

TOWNSHIP OF SOUTH ORANGE VILLAGE

ESSEX COUNTY, NEW JERSEY



REPORT OF AUDIT

DECEMBER 31, 2023 AND 2022



**TOWNSHIP OF SOUTH ORANGE VILLAGE
TABLE OF CONTENTS**

<u>Part I</u>	<u>Exhibit</u>	<u>Page</u>
Independent Auditors' Report		1
Regulatory Basis Financial Statements		
<u>Current and Federal and State Grant Fund</u>		
Comparative Balance Sheets	A	5
Comparative Statements of Operations and Changes in Fund Balance	A-1	7
Statement of Revenues	A-2	8
Statement of Revenues – Analysis of Realized Revenues	A-2a	10
Statement of Revenues – Analysis of Nonbudget Revenues	A-2b	11
Statement of Expenditures	A-3	12
<u>Trust Fund</u>		
Comparative Balance Sheets	B	16
<u>General Capital Fund</u>		
Comparative Balance Sheets	C	17
Statement of Fund Balance	C-1	18
<u>Water Utility</u>		
Comparative Balance Sheets	D	19
Comparative Statements of Operations and Changes in Fund Balance	D-1	20
Statement of Fund Balance	D-2	21
Statement of Revenue	D-3	22
Statement of Expenditures	D-4	23
<u>Public Assistance Fund</u>		
Comparative Balance Sheets	E	24
Comparative Statements of Operations and Changes in Fund Balance	E-1	25
<u>Trustees of Free Public Library</u>		
Comparative Balance Sheets	F	26
Comparative Statements of Revenues and Expenditures	F-1	27
Comparative Balance Sheets of Governmental Fixed Assets	G	28
Notes to Financial Statements		29

**TOWNSHIP OF SOUTH ORANGE VILLAGE
TABLE OF CONTENTS**

Part II – Supplementary Information – Regulatory Basis

	<u>Exhibit</u>	<u>Page</u>
<u>Current and Federal and State Grant Fund</u>		
Schedule of:		
Cash Receipts and Disbursements – Treasurer	A-4	64
Change Funds	A-5	65
Due To/From State of New Jersey per Chapter 129, P.L. 1976	A-6	66
Taxes Receivable and Analysis of Property Tax Levy	A-7	67
Tax Title Liens	A-8	68
Other Accounts Receivable	A-9	68
Property Acquired for Taxes at Assessed Valuation	A-10	69
Special Improvement District Tax Receivable	A-11	69
Revenue Accounts Receivable	A-12	70
Interfunds - Current Fund	A-13	71
Federal and State Grants Receivable	A-14	72
2022 Appropriation Reserves	A-15	73
Accounts Payable	A-15a	75
Special Improvement District Overpayments	A-16	76
Tax Overpayments	A-17	76
Interfunds - Federal and State Grant Fund	A-18	77
Sewer Rent Overpayments	A-19	78
County Taxes Payable	A-20	78
Regional District School Tax	A-21	79
Open Space Tax Levy	A-22	79
County PILOT Taxes Payable	A-22a	80
Reserve for Tax Appeals	A-23	81
Reserve for Hurricane Ida	A-23a	82
Reserve for Municipal Relief	A-23b	83
Reserve for Revaluation	A-23c	84
Prepaid Taxes	A-24	85
Special Improvement District Payable	A-25	85
Due to State – DCA Fees	A-25a	85
Appropriated Reserves for Federal and State Grants	A-26	86
Reserve for Grants – Unappropriated	A-27	87
Deferred Charges - N.J.S.A. 40A:4-53 Special Emergency	A-28	88
 <u>Trust Funds</u>		
Schedule of:		
Cash Receipts and Disbursements Collector – Treasurer	B-1	89
Interfunds	B-2	90
Due to State of New Jersey	B-3	91
Reserve for Open Space	B-4	92
Payroll Deductions Payable	B-5	93
Reserve for Animal Control Fund Expenditures	B-6	94
Reserve for Special Deposits	B-7	95
Schedule of Accounts Receivable	B-8	96

**TOWNSHIP OF SOUTH ORANGE VILLAGE
TABLE OF CONTENTS**

Part II – Supplementary Information – Regulatory Basis (Continued)

	<u>Exhibit</u>	<u>Page</u>
<u>General Capital Fund</u>		
Schedule of:		
Cash Receipts and Disbursements	C-2	97
Analysis of Capital Cash	C-3	98
Accounts Receivable	C-4	99
Reserve for Seton Hall University	C-5	99
Grants Receivable	C-6	100
Reserve for Grants Receivable	C-6a	100
Deferred Charges to Future Taxation - Funded	C-7	101
Deferred Charges to Future Taxation - Unfunded	C-8	102
Capital Improvement Fund	C-9	103
Serial Bonds Payable	C-10	104
Bond Anticipation Notes Payable	C-11	105
Improvement Authorizations	C-12	106
Green Acres Loan Payable	C-13	107
Environmental Infrastructure Loan Payable	C-14	107
Reserve for Preliminary Engineering Expenses	C-15	108
Reserve for Third and Valley	C-15a	108
Interfunds	C-16	109
Bond and Notes Authorized but Not Issued	C-17	110
<u>Water Utility Fund</u>		
Schedule of:		
Cash Receipts and Disbursements Collector – Treasurer	D-5	111
Analysis of Cash	D-6	112
Water Rents Receivable	D-7	113
Reserve for Amortization	D-8	114
Bond Anticipation Notes Payable	D-9	115
Accrued Interest	D-10	116
Fixed Capital	D-11	117
Fixed Capital Authorized and Uncompleted	D-12	118
Improvement Authorizations	D-13	119
Interfunds – Operating	D-13a	120
Interfunds – Capital	D-13b	120
Serial Bonds	D-14	121
2022 Appropriation Reserves	D-15	122
Accounts Payable	D-15a	122
Reserve for Other Reserves	D-16	123
Reserve for Future Projects	D-16a	123
New Jersey Infrastructure Bank Loan Payable	D-17	124
New Jersey Infrastructure Bank Financing Note Receivable	D-18	125
New Jersey Infrastructure Bank Financing Note Payable	D-18a	125
Reserve for New Jersey Infrastructure Bank Financing Note Receivable	D-18b	125
Bonds and Notes Authorized but Not Issued	D-19	126
<u>Public Assistance Fund</u>		
Schedule of:		
Receipts and Disbursements	E-2	127

**TOWNSHIP OF SOUTH ORANGE VILLAGE
TABLE OF CONTENTS**

Part II – Supplementary Information – Regulatory Basis (Continued)

	<u>Exhibit</u>	<u>Page</u>
<u>Trustees of Free Public Library</u>		
Schedule of:		
Cash – Checking	F-2	128
Cash – Money Market	F-3	129
Due to Library from South Orange Village	F-4	129

Part III – Single Audit

Independent Auditors' Report on Internal Control Over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance with <i>Government Auditing Standards</i>		130
Independent Auditors' Report on Compliance for Each Major Federal and State Programs and Report on Internal Control Over Compliance Required by the Uniform Guidance and NJ OMB Circular 15-08		132
Schedule of Expenditures of Federal Awards - Schedule A		135
Schedule of Expenditures of State Financial Assistance - Schedule B		136
Notes to Schedule of Expenditures of Federal Awards and State Financial Assistance		137
Schedule of Findings and Questioned Costs		138

Part IV – Comments and Recommendations

Roster of Officials		143
Comparative Statistical Information		144
Comments		147
Recommendations		149

TOWNSHIP OF SOUTH ORANGE VILLAGE

ESSEX COUNTY, NEW JERSEY

PART I

REPORT ON AUDIT

**REGULATORY BASIS FINANCIAL STATEMENTS AND
NOTES TO REGULATORY BASIS FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2023 AND 2022**



Independent Auditors' Report

**The Honorable Mayor and Members
of the Township Council
Township of South Orange Village
South Orange, New Jersey**

Report on the Audit of the Regulatory Basis Financial Statements

Opinions on Regulatory Basis Financial Statements

We have audited the regulatory basis financial statements of the various funds and the governmental fixed assets of the Township of South Orange Village, New Jersey ("Township"), which comprise the balance sheets as of December 31, 2023 and 2022, and the related statements of operations and changes in fund balance for the years then ended, the statements of changes in fund balance, the statements of revenues and statements of expenditures for the year ended December 31, 2023, and the related notes to the financial statements, which collectively comprise the Township's basic financial statements as listed in the table of contents.

Unmodified Opinion on Regulatory Basis of Accounting

In our opinion, the accompanying regulatory basis financial statements present fairly, in all material respects, the regulatory basis balance sheets of the Township as of December 31, 2023 and 2022, and the regulatory basis revenues, expenditures, and changes in fund balances for the years then ended, the statement of changes in fund balance, the statements of revenue and statements of expenditures for the year ended December 31, 2023 and the related notes to the financial statements, in accordance with the financial reporting provisions of the Department of Community Affairs, Division of Local Government Services, State of New Jersey ("Division") described in Note 1.

Adverse Opinion on U.S. Generally Accepted Accounting Principles

In our opinion, because of the significance of the matter discussed in the Basis for Adverse Opinion on U.S. Generally Accepted Accounting Principles section of our report, the financial statements do not present fairly, in accordance with accounting principles generally accepted in the United States of America, the financial position of the Township as of December 31, 2023 and 2022, or its revenues, expenditures and changes in fund balance thereof for the years then ended.

Basis for Opinions

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

PKF O'CONNOR DAVIES, LLP
20 Commerce Drive, Suite 301, Cranford, NJ 07016 | Tel: 908.272.6200 | Fax: 908.272.2416 | www.pkfod.com

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.

**The Honorable Mayor and Members
of the Township Council
Township of South Orange Village
South Orange, New Jersey**

Page 2

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

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

Responsibilities of Management for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with the financial reporting provisions of the Division. Management is also responsible for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

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

Auditors' Responsibilities for the Audit of the Financial Statements

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

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

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Township's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.

**The Honorable Mayor and Members
of the Township Council
Township of South Orange Village
South Orange, New Jersey**

Page 3

- Conclude whether, in our judgement, there are conditions or events, considered in the aggregate, that raise substantial doubt about the Township's ability to continue as a going concern for a reasonable period of time.

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

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

Our audits were conducted for the purpose of forming opinions on the financial statements that collectively comprise the Township's basic financial statements. The information included in Part II – Supplementary Schedules - Supplementary Information Required by the Division and Part IV – Comments and Recommendations - Supplementary Information, as listed in the table of contents, is presented for purposes of additional analysis as required by the Division and is not a required part of the financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the Supplementary Information is fairly stated, in all material respects, in relation to the basic financial statements as a whole.

Report on Supplementary Information as Required by the Uniform Guidance and NJ OMB Circular 15-08

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the basic financial statements. The accompanying schedule of expenditures of federal awards and state financial assistance as required by the audit requirements of *Title 2 U.S. Code of Federal Regulations Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance) and New Jersey OMB Circular 15-08; and related notes to the schedule of federal awards and state financial assistance, are presented for purposes of additional analysis and are not a required part of the basic financial statements. The schedule of expenditures of federal awards and state financial assistance and related notes are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements, or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the schedule of expenditures of federal awards and state financial assistance are fairly stated, in all material respects, in relation to the basic financial statements as a whole.

**The Honorable Mayor and Members
of the Township Council
Township of South Orange Village
South Orange, New Jersey**

Page 4

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated June 12, 2024 on our consideration of the Township's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the Township's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Township's internal control over financial reporting and compliance.

PKF O'Connor Davies, LLP

Cranford, New Jersey
June 12, 2024

Robert E. Provost

Robert Provost, CPA
Registered Municipal Accountant, No. 582

TOWNSHIP OF SOUTH ORANGE VILLAGE
CURRENT AND FEDERAL AND STATE GRANT FUNDS

COMPARATIVE BALANCE SHEETS
REGULATORY BASIS
DECEMBER 31, 2023 AND 2022

A
Sheet #1

<u>ASSETS AND DEFERRED CHARGES</u>	<u>Ref.</u>	<u>2023</u>	<u>2022</u>
Cash	A-4	\$ 14,603,599.90	\$ 11,838,045.37
Change Funds	A-5	225.00	225.00
Due from State of New Jersey: Ch. 129, P.L. 1976	A-6	15,110.34	15,110.34
		<u>14,618,935.24</u>	<u>11,853,380.71</u>
Receivables and Other Assets with Full Reserves:			
Delinquent Taxes Receivable	A-7	1,045,681.21	897,548.41
Tax Title Liens	A-8	9,793.68	9,106.28
Other Accounts Receivable	A-9	210.00	150.00
Property Acquired for Taxes at Assessed Valuation	A-10	417,253.87	417,253.87
Special Improvement District Tax Receivable	A-11	1,247.31	3,975.41
Revenue Accounts Receivable	A-12	118,469.97	326,326.16
Interfunds	A-13	1,150.30	80,000.00
		<u>1,593,806.34</u>	<u>1,734,360.13</u>
Deferred Charges - Special Emergency	A-28	293,948.00	367,435.00
		<u>16,506,689.58</u>	<u>13,955,175.84</u>
Federal and State Grant Fund:			
Cash	A-4	925,113.49	1,925,160.87
Federal and State Grants Receivable	A-14	3,289,635.69	3,411,615.94
		<u>4,214,749.18</u>	<u>5,336,776.81</u>
		<u>\$ 20,721,438.76</u>	<u>\$ 19,291,952.65</u>

See accompanying notes to financial statements.

TOWNSHIP OF SOUTH ORANGE VILLAGE
CURRENT AND FEDERAL AND STATE GRANT FUNDS

COMPARATIVE BALANCE SHEETS
REGULATORY BASIS
DECEMBER 31, 2023 AND 2022

A
Sheet #2

<u>LIABILITIES, RESERVES AND FUND BALANCE</u>	<u>Ref.</u>	<u>2023</u>	<u>2022</u>
Appropriation Reserves:			
Encumbered	A-3, A-15	\$ 530,371.15	\$ 579,471.48
Unencumbered	A-3, A-15	3,684,294.07	2,318,220.33
Tax Overpayments	A-17	10,213.50	145.81
Sewer Rent Overpayments	A-19	6,653.83	2,276.08
Special Improvement District Overpayments	A-16	13.35	5.18
County PILOT Taxes Payable	A-22a	321,602.66	254,989.97
Regional School Taxes Payable	A-21	33,820.52	546,139.50
County Taxes Payable	A-20	19,104.10	16,761.86
Due to State - DCA Fees	A-25a	10,928.00	
Interfunds	A-13	15,783.00	
Reserve for Tax Appeals	A-23	285,063.56	210,107.30
Reserve for Hurricane Ida	A-23a	1,142,600.16	1,195,906.65
Reserve for Municipal Relief	A-23b	151,958.78	75,995.54
Reserve for Revaluation	A-23c	49,971.00	367,435.00
Prepaid Taxes	A-24	336,180.99	402,019.78
Accounts Payable			15,200.00
		<u>6,598,558.67</u>	<u>5,984,674.48</u>
Reserve for Receivables and Other Assets		1,593,806.34	1,734,360.13
Fund Balance	A-1	8,314,324.57	6,236,141.23
		<u>16,506,689.58</u>	<u>13,955,175.84</u>
Federal and State Grant Fund:			
Interfunds			121,914.61
Appropriated Reserves	A-26	4,122,011.06	4,022,221.85
Unappropriated Reserves	A-27	92,738.12	1,192,640.35
		<u>4,214,749.18</u>	<u>5,336,776.81</u>
		<u>\$ 20,721,438.76</u>	<u>\$ 19,291,952.65</u>

See accompanying notes to financial statements.

TOWNSHIP OF SOUTH ORANGE VILLAGE
CURRENT FUND

COMPARATIVE STATEMENTS OF OPERATIONS AND CHANGES IN FUND BALANCE
REGULATORY BASIS
YEARS ENDED DECEMBER 31, 2023 AND 2022

A-1

	<u>Ref.</u>	<u>2023</u>	<u>2022</u>
<u>Revenue and Other Income</u>			
Fund Balance Utilized	A-2	\$ 2,318,000.00	\$ 2,500,000.00
Miscellaneous Revenue Anticipated	A-2	13,090,226.40	12,753,088.83
Receipts from Delinquent Taxes	A-2a	846,363.03	787,540.07
Receipts from Current Taxes	A-2a	102,267,080.40	98,643,627.45
Nonbudget Revenue	A-2b	1,137,371.79	390,447.08
Other Credits to Income:			
Excess Special Improvement District Revenue	A-11	4,229.71	
Interfunds Returned	A-13	80,000.00	3,130.39
Appropriation Reserves Lapsed	A-15	1,861,870.81	1,836,447.46
PILOT Overpayments			2.04
Accounts Payable Canceled	A-15a	15,200.00	
Grant Balances Canceled, Net			305,143.62
		<u>121,620,342.14</u>	<u>117,219,426.94</u>
 <u>Expenditures</u>			
Budget and Emergency Appropriations	A-3	42,220,316.07	40,948,241.49
Prior Year Senior Citizen Deduction Disallowed	A-6	771.23	1,048.63
Special Improvement District Receivable Established			2,055.66
Interfunds Advanced	A-13	1,150.30	80,000.00
Local Open Space Tax	A-22	284,079.98	284,229.52
County Taxes	A-20	15,822,938.21	15,569,780.87
Prior Year County Payment for Additional Added Taxes	A-4	0.01	9,897.46
Regional District School Tax	A-21	58,894,903.00	56,977,834.00
Reimbursement of Prior Year Expenses			39,200.00
PILOT Overpayments			2.29
Special Improvement District Receivable Adjustment			0.72
Special Improvement District Overpayments Applied			0.76
		<u>117,224,158.80</u>	<u>113,912,291.40</u>
 Total Expenditures		 <u>117,224,158.80</u>	 <u>113,912,291.40</u>
 Excess of Revenue		 <u>4,396,183.34</u>	 <u>3,307,135.54</u>
 Add: Adjustments to Income Before Fund Balance:			
Expenditures Included Above Which are by Statute			
Deferred Charges to Budget of Succeeding Year			367,435.00
			<u>367,435.00</u>
 Statutory Excess to Fund Balance		 4,396,183.34	 3,674,570.54
 <u>Fund Balance</u>			
Balance, Beginning of Year	A	6,236,141.23	5,061,570.69
		<u>10,632,324.57</u>	<u>8,736,141.23</u>
 Decreased by:			
Utilized as Anticipated Revenue	A-2	2,318,000.00	2,500,000.00
		<u>2,318,000.00</u>	<u>2,500,000.00</u>
 Balance, End of Year	A	 <u>\$ 8,314,324.57</u>	 <u>\$ 6,236,141.23</u>

See accompanying notes to financial statements.

TOWNSHIP OF SOUTH ORANGE VILLAGE
CURRENT FUND

STATEMENT OF REVENUES
REGULATORY BASIS
YEAR ENDED DECEMBER 31, 2023

A-2
Sheet #1

Ref.	Anticipated Budget	N.J.S. 40A:4-87	Realized	Excess or (Deficit)
Fund Balance Appropriated	A-1	\$ 2,318,000.00	\$ 2,318,000.00	
<u>Miscellaneous Revenues</u>				
Alcoholic Beverage Licenses	A-12	30,500.00	30,610.00	\$ 110.00
Other Licenses	A-12	13,800.00	19,383.00	5,583.00
Fees and Permits	A-12	82,000.00	115,196.50	33,196.50
Municipal Court Fines and Costs	A-12	500,000.00	641,461.77	141,461.77
Interest and Cost on Taxes	A-12	215,000.00	215,196.01	196.01
Recreation Receipts	A-12	890,000.00	952,739.17	62,739.17
Sewer User Fees	A-12	2,670,000.00	2,756,656.08	86,656.08
Cable TV Franchise Fee	A-12	177,000.00	177,148.91	148.91
Payment in Lieu of Taxes	A-12	2,670,000.00	2,915,073.74	245,073.74
Cell Tower Rental Fee	A-12	98,000.00	96,752.27	(1,247.73)
Energy Receipts Tax	A-12	1,456,861.00	1,466,931.34	10,070.34
Uniform Construction Code Fees	A-12	950,000.00	998,404.00	48,404.00
Uniform Fire Safety Act	A-12	20,000.00	23,602.81	3,602.81
General Capital Fund Balance	A-12	196,497.89	196,497.89	
American Rescue Plan	A-12	873,511.42	873,511.42	
Seton Hall Debt Service Payment	A-12	56,750.00	56,750.00	
Police Side Job Fees	A-12	66,000.00	67,684.80	1,684.80
3rd & Valley Contribution	A-12	100,000.00	100,000.00	
Water Utility Surplus	A-12	300,000.00	300,000.00	
Joint Meeting Suplus	A-12	58,000.00	104,274.98	46,274.98
Municipal Relief Fund Aid	A-12	75,995.54	75,995.54	
		<u>11,499,915.85</u>	<u>12,183,870.23</u>	<u>683,954.38</u>
<u>Federal and State Grants:</u>				
Municipal Alliance Grant			\$ 17,580.24	17,580.24
Click It or Ticket			6,510.00	6,510.00
Alcohol Education, Rehabilitation and Enforcement Fund		30,701.48	30,701.48	
Bulletproof Vest Program		6,492.33	6,492.33	
New Jersey Health Officers Association			202,937.00	202,937.00
NJ DCA - Neighborhood Preservation Program			125,000.00	125,000.00
Recycling Tonnage Grants		16,805.30	16,805.30	
Grotta Fund Planning Grant		5,000.00	5,000.00	
Body Armor Grant		9,383.49	9,383.49	
National Opioid Settlement		10,046.33	10,046.33	
8 Second Street		40,000.00	40,000.00	
NJ DCA - 2022 Community Capital Needs Program		223,000.00	223,000.00	
Essex County CDBG - (2019) 133 Fairview Ave		102,900.00	102,900.00	
Essex County CDBG - (2022) 133 Fairview Ave		100,000.00	100,000.00	
Miscellaneous			10,000.00	10,000.00
	A-14	<u>544,328.93</u>	<u>362,027.24</u>	<u>906,356.17</u>

See accompanying notes to financial statements.

TOWNSHIP OF SOUTH ORANGE VILLAGE
CURRENT FUND

STATEMENT OF REVENUES
REGULATORY BASIS
YEAR ENDED DECEMBER 31, 2023

A-2
Sheet #2

	<u>Ref.</u>	<u>Anticipated Budget</u>	<u>N.J.S. 40A:4-87</u>	<u>Realized</u>	<u>Excess</u>
Total Miscellaneous Revenue	A-1	<u>\$ 12,044,244.78</u>	<u>\$ 362,027.24</u>	<u>\$ 13,090,226.40</u>	<u>\$ 683,954.38</u>
Receipts from Delinquent Taxes	A-2a	<u>750,000.00</u>		<u>846,363.03</u>	<u>96,363.03</u>
Amount to be Raised by Taxes for Support of Municipal Budget:					
Minimum Library Tax		1,225,847.57		1,225,847.57	
Local Tax for Municipal Purpose		<u>26,974,137.34</u>		<u>27,489,311.64</u>	<u>515,174.30</u>
	A-2a	<u>28,199,984.91</u>		<u>28,715,159.21</u>	<u>515,174.30</u>
Budget Totals		<u>43,312,229.69</u>	<u>362,027.24</u>	<u>44,969,748.64</u>	<u>1,295,491.71</u>
Nonbudget Revenue	A-1, A-2b			<u>1,137,371.79</u>	<u>1,137,371.79</u>
	A-3	<u>\$ 43,312,229.69</u>	<u>\$ 362,027.24</u>	<u>\$ 46,107,120.43</u>	<u>\$ 2,432,863.50</u>

See accompanying notes to financial statements.

TOWNSHIP OF SOUTH ORANGE VILLAGE
CURRENT FUND

STATEMENT OF REVENUES
ANALYSIS OF REALIZED REVENUES
REGULATORY BASIS
YEAR ENDED DECEMBER 31, 2023

A-2a

<u>Allocation of Tax Collections</u>	<u>Ref.</u>	<u>Total</u>	<u>Receipts from Delinquent Taxes</u>	<u>Current Tax Collections</u>
Taxes Receivable Cash Receipts	A-7	\$ 102,685,673.65	\$ 846,363.03	\$ 101,839,310.62
Exemptions Granted	A-7	25,750.00		25,750.00
Prepaid Taxes Applied	A-7	402,019.78		402,019.78
Total Revenue	A-1	<u>103,113,443.43</u>	<u>846,363.03</u>	<u>102,267,080.40</u>
Allocated to:				
County Levy and Added Taxes	A-1, A-20	(15,822,938.21)		(15,822,938.21)
Regional District School Taxes	A-1, A-21	(58,894,903.00)		(58,894,903.00)
Local Open Space	A-1, A-22	(283,736.92)		(283,736.92)
Added Taxes Open Space	A-1, A-22	(343.06)		(343.06)
Plus: Reserve for Uncollected Taxes	A-3	<u>1,450,000.00</u>		<u>1,450,000.00</u>
Realized Revenue	A-2	<u>\$ 29,561,522.24</u>	<u>\$ 846,363.03</u>	<u>\$ 28,715,159.21</u>

See accompanying notes to financial statements.

TOWNSHIP OF SOUTH ORANGE VILLAGE
CURRENT FUND

STATEMENT OF REVENUES
ANALYSIS OF NONBUDGET REVENUES
REGULATORY BASIS
YEAR ENDED DECEMBER 31, 2023

A-2b

Ref.

