



THE TOWNSHIP OF SOUTH ORANGE VILLAGE

ESSEX COUNTY, NEW JERSEY

REPORT OF AUDIT

YEARS ENDED DECEMBER 31, 2021 AND 2020

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**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, 2021 AND 2020**



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, New Jersey ("Township"), which comprise the balance sheets as of December 31, 2021 and 2020, 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, 2021, 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, 2021 and 2020, 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, 2021 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, 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, 2021 and 2020, 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.

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

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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**

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- 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 III – 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.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated August 31, 2022 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
August 31, 2022

Robert E. Provost

Robert Provost, CPA
Registered Municipal Accountant, No. 582



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
Township of South Orange Village
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 ("Division"), the regulatory basis financial statements of the Township of South Orange Village, New Jersey ("Township") as of and for the year ended December 31, 2021, and the related notes to the financial statements, which collectively comprise the Township's basic financial statements, and have issued our report thereon dated August 31, 2022 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.

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

Page 2

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.

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 financial statements. 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
August 31, 2022

Robert E. Provost

Robert Provost, CPA
Registered Municipal Accountant, No. 582

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

A
Sheet #1

COMPARATIVE BALANCE SHEETS
REGULATORY BASIS
DECEMBER 31, 2021 AND 2020

<u>ASSETS AND DEFERRED CHARGES</u>	<u>Ref.</u>	<u>2021</u>	<u>2020</u>
Cash	A-4	\$ 11,822,625.79	\$ 7,800,887.28
Change Funds	A-5	225.00	225.00
Due from State of New Jersey: Ch. 129, P.L. 1976	A-6	15,610.34	16,360.34
		<u>11,838,461.13</u>	<u>7,817,472.62</u>
Receivables and Other Assets with Full Reserves:			
Delinquent Taxes Receivable	A-7	730,542.59	1,110,491.12
Tax Title Liens	A-8	71,588.65	7,592.57
Other Accounts Receivable	A-9	1,310.00	45,419.75
Property Acquired for Taxes at Assessed Valuation	A-10	417,253.87	417,253.87
Special Improvement District Tax Receivable	A-11	1,919.03	3,436.83
Revenue Accounts Receivable	A-12	298,287.65	232,535.28
Interfunds	A-13	3,130.39	4,227.20
		<u>1,524,032.18</u>	<u>1,820,956.62</u>
Deferred Charges - Special Emergency	A-28	250,000.00	
		<u>13,612,493.31</u>	<u>9,638,429.24</u>
Federal and State Grant Fund:			
Cash	A-4	315,871.87	377,442.18
Interfunds	A-18	1,133,218.87	
Federal and State Grants Receivable	A-14	3,234,038.52	3,066,810.92
		<u>4,683,129.26</u>	<u>3,444,253.10</u>
		<u>\$ 18,295,622.57</u>	<u>\$ 13,082,682.34</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, 2021 AND 2020

A
Sheet #2

<u>LIABILITIES, RESERVES AND FUND BALANCE</u>	<u>Ref.</u>	<u>2021</u>	<u>2020</u>
Expenditure Reserves:			
Appropriation Reserves:			
Encumbered	A-3, A-15	\$ 759,020.10	\$ 429,676.73
Unencumbered	A-3, A-15	2,414,031.69	2,456,873.82
Tax Overpayments	A-17	57,933.06	91,745.23
Sewer Rent Overpayments	A-19	5,389.38	5,389.38
Special Improvement District Overpayments	A-16	4.42	90.34
County PILOT Taxes Payable	A-22a	188,203.26	122,179.94
Regional School Taxes Payable	A-21	546,139.00	33,820.98
County Taxes Payable			17,670.81
Interfunds	A-13	1,246,502.13	4,452.90
Reserves for Tax Appeals	A-23	67,355.65	219,268.88
Reserves for Hurricane Ida	A-23a	1,000,000.00	
Prepaid Taxes	A-24	727,111.75	652,904.37
Accounts Payable	A-15a	15,200.00	225,000.00
		<u>7,026,890.44</u>	<u>4,259,073.38</u>
Reserve for Receivables and Other Assets		1,524,032.18	1,820,956.62
Fund Balance	A-1	5,061,570.69	3,558,399.24
		<u>13,612,493.31</u>	<u>9,638,429.24</u>
Federal and State Grant Fund:			
Interfunds			75.00
Appropriated Reserves	A-26	3,710,600.41	3,343,506.21
Unappropriated Reserves	A-27	972,528.85	100,671.89
		<u>4,683,129.26</u>	<u>3,444,253.10</u>
		<u>\$ 18,295,622.57</u>	<u>\$ 13,082,682.34</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, 2021 AND 2020

A-1

	<u>Ref.</u>	<u>2021</u>	<u>2020</u>
<u>Revenue and Other Income</u>			
Fund Balance Utilized	A-2	\$ 1,830,000.00	\$ 1,577,000.00
Miscellaneous Revenue Anticipated	A-2	11,103,819.08	11,343,043.74
Receipts from Delinquent Taxes	A-2a	1,061,012.22	844,441.70
Receipts from Current Taxes	A-2a	95,153,411.55	92,032,571.95
Nonbudget Revenue	A-2b	177,533.25	565,644.92
Other Credits to Income:			
Special Improvement District Receivable Liquidated	A-11	1,458.14	
Interfunds Returned	A	4,227.20	
Other Accounts Receivable	A-9	3,322.32	
Appropriation Reserves Lapsed	A-15	1,693,306.76	996,161.03
Tax Overpayments Canceled	A-17	1,116.37	
Accounts Payable Canceled	A-15a	170,000.00	2,156.25
Special Improvement District Overpayments Canceled			59.66
		<u>111,199,206.89</u>	<u>107,361,079.25</u>
<u>Expenditures</u>			
Budget and Emergency Appropriations	A-3	37,872,737.55	35,994,935.61
Prior Year Senior Citizen Deduction Disallowed	A-6	250.00	750.00
Special Improvement District Receivable Established			1,371.39
Canceled Revenue Accounts Receivable			2,001.49
Interfunds Advanced			5,917.20
Local Open Space Tax	A-22	283,314.45	284,271.19
County Taxes	A-20	15,006,246.44	15,225,763.55
Regional District School Tax	A-21	54,953,487.00	52,898,815.00
		<u>108,116,035.44</u>	<u>104,413,825.43</u>
Excess of Revenue		<u>3,083,171.45</u>	<u>2,947,253.82</u>
Add: Adjustments to Income before Fund Balance:			
Expenditures Included Above Which are by Statute			
Deferred Charges to Budget of Succeeding Year	A-3, A-28	<u>250,000.00</u>	
Statutory Excess to Fund Balance		3,333,171.45	2,947,253.82
<u>Fund Balance</u>			
Balance, Beginning of Year	A	<u>3,558,399.24</u>	<u>2,188,145.42</u>
		6,891,570.69	5,135,399.24
Decreased by:			
Utilized as Anticipated Revenue	A-2	<u>1,830,000.00</u>	<u>1,577,000.00</u>
Balance, End of Year	A	<u>\$ 5,061,570.69</u>	<u>\$ 3,558,399.24</u>

See accompanying notes to financial statements.

