 1,599,068.00
Issuance of serial bonds	C-8, C-9	9,400,000.00
		$ 10,999,068.00
		Above

	Improvement authorizations - unfunded	C-10	$ 16,185,608.41
	Bond anticipation note proceeds unexpended:		
2366-12	Various Capital Improvements	C-3, C-10	$ 30,761.45
2375-13	Ridgeway Avenue Park	C-3, C-10	53,994.04
2450-15	Various Capital Improvements	C-3, C-10	945,194.60
2507-17	Various Capital Improvements	C-3, C-10	5,990,905.06
2526-17	Various Capital Improvements	C-3, C-10	27,500.00
			7,048,355.15
		Above	$ 9,137,253.26

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TOWNSHIP OF WEST ORANGE
GENERAL CAPITAL FUND

SERIAL BONDS PAYABLE
YEAR ENDED DECEMBER 31, 2017

Date of Issue	Amount of Original Issue	Title of Issue	Maturities of Bonds Outstanding, December 31, 2017 Date	Amount	Interest Rate	Balance December 31, 2016	Increased	Decreased	Balance December 31, 2017
3/20/2003	$ 1,770,000.00	General Obligation Refunding Bonds, Series 2003	4/1/2018	170,000.00	5.50%	$ 1,100,000.00		$ 150,000.00	$ 950,000.00
			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%				
				950,000.00					
2/15/2004	11,015,000.00	General Obligation Refunding Bonds, Series 2004				1,070,000.00		1,070,000.00	-
7/15/2008	8,735,000.00	General Improvement Bonds, Series 2008	8/1/2018	900,000.00	3.75%	1,800,000.00		900,000.00	900,000.00
5/18/2011	11,505,000.00	General Improvement Bonds, Series 2011 ($11,275,000)	5/1/2018	800,000.00	3.00%	8,250,000.00		800,000.00	7,450,000.00
		Tax Appeal Refunding Bonds, Series 2011 ($230,000)	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%				
				7,450,000.00					
5/3/2016	17,391,000.00	General Improvement Bonds, Series 2016 ($13,295,000)	2/1/2018	1,300,000.00	2.00%	17,391,000.00		4,641,000.00	12,750,000.00
		Open Space Bonds, Series 2016 ($475,000)	2/1/2019	1,310,000.00	2.00%				
		Special Assessment Bonds, Series 2016 ($3,621,000)	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	1,460,000.00	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	276,000.00	2.25%				
				16,171,000.00					
8/31/2016	3,805,000.00	General Obligation Refunding Bonds, Series 2016	8/1/2019	905,000.00	4.00%	3,805,000.00		-	3,805,000.00
			8/1/2020	970,000.00	4.00%				
			8/1/2021	965,000.00	4.00%				
			8/1/2022	965,000.00	4.00%				
				3,805,000.00					
4/4/2017	9,400,000.00	General Improvement Bonds, Series 2017 ($8,850,000)	2/1/2018	715,000.00	2.00%				
		Special Assessment Bonds, Series 2017 ($550,000)	2/1/2019	790,000.00	2.00%				
			2/1/2020	800,000.00	2.00%				
			2/1/2021	820,000.00	2.00%				
			2/1/2022	835,000.00	2.00%				
			2/1/2023	850,000.00	2.00%				
			2/1/2024	870,000.00	2.25%				
			2/1/2025	895,000.00	2.25%				
			2/1/2026	920,000.00	2.50%				
			2/1/2027	940,000.00	2.75%				
			2/1/2028	965,000.00	2.75%		9,400,000.00	550,000.00	8,850,000.00
				9,400,000.00					
						$ 33,416,000.00	$ 9,400,000.00	$ 8,111,000.00	$ 34,705,000.00
					Ref.	C	C-6	C-6	C

Assessment Bonds Transferred to Trust Fund	C-6	$ 3,971,000.00
Paid by Budget Appropriation	C-6	4,140,000.00
		$ 8,111,000.00