Miscellaneous Revenue Not Anticipated

Cash Receipts:

Interest on Investments	\$ 592,525.19
Reimbursements	8,563.20
Rebates	3,077.27
Insurance Claims	39,882.62
45 W. 3rd Rent	67,116.48
Senior and Veteran Administrative Fee	499.58
Bounced Checks	2,707.53
FEMA	386,324.28
SID Clean Up Interest	398.47
Sale of Assets	29,701.00
Other	<u>6,576.17</u>

A-1, A-2, A-4

\$ 1,137,371.79

TOWNSHIP OF SOUTH ORANGE VILLAGE
CURRENT FUND

STATEMENT OF EXPENDITURES
REGULATORY BASIS
YEAR ENDED DECEMBER 31, 2023

	<u>Appropriations</u>		<u>Expended</u>	<u>Encumbered</u>	<u>Unencumbered</u>	<u>Canceled</u>
	<u>Budget</u>	<u>Modified Budget</u>				
<u>APPROPRIATIONS WITHIN "CAPS"</u>						
<u>GENERAL GOVERNMENT</u>						
Administrative and Executive:						
Salaries and Wages	\$ 449,000.00	\$ 349,000.00	\$ 271,588.93		\$ 77,411.07	
Other Expenses	406,300.00	406,300.00	290,542.23	\$ 73,707.79		42,049.98
Mayor and Council:						
Other Expenses	11,500.00	11,500.00	4,800.89			6,699.11
Village Committee:						
Other Expenses	212,000.00	212,000.00	167,055.71	3,829.35		41,114.94
Neighborhoods:						
Other Expenses	15,000.00	15,000.00				15,000.00
Office of Village Clerk:						
Salaries and Wages	193,628.00	196,128.00	195,261.94			866.06
Other Expenses	56,050.00	121,550.00	119,912.26	219.89		1,417.85
Financial Administration:						
Salaries and Wages	81,000.00	81,000.00	80,208.62			791.38
Other Expenses	289,000.00	289,000.00	244,739.89			44,260.11
Annual Audit	46,000.00	46,000.00	46,000.00			
Assessment of Taxes:						
Salaries and Wages	122,000.00	122,000.00	121,053.37			946.63
Other Expenses	9,000.00	9,000.00	4,627.07			4,372.93
Tax Appeals	320,000.00	320,000.00	89,605.43			230,394.57
Collection of Taxes:						
Salaries and Wages	192,000.00	192,000.00	187,664.31			4,335.69
Other Expenses	19,900.00	20,000.00	19,913.99			86.01
Legal Services and Costs:						
Salaries and Wages						
Other Expenses	200,000.00	200,000.00	116,486.77	13,289.96		70,223.27
Engineering Services and Costs:						
Salaries and Wages	55,000.00	55,000.00	54,637.24			362.76
Other Expenses	186,500.00	186,500.00	113,950.75			72,549.25
Computer Information Technology:						
Salaries and Wages	176,000.00	176,000.00	148,335.23			27,664.77
Other Expenses	239,500.00	239,500.00	159,813.31	2,215.34		77,471.35
<u>LAND USE ADMINISTRATION</u>						
Planning Board:						
Other Expenses	21,900.00	21,900.00	11,820.94	60.12		10,018.94
Board of Adjustment:						
Other Expenses	5,700.00	5,700.00	2,080.34	323.60		3,296.06
Historic Preservation Commission:						
Other Expenses	31,000.00	31,000.00	4,353.64			26,646.36
<u>INSURANCE</u>						
Employee Group Benefits:						
General Liability	2,659,549.00	2,659,549.00	1,868,163.65	907.50		790,477.85
Group Health Waiver	1,111,000.00	1,111,000.00	1,050,468.00			60,532.00

TOWNSHIP OF SOUTH ORANGE VILLAGE
CURRENT FUND

STATEMENT OF EXPENDITURES
REGULATORY BASIS
YEAR ENDED DECEMBER 31, 2023

	<u>Appropriations</u>		<u>Expended</u>	<u>Encumbered</u>	<u>Unencumbered</u>	<u>Canceled</u>
	<u>Budget</u>	<u>Modified Budget</u>				
<u>PUBLIC SAFETY</u>						
Police:						
Salaries and Wages	\$ 6,791,000.00	\$ 6,791,000.00	\$ 6,495,541.57		\$ 295,458.43	
Other Expenses	782,050.00	782,050.00	645,315.90	\$ 76,442.12	60,291.98	
Emergency Management Service:						
Other Expenses	15,200.00	15,200.00	4,684.92		10,515.08	
Fire:						
Salaries and Wages	4,226,000.00	2,068,238.38	2,068,238.38			
Other Expenses	480,000.00	2,742,702.55	2,741,530.09		1,172.46	
<u>PUBLIC WORKS FUNCTIONS</u>						
Department of Public Works:						
Salaries and Wages	1,793,000.00	1,793,000.00	1,602,398.12		190,601.88	
Other Expenses	1,502,900.00	1,502,900.00	953,114.98	258,272.78	291,512.24	
<u>HEALTH AND WELFARE</u>						
Board of Health:						
Salaries and Wages	130,000.00					
Other Expenses	104,160.00	234,160.00	141,608.10	5,302.00	87,249.90	
<u>RECREATION AND EDUCATION</u>						
Public Recreation Programs:						
Salaries and Wages	1,059,000.00	911,886.98	888,817.07		23,069.91	
Other Expenses	955,600.00	955,600.00	478,868.83	88,758.53	387,972.64	
Other Expenses (SOPAC)	295,290.00	295,290.00	208,866.10		86,423.90	
<u>MUNICIPAL COURT</u>						
Municipal Court:						
Salaries and Wages	100,000.00	100,000.00	99,450.00		550.00	
Public Defender:						
Salaries and Wages	30,000.00	30,046.79	30,046.79			
<u>UNIFORM CONSTRUCTION CODE</u>						
Construction Code Officials:						
Inspection of Buildings:						
Salaries and Wages	649,000.00	649,000.00	609,332.24		39,667.76	
Other Expenses	27,100.00	29,600.00	28,317.79	252.00	1,030.21	
<u>UNCLASSIFIED</u>						
Electricity	12,000.00	12,000.00	9,988.07		2,011.93	
Telephone and Telegraph	40,000.00	40,000.00	38,622.83		1,377.17	
Street Lighting	650,000.00	718,000.00	650,889.26	6,790.17	60,320.57	
Rent	252,000.00	252,923.19	252,923.19			
Total Operations Within "CAPS"	27,002,827.00	27,000,224.89	23,321,638.74	530,371.15	3,148,215.00	-
Detail:						
Salaries and Wages	16,046,628.00	13,514,300.15	12,852,573.81	-	661,726.34	-
Other Expenses	10,956,199.00	13,485,924.74	10,469,064.93	530,371.15	2,486,488.66	-

TOWNSHIP OF SOUTH ORANGE VILLAGE
CURRENT FUND

STATEMENT OF EXPENDITURES
REGULATORY BASIS
YEAR ENDED DECEMBER 31, 2023

	Appropriations		Expended	Encumbered	Unencumbered	Canceled
	Budget	Modified Budget				
<u>STATUTORY EXPENDITURES</u>						
Contributions to:						
Public Employees' Retirement System	\$ 770,817.76	\$ 773,419.87	\$ 773,419.87			
Social Security System (OASI)	671,000.00	671,000.00	645,830.13		\$ 25,169.87	
Unemployment Insurance	10,000.00	10,000.00			10,000.00	
Defined Contribution Retirement Program	4,000.00	4,000.00			4,000.00	
Police and Firemen's Retirement System	2,888,512.00	2,888,512.00	2,763,073.02		125,438.98	
	<u>4,344,329.76</u>	<u>4,346,931.87</u>	<u>4,182,323.02</u>	<u>-</u>	<u>164,608.85</u>	<u>-</u>
Total Appropriations Within "CAPS"	<u>31,347,156.76</u>	<u>31,347,156.76</u>	<u>27,503,961.76</u>	<u>\$ 530,371.15</u>	<u>3,312,823.85</u>	<u>-</u>
<u>APPROPRIATIONS EXCLUDED FROM "CAPS"</u>						
<u>OTHER OPERATIONS</u>						
Municipal Library	1,146,000.00	1,146,000.00	1,141,765.91		4,234.09	
Length of Service Awards Program	30,000.00	30,000.00			30,000.00	
Salary Adjustments	50,000.00	50,000.00			50,000.00	
Joint Trunk Sewer Maintenance	1,266,967.00	1,266,967.00	1,266,967.00			
	<u>2,492,967.00</u>	<u>2,492,967.00</u>	<u>2,408,732.91</u>	<u>-</u>	<u>84,234.09</u>	<u>-</u>
<u>Interlocal Municipal Service Agreements</u>						
Municipal Court - Township of Maplewood	500,000.00	500,000.00	212,763.87		287,236.13	
<u>PUBLIC AND PRIVATE PROGRAMS OFFSET BY REVENUES</u>						
Municipal Alliance Grant	17,580.24	17,580.24	17,580.24			
Click It or Ticket	6,510.00	6,510.00	6,510.00			
Alcohol Education, Rehabilitation and Enforcement Fund	30,701.48	30,701.48	30,701.48			
Bulletproof Vest Program	6,492.33	6,492.33	6,492.33			
New Jersey Health Officers Association	202,937.00	202,937.00	202,937.00			
NJ DCA - Neighborhood Preservation Program	125,000.00	125,000.00	125,000.00			
Recycling Tonnage Grants	16,805.30	16,805.30	16,805.30			
Grotta Fund Planning Grant	5,000.00	5,000.00	5,000.00			
Body Armor Grant	9,383.49	9,383.49	9,383.49			
National Opioid Settlement	10,046.33	10,046.33	10,046.33			
8 Second Street	40,000.00	40,000.00	40,000.00			
NJ DCA - 2022 Community Capital Needs Program	223,000.00	223,000.00	223,000.00			
Essex County CDBG - (2019) 133 Fairview Ave	102,900.00	102,900.00	102,900.00			
Essex County CDBG - (2022) 133 Fairview Ave	100,000.00	100,000.00	100,000.00			
Miscellaneous	10,000.00	10,000.00	10,000.00			
Total Public and Private Programs	<u>906,356.17</u>	<u>906,356.17</u>	<u>906,356.17</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total Operations Excluded from "CAPS"	<u>3,899,323.17</u>	<u>3,899,323.17</u>	<u>3,527,852.95</u>	<u>-</u>	<u>371,470.22</u>	<u>-</u>
Detail:						
Other Expenses	<u>3,899,323.17</u>	<u>3,899,323.17</u>	<u>3,527,852.95</u>	<u>-</u>	<u>371,470.22</u>	<u>-</u>
<u>CAPITAL IMPROVEMENTS</u>						
Capital Improvement Fund	<u>150,000.00</u>	<u>150,000.00</u>	<u>150,000.00</u>	<u>-</u>	<u>-</u>	<u>-</u>
	<u>150,000.00</u>	<u>150,000.00</u>	<u>150,000.00</u>	<u>-</u>	<u>-</u>	<u>-</u>

TOWNSHIP OF SOUTH ORANGE VILLAGE
CURRENT FUND

STATEMENT OF EXPENDITURES
REGULATORY BASIS
YEAR ENDED DECEMBER 31, 2023

	Appropriations					
	Budget	Modified Budget	Expended	Encumbered	Unencumbered	Canceled
<u>APPROPRIATIONS EXCLUDED FROM "CAPS"</u>						
<u>DEBT SERVICE</u>						
Payment of Bond Principal	\$ 4,420,000.00	\$ 4,420,000.00	\$ 4,420,000.00			
Payment of Bond Anticipation Notes and Capital Notes	530,100.00	530,100.00	530,100.00			
Interest on Bonds	1,233,000.00	1,233,000.00	1,233,000.00			
Interest on Notes	525,100.00	525,100.00	523,620.97			\$ 1,479.03
Green Trust Loan - Principal and Interest	8,540.00	8,540.00	8,534.64			5.36
2010 NJEIT - Principal and Interest	13,650.00	13,650.00	12,813.61			836.39
2015 NJEIT - Principal and Interest	23,900.00	23,900.00	22,279.92			1,620.08
	6,754,290.00	6,754,290.00	6,750,349.14	-	-	3,940.86
 Special Emergency Authorizations 5 Years	 73,487.00	 73,487.00	 73,487.00			
Total Appropriations Excluded from "CAPS"	10,877,100.17	10,877,100.17	10,501,689.09	-	\$ 371,470.22	3,940.86
 Sub-Total Appropriations	 42,224,256.93	 42,224,256.93	 38,005,650.85	\$ 530,371.15	3,684,294.07	3,940.86
 Reserve for Uncollected Taxes	 1,450,000.00	 1,450,000.00	 1,450,000.00			
Total General Appropriations	\$ 43,674,256.93	\$ 43,674,256.93	\$ 39,455,650.85	\$ 530,371.15	\$ 3,684,294.07	\$ 3,940.86
Ref.	Below	Below	Below	A	A	Below
<u>Ref.</u>						
2023 Budgeted Appropriations	A-2	\$ 43,312,229.69				
N.J.S. 40A:4-87	A-2	362,027.24				
Total Modified Budget		43,674,256.93				
 Reserve for Uncollected Taxes	A-2a	(1,450,000.00)	\$ 1,450,000.00			
Cash Disbursements	A-4		37,025,807.68			
Deferred Charges	A-28		73,487.00			
Reserve for Federal/State Grants	A-26		906,356.17			
Canceled	Above	(3,940.86)				
	A-1	\$ 42,220,316.07	\$ 39,455,650.85			

See accompanying notes to financial statements.

TOWNSHIP OF SOUTH ORANGE VILLAGE
TRUST FUND

COMPARATIVE BALANCE SHEETS
REGULATORY BASIS
DECEMBER 31, 2023 AND 2022

B

<u>ASSETS</u>	<u>Ref.</u>	<u>2023</u>	<u>2022</u>
<u>Animal Control Fund</u>			
Cash	B-1	\$ 9,103.84	\$ 20,082.28
<u>General Trust Fund</u>			
Cash	B-1	\$ 5,865,167.14	\$ 6,374,429.98
Interfunds	B-2	15,783.00	
Accounts Receivable	B-8	0.99	0.99
		<u>\$ 5,880,951.13</u>	<u>\$ 6,374,430.97</u>
<u>Payroll Trust Fund</u>			
Cash	B-1	\$ 91,444.50	\$ 157,445.71
Total Assets	B	<u>\$ 5,981,499.47</u>	<u>\$ 6,551,958.96</u>
 <u>LIABILITIES AND RESERVES</u>			
<u>Animal Control Fund</u>			
Due to State of New Jersey	B-3	\$ 33.60	\$ 32.40
Reserve for Expenditures	B-6	9,070.24	20,049.88
		<u>\$ 9,103.84</u>	<u>\$ 20,082.28</u>
<u>General Trust Fund</u>			
Reserves for:			
Special Deposits	B-7	\$ 4,584,476.69	\$ 5,278,962.56
Interfunds	B-2	1,150.30	80,000.00
Open Space	B-4	1,295,324.14	1,015,468.41
		<u>\$ 5,880,951.13</u>	<u>\$ 6,374,430.97</u>
<u>Payroll Trust Fund</u>			
Payroll Deductions Payable	B-5	\$ 91,444.50	\$ 157,445.71
Total Liabilities and Reserves	B	<u>\$ 5,981,499.47</u>	<u>\$ 6,551,958.96</u>

See accompanying notes to financial statements.

TOWNSHIP OF SOUTH ORANGE VILLAGE
GENERAL CAPITAL FUND

COMPARATIVE BALANCE SHEETS
REGULATORY BASIS
DECEMBER 31, 2023 AND 2022

C

<u>ASSETS AND DEFERRED CHARGES</u>	<u>Ref.</u>	<u>2023</u>	<u>2022</u>
Cash	C-2	\$ 2,626,741.62	\$ 3,318,966.87
Grants Receivable	C-6	9,260,928.00	8,389,148.00
Due from Seton Hall University	C-4	100,000.00	150,000.00
Interfunds	C-16	250,000.00	521,914.61
Deferred Charges to Future Taxation:			
Funded	C-7	31,734,327.20	36,191,401.74
Unfunded	C-8	50,682,226.00	47,490,826.00
		<u>\$ 94,654,222.82</u>	<u>\$ 96,062,257.22</u>
 <u>LIABILITIES AND FUND BALANCE</u>			
Serial Bonds	C-10	\$ 31,410,000.00	\$ 35,830,000.00
New Jersey Infrastructure Loan Payable	C-14	299,596.04	328,749.57
Green Acres Trust Loan Payable	C-13	24,731.16	32,652.17
Improvement Authorizations:			
Funded	C-12	330,566.04	232,284.10
Unfunded	C-12	33,949,294.73	38,287,869.96
Bond Anticipation Notes Payable	C-11	20,507,314.00	13,126,988.00
Capital Improvement Fund	C-9	8,237.53	48,037.53
Reserve for Third and Valley	C-15a	400,000.00	500,000.00
Reserve for Preliminary Engineering Expenses	C-15	30.00	30.00
Reserve for Seton Hall University	C-5	100,000.00	150,000.00
Reserve for Grants Receivable	C-6a	7,329,148.00	7,329,148.00
Fund Balance	C-1	295,305.32	196,497.89
		<u>\$ 94,654,222.82</u>	<u>\$ 96,062,257.22</u>
 Bonds and Notes Authorized but Not Issued	 C-17	 <u>\$ 30,174,912.00</u>	 <u>\$ 34,363,838.00</u>

See accompanying notes to financial statements.

TOWNSHIP OF SOUTH ORANGE VILLAGE
GENERAL CAPITAL FUND

STATEMENT OF FUND BALANCE
REGULATORY BASIS
YEAR ENDED DECEMBER 31, 2023

C-1

	<u>Ref.</u>	
Balance, December 31, 2022	C	\$ 196,497.89
Increased by:		
Premium on Sale of Notes	C-2	<u>295,305.32</u>
		491,803.21
Decreased by:		
Payment to Current Fund as Anticipated Revenue	C-2	<u>196,497.89</u>
Balance, December 31, 2023	C	<u><u>\$ 295,305.32</u></u>

See accompanying notes to financial statements.

TOWNSHIP OF SOUTH ORANGE VILLAGE
WATER UTILITY

COMPARATIVE BALANCE SHEETS
REGULATORY BASIS
DECEMBER 31, 2023 AND 2022

D

<u>ASSETS</u>	<u>Ref.</u>	<u>2023</u>	<u>2022</u>
<u>Operating Fund</u>			
Cash	D-5	\$ 2,173,859.39	\$ 2,095,192.92
Receivables with Full Reserves:			
Water Rents Receivable	D-7	1,415,067.28	865,466.98
		<u>3,588,926.67</u>	<u>2,960,659.90</u>
<u>Capital Fund</u>			
Cash	D-5, D-6	101,540.99	233,151.48
Fixed Capital	D-11	11,340,389.55	8,460,893.09
Fixed Capital - Authorized and Uncompleted	D-12	20,050,000.00	23,042,500.00
New Jersey Infrastructure Bank Financing Note Receivable	D-18	761,221.00	2,760,000.00
		<u>32,253,151.54</u>	<u>34,496,544.57</u>
Total Assets		<u>\$ 35,842,078.21</u>	<u>\$ 37,457,204.47</u>
 <u>LIABILITIES, RESERVES AND FUND BALANCE</u>			
<u>Operating Fund</u>			
Liabilities:			
Reserve for Encumbrances	D-4, D-15	\$ 1,883.50	\$ 25,000.00
Appropriation Reserves	D-4, D-15	678,965.05	251,357.09
Accounts Payable	D-15a	10,000.00	32,556.00
Accrued Interest Payable	D-10	263,194.15	187,115.21
Other Reserves	D-16	1,176.00	
Total Liabilities		<u>955,218.70</u>	<u>496,028.30</u>
Reserves for Accounts Receivable	D-7	1,415,067.28	865,466.98
Fund Balance	D-1	1,218,640.69	1,599,164.62
		<u>3,588,926.67</u>	<u>2,960,659.90</u>
 <u>Capital Fund</u>			
Improvement Authorizations:			
Funded	D-13	94,605.19	106,258.33
Unfunded	D-13	7,536,584.18	10,790,202.21
Serial Bond Payable	D-14	1,895,000.00	2,085,000.00
Interfunds Payable	D-13b	250,000.00	400,000.00
New Jersey Infrastructure Bank Loan Payable	D-17	584,903.08	595,971.03
New Jersey Infrastructure Bank Financing Note Payable	D-18a	1,908,779.00	2,760,000.00
Reserve for New Jersey Infrastructure Bank Financing Note Receivable	D-18b	761,221.00	
Reserve for Future Projects	D-16a	231,012.00	231,012.00
Reserve for Amortization	D-8	9,162,844.01	8,844,014.06
Bond Anticipation Notes Payable	D-9	9,688,686.00	8,556,012.00
Fund Balance	D-2	139,517.08	128,074.94
		<u>32,253,151.54</u>	<u>34,496,544.57</u>
Total Liabilities, Reserves and Fund Balance		<u>\$ 35,842,078.21</u>	<u>\$ 37,457,204.47</u>
Bonds and Notes Authorized but Not Issued	D-19	<u>\$ 10,471,460.00</u>	<u>\$ 11,416,059.00</u>

See accompanying notes to financial statements.

TOWNSHIP OF SOUTH ORANGE VILLAGE
WATER UTILITY

COMPARATIVE STATEMENTS OF OPERATIONS
AND CHANGES IN FUND BALANCE - OPERATING FUND
REGULATORY BASIS
YEARS ENDED DECEMBER 31, 2022 AND 2021

D-1

	<u>Ref.</u>	<u>2023</u>	<u>2022</u>
<u>Revenue and Other Income</u>			
Fund Balance Anticipated	D-3	\$ 223,518.06	\$ 139,404.29
Anticipated Miscellaneous Revenues	D-3	2,885.19	
Water Rents	D-3	4,852,433.02	4,995,066.25
Water Capital Surplus	D-3	128,074.94	75,318.71
Interest Income	D-3	41,887.66	8,395.15
Cancelled Accounts Payable	D-15a	32,556.00	
Appropriation Reserves Lapsed	D-15	11,130.16	211,113.92
Total Revenue and Other Income		<u>5,292,485.03</u>	<u>5,429,298.32</u>
<u>Expenditures</u>			
Budget Appropriations:			
Operations		4,303,813.62	3,861,802.58
Debt Service		829,721.28	629,300.42
Statutory Expenditures		15,956.00	13,620.00
Total Expenditures	D-4	<u>5,149,490.90</u>	<u>4,504,723.00</u>
Statutory Excess to Fund Balance		<u>142,994.13</u>	<u>924,575.32</u>
<u>Fund Balance</u>			
Balance, Beginning of Year	D	<u>1,599,164.62</u>	<u>1,113,993.59</u>
Decreased by:			
Amount Utilized as Utility Operating Fund Revenue	D-3	223,518.06	139,404.29
Amount Utilized as Current Fund Revenue	D-5	300,000.00	300,000.00
		<u>523,518.06</u>	<u>439,404.29</u>
Balance, End of Year	D	<u>\$ 1,218,640.69</u>	<u>\$ 1,599,164.62</u>

See accompanying notes to financial statements.

TOWNSHIP OF SOUTH ORANGE VILLGAE
WATER UTILITY CAPITAL FUND

STATEMENT OF FUND BALANCE
REGULATORY BASIS
YEAR ENDED DECEMBER 31, 2023

D-2

	<u>Ref.</u>	
Balance, December 31, 2022	D	\$ 128,074.94
Increased by:		
Premium on Sale of Notes	D-5	<u>139,517.08</u>
		267,592.02
Decreased by:		
Fund Balance Anticipated in Operating Fund	D-5	<u>128,074.94</u>
Balance, December 31, 2023	D	<u><u>\$ 139,517.08</u></u>

See accompanying notes to financial statements.

TOWNSHIP OF SOUTH ORANGE VILLAGE
WATER UTILITY

STATEMENT OF REVENUE
REGULATORY BASIS
YEAR ENDED DECEMBER 31, 2023

D-3

<u>Source</u>	<u>Ref.</u>	<u>Budget Revenue</u>	<u>Realized</u>	<u>Excess</u>
Fund Balance Anticipated	D-1	\$ 223,518.06	\$ 223,518.06	
Water Rents	D-1, D-7	4,800,000.00	4,852,433.02	\$ 52,433.02
Miscellaneous	D-1, D-5		2,885.19	2,885.19
Interest on Investments	D-1, D-5		41,887.66	41,887.66
Water Capital Surplus	D-1, D-13b	128,074.94	128,074.94	
	D-4	<u>\$ 5,151,593.00</u>	<u>\$ 5,248,798.87</u>	<u>\$ 97,205.87</u>

TOWNSHIP OF SOUTH ORANGE VILLAGE
WATER UTILITY

STATEMENT OF EXPENDITURES
REGULATORY BASIS
YEAR ENDED DECEMBER 31, 2023

D-4

	Appropriations		Paid or Charged	Expended		Unexpended Balance Canceled
	Budget	Modified Budget		Encumbered	Reserved	
<u>Operating</u>						
Salaries and Wages	\$ 144,200.00	\$ 144,200.00	\$ 143,703.04		\$ 496.96	
Other Expenses	4,229,050.00	4,159,613.62	3,490,798.03	\$ 1,883.50	666,932.09	
<u>Debt Service</u>						
Payment of Bond Principal	190,000.00	190,000.00	190,000.00			
Interest on Bonds	80,325.00	80,325.00	78,460.42			\$ 1,864.58
Payment of BAN Principal	117,762.00	117,762.00	117,762.00			
Payment of NJIB Principal	24,300.00	24,300.00	24,062.48			237.52
Interest on Notes	350,000.00	419,436.38	419,436.38			
<u>Statutory Expenditures</u>						
Social Security	11,536.00	11,536.00			11,536.00	
Public Employees' Retirement System	4,420.00	4,420.00	4,420.00			
	<u>\$ 5,151,593.00</u>	<u>\$ 5,151,593.00</u>	<u>\$ 4,468,642.35</u>	<u>\$ 1,883.50</u>	<u>\$ 678,965.05</u>	<u>\$ 2,102.10</u>
<u>Ref.</u>	D-3	D-3	Below	D	D	D-1
Cash Disbursements	D-5		\$ 3,970,745.55			
Accrued Interest	D-10		497,896.80			
Above			<u>\$ 4,468,642.35</u>			

See accompanying notes to financial statements.

TOWNSHIP OF SOUTH ORANGE VILLAGE
PUBLIC ASSISTANCE FUND

COMPARATIVE BALANCE SHEETS
REGULATORY BASIS
DECEMBER 31, 2023 AND 2022

E

	<u>Ref.</u>	<u>2023</u>	<u>2022</u>
<u>ASSETS</u>	E-2	<u>\$ 627.13</u>	<u>\$ 614.40</u>
 <u>FUND BALANCE</u>	 E-1	 <u>\$ 627.13</u>	 <u>\$ 614.40</u>

See accompanying notes to financial statements.

TOWNSHIP OF SOUTH ORANGE VILLAGE
PUBLIC ASSISTANCE FUND

COMPARATIVE STATEMENTS OF OPERATIONS AND CHANGES IN FUND BALANCE
YEARS ENDED DECEMBER 31, 2023 AND 2022

E-1

	<u>Ref.</u>	<u>2023</u>	<u>2022</u>
<u>Revenue and Other Income:</u>			
Interest Earned	E-2	\$ 12.73	\$ 2.24
Total Revenue and Other Income		<u>12.73</u>	<u>2.24</u>
Fund Balance, Beginning of Year	E	<u>614.40</u>	<u>612.16</u>
Fund Balance, End of Year	E	<u>\$ 627.13</u>	<u>\$ 614.40</u>

See accompanying notes to financial statements

TOWNSHIP OF SOUTH ORANGE VILLAGE
TRUSTEES OF FREE PUBLIC LIBRARY

COMPARATIVE BALANCE SHEETS
REGULATORY BASIS
DECEMBER 31, 2023 AND 2022

E

<u>ASSETS</u>	<u>Ref.</u>	<u>2023</u>	<u>2022</u>
<u>Unrestricted</u>			
Cash	F-2	\$ 171,212.20	\$ 123,966.64
Cash - Money Market	F-3	90,493.15	90,401.45
		<u>261,705.35</u>	<u>214,368.09</u>
<u>Restricted</u>			
Cash	F-2	<u>200,282.02</u>	<u>200,297.00</u>
Total Assets		<u>\$ 461,987.37</u>	<u>\$ 414,665.09</u>
 <u>FUND BALANCE</u>			
Restricted for Computer Technology		\$ 200,282.02	\$ 200,297.00
Unrestricted		<u>261,705.35</u>	<u>214,368.09</u>
Total Fund Balance	F-1	<u>\$ 461,987.37</u>	<u>\$ 414,665.09</u>

See accompanying notes to financial statements.

TOWNSHIP OF SOUTH ORANGE VILLAGE
TRUSTEES OF FREE PUBLIC LIBRARY

COMPARATIVE STATEMENTS OF REVENUES AND EXPENDITURES
REGULATORY BASIS
YEARS ENDED DECEMBER 31, 2023 AND 2022

F-1

	<u>Ref.</u>	<u>Unrestricted</u>	<u>Restricted</u>	<u>2023</u>	<u>2022</u>
Revenue:					
Gifts	F-2	\$ 69,010.32		\$ 69,010.32	\$ 42,266.79
Copier Fees	F-2	12,932.85		12,932.85	7,782.52
Fines and Lost Books	F-2	6,514.23		6,514.23	4,294.44
Miscellaneous	F-2	10,443.68		10,443.68	18,892.87
Interest on Deposits and Investments	F-2, F-3	93.12	\$ 20.02	113.14	129.56
State Library Aid	F-2	10,430.00		10,430.00	34,115.00
Current Fund Budget Appropriation	F-4	<u>1,141,765.91</u>		<u>1,141,765.91</u>	<u>1,095,802.46</u>
		<u>1,251,190.11</u>	<u>20.02</u>	<u>1,251,210.13</u>	<u>1,203,283.64</u>
Expenditures:					
Paid Directly by Township	F-4	921,765.91		921,765.91	897,603.46
Books and Subscriptions and Other Expenses	F-2	<u>282,086.94</u>	<u>35.00</u>	<u>282,121.94</u>	<u>252,423.66</u>
		<u>1,203,852.85</u>	<u>35.00</u>	<u>1,203,887.85</u>	<u>1,150,027.12</u>
Statutory (Deficit) Excess to Fund Balance		47,337.26	(14.98)	47,322.28	53,256.52
Fund Balance, Beginning of Year	F	<u>214,368.09</u>	<u>200,297.00</u>	<u>414,665.09</u>	<u>361,408.57</u>
Fund Balance, End of Year	F	<u>\$ 261,705.35</u>	<u>\$ 200,282.02</u>	<u>\$ 461,987.37</u>	<u>\$ 414,665.09</u>

See accompanying notes to financial statements.

TOWNSHIP OF SOUTH ORANGE VILLAGE

GOVERNMENTAL FIXED ASSETS
 COMPARATIVE BALANCE SHEETS
DECEMBER 31, 2023 AND 2022

	<u>2023</u>	<u>2022</u>
<u>Governmental Fixed Assets</u>		
Land and Improvements	\$ 32,528,166.00	\$ 32,528,166.00
Building and Improvements	41,203,345.00	45,030,310.00
Equipment & Leases	<u>12,939,118.65</u>	<u>15,517,884.21</u>
	<u>\$ 86,670,629.65</u>	<u>\$ 93,076,360.21</u>
 Investment in Fixed Assets	 <u>\$ 86,670,629.65</u>	 <u>\$ 93,076,360.21</u>

See accompanying notes to financial statements.

TOWNSHIP OF SOUTH ORANGE VILLAGE
NOTES TO THE FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2023 AND 2022

1. REPORTING ENTITY AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Reporting Entity

The financial statements of the Township of South Orange Village, County of Essex, New Jersey ("Township") include every Board, body, officer, or commission maintained wholly or in part by funds appropriated by the Township, as required by the provision of N.J.S.A. 40A:5-5. The financial statements, however, do not include the operation of School Boards, Volunteer Fire Departments and First Aid Squads, which are subject to separate audit and are considered component units under generally accepted accounting principles in the United States. Included within the financial statements are taxes levied, collected and turned over to School Boards and appropriations for contributions to Volunteer Fire Departments and First Aid Squads. Complete financial statements of these component units can be obtained by contacting the Treasurer of the respective entity.

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.

Description of Funds

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. An account group, on the other hand, is designed to provide accountability for certain assets and liabilities that are not recorded in those Funds.

TOWNSHIP OF SOUTH ORANGE VILLAGE
NOTES TO THE FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2023 AND 2022

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

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 Fund – This fund is used to record receipts, disbursements and custodianship of monies in accordance with the purpose for which each reserve was created are maintained in Trust Funds. These include the Animal Control Trust Fund, General Trust Funds, and Payroll Trust Fund.

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.

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

Public Assistance Trust 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.

Free Public Library Fund – This Fund is used to record Library-related revenues and expenditures of the Free Public Library, except for Library Payroll and related expenditures, which are already charged to the Township's Current Budget.

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 Water 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. 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.

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 resolution also sets a grace period of ten days before interest is calculated. In addition, any delinquency in excess of \$10,000.00 at the end of the calendar year is subject to a 6% penalty on the unpaid balance.

TOWNSHIP OF SOUTH ORANGE VILLAGE
NOTES TO THE FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2023 AND 2022

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

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.

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
- Water Utility Capital Fund
- Public Assistance Fund
- Trustees of Free Public Library

TOWNSHIP OF SOUTH ORANGE VILLAGE
NOTES TO THE FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2023 AND 2022

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

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 2023.