TOWNSHIP OF SOUTH ORANGE VILLAGE
CURRENT FUND

STATEMENT OF REVENUES
REGULATORY BASIS
YEAR ENDED DECEMBER 31, 2021

A-2
Sheet #1

	Ref.	Anticipated Budget	N.J.S. 40A:4-87	Realized	Excess or (Deficit)
Fund Balance Appropriated	A-1	\$ 1,830,000.00		\$ 1,830,000.00	
<u>Miscellaneous Revenues</u>					
Alcoholic Beverage Licenses	A-12	30,500.00		30,563.00	\$ 63.00
Other Licenses	A-12	17,200.00		16,806.00	(394.00)
Fees and Permits	A-12	79,000.00		77,832.53	(1,167.47)
Municipal Court Fines and Costs	A-12	600,000.00		416,570.08	(183,429.92)
Interest and Cost on Taxes	A-12	255,000.00		289,910.76	34,910.76
Interest on Investments and Deposits	A-12	50,000.00		5,145.19	(44,854.81)
Recreation Receipts	A-12	660,000.00		741,415.98	81,415.98
Sewer User Fees	A-12	2,500,000.00		2,504,216.34	4,216.34
Cable TV Franchise Fee	A-12	191,000.00		191,649.06	649.06
Payment in Lieu of Taxes	A-12	2,600,000.00		2,694,688.33	94,688.33
Cell Tower Rental Fee	A-12	94,000.00		98,522.43	4,522.43
Energy Receipts Tax	A-12	1,456,861.00		1,456,861.00	
Uniform Construction Code Fees	A-12	800,000.00		1,264,204.50	464,204.50
Uniform Fire Safety Act	A-12	21,000.00		21,393.13	393.13
General Capital Fund Balance	A-12	122,715.81		122,715.81	
Seton Hall Debt Service Payment	A-12	60,000.00		60,625.00	625.00
Police Side Job Fees	A-12	70,000.00		71,353.75	1,353.75
Water Utility Surplus	A-12	300,000.00		300,000.00	
Joint Meeting Refund of Surplus	A-12	100,000.00		58,929.46	(41,070.54)
		<u>10,007,276.81</u>		<u>10,423,402.35</u>	<u>416,125.54</u>
<u>Federal and State Grants:</u>					
Municipal Alliance Grant		16,125.27	\$ 6,300.00	22,425.27	
Essex County Open Space		150,000.00		150,000.00	
Essex County Census Grant		4,000.00		4,000.00	
Bulletproof Vest Program		12,906.97		12,906.97	
Clean Communities		27,397.56		27,397.56	
Drunk Driving Enforcement		13,453.31		13,453.31	
Alcohol Education, Rehabilitation and Enforcement Fund		499.41		499.41	
Recycling Tonnage		20,176.37		20,176.37	
Stony Field Farm		5,000.00		5,000.00	
New Jersey Sustainable Grant		3,771.84		3,771.84	
Urban Renewal		30,000.00		30,000.00	
Body Worn Camera Grant			95,786.00	95,786.00	
Grotta Fund Planning Grant		30,000.00	30,000.00	60,000.00	
Neighborhood Preservation Program			125,000.00	125,000.00	
Community Care and Justice Program			110,000.00	110,000.00	
	A-14	<u>313,330.73</u>	<u>367,086.00</u>	<u>680,416.73</u>	

See accompanying notes to financial statements.

TOWNSHIP OF SOUTH ORANGE VILLAGE
CURRENT FUND

STATEMENT OF REVENUES
REGULATORY BASIS
YEAR ENDED DECEMBER 31, 2021

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	\$ 10,320,607.54	\$ 367,086.00	\$ 11,103,819.08	\$ 416,125.54
Receipts from Delinquent Taxes	A-2a	900,000.00		1,061,012.22	161,012.22
Amount to be Raised by Taxes for Support of Municipal Budget:					
Minimum Library Tax		1,042,901.00		1,042,901.00	
Local Tax for Municipal Purpose	A-2a	24,595,476.39		25,267,462.66	671,986.27
		<u>25,638,377.39</u>		<u>26,310,363.66</u>	<u>671,986.27</u>
		38,688,984.93	367,086.00	40,305,194.96	1,249,124.03
Nonbudget Revenue	A-2b			177,533.25	177,533.25
	Below	<u>\$ 38,688,984.93</u>	<u>\$ 367,086.00</u>	<u>\$ 40,482,728.21</u>	<u>\$ 1,426,657.28</u>
 Budget Revenue	A-3	 \$ 38,688,984.93			
Special Items of Revenue	A-3	367,086.00			
	Above	<u>\$ 39,056,070.93</u>			

TOWNSHIP OF SOUTH ORANGE VILLAGE
CURRENT FUND

STATEMENT OF REVENUES
ANALYSIS OF REALIZED REVENUES
REGULATORY BASIS
YEAR ENDED DECEMBER 31, 2021

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	\$ 95,530,269.40	\$ 1,061,012.22	\$ 94,469,257.18
Exemptions Granted	A-7	31,250.00		31,250.00
Prepaid Taxes Applied	A-7	652,904.37		652,904.37
Total Revenue	A-1	<u>96,214,423.77</u>	<u>1,061,012.22</u>	<u>95,153,411.55</u>
Allocated to:				
County Levy and Added Taxes	A-20	(15,006,246.44)		(15,006,246.44)
Regional District School Taxes	A-21	(54,953,487.00)		(54,953,487.00)
Local Open Space	A-22	(283,314.45)		(283,314.45)
Plus: Reserve for Uncollected Taxes	A-3	<u>1,400,000.00</u>		<u>1,400,000.00</u>
Realized Revenue	A-2	<u>\$ 27,371,375.88</u>	<u>\$ 1,061,012.22</u>	<u>\$ 26,310,363.66</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, 2021

A-2b

Ref.

Miscellaneous Revenue Not Anticipated

Cash Receipts:

Miscellaneous Overpayments	\$ 6,307.99
Reimbursements	2,544.08
Morris County JIF Refunds	250.00
Rebates	2,370.47
DMV Inspection Fines	6,325.00
Bounced Checks	1,590.00
Health Benefits Insurance	1,869.89
Recycling	16,000.00
Forfeit of Premiums	10,000.00
Special Events	500.00
Board of Elections	577.03
Bid Specifications	680.00
Refund of Prior Year Expenses	126,281.25
Other	<u>2,237.54</u>