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TOWNSHIP OF WEST ORANGE
GENERAL CAPITAL FUND

SCHEDULE OF BOND ANTICIPATION NOTES
YEAR ENDED DECEMBER 31, 2017

Ordinance Number	Improvement Description	Original Amount	Original Date	Date of Issue	Date of Maturity*	Interest Rate	December 31, 2016	Increased	Decreased	December 31, 2017
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	
2209-09	Various Capital Improvements	142,000.00	7/29/2015	4/14/2016	4/13/2017	2.00%	142,000.00		142,000.00	
2211-09	Various Road Improvements	25,000.00	07/20/15	4/14/2016	4/13/2017	2.00%	25,000.00		25,000.00	
2214-09	Joint Meeting Capital Assessment	45,594.00	07/20/15	4/14/2016	4/13/2017	2.00%	45,594.00		45,594.00	
2232-09	Various Capital Improvements	50,000.00	07/20/15	4/14/2016	4/13/2017	2.00%	50,000.00		50,000.00	
2237-09	Various Capital Improvements	650,000.00	07/20/15	4/14/2016	4/13/2017	2.00%	650,000.00		650,000.00	
2272-10	Various Capital Improvements	320,650.00	07/20/15	4/14/2016	4/13/2017	2.00%	320,650.00		320,650.00	
2278-10	Various Capital Improvements	101,435.00	07/20/15	4/14/2016	4/13/2017	2.00%	101,435.00		101,435.00	
2290-10	Various Capital Improvements	482,840.00	07/20/15	4/14/2016	4/13/2017	2.00%	482,840.00	$ 519.00	482,840.00	$ 519.00
2299-10	Telecommunications Equipment	232,750.00	07/20/15	4/14/2016	4/13/2017	2.00%	232,750.00	750.00	232,750.00	750.00
2358-12	Llewellyn Park Sanitary Project	550,000.00	07/20/15	4/14/2016	4/13/2017	2.00%	550,000.00		550,000.00	
2393-13	Tax Appeal Refunding	3,350,000.00	12/31/13	5/17/2016	5/16/2017	0.97%	837,500.00		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	656.00	6,649,656.00	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	
2440-15	Refunding Tax Appeals	2,284,702.00	12/14/15	5/17/2016	5/16/2017	0.97%	1,523,135.00	761,567.00	1,523,135.00	761,567.00
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	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	123,500.00	123,500.00
2475-16	Various Capital Improvements	1,500,000.00	12/29/16	12/29/16	5/16/2017	1.75%	1,500,000.00	1,500,000.00	1,500,000.00	1,500,000.00
2507-17	Various Capital Improvements	8,560,000.00	09/07/17	09/07/17	9/7/2018	2.25%		6,689,981.00		6,689,981.00
2529-17	Tax Appeal Refunding	3,200,000.00	12/21/17	12/21/17	12/21/2018	2.50%		3,200,000.00		3,200,000.00
							$ 19,384,340.00	$ 18,275,253.00	$ 19,384,340.00	$ 18,275,253.00
						Ref.	C			C

Bond anticipation notes issued	C-2, C-12	$ 9,889,981.00	
Bond anticipation notes reissued	Contra	8,385,272.00	$ 8,385,272.00
Payment of BAN principal by budget appropriation	C-7		1,599,068.00
Payment of BAN principal by issuance of serial bonds	C-7		9,400,000.00
	Above	$ 18,275,253.00	$ 19,384,340.00