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.

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.

TOWNSHIP OF SOUTH ORANGE VILLAGE
NOTES TO THE FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2023 AND 2022

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

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

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

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

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.

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 Water 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.

TOWNSHIP OF SOUTH ORANGE VILLAGE
NOTES TO THE FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2023 AND 2022

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

Long-term Debt - The Township's long-term debt is stated at face value. The debt is not traded and it is not practicable to determine its fair value without incurring excessive cost. Additional information pertinent to the Township's long-term debt is provided in Note 3 to the financial statements.

Net Pension Liability and Pension Related Deferred Outflows of Resources and Deferred Inflows of Resources and Pension Expense - The requirements of GASB Statement No. 68, "Accounting and Financial Reporting for Pensions and GASB Statement No. 71, Pension Transition for Contributions Made Subsequent to the Measurement Date - an amendment of GASB Statement No. 68" require governmental entities to record their distributive shares of net pension liability, deferred outflows of resources, deferred inflows of resources and total pension related expense. Accounting principles applicable to municipalities, which have been prescribed by the Division, do not require the recording of these liabilities, deferrals and expenses, but do require the disclosure of these amounts. The audited financial information related to pensions is released annually by the State's Division of Pensions and Benefits and is required to be included as note disclosures in the financial statements. Pursuant to N.J.A.C. 5:30-6.1(c)2, municipalities may use the most recent available audited GASB 68 financial information published by the New Jersey Department of the Treasury, Division of Pensions and Benefits. As of June 30, 2023, the 2022 Public Employees' Retirement System Report and the 2022 Police and Firemen's Retirement System Report were the most recent reports available and therefore these years were disclosed accordingly. Refer to Note 8 for these disclosures.

Other Post-Employment Benefits Other Than Pensions - The requirements of GASB Statement No. 75, "Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions (OPEB)" that is provided by other entities require governmental entities to record in their financial statements a share of the other governments net OPEB liability, deferred outflows of resources, deferred inflows of resources and total OPEB expense. Accounting principles applicable to municipalities, which have been prescribed by the Division, do not require the recording of these liabilities, deferrals and expenses, but do require the disclosure of the amounts. Since the Township does not follow generally accepted accounting principles, the GASB did not result in a change in the Township's assets, liabilities and contribution requirements. However, it did result in additional note disclosures as required by the GASBs. The audited financial information related to OPEBs is released annually by the State's Division of Pensions and Benefits and is required to be included as note disclosures in the financial statements. Pursuant to N.J.A.C. 5:30-6.1(c)2, municipalities may use the most recent available audited GASB 68 financial information published by the New Jersey Department of the Treasury, Division of Pensions and Benefits. As a result, the latest available information is presented in Note 9 to these financial statements.

Recently Issued and Adopted Accounting Principle

GASB issued Statement No. 96, "Subscription-Based Information Technology Arrangements" in May 2020. This Statement provides guidance on the accounting and financial reporting for subscription-based information technology arrangements (SBITAs) for government end users (governments). This Statement (1) defines a SBITA; (2) establishes that a SBITA results in a right-to-use subscription asset—an intangible asset—and a corresponding subscription liability; (3) provides the capitalization criteria for outlays other than subscription payments, including implementation costs of a SBITA; and (4) requires note disclosures regarding a SBITA. To the extent relevant, the standards for SBITAs are based on the standards established in Statement No. 87, "Leases," as amended.

TOWNSHIP OF SOUTH ORANGE VILLAGE
NOTES TO THE FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2023 AND 2022

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

Recently Issued and Adopted Accounting Principle (continued)

Leases

Township as a Lessee - The Township is a lessee for leases of Township vehicles. The Township acknowledges a lease obligation with an initial, collective value of \$60,000 or more. See Note 3 for detail.

At commencement of a lease, the Township initially measures the lease obligation at the present value of payments expected to be made during the lease term. Subsequently, the lease obligation is reduced by the principal portion of lease payments made. Key estimates and judgments related to leases include how the Township determines (1) the discount rate it uses to discount the expected lease payments to present value, (2) lease term, and (3) lease payments.

The Township uses the interest rate charged by the lessor as the discount rate. When the interest rate charged by the lessor is not provided, the Township uses its estimated incremental borrowing rate as the discount rate for leases.

The lease term includes the non-cancellable period of the lease. Lease payments included in the measurement of the lease obligation are composed of fixed payments and any purchase option price that the Township is reasonably certain to exercise. The Township monitors changes in circumstances that would require a remeasurement of its lease obligation and will remeasure if certain changes occur that are expected to significantly affect the amount of the lease obligation.

Township as a Lessor - The Township is a lessor of Township owned cell towers with Verizon, AT&T and Omnipoint with lease agreements for 5 years with options to extend for four additional 5-year periods. The Township acknowledges a lease with an initial, collective value of \$60,000 or more. See Note 5 for detail. The Township initially measures the lease at the present value of payments expected to be received during the lease term. Key estimates and judgments to the lessor include (1) the discount rate using the lessee's estimated borrowing rate expected less receipts to present value, (2) the lease term including any non-cancellable period of the lease, and (3) the lease payments determined by the lease receipts included in the measurement of the lease that are composed of fixed payments from the lessee and any payment renewal option that the Township is reasonably certain to exercise.

The Township monitors changes in circumstances that would require a remeasurement of its leases and will remeasure the lease if certain changes occur that are expected to significantly affect the amount of the lease.

Length of Services Award Program (LOSAP) - Financial reporting standards established by the DLGS/Division exclude the financial information relating to a LOSAP program from the scope of the statutory audit. Accordingly, financial information relating to the Township's LOSAP Program, a deferred income program created pursuant to Section 457 of the Internal Revenue Code for the benefit of the volunteers, is not reported as part of the Township's basic financial statements. As the LOSAP Plan's assets remain the property of the Township until withdrawn by participants, GAAP requires that the Plan's financial information be included in the Township's basic financial statements. See Note 10 regarding the availability of LOSAP Plan financial information.

TOWNSHIP OF SOUTH ORANGE VILLAGE
 NOTES TO THE FINANCIAL STATEMENTS
 YEARS ENDED DECEMBER 31, 2023 AND 2022

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

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

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

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

2. DEPOSITS AND INVESTMENTS

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 depository protected from loss under the provisions of GUDPA. Public funds owned by the municipality in excess of FDIC insured amounts are protected by GUDPA. However, GUDPA does not protect intermingled trust funds such as salary withholdings, bail funds, or funds that may pass to the municipality relative to the happening of a future condition. As of December 31, 2023 and 2022 some of the Township's bank balances were exposed to custodial credit risk.

Bank balances are insured up to \$250,000.00 in the aggregate by the FDIC for each bank for periods ending December 31, 2023 and 2022. At December 31, 2023 and 2022, the book value of the Township's deposits was \$26,859,410.37 and \$26,377,979.97, respectively. At December 31, 2023 and 2022 the Township had the following depository accounts balances, where all deposits are carried at cost. The Township had \$135,516.24 and \$215,328.92 held in agency and payroll accounts for the years ended December 31, 2023 and 2022, respectively, are not covered by GUDPA.

<u>Depository Account</u>	Bank Balances	
	December 31, 2023	December 31, 2022
FDIC Insured	\$ 750,000.00	\$ 750,000.00
GUDPA Insured	26,179,434.96	26,266,774.16
	\$26,929,434.96	\$27,016,774.16

TOWNSHIP OF SOUTH ORANGE VILLAGE
NOTES TO THE FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2023 AND 2022

2. DEPOSITS AND INVESTMENTS (continued)

Investments:

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

As of December 31, 2023 and 2022, the Township had no investments.

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

3. MUNICIPAL DEBT

The Local Bond law governs the issuance of bonds and notes to finance general capital expenditures. 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 five months or refunded by the issuance of bonds.

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

	<u>Year 2023</u>	<u>Year 2022</u>
<u>Issued</u>		
General:		
Bonds and Notes	\$ 51,917,314.00	\$ 48,956,988.00
Green Acres Trust Loan	24,731.16	32,652.17
Environmental Infrastructure	299,596.04	328,749.57
Water:		
Bonds and Notes	11,583,686.00	10,641,012.00
Environmental Infrastructure	584,903.08	595,971.03
Total Debt Issued	<u>64,410,230.28</u>	<u>60,555,372.77</u>
 <u>Authorized but Not Issued</u>		
General:		
Bonds and Notes	30,174,912.00	34,363,838.00
Water:		
Bonds and Notes	10,471,460.00	11,416,059.00
Total Authorized but Not Issued	<u>40,646,372.00</u>	<u>45,779,897.00</u>
 Net Bonds and Notes Issued and Authorized but Not Issued	 <u>\$ 105,056,602.28</u>	 <u>\$106,335,269.77</u>

TOWNSHIP OF SOUTH ORANGE VILLAGE
 NOTES TO THE FINANCIAL STATEMENTS
 YEARS ENDED DECEMBER 31, 2023 AND 2022

3. MUNICIPAL DEBT (continued)

The statement of debt condition that follows is extracted from the Township's Annual Debt Statement and indicates a statutory net debt of 2.217% at December 31, 2023.

	<u>Gross Debt</u>	<u>Deductions</u>	<u>Net Debt</u>
Regional School District	\$ 72,137,500.60	\$ 72,137,500.60	
Water Utility Debt	22,640,049.08	22,640,049.08	
General Debt	82,416,553.20		\$ 82,416,553.20
	<u>\$ 177,194,102.88</u>	<u>\$ 94,777,549.68</u>	<u>\$ 82,416,553.20</u>

The Township's remaining borrowing power under N.J.S.A. 40A:2-6, as amended, at December 31, 2023 as follows:

3 1/2% of Equalized Valuation Basis	\$ 130,099,623.57
Net Debt	<u>(82,416,553.20)</u>
Remaining Borrowing Power	<u>\$ 47,683,070.37</u>

School Debt Deductions

School debt is deductible up to the extent of 4.0% of the Average Equalized Assessed Valuations of real property for the Local District.

Calculation of "Self-Liquidating Purposes" Water Utility per N.J.S.A. 40A:2-45

Surplus and Cash Receipts from Fees, Rent or Other Charges for Year		\$ 5,248,798.87
Deductions:		
Operating and Maintenance Costs	\$ 4,319,769.62	
Debt Service per Water Utility	<u>829,721.28</u>	
		<u>5,149,490.90</u>
Excess Revenue		<u>\$ 99,307.97</u>

As there is an excess in revenue, all Water Utility Debt is deductible for Debt Statement purposes.

The foregoing debt information is in material agreement with the Annual Debt Statement as filed by the Chief Financial Officer.

TOWNSHIP OF SOUTH ORANGE VILLAGE
NOTES TO THE FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2023 AND 2022

3. MUNICIPAL DEBT (continued)

The Township levies ad valorem taxes to pay debt service on general obligation bonds. General obligation bonds outstanding at December 31, 2023 and 2022 are as follows:

	2023	2022
<u>General Obligation Bonds</u>		
\$4,265,000.00 Taxable Refunding Bonds; Annual maturities of \$530,000.00 to \$540,000.00 through November 2029 at an interest rate of 5.00%.	\$ 3,200,000.00	\$ 3,735,000.00
\$13,350,000.00 General Improvement Bonds; Annual maturities of \$1,165,000.00 to \$1,410,000.00 through May 2031 at interest rates ranging from 2.00% to 3.00%	10,485,000.00	11,565,000.00
\$17,655,000.00 Refunding General Bonds; Annual maturities of \$2,305,000.00 to \$2,485,000.00 through January 2028 at an interest rate of 4.00%	12,025,000.00	14,220,000.00
\$8,500,000.00 General Obligation Bonds; Annual maturities of \$625,000.00 to \$810,000.00 through April 2031 at interest rates ranging from 3.00% to 5.00%	5,700,000.00	6,310,000.00
	\$ 31,410,000.00	\$ 35,830,000.00
<u>Water Utility Bonds</u>		
\$470,000.00 Water Refunding Bonds; Annual maturities of \$60,000.00 through November 2029 at interest rates ranging from 3.00% to 5.00%	\$ 360,000.00	\$ 415,000.00
\$2,135,000.00 Water Utility Bonds; Annual maturities of \$140,000.00 to \$160,000.00 through April 2033 at interest rates ranging from 3.00% to 5.00%	1,535,000.00	1,670,000.00
	\$ 1,895,000.00	\$ 2,085,000.00

TOWNSHIP OF SOUTH ORANGE VILLAGE
NOTES TO THE FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2023 AND 2022

3. MUNICIPAL DEBT (continued)

The Township's principal and interest for general obligation bonds issued and outstanding as of December 31, 2023 is as follows:

Year	General		Water Utility		Total	
	Principal	Interest	Principal	Interest	Principal	Interest
2024	\$ 4,625,000.00	\$ 891,700.00	\$ 200,000.00	\$ 70,700.00	\$ 4,825,000.00	\$ 962,400.00
2025	4,775,000.00	730,600.00	200,000.00	60,700.00	4,975,000.00	791,300.00
2026	4,870,000.00	568,275.00	205,000.00	51,300.00	5,075,000.00	619,575.00
2027	4,990,000.00	405,300.00	210,000.00	42,400.00	5,200,000.00	447,700.00
2028	5,080,000.00	238,500.00	220,000.00	33,200.00	5,300,000.00	271,700.00
2029-2033	7,070,000.00	233,625.00	860,000.00	63,000.00	7,930,000.00	296,625.00
	<u>\$31,410,000.00</u>	<u>\$3,068,000.00</u>	<u>\$1,895,000.00</u>	<u>\$ 321,300.00</u>	<u>\$33,305,000.00</u>	<u>\$3,389,300.00</u>

Environmental Infrastructure Loan

General Capital - An Environmental Infrastructure Loan was obtained by the Joint Sewer Authority of Union and Essex County, of which the Township is a member. Each member town was required to adopt an ordinance for their share of the cost. Total cost for the Township was \$435,444.00. The Township obtained ARRA funding in the sum of \$206,962.00, which reduced its debt payments to \$228,481.00. The following is the remaining debt on the loan in the sum of \$299,596.04.

Water Capital - The Township received long-term financing from New Jersey Infrastructure I-Bank for water improvements in 2023. The balance on the loan reported in Water Capital as of December 31, 2023 is \$584,903.08.

The Township's principal and interest for New Jersey Environmental Trust and Fund Loans outstanding as of December 31, 2023 is as follows:

Calendar Year	Total		General Capital		Water Capital	
	Principal	Interest	Principal	Interest	Principal	Interest
2024	\$ 40,221.48	\$ 16,645.24	\$ 29,153.53	\$ 4,830.00	\$ 11,067.95	\$ 11,815.24
2025	40,221.48	15,713.00	29,153.53	4,380.00	11,067.95	11,333.00
2026	40,221.48	14,788.78	29,153.53	3,930.00	11,067.95	10,858.78
2027	44,221.48	13,874.42	33,153.53	3,480.00	11,067.95	10,394.42
2028	44,221.48	12,859.06	33,153.53	2,920.00	11,067.95	9,939.06
2029 - 2033	227,632.98	45,830.36	122,293.23	7,400.00	105,339.75	38,430.36
2034 - 2038	128,874.91	25,532.18	23,535.16	400.00	105,339.75	25,132.18
2039 - 2043	110,339.75	16,962.50			110,339.75	16,962.50
2044 - 2048	130,339.75	10,012.52			130,339.75	10,012.52
2049 - 2051	78,204.33	2,025.00			78,204.33	2,025.00
	<u>\$ 884,499.12</u>	<u>\$ 174,243.06</u>	<u>\$ 299,596.04</u>	<u>\$ 27,340.00</u>	<u>\$ 584,903.08</u>	<u>\$ 146,903.06</u>

Green Acres Trust Loan

The New Jersey Green Acres Trust Loan obtained in 2007 for \$137,250.00 requiring semi-annual installments of \$4,267.32, including interest at the rate of 2% and has a remaining balance of \$24,731.16 and \$32,652.17 at December 31, 2023 and 2022, respectively.

TOWNSHIP OF SOUTH ORANGE VILLAGE
NOTES TO THE FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2023 AND 2022

3. MUNICIPAL DEBT (continued)

The Township's principal and interest for the Green Acres Trust Loan outstanding as of December 31, 2023 is as follows:

Calendar	<u>General</u>	
<u>Year</u>	<u>Principal</u>	<u>Interest</u>
2024	8,080.22	454.42
2025	8,242.63	292.01
2026	8,408.31	126.33
	\$ 24,731.16	\$ 872.76

Changes in Long-Term Municipal Debt

The Township's long-term capital debt activity for 2023 and 2022 is as follows:

	Balance December 31, 2022	Increases	Reductions	Balance December 31, 2023	Due Within One Year
General Capital Fund					
Bonds Payable	\$35,830,000.00		\$ 4,420,000.00	\$31,410,000.00	\$4,625,000.00
Environmental					
Infrastructure Loan	328,749.57		29,153.53	299,596.04	29,153.53
Green Acres Loan	32,652.17		7,921.01	24,731.16	8,080.22
	36,191,401.74	-	4,457,074.54	31,734,327.20	4,662,233.75
Water Utility Fund					
Bonds Payable	2,085,000.00		190,000.00	1,895,000.00	200,000.00
Environmental					
Infrastructure Loan	595,971.03		11,067.95	584,903.08	11,067.95
Total	\$38,872,372.77	\$ -	\$ 4,647,074.54	\$33,629,327.20	\$4,862,233.75
	Balance December 31, 2021	Increases	Reductions	Balance December 31, 2022	Due Within One Year
General Capital Fund					
Bonds Payable	\$40,095,000.00		\$ 4,265,000.00	\$35,830,000.00	\$4,420,000.00
Environmental					
Infrastructure Loan	357,903.10		29,153.53	328,749.57	29,153.53
Green Acres Loan	40,417.10		7,764.93	32,652.17	7,921.01
	40,493,320.20	-	4,301,918.46	36,191,401.74	4,457,074.54
Water Utility Fund					
Bonds Payable	2,275,000.00		190,000.00	2,085,000.00	190,000.00
Environmental					
Infrastructure Loan	596,683.00		711.97	595,971.03	11,067.95
Total	\$43,365,003.20	\$ -	\$ 4,492,630.43	\$38,872,372.77	\$4,647,074.54

Lease Obligations

For the year ended December 31, 2023, the Township has a lease obligation for Township vehicles with a value of \$306,997.53. The lease term includes the noncancellable period of the lease. Lease payments included in the measurement of the lease obligation are composed of fixed payments and a purchase option price of \$6,535.00 that the Township is reasonably certain to exercise. The Township's outstanding leases have interest rates ranging from 0.00% to 5.00%.

TOWNSHIP OF SOUTH ORANGE VILLAGE
NOTES TO THE FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2023 AND 2022

3. MUNICIPAL DEBT (continued)

On October 21, 2021, the Township entered into six separate 60-month lease agreements for Township vehicles. An initial lease obligation was acknowledged in the amount of \$260,874.35. The equipment's estimated useful life is 60 months as of the contract commencement. On November 11, 2022, the Township entered into three separate 60-month lease agreements for Township vehicles. An initial lease obligation was acknowledged in the amount of \$161,722.85. The equipment's estimated useful life is 60 months as of the contract commencement.

The following is a summary of the lease obligation principal and interest payments to maturity:

		Total Lease Payments to Maturity			
		<u>October 2021 Leases</u>	<u>November 2022 Leases</u>	<u>February 2023 Leases</u>	<u>Total</u>
2021	\$	8,645.06			\$ 8,645.06
2022		51,870.36	\$ 2,611.84		54,482.20
2023		51,870.36	31,342.08	\$ 20,508.20	103,720.64
2024		51,870.36	31,342.08	24,609.84	107,822.28
2025		51,870.36	31,342.08	24,609.84	107,822.28
2026-28		44,747.85	65,084.77	52,926.34	162,758.96
	\$	<u>260,874.35</u>	\$ <u>161,722.85</u>	\$ <u>122,654.22</u>	\$ <u>545,251.42</u>
Payments Made Through Current Year					<u>(166,847.90)</u>
					<u>\$ 378,403.52</u>

Short-Term Debt

The Township's short-term capital debt activity for 2023 and 2022 is as follows:

	Balance, December 31, 2022	Additions	Reductions	Balance, December 31, 2023
General Capital				
Bond Anticipation Notes	\$ 13,126,988.00	\$ 20,507,314.00	\$ 13,126,988.00	\$ 20,507,314.00
Water Utility				
Bond Anticipation Notes	8,556,012.00	9,688,686.00	8,556,012.00	9,688,686.00
New Jersey Infrastructure				
Bank Financing Note Payable	2,760,000.00		851,221.00	1,908,779.00
	<u>11,316,012.00</u>	<u>9,688,686.00</u>	<u>9,407,233.00</u>	<u>11,597,465.00</u>
Total	<u>\$ 24,443,000.00</u>	<u>\$ 30,196,000.00</u>	<u>\$ 22,534,221.00</u>	<u>\$ 32,104,779.00</u>
	Balance, December 31, 2021	Additions	Reductions	Balance, December 31, 2022
General Capital				
Bond Anticipation Notes	\$ 13,518,988.00	\$ 13,126,988.00	\$ 13,518,988.00	\$ 13,126,988.00
Water Utility				
Bond Anticipation Notes	8,168,012.00	8,556,012.00	8,168,012.00	8,556,012.00
New Jersey Infrastructure				
Bank Financing Note Payable	2,760,000.00	2,760,000.00		2,760,000.00
	<u>8,168,012.00</u>	<u>11,316,012.00</u>	<u>8,168,012.00</u>	<u>11,316,012.00</u>
Total	<u>\$ 21,687,000.00</u>	<u>\$ 24,443,000.00</u>	<u>\$ 21,687,000.00</u>	<u>\$ 24,443,000.00</u>

TOWNSHIP OF SOUTH ORANGE VILLAGE
NOTES TO THE FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2023 AND 2022

4. FIXED ASSETS

General Fixed Assets

The following is a summary of changes in the General Fixed Assets account group as of December 31, 2023 and 2022:

	Balance December 31, <u>2022</u>	<u>Additions</u>	<u>Reductions</u>	Balance December 31, <u>2023</u>
Land and Land Improvements	\$ 32,528,166.00			\$ 32,528,166.00
Buildings and Building Improvements	45,030,310.00		\$ 3,826,965.00	41,203,345.00
Machinery and Equipment	<u>15,517,884.21</u>	<u>\$ 1,459,351.49</u>	<u>4,038,117.05</u>	<u>12,939,118.65</u>
	<u>\$ 93,076,360.21</u>	<u>\$ 1,459,351.49</u>	<u>\$ 7,865,082.05</u>	<u>\$ 86,670,629.65</u>

	Balance December 31, <u>2021</u>	<u>Additions</u>	<u>Reductions</u>	Balance December 31, <u>2022</u>
Land and Land Improvements	\$ 32,528,166.00			\$ 32,528,166.00
Buildings and Building Improvements	45,030,310.00			45,030,310.00
Machinery and Equipment	<u>13,949,349.21</u>	<u>\$ 1,568,535.00</u>		<u>15,517,884.21</u>
	<u>\$ 91,507,825.21</u>	<u>\$ 1,568,535.00</u>	<u>\$ -</u>	<u>\$ 93,076,360.21</u>

Utility Fund Fixed Assets

Water Utility Fund

	Balance December 31, <u>2022</u>	<u>Additions</u>	<u>Reductions</u>	Balance December 31, <u>2023</u>
Land and Land Improvements	\$ 5,348,937.00			\$ 5,348,937.00
Buildings and Building Improvements	1,371,781.00			1,371,781.00
Machinery and Equipment	<u>1,740,175.00</u>	<u>\$ 2,881,096.55</u>	<u>\$ 1,600.00</u>	<u>4,619,671.55</u>
	<u>\$ 8,460,893.00</u>	<u>\$ 2,881,096.55</u>	<u>\$ 1,600.00</u>	<u>\$ 11,340,389.55</u>

	Balance December 31, <u>2021</u>	<u>Additions</u>	<u>Reductions</u>	Balance December 31, <u>2022</u>
Land and Land Improvements	\$ 5,348,937.00			\$ 5,348,937.00
Buildings and Building Improvements	1,371,781.00			1,371,781.00
Machinery and Equipment	<u>4,040,175.00</u>		<u>\$ 2,300,000.00</u>	<u>1,740,175.00</u>
	<u>\$ 10,760,893.00</u>	<u>\$ -</u>	<u>\$ 2,300,000.00</u>	<u>\$ 8,460,893.00</u>

TOWNSHIP OF SOUTH ORANGE VILLAGE
 NOTES TO THE FINANCIAL STATEMENTS
 YEARS ENDED DECEMBER 31, 2023 AND 2022

5. LEASE REVENUE

The Township entered into lease agreements with Verizon, AT&T and Omnipoint to lease cell tower space in exchange for rent paid through long-term agreements that commenced on March 28, 2007, May 9, 2003, and December 18, 2003, respectively, and will expire after 5 years if no option to extend the contract four additional times is utilized. The Township has utilized or intends on utilizing the extensions to the full terms allowed in the agreements. Collectively from all lessor agreements, the lessors paid the Township \$101,531.46 for the year ended December 31, 2023.

The future minimum lease payment to be received by the Township are as follows:

Total Lease Receivable as of December 31,

	<u>Verizon</u>	<u>AT&T</u>	<u>Omnipoint</u>	<u>Total</u>
2024	\$ 40,224.10	\$ 32,051.28	\$ 32,051.28	\$ 104,326.66
2025	40,224.10	32,051.28	32,051.28	104,326.66
2026	40,224.10	32,051.28	32,051.28	104,326.66
2027	45,252.10	32,051.28	32,051.28	109,354.66
2028	46,257.72	33,653.84	32,251.60	112,163.16
2029-2033	244,009.46	149,305.52	169,404.34	562,719.32
2034-2037	168,455.23			168,455.23
	<u>\$ 624,646.80</u>	<u>\$ 311,164.48</u>	<u>\$ 329,861.06</u>	<u>\$ 1,265,672.34</u>

6. DUE TO/FROM OTHER FUNDS

As of December 31, 2023 and 2022, interfund receivables and payables that resulted from various interfund transactions are as follows:

	<u>2023</u>		<u>2022</u>	
	<u>Due from Other Funds</u>	<u>Due to Other Funds</u>	<u>Due from Other Funds</u>	<u>Due to Other Funds</u>
Current Fund	\$ 1,150.30	\$ 15,783.00	\$ 80,000.00	
Federal/State Grant Fund				\$ 121,914.61
General Trust Fund	15,783.00	1,150.30		80,000.00
General Capital Fund	250,000.00		521,914.61	
Water Utility Capital Fund		250,000.00		400,000.00
	<u>\$ 266,933.30</u>	<u>\$ 266,933.30</u>	<u>\$ 601,914.61</u>	<u>\$ 601,914.61</u>

7. 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:

TOWNSHIP OF SOUTH ORANGE VILLAGE
NOTES TO THE FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2023 AND 2022

7. FUND BALANCES APPROPRIATED (continued)

	2023		2022	
	Fund Balance <u>December 31,</u>	Utilized in Subsequent Year's Budget	Fund Balance <u>December 31,</u>	Utilized in Subsequent Year's Budget
Current Fund				
Surplus	<u>\$ 8,314,324.57</u>	<u>\$ 3,056,000.00</u>	<u>\$6,236,141.23</u>	<u>\$ 2,318,000.00</u>
Water Utility Operating Fund				
Surplus	<u>\$ 1,218,640.69</u>	<u>\$ 299,450.92</u>	<u>\$1,599,164.62</u>	<u>\$ 223,518.06</u>

The above fund balance amounts utilized represents the surplus anticipated in the 2023 and 2022 municipal budgets.

8. COMPENSATED ABSENCES

Under the existing policies and labor agreements of the Township, employees are allowed to accumulate, with certain restrictions, unused vacation benefits, sick leave and compensation time in lieu of overtime over the life of their working careers and to redeem such unused leave time in cash upon death, retirement or by extended absence immediately preceding retirement. The Township's total liability for sick time as of December 31, 2023, based on contractual limits, is \$1,799,244.72. This amount is not an immediate liability of the Township and the likelihood of this amount becoming due and payable at any time within the next twelve months is remote. As of December 31, 2023, the Township has set aside reserves in its Trust Fund in the amount of \$209,180.60.

9. PENSION PLANS

Description of Plans

The State of New Jersey, Division of Pension and Benefits (the Division) was created and exists pursuant to N.J.S.A. 52:18A to oversee and administer the pension trust and other postemployment benefit plans sponsored by the State of New Jersey (the State). According to the State of New Jersey Administrative Code, all obligations of the Systems will be assumed by the State of New Jersey should the plans terminate. Each defined benefit pension plan's designated purpose is to provide retirement, death and disability benefits to its members. The authority to amend the provision of plan rests with new legislation passed by the State of New Jersey. Pension reforms enacted pursuant to Chapter 78, P.L. 2011 included provisions creating special Pension Plan Design Committees for the public Employees' Retirement System (PERS), once a Target Funded Ratio (TFR) is met, that will have the discretionary authority to modify certain plan design features, including member contribution rate; formula for calculation of final compensation or final salary; fraction used to calculate a retirement allowance; age at which a member may be eligible and the benefits for service or early retirement; and benefits provided for disability retirement. The committee will also have the authority to reactivate the cost of living adjustment (COLA) on pensions.