A-1, A-2, A-4

\$ 177,533.25

TOWNSHIP OF SOUTH ORANGE VILLAGE
CURRENT FUND

STATEMENT OF EXPENDITURES
REGULATORY BASIS
YEAR ENDED DECEMBER 31, 2021

Appropriation	Appropriations		Expended	Encumbered	Unencumbered	Canceled
	Budget	Modified Budget				
<u>APPROPRIATIONS WITHIN "CAPS"</u>						
<u>GENERAL GOVERNMENT</u>						
Administrative and Executive:						
Salaries and Wages	\$ 280,200.00	\$ 280,200.00	\$ 272,471.86		\$ 7,728.14	
Other Expenses	389,200.00	363,723.00	249,000.71	\$ 64,021.15	50,701.14	
Mayor and Council:						
Other Expenses	11,500.00	11,500.00	3,655.71		7,844.29	
Village Committee:						
Other Expenses	217,745.20	217,745.20	190,383.50	590.00	26,771.70	
Neighborhoods:						
Other Expenses	15,000.00	15,000.00			15,000.00	
Office of Village Clerk:						
Salaries and Wages	177,000.00	177,000.00	163,144.50		13,855.50	
Other Expenses	59,650.00	59,650.00	29,409.51	791.02	29,449.47	
Financial Administration:						
Salaries and Wages	71,800.00	71,800.00	70,929.07		870.93	
Other Expenses	279,550.00	279,550.00	234,414.34		45,135.66	
Annual Audit	45,900.00	45,900.00	43,000.00		2,900.00	
Assessment of Taxes:						
Salaries and Wages	116,400.00	116,400.00	116,352.63		47.37	
Other Expenses	9,000.00	9,000.00	4,202.09	325.00	4,472.91	
Tax Appeals	320,000.00	320,000.00	132,444.10	18,470.90	169,085.00	
Collection of Taxes:						
Salaries and Wages	189,200.00	193,200.00	192,447.45		752.55	
Other Expenses	20,350.00	20,350.00	17,500.50		2,849.50	
Legal Services and Costs:						
Other Expenses	225,000.00	225,000.00	115,880.37	108,888.04	231.59	
Engineering Services and Costs:						
Salaries and Wages	207,400.00	207,400.00	184,107.13		23,292.87	
Other Expenses	33,200.00	38,200.00	20,274.00	17,806.00	120.00	
Computer Information Technology						
Salaries and Wages	195,100.00	195,100.00	192,233.00		2,867.00	
Other Expenses	175,500.00	175,500.00	148,817.29	7,773.40	18,909.31	
<u>LAND USE ADMINISTRATION</u>						
Planning Board:						
Other Expenses	16,300.00	31,300.00	31,013.29	145.92	140.79	
Board of Adjustment:						
Other Expenses	4,050.00	4,050.00	2,787.54	323.74	938.72	
Historic Preservation Commission:						
Other Expenses	3,000.00	8,000.00	6,030.20	351.31	1,618.49	
<u>INSURANCE</u>						
Employee Group Benefits	2,473,950.00	2,082,552.11	1,763,457.81		319,094.30	
General Liability	970,000.00	970,000.00	966,855.00		3,145.00	
Group Health Waiver	60,000.00	60,000.00			60,000.00	

TOWNSHIP OF SOUTH ORANGE VILLAGE
CURRENT FUND

STATEMENT OF EXPENDITURES
REGULATORY BASIS
YEAR ENDED DECEMBER 31, 2021

<u>Appropriation</u>	<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	\$ 6,173,600.00	\$ 6,173,600.00	\$ 5,915,436.80		\$ 258,163.20	
Other Expenses	698,050.00	693,262.50	499,283.73	\$ 80,342.45	113,636.32	
Emergency Management Service:						
Other Expenses	15,200.00	15,200.00	5,668.46	3,169.12	6,362.42	
Fire:						
Salaries and Wages	3,979,400.00	3,979,400.00	3,858,049.17		121,350.83	
Other Expenses	235,650.00	235,650.00	109,169.48	86,334.32	40,146.20	
<u>PUBLIC WORKS FUNCTIONS</u>						
Department of Public Works:						
Salaries and Wages	1,831,175.00	1,831,175.00	1,811,830.60		19,344.40	
Other Expenses	1,187,400.00	1,185,147.87	851,955.65	292,454.04	40,738.18	
<u>HEALTH AND WELFARE</u>						
Board of Health:						
Salaries and Wages	120,000.00	122,000.00	120,332.85		1,667.15	
Other Expenses	92,050.00	92,050.00	63,607.80	350.00	28,092.20	
<u>RECREATION AND EDUCATION</u>						
Public Recreation Programs:						
Salaries and Wages	838,000.00	763,000.00	668,284.40		94,715.60	
Other Expenses	530,000.00	517,039.06	330,056.65	45,041.43	141,940.98	
Other Expenses (SOPAC)	295,290.00	295,290.00	260,550.00		34,740.00	
<u>MUNICIPAL COURT</u>						
Municipal Court:						
Salaries and Wages	129,500.00	129,500.00	129,322.30		177.70	
Public Defender:						
Salaries and Wages	29,000.00	29,000.00	28,880.04		119.96	
<u>UNIFORM CONSTRUCTION CODE</u>						
Construction Code Officials:						
Inspection of Buildings:						
Salaries and Wages	454,100.00	480,100.00	477,817.47		2,282.53	
Other Expenses	7,500.00	9,000.00	8,377.61	469.80	152.59	
<u>UNCLASSIFIED</u>						
Electricity	10,000.00	10,000.00	8,646.67		1,353.33	
Gasoline, Diesel Fuel and Lubricants						
Telephone and Telegraph	40,000.00	40,000.00	37,588.70		2,411.30	
Street Lighting	530,000.00	640,000.00	601,992.41	3,754.01	34,253.58	
Rent	240,000.00	240,000.00	236,958.69		3,041.31	
Total Operations Within "CAPS"	24,002,260.20	23,658,534.74	21,174,621.08	731,401.65	1,752,512.01	-
Detail:						
Salaries and Wages	14,851,875.00	12,917,700.00	14,201,639.27	-	527,891.33	-
Other Expenses	9,150,385.20	10,740,834.74	6,972,981.81	731,401.65	1,224,620.68	-