TOWNSHIP OF WEST ORANGE
GENERAL CAPITAL FUND

IMPROVEMENT AUTHORIZATIONS
YEAR ENDED DECEMBER 31, 2017

Ordinance Number	Improvement Description	Original Date	Balance December 31, 2016 Funded	Balance December 31, 2016 Unfunded	2017 Authorizations	Paid or Charged	Balance December 31, 2017 Funded	Balance December 31, 2017 Unfunded
1122-92	Various Capital Improvements	08/18/92	$ 109,315.61				$ 109,315.61	
1374-96	Regional Contribution Agreement	02/06/96	54,582.75			$ 14,594.91	39,987.84	
1760-01	Various Capital Improvements	04/10/01	8,115.00				8,115.00	
1840-02	Various Capital Improvements	09/03/02	1,979.80				1,979.80	
1886-03	Various Capital Improvements	04/22/03	1,085.00			1,085.00		
1905-03	Various Capital Improvements	09/23/03	5,168.07				5,168.07	
2017-05	Storm Drainage Improvements	07/19/05	109,532.42				109,532.42	
2018-05	Various Capital Improvements	06/14/05	292.58				292.58	
2050-05	Joint Meeting-Capital Assessment	12/20/05	59.00				59.00	
2067-06	Redevelopment Study	03/21/06	329,893.23			24,829.80	305,063.43	
2069-06	Various Capital Improvements	04/11/06	240.12				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			1,716.06	12,869.00	
2127-07	Various Capital Improvements	04/10/07	65,171.65				65,171.65	
2133-07	Various Capital Improvements	05/22/07	132,715.94			10,812.14	121,903.80	
2166-08	Various Capital Improvements	04/29/08	51,697.80			18,823.42	32,874.38	
2172-08	Various Capital Improvements	06/10/08	276,386.16			32,930.12	243,456.04	
2176-08	Consulting Study-New Communications System	06/24/08	2,417.82				2,417.82	
2209-09	Various Capital Improvements	05/12/09		$ 40,660.21		11,872.36	28,787.85	
2211-09	Various Road Improvements	05/26/09		21,421.06			21,421.06	
2216-09	Various Road Improvements	06/30/09	289.18				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		97,648.78		9,492.20	88,156.58	
2299-10	Telecommunications System	01/15/11		22,887.51		6,877.50	16,010.01	
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		90,624.83		90,624.83		
2366-12	Various Capital Improvements	12/18/12		33,986.01		3,224.56		30,761.45
2375-13	Ridgeway Avenue Park	05/21/13		53,994.04				53,994.04
2407-14	Various Capital Improvements	05/06/14		924,233.57		248,926.78	675,306.79	
2408-14	Replacement of Bleachers	05/06/14		9,226.51			9,226.51	
2450-15	Various Capital Improvements	02/24/15		1,370,454.78		425,260.18		945,194.60
2474-16	General Improvements	02/09/16		1,991.98		1,991.98		
2475-16	Various Capital Improvements	02/09/16		3,863,322.03		2,541,221.04		1,322,100.99
2485-16	Various Capital Improvements	06/14/16		665,000.00				665,000.00
2487-16	Various Capital Improvements	06/28/16		541,768.18		239,115.91		302,652.27
2507-17	Various Capital Improvements				$ 8,990,546.00	2,999,640.94		5,990,905.06
2526-17	Various Capital Improvements				575,000.00			575,000.00
2529-17	Tax Appeal Refunding				3,200,000.00	3,200,000.00		
			$ 1,335,044.83	$ 14,483,126.96	$ 12,765,546.00	$ 9,991,519.73	$ 2,406,589.65	$ 16,185,608.41
		Ref.	C	C	Below	Below	C	C

	Ref.	
Deferred Charges Unfunded	C-7	$ 12,307,500.00
Capital Improvement Fund	C-11	458,046.00
		$ 12,765,546.00

	Ref.	
Cash Disbursements	C-2	$ 9,900,894.90
Confirmation of Assessment	C-17	90,624.83
		$ 9,991,519.73
		Above

See Independent Auditors' Report

TOWNSHIP OF WEST ORANGE
GENERAL CAPITAL FUND

CAPITAL IMPROVEMENT FUND
YEAR ENDED DECEMBER 31, 2017

	Ref.	
Balance, December 31, 2016	C	$ 88,592.96
Increased by Receipts:		
Budget Appropriation	C-2	500,000.00
		588,592.96
Decreased by Funding of Ordinances:		
Improvement Authorizations	C-10	458,046.00
Balance, December 31, 2017	C	$ 130,546.96

See Independent Auditors' Report

TOWNSHIP OF WEST ORANGE
GENERAL CAPITAL FUND

BONDS AND NOTES AUTHORIZED BUT NOT ISSUED
YEAR ENDED DECEMBER 31, 2017

Ordinance Number	Improvement Description	Balance December 31, 2016	2017 Authorizations/Transfers	Debt Issued	Balance December 31, 2017
2354-12	Edison Redevelopment	$ 6,300,000.00			$ 6,300,000.00
2474-16	General Improvements	357,140.00			357,140.00
2475-16	Various Capital Improvements	5,527,266.00			5,527,266.00
2485-16	Various Capital Improvements	665,000.00			665,000.00
2487-16	Various Capital Improvements	807,500.00			807,500.00
2507-17	Various Capital Improvements		$ 8,560,000.00	$ 6,689,981.00	1,870,019.00
2526-17	Various Capital Improvements		547,500.00		547,500.00
2529-17	Various Capital Improvements		3,200,000.00	3,200,000.00	-
		$ 13,656,906.00	$ 12,307,500.00	$ 9,889,981.00	$ 16,074,425.00
	Ref.	C	C-7	C-9	C

TOWNSHIP OF WEST ORANGE
GENERAL CAPITAL FUND

STATE GRANTS RECEIVABLE
YEAR ENDED DECEMBER 31, 2017

	Ref.	
Balance, December 31, 2016	C	$ 1,553,338.99
Decreased by:		
Cash Receipts	C-2, C-14	103,270.02
Balance, December 31, 2017	C	$ 1,450,068.97