However, modifications can only be made to the extent that the resulting impact does not cause the funded ratio to drop below the TFR in any one year of a 30-year projection period. The Division issues a publicly available financial report that includes the financial statements and required supplementary information for each of the plans. This report may be accessed via the Division of Pensions and Benefits website, at www.state.nj.us/treasury/pensions, or may be obtained by writing to the Division of Pensions and Benefits, P.O. Box 295, Trenton, New Jersey, 08625.

Public Employees' Retirement System

The PERS 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:

TOWNSHIP OF SOUTH ORANGE VILLAGE
 NOTES TO THE FINANCIAL STATEMENTS
 YEARS ENDED DECEMBER 31, 2023 AND 2022

9. PENSION PLANS (continued)

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, 2021:

	2022
Inactive plan members or beneficiaries currently receiving benefits	187,372
Inactive plan members entitled to but not yet receiving benefits	723
Active plan members	240,961
Total	429,056

Contributing Employers – 1,691

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.

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, 2023, the Township's total payroll for all employees was \$15,534,009.05. For the year ended December 31, 2023, total PERS covered payroll was \$4,002,261.00. Due to payroll system limitations, covered payroll refers to pensionable compensation, rather than total compensation, paid by the Township to active employees covered by the Plan.

Specific Contribution Requirements and benefit provisions - The contribution policy is set by N.J.S.A 43:15 and requires contributions by active members and contributing employers. State legislation has modified the amount that is contributed by the State. The State's pension contributions are based on an amortization of the unfunded accrued liability. Funding or noncontributory group insurance benefits is based on actual claims paid. For fiscal year 2022, the State's pension contribution was less than the actuarial determined amount.

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.

In accordance with Chapter 98, P.L. 2017, PERS receives 21.02% of the proceeds of the Lottery Enterprise for a period of 30 years. Revenues received from lottery proceeds are assumed to be contributed to the System on a monthly basis.

TOWNSHIP OF SOUTH ORANGE VILLAGE
NOTES TO THE FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2023 AND 2022

9. PENSION PLANS (continued)

The Township's liability for PERS for the year ended December 31, 2022 was \$732,020.00.

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. 43:15A. 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:

<u>Tier</u>	<u>Definition</u>
1	Members who were enrolled prior to July 1, 2007
2	Members who were eligible to enroll on or after July 1, 2007 and prior to November 2, 2008
3	Members who were eligible 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 with 25 years or more of service credit before age 62 and tier 5 members with 30 or more years of service credit before age 65. Benefits are reduced by a fraction of a percent for each month that a member retires prior to the retirement age of his/her respective tier. Tier 1 members can receive an unreduced benefit from age 55 to age 60 if they have at least 25 years of service. 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.

At June 30, 2022, the PERS reported a net pension liability of \$15,219,184,920.00 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 \$87,60,324.00 or 0.0580485427%, which was an increase of 0.00283807% from its proportion measured as of June 30, 2021. The pension liability for the June 30, 2022 measurement date was determined by an actuarial valuation as of July 1, 2021, which was rolled forward to June 30, 2022.

TOWNSHIP OF SOUTH ORANGE VILLAGE
NOTES TO THE FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2023 AND 2022

9. PENSION PLANS (continued)

At December 31, 2022, the Township's deferred outflows of resources and deferred inflows of resources related to PERS were from the following sources, if GASB Statement No. 68 was recognized:

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Differences between expected and actual experience	\$ 63,228.00	\$ 55,758.00
Changes of assumptions	27,142.00	1,311,767.00
Net difference between projected and actual investment earnings on pension plan investments	362,582.00	
Changes in proportion and differences between Township contributions and proportionate share of contributions	191,348.00	950,516.00
Township contributions subsequent to the measurement date	732,020.00	
	<u>\$ 1,376,320.00</u>	<u>\$ 2,318,041.00</u>

\$732,020.00 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, if GASB Statement No.68 was recognized:

<u>Year ended December 31,</u>	<u>Amount</u>
2023	\$ (1,024,864.00)
2024	(546,988.00)
2025	(344,982.00)
2026	234,320.00
2027	8,773.00
Total	<u>\$ (1,673,741.00)</u>

Actuarial Assumptions- The total collective pension liability in the June 30, 2022 actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement:

	<u>June 30, 2022</u>
Inflation Rate: Price	2.75%
Inflation Rate: Wage	3.25%
Salary Increases	2.75% - 6.55% based on years of service
Investment Rate of Return	7.00%

TOWNSHIP OF SOUTH ORANGE VILLAGE
NOTES TO THE FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2023 AND 2022

9. PENSION PLANS (continued)

Pre-retirement mortality rates were based on the Pub-2010 General Below-Median Income Employee mortality table with an 82.2% adjustment for males and 101.4% adjustment for females, and with future improvement from the base year of 2010 on a generational basis. Post-retirement mortality rates were based on the Pub-2010 General Below-Median Income Healthy Retiree mortality table with a 91.4% adjustment for males and 99.7% adjustment for females, and with future improvement from the base year of 2010 on a generational basis. Disability retirement rates used to value disabled retirees were based on the Pub-2010 Non-Safety Disabled Retiree mortality table with a 127.7% adjustment for males and 117.2% adjustment for females, and with future improvement from the base year of 2010 on a generational basis. Mortality improvement is based on Scale MP-2021.

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

In accordance with State statute, the long-term expected rate of return on plan investments (7.00% at June 30, 2022) 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, 2022 in the following table:

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

TOWNSHIP OF SOUTH ORANGE VILLAGE
 NOTES TO THE FINANCIAL STATEMENTS
 YEARS ENDED DECEMBER 31, 2023 AND 2022

9. PENSION PLANS (continued)

Discount Rate - The discount rate used to measure the total pension liability as of June 30, 2022 was 7.00%. The projection of cash flows used to determine the discount rate assumed that contributions from plan members will be made at the current member contribution rates and that contributions from employers will be based on 100% of the actuarially determined contributions for the State employer and 100% of actuarially determined contributions for the local employers. Based on those assumptions, the plan's fiduciary net position was projected to be available to make projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on plan investments was applied to projected benefit payments to determine the total pension liability.

Sensitivity of the Collective Net Pension Liability to Changes in the Discount Rate - the following presents the collective net pension liability of PERS calculated using the discount rates as disclosed below 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 point higher than the current rate:

	At 1% Decrease (6.00%)	At Current Discount Rate (7.00%)	At 1% Increase (8.00%)
Township's proportionate share	\$ 11,254,450.00	\$ 8,760,324.00	\$ 6,637,722.00

Plan Fiduciary Net Position - The plan fiduciary net position for PERS, including the State of New Jersey, at June 30, 2022 was \$32,568,122,309.00.

Additional information

Collective Local Group balances at June 30, 2021 are as follows:

Collective deferred outflows of resources	\$ 1,660,772,008.00
Collective deferred inflows of resources	3,236,303,935.00
Collective net pension liability - Local group	15,219,184,920.00
Township's Proportion	0.0580485427%

Collective pension expense for the Local Group for the measurement period ended June 30, 2021 was \$(1,599,674,464.00). The average of the expected remaining service lives of all plan members is 5.04, 5.13, 5.16, 5.21, 5.63, 5.48, 5.57, 5.72 and 6.44 years for 2022, 2021, 2020, 2019, 2018, 2017, 2016, 2015 and 2014, respectively.

TOWNSHIP OF SOUTH ORANGE VILLAGE
 NOTES TO THE FINANCIAL STATEMENTS
 YEARS ENDED DECEMBER 31, 2023 AND 2022

9. PENSION PLANS (continued)

State Contribution Payable Dates

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. As such, contributions are assumed to be made on a quarterly basis with the first contribution 15 months after the associated valuation date.

Local employer's contributions are expected to be paid on April 1st, 21 months after the associated valuation date.

Receivable Contributions

The Fiduciary Net Position (FNP) includes Local employers' contributions receivable as reported in the financial statements provided by the Division of Pensions and Benefits. In determining the discount rate, the FNP at the beginning of each year does not reflect receivable contributions as those amounts are not available at the beginning of the year to pay benefits. The receivable contributions for the year ended June 30, 2022 are \$1,288,683,017.00.

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, 2022:

	2022
Inactive plan members or beneficiaries currently receiving benefits	47,518
Inactive plan members entitled to but not yet receiving benefits	60
Active plan members	40,476
Total	88,054

Contributing Employers – 582

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.

TOWNSHIP OF SOUTH ORANGE VILLAGE
NOTES TO THE FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2023 AND 2022

9. PENSION PLANS (continued)

In accordance with Chapter 98, P.L. 2017, PFRS receives 1.2% of the proceeds of the Lottery Enterprise for a period of 30 years. Revenues received from the lottery proceeds are assumed to be contributed to the System on a monthly basis.

Consistent with Chapter 83, P.L. 2016, it is assumed that the State will make pension contributions in equal amounts at the end of each quarter. It is assumed the Local employers' contributions are expected to be received on April 1st, 21 months after the associated valuation date.

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

For the year ended December 31, 2023, the Township's total payroll for all employees was \$15,534,009.05. For the year ended December 31, 2022, total PFRS covered payroll was \$1,529,228.00. Due to payroll system limitations, covered payroll refers to pensionable compensation, rather than total compensation, paid by the Township to active employees covered by the Plan.

Specific Contribution Requirements and benefit provisions - The contribution policy is set by N.J.S.A. 43:16A and requires contributions by active members and contributing employers. Pursuant to the provisions of Chapter 78, P.L. 2011, the active member contributions rate increased from 8.5% of annual compensation to 10.0% in October 2011. Employer contribution amounts are based on an actuarially determined rate. The annual employer contributions include funding for basic retirement allowances and noncontributory death benefits.

The Township's liability for PFRS for the year ended December 31, 2022 was \$2,598,638.00.

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

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

The following represents the membership tiers for PFRS:

<u>Tier</u>	<u>Definition</u>
1	Members who were enrolled prior to May 21, 2010
2	Members who were eligible to enroll on or after May 21, 2010 and prior to June 28, 2011
3	Members who were eligible on or after June 28, 2011

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

TOWNSHIP OF SOUTH ORANGE VILLAGE
NOTES TO THE FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2023 AND 2022

9. PENSION PLANS (continued)

At June 30, 2022, the PFRS reported a net pension liability of \$13,483,472,009 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 \$22,870,985, or 0.19981018% which was a decrease of 0.0350436926% from its proportion, measured as of June 30, 2021. The pension liability for the June 30, 2022 measurement date was determined by an actuarial valuation as of July 1, 2021, which was rolled forward to June 30, 2022.

At December 31, 2022 the Township would have reported deferred outflows of resources and deferred inflows of resources related to PFRS from the following sources, if GASB Statement No. 68 was recognized:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$1,035,202.00	\$ 1,401,159.00
Changes of assumptions	62,680.00	2,879,005.00
Net difference between projected and actual investment earnings on pension plan investments	2,094,310.00	
Changes in proportion and differences between Township contributions and proportionate share of contributions	1,223,345.00	6,074,923.00
Township contributions subsequent to the measurement date	2,598,638.00	
	<u>\$ 7,014,175.00</u>	<u>\$ 10,355,087.00</u>

\$2,598,638.00 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, if GASB 68 was recognized:

Year ended December 31,	Amount
2023	\$ (2,611,726.00)
2024	(2,261,119.00)
2025	(1,220,893.00)
2026	(641,835.00)
2027	605,334.00
2028	190,688.00
Total	<u>\$ (5,939,551.00)</u>

TOWNSHIP OF SOUTH ORANGE VILLAGE
 NOTES TO THE FINANCIAL STATEMENTS
 YEARS ENDED DECEMBER 31, 2023 AND 2022

9. PENSION PLANS (continued)

Actuarial Assumptions - The total collective pension liability in the June 30, 2022 actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement:

	June 30, 2022
Inflation Rate: Price	2.75%
Inflation Rate: Wage	3.25%
Salary Increases:	3.25% - 16.25% based on years of service
Investment rate of return	7.00%

Pre-retirement mortality rates were based on the Pub-2010 Safety Employee mortality table with a 105.6% adjustment for males and 102.5% adjustment for females, and with future improvement from the base year of 2010 on a generational basis. Post-retirement mortality rates were based on the Pub-2010 Safety Retiree Below-Median Income Weighted mortality table with a 96.7% adjustment for males and 96.0% adjustment for females, and with future improvement from the base year of 2010 on a generational basis. For beneficiaries (contingent annuitants), the Pub-2010 General Retiree Below-Median Income Weighted mortality table was used, unadjusted, and with future improvement from the base year of 2010 on a generational basis. Disability rates were based on the Pub-2010 Safety Disabled Retiree mortality table with a 152.0% adjustment for males and 109.3% adjustment for females, and with future improvement from the base year of 2010 on a generational basis. Mortality improvement is based on Scale MP-2021.

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

In accordance with State statute, the long-term expected rate of return on plan investments (7.00% at June 30, 2022) 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, 2022 are summarized in the following table:

TOWNSHIP OF SOUTH ORANGE VILLAGE
NOTES TO THE FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2023 AND 2022

9. PENSION PLANS (continued)

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

Discount Rate – The discount rate used to measure the total pension liability as of June 30, 2022 was 7.00%. The projection of cash flows used to determine the discount rate assumed that contributions from plan members will be made at the current member contribution rates and that contributions from employers and the nonemployer contributing entity will be based on 100% of the actuarially determined contributions for the State employer and 100% of actuarially determined contributions for local employers. Based on those assumptions, the plan’s fiduciary net position was projected to be available to make projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on plan investments was applied to projected benefit payments 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 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 point higher than the current rate:

	At 1% Decrease (6.00%)	At Current Discount Rate (7.00%)	At 1% Increase (8.00%)
PFRS \$	33,668,973.00	\$ 22,870,985.00	\$ 18,383,592.00

Plan Fiduciary Net Position – The plan fiduciary net position for PFRS at June 30, 2022 was 29,092,209,711.

TOWNSHIP OF SOUTH ORANGE VILLAGE
NOTES TO THE FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2023 AND 2022

9. PENSION PLANS (continued)

Additional information

Collective Local Group balances at June 30, 2022 are as follows:

Collective deferred outflows of resources	\$ 2,163,793,985.00
Collective deferred inflows of resources	2,805,919,493.00
Collective net pension liability - Local group	13,483,472,009.00
Township's Proportion	0.1998101800%

Collective pension expense (benefit) for the Local Group for the measurement period ended June 30, 2022 was (\$742,955,825.00). The average of the expected remaining service lives of all plan members is 6.22, 6.17, 5.90, 5.92, 5.73, 5.59, 5.58, 5.53 and 6.17 years for 2022, 2021, 2020, 2019, 2018, 2017, 2016, 2015 and 2014, respectively.

State Contribution Payable Dates

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. As such, contributions are assumed to be made on a quarterly basis.

Local employer's contributions are expected to be paid on April 1st, 21 months after the associated valuation date.

Receivable Contributions

The Fiduciary Net Position (FNP) includes Local employers' contributions receivable as reported in the financial statements provided by the Division of Pensions and Benefits. In determining the discount rate, the FNP at the beginning of each year does not reflect receivable contributions as those amounts are not available at the beginning of the year to pay benefits. The receivable contributions for the year ended June 30, 2022 are \$0.00.

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 state is treated as a non-employer 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, 2022 for PFRS is 0.1998101800%. The non-employer contributing entities' contribution for the year ended June 30, 2022 was \$506,741.00. The state's proportionate share of net pension liability attributable to the Township as of June 30, 2022 was \$4,070,365.00.

Defined Contribution Retirement Plan

DCRP was established July 1, 2007, under the provisions of Chapter 92, P.L. 2007 and Chapter 103, P.L. 2007. Prudential is acting on behalf of the NJ Division of Pensions and Benefits as the record keeper and investment funds manager. Chapter 1, P.L. 2010 increased the minimum annual salary required for eligibility in the DCRP. An employee must earn an annual salary of at least \$5,000.00 to be eligible or to continue participation.

TOWNSHIP OF SOUTH ORANGE VILLAGE
NOTES TO THE FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2023 AND 2022

9. PENSION PLANS (continued)

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 \$5,000.00 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 \$5,000.00 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.

Employer and Employee Pension Contributions

The contribution policy is set by laws of the State of New Jersey and contributions are required by active members and participating employers. Plan members and employer contributions may be amended by State of New Jersey legislation, with the amount of contributions by the State of New Jersey contingent upon the annual Appropriations Act. As defined, the various retirement systems require employee contributions based on 7.50% for PERS, 10% for PFRS and 5.5% for DCRP of employees' base wages.

10. POSTEMPLOYMENT BENEFITS OTHER THAN PENSIONS

State Health Benefit Local Government Retired Employees Plan

General Information about the OPEB Plan

Plan Description

The State Health Benefit Local Government Retired Employees Plan (the Plan) is a cost sharing multiple employer defined benefit other postemployment benefit (OPEB) plan with a special funding situation. It covers employees of local government employers that have adopted a resolution to participate in the Plan. The plan meets the definition of an equivalent arrangement as defined in paragraph 4 of GASB Statement No. 75, *Accounting and Financial Reporting for the Postemployment Benefits Other Than Pensions*; therefore, assets are accumulated to pay associated benefits. For additional information about the Plan, please refer to the State of New Jersey (the State), Division of Pensions and Benefits' (the Division) Annual Comprehensive Financial Report (ACFR), which can be found at <https://www.state.nj.us/treasury/pensions/financial-reports.shtml>.

TOWNSHIP OF SOUTH ORANGE VILLAGE
 NOTES TO THE FINANCIAL STATEMENTS
 YEARS ENDED DECEMBER 31, 2023 AND 2022

10. POSTEMPLOYMENT BENEFITS OTHER THAN PENSIONS (continued)

Benefits Provided

The Plan provides medical and prescription drug coverage to retirees and their dependents of the employers. Under the provisions of Chapter 88, P.L. 1974 and Chapter 48, P.L. 1999, local government employers electing to provide postretirement medical coverage to their employees must file a resolution with the Division. Under Chapter 88, local employers elect to provide benefit coverage based on the eligibility rules and regulations promulgated by the State Health Benefits Commission. Chapter 48 allows local employers to establish their own age and service eligibility for employer paid health benefits coverage for retired employees. Under Chapter 48, the employer may assume the cost of postretirement medical coverage for employees and their dependents who: 1) retired on a disability pension; or 2) retired with 25 or more years of service credit in a State or locally administered retirement system and a period of service of up to 25 years with the employer at the time of retirement as established by the employer; or 3) retired and reached the age of 65 with 25 or more years of service credit in a State or locally administered retirement system and a period of service of up to 25 years with the employer at the time of retirement as established by the employer; or 4) retired and reached age 62 with at least 15 years of service with the employer. Further, the law provides that the employer paid obligations for retiree coverage may be determined by means of a collective negotiations agreement.

In accordance with Chapter 330, P.L. 1997, which is codified in N.J.S.A. 52:14-17.32i, the State provides medical and prescription coverage to local police officers and firefighters, who retire with 25 years of service or on a disability from an employer who does not provide postretirement medical coverage. Local employers were required to file a resolution with the Division in order for their employees to qualify for State-paid retiree health benefits coverage under Chapter 330. The State also provides funding for retiree health benefits to survivors of local police officers and firefighters who die in the line of duty under Chapter 271, P.L. 1989.

Contributions

Pursuant to Chapter 78, P.L. 2011, future retirees eligible for postretirement medical coverage who have less than 20 years of creditable service on June 28, 2011 will be required to pay a percentage of the cost of their health care coverage in retirement provided they retire with 25 or more years of pension service credit. The percentage of the premium for which the retiree will be responsible will be determined based on the retiree's annual retirement benefit and level of coverage.

Plan Membership and Contributing Employers:

Plan membership and contributing employers/nonemployers consisted of the following at June 30, 2020:

	June 30, 2020
Inactive plan members or beneficiaries currently receiving benefits	24,294
Active plan members	72,485
Total	96,779
Contributing employers	590
Contributing nonemployers	1

TOWNSHIP OF SOUTH ORANGE VILLAGE
 NOTES TO THE FINANCIAL STATEMENTS
 YEARS ENDED DECEMBER 31, 2023 AND 2022

10. POSTEMPLOYMENT BENEFITS OTHER THAN PENSIONS (continued)

Nonspecial Funding Situation – The State of New Jersey’s Total OPEB Liability for nonspecial funding situation was \$12,775,785,891.00 at June 30, 2022.

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

	June 30, 2022
Total OPEB Liability	\$16,090,925,144.00
Plan Fiduciary Net Position (deficit)	(58,670,334.00)
Net OPEB Liability	\$16,149,595,478.00
Plan fiduciary net position as a percentage of the total OPEB liability	-0.36%

Actuarial Assumptions and Other Inputs – The total OPEB liability as of June 30, 2022 was determined by an actuarial valuation as of June 30, 2021, which was rolled forward to June 30, 2022. The actuarial assumptions vary for each plan member depending on the pension plan the member is enrolled in. These actuarial valuations used the following actuarial assumptions, applied to 2022 in the measurement:

	June 30, 2022
Salary Increases*:	
Public Employees' Retirement System (PERS)	
Rate for all future years	2.75% - 6.55%
Police and Firemen's Retirement System (PFRS)	
Rate for all future years	3.25% - 16.25%
	Based on years of service

*Salary increases are based on the defined benefit plan that the member is enrolled in and his or her age.

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

Actuarial assumptions used in the July 1, 2021 valuation were based on the results of the PFRS and PERS experience studies prepared for July 1, 2018 to June 30, 2021 respectively.

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

Discount Rate - The discount rate for June 30, 2022 was 3.54%. This represents the municipal bond return rate as chosen by the State. The source is the Bond Buyer Go 20-Bond Municipal Bond Index, which includes tax-exempt general obligation municipal bonds with an average rating of AA/Aa or higher. As the long-term rate of return is less than the municipal bond rate, it is not considered in the calculation of the discount rate, rather the discount rate is set at the municipal bond rate.

TOWNSHIP OF SOUTH ORANGE VILLAGE
 NOTES TO THE FINANCIAL STATEMENTS
 YEARS ENDED DECEMBER 31, 2023 AND 2022

10. POSTEMPLOYMENT BENEFITS OTHER THAN PENSIONS (continued)

Sensitivity of the State's Net OPEB Liability to Changes in the Discount Rate - The following presents the net OPEB liability as of June 30, 2022, calculated using the healthcare trend rate as disclosed above as well as what the net OPEB liability would be if it was calculated using a discount rate that is 1-percentage point lower or 1-percentage point higher than the current rate:

	1% Decrease	At Discount Rate	1% Increase
Total Net OPEB Liability - 2022	\$18,720,632,230.00	\$16,149,595,478.00	\$14,080,955,857.00

Sensitivity of the State's Net OPEB Liability to Changes in the Healthcare Cost Trend Rates – The following presents the net OPEB liability as of June 30, 2022, calculated using the healthcare trend rate as disclosed above as well as what the net OPEB liability would be if it was calculated using a healthcare trend rate that is 1-percentage-point lower or 1-percentage-point higher than the current rate:

	Healthcare Cost		
	1% Decrease	Trend Rate	1% Increase
Total Net OPEB Liability - 2022	\$13,700,188,049.00	\$16,149,595,478.00	\$19,286,596,671.00

Special Funding Situation - The State of New Jersey's Total OPEB Liability for special funding situation was \$3,361,552,823 at June 30, 2022.

Under Chapter 330, P.L. 1997, the State shall pay the premium or periodic charges for the qualified local police and firefighter retirees and dependents equal to 80 percent of the premium or periodic charge for the category of coverage elected by the qualified retiree under the State managed care plan or a health maintenance organization participating in the program providing the lowest premium or periodic charge. The State also provides funding for retiree health benefits to survivors of local police officers and firefighters who die in the line of duty under Chapter 271, P.L.1989.

Therefore, these employers are considered to be in a special funding situation as defined by GASB Statement No. 75 and the State is treated as a non-employer contributing entity. Since the local participating employers do not contribute under this legislation directly to the plan, there is no net OPEB liability, deferred outflows of resources or deferred inflows of resources to report in the financial statements of the local participating employers related to this legislation. However, the notes to the financial statements of the local participating employers must disclose the portion of the nonemployer contributing entities' total proportionate share of the collective net OPEB liability that is associated with the local participating employer. The participating employer is required to record in their financial statements, as an expense and corresponding revenue, their proportionate share of the OPEB expense allocated to the State of New Jersey under the special funding situation.

The amounts of the State's Non-employer OPEB Liability that are attributable to employees and retirees of the Township of South Orange Village was \$26,678,534.00 (130 members) at June 30, 2022. These allocated liabilities represent 0.790754% of the State's total Nonemployer OPEB Liability for June 30, 2022. The OPEB Expense attributed to the Township was \$(4,375,840.00) at June 30, 2022.

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, 2023 and 2022, there was \$516,633.18 and \$429,462.82, 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 Lincoln Financial Group.

TOWNSHIP OF SOUTH ORANGE VILLAGE
NOTES TO THE FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2023 AND 2022

12. TAX APPEALS

There are several tax appeals pending before the State Tax Court of New Jersey requesting a reduction of assessments for the year 2023 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 \$127,120.20 and \$210,107.30 as of December 31, 2023 and 2022, respectively, for these appeals in the event that the tax reductions are granted. In accordance with the National Council on Governmental Accounting Statement No. 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.

13. RISK MANAGEMENT

The Township is exposed to various risks of loss related to torts, theft of, damage to and destruction of assets; error and omission, injuries to employees; and natural disaster. The Township is a member of the Suburban Essex County Municipal Joint Insurance Fund ("JIF"), is a public entity risk pool currently operating as a common risk management and insurance program for 19 municipalities and one school district established for the purpose of insuring against property damage, general liability, motor vehicles and equipment liability and workers' compensation.

While additional assessments or premiums can be levied by the Fund to ensure payment of the JIF obligations, no such additional premiums have been necessary as of December 31, 2023. The JIF is self-sustaining through member premiums, reported as an expenditure in the Township's financial statements. The JIF contracts for excess liability insurance for property, general liability, auto liability, public official liability, law enforcement liability and workers' compensation. The Township continues to carry commercial insurance for other risks of loss, principally employee health insurance.

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, 2023, 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.

TOWNSHIP OF SOUTH ORANGE VILLAGE
NOTES TO THE FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2023 AND 2022

15. AGREEMENT WITH AMERICAN WATER OPERATIONS AND MAINTENANCE, INC.

On or about July 11, 2016, the Township entered into an Operation and Maintenance Agreement with American Water Operations and Maintenance, Inc., a subsidiary of American Water Works Company, Inc. to operate and maintain the Water System within the geographic boundaries of the Township for a term of ten years, expiring on July 10, 2026. The Water System provides partial water production, all storage, and transmission and distribution services to the Township's residents and customers. The services provided for in the agreement include Phase I transition services from the predecessor operator of the Water System and Phase II operating and maintenance services and meter reading and billing services for a term of ten years. The Company was to be compensated for the Phase I transition services by the submission of invoices for an initial payment of \$50,000.00 due upon execution of the agreement; an additional payment of \$125,000.00, which was due on or before July 1, 2016, an additional payment of \$125,000.00 due on or before September 1, 2016, and a final payment of \$45,099.00, or the outstanding balance as mutually agreed upon by the parties, due on or before December 31, 2016. The monthly fee paid to the Company by the Township for Phase II operating and maintenance services and meter reading and billing services is \$62,158.00. The monthly fee is intended to cover all costs for all services other than capital improvements and repairs or replacements or for costs specifically identified as being the responsibility of the Township pursuant to the terms of the agreement. Annually, at the beginning of each calendar year, the monthly fee as well as the Schedule of Values, shall be adjusted for inflation based upon a blended rate of the following consumer price indices: 60% CPI – All Urban Consumers – Water and Sewerage Maintenance Series CUUR0000SEHG01 and 40% CPI-U for the Northeast Region. This Agreement may be terminated for cause by the Township or by the Company.

16. SOUTH ORANGE PERFORMING ARTS CENTER

As an example of public-private partnership, the South Orange Performing Arts Center ("SOPAC") opened in October of 2006. This is a partnership between the Township, SOPAC, a 501(c)(3) Corporation, and Seton Hall University ("SHU"). The SOPAC, as a nonprofit organization independent of the Township, is managing the day-to-day affairs of the SOPAC and both the Township and Seton Hall provided funding for construction of the project. A substantial portion from the funding from the Township comes from an Essex County Improvement Authority loan and the Community Development Block Grant ("CDBG").

The Township has acted as a pass-through agency between CDBG and SOPAC. In addition, SHU is providing private funding for construction and design through the Township. The result will be a shared-use facility between the SOPAC and SHU. The Township supported the SOPAC's operations in 2006 with \$300,000.00 from its Current Fund. Construction loans in the amount of \$14,295,373.00 have been provided to SOPAC since the creation of the 501(c)(3) corporation.

On June 1, 2005, the Township executed a term loan mortgage on in the amount of \$10,600,000.00 to finance the construction of the SOPAC facility. The Township financed this mortgage with the proceeds from the sale of general obligation bonds. Repayments from the SOPAC on this loan commenced in July 2009 through June 2045.

On July 24, 2006, the Township financed an additional \$3,695,373.00 to the SOPAC evidenced by a term loan note.

On February 24, 2009, the Township financed an additional \$275,000.00 to the SOPAC evidenced by a term loan note.

On June 17, 2014, the Township passed an ordinance whereby the Agreement with the South Orange Performing Arts Center (the "Arts Center") was amended. The Township will take over ownership of the Arts Center in exchange for release of all outstanding debt. A new nominal rent lease with SOPAC was entered into whereby SOPAC will continue to be responsible for operations and maintenance of the Arts Center.