TOWNSHIP OF SOUTH ORANGE VILLAGE
CURRENT FUND

STATEMENT OF EXPENDITURES
REGULATORY BASIS
YEAR ENDED DECEMBER 31, 2021

Appropriation	Appropriations		Expended	Encumbered	Unencumbered	Canceled
	Budget	Modified Budget				
STATUTORY EXPENDITURES						
Contributions to:						
Public Employees' Retirement System	\$ 771,365.00	\$ 858,024.69	\$ 858,024.69			
Social Security System (OASI)	618,700.00	626,200.00	624,907.49		\$ 1,292.51	
Unemployment Insurance	10,000.00	10,000.00			10,000.00	
Defined Contribution Retirement Program	2,000.00	2,000.00			2,000.00	
Police and Firemen's Retirement System	2,693,066.00	2,766,804.20	2,766,804.20		-	
	4,095,131.00	4,263,028.89	4,249,736.38	-	13,292.51	-
Total Appropriations Within "CAPS"	28,097,391.20	27,921,563.63	25,424,357.46	\$ 731,401.65	1,765,804.52	-
APPROPRIATIONS EXCLUDED FROM "CAPS"						
OTHER OPERATIONS						
Municipal Library	1,125,600.00	1,125,600.00	1,037,706.83	270.00	87,623.17	
Length of Service Awards Program	30,000.00	30,000.00			30,000.00	
Tropical Storm Ida Response		425,827.57	398,479.12	27,348.45		
Salary Adjustments	50,000.00	50,000.00			50,000.00	
Joint Trunk Sewer Maintenance	1,222,573.00	1,222,573.00	1,222,573.00			
	2,428,173.00	2,854,000.57	2,658,758.95	27,618.45	167,623.17	-
Interlocal Municipal Service Agreements						
Municipal Court - Township of Maplewood	500,000.00	500,000.00	19,396.00		480,604.00	
PUBLIC AND PRIVATE PROGRAMS OFFSET BY REVENUES						
Municipal Alliance Grant	16,125.27	22,425.27	22,425.27			
Stonyfield Farm Grant	5,000.00	5,000.00	5,000.00		-	
Alcohol Education, Rehabilitation and Enforcement Fund	499.41	499.41	499.41			
Essex County Open Space	150,000.00	150,000.00	150,000.00			
Bulletproof Vest Program	12,906.97	12,906.97	12,906.97			
Body Worn Camera Grant		95,786.00	95,786.00			
Clean Communities	27,397.56	27,397.56	27,397.56			
2019 NJ Urban and Community Forestry Stewardship Grant	30,000.00	30,000.00	30,000.00			
2020 Census Grant	4,000.00	4,000.00	4,000.00			
Recycling Tonnage Grants	20,176.37	20,176.37	20,176.37			
New Jersey Sustainable Grant	3,771.84	3,771.84	3,771.84			
Drunk Driving Enforcement	13,453.31	13,453.31	13,453.31			
Grotta Fund Planning Grant	30,000.00	60,000.00	60,000.00			
Neighborhood Preservation Program		125,000.00	125,000.00			
Community Care and Justice Program		110,000.00	110,000.00			
Total Public and Private Programs	313,330.73	680,416.73	680,416.73	-	-	-
Total Operations Excluded from "CAPS"	3,241,503.73	4,034,417.30	3,358,571.68	27,618.45	648,227.17	-
Detail:						
Salaries and Wages						
Other Expenses	3,241,503.73	4,034,417.30	3,358,571.68	27,618.45	648,227.17	-
CAPITAL IMPROVEMENTS						
Capital Improvement Fund	150,000.00	150,000.00	150,000.00			
	150,000.00	150,000.00	150,000.00	-	-	-

TOWNSHIP OF SOUTH ORANGE VILLAGE
CURRENT FUND

STATEMENT OF EXPENDITURES
REGULATORY BASIS
YEAR ENDED DECEMBER 31, 2021

Appropriation	Appropriations		Expended	Encumbered	Unencumbered	Canceled	
	Budget	Modified Budget					
<u>APPROPRIATIONS EXCLUDED FROM "CAPS"</u>							
<u>DEBT SERVICE</u>							
Payment of Bond Principal	\$ 3,560,000.00	\$ 3,560,000.00	\$ 3,560,000.00				
Payment of Bond Anticipation Notes and Capital Notes	125,000.00	125,000.00	125,000.00				
Interest on Bonds	1,933,000.00	1,933,000.00	1,901,468.93			\$ 31,531.07	
Interest on Notes	136,000.00	136,000.00	135,761.82			238.18	
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	13,212.92			437.08	
2015 NJEIT - Principal and Interest	23,900.00	23,900.00	22,778.31			1,121.69	
	<u>5,800,090.00</u>	<u>5,800,090.00</u>	<u>5,766,756.62</u>	<u>-</u>	<u>-</u>	<u>33,333.38</u>	
Total Appropriations Excluded from "CAPS"	<u>9,191,593.73</u>	<u>9,984,507.30</u>	<u>9,275,328.30</u>	<u>\$ 27,618.45</u>	<u>\$ 648,227.17</u>	<u>33,333.38</u>	
Sub-Total Appropriations	37,288,984.93	37,906,070.93	34,699,685.76	759,020.10	2,414,031.69	33,333.38	
Reserve for Uncollected Taxes	1,400,000.00	1,400,000.00	1,400,000.00				
Total General Appropriations	<u>\$ 38,688,984.93</u>	<u>\$ 39,306,070.93</u>	<u>\$ 36,099,685.76</u>	<u>\$ 759,020.10</u>	<u>\$ 2,414,031.69</u>	<u>\$ 33,333.38</u>	
	<u>Ref.</u>	<u>Below</u>	<u>Below</u>	<u>Below</u>	<u>A</u>	<u>A</u>	<u>Below</u>
			<u>Ref.</u>				
2021 Budgeted Appropriations	A-2	\$ 38,688,984.93					
Special Items of Revenue	A-2	367,086.00					
Storm Recovery Emergency Appropriations	A-28	250,000.00					
Reserve for Uncollected Taxes	A-2a	(1,400,000.00)	\$ 1,400,000.00				
Cash Disbursements	A-4		33,890,008.71				
Due to General Capital Fund	A-13		135,761.82				
Due to Grant Fund	A-13		10,000.00				
Budget Chargebacks	A-18		(16,501.50)				
Reserve for Federal/State Grants	A-26		680,416.73				
Canceled	Above	(33,333.38)					
	A-1	<u>\$ 37,872,737.55</u>	<u>\$ 36,099,685.76</u>				

See accompanying notes to financial statements.

TOWNSHIP OF SOUTH ORANGE VILLAGE
TRUST FUND

COMPARATIVE BALANCE SHEETS
REGULATORY BASIS
DECEMBER 31, 2021 AND 2020

B

<u>ASSETS</u>	<u>Ref.</u>	<u>2021</u>	<u>2020</u>
<u>Animal Control Fund</u>			
Cash	B-1	\$ 22,188.28	\$ 17,226.09
<u>General Trust Fund</u>			
Cash	B-1	\$ 4,569,031.78	\$ 3,607,576.08
Interfunds	B-2	372,990.71	4,452.90
		<u>\$ 4,942,022.49</u>	<u>\$ 3,612,028.98</u>
<u>Payroll Trust Fund</u>			
Cash	B-1	\$ 100,060.03	\$ 153,602.01
 Total Assets	 B	 <u>\$ 5,064,270.80</u>	 <u>\$ 3,782,857.08</u>
 <u>LIABILITIES AND RESERVES</u>			
<u>Animal Control Fund</u>			
Due to Current Fund	B-6	\$ 3,130.39	
Reserve for Expenditures	B-6	19,057.89	\$ 17,226.09
		<u>\$ 22,188.28</u>	<u>\$ 17,226.09</u>
<u>General Trust Fund</u>			
Reserves for:			
Special Deposits	B-7	\$ 4,331,274.42	\$ 3,272,537.12
Interfunds			4,052.20
Open Space	B-4	610,748.07	335,439.66
		<u>\$ 4,942,022.49</u>	<u>\$ 3,612,028.98</u>
<u>Payroll Trust Fund</u>			
Payroll Deductions Payable	B-5	\$ 100,060.03	\$ 153,602.01
 Total Liabilities and Reserves	 B	 <u>\$ 5,064,270.80</u>	 <u>\$ 3,782,857.08</u>

See accompanying notes to financial statements.