Analysis of Balance:	ORD#	
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	1,200,691.37
Balance, December 31, 2017	C	$ 1,450,068.97

See Independent Auditors' Report

TOWNSHIP OF WEST ORANGE
GENERAL CAPITAL FUND

C-14

NJEPA TRUST AND FUND LOAN RECEIVABLE
YEAR ENDED DECEMBER 31, 2017

	Ref.	
Balance, December 31, 2017 and 2016	C	$ 284,270.00

RESERVE FOR GRANTS RECEIVABLE
YEAR ENDED DECEMBER 31, 2017

C-15

	Ref.	
Balance, December 31, 2016	C	$ 1,455,628.09
Decreased by:		
Cash Receipts	C-13	103,270.02
Balance, December 31, 2017	C	$ 1,352,358.07

NOTES RECEIVABLE
YEAR ENDED DECEMBER 31, 2017

C-16

	Ref.	
Balance, December 31, 2016	C	$ -
Increased by:		
Special emergency note - Current Fund	C-2	1,200,000.00
Balance, December 31, 2017	C	$ 1,200,000.00

INTERFUND PAYABLE
YEAR ENDED DECEMBER 31, 2017

C-17

	Ref.	
Balance, December 31, 2016	C	$ -
Increased by:		
Confirmation of assessment	C-10	90,624.83
Balance, December 31, 2017	C	$ 90,624.83

See Independent Auditors' Report

TOWNSHIP OF WEST ORANGE
SWIMMING POOL UTILITY FUND

SCHEDULE OF CASH - TREASURER
YEAR ENDED DECEMBER 31, 2017

	Ref.		
Balance, December 31, 2016	D		$ 78,660.00
Increased by Receipts:			
Membership Fees	D-2	$ 222,741.00	
Miscellaneous Revenue Anticipated	D-2	61,098.00	
			283,839.00
			362,499.00
Decreased by Disbursements:			
Appropriations	D-3	264,115.31	
Appropiation Reserves	D-7	3,499.76	
			267,615.07
Balance, December 31, 2017	D		$ 94,883.93

See Independent Auditors' Report

TOWNSHIP OF WEST ORANGE
SWIMMING POOL UTILITY FUND

SCHEDULE OF FIXED CAPITAL
YEAR ENDED DECEMBER 31, 2017

	Ref.	
Balance, December 31, 2017 and 2016	D	$ 523,433.15
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		64,600.00
		$ 523,433.15

See Independent Auditors' Report

TOWNSHIP OF WEST ORANGE
SWIMMING POOL UTILITY FUND

SCHEDULE OF RESERVE FOR AMORTIZATION
YEAR ENDED DECEMBER 31, 2017

	Ref.	
Balance, December 31, 2017 and 2016	D	$ 523,433.15

See Independent Auditors' Report

TOWNSHIP OF WEST ORANGE
SWIMMING POOL UTILITY FUND

2016 APPROPRIATION RESERVES
YEAR ENDED DECEMBER 31, 2017

D-7

Appropriation	Balance Dec. 31 2016	Reserve for Encumbrances Dec. 31 2016	Amount After Modification	Paid or Charged	Balance Lapsed Canceled
Operating					
Salaries and Wages	$ 8,711.89		$ 8,711.89		$ 8,711.89
Other Expenses	11,648.98	$ 6,575.00	18,223.98	$ 3,499.76	14,724.22
Statutory Expenditures					
Social Security	11,286.00		11,286.00		11,286.00
Unemployment Insurance	1.00		1.00		1.00
	$ 31,647.87	$ 6,575.00	$ 38,222.87	$ 3,499.76	$ 34,723.11
Ref	D	D		D-4	D-1

TOWNSHIP OF WEST ORANGE
PUBLIC ASSISTANCE FUND

STATEMENT OF REVENUES
REGULATORY BASIS
YEAR ENDED DECEMBER 31, 2017

E-3

	Ref	
State Aid Payments	E-2	$ 188,600.00
Supplemental Security Income:		
State Refund	E-2	39,276.00
		$ 227,876.00