TOWNSHIP OF SOUTH ORANGE VILLAGE
NOTES TO THE FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2023 AND 2022

17. SETON HALL UNIVERSITY

The Township has funded \$1,000,000.00 for certain construction costs, which is being repaid by SHU 2006-2025, at \$50,000.00 per year plus interest ranging from 4% - 5%. At December 31, 2023 and 2022, the outstanding balances due from SHU is \$100,000.00 and \$150,000.00 respectively.

18. GASB 77 TAX ABATEMENTS

The Township has entered into several property tax abatement agreements in order to provide incentives to redevelop areas that are in need for improvement or to create economic growth. These agreements are authorized under various New Jersey state statutes. During 2023, the Township collected revenue from various tax abatement agreements in the amount of \$2,848,461.05. If taxes had been billed in full at the 2023 tax rates, \$4,089,541.00 would have been collected from property owners.

19. SUBSEQUENT EVENTS

The Township has evaluated subsequent events occurring after the balance sheet date through June 12, 2024, which is the date the financial statements were available to be issued. We have noted the following subsequent events that have an impact on the Township succeeding the period December 31, 2023.

In November 2023, the Township introduced Bill S4130 with the NJ Senate as special legislation to change the name from the Township of South Orange Village to South Orange Village ("Village"). It was read by and passed in the Senate on January 4 and January 8, 2024, respectively, and subsequently approved on January 16, 2024. Since the financial statements presented are as of the year ended December 31, 2023, this change will be reflected in the subsequent financial statements going forward.

On March 6, 2024, the Village appropriated \$8,132,327.00 in bonds or notes to be issued to finance various capital improvement projects passed by the Village council with \$4,770,250.00 authorized for bonds or notes. This included \$482,820.00 of State of NJ Municipal Aid grant funds.

As of June 12, 2024, which is the date the financial statements were available to be issued, the Village is undergoing the process of issuing general improvement bonds into a single issue of bonds aggregating \$12,526,000.00 and acquiring bond anticipation notes in the amount aggregating \$31,301,000.00, consisting of \$20,143,000.00 general improvement bond anticipation notes and \$11,158,000.00 water utility bond anticipation notes.

**TOWNSHIP OF SOUTH ORANGE VILLAGE
ESSEX COUNTY, NEW JERSEY**

PART II

**SUPPLEMENTARY INFORMATION
YEARS ENDED DECEMBER 31, 2023 AND 2022**

TOWNSHIP OF SOUTH ORANGE VILLAGE
CURRENT FUND

CASH RECEIPTS AND DISBURSEMENTS - TREASURER
YEAR ENDED DECEMBER 31, 2023

A-4

	<u>Ref.</u>	<u>Current Fund</u>	<u>Federal and State Grant Fund</u>
Balance, December 31, 2022	A	\$ 11,838,045.37	\$ 1,925,160.87
Increased by Cash Receipts:			
Nonbudget Revenue	A-2b	\$ 1,137,371.79	
Tax Exemptions Due from State	A-6	24,978.77	
Taxes Receivable	A-7	102,685,673.65	
Special Improvement District	A-11	164,237.88	
Revenue Accounts Receivable	A-12	12,172,211.30	
Sewer Overpayments	A-19	6,653.83	
Interfund Settlements	A-13	4,155,253.62	
Prepaid Taxes	A-24	336,180.99	
Tax Overpayments	A-17	10,213.50	
Reserves for Municipal Relief	A-23b	151,958.78	
Due from State - DCA Fees	A-25a	72,849.00	
Interfunds	A-18		\$ 1,264,449.63
Unappropriated Grant Revenue	A-27		92,738.12
Federal and State Grants Receivable	A-14		709,207.49
		120,917,583.11	2,066,395.24
		132,755,628.48	3,991,556.11
Decreased by Cash Disbursed:			
Budget Appropriations	A-3	37,025,807.68	
Interfund Settlements	A-13	4,060,620.92	
Appropriation Reserves	A-15	858,385.41	
Due from State - DCA Fees	A-25a	61,921.00	
Refund of Tax Overpayments	A-17	145.81	
County Taxes Payable	A-20	15,820,595.97	
Regional School District Tax	A-21	59,407,221.98	
Open Space	A-22	284,079.98	
Reserve for Tax Appeals	A-23	102,479.33	
Reserves for Hurricane Ida	A-23a	53,306.49	
Reserves for Revaluation	A-23c	317,464.00	
Special Improvement District	A-25	160,000.00	
Interfunds	A-18		1,386,364.24
Prior Year County Payment for Additional Added Taxes	A-1	0.01	
Federal and State Grant Expenditures	A-26		806,566.96
Unappropriated Grant Revenue	A-27		873,511.42
		118,152,028.58	3,066,442.62
Balance, December 31, 2023	A	\$ 14,603,599.90	\$ 925,113.49

TOWNSHIP OF SOUTH ORANGE VILLAGE
CURRENT FUND

CHANGE FUNDS
YEAR ENDED DECEMBER 31, 2023

A-5

	<u>Ref.</u>	
Balance, December 31, 2023 and 2022	A	<u>\$ 225.00</u>

TOWNSHIP OF SOUTH ORANGE VILLAGE
CURRENT FUND

DUE FROM STATE OF NEW JERSEY
PER CHAPTER 129, P.L. 1976
SENIOR CITIZENS AND VETERANS' DEDUCTIONS
YEAR ENDED DECEMBER 31, 2023

A-6

	<u>Ref.</u>		
Balance, December 31, 2022	A		\$ 15,110.34
Increased by:			
Deductions per Tax Duplicate			
Senior Citizens		\$ 2,250.00	
Veterans		<u>23,500.00</u>	
	A-7		<u>25,750.00</u>
			<u>40,860.34</u>
Decreased by:			
Prior Year Senior Citizens Deduction			
Disallowed by Tax Collector	A-1	771.23	
Cash Received	A-4	<u>24,978.77</u>	
			<u>25,750.00</u>
Balance, December 31, 2023	A		<u><u>\$ 15,110.34</u></u>

TOWNSHIP OF SOUTH ORANGE VILLAGE
CURRENT FUND

TAXES RECEIVABLE AND ANALYSIS OF PROPERTY TAX LEVY
YEAR ENDED DECEMBER 31, 2023

A-7

Year	Balance, Dec. 31, 2022	2023 Levy	Added Taxes	Collected 2022	2023	Exemptions Granted	Cancellations and Adjustments	Transferred to Tax Title Liens	Balance, Dec. 31, 2023
Prior Year Taxes	\$ 897,548.41		\$ 787.04		\$ 846,363.03				\$ 51,972.42
	897,548.41		787.04		846,363.03				51,972.42
2023		\$ 103,295,614.42		\$ 402,019.78	101,839,310.62	\$ 25,750.00	\$ 34,137.83	\$ 687.40	993,708.79
	\$ 897,548.41	\$ 103,295,614.42	\$ 787.04	\$ 402,019.78	\$ 102,685,673.65	\$ 25,750.00	\$ 34,137.83	\$ 687.40	\$ 1,045,681.21
<u>Ref.</u>	A	Below	Reserve	A-24, Below	A-4, Below	A-6	Reserve	A-8	A
Collected in 2023				Above	\$ 102,685,673.65				
Collected in 2022				Above	402,019.78				
Senior Citizens and Veterans Deductions (Net)				Above	25,750.00				
				A-2a	<u>\$ 103,113,443.43</u>				
			<u>Ref.</u>						
<u>Tax Yield</u>									
General Purpose Tax				\$ 103,170,871.93					
Added and Omitted				124,742.49					
			Above		<u>\$ 103,295,614.42</u>				
<u>Tax Levy</u>									
Regional District School Tax (Abstract)			A-2a, A-21		\$ 58,894,903.00				
County Taxes:									
Regular County Tax (Abstract)			A-20	\$ 15,246,844.08					
Added Taxes			A-20, Above	19,104.10					
Open Space			A-20	556,990.03					
			A-2a		15,822,938.21				
<u>Local Taxes</u>									
For Municipal Purposes			A-2	28,199,984.91					
Local Open Space			A-22	283,736.92					
Added Taxes & Omitted			A-22	343.06					
Adjustment			A-7	(11,930.07)					
Additional Tax Levied			Above	105,638.39					
					28,577,773.21				
			Above		<u>\$ 103,295,614.42</u>				

TOWNSHIP OF SOUTH ORANGE VILLAGE
CURRENT FUND

TAX TITLE LIENS
YEAR ENDED DECEMBER 31, 2023

A-8

	<u>Ref.</u>	
Balance, December 31, 2022	A	\$ 9,106.28
Increased by:		
Transferred from Taxes Receivable	A-7	<u>687.40</u>
Balance, December 31, 2023	A	<u>\$ 9,793.68</u>

OTHER ACCOUNTS RECEIVABLE
YEAR ENDED DECEMBER 31, 2023

A-9

	<u>Ref.</u>	
Balance, December 31, 2022	A	\$ 150.00
Increased by:		
Billings	Reserved	<u>60.00</u>
Balance, December 31, 2023	A	<u>\$ 210.00</u>
<u>Analysis of Balance</u>		
Lot Cleaning Charges	Above	<u>\$ 210.00</u>

TOWNSHIP OF SOUTH ORANGE VILLAGE
CURRENT FUND

PROPERTY ACQUIRED FOR TAXES AT ASSESSED VALUATION
YEAR ENDED DECEMBER 31, 2023

A-10

	<u>Ref.</u>	
Balance, December 31, 2023 and 2022	A	<u>\$ 417,253.87</u>

SPECIAL IMPROVEMENT DISTRICT TAX RECEIVABLE
YEAR ENDED DECEMBER 31, 2023

A-11

	<u>Ref.</u>	
Balance, December 31, 2022	A	\$ 3,975.41
Increased by:		
SID Levy	A-25	\$ 160,000.00
Reserve	A	1,501.61
Transfer from SID Overpayments	A-16	<u>13.35</u>
		<u>161,514.96</u>
		165,490.37
Decreased by:		
Cash Collections	A-4	164,237.88
Apply SID Overpayments	A-16	<u>5.18</u>
		<u>164,243.06</u>
Balance, December 31, 2023	A	<u>\$ 1,247.31</u>
<u>Net Credit to Operations</u>		
SID Budget	Above	\$ (160,000.00)
Plus: Client Adjustment	Above	5.18
Less: Prior Year Transfer from SID Overpayment	Above	(13.35)
Less: Collections	Above	<u>164,237.88</u>
Net Credit to Operations	A-1	<u>\$ 4,229.71</u>

TOWNSHIP OF SOUTH ORANGE VILLAGE
CURRENT FUND

REVENUE ACCOUNTS RECEIVABLE
YEAR ENDED DECEMBER 31, 2023

A-12

	<u>Ref.</u>	<u>Balance Dec. 31, 2022</u>	<u>Accrued</u>	<u>Collected</u>		<u>Balance Dec. 31, 2023</u>
Township Clerk:						
Alcoholic Beverage Licenses	A-2		\$ 30,610.00	\$ 30,610.00		
Other Licenses	A-2		19,383.00	19,383.00		
Other Fees and Permits	A-2		115,196.50	115,196.50		
Tax Collector:						
Interest and Cost on Taxes	A-2		807,721.20	215,196.01		
Construction Official:						
Building Permits	A-2		998,404.00	998,404.00		
Municipal Court	A-2	\$ 34,220.88	641,604.15	641,461.77	\$	34,363.26
Recreation Receipts	A-2		952,739.17	952,739.17		
Joint Meeting Refund	A-2		104,274.98	104,274.98		
Sewer User Charges	A-2	110,207.47	2,730,555.32	2,756,656.08		84,106.71
Cell Tower Fees	A-2		96,752.27	96,752.27		
Cable TV Franchise Fee	A-2		177,148.91	177,148.91		
PILOT	A-2	181,897.81	2,733,175.93	2,915,073.74		
State of New Jersey:						
Energy Receipts Tax	A-2		1,466,931.34	1,466,931.34		
Uniform Fire Safety Act	A-2		23,602.81	23,602.81		
Seton Hall Debt Service Payment	A-2		56,750.00	56,750.00		
Water Utility Surplus	A-2		300,000.00	300,000.00		
Police Side Job Fees	A-2		67,684.80	67,684.80		
General Capital Fund Balance	A-2		196,497.89	196,497.89		
American Rescue Plan	A-2		873,511.42	873,511.42		
3rd & Valley Contribution	A-2		100,000.00	100,000.00		
Municipal Relief Aid	A-2		75,995.54	75,995.54		
		<u>\$ 326,326.16</u>	<u>\$ 12,568,539.23</u>	<u>\$ 12,183,870.23</u>		<u>\$ 118,469.97</u>
	<u>Ref.</u>	A	Reserve	A-2, Below		A
			<u>Ref.</u>			
Cash Receipts			A-4	\$ 12,172,211.30		
Reserve for Municipal Relief			A-23b	75,995.54		
County Pilot Payable			A-22a	(66,612.69)		
Prior Year Sewer Overpayments Applied			A-19	2,276.08		
			Above	<u>\$ 12,183,870.23</u>		

TOWNSHIP OF SOUTH ORANGE VILLAGE
CURRENT FUND

SCHEDULE OF INTERFUNDS
YEAR ENDED DECEMBER 31, 2023

A-13

	<u>Ref.</u>	<u>Total</u>	<u>Federal and State Grant Fund</u>	<u>Animal Control Trust Fund</u>	<u>General Trust Fund</u>	<u>General Capital Fund</u>	<u>Water Utility Operating Fund</u>
Balance, December 31, 2022							
From	A	\$ 80,000.00	\$ -	\$ -	\$ 80,000.00	\$ -	\$ -
Increased by:							
Cash Receipts	A-4	4,155,253.62	982,155.88	24,747.96	666,543.58	2,181,806.20	300,000.00
		<u>4,155,253.62</u>	<u>(982,155.88)</u>	<u>24,747.96</u>	<u>(666,543.58)</u>	<u>2,181,806.20</u>	<u>300,000.00</u>
Decreased by:							
Cash Disbursements	A-4	4,060,620.92	982,155.88	24,747.96	571,910.88	2,181,806.20	300,000.00
		<u>4,060,620.92</u>	<u>982,155.88</u>	<u>24,747.96</u>	<u>571,910.88</u>	<u>2,181,806.20</u>	<u>300,000.00</u>
Balance, December 31, 2023							
(To)	A	<u>\$ (15,783.00)</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ (15,783.00)</u>	<u>\$ -</u>	<u>\$ -</u>
From	A	<u>\$ 1,150.30</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 1,150.30</u>	<u>\$ -</u>	<u>\$ -</u>

TOWNSHIP OF SOUTH ORANGE VILLAGE
CURRENT FUND

FEDERAL AND STATE GRANTS RECEIVABLE
YEAR ENDED DECEMBER 31, 2023

A-14

<u>Program</u>	<u>Balance</u> <u>Dec. 31, 2022</u>	<u>2023 Budget</u> <u>Revenue Realized</u>	<u>N.J.S. 40A:4-87</u>	<u>Received</u>	<u>Balance</u> <u>Dec. 31, 2023</u>
Body Armor Replacement Program		\$ 9,383.49		\$ 9,383.49	
Bulletproof Vest Program		6,492.33		6,492.33	
Clean Communities		30,701.48		30,701.48	
Click it or Ticket			\$ 6,510.00	6,510.00	
Pedestrian Bridge	\$ 560,000.00				\$ 560,000.00
2006 Green Acres Acquisition	1,250,000.00				1,250,000.00
2008 Green Acres River Corridor	162,500.00				162,500.00
Municipal Alliance on Alcohol & Drug: 2023	4,476.72			3,075.00	1,401.72
DHMAS 2023			17,580.24	9,325.00	8,255.24
Grotta Fund Planning Grant: 2023		5,000.00		5,000.00	
Neighborhood Preservation Program	12,500.00		125,000.00	124,855.43	12,644.57
Greenway Recovery Project	400,000.00				400,000.00
Recycling Tonnage		16,805.30		16,805.30	
NJ Historic Trust - 2011	627,653.62				627,653.62
Enhancing Local Public Health Infrastructure			202,937.00	78,283.70	124,653.30
Essex County Open Space	150,000.00			150,000.00	
Essex County Jr. Police Academy			10,000.00		10,000.00
NJ Urban & Community Forestry 2019	6,585.60	102,900.00		102,900.00	6,585.60
2022		100,000.00			100,000.00
Essex County CDBG	207,900.00			206,845.00	1,055.00
Public Donations - Sensory Vehicle	30,000.00			27,413.36	2,586.64
National Opioid Settlement		10,046.33		10,046.33	
8 Second Street - Community Artist Space		40,000.00		40,000.00	
NJ DCA - Community Capital Needs		223,000.00		200,700.00	22,300.00
	<u>\$ 3,411,615.94</u>	<u>\$ 544,328.93</u>	<u>\$ 362,027.24</u>	<u>\$ 1,028,336.42</u>	<u>\$ 3,289,635.69</u>

Ref.

A

A-2

A-2

Below

A

Ref.

Cash Receipts
Unappropriated Grants

A-4

\$ 709,207.49

A-27

319,128.93

Above

\$ 1,028,336.42

See Independent Auditors' Report

TOWNSHIP OF SOUTH ORANGE VILLAGE
CURRENT FUND

A-15
Sheet # 1

2022 APPROPRIATION RESERVES
YEAR ENDED DECEMBER 31, 2023

	Balance Dec. 31, 2022		Balance After Transfers	Expended	Balance Lapsed
	Encumbered	Unencumbered			
<u>GENERAL GOVERNMENT</u>					
Administrative and Executive:					
Salaries and Wages		\$ 75,118.07	\$ 75,118.07		\$ 75,118.07
Other Expenses	\$ 31,762.18	76,609.80	108,371.98	\$ 33,777.31	74,594.67
Mayor and Council:					
Other Expenses		9,945.85	9,945.85		9,945.85
Village Committee:					
Other Expenses	3,091.02	47,368.15	50,459.17	3,091.02	47,368.15
Neighborhoods:					
Other Expenses		15,000.00	15,000.00		15,000.00
Office of Village Clerk:					
Salaries and Wages		1,530.22	1,530.22		1,530.22
Other Expenses	369.00	14,648.74	15,017.74	369.00	14,648.74
Financial Administration:					
Salaries and Wages		283.60	283.60		283.60
Other Expenses		36,557.01	36,557.01	20,663.81	15,893.20
Annual Audit		1,900.00	1,900.00		1,900.00
Assessment of Taxes:					
Salaries and Wages		893.03	893.03		893.03
Other Expenses		5,213.56	5,213.56		5,213.56
Tax Appeals	19,010.66	169,758.93	188,769.59	188,769.59	
Collection of Taxes:					
Salaries and Wages		6,500.90	6,500.90		6,500.90
Other Expenses		311.98	311.98	13.99	297.99
Legal Services and Costs:					
Other Expenses	25,797.32	41,975.22	67,772.54	17,648.04	50,124.50
Engineering Services and Costs:					
Salaries and Wages		65,090.94	42,090.94		42,090.94
Other Expenses	16,698.00	29,195.88	68,893.88	55,887.00	13,006.88
Computer Information Technology:					
Salaries and Wages		165.49	165.49		165.49
Other Expenses	7,015.00	2,420.97	9,435.97	6,452.50	2,983.47
<u>LAND USE ADMINISTRATION</u>					
Planning Board:					
Other Expenses	38.88	993.05	1,031.93	38.88	993.05
Board of Adjustment:					
Other Expenses	38.88	1,188.20	1,227.08	288.88	938.20
Historic Preservation Commission:					
Other Expenses		1,751.28	1,751.28		1,751.28
<u>Insurance</u>					
Employee Group Benefits		556,386.33	540,386.33		540,386.33
<u>MUNICIPAL COURT</u>					
Municipal Court:					
Salaries and Wages		7,598.35	7,598.35		7,598.35
Public Defender:					
Salaries and Wages		122.36	122.36		122.36
<u>PUBLIC SAFETY</u>					
Police:					
Salaries and Wages		30,682.02	23,182.02		23,182.02
Other Expenses	220,322.81	19,097.80	255,420.61	216,826.82	38,593.79
Emergency Management Service:					
Other Expenses		8,610.32	8,610.32	369.38	8,240.94
Fire:					
Salaries and Wages		67,287.45	67,287.45		67,287.45
Other Expenses	20,096.75	10,190.04	30,286.79	19,265.40	11,021.39
<u>PUBLIC WORKS FUNCTIONS</u>					
Other Public Works Function:					
Salaries and Wages		39,257.92	14,257.92		14,257.92
Other Expenses	167,013.71	3,241.63	177,755.34	142,227.52	35,527.82

TOWNSHIP OF SOUTH ORANGE VILLAGE
CURRENT FUND

A-15
Sheet # 2

2022 APPROPRIATION RESERVES
YEAR ENDED DECEMBER 31, 2023

	Balance Dec. 31, 2022		Balance After Transfers	Expended	Balance Lapsed
	Encumbered	Unencumbered			
<u>HEALTH AND WELFARE</u>					
Board of Health:					
Salaries and Wages		\$ 1.35	\$ 1.35		\$ 1.35
Other Expenses		52,826.91	52,826.91	\$ 37,007.10	15,819.81
<u>RECREATION AND EDUCATION</u>					
Public Recreation Programs:					
Salaries and Wages		340,366.79	340,366.79		340,366.79
Other Expenses	\$ 59,468.78	123,796.66	183,265.44	46,765.90	136,499.54
Other Expenses (SOPAC)		34,740.00	34,740.00		34,740.00
<u>UNIFORM CONSTRUCTION CODE</u>					
Construction Code Officials:					
Inspection of Buildings:					
Salaries and Wages		5,078.81	5,078.81		5,078.81
Other Expenses	1,549.73	561.10	2,110.83	1,649.67	461.16
<u>UNCLASSIFIED</u>					
Electricity		430.51	430.51	242.99	187.52
Telephone and Telegraph		3,700.12	3,700.12		3,700.12
Street Lighting	7,198.76	24,685.62	56,884.38	40,563.78	16,320.60
Rent		5,307.73	5,307.73		5,307.73
<u>STATUTORY EXPENDITURES</u>					
Contributions to:					
Defined Contribution Retirement Program		4,000.00	4,000.00		4,000.00
<u>OTHER OPERATIONS:</u>					
Municipal Library		14,697.54	14,697.54		14,697.54
Length of Service Awards Program		30,000.00	30,000.00	14,900.00	15,100.00
<u>Interlocal Municipal Service Agreements</u>					
Municipal Court - Township of Maplewood		331,132.10	331,132.10	189,002.42	142,129.68
	<u>\$ 579,471.48</u>	<u>\$ 2,318,220.33</u>	<u>\$ 2,897,691.81</u>	<u>\$ 1,035,821.00</u>	<u>\$ 1,861,870.81</u>

<u>Ref.</u>	A	A		Below	A-1
-------------	---	---	--	-------	-----

	<u>Ref.</u>	
Reserve for Tax Appeals	A-23	\$ 177,435.59
Cash Disbursements	A-4	858,385.41
	Above	<u>\$ 1,035,821.00</u>

TOWNSHIP OF SOUTH ORANGE VILLAGE
CURRENT FUND

ACCOUNTS PAYABLE
YEAR ENDED DECEMBER 31, 2023

A-15a

	<u>Ref.</u>	
Balance, December 31, 2022	A	\$ 15,200.00
Decreased by:		
Cancelations	A-1	<u>15,200.00</u>
Balance, December 31, 2023	A	<u>\$ -</u>

TOWNSHIP OF SOUTH ORANGE VILLAGE
CURRENT FUND

SPECIAL IMPROVEMENT DISTRICT OVERPAYMENTS
YEAR ENDED DECEMBER 31, 2023

A-16

	<u>Ref.</u>	
Balance, December 31, 2022	A	\$ 5.18
Increased by:		
Apply SID Overpayments	A-11	13.35
		<u>18.53</u>
Decreased by:		
Transfer to Improvement District Tax Receivable	A-11	5.18
		<u>5.18</u>
Balance, December 31, 2023	A	<u>\$ 13.35</u>

TAX OVERPAYMENTS
YEAR ENDED DECEMBER 31, 2023

A-17

	<u>Ref.</u>	
Balance, December 31, 2022	A	\$ 145.81
Increased by:		
Cash Receipts	A-4	10,213.50
		<u>10,359.31</u>
Decreased by:		
Refunds	A-4	145.81
		<u>145.81</u>
Balance, December 31, 2023	A	<u>\$ 10,213.50</u>

TOWNSHIP OF SOUTH ORANGE VILLAGE
CURRENT FUND

A-18

INTERFUNDS
FEDERAL AND STATE GRANT FUND
YEAR ENDED DECEMBER 31, 2023

<u>Ref.</u>	<u>Total</u>	<u>General Capital Fund</u>	<u>General Trust Fund</u>	<u>Current Fund</u>
Balance, December 31, 2022 Due (To)	<u>\$ (121,914.61)</u>	<u>\$ (121,914.61)</u>	<u>\$ -</u>	<u>\$ -</u>
Increased by:				
Cash Disbursements	<u>1,386,364.24</u>	<u>328,759.61</u>	<u>75,448.75</u>	<u>982,155.88</u>
	<u>1,386,364.24</u>	<u>328,759.61</u>	<u>75,448.75</u>	<u>982,155.88</u>
	<u>1,508,278.85</u>	<u>206,845.00</u>	<u>75,448.75</u>	<u>982,155.88</u>
Decreased by:				
Cash Receipts	<u>1,264,449.63</u>	<u>206,845.00</u>	<u>75,448.75</u>	<u>982,155.88</u>
	<u>1,264,449.63</u>	<u>206,845.00</u>	<u>75,448.75</u>	<u>982,155.88</u>
Balance, December 31, 2023 Due (To)	<u><u>\$ -</u></u>	<u><u>\$ -</u></u>	<u><u>\$ -</u></u>	<u><u>\$ -</u></u>

TOWNSHIP OF SOUTH ORANGE VLLAGE
CURRENT FUND

SEWER RENT OVERPAYMENTS
YEAR ENDED DECEMBER 31, 2023

A-19

	<u>Ref.</u>		
Balance, December 31, 2022	A		\$ 2,276.08
Increased by:			
Cash Receipts	A-4		6,653.83
			8,929.91
Decreased by:			
Apply Prior Year Sewer Overpayments	A-12		2,276.08
			2,276.08
Balance, December 31, 2023	A		\$ 6,653.83

COUNTY TAXES PAYABLE
YEAR ENDED DECEMBER 31, 2023

A-20

	<u>Ref.</u>		
Balance, December 31, 2022	A		\$ 16,761.86
Increased by:			
2022 Levy:			
General County	A-7	\$ 15,246,844.08	
Open Space Preservation	A-7	556,990.03	
Due County for Added Taxes	A-7	19,104.10	
	A-1, A-2a		15,822,938.21
			15,839,700.07
Decreased by:			
Payments	A-4		15,820,595.97
			15,820,595.97
Balance, December 31, 2023	A		\$ 19,104.10

TOWNSHIP OF SOUTH ORANGE VILLAGE
CURRENT FUND

REGIONAL DISTRICT SCHOOL TAX
YEAR ENDED DECEMBER 31, 2023

A-21

	<u>Ref.</u>	
Balance, December 31, 2022	A	\$ 546,139.50
Increased by:		
School Tax Levy - Calendar Levy - 2023	A-1, A-2a, A-7	58,894,903.00
		<u>59,441,042.50</u>
Decreased by:		
Paid	A-4	59,407,221.98
		<u>59,407,221.98</u>
Balance, December 31, 2023	A	<u>\$ 33,820.52</u>

OPEN SPACE TAX LEVY
YEAR ENDED DECEMBER 31, 2023

A-22

	<u>Ref.</u>	
Balance, December 31, 2022		\$ -
Increased by:		
Tax Levy	A-1, A-2a, A-7	\$ 283,736.92
Added & Omitted	A-1, A-2a, A-7	343.06
		<u>284,079.98</u>
Decreased by:		
Cash Disbursements	A-4	284,079.98
		<u>284,079.98</u>
Balance, December 31, 2023		<u>\$ -</u>

TOWNSHIP OF SOUTH ORANGE VILLAGE
CURRENT FUND

COUNTY PILOT TAXES PAYABLE
YEAR ENDED DECEMBER 31, 2023

	<u>Ref.</u>	<u>A-22a</u>
Balance, December 31, 2022	A	\$ 254,989.97
Increased by:		
5% Pilot Due County	A-12	<u>66,612.69</u>
Balance, December 31, 2023	A	<u>\$ 321,602.66</u>

TOWNSHIP OF SOUTH ORANGE VILLAGE
CURRENT FUND

RESERVE FOR TAX APPEALS
YEAR ENDED DECEMBER 31, 2023

A-23

	<u>Ref.</u>	
Balance, December 31, 2022	A	\$ 210,107.30
Increased by:		
Appropriation Reserves	A-15	<u>177,435.59</u>
		387,542.89
Decreased by:		
Cash Disbursements	A-4	<u>102,479.33</u>
Balance, December 31, 2023	A	<u><u>\$ 285,063.56</u></u>

TOWNSHIP OF SOUTH ORANGE VILLAGE
CURRENT FUND

RESERVE FOR HURRICANE IDA
YEAR ENDED DECEMBER 31, 2023

A-23a

Balance, December 31, 2022	A	\$ 1,195,906.65
Decreased by:		
Cash Disbursements	A-4	<u>53,306.49</u>
Balance, December 31, 2023	A	<u><u>\$ 1,142,600.16</u></u>