TOWNSHIP OF SOUTH ORANGE VILLAGE
GENERAL CAPITAL FUND

COMPARATIVE BALANCE SHEETS
REGULATORY BASIS
DECEMBER 31, 2021 AND 2020

C

<u>ASSETS AND DEFERRED CHARGES</u>	<u>Ref.</u>	<u>2021</u>	<u>2020</u>
Cash	C-2	\$ 9,738,979.11	\$ 9,400,275.17
Grant Receivable	C-6	800,000.00	500,000.00
Due from Seton Hall University	C-4	200,000.00	250,000.00
Deferred Charges to Future Taxation:			
Funded	C-7	40,493,320.20	44,755,085.66
Unfunded	C-8	27,138,026.00	19,352,600.00
		<u>\$ 78,370,325.31</u>	<u>\$ 74,257,960.83</u>
 <u>LIABILITIES AND FUND BALANCE</u>			
Serial Bonds	C-10	\$ 40,095,000.00	\$ 44,320,000.00
Environmental Infrastructure Loan	C-14	357,903.10	387,056.63
Green Acres Trust Loan Payable	C-13	40,417.10	48,029.03
Improvement Authorizations:			
Funded	C-12	437,873.07	3,963,303.18
Unfunded	C-12	22,422,187.28	17,832,950.65
Interfund Payable	C-16	259,707.45	100.00
Bond Anticipation Notes Payable	C-11	13,518,988.00	6,807,000.00
Capital Improvement Fund	C-9	42,017.53	26,775.53
Reserve for Preliminary Engineering Expenses	C-15	30.00	30.00
Reserve for Seton Hall University	C-5	200,000.00	250,000.00
Reserve for Grants	C-6a	800,000.00	500,000.00
Fund Balance	C-1	196,201.78	122,715.81
		<u>\$ 78,370,325.31</u>	<u>\$ 74,257,960.83</u>
 Bonds and Notes Authorized but Not Issued	 C-17	 <u>\$ 13,619,038.00</u>	 <u>\$ 12,545,600.00</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, 2021

C-1

	<u>Ref.</u>		
Balance, December 31, 2020	C		\$ 122,715.81
Increased by:			
Premium on Sale of Notes	C-2	\$ 179,261.78	
Premium on Sale of Bonds	C-2	<u>16,940.00</u>	
			<u>196,201.78</u>
			318,917.59
Decreased by:			
Payment to Current Fund as Anticipated Revenue	C-2		<u>122,715.81</u>
Balance, December 31, 2021	C		<u><u>\$ 196,201.78</u></u>

See accompanying notes to financial statements.

TOWNSHIP OF SOUTH ORANGE VILLAGE
WATER UTILITY

COMPARATIVE BALANCE SHEETS
REGULATORY BASIS
DECEMBER 31, 2021 AND 2020

D

<u>ASSETS</u>	<u>Ref.</u>	<u>2021</u>	<u>2020</u>
<u>Operating Fund</u>			
Cash	D-5	\$ 1,936,520.41	\$ 1,952,133.46
Receivables with Full Reserves:			
Water Rents Receivable	D-7	713,591.70	549,980.74
		<u>2,650,112.11</u>	<u>2,502,114.20</u>
<u>Capital Fund</u>			
Cash	D-5, D-6	512,025.33	1,679,508.05
Environmental Infrastructure Interim Financing Receivable			6,337.00
Fixed Capital	D-11	8,460,893.09	8,460,893.09
Fixed Capital - Authorized and Uncompleted	D-12	18,792,500.00	15,292,500.00
Interfunds	D-13a	168,934.18	
		<u>27,934,352.60</u>	<u>25,439,238.14</u>
Total Assets		<u>\$ 30,584,464.71</u>	<u>\$ 27,941,352.34</u>
 <u>LIABILITIES, RESERVES AND FUND BALANCE</u>			
<u>Operating Fund</u>			
Liabilities:			
Reserve for Encumbrances	D-4, D-15	\$ 84,921.27	\$ 1,906.25
Appropriation Reserves	D-4, D-15	522,765.52	612,081.66
Accounts Payable	D-15a	1,445.00	2,195.00
Accrued Interest Payable	D-10	44,460.85	54,536.97
Reserves for Accounts Receivable	D-7	713,591.70	549,980.74
Interfunds	D-13a	168,934.18	
Fund Balance	D-1	1,113,993.59	1,281,413.58
		<u>2,650,112.11</u>	<u>2,502,114.20</u>
 <u>Capital Fund</u>			
Improvement Authorizations:			
Funded	D-13	125,576.61	432,324.54
Unfunded	D-13	7,920,889.19	5,323,605.12
Serial Bond Payable	D-14	2,275,000.00	2,540,000.00
N.J. Environmental Infrastructure Interim Financing Payable			640,000.00
New Jersey Environmental Loans Payable	D-17a	596,683.00	
Reserve for Future Projects	D-16a	231,012.00	
Reserve for Amortization	D-8	8,541,861.09	8,220,893.09
Bond Anticipation Notes Payable	D-9	8,168,012.00	8,187,000.00
Fund Balance	D-2	75,318.71	95,415.39
		<u>27,934,352.60</u>	<u>25,439,238.14</u>
Total Liabilities, Reserves and Fund Balance		<u>\$ 30,584,464.71</u>	<u>\$ 27,941,352.34</u>
Bonds and Notes Authorized but Not Issued	D-18	<u>\$ 7,665,500.00</u>	<u>\$ 4,165,500.00</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, 2021 AND 2020

D-1

	<u>Ref.</u>	<u>2021</u>	<u>2020</u>
<u>Revenue and Other Income</u>			
Fund Balance Anticipated	D-3	\$ 232,804.18	\$ 234,409.93
Miscellaneous Revenues	D-3	355.65	94,393.23
Water Rents	D-3	4,290,511.07	4,276,831.75
Water Capital Surplus	D-3	81,065.82	64,731.07
Appropriation Reserves Lapsed	D-15	346,821.10	507,280.83
Total Revenue and Other Income		<u>4,951,557.82</u>	<u>5,177,646.81</u>
<u>Expenditures</u>			
Budget Appropriations:			
Operations		3,935,250.00	3,926,250.00
Debt Service		406,291.63	452,345.72
Capital Outlay		231,012.00	32,921.70
Statutory Expenditures		13,620.00	13,156.30
Total Expenditures	D-4	<u>4,586,173.63</u>	<u>4,424,673.72</u>
Statutory Excess to Fund Balance		<u>365,384.19</u>	<u>752,973.09</u>
<u>Fund Balance</u>			
Balance, Beginning of Year	D	<u>1,281,413.58</u>	<u>1,062,850.42</u>
Decreased by:			
Amount Utilized as Utility Operating Fund Revenue	D-3	232,804.18	234,409.93
Amount Utilized as Current Fund Revenue	D-5	300,000.00	300,000.00
		<u>532,804.18</u>	<u>534,409.93</u>
Balance, End of Year	D	<u>\$ 1,113,993.59</u>	<u>\$ 1,281,413.58</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, 2021

D-2

	<u>Ref.</u>	
Balance, December 31, 2020	D	\$ 95,415.39
Increased by:		
Premium on Sale of Bonds	D-5	\$ 14,810.92
Premium on Sale of Notes	D-5	<u>46,158.22</u>
		<u>60,969.14</u>
		156,384.53
Decreased by:		
Fund Balance Anticipated in Operating Fund	D-5	<u>81,065.82</u>
Balance, December 31, 2021	D	<u><u>\$ 75,318.71</u></u>

See accompanying notes to financial statements.