STATEMENT OF EXPENDITURES
REGULATORY BASIS
YEAR ENDED DECEMBER 31, 2017

E-4

	Ref	
Maintenance Payments		$ 70,527.00
Other:		
Temporary Rental Assistance		49,642.00
Transportation		85.00
Emergency Services		3,289.00
		123,543.00
Supplemental Security Income		39,276.00
	E-2, E-5	$ 162,819.00

See Independent Auditors' Report

TOWNSHIP OF WEST ORANGE
PUBLIC ASSISTANCE FUND

RECEIPTS AND DISBURSEMENTS
YEAR ENDED DECEMBER 31, 2017

	Ref.	Trust Fund Account #1	Trust Fund Account #2
Balance, December 31, 2016	E	$ 1,553.59	$ -
Increase by:			
Due from State of New Jersey	E-6		227,876.00
Due from Current Fund	E-1	362.97	
		1,916.56	227,876.00
Decreased by:			
Supplemental Security Income Reimbursements	E-4		162,819.00
Due to Current Fund	E-1	1,080.28	
Balance, December 31, 2017	E	$ 836.28	$ 65,057.00

See Independent Auditors' Report

TOWNSHIP OF WEST ORANGE
PUBLIC ASSISTANCE FUND

DUE FROM (TO) STATE OF NEW JERSEY
YEAR ENDED DECEMBER 31, 2017

	Ref.	Trust Fund Account #2	
Balance December 31, 2016	E		$ -
Increased by:			
2017 State Aid Allotments	E-5	$ 188,600.00	
Supplemental Security Income Reimbursements	E-5	39,276.00	
			227,876.00
Decreased by:			
Collections:			
State Aid Allotments	E-5	188,600.00	
Supplemental Security Income Reimbursements	E-5	39,276.00	
			227,876.00
Balance December 31, 2017	E		$ -

See Independent Auditors' Report

TOWNSHIP OF WEST ORANGE
PUBLIC ASSISTANCE FUND

DUE TO CURRENT FUND
YEAR ENDED DECEMBER 31, 2017

	Ref.	
Balance, December 31, 2016	E	$ -
Increased by:		
Receipts	E-1	6,930.00
Decreased by:		
Disbursements	E-1	6,930.00
Balance, December 31, 2017	E	$ -

See Independent Auditors' Report

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*

Independent Auditors' Report

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 and account group of the Township of West Orange, Essex County, New Jersey (the "Township"), as of and for the year ended December 31, 2017, and the related notes to the financial statements, which collectively comprise the Township's basic financial statements, and have issued our report thereon dated June 28, 2018, 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 and a disclaimer opinion since we did not audit and the Division does not require the Length of Services Award Program to be audited.

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.

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Compliance and Other Matters

As part of obtaining reasonable assurance about whether the Township's regulatory basis financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

Purpose of this Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the 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.

PKF O'Connor Davies, LLP

Livingston, New Jersey
June 28, 2018

Francis M. McEnerney, CPA
Licensed Registered Municipal Accountant, No. 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, 2017. 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, 2017.

PKF O'Connor Davies, LLP is a member firm of the PKF International Limited network of legally independent firms and does not accept any responsibility or liability for the actions or inactions on the part of any other individual member firm or firms.

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.

PKF O'Connor Davies, LLP

June 28, 2018
Livingston, New Jersey

Francis M. McEnerney, CPA
Licensed Registered Municipal Accountant, No. 539

TOWNSHIP OF WEST ORANGE
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
THROUGH DECEMBER 31, 2017