TOWNSHIP OF SOUTH ORANGE VILLAGE
CURRENT FUND

RESERVE FOR MUNICIPAL RELIEF
YEAR ENDED DECEMBER 31, 2023

A-23b

Balance, December 31, 2022	A		\$	75,995.54
Increased by:				
Cash Receipts	A-4			151,958.78
				227,954.32
Decreased by:				
Revenue Accounts Receivable	A-12			75,995.54
				75,995.54
Balance, December 31, 2023	A		\$	151,958.78

TOWNSHIP OF SOUTH ORANGE VILLAGE
CURRENT FUND

RESERVE FOR REVALUATION
YEAR ENDED DECEMBER 31, 2023

A-23c

	<u>Ref.</u>	
Balance, December 31, 2022	A	\$ 367,435.00
Decreased by:		
Cash Disbursements	A-4	<u>317,464.00</u>
Balance, December 31, 2023	A	<u><u>\$ 49,971.00</u></u>

TOWNSHIP OF SOUTH ORANGE VILLAGE
CURRENT FUND

PREPAID TAXES
YEAR ENDED DECEMBER 31, 2023

A-24

	<u>Ref.</u>	
Balance, December 31, 2022	A	\$ 402,019.78
Increased by:		
Cash Collections	A-4	<u>336,180.99</u> 738,200.77
Decreased by:		
Applied to Current Taxes Receivable	A-7	<u>402,019.78</u>
Balance, December 31, 2023	A	<u>\$ 336,180.99</u>

SPECIAL IMPROVEMENT DISTRICT PAYABLE
YEAR ENDED DECEMBER 31, 2023

A-25

	<u>Ref.</u>	
Balance, December 31, 2022		\$ -
Increased by:		
Levy	A-11	<u>160,000.00</u> 160,000.00
Decreased by:		
Cash Disbursements	A-4	<u>160,000.00</u>
Balance, December 31, 2023		<u>\$ -</u>

DUE TO STATE - DCA FEES
YEAR ENDED DECEMBER 31, 2023

A-25a

	<u>Ref.</u>	
Balance, December 31, 2022		\$ -
Increased by:		
Transfers From Training Fees	A-4	<u>72,849.00</u> 72,849.00
Decreased by:		
Cash Disbursements	A-4	<u>61,921.00</u>
Balance, December 31, 2023		<u>\$ 10,928.00</u>

TOWNSHIP OF SOUTH ORANGE VILLAGE
CURRENT FUND

SCHEDULE OF APPROPRIATED RESERVES FOR
FEDERAL AND STATE GRANTS
YEAR ENDED DECEMBER 31, 2023

A-26

Program	Balance Dec. 31, 2022	Transferred from 2023 Budget Appropriations		Expended	Balance Dec. 31, 2023
		Budget	Appropriated by 40A: 4-87		
Alcohol Education, Rehabilitation and Enforcement Fund	\$ 16,317.97				\$ 16,317.97
Body Armor		\$ 9,383.49		\$ 1,539.25	7,844.24
Bulletproof Vest Program	392.36	6,492.33		6,884.69	
Clean Communities 2016	4,000.00				4,000.00
Clean Communities 2020	10,140.31			6,811.43	3,328.88
Clean Communities 2021	29,161.53			8,681.45	20,480.08
Clean Communities 2022		30,701.48			30,701.48
Click It or Ticket 2023			\$ 6,510.00		6,510.00
Council of the Arts 2014	600.00				600.00
Council of the Arts 2015	325.00				325.00
Council of the Arts 2016	610.09				610.09
Council of the Arts 2017	10,700.00				10,700.00
Council of the Arts 2018	7,633.00				7,633.00
Council of the Arts 2019	4,716.00				4,716.00
DOT:					
Turrell Avenue	1,740.00				1,740.00
Pedestrian Bridge	560,000.00				560,000.00
Drunk Driving Enforcement Program	179.00				179.00
Drunk Driving Enforcement Program 2016	171.47				171.47
Drunk Driving Enforcement Program 2021	12,573.31				12,573.31
Essex County Fairview 2019		102,900.00		101,750.00	1,150.00
Essex County Fairview 2022		100,000.00			100,000.00
Essex County Open Space	23,425.30			20,586.17	2,839.13
Essex County Jr Police Academy			10,000.00	9,876.27	123.73
Essex County CDBG	206,700.00			205,645.00	1,055.00
Enhancing Local Public Health			202,937.00	943.75	201,993.25
Grotta Fund Planning Grant	49,921.42	5,000.00		2,664.70	52,256.72
2006 Green Acres Acquisition	944,465.38				944,465.38
2008 Green Acres River Corridor	122,040.10				122,040.10
Greenway Recovery Project	400,000.00				400,000.00
New Jersey DCA Community Capital		223,000.00		65,712.40	157,287.60
NJ OEM - 2016	7,000.00				7,000.00
Recycling Tonnage Grant	25,864.24				25,864.24
Recycling Tonnage Grant	6,628.94				6,628.94
Recycling Tonnage Grant - 2016	25,174.01				25,174.01
Recycling Tonnage Grant - 2017	57,984.68				57,984.68
Recycling Tonnage Grant - 2018	21,671.87				21,671.87
Recycling Tonnage Grant - 2019	10,840.33				10,840.33
Recycling Tonnage Grant - 2020	8,176.37				8,176.37
Recycling Tonnage Grant - 2021	18,822.92				18,822.92
Recycling Tonnage Grant - 2022		16,805.30			16,805.30
Municipal Alliance on Alcoholism and Drugs - 2022	981.00			981.00	
Municipal Alliance on Alcoholism and Drugs - 2023			17,580.24	17,580.24	
Municipal Alliance on Alcoholism and Drugs - DHMAS	1,420.22			1,420.22	
NJ Historic Grant - 2011	638,055.00				638,055.00
N.J. Urban Community and Forestry	3,244.47				3,244.47
N.J. Neighborhood Preservation Program	56,300.56		125,000.00	144,246.28	37,054.28
Community Care and Justice	37,045.00				37,045.00
Aspiring Kindness Grant	10,000.00				10,000.00
Sensory Vehicle	30,000.00			27,413.36	2,586.64
Vose Ave Apts. Offsite Capital Improvement	657,200.00			183,830.75	473,369.25
8 Second Street - Community Artist		40,000.00			40,000.00
National Opioid Settlement		10,046.33			10,046.33
	<u>\$ 4,022,221.85</u>	<u>\$ 544,328.93</u>	<u>\$ 362,027.24</u>	<u>\$ 806,566.96</u>	<u>\$ 4,122,011.06</u>

Ref.

A

A-3

A-3

A-4

A

See Independent Auditors' Report

TOWNSHIP OF SOUTH ORANGE VILLAGE
FEDERAL AND STATE GRANT FUND

RESERVE FOR GRANTS - UNAPPROPRIATED
YEAR ENDED DECEMBER 31, 2023

A-27

	<u>Ref.</u>		
Balance, December 31, 2022	A		\$ 1,192,640.35
Increased by:			
Cash Receipts	A-4		92,738.12
			1,285,378.47
Decreased by:			
Cash Disbursed to Current Fund	A-2, A-4	\$ 873,511.42	
Transferred to Grants Receivable	A-14	319,128.93	
			1,192,640.35
Balance, December 31, 2023	A		\$ 92,738.12
 <u>Analysis of Balance:</u>			
Alcohol Education and Rehabilitation			\$ 1,817.12
Body Armor Replacement			3,379.47
Bulletproof Vest Program			11,336.80
Clean Communities - 2023			34,435.50
Recycling Tonnage			7,686.18
NJ Tree Planting			2,601.60
Stormwater Assistance			15,000.00
National Opioid Settlement			16,481.45
			\$ 92,738.12

TOWNSHIP OF SOUTH ORANGE VILLAGE
CURRENT FUND

DEFERRED CHARGES - N.J.S.A. 40A:4-53 SPECIAL EMERGENCY
YEAR ENDED DECEMBER 31, 2023

A-28

<u>Date Authorized</u>	<u>Purpose</u>	<u>Net Amount Authorized</u>	<u>Balance Dec. 31, 2022</u>	<u>Decrease</u>	<u>Balance Dec. 31, 2023</u>
12-5-22	Reassessment of Real Estate	\$ 367,435.00	\$ 367,435.00	\$ 73,487.00	\$ 293,948.00
			<u>\$ 367,435.00</u>	<u>\$ 73,487.00</u>	<u>\$ 293,948.00</u>
		<u>Ref.</u>	A	A-3	A

TOWNSHIP OF SOUTH ORANGE VILLAGE
TRUST FUND

CASH RECEIPTS AND DISBURSEMENTS
COLLECTOR-TREASURER
YEAR ENDED DECEMBER 31, 2023

B-1

	<u>Ref.</u>	<u>Animal Control Fund</u>	<u>Payroll Fund</u>	<u>General Trust Fund</u>
Balance, December 31, 2022	B	\$ 20,082.28	\$ 157,445.71	\$ 6,374,429.98
Increased by Receipts:				
Due to State of New Jersey	B-3	\$ 475.80		
Net Payroll and Deductions	B-5		\$ 21,489,643.13	
Animal Control Fees	B-6	8,007.96		
Interfunds	B-2	24,747.96		\$ 571,910.88
Open Space	B-4			304,604.80
Special Deposits	B-7			4,701,703.32
		<u>33,231.72</u>	<u>21,489,643.13</u>	<u>5,578,219.00</u>
		53,314.00	21,647,088.84	11,952,648.98
Decreased by Disbursements:				
Due to State of New Jersey	B-3	474.60		
Net Payroll and Deductions	B-5		21,555,644.34	
Interfunds	B-2	24,747.96		666,543.58
Animal Control Fund Expenditures	B-6	18,987.60		
Special Deposits	B-7			5,396,189.19
Open Space Expenditures	B-4			24,749.07
		<u>44,210.16</u>	<u>21,555,644.34</u>	<u>6,087,481.84</u>
Balance, December 31, 2023	B	<u>\$ 9,103.84</u>	<u>\$ 91,444.50</u>	<u>\$ 5,865,167.14</u>

TOWNSHIP OF SOUTH ORANGE VILLAGE
TRUST FUNDS

INTERFUNDS
YEAR ENDED DECEMBER 31, 2023

B-2

Ref.	General Trust Total	General Trust		Animal Control Fund
		Current Fund	Grant Fund	Current Fund
Balance, December 31, 2022				
Due (To)	<u>\$ (80,000.00)</u>	<u>\$ (80,000.00)</u>		
Increased by:				
Cash Disbursements	B-1	<u>741,992.33</u>	<u>666,543.58</u>	<u>\$ 24,747.96</u>
		<u>741,992.33</u>	<u>75,448.75</u>	<u>24,747.96</u>
Decreased by:				
Cash Receipts	B-1	<u>647,359.63</u>	<u>571,910.88</u>	<u>24,747.96</u>
		<u>647,359.63</u>	<u>75,448.75</u>	<u>24,747.96</u>
Balance, December 31, 2023				
Due From	B	<u>\$ 15,783.00</u>	<u>\$ 15,783.00</u>	<u>\$ -</u>
Due (To)	B	<u>\$ (1,150.30)</u>	<u>\$ (1,150.30)</u>	<u>\$ -</u>

TOWNSHIP OF SOUTH ORANGE VILLAGE
TRUST FUND

DUE TO STATE OF NEW JERSEY
YEAR ENDED DECEMBER 31, 2023

B-3

	<u>Ref.</u>	<u>Animal Control Fund</u>
Balance, December 31, 2022	B	\$ 32.40
Increased by:		
State Fees	B-1	475.80
		<u>508.20</u>
Decreased by:		
Payments to State of New Jersey	B-1	474.60
		<u>474.60</u>
Balance, December 31, 2023	B	<u>\$ 33.60</u>

TOWNSHIP OF SOUTH ORANGE VILLAGE
TRUST FUND

RESERVE FOR OPEN SPACE
YEAR ENDED DECEMBER 31, 2023

B-4

	<u>Ref.</u>		
Balance, December 31, 2022	B		\$ 1,015,468.41
Increased by:			
Interest Earned		\$ 20,524.82	
Added Omitted Levy		343.06	
Tax Levy		<u>283,736.92</u>	
	B-1		<u>304,604.80</u>
			<u>1,320,073.21</u>
Decreased by:			
Cash Disbursements	B-1		<u>24,749.07</u>
Balance, December 31, 2023	B		<u><u>\$ 1,295,324.14</u></u>

TOWNSHIP OF SOUTH ORANGE VILLAGE
TRUST FUND

PAYROLL DEDUCTIONS PAYABLE
YEAR ENDED DECEMBER 31, 2023

B-5

	<u>Ref.</u>	
Balance, December 31, 2022	B	\$ 157,445.71
Increased by:		
Gross Payroll and Employer Share of FICA	B-1	21,489,643.13
		<u>21,647,088.84</u>
Decreased by:		
Net Payroll and Agency Payments	B-1	21,555,644.34
		<u>21,555,644.34</u>
Balance, December 31, 2023	B	<u>\$ 91,444.50</u>
 <u>Analysis of Balance</u>		
Police and Firemen's Retirement System		\$ 52,383.47
Public Employees' Retirement System		38,876.18
Net Payroll Due From Employees		898.85
Other		<u>(714.00)</u>
Total		<u>\$ 91,444.50</u>

TOWNSHIP OF SOUTH ORANGE VILLAGE
TRUST FUND

RESERVE FOR ANIMAL CONTROL FUND EXPENDITURES
YEAR ENDED DECEMBER 31, 2023

B-6

	<u>Ref.</u>	
Balance, December 31, 2022	B	\$ 20,049.88
Increased by:		
Dog License Fees:		
Dog Licenses Collected		\$ 7,787.20
Other		<u>220.76</u>
	B-1	<u>8,007.96</u>
		<u>28,057.84</u>
Decreased by:		
Expenditures Under R.S. 41:19-15.11	B-1	<u>18,987.60</u>
Balance, December 31, 2023	B	<u><u>\$ 9,070.24</u></u>

License Fees Collected

<u>Year</u>	<u>Amount</u>
2021	\$ 10,204.10
2022	<u>7,370.00</u>
	<u><u>\$ 17,574.10</u></u>

Note: R.S. 4:19-15.11

"....there shall be transferred from such special account to the general funds of the municipality any amount then in such special account which is in excess of the total amount paid into such special account during the last two fiscal years next preceding".

TOWNSHIP OF SOUTH ORANGE VILLAGE
TRUST FUND

RESERVE FOR SPECIAL DEPOSITS
YEAR ENDED DECEMBER 31, 2023

B-7

	Balance <u>Dec. 31, 2022</u>	Increased	Decreased	Balance <u>Dec. 31, 2023</u>
Law Enforcement - Confiscated Funds	\$ 4,068.76	\$ 84.37		\$ 4,153.13
Confidential Fund	734.64	15.25		749.89
Municipal Court POAA	50,840.03	6,264.00	\$ 7,020.00	50,084.03
Municipal Drug Alliance Committee	149.75			149.75
Recreation Fee Based Program	27,789.43	68,427.86	48,096.30	48,120.99
Recycling	159,365.01	63,526.75	95,381.00	127,510.76
Master Card	13,760.97			13,760.97
Pool Trust	164,524.69	148,216.13	124,927.28	187,813.54
Donations	88,120.84		810.00	87,310.84
LOSAP Reserve	2,318.90			2,318.90
Public Defender	11,353.97	638.50		11,992.47
Fire Department Fines	4,505.61			4,505.61
Developer's Escrow	702,236.08	660,543.91	653,825.85	708,954.14
Affordable Housing	1,267,845.61	391,907.00	273,665.26	1,386,087.35
Tree Maintenance & Removal	21,740.00	40,475.00	23,975.00	38,240.00
Pedestrian Safety Study	5,000.00			5,000.00
Recreation Field Use	158,084.05	63,947.96	62,754.41	159,277.60
Contracted Services - Special Duty	16,745.56	1,078,862.33	1,078,862.78	16,745.11
Storm Recovery/Snow Trust	144,000.00			144,000.00
Accumulated Absences	715,429.86	204,337.72	710,586.98	209,180.60
Third Party Tax Title Lien Redemption	1,445,442.22	1,917,051.15	2,262,780.78	1,099,712.59
Garden Fees	3,986.49	4,370.00	468.16	7,888.33
Community Development Block Grant	234,113.00	53,035.39	53,035.39	234,113.00
Unemployment Trust	5,559.79			5,559.79
Other Trust Reserves	31,247.30			31,247.30
	<u>\$ 5,278,962.56</u>	<u>\$ 4,701,703.32</u>	<u>\$ 5,396,189.19</u>	<u>\$ 4,584,476.69</u>

Reference

B

B-1

B-1

B

See Independent Auditors' Report

TOWNSHIP OF SOUTH ORANGE VILLAGE
TRUST FUND

ACCOUNTS RECEIVABLE
YEAR ENDED DECEMBER 31, 2023

B-8

	<u>Ref.</u>	
Balance, December 31, 2023 and 2022	B	<u>\$ 0.99</u>

TOWNSHIP OF SOUTH ORANGE VILLAGE
GENERAL CAPITAL FUND

CASH RECEIPTS AND DISBURSEMENTS
YEAR ENDED DECEMBER 31, 2023

C-2

	<u>Ref.</u>		
Balance, December 31, 2022	C		\$ 3,318,966.87
Increased by Receipts:			
Interfunds	C-16	\$ 12,680,058.70	
Capital Improvement Fund	C-9	150,000.00	
Accounts Receivable	C-4	50,000.00	
Premium on Sale of Bonds and Notes	C-1	295,305.32	
Bond Anticipation Notes	C-11	<u>20,507,314.00</u>	
			<u>33,682,678.02</u>
			37,001,644.89
Decreased by Disbursements:			
Fund Balance Utilized in Current Fund Budget	C-1	196,497.89	
Reserve Third and Valley	C-15a	100,000.00	
Payment of Redevelopment Loan	C-4	50,000.00	
Improvement Authorizations	C-12	9,023,373.29	
Interfunds	C-16	12,408,144.09	
Bond Anticipation Notes	C-11	<u>12,596,888.00</u>	
			<u>34,374,903.27</u>
Balance, December 31, 2023	C		<u><u>\$ 2,626,741.62</u></u>

TOWNSHIP OF SOUTH ORANGE VILLAGE
GENERAL CAPITAL FUND

ANALYSIS OF CAPITAL CASH
YEAR ENDED DECEMBER 31, 2023

C-3

	Balance	New	Receipts	Disbursements	Transfers		Balance
	Dec. 31, 2022				Authorizations	From	To
Due To (From) Current Fund			\$ 2,181,806.20	\$ 2,181,806.20			
Due To (From) Grant Fund	\$ (121,914.61)		328,759.61	206,845.00			
Due To (From) Water Capital Fund	(400,000.00)		9,828,203.08	9,678,203.08			\$ (250,000.00)
Due To (From) Water Operating Fund			341,289.81	341,289.81			
Fund Balance	196,497.89		295,305.32	196,497.89			295,305.32
Capital Improvement Fund	48,037.53		150,000.00		\$ 189,800.00		8,237.53
Reserve Third and Valley	500,000.00			100,000.00			400,000.00
Due from Seton Hall University	(150,000.00)		50,000.00				(100,000.00)
Reserve for Seton Hall University	150,000.00			50,000.00			100,000.00
Due from New Jersey Historic Trust	(800,000.00)						(800,000.00)
Reserve for New Jersey Historic Trust	800,000.00						800,000.00
Reserve for Preliminary Engineering Expense	30.00						30.00
Due from New Jersey - Renovations to the Village Library Facilities	(6,529,148.00)						(6,529,148.00)
Reserve for New Jersey - Renovations to the Village Library Facilities	6,529,148.00						6,529,148.00
Due from New Jersey - Various Capital Improvements	(1,060,000.00)	\$ (871,780.00)					(1,931,780.00)
<u>Ordinance Number</u>	<u>Improvement Authorization</u>						
11-16	Various Capital Improvements	6,840.00					6,840.00
12-10	Various Capital Improvements	100,211.54		8,587.12			91,624.42
13-16	Various Capital Improvements	2,509.00					2,509.00
14-05	Various Capital Improvements	5,550.00					5,550.00
15-04	Various Capital Improvements	14,063.47					14,063.47
15-19	Streets and Roads	1,356.00					1,356.00
15-21	IT and Communications	34,547.04					34,547.04
17-06	Various Capital Improvements	54,145.32	285,000.00	299,017.14			40,128.18
18-06	Various Capital Improvements	(29,634.41)	2,351,900.00	2,351,900.00			(29,634.41)
18-18	Undertaking of a Master Plan	(791.42)					(791.42)
18-20	Library Preliminary Planning Expenses	13,061.73					13,061.73
19-02	Various Capital Improvements	3,311,094.58	6,408,000.00	10,328,940.33			(609,845.75)
20-07	Purchase 45 W. 3rd Street	61,019.74	1,000,000.00	1,000,000.00			61,019.74
20-15	Flood Facilities Mitigation Project	(7,352.50)					(7,352.50)
20-16	Various Capital Improvements	1,262,434.81	2,551,988.00	3,319,173.09			495,249.72
21-10	Various Capital Improvements	(681,252.78)	3,160,426.00	1,455,713.65			1,023,459.57
21-19	Various Capital Improvements	(908,650.48)	4,750,000.00	1,750,805.76			2,090,543.76
22-05	Renovations to the Village Library Facilities	(175,550.00)		610,232.89			(785,782.89)
22-14	Various Capital Improvements	1,093,314.42		426,977.51			666,336.91
22-17	Flood Facilities Mitigation Project - Phase III	(600.00)					(600.00)
23-05	Various Capital Improvements		871,780.00	68,913.80		\$ 89,800.00	892,666.20
23-18	Community Pool					100,000.00	100,000.00
		<u>\$ 3,318,966.87</u>	<u>\$ -</u>	<u>\$ 33,682,678.02</u>	<u>\$ 34,374,903.27</u>	<u>\$ 189,800.00</u>	<u>\$ 189,800.00</u>
<u>Ref.</u>	C		C-2, C-17	C-2			C

TOWNSHIP OF SOUTH ORANGE VILLAGE
GENERAL CAPITAL FUND

ACCOUNTS RECEIVABLE
YEAR ENDED DECEMBER 31, 2023

C-4

	<u>Ref</u>	<u>Due from Seton Hall University</u>
Balance, December 31, 2022	C	\$ 150,000.00
Decreased by:		
Payment of Redevelopment Loan	C-2, C-5	<u>50,000.00</u>
Balance, December 31, 2023	C	<u><u>\$ 100,000.00</u></u>

RESERVE FOR SETON HALL UNIVERSITY
YEAR ENDED DECEMBER 31, 2023

C-5

	<u>Ref</u>	
Balance, December 31, 2022	C	\$ 150,000.00
Decreased by:		
Payment of Redevelopment Loan	C-2, C-4	<u>50,000.00</u>
Balance, December 31, 2023	C	<u><u>\$ 100,000.00</u></u>

TOWNSHIP OF SOUTH ORANGE VILLAGE
GENERAL CAPITAL FUND

GRANTS RECEIVABLE
YEAR ENDED DECEMBER 31, 2023

C-6

	<u>Ref</u>		
Balance, December 31, 2022	C	\$	8,389,148.00
Increased by:			
New Award - NJDOT Vose Ave	C-12	\$	396,520.00
New Award - NJDOT Lenox Ave	C-12		475,260.00
			<u>871,780.00</u>
Balance, December 31, 2023	C	\$	<u>9,260,928.00</u>
<u>Analysis of Balance:</u>			
New Jersey Historic Trust		\$	500,000.00
New Jersey Department of Transportation			300,000.00
Renovations to the Village Library Facilities - New Jersey Library Grant			6,529,148.00
New Jersey Department of Transportation - Various Capital Improvements			1,060,000.00
New Jersey Department of Transportation - Various Capital Improvements			396,520.00
New Jersey Department of Transportation - Various Capital Improvements			475,260.00
			<u>\$ 9,260,928.00</u>

RESERVE FOR GRANTS RECEIVABLE
YEAR ENDED DECEMBER 31, 2023

C-6a

	<u>Ref</u>		
Balance, December 31, 2023 and 2022	C	\$	<u>7,329,148.00</u>
<u>Analysis of Balance:</u>			
New Jersey Historic Trust		\$	500,000.00
New Jersey Department of Transportation			300,000.00
Renovations to the Village Library Facilities - New Jersey Library Grant			6,529,148.00
			<u>\$ 7,329,148.00</u>

TOWNSHIP OF SOUTH ORANGE VILLAGE
GENERAL CAPITAL FUND

DEFERRED CHARGES TO FUTURE TAXATION - FUNDED
YEAR ENDED DECEMBER 31, 2023

C-7

	<u>Ref.</u>		
Balance, December 31, 2022	C		\$ 36,191,401.74
Decreased by:			
Payment of Serial Bonds	C-10	\$ 4,420,000.00	
Payment of Green Trust Loan	C-13	7,921.01	
Payment of Environmental Infrastructure Loan	C-14	<u>29,153.53</u>	
			<u>4,457,074.54</u>
Balance, December 31, 2023	C		<u>\$ 31,734,327.20</u>

TOWNSHIP OF SOUTH ORANGE VILLAGE
GENERAL CAPITAL FUND

DEFERRED CHARGES TO FUTURE TAXATION - UNFUNDED
YEAR ENDED DECEMBER 31, 2023

C-8

Ordinance Number		Balance, Dec. 31, 2022	2023 Authorizations	Paid by Budget Appropriation	Balance, Dec. 31, 2023	Analysis of Balance		
						Bond Anticipation Notes	Unfinanced Expenditures	Unexpended Improvement Authorizations
16-11/18-19	Reassessment of Real Property	\$ 285,000.00			\$ 285,000.00	\$ 285,000.00		
18-06	Various Capital Improvements	2,634,100.00		\$ 218,100.00	2,416,000.00	2,351,900.00	\$ 29,634.41	\$ 34,465.59
18-18	Undertaking of a Master Plan	11,250.00			11,250.00		791.42	10,458.58
18-34	Joint Meeting of Essex and Union Counties	645,000.00			645,000.00			645,000.00
19-02	Various Capital Improvements	9,970,000.00		312,000.00	9,658,000.00	6,408,000.00	609,845.75	2,640,154.25
20-07	Purchase of Property	1,428,500.00			1,428,500.00	1,000,000.00		428,500.00
20-15	Flood Facilitites Mitigaiton Project	1,305,000.00			1,305,000.00		7,352.50	1,297,647.50
20-16	Various Capital Improvements	2,556,750.00			2,556,750.00	2,551,988.00		4,762.00
21-10	Various Capital Improvements	3,160,426.00			3,160,426.00	3,160,426.00		
21-19	Various Capital Improvements	4,750,000.00			4,750,000.00	4,750,000.00		
22-05	Renovations to the Village Library Facilities	16,000,000.00			16,000,000.00		663,868.28	15,336,131.72
22-14	Various Capital Improvements	2,854,800.00			2,854,800.00			2,854,800.00
22-17	Flood Facilities Mitigation Project - Phase III	1,890,000.00			1,890,000.00		600.00	1,889,400.00
23-05	Various Capital Improvements		\$ 1,821,500.00		1,821,500.00			1,821,500.00
23-18	Restoration of Community Pool		1,900,000.00		1,900,000.00			1,900,000.00
		<u>\$ 47,490,826.00</u>	<u>\$ 3,721,500.00</u>	<u>\$ 530,100.00</u>	<u>\$ 50,682,226.00</u>	<u>\$ 20,507,314.00</u>	<u>\$ 1,312,092.36</u>	<u>\$ 28,862,819.64</u>
	<u>Ref.</u>	C	C-12, C-17	C-11	C	C-11	C-3	See Below
							<u>Ref.</u>	
						Improvement Authorizations - Unfunded	C-12	\$ 33,949,294.73
						Less: Unexpended Proceeds of Bond Anticipation Notes Issued:		
						Ordinance # 20-07		(61,019.74)
						Ordinance # 20-16		(373,335.11)
						Ordinance # 21-10		(1,023,459.57)
						Ordinance # 21-19		(2,090,543.76)
						Ordinance # 22-14		(666,336.91)
						Ordinance # 23-05		(871,780.00)
							Above	<u>\$ 28,862,819.64</u>

TOWNSHIP OF SOUTH ORANGE VILLAGE
GENERAL CAPITAL FUND

C-9

CAPITAL IMPROVEMENT FUND
YEAR ENDED DECEMBER 31, 2023

	<u>Ref.</u>	
Balance, December 31, 2022	C	\$ 48,037.53
Increased by:		
Budget Appropriation	C-2	<u>150,000.00</u>
		198,037.53
Decreased by:		
Improvement Authorizations	C-12	<u>189,800.00</u>
Balance, December 31, 2023	C	<u><u>\$ 8,237.53</u></u>