TOWNSHIP OF SOUTH ORANGE VILLAGE
WATER UTILITY

STATEMENT OF REVENUE
REGULATORY BASIS
YEAR ENDED DECEMBER 31, 2021

D-3

<u>Source</u>	<u>Ref.</u>	<u>Budget Revenue</u>	<u>Realized</u>	<u>Excess (Deficit)</u>
Fund Balance Anticipated	D-1	\$ 232,804.18	\$ 232,804.18	
Water Rents	D-1, D-7	4,275,000.00	4,290,511.07	\$ 15,511.07
Miscellaneous	D-1, D-5	20,000.00	355.65	(19,644.35)
Water Capital Surplus	D-1, D-13a	81,065.82	81,065.82	
	D-4	<u>\$ 4,608,870.00</u>	<u>\$ 4,604,736.72</u>	<u>\$ (4,133.28)</u>

TOWNSHIP OF SOUTH ORANGE VILLAGE
WATER UTILITY

STATEMENT OF EXPENDITURES
REGULATORY BASIS
YEAR ENDED DECEMBER 31, 2021

D-4

Appropriation	Appropriations		Paid or Charged	Expended		Unexpended Balances Cancelled
	Budget	Modified Budget		Encumbered	Reserved	
<u>Operating</u>						
Salaries and Wages	\$ 119,200.00	\$ 119,200.00	\$ 113,880.00		\$ 5,320.00	
Other Expenses	3,816,050.00	3,816,050.00	3,219,501.91	\$ 84,921.27	511,626.82	
<u>Debt Service</u>						
Payment of Bond Principal	190,000.00	190,000.00	190,000.00			
Interest on Bonds	95,000.00	95,000.00	88,850.02			\$ 6,149.98
Payment of BAN Principal	18,988.00	18,988.00	18,988.00			
Interest on Notes	125,000.00	125,000.00	108,453.61			16,546.39
<u>Capital Improvements</u>						
Capital Outlay	231,012.00	231,012.00	231,012.00			
<u>Statutory Expenditures</u>						
Social Security	9,200.00	9,200.00	3,381.30		5,818.70	
Public Employees' Retirement System	4,420.00	4,420.00	4,420.00			
	<u>\$ 4,608,870.00</u>	<u>\$ 4,608,870.00</u>	<u>\$ 3,978,486.84</u>	<u>\$ 84,921.27</u>	<u>\$ 522,765.52</u>	<u>\$ 22,696.37</u>
<u>Ref.</u>	D-3	D-3	Below	D	D	D
Cash Disbursements	D-5		\$ 3,541,259.33			
Accrued Interest	D-10		187,227.51			
Interfund - Water Utility Capital	D-13a		250,000.00			
Above			<u>\$ 3,978,486.84</u>			

See accompanying notes to financial statements.

TOWNSHIP OF SOUTH ORANGE VILLAGE
PUBLIC ASSISTANCE FUND

COMPARATIVE BALANCE SHEETS
REGULATORY BASIS
DECEMBER 31, 2021 AND 2020

E

<u>ASSETS</u>	<u>Ref.</u>	<u>2021</u>	<u>2020</u>
Cash	E-2	\$ 612.16	\$ 612.00
		\$ 612.16	\$ 612.00
		\$ 612.16	\$ 612.00
<u>FUND BALANCE</u>			
Fund Balance	E-1	\$ 612.16	\$ 612.00
		\$ 612.16	\$ 612.00
		\$ 612.16	\$ 612.00

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, 2021 AND 2020

E-1

	<u>Ref.</u>	<u>2021</u>	<u>2020</u>
<u>Revenue and Other Income:</u>			
Interest Earned	E-2	\$ 0.16	\$ 1.77
Total Revenue and Other Income		<u>0.16</u>	<u>1.77</u>
Fund Balance, Beginning of Year	E	<u>612.00</u>	<u>610.23</u>
Fund Balance, End of Year	E	<u>\$ 612.16</u>	<u>\$ 612.00</u>

See accompanying notes to financial statements

TOWNSHIP OF SOUTH ORANGE VILLAGE
TRUSTEES OF FREE PUBLIC LIBRARY

COMPARATIVE BALANCE SHEETS
REGULATORY BASIS
DECEMBER 31, 2021 AND 2020

E

<u>ASSETS</u>	<u>Ref.</u>	<u>2021</u>	<u>2020</u>
<u>Unrestricted</u>			
Cash	F-2	\$ 70,810.27	\$ 86,415.21
Cash - Money Market	F-3	90,301.33	90,027.49
		<u>161,111.60</u>	<u>176,442.70</u>
<u>Restricted</u>			
Cash	F-2	<u>200,296.97</u>	<u>203,571.95</u>
Total Assets		<u>\$ 361,408.57</u>	<u>\$ 380,014.65</u>
 <u>FUND BALANCE</u>			
Restricted for Computer Technology		\$ 200,296.97	\$ 203,571.95
Unrestricted		<u>161,111.60</u>	<u>176,442.70</u>
Total Fund Balance	F-1	<u>\$ 361,408.57</u>	<u>\$ 380,014.65</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, 2021 AND 2020

F-1

	<u>Ref.</u>	<u>Unrestricted</u>	<u>Restricted</u>	<u>2021</u>	<u>2020</u>
Revenue:					
Gifts	F-2	\$ 65,787.45		\$ 65,787.45	\$ 28,089.89
Copier Fees	F-2	8,051.05		8,051.05	5,312.62
Fines and Lost Books	F-2	5,026.12		5,026.12	3,676.20
Miscellaneous	F-2	14,149.01		14,149.01	6,436.42
Interest on Deposits and Investments	F-2, F-3	549.56	\$ 27.02	576.58	732.04
State Library Aid	F-2	8,889.00		8,889.00	7,019.00
Current Fund Budget Appropriation	F-4	<u>1,037,706.83</u>		<u>1,037,706.83</u>	<u>1,063,931.99</u>
		<u>1,140,159.02</u>	<u>27.02</u>	<u>1,140,186.04</u>	<u>1,115,198.16</u>
Expenditures:					
Paid Directly by Township	F-4	852,706.83		852,706.83	893,931.99
Books and Subscriptions and Other Expenses	F-2	306,085.29		306,085.29	218,914.32
Basic Account Fee					20.00
		<u>1,158,792.12</u>		<u>1,158,792.12</u>	<u>1,112,866.31</u>
Statutory (Deficit) Excess to Fund Balance		(18,633.10)	27.02	(18,606.08)	2,331.85
Adjustment to Income:					
Transfers		<u>3,302.00</u>	<u>(3,302.00)</u>	<u>-</u>	<u>-</u>
		3,302.00	(3,302.00)	-	-
Fund Balance, Beginning of Year	F	<u>176,442.70</u>	<u>203,571.95</u>	<u>380,014.65</u>	<u>377,682.80</u>
Fund Balance, End of Year	F	<u>\$ 161,111.60</u>	<u>\$ 200,296.97</u>	<u>\$ 361,408.57</u>	<u>\$ 380,014.65</u>

See accompanying notes to financial statements.