Federal Funding Department and Description	Ref.	Grant Number	Catalog Number	Pass Through Entity Identifying Number	Pass Through to Sub-recipients	Total Awards	2017 Funds Received	Paid or Charged	Cumulative Program Expenditures
U.S. Deparment of Housing and Urban Development									
Community Development Block Grant:									
Housing Choice Voucher Program	B	NJ39V-108	14.871			$ 1,293,852.83	$ 1,181,399.59	$ 1,293,852.83	$ 1,293,852.83
						1,293,852.83	1,181,399.59	1,293,852.83	1,293,852.83
Passed Through County of Essex:									
Housing and Urban Development:									
Community Development Block Grant:									
Program Year 2017	B	B-12-UC-34-0101	14.218	22-6002433		60,000.00	60,000.00	60,000.00	60,000.00
						60,000.00	60,000.00	60,000.00	60,000.00
Total U.S. Department of Housing and Urban Development						1,353,852.83	1,241,399.59	1,353,852.83	1,353,852.83
U.S. Department of Justice									
Passed Through the New Jersey Departement of Justice									
Office of Juvenile Justice and Delinguency Prevention									
COPS in Shops	A	Not available	16.727			14,652.06	9,639.00		14,287.48
Bureau of Justice Assistance									
Bullet Proof Vest Partnership	A	Not available	16.607			22,478.58		7,844.31	17,536.95
Total U.S. Department of Justice						37,130.64	9,639.00	7,844.31	31,824.43
U.S. Department of Transportation									
Passed Through New Jersey Department of Transportation									
National Highway Traffic Safety Administration									
Driver Sober or Get Pulled Over	A	Not available	20.601	078-6320-480		3,089.73	3,000.00		1,910.27
Pedestrain Safety Enforcement	A	PS094660118	20.205	078-6320-480		8,000.00	8,000.00		
DOT - Various Streets	A	Not available	20.600	078-6320-480		600,405.51		11,771.04	379,405.51
Total U.S. Department of Transportation						611,495.24	11,000.00	11,771.04	381,315.78
U.S. Department of Homeland Security									
Passed Through the New Jersey Departement of Homeland Security									
Federal Emergency Management Agency									
Hazardous Mitigation Grant	A	Not available	97.039			375,000.00			
SAFER Grant	A	Not available	97.083			862,308.51		10,411.49	862,308.51
Science and Technology									
CTTEC Grant - Active Shooter Scenario	A	505036-78052	97.061			110,702.53		19,662.10	97,054.38
Total U.S. Department of Homeland Security						1,348,011.04		30,073.59	959,362.89
						$ 3,350,489.75	$ 1,262,038.59	$ 1,403,541.77	$ 2,726,355.93

See Notes to Schedule of Expenditures of Federal Awards

TOWNSHIP OF WEST ORANGE

SUPPLEMENTARY INFORMATION
FINANCIAL DATA SCHEDULE -
BALANCE SHEET
SECTION 8 HOUSING CHOICE VOUCHER PROGRAM

FOR THE YEAR ENDED DECEMBER 31, 2017

Line Item No./Description	14.871 Housing Choice Vouchers	Total
Cash	$ 12,063.63	$ 12,063.63
Reserve for Grant Expenditures	$ 12,063.63	$ 12,063.63

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, 2017

Line Item No./Description	14.871 Housing Choice Vouchers	Total
Grant Awards	$ 1,181,399.59	$ 1,181,399.59
	1,181,399.59	1,181,399.59
Choice Housing Voucher Payments	1,293,852.83	1,293,852.83
(Deficit) of Revenue over Payments	(112,453.24)	(112,453.24)
Beginning Reserve	124,516.87	124,516.87
Ending Reserve	$ 12,063.63	$ 12,063.63

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, 2017

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
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
YEAR ENDED DECEMBER 31, 2017

Part I – Summary of Auditors' 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:

CFDA Number(s)	Name of Federal Program or Cluster
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? _____ Yes ___X___ No

TOWNSHIP OF WEST ORANGE
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
YEAR ENDED DECEMBER 31, 2017

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, 2017

Part III – Schedule of Federal Award Findings and Questioned Costs

No federal award compliance findings or questioned costs were noted that are required to be reported in accordance with 2 CFR 200 section .516(a).

TOWNSHIP OF WEST ORANGE
SUMMARY SCHEDULE OF PRIOR YEAR FINDINGS AND QUESTIONED COSTS
YEAR ENDED DECEMBER 31, 2017

2016-001

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

Status: The Township took corrective action related to this finding and the finding was not repeated in the current year.

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, 2017

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, 2017, 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.

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 $6,000, 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 exceptions during 2017, noted in the recommendations section of the report. 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.

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, 2017

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 2016 Report on Examination of Accounts.

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

Miscellaneous

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

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

A separate report on the operations of the Uniform Construction Code office was also prepared and filed with the New Jersey 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 claims approved and paid. No attempt was made in this connection to establish proof of rendition, character or extent of services, nor quantities, nature, propriety of prices or receipt of materials, these elements being left necessarily to internal review in connection with approval of claims.

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

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

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

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

A separate report on the operations of the Uniform Construction Code office was also prepared and filed with the New Jersey Division of Local Government Services.

TOWNSHIP OF WEST ORANGE

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COMMENTS AND RECOMMENDATIONS

YEAR ENDED DECEMBER 31, 2017

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.

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,

PKF O'Connor Davies, LLP

Livingston, New Jersey
June 28, 2018

Francis M. McEnerney, CPA
Licensed Registered Municipal Accountant, No.539