TOWNSHIP OF SOUTH ORANGE VILLAGE
GENERAL CAPITAL FUND

SERIAL BONDS PAYABLE
YEAR ENDED DECEMBER 31, 2023

C-10

Purpose	Date of Issue	Amount of Original Issue	Maturities of Bonds Outstanding, Dec. 31, 2023		Interest Rate	Balance Dec. 31, 2022	Decreased	Balance Dec. 31, 2023	
			Date	Amount					
General Obligation Bonds	4/12/2018	\$ 8,500,000.00	4/15/2024	\$ 625,000.00	5.000%	\$ 6,310,000.00	\$ 610,000.00	\$ 5,700,000.00	
			4/15/2025	650,000.00	5.000%				
			4/15/2026	670,000.00	4.000%				
			4/15/2027	695,000.00	4.000%				
			4/15/2028	715,000.00	4.000%				
			4/15/2029	755,000.00	3.000%				
			4/15/2030	780,000.00	3.000%				
			4/15/2031	810,000.00	3.000%				
General Obligation Refunding Bonds	1/22/2020	17,655,000.00	1/15/2024	2,305,000.00	4.000%	14,220,000.00	2,195,000.00	12,025,000.00	
			1/15/2025	2,375,000.00	4.000%				
			1/15/2026	2,410,000.00	4.000%				
			1/15/2027	2,450,000.00	4.000%				
			1/15/2028	2,485,000.00	4.000%				
General Obligation Bonds	6/24/2020	13,350,000.00	5/1/2024	1,165,000.00	3.000%	11,565,000.00	1,080,000.00	10,485,000.00	
			5/1/2025	1,210,000.00	3.000%				
			5/1/2026	1,255,000.00	3.000%				
			5/1/2027	1,310,000.00	3.000%				
			5/1/2028	1,350,000.00	3.000%				
			5/1/2029	1,380,000.00	2.000%				
			5/1/2030	1,405,000.00	2.000%				
			5/1/2031	1,410,000.00	2.000%				
			General Obligation Bonds	6/30/2021	4,265,000.00				11/1/2024
11/1/2025	540,000.00	5.000%							
11/1/2026	535,000.00	5.000%							
11/1/2027	535,000.00	5.000%							
11/1/2028	530,000.00	5.000%							
11/1/2029	530,000.00	5.000%							
						<u>3,735,000.00</u>	<u>535,000.00</u>	<u>3,200,000.00</u>	
						<u>\$ 35,830,000.00</u>	<u>\$ 4,420,000.00</u>	<u>\$ 31,410,000.00</u>	
						Ref.	C	C-7	C

TOWNSHIP OF SOUTH ORANGE VILLAGE
GENERAL CAPITAL FUND

BOND ANTICIPATION NOTES PAYABLE
YEAR ENDED DECEMBER 31, 2023

C-11

Ordinance Number	Improvement Description	Original		Date of Issue	Date of Maturity	Interest Rate	Balance Dec. 31, 2022	Increased	Decreased	Balance Dec. 31, 2023
		Amount	Date							
17-06	Various Capital Improvements	\$ 9,723,250.00	12/14/2017	6/29/2023	6/28/2024	5.00%	\$ 285,000.00	\$ 285,000.00	\$ 285,000.00	\$ 285,000.00
18-06	Various Capital Improvements	2,351,900.00	7/9/2019	6/29/2023	6/28/2024	5.00%	2,570,000.00	2,351,900.00	2,570,000.00	2,351,900.00
19-02	Various Capital Improvements	6,408,000.00	7/9/2019	6/29/2023	6/28/2024	5.00%	6,720,000.00	6,408,000.00	6,720,000.00	6,408,000.00
20-07	Purchase of 45 W. #3rd St	1,000,000.00	7/7/2021	6/29/2023	6/28/2024	5.00%	1,000,000.00	1,000,000.00	1,000,000.00	1,000,000.00
20-16	Various Capital Improvements	2,551,988.00	7/7/2021	6/29/2023	6/28/2024	5.00%	2,551,988.00	2,551,988.00	2,551,988.00	2,551,988.00
21-10	Various Capital Improvements	3,160,426.00	7/7/2021	6/29/2023	6/28/2024	5.00%	3,160,426.00	3,160,426.00	3,160,426.00	3,160,426.00
21-19	Capital Improvements in Response to Hurricane IDA	4,750,000.00	7/7/2021	6/29/2023	6/28/2024	5.00%	4,750,000.00	4,750,000.00	4,750,000.00	4,750,000.00
							<u>\$ 13,126,988.00</u>	<u>\$ 20,507,314.00</u>	<u>\$ 13,126,988.00</u>	<u>\$ 20,507,314.00</u>
<u>Ref.</u>							C	Below	Below	C
Renewals							C-2	\$ 12,596,888.00		
New Notes							C-2, C-17	7,910,426.00		
Above								<u>\$ 20,507,314.00</u>		
Paid by Budget Appropriation							C-8		\$ 530,100.00	
Notes Renewed							C-2		12,596,888.00	
							Above		<u>\$ 13,126,988.00</u>	

TOWNSHIP OF SOUTH ORANGE VILLAGE
GENERAL CAPITAL FUND

GREEN ACRES LOAN PAYABLE
YEAR ENDED DECEMBER 31, 2023

C-13

	<u>Ref.</u>	
Balance, December 31, 2022	C	\$ 32,652.17
Decreased by:		
Budget Appropriation for Payment of Green Trust Loan	C-7	<u>7,921.01</u>
Balance, December 31, 2023	C	<u>\$ 24,731.16</u>

NEW JERSEY INFRASTRUCTURE LOAN PAYABLE
YEAR ENDED DECEMBER 31, 2023

C-14

	<u>Ref.</u>	
Balance, December 31, 2022	C	\$ 328,749.57
Decreased by:		
Payment of Loan	C-7	<u>29,153.53</u>
Balance, December 31, 2023	C	<u>\$ 299,596.04</u>

TOWNSHIP OF SOUTH ORANGE VILLAGE
GENERAL CAPITAL FUND

RESERVE FOR PRELIMINARY ENGINEERING EXPENSES
YEAR ENDED DECEMBER 31, 2023

	<u>Ref</u>	<u>C-15</u>
Balance, December 31, 2023 and 2022	C	<u>\$ 30.00</u>

RESERVE FOR THIRD & VALLEY
YEAR ENDED DECEMBER 31, 2023

	<u>Ref</u>	<u>C-15a</u>
Balance, December 31, 2022	C	\$ 500,000.00
Decreased by:		
Budget Appropriations	C-3	<u>100,000.00</u>
Balance, December 31, 2023	C	<u>\$ 400,000.00</u>

TOWNSHIP OF SOUTH ORANGE VILLAGE
GENERAL CAPITAL FUND

INTERFUNDS
YEAR ENDED DECEMBER 31, 2023

C-16

	<u>Ref</u>	<u>Total</u>	<u>Current Fund</u>	<u>Grant Fund</u>	<u>Water Operating Fund</u>	<u>Water Capital Fund</u>
Balance, Due From, December 31, 2022	C	\$ 521,914.61		\$ 121,914.61		\$ 400,000.00
Increased by:						
Cash Disbursements	C-2	<u>12,408,144.09</u>	<u>\$ 2,181,806.20</u>	<u>206,845.00</u>	<u>\$ 341,289.81</u>	<u>\$ 9,678,203.08</u>
		12,408,144.09	2,181,806.20	206,845.00	341,289.81	9,678,203.08
Decreased by:						
Cash Receipts	C-2	<u>12,680,058.70</u>	<u>2,181,806.20</u>	<u>328,759.61</u>	<u>341,289.81</u>	<u>9,828,203.08</u>
		12,680,058.70	2,181,806.20	328,759.61	341,289.81	9,828,203.08
Balance, Due From, December 31, 2023	C	<u>\$ 250,000.00</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 250,000.00</u>

TOWNSHIP OF SOUTH ORANGE VILLAGE
GENERAL CAPITAL FUND

BONDS AND NOTES AUTHORIZED BUT NOT ISSUED
YEAR ENDED DECEMBER 31, 2023

C-17

Ordinance Number	Improvement Description	Balance Dec. 31, 2022	2023 Authorizations	Bond Anticipation Notes Issued	Balance Dec. 31, 2023
18-06	Various Capital Improvements	\$ 64,100.00			\$ 64,100.00
18-18	Undertaking of a Master Plan	11,250.00			11,250.00
18-34	Joint Meeting of Essex and Union Counties	645,000.00			645,000.00
19-02	Various Capital Improvements	3,250,000.00			3,250,000.00
20-07	Purchase of Property	428,500.00			428,500.00
20-15	Flood Facilities Mitigation Project	1,305,000.00			1,305,000.00
20-16	Various Capital Improvements	4,762.00			4,762.00
21-10	Various Capital Improvements	3,160,426.00		\$ 3,160,426.00	
21-19	Various Capital Improvements	4,750,000.00		4,750,000.00	
22-05	Renovations to the Village Library Facilities	16,000,000.00			16,000,000.00
22-14	Various Capital Improvements	2,854,800.00			2,854,800.00
22-17	Flood Facilities Mitigation Project - Phase III	1,890,000.00			1,890,000.00
23-05	Various Capital Improvements		\$ 1,821,500.00		1,821,500.00
23-18	Pool Restoration		1,900,000.00		1,900,000.00
		<u>\$ 34,363,838.00</u>	<u>\$ 3,721,500.00</u>	<u>\$ 7,910,426.00</u>	<u>\$ 30,174,912.00</u>
<u>Ref.</u>	C		C-8	C-11	C

TOWNSHIP OF SOUTH ORANGE VILLAGE
WATER UTILITY

CASH RECEIPTS AND DISBURSEMENTS
COLLECTOR - TREASURER
YEAR ENDED DECEMBER 31, 2023

D-5

	Ref.	Operating	Capital
Balance, December 31, 2022	D	\$ 2,095,192.92	\$ 233,151.48
Increased by Receipts:			
Water Capital Surplus Anticipated	D-3	\$ 128,074.94	
Interest Income	D-1	41,887.66	
Premium on Sale of Notes	D-2		\$ 139,517.08
Miscellaneous Revenues	D-3	2,885.19	
Consumer Accounts Receivable	D-3, D-7	4,852,433.02	
Interfunds - Operating Fund	D-13a	2,194,836.20	
Interfunds - Capital Fund	D-13b		11,103,674.53
Other Reserves	D	1,176.00	
New Jersey Infrastructure Bank Receivable	D-18		1,885,666.00
Bond Anticipation Notes	D-9		9,688,686.00
		<u>7,221,293.01</u>	
		<u>9,316,485.93</u>	<u>22,817,543.61</u>
			<u>23,050,695.09</u>
Decreased by Disbursements:			
Budget Appropriations	D-4	3,970,745.55	
Accrued Interest on Bonds	D-10	421,817.86	
Due from Current Fund	D-1	300,000.00	
Appropriation Reserves	D-15	255,226.93	
Bond Anticipation Notes	D-9		8,556,012.00
Interfunds - Operating Fund	D-13a	2,194,836.20	
Interfunds - Capital Fund	D-13b		11,263,987.47
Improvement Authorizations	D-13		3,129,154.63
		<u>7,142,626.54</u>	
		<u>\$ 2,173,859.39</u>	<u>\$ 22,949,154.10</u>
			<u>101,540.99</u>
Balance, December 31, 2023	D	<u>\$ 2,173,859.39</u>	<u>\$ 101,540.99</u>

TOWNSHIP OF SOUTH ORANGE VILLAGE
WATER UTILITY CAPITAL FUND

ANALYSIS OF CASH
WATER CAPITAL FUND
YEAR ENDED DECEMBER 31, 2023

D-6

	Balance	Receipts	Disbursements	Transfers		Balance
	Dec. 31, 2022			From	To	Dec. 31, 2023
Fund Balance	\$ 128,074.94	\$ 139,517.08			\$ 128,074.94	\$ 139,517.08
NJ Infrastructure Loan Receivable	(2,760,000.00)	1,885,666.00		\$ 113,113.00		(761,221.00)
NJ Infrastructure Loan Payable	2,760,000.00				851,221.00	1,908,779.00
Reserve for NJ Infrastructure Loan Receivable				761,221.00		761,221.00
Excess Bond Anticipation Note Proceeds				412,503.54		412,503.54
Due To/(From) Water Operating Fund		1,425,471.45	\$ 1,435,784.39	128,074.94	117,762.00	
Due To/(From) General Capital Fund	400,000.00	9,678,203.08	9,828,203.08			250,000.00
Reserve for Future Projects	231,012.00					231,012.00
Improvement Authorizations:						
#2016-01 Crest Drive Standpipe	(1,585,443.81)	3,392,402.00	3,436,707.00	1,635,535.74		5,786.93
#2016-02 Newstead Sphere	106,258.33		11,653.14			94,605.19
#2018-28 (NJIB) Crest Drive Standpipe	893,079.12	872,340.00	1,154,657.27	11,330.00	1,591,230.74	(969,138.89)
#2018-29 (NJIB) Newstead Sphere	276,941.77		21,869.98			255,071.79
#2019-07/18 (NJIB) Newstead Sphere	414,290.06	3,180,397.00	3,237,980.52	55,797.00	412,503.54	
#2020-08-NJIB Infastructure	10,205.03	493,670.00	503,314.50	6,330.00		6,890.53
#2021-03-NJIB Infastructure	(287,393.84)		1,900,767.59		23,113.00	(2,211,274.43)
#2021-22-NJIB Infastructure	(559.00)	499,877.00	499,441.00			(123.00)
#2022-16-Various Improvements	(295,515.31)	1,250,000.00	833,302.36			121,182.33
#2022-21-Crest Drive Water Tank	(600.00)		33,865.00			(34,465.00)
#2022-22-West End Road Water Tank	(57,197.81)		51,608.27			(108,806.08)
	<u>\$ 233,151.48</u>	<u>\$ 22,817,543.61</u>	<u>\$ 22,949,154.10</u>	<u>\$ 3,123,905.22</u>	<u>\$ 3,123,905.22</u>	<u>\$ 101,540.99</u>
Ref.	D	D-5	D-5			D

TOWNSHIP OF SOUTH ORANGE VILLAGE
WATER UTILITY OPERATING FUND

SCHEDULE OF WATER RENTS RECEIVABLE
YEAR ENDED DECEMBER 31, 2023

D-7

	<u>Ref.</u>	
Balance, December 31, 2022	D	\$ 865,466.98
Increased by:		
Rent Billings	Reserve	5,402,033.32
		<u>6,267,500.30</u>
Decreased by:		
Collections	D-5	4,852,433.02
		<u>4,852,433.02</u>
Balance, December 31, 2023	D	<u><u>\$ 1,415,067.28</u></u>

TOWNSHIP OF SOUTH ORANGE VILLAGE
WATER UTILITY CAPITAL FUND

RESERVE FOR AMORTIZATION
YEAR ENDED DECEMBER 31, 2023

D-8

	<u>Ref.</u>		
Balance, December 31, 2022	D		\$ 8,844,014.06
Increased by:			
Payment of Serial Bonds	D-14	\$ 190,000.00	
New Jersey Environmental Infrastructure Loans Matured	D-17	11,067.95	
Payment of Bond Anticipation Note Principal	D-13b	<u>117,762.00</u>	
			<u>318,829.95</u>
Balance, December 31, 2023	D		<u>\$ 9,162,844.01</u>

TOWNSHIP OF SOUTH ORANGE VILLAGE
WATER UTILITY CAPITAL FUND

D-9

BOND ANTICIPATION NOTES PAYABLE
YEAR ENDED DECEMBER 31, 2023

Ordinance Number	Improvement Description	Original		Date of Issue	Date of Maturity	Interest Rate	Balance			Balance Dec. 31, 2023
		Amount	Date				Dec. 31, 2022	Increased	Decreased	
16-01	Various Capital Improvements	\$ 1,500,000.00	7/9/2018	6/29/2023	6/28/2024	5.00%	\$ 1,436,707.00	\$ 1,443,036.00	\$ 1,436,707.00	\$ 1,443,036.00
18-26	Various Capital Improvements	2,000,000.00	12/19/2019	6/29/2023	6/28/2024	5.00%	2,000,000.00	1,949,366.00	2,000,000.00	1,949,366.00
18-28	Crest Drive Standpipe	895,000.00	12/19/2019	6/29/2023	6/28/2024	5.00%	883,670.00	872,340.00	883,670.00	872,340.00
19-07	Scotland Road Project	3,292,500.00	12/19/2019	6/29/2023	6/28/2024	5.00%	3,236,194.00	3,180,397.00	3,236,194.00	3,180,397.00
20-08	Various Capital Improvements	500,000.00	12/17/2020	6/29/2023	6/28/2024	5.00%	500,000.00	493,670.00	500,000.00	493,670.00
21-22	Various Capital Improvements	499,441.00	7/3/2022	6/29/2023	6/28/2024	5.00%	499,441.00	499,877.00	499,441.00	499,877.00
22-16	Various Capital Improvements	1,250,000.00	6/29/2023	6/29/2023	6/28/2024	5.00%		1,250,000.00		1,250,000.00
							<u>\$ 8,556,012.00</u>	<u>\$ 9,688,686.00</u>	<u>\$ 8,556,012.00</u>	<u>\$ 9,688,686.00</u>
						<u>Ref</u>	D	D-5	D-5	D

TOWNSHIP OF SOUTH ORANGE VILLAGE
WATER UTILITY OPERATING FUND

ACCRUED INTEREST PAYABLE
YEAR ENDED DECEMBER 31, 2023

D-10

	<u>Ref.</u>	
Balance, December 31, 2022	D	\$ 187,115.21
Increased by:		
Budget Appropriation	D-4	<u>497,896.80</u>
		685,012.01
Decreased by:		
Cash Disbursements	D-5	<u>421,817.86</u>
Balance, December 31, 2023	D	<u>\$ 263,194.15</u>

Analysis of Accrued Interest at December 31, 2023

Serial Bonds:

	<u>Date of Issue</u>	<u>Balance Dec. 31, 2023</u>	<u>Interest Payable</u>	<u>Period</u>	<u>Amount</u>
	01/31/12	\$ 360,000.00	Various	2 Months	\$ 3,458.33
	4/12/18	<u>1,535,000.00</u>	Various	2.5 Months	<u>11,708.33</u>
		<u>1,895,000.00</u>			<u>15,166.67</u>

Bond Anticipation Notes:

	<u>Date of Issue</u>	<u>Balance Dec. 31, 2023</u>	<u>Interest Payable</u>	<u>Period</u>	<u>Amount</u>
	7/3/2023	<u>9,688,686.00</u>	5.00%	178 days	<u>239,525.85</u>

	Amount to be raised in subsequent budget <u>8,501.63</u>
	<u>\$ 263,194.15</u>

TOWNSHIP OF SOUTH ORANGE VILLAGE
WATER UTILITY CAPITAL FUND

FIXED CAPITAL
YEAR ENDED DECEMBER 31, 2023

D-11

	Balance Dec. 31, 2022	Transfer from Fixed Capital Authorized and Uncompleted	Balance Dec. 31, 2023
	<u> </u>	<u> </u>	<u> </u>
Distribution System Land	\$ 3,271.00		\$ 3,271.00
Purification System	10,669.00		10,669.00
Pumping System	105,676.00		105,676.00
Storage Reservoir Land	4,500.00		4,500.00
Springs and Land	330,231.00		330,231.00
Connecting Reservoir	223,846.00		223,846.00
Intake and Supply Mains Plant	411.00		411.00
Softening and Iron Removal Plant	105,972.00		105,972.00
Ozone Sterilization and Aeration Plant	5,572.00		5,572.00
Pumping Station Structures	95,432.00		95,432.00
Steam Pumping Equipment	15,038.00		15,038.00
Other Pumping Equipment	8,006.00		8,006.00
Electric Pumping Equipment	428,591.00		428,591.00
Transmission Mains and Accessories	205,149.00		205,149.00
Storage Reservoirs, Tanks and Stand Pipes	293,390.00		293,390.00
Distribution Mains and Accessories	1,576,114.00		1,576,114.00
Service Pipes and Stops	79,418.00		79,418.00
Meters, Meter Boxes and Vaults	143,084.00		143,084.00
Fire Hydrants and Cisterns	25,188.00		25,188.00
Fountain, Troughs, etc.	173.00		173.00
General Structures	857.00		857.00
General Vehicles and Equipment	71,671.00		71,671.00
Backhoe	19,962.00		19,962.00
Engineering and Superintendence	134,811.00		134,811.00
Legal Expenses During Construction	8,418.00		8,418.00
Miscellaneous Construction Expense	12,526.00		12,526.00
Curb Connections Not Yet in Use	12,456.00		12,456.00
Repairs To Trestle and Side Track	7,254.00		7,254.00
Interest During Construction	40,401.00		40,401.00
Paving and Walks	32,737.00		32,737.00
Taxes During Construction	35.00		35.00
Wells	71,300.00		71,300.00
Study of 4" Main Installation	1,662.00		1,662.00
Cathodic Protection Equipment	2,994.00		2,994.00
Construction of Waterproofing Facility	34,230.00		34,230.00
Improvements to Water Infrastructure and System	2,383,051.60		2,383,051.60
Organic Chemical Treatment Facility	442,301.00		442,301.00
Various Improvements and Equipment	1,524,495.49		1,524,495.49
Scotland Road Improvements		\$ 2,879,496.46	2,879,496.46
	<u>\$ 8,460,893.09</u>	<u>\$ 2,879,496.46</u>	<u>\$ 11,340,389.55</u>
<u>Ref.</u>	D	D-12	D

TOWNSHIP OF SOUTH ORANGE VILLAGE
WATER UTILITY CAPITAL FUND

D-12

SCHEDULE OF FIXED CAPITAL AUTHORIZED AND UNCOMPLETED
YEAR ENDED DECEMBER 31, 2023

Ordinance Number	Description	Ordinance		Balance Dec. 31, 2022	Increased by 2023 Authorizations	Transferred to Fixed Capital	Cancelations	Balance Dec. 31, 2023
		Amount	Date					
16-01	Crest Drive Standpipe	\$ 3,500,000.00	2/22/16	\$ 3,500,000.00				\$ 3,500,000.00
16-02	Newstead Water Sphere	2,300,000.00	2/22/16	2,300,000.00				2,300,000.00
18-28	(NJIB) Crest Dr. Standpipe	4,000,000.00	8/27/18	4,000,000.00				4,000,000.00
18-29	(NJIB) Newstead Water Sphere	1,000,000.00	8/27/18	1,000,000.00				1,000,000.00
19-07	(NJIB) Scotland Road	3,292,500.00	4/8/19	3,292,500.00		\$ 2,532,943.00	\$ 759,557.00	
19-18	(NJIB) Scotland Road	700,000.00	9/23/19	700,000.00		346,553.46	353,446.54	
20-08	(NJIB) Scotland Road	3,292,500.00	12/17/20	500,000.00				500,000.00
21-03	(NJIB) Water Meters	3,000,000.00	1/19/21	3,000,000.00				3,000,000.00
21-22	Various Improvements	500,000.00	10/25/21	500,000.00				500,000.00
22-16	Various Capital Improvements	1,250,000.00	6/27/22	1,250,000.00				1,250,000.00
22-21	Crest Drive Water Tank	1,500,000.00	7/25/22	1,500,000.00				1,500,000.00
22-22	West End Road Water Tank	1,500,000.00	7/25/22	1,500,000.00				1,500,000.00
23-16	Various Capital Improvements	1,000,000.00	12/11/23		\$ 1,000,000.00			1,000,000.00
				<u>\$ 23,042,500.00</u>	<u>\$ 1,000,000.00</u>	<u>\$ 2,879,496.46</u>	<u>\$ 1,113,003.54</u>	<u>\$ 20,050,000.00</u>
<u>Ref.</u>				D	D-13	D-11	D-13	D

TOWNSHIP OF SOUTH ORANGE VILLAGE
WATER UTILITY CAPITAL FUND

SCHEDULE OF IMPROVEMENT AUTHORIZATIONS
YEAR ENDED DECEMBER 31, 2023

Ordinance Number	Improvement Description	Original		Balance, Dec. 31, 2022		2023 Authorizations	Paid or Charged	DEP Fees	Cancellations	Balance Dec. 31, 2023	
		Amount	Date	Funded	Unfunded					Funded	Unfunded
16-01	Crest Drive Standpipe	\$ 3,500,000.00	2/22/16		\$ 5,786.93						\$ 5,786.93
16-02	Newstead Sphere	2,300,000.00	2/22/16	\$ 106,258.33			\$ 11,653.14			\$ 94,605.19	
18-28	(NJIB) Crest Dr. Standpipe	4,000,000.00	8/27/18		2,406,848.38		270,987.27				2,135,861.11
18-29	(NJIB) Newstead Sphere	1,000,000.00	8/27/18		643,278.77		21,869.98				621,408.79
19-07	(NJIB) Scotland Road	3,292,500.00	4/8/19		759,557.00				\$ 759,557.00		
19-18	(NJIB) Scotland Road	700,000.00	9/23/19		355,233.06		1,786.52		353,446.54		
20-08	Various Capital Improvements	500,000.00	12/17/20		10,205.03		3,314.50				6,890.53
21-03	NJIB Water Meters	3,000,000.00	3/8/21		2,712,606.16		1,900,767.59	\$ 23,113.00			788,725.57
22-16	Various Capital Improvements	1,250,000.00	6/27/22		954,484.69		833,302.36				121,182.33
22-21	Crest Drive Water Tank	1,500,000.00	7/25/22		1,499,400.00		33,865.00				1,465,535.00
22-22	West End Road Water Tank	1,500,000.00	7/25/22		1,442,802.19		51,608.27				1,391,193.92
23-16	Various Capital Improvements	1,000,000.00	12/11/23			\$ 1,000,000.00					1,000,000.00
				<u>\$ 106,258.33</u>	<u>\$ 10,790,202.21</u>	<u>\$ 1,000,000.00</u>	<u>\$ 3,129,154.63</u>	<u>\$ 23,113.00</u>	<u>\$ 1,113,003.54</u>	<u>\$ 94,605.19</u>	<u>\$ 7,536,584.18</u>
	<u>Ref.</u>			D	D	D-12, D-19	D-5	D-18	D-12	D	D

TOWNSHIP OF SOUTH ORANGE VILLAGE
WATER UTILITY OPERATING FUND

SCHEDULE OF INTERFUNDS - OPERATING
YEAR ENDED DECEMBER 31, 2023

D-13a

	Ref.	Total	Water Capital Fund	Current Fund	General Capital Fund
Balance December 31, 2022					
Due From	D	\$ -	\$ -	\$ -	\$ -
Decreased by:					
Cash Receipts	D-5	2,194,836.20	1,553,546.39	300,000.00	341,289.81
		2,194,836.20	1,553,546.39	300,000.00	341,289.81
Increased by:					
Cash Disbursements	D-5	(2,194,836.20)	(1,553,546.39)	(300,000.00)	(341,289.81)
		(2,194,836.20)	(1,553,546.39)	(300,000.00)	(341,289.81)
Balance December 31, 2023					
Due From	D	\$ -	\$ -	\$ -	\$ -

WATER UTILITY CAPITAL FUND

SCHEDULE OF INTERFUNDS - CAPITAL
YEAR ENDED DECEMBER 31, 2023

D-13b

	Ref.	Total	Water Operating Fund	General Capital Fund
Balance December 31, 2022				
Due (To)	D	\$ (400,000.00)	\$ -	\$ (400,000.00)
Increased by:				
Cash Receipts	D-5	11,103,674.53	1,425,471.45	9,678,203.08
Fund Balance Anticipated	D-3	128,074.94	128,074.94	
		11,231,749.47	1,553,546.39	9,678,203.08
Decreased by:				
Cash Disbursements	D-5	11,263,987.47	1,435,784.39	9,828,203.08
Payment of BAN Principal	D-4	117,762.00	117,762.00	
		11,381,749.47	1,553,546.39	9,828,203.08
Balance December 31, 2023				
Due (To)	D	\$ (250,000.00)	\$ -	\$ (250,000.00)

TOWNSHIP OF SOUTH ORANGE VILLAGE
WATER UTILITY CAPITAL FUND

SERIAL BONDS
YEAR ENDED DECEMBER 31, 2023

D-14

Purpose	Date of Issue	Original Issue	Maturities of Bonds Outstanding Dec. 31, 2023		Interest Rate	Balance Dec. 31, 2022	Bonds Redeemed	Balance Dec. 31, 2023
			Date	Amount				
Water Utility Bonds	4/12/2018	\$ 2,135,000.00	4/15/2024	\$ 140,000.00	5.00%	\$ 1,670,000.00	\$ 135,000.00	\$ 1,535,000.00
			4/15/2025	140,000.00	5.00%			
			4/15/2026	145,000.00	4.00%			
			4/15/2027	150,000.00	4.00%			
			4/15/2028	160,000.00	4.00%			
			4/15/2029	160,000.00	3.00%			
			4/15/2030	160,000.00	3.00%			
			4/15/2031	160,000.00	3.00%			
			4/15/2032	160,000.00	3.00%			
			4/15/2033	160,000.00	3.00%			
Water Refunding Bonds	11/1/2021	470,000.00	11/1/2024	60,000.00	5.00%	415,000.00	55,000.00	360,000.00
			11/1/2025	60,000.00	5.00%			
			11/1/2026	60,000.00	4.00%			
			11/1/2027	60,000.00	4.00%			
			11/1/2028	60,000.00	4.00%			
			11/1/2029	60,000.00	3.00%			
						<u>\$ 2,085,000.00</u>	<u>\$ 190,000.00</u>	<u>\$ 1,895,000.00</u>
<u>Ref.</u>						D	D-8	D

TOWNSHIP OF SOUTH ORANGE VILLAGE
WATER UTILITY OPERATING FUND

2022 APPROPRIATION RESERVES
YEAR ENDED DECEMBER 31, 2023

D-15

Appropriation _____	Balance Dec. 31, 2022		Amount After Modification	Paid or Charged	Balance Lapsed
	Encumbered	Unencumbered			
<u>Operating</u>					
Salaries and Wages		\$ 31.73	\$ 31.73		\$ 31.73
Other Expenses	\$ 25,000.00	\$ 251,325.36	\$ 276,325.36	\$ 265,226.93	\$ 11,098.43
	\$ 25,000.00	\$ 251,357.09	\$ 276,357.09	\$ 265,226.93	\$ 11,130.16
<u>Ref</u>	D	D	D	Below	D-1
			<u>Ref</u>		
			Cash Disbursed D-5	\$ 255,226.93	
			Accounts Payable D-15a	10,000.00	
			Above	\$ 265,226.93	