TOWNSHIP OF SOUTH ORANGE VILLAGE

GOVERNMENTAL FIXED ASSETS
 COMPARATIVE BALANCE SHEETS
DECEMBER 31, 2021 AND 2020

	<u>December 31, 2021</u>	<u>December 31, 2020</u>
<u>Governmental Fixed Assets</u>		
Land and Improvements	\$ 32,528,166.00	\$ 32,528,166.00
Building and Improvements	45,030,310.00	45,030,310.00
Equipment	<u>13,949,349.21</u>	<u>15,003,787.21</u>
	<u>\$ 91,507,825.21</u>	<u>\$ 92,562,263.21</u>
 Investment in Fixed Assets	 <u>\$ 91,507,825.21</u>	 <u>\$ 92,562,263.21</u>

See accompanying notes to financial statements.

TOWNSHIP OF SOUTH ORANGE VILLAGE
NOTES TO THE FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2021 AND 2020

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, 2021 AND 2020

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.

TOWNSHIP OF SOUTH ORANGE VILLAGE
NOTES TO THE FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2021 AND 2020

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, 2021 AND 2020

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 2021.

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, 2021 AND 2020

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, 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, 2021 AND 2020

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. Due to delays in the availability of the information needed for disclosure, the Division issued Local Finance Notice 2022-12 on June 16, 2022. To ensure the timely filing of county and municipal audits, Local Finance Board regulations allow the Division discretion to permit the most recent available audited Statement No. GASB 68 financial information to be incorporated into the audited financial statements and only requires one year to be disclosed. As of August 31, 2022, the 2021 Public Employees' Retirement System Report and the 2020 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. Due to delays in the availability of the information needed for disclosure, the Division issued Local Finance Notice 2021-10 on May 26, 2021. To ensure the timely filing of county and municipal audits, Local Finance Board regulations allow the Division discretion to permit the most recent available audited GASB Statement No. 75 financial information to be incorporated into the audited financial statements and only requires one year to be disclosed. See Note 9 for these disclosures.

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.

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

TOWNSHIP OF SOUTH ORANGE VILLAGE
 NOTES TO THE FINANCIAL STATEMENTS
 YEARS ENDED DECEMBER 31, 2021 AND 2020

1. Reporting Entity and Summary of Significant Accounting Policies (continued)

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 depositories protected from loss under the provisions of GUDPA. Public funds owned by the municipality in excess of FDIC insured amounts are protected by GUDPA. However, GUDPA does not protect intermingled trust funds such as salary withholdings, bail funds, or funds that may pass to the municipality relative to the happening of a future condition. As of December 31, 2021 and 2020 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, 2021 and 2020. At December 31, 2021 and 2020, the book value of the Township's deposits was \$29,379,548.33 and \$25,372,942.10, respectively. At December 31, 2021 and 2020 the Township had the following depository accounts. All deposits are carried at cost. \$131,642.82 and \$187,426.73 held in agency and payroll accounts for the years ended December 31, 2021 and 2020, respectively, are not covered by GUDPA.

<u>Depository Account</u>	Bank Balances	
	December 31, 2021	December 31, 2020
FDIC Insured	\$ 750,000.00	\$ 736,426.30
GUDPA Insured	<u>29,300,987.70</u>	<u>25,561,970.31</u>
	<u><u>\$ 30,050,987.70</u></u>	<u><u>\$ 26,298,396.61</u></u>

TOWNSHIP OF SOUTH ORANGE VILLAGE
 NOTES TO THE FINANCIAL STATEMENTS
 YEARS ENDED DECEMBER 31, 2021 AND 2020

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

As of December 31, 2021 and 2020, 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 2021</u>	<u>Year 2020</u>
<u>Issued</u>		
General:		
Bonds and Notes	\$ 53,613,988.00	\$ 51,127,000.00
Green Acres Trust Loan	40,417.10	48,029.03
Environmental Infrastructure	357,903.10	387,056.63
Water:		
Bonds and Notes	10,443,012.00	10,727,000.00
Environmental Infrastructure	596,683.00	640,000.00
Total Debt Issued	<u>65,052,003.20</u>	<u>62,929,085.66</u>
<u>Authorized but Not Issued</u>		
General:		
Bonds and Notes	13,619,038.00	12,545,600.00
Water:		
Bonds and Notes	7,665,500.00	4,165,500.00
Total Authorized but Not Issued	<u>21,284,538.00</u>	<u>16,711,100.00</u>
Net Bonds and Notes Issued and Authorized but Not Issued	<u>\$ 86,336,541.20</u>	<u>\$ 79,640,185.66</u>

TOWNSHIP OF SOUTH ORANGE VILLAGE
NOTES TO THE FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2021 AND 2020

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 2.110% at December 31, 2021.

	<u>Gross Debt</u>	<u>Deductions</u>	<u>Net Debt</u>
Regional School District	\$ 63,535,216.71	\$ 63,535,216.71	
Water Utility Debt	18,705,195.00	18,705,195.00	
General Debt	67,631,346.20		\$ 67,631,346.20
	\$ 149,871,757.91	\$ 82,240,411.71	\$ 67,631,346.20

The Township's remaining borrowing power under N.J.S.A. 40A:2-6, as amended, at December 31, 2021 as follows:

3 1/2% of Equalized Valuation Basis	\$ 112,208,698.46
Net Debt	(67,631,346.20)
Remaining Borrowing Power	\$ 44,577,352.26

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

There being an excess in revenue, all such utility debt is deductible for Debt Statement purposes.

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

Surplus and Cash Receipts from Fees, Rent or Other Charges for Year		\$ 4,604,736.72
Deductions:		
Operating and Maintenance Costs	\$ 3,948,870.00	
Debt Service per Water Utility	406,291.63	
		4,355,161.63
Excess Revenue		\$ 249,575.09

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, 2021 AND 2020

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, 2021 and 2020 are as follows:

	2021	2020
<u>General Obligation Bonds</u>		
\$2,200,000.00 Taxable Refunding Bonds; final annual maturity of \$335,000.00 paid December 2021, at an interest rate of 2.946%.		\$ 335,000.00
\$9,990,000.00 General Improvement Bonds refunded in full in 2021 with the proceeds from the \$4,265,000.00 refunding bonds below.		5,540,000.00
\$4,265,000.00 Taxable Refunding Bonds; Annual maturities of \$530,000.00 to \$540,000.00 through November 2029 at interest rates of 5.00%.	\$ 4,265,000.00	
\$13,350,000.00 General Improvement Bonds; Annual maturities of \$1,080,000.00 to \$1,410,000.00 through May 2031 at interest rates ranging from 2.00% to 3.00%	12,645,000.00	13,350,000.00
\$17,655,000.00 Refunding General Bonds; Annual maturities of \$2,080,000.00 to \$2,485,000.00 through January 2028 at interest rates of 4.00%	16,300,000.00	17,655,000.00
\$8,500,000.00 General Obligation Bonds; Annual maturities of \$575,000.00 to \$810,000.00 through April 2031 at interest rates ranging from 3.00% to 5.00%	6,885,000.00	7,440,000.00
	\$ 40,095,000.00	\$ 44,320,000.00
<u>Water Utility Bonds</u>		
\$1,075,000.00 Water Improvement Bonds refunded in full in 2021 with the proceeds from the \$470,000.00 refunding bonds below.		\$ 605,000.00
\$470,000.00 Water Refunding Bonds; Annual maturities from \$55,000.00 to \$160,000.00 through November 2029, at interest rates ranging from 3.00% to 5.00%	\$ 470,000.00	
\$2,135,000.00 Water Utility Bonds; Annual maturities from \$135,000.00 to \$160,000.00 through April 2033, at interest rates ranging from 3.00% to 5.00%	1,805,000.00	1,935,000.00
	\$ 2,275,000.00	\$ 2,540,000.00