WATER UTILITY OPERATING FUND

D-15a

SCHEDULE OF ACCOUNTS PAYABLE
YEAR ENDED DECEMBER 31, 2023

Balance, December 31, 2022	D	\$ 32,556.00
Increased by:		
Appropriation Reserves Charged	D-15	10,000.00
		42,556.00
Decreased by:		
Cancelled Balances	D-1	32,556.00
Balance, December 31, 2023	D	\$ 10,000.00

TOWNSHIP OF SOUTH ORANGE VILLAGE
WATER UTILITY OPERATING FUND

D-16

SCHEDULE OF OTHER RESERVES
YEAR ENDED DECEMBER 31, 2023

	<u>Ref.</u>	
Balance, December 31, 2022	D	\$ -
Increased by:		
State of NJ LIHWAP	Reserve	1,176.00
Balance, December 31, 2023	D	\$ 1,176.00

D-16a

SCHEDULE OF RESERVE FOR FUTURE PROJECTS
WATER UTILITY CAPITAL FUND
YEAR ENDED DECEMBER 31, 2023

Balance, December 31, 2023 and 2022	D	\$ 231,012.00
-------------------------------------	---	---------------

TOWNSHIP OF SOUTH ORANGE VILLAGE
WATER UTILITY OPERATING FUND

D-17

NEW JERSEY INFRASTRUCTURE BANK LOAN PAYABLE
YEAR ENDED DECEMBER 31, 2023

	<u>Ref.</u>	
Balance, December 31, 2022	D	\$ 595,971.03
Decreased by:		
Loans Matured	D-8	<u>11,067.95</u>
Balance, December 31, 2023	D	<u>\$ 584,903.08</u>

TOWNSHIP OF SOUTH ORANGE VILLAGE
WATER UTILITY CAPITAL FUND

NEW JERSEY INFRASTRUCTURE BANK FINANCING NOTE RECEIVABLE
YEAR ENDED DECEMBER 31, 2023

D-18

	Ref.		
Balance, December 31, 2022	D		\$ 2,760,000.00
Decreased by:			
Cash Receipts	D-5	\$ 1,885,666.00	
Adjustment	D-18a	90,000.00	
DEP Fees	D-13	23,113.00	
		1,998,779.00	
Balance, December 31, 2023	D		<u>\$ 761,221.00</u>

WATER UTILITY CAPITAL FUND

NEW JERSEY INFRASTRUCTURE BANK FINANCING NOTE PAYABLE
YEAR ENDED DECEMBER 31, 2023

D-18a

Balance, December 31, 2022	D		\$ 2,760,000.00
Decreased by:			
Cash Disbursements	D-6, D-18b	\$ 761,221.00	
Adjustment	D-18	90,000.00	
		851,221.00	
Balance, December 31, 2023	D		<u>\$ 1,908,779.00</u>

WATER UTILITY CAPITAL FUND

RESERVE FOR NEW JERSEY INFRASTRUCTURE BANK FINANCING NOTE RECEIVABLE
YEAR ENDED DECEMBER 31, 2023

D-18b

Balance, December 31, 2022	D		\$ -
Increased by:			
Cash Disbursements	D-6, D-18a		761,221.00
Balance, December 31, 2023 and 2022	D		<u>\$ 761,221.00</u>

TOWNSHIP OF SOUTH ORANGE VILLAGE
WATER UTILITY CAPITAL FUND

SCHEDULE OF BONDS AND NOTES
AUTHORIZED BUT NOT ISSUED
YEAR ENDED DECEMBER 31, 2023

D-19

	<u>Ref.</u>		
Balance, December 31, 2022	D		\$ 11,416,059.00
Increased by:			
2023 Authorizations	D-13	\$ 1,000,000.00	
Prior Year Accounts Receivable Cancelled	D-19	<u>5,901.00</u>	
			<u>1,005,901.00</u>
			12,421,960.00
Decreased by:			
BANs Issued	D-9	1,250,000.00	
Cancellations	D-13	<u>700,500.00</u>	
			<u>1,950,500.00</u>
Balance, December 31, 2023	D		<u><u>\$ 10,471,460.00</u></u>
 <u>Analysis of Balance</u>			
Ordinance No. 18-28			\$ 3,105,000.00
Ordinance No. 18-29			366,337.00
Ordinance No. 21-03			3,000,000.00
Ordinance No. 21-22			123.00
Ordinance No. 22-21			1,500,000.00
Ordinance No. 22-22			1,500,000.00
Ordinance No. 23-16			<u>1,000,000.00</u>
			<u><u>\$ 10,471,460.00</u></u>

TOWNSHIP OF SOUTH ORANGE VILLAGE
PUBLIC ASSISTANCE FUND

SCHEDULE OF RECEIPTS AND DISBURSEMENTS
YEAR ENDED DECEMBER 31, 2023

E-2

	<u>Ref.</u>	
Balance, December 31, 2022	E	\$ 614.40
Increased by:		
Cash Receipt	E-1	<u>12.73</u>
Balance, December 31, 2023	E	<u>\$ 627.13</u>

TOWNSHIP OF SOUTH ORANGE VILLAGE
TRUSTEES OF FREE PUBLIC LIBRARY

CASH - CHECKING
REGULATORY BASIS
YEAR ENDED DECEMBER 31, 2023

F-2

	<u>Ref.</u>	<u>Unrestricted</u>	<u>Restricted</u>	<u>Total</u>
Balance, December 31, 2022	F	\$ 123,966.64	\$ 200,297.00	\$ 324,263.64
Increased by:				
State Library Aid	F-1	10,430.00		10,430.00
Gifts & Donations	F-1	69,010.32		69,010.32
Fines and Lost Books	F-1	6,514.23		6,514.23
Copier Fees	F-1	12,932.85		12,932.85
Miscellaneous	F-1	10,443.68		10,443.68
Interest on Deposits	F-1	1.42	20.02	21.44
Current Fund Budget Appropriations	F-4	220,000.00		220,000.00
		<u>329,332.50</u>	<u>20.02</u>	<u>329,352.52</u>
		<u>453,299.14</u>	<u>200,317.02</u>	<u>653,616.16</u>
Decreased by:				
Expenditures	F-1	282,086.94	35.00	282,121.94
		<u>282,086.94</u>	<u>35.00</u>	<u>282,121.94</u>
Balance, December 31, 2023	F	<u>\$ 171,212.20</u>	<u>\$ 200,282.02</u>	<u>\$ 371,494.22</u>

TOWNSHIP OF SOUTH ORANGE VILLAGE
TRUSTEES OF FREE PUBLIC LIBRARY

CASH - MONEY MARKET
REGULATORY BASIS
YEAR ENDED DECEMBER 31, 2023

F-3

	<u>Ref.</u>	
Balance, December 31, 2022	F	\$ 90,401.45
Increased by:		
Interest on Deposits	F-1	<u>91.70</u>
Balance, December 31, 2023	F	<u><u>\$ 90,493.15</u></u>

DUE TO LIBRARY FROM TOWNSHIP OF SOUTH ORANGE VILLAGE
YEAR ENDED DECEMBER 31, 2023

F-4

	<u>Ref.</u>	
Balance, December 31, 2022	F	\$ -
Increased by:		
Budget Appropriation	F-1	<u>1,141,765.91</u>
		1,141,765.91
Decreased by:		
Payments Made Directly by Township	F-1	\$ 921,765.91
Cash Receipts	F-2	<u>220,000.00</u>
		<u>1,141,765.91</u>
Balance, December 31, 2023		<u><u>\$ -</u></u>

TOWNSHIP OF SOUTH ORANGE VILLAGE

ESSEX COUNTY, NEW JERSEY

PART III

REPORT ON INTERNAL CONTROL

AND OTHER MATTERS

SINGLE AUDIT

YEAR ENDED DECEMBER 31, 2023



Report on Internal Control Over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance With Government Auditing Standards

Independent Auditors' Report

**The Honorable Mayor and Members
of the Township Council
South 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 as 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 Township of South Orange, Essex County, New Jersey (the "Township"), as of and for the year ended December 31, 2023, 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 12, 2024 in which we expressed an adverse opinion on the conformity of the statements with accounting principles generally accepted in the United States of America due to the differences between those principles and the financial reporting provisions of the Division.

Report on Internal Control Over Financial Reporting

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

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

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

PKF O'CONNOR DAVIES, LLP
20 Commerce Drive, Suite 301, Cranford, NJ 07016 | Tel: 908.272.6200 | Fax: 908.272.2416 | www.pkfod.com

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..

**The Honorable Mayor and Members
of the Township Council
Township of South Orange**

Page 2

Report on Compliance and Other Matters

As part of obtaining reasonable assurance about whether the Township's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements, noncompliance with which could have a direct and material effect on the 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* and by the Division.

Purpose of This Report

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

PKF O'Connor Davies, LLP

Cranford, New Jersey
June 12, 2024

Robert E. Provost

Robert Provost, CPA
Registered Municipal Accountant, No. 582



**Report on Compliance for Each Major Federal and State Programs and
Report on Internal Control Over Compliance Required by the
Uniform Guidance and New Jersey OMB Circular 15-08**

Independent Auditors' Report

**The Honorable Mayor and Members
of the Township Council
Township of South Orange Village
South Orange, New Jersey**

Report on Compliance for Each Major Federal and State Program

We have audited the Township of South Orange Village, County of Essex, New Jersey (the "Township") compliance with the types of compliance requirements described in the *OMB Compliance Supplement* and the *New Jersey State Aid/Grant Compliance Supplement* that could have a direct and material effect on its major federal and state programs for the year ended December 31, 2023. The Township's major federal and state programs are identified in the summary of auditors' results section of the accompanying schedule of findings and questioned costs.

In our opinion, the Township complied, in all material respects, with the compliance requirements referred to above that could have a direct and material effect on each of its major federal and state programs for the year ended December 31, 2023.

Basis for Opinion on Each Major Federal and State Program

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America ("GAAS"); the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States ("*Government Auditing Standards*"); and the audit requirements of *Title 2 U.S. Code of Federal Regulations Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* ("Uniform Guidance") and New Jersey OMB Circular 15-08. Our responsibilities under those standards and the Uniform Guidance and NJ OMB Circular 15-08 are further described in the Auditors' Responsibilities for the Audit of Compliance section of our report.

We are required to be independent of the Township and to meet our other ethical responsibilities, in accordance with relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion on compliance for each major federal program. Our audit does not provide a legal determination of the Township's compliance with the compliance requirements referred to above.

Responsibilities of Management for Compliance

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

PKF O'CONNOR DAVIES, LLP
20 Commerce Drive, Suite 301, Cranford, NJ 07016 | Tel: 908.272.6200 | Fax: 908.272.2416 | www.pkfod.com

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.

**The Honorable Mayor and Members
of the Township Council
Township of South Orange Village
South Orange, New Jersey**

Page 2

Auditors' Responsibility for the Audit of Compliance

Our objectives are to obtain reasonable assurance about whether material noncompliance with the compliance requirements referred to above occurred, whether due to fraud or error, and express an opinion on the Township's compliance based on our audit. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS, *Government Auditing Standards*, the Uniform Guidance, and New Jersey OMB Circular 15-08 will always detect material noncompliance when it exists. The risk of not detecting material noncompliance resulting from fraud is higher than for that resulting from error; as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Non-compliance with the compliance requirements referred to above is considered material, if there is a substantial likelihood that, individually or in the aggregate, it would influence the judgment made by a reasonable user of the report on compliance about the Township's compliance with the requirements of each major federal and state program as a whole.

In performing an audit in accordance with GAAS, *Government Auditing Standards*, the Uniform Guidance, and New Jersey OMB Circular 15-08, we:

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

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

Report on Internal Control Over Compliance

A *deficiency in internal control* over compliance exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, noncompliance with a type of compliance requirement of a federal and state program on a timely basis. A *material weakness in internal control* over compliance is a deficiency, or a combination of deficiencies, in internal control over compliance, such that there is a reasonable possibility that material noncompliance with a type of compliance requirement of a federal and 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 and 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.

**The Honorable Mayor and Members
of the Township Council
Township of South Orange Village
South Orange, New Jersey**

Page 3

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

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

The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the results of that testing based on the requirements of the Uniform Guidance and New Jersey OMB Circular 15-08. Accordingly, this report is not suitable for any other purpose.

PKF O'Connor Davies, LLP

Cranford, New Jersey
June 12, 2024

Robert E. Provost

Robert Provost, CPA
Registered Municipal Accountant, No. 582

Township of South Orange Village
Schedule of Expenditures of Federal Awards
Year Ended December 31, 2023

<u>Federal Grantor/Pass-Through Grantor/Program Title</u>	<u>Federal Assistance Listing Number</u>	<u>State Program Code</u>	<u>Award Amount</u>	<u>Expenditures of Federal Awards</u>	<u>Passed-Through to Sub- Recipients</u>
U.S. Department of Housing and Urban Development					
Pass Through - County of Essex					
CDBG - Entitlement Grants Cluster					
Community Development Block Grants/Entitlement Grants	14.218	100-022-8020-076	\$ 207,900.00	\$ 205,645.00	
Community Development Block Grants - Fairview	14.218	100-022-8020-076	102,900.00	<u>101,750.00</u>	
Total U.S. Department of Housing and Urban Development				<u>307,395.00</u>	<u>-</u>
U.S. Department of the Treasury					
Direct Award					
COVID-19 Coronavirus State and Local Fiscal Recovery Funds	21.027	022-8030-100-687	873,511.42	<u>873,511.42</u>	
Total U.S. Department of Treasury				<u>873,511.42</u>	<u>-</u>
U.S. Department of Homeland Security					
Pass Through - Dept. of Law and Public Safety					
FEMA - Disaster Grants - Public Assistance (Presidentially Declared Diasters) - Hurricane IDA	97.036	066-1200-100-XXX	386,324.28	<u>386,324.38</u>	
Total U.S. Department of Homeland Security				<u>386,324.38</u>	<u>-</u>
U.S. Department of Justice					
Pass Through New Jersey Department of Law and Public Safety					
Bulletproof Vest Program	16.607	Not available	6,492.33	6,492.33	
Bulletproof Vest Program	16.607	Not available	2,497.05	<u>392.36</u>	
Total U.S. Department of Justice				<u>6,884.69</u>	<u>-</u>
Total Federal Expenditures				<u>\$ 1,574,115.49</u>	<u>\$ -</u>

The accompanying notes to Schedule of Expenditures of Federal Awards are an integral part of this schedule.

Township of South Orange Village
Schedule of Expenditures of State Finance Assistance
Year Ended December 31, 2023

State Funding Department or Division	Program	State Account Number	Grant Period		Revised Budget	Expenditures	Cumulative Expenditures
			From	To			
Community Affairs							
	Municipal Alliance on Alcohol and Drug Abuse	2000-475-9915120-60					
	State Funds 2023		1/1/2022	12/31/2022	\$ 17,580.24	\$ 17,580.24	\$ 17,580.24
	State Funds 2022		1/1/2022	12/31/2022	11,923.00	981.00	11,281.00
	DHMAS 2023		1/1/2022	Completion		1,420.22	4,495.72
	N.J. Neighborhood Preservation Program - 2023	022-8020-100-092	1/1/2023	12/31/2023	125,000.00	87,774.28	87,774.28
	N.J. Neighborhood Preservation Program - 2022	022-8020-100-055	1/1/2021	12/31/2021	125,000.00	56,472.00	125,000.00
	NJ Historic Trust	Not available	1/16/2018	Completion	500,000.00	500,000.00	500,000.00
	Community Capital Needs	Not available	1/1/2023	Completion	223,000.00	65,712.40	65,712.40
Total Department of Community Affairs					1,002,503.24	729,940.14	834,154.64
Environmental Protection							
	Environmental Infrastructure Loan - Advanced Water Metering Infrastructure Project	4800-526-998200-60	1/19/2021	Completion	2,670,000.00	1,900,767.59	2,188,161.43
	Clean Communities	042-4900-765-004					
	State Funds 2021		1/1/2022	12/31/2022	29,161.53	8,681.45	8,681.45
	State Funds 2020		1/1/2021	12/31/2022	27,397.56	6,811.43	24,068.68
Total Department of Environmental Protection					2,726,559.09	1,916,260.47	2,220,911.56
Health							
	Enhancing Local Public Health Infrastructure	Not available	1/1/2023	Completion	202,937.00	943.75	943.75
Total Department of Health					202,937.00	943.75	943.75
Law and Public Safety							
	Division of Criminal Justice - Body Armor Fund	1020-718-066-001	1/1/2023	12/31/2023	9,383.49	1,539.25	1,539.25
Total Department of Law and Public Safety					9,383.49	1,539.25	1,539.25
New Jersey Department of Transportation							
	2023 Municipal Aid Grant - Vose Ave	Not available	1/1/2023	Completion	396,520.00	59,999.98	-
Total Department of Transportation					396,520.00	59,999.98	-
Library Construction Bond Act (LCBA)							
	New Jersey Library Grant	Not available	2/14/2022	Completion	6,529,148.00	305,116.45	392,891.45
Total Library Construction Bond Act (LCBA)					6,529,148.00	305,116.45	392,891.45
Total					\$ 10,867,050.82	\$ 3,013,800.04	\$ 3,450,440.65

The accompanying notes to Schedule of Expenditures of State Financial Assistance are an integral part of this schedule.

TOWNSHIP OF SOUTH ORANGE VILLAGE

Notes to Schedules of Expenditures of Federal Awards and State Financial Assistance

Year Ended December 31, 2023

1. **General**

The accompanying schedules of expenditures of federal awards and state financial assistance presents the activity of all federal and state awards of the Township of South Orange Village. The Township is defined in Note 1 to the Township's financial statements. To the extent identified, the federal and state awards that passed through other governmental agencies are included on the schedules of expenditures of federal awards and state financial assistance.

2. **Basis of Accounting**

The accompanying schedules of expenditures of federal awards and state financial assistance are 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 and state financial assistance is presented in accordance with the OMB Uniform Guidance.

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

Amounts reported in the accompanying schedules agree with the amounts reported in the related federal or 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 SOUTH ORANGE VILLAGE
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
YEAR ENDED DECEMBER 31, 2023

Part I – Summary of Auditors’ Results

Financial Statement Section

Type of auditors’ report issued: Unmodified – Regulatory Basis

Internal Control over financial reporting:

Material weakness(es) identified?	_____	Yes	_____ X _____	No
Significant deficiency(ies) identified?	_____	Yes	_____ X _____	None Reported
Noncompliance material to the financial statements noted?	_____	Yes	_____ X _____	No

Federal Awards

Dollar threshold used to distinguish between type A and B programs: \$750,000.00

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

Internal Control over major programs:

Material weakness(es) identified?	_____	Yes	_____ X _____	No
Significant deficiency(ies) identified?	_____	Yes	_____ X _____	None Reported

Type of auditors’ report issued on compliance for major programs: Unmodified

Any audit findings disclosed that are required to be reported in accordance with Section 200.516(a) of the Uniform Guidance? _____ Yes _____ X _____ No

Identification of major federal programs:

<u>Federal Assistance Listing Number(s)</u>	<u>Name of Federal Program or Cluster</u>
21.027	COVID-19 Coronavirus State and Local Fiscal Recovery Funds

TOWNSHIP OF SOUTH ORANGE VILLAGE
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
YEAR ENDED DECEMBER 31, 2023

Part I – Summary of Auditors’ Results (continued)

Financial Statement Section

Type of auditors’ report issued: Unmodified – Regulatory Basis

Internal Control over financial reporting:

Material weakness(es) identified? _____ Yes X No

Significant deficiency(ies) identified? _____ Yes X None Reported

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

State Financial Assistance

Dollar threshold used to distinguish between type A and B programs: \$750,000.00

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

Internal Control over major programs:

Material weakness(es) identified? _____ Yes X No

Significant deficiency(ies) identified? _____ Yes X None Reported

Type of auditors’ report issued on compliance for major programs: Unmodified

Any audit findings disclosed that are required to be reported in accordance with NJ OMB Circular 15-08? _____ Yes X No

Identification of major State programs:

<u>State Account Number(s)</u>	<u>Name of State Program</u>
4800-526-998200-60	Environmental Infrastructure Loan – Advanced Water Metering Infrastructure Project

TOWNSHIP OF SOUTH ORANGE VILLAGE
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
YEAR ENDED DECEMBER 31, 2023

Part II – Schedule of Financial Statement Findings

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

TOWNSHIP OF SOUTH ORANGE VILLAGE
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
YEAR ENDED DECEMBER 31, 2023

Part III – Schedule of Federal Award and State Financial Assistance Findings and Questioned Costs

No federal award or state financial assistance program internal control over compliance or compliance findings or questioned costs were noted that are required to be reported in accordance with 2 CFR 200 Section 516(a) or New Jersey State OMB Circular 15-08.

TOWNSHIP OF SOUTH ORANGE VILLAGE
SUMMARY SCHEDULE OF PRIOR YEAR AUDIT FINDINGS
YEAR ENDED DECEMBER 31, 2023

Part IV – Prior Year Audit Findings

N/A - No prior year single audit required.

TOWNSHIP OF SOUTH ORANGE VILLAGE

ESSEX COUNTY, NEW JERSEY

PART IV

ROSTER OF OFFICIALS

COMPARATIVE INFORMATION

COMMENTS AND RECOMMENDATIONS

YEAR ENDED DECEMBER 31, 2023

TOWNSHIP OF SOUTH ORANGE VILLAGE

**ROSTER OF OFFICIALS
YEAR ENDED DECEMBER 31, 2023**

Village President

Sheena C. Collum

Trustees

Bill Haskins
Bobby Brown
Jennifer Greenberg
Karen Hartshorn Hilton
Summer Jones
Olivia Lewis-Chang

Village Administrator

Julie Doran

Chief Financial Officer

Christopher Battaglia

Municipal Clerk

Ojetti E. Davis

Tax Collector

Irma Weir

Chief Judge – Municipal Court

Clarence Barry-Austin

Judge – Municipal Court

Jonathan Rosenbluth

Municipal Court Administrator

Ryan Bancroft

Tax Assessor

Ellen Foye Malgieri

**TOWNSHIP OF SOUTH ORANGE VILLAGE
COUNTY OF ESSEX, NEW JERSEY
YEAR ENDED DECEMBER 31, 2023**

Comparative Schedule of Tax Rate Information

	<u>2023</u>	<u>2022</u>	<u>2021</u>
Tax Rate	\$ 3.637	\$ 3.507	\$ 3.385
Apportionment of Tax Rate:			
Municipal	0.951	0.900	0.868
Library Tax	0.043	0.040	0.037
County	0.537	0.530	0.513
School	2.076	2.009	1.940
Municipal - Open Space	0.010	0.010	0.010
County - Open Space	0.020	0.018	0.017
	<u>\$ 3.637</u>	<u>\$ 3.507</u>	<u>\$ 3.385</u>
Assessed Valuation	<u>\$ 2,837,369,200</u>	<u>\$ 2,836,789,492</u>	<u>\$ 2,833,144,483</u>

Comparison of Tax Levies and Collections

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

Property Taxes

<u>Year</u>	<u>Tax Levy</u>	<u>Cash Collections</u>	<u>Percent of Collections</u>
2023	\$ 103,295,614.42	\$ 102,267,080.40	99.00%
2022	99,585,709.54	98,643,627.45	99.05%
2021	95,934,415.10	95,153,411.55	99.19%

Utility Rents

<u>Year</u>	<u>Billings</u>	<u>Cash Collections</u>	<u>Percent of Collections</u>
2023	\$ 5,402,033.32	\$ 4,852,433.02	89.83%
2022	5,072,910.16	4,921,034.88	97.01%
2021	4,454,122.03	4,290,511.07	96.33%

**TOWNSHIP OF SOUTH ORANGE VILLAGE
COUNTY OF ESSEX, NEW JERSEY
YEAR ENDED DECEMBER 31, 2023**

Delinquent Taxes and Tax Title Liens

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

<u>Year</u>	<u>Amount of Tax Title Liens</u>	<u>Amount of Delinquent Taxes</u>	<u>Total Delinquent</u>	<u>Percentage of Tax Levy</u>
2023	\$ 9,793.68	\$ 1,045,681.21	\$ 1,055,474.89	1.02%
2022	9,106.28	897,548.41	906,654.69	0.91%
2021	71,588.65	730,542.59	802,131.24	0.84%

The last tax sale was held via the internet on September 20, 2023.

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

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

<u>Years</u>	<u>Tax Title Liens</u>
2023	2
2022	2
2021	4

Property Acquired by Tax Title Lien Liquidation

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

<u>Years</u>	<u>Amount</u>
2023	\$ 417,253.87
2022	417,253.87
2021	417,253.87

Equalized Valuations – Real Property

<u>Year</u>	<u>Amount</u>
2023	\$ 4,108,238,254
2022	3,673,031,384
2021	3,370,126,668

**TOWNSHIP OF SOUTH ORANGE VILLAGE
COUNTY OF ESSEX, NEW JERSEY
YEAR ENDED DECEMBER 31, 2023**

Comparative Schedule of Fund Balances

Current Fund

<u>Year</u>	<u>Balance December 31</u>	<u>Utilized in Budget of Succeeding Year</u>
2023	\$ 8,314,324.57	\$ 3,056,000.00
2022	6,236,141.23	2,318,000.00
2021	5,061,570.69	2,500,000.00

Water Utility Fund

<u>Year</u>	<u>Balance December 31</u>	<u>Utilized in Budget of Succeeding Year</u>
2023	\$ 1,218,640.69	\$ 299,450.92
2022	1,599,164.62	223,518.06
2021	1,113,993.59	139,404.29

Bonded Officials

The following officials were bonded during the year ended December 31, 2023 through policies issued by Fidelity and Deposit Co. of MD:

<u>Name</u>	<u>Title</u>	<u>Amount</u>
Irma Weir	Tax Collector	\$ 1,000,000.00
Chris Battaglia	Chief Financial Officer	1,000,000.00

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

**TOWNSHIP OF SOUTH ORANGE VILLAGE
COUNTY OF ESSEX, NEW JERSEY
YEAR ENDED DECEMBER 31, 2023**

COMMENTS

An audit of the financial accounts and transactions for the Township of South Orange Village, County of Essex, New Jersey, for the year ended December 31, 2023, 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 aggregate the amount set forth in, or the amount calculated by the Governor pursuant to (N.J.S.A. 40A:11-3c), except by contract or agreement."

It is pointed out that 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.

The bidding threshold for the period under audit is \$44,000.00 in accordance with the provisions of N.J.S.A. 40A:11-3c based on the appointment of a qualified purchasing agent.

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 of a political party if a member of that party is in office as a member of the governing body of the municipality when the contract is awarded unless proposals or qualifications are solicited through a fair and open process.

Utilizing the Township's financial system to provide reports to list vendors that were paid in excess of \$44,000.00, samples were selected to test the Township's compliance with Local Public Contracts Law.

**TOWNSHIP OF SOUTH ORANGE VILLAGE
COUNTY OF ESSEX, NEW JERSEY
YEAR ENDED DECEMBER 31, 2023**

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 \$6,600.00, 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.

Collection of Interest on Delinquent Taxes and Assessments

N.J.S.A. 54:4-47, as amended, provides the method for authorizing interest and the maximum rate to be charged for the nonpayment of taxes or assessments on or before the date when they would become delinquent.

The governing body adopted the following resolution authorizing interest to be charged on delinquent taxes:

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

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

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

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

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

Delinquent Taxes and Tax Title Liens

A tax sale was held in September 2023 and was complete with 17 properties sold.

**TOWNSHIP OF SOUTH ORANGE VILLAGE
COUNTY OF ESSEX, NEW JERSEY
YEAR ENDED DECEMBER 31, 2023**

Revenues

Receipts from licenses, fees, fines and costs, etc., for all departments, including the Municipal Court, were checked to the records maintained to the extent deemed necessary. No exceptions noted.

Cybersecurity

As part of its overall risk management, the Township reviews security measures in place relating to its Information Technology (IT), including the use of specialized assessments. With the ever increasing challenges relating to cybersecurity, each organization determines what particular assessment or combination of assessments best fits its information security strategy. We suggest management continue to internally assess risks related to cybersecurity along with utilization of specialized assessments, which would also include a periodic reporting mechanism to those charged with governance. Management should consider whether it would be prudent to engage an outside professional in assessing its internal controls over its information technology systems.

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 several exceptions during 2023. 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. The following opportunity for improvement was noted:

2023-001

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. During our testing, we noted certain transactions were committed prior to the certification of availability of funds.

We recommend that all requisitions are submitted and the CFO certify the availability of funds prior to any commitment of services or receipt of goods.

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.

**TOWNSHIP OF SOUTH ORANGE VILLAGE
COUNTY OF ESSEX, NEW JERSEY
YEAR ENDED DECEMBER 31, 2023**

Governmental 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 "Governmental 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.

Status of Prior Years' Audit Recommendation

A review was performed on all prior years' findings, 2022-001 is a repeated finding as 2023-001.

Miscellaneous

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

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.

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

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

2023-001 Payment of Claims

Finding: 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. During our testing, we noted certain transactions were committed prior to the certification of availability of funds.

Recommendation: We recommend the Township certify to the availability of funds prior to any commitment of rendered services or purchase of goods.

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

Cranford, New Jersey
June 12, 2024

Robert E. Provost

Robert Provost, CPA
Registered Municipal Accountant, No. 582