TOWNSHIP OF SOUTH ORANGE VILLAGE
NOTES TO THE FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2021 AND 2020

3. MUNICIPAL DEBT (continued)

The Township's principal and interest for general obligation bonds issued and outstanding as of December 31, 2021 is as follows:

Year	General		Water Utility		Total	
	Principal	Interest	Principal	Interest	Principal	Interest
2022	\$ 4,265,000.00	\$ 1,407,025.00	\$ 190,000.00	\$ 89,825.00	\$ 4,455,000.00	\$ 1,496,850.00
2023	4,420,000.00	1,233,000.00	190,000.00	80,325.00	4,610,000.00	1,313,325.00
2024	4,625,000.00	1,051,700.00	200,000.00	70,700.00	4,825,000.00	1,122,400.00
2025	4,775,000.00	864,100.00	200,000.00	60,700.00	4,975,000.00	924,800.00
2026	4,870,000.00	674,775.00	205,000.00	51,300.00	5,075,000.00	726,075.00
2027-2031	17,140,000.00	1,036,675.00	970,000.00	129,000.00	18,110,000.00	1,165,675.00
2032-2033			320,000.00	9,600.00	320,000.00	9,600.00
	<u>\$ 40,095,000.00</u>	<u>\$ 6,267,275.00</u>	<u>\$ 2,275,000.00</u>	<u>\$ 491,450.00</u>	<u>\$ 42,370,000.00</u>	<u>\$ 6,758,725.00</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 \$357,903.10.

Water Capital - The Township received long-term financing from New Jersey Infrastructure I-Bank for water improvements in 2021. The balance on the loan reported in water capital as of December 31, 2021 is \$596,683.00.

The Township's principal and interest for New Jersey Environmental Trust and Fund Loans outstanding as of December 31, 2021 is as follows:

Calendar Year	Total		General Capital		Water Capital	
	Principal	Interest	Principal	Interest	Principal	Interest
2022	\$ 29,865.50	\$ 15,230.32	\$ 29,153.53	\$ 5,730.00	\$ 711.97	\$ 9,500.32
2023	40,221.48	17,582.56	29,153.53	5,280.00	11,067.95	12,302.56
2024	40,221.48	16,645.24	29,153.53	4,830.00	11,067.95	11,815.24
2025	40,221.48	15,263.00	29,153.53	3,930.00	11,067.95	11,333.00
2026	40,221.48	23,018.78	29,153.53	12,160.00	11,067.95	10,858.78
2027 - 2031	226,870.20	48,036.50	141,530.45	2,400.00	85,339.75	45,636.50
2032 - 2036	175,944.75	29,390.72	70,605.00		105,339.75	29,390.72
2037 - 2041	105,339.75	19,693.80			105,339.75	19,693.80
2042 - 2046	125,339.75	13,112.52			125,339.75	13,112.52
2047 - 2051	130,340.23	5,062.50			130,340.23	5,062.50
	<u>\$ 954,586.10</u>	<u>\$ 203,035.94</u>	<u>\$ 357,903.10</u>	<u>\$ 34,330.00</u>	<u>\$ 596,683.00</u>	<u>\$ 168,705.94</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 \$40,417.10 at December 31, 2021.

TOWNSHIP OF SOUTH ORANGE VILLAGE
NOTES TO THE FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2021 AND 2020

3. MUNICIPAL DEBT (continued)

The Township's principal and interest for the Green Acres Trust Loan outstanding as of December 31, 2021 is as follows:

	<u>General</u>	
Calendar Year	Principal	Interest
2022	\$ 7,764.93	\$ 769.71
2023	7,921.01	613.64
2024	8,080.22	454.42
2025	8,242.63	292.01
2026	8,408.31	126.33
	\$ 40,417.10	\$ 2,256.11

Changes in Long-Term Municipal Debt

The Township's long-term capital debt activity for 2021 and 2020 is as follows:

	Balance December 31, 2020	Increases	Reductions	Balance December 31, 2021	Due Within One Year
General Capital Fund					
Bonds Payable	\$ 44,320,000.00	\$ 4,265,000.00	\$ 8,490,000.00	\$ 40,095,000.00	\$ 4,265,000.00
Environmental Infrastructure Loan	387,056.63		29,153.53	357,903.10	29,153.53
Green Acres Loan	48,029.03		7,611.93	40,417.10	7,764.93
	44,755,085.66	4,265,000.00	8,526,765.46	40,493,320.20	4,301,918.46
Water Utility Fund					
Bonds Payable	2,540,000.00	470,000.00	735,000.00	2,275,000.00	255,000.00
Environmental Infrastructure Loan		596,683.00		596,683.00	711.97
Total	\$ 47,295,085.66	\$ 5,331,683.00	\$ 9,261,765.46	\$ 42,768,320.20	\$ 4,556,918.46
	Balance December 31, 2019	Increases	Reductions	Balance December 31, 2020	Due Within One Year
General Capital Fund					
Bonds Payable	\$ 36,700,000.00	\$ 31,005,000.00	\$ 23,385,000.00	\$ 44,320,000.00	\$ 3,560,000.00
Environmental Infrastructure Loan	416,210.16		29,153.53	387,056.63	29,153.53
Green Acres Loan	55,491.08		7,462.05	48,029.03	7,612.00
	37,171,701.24	31,005,000.00	23,421,615.58	44,755,085.66	3,596,765.53
Water Utility Fund					
Bonds Payable	2,720,000.00	-	180,000.00	2,540,000.00	190,000.00
Total	\$ 39,891,701.24	\$ 31,005,000.00	\$ 23,601,615.58	\$ 47,295,085.66	\$ 3,786,765.53

TOWNSHIP OF SOUTH ORANGE VILLAGE
 NOTES TO THE FINANCIAL STATEMENTS
 YEARS ENDED DECEMBER 31, 2021 AND 2020

3. MUNICIPAL DEBT (continued)

Short-Term Debt

The Township's short-term capital debt activity for 2021 and 2020 is as follows:

	<u>Balance, December 31, 2020</u>	<u>Additions</u>	<u>Reductions</u>	<u>Balance, December 31, 2021</u>
Bond Anticipation Notes:				
General Capital	\$ 6,807,000.00	\$ 13,518,988.00	\$ 6,807,000.00	\$ 13,518,988.00
Water Utility	<u>8,187,000.00</u>	<u>8,168,012.00</u>	<u>8,187,000.00</u>	<u>8,168,012.00</u>
 Total	 <u>\$ 14,994,000.00</u>	 <u>\$ 21,687,000.00</u>	 <u>\$ 14,994,000.00</u>	 <u>\$ 21,687,000.00</u>
	 <u>Balance, December 31, 2019</u>	 <u>Additions</u>	 <u>Reductions</u>	 <u>Balance, December 31, 2020</u>
Bond Anticipation Notes:				
General Capital	\$ 17,607,900.00	\$ 6,807,000.00	\$ 17,607,900.00	\$ 6,807,000.00
Water Utility	<u>7,880,000.00</u>	<u>8,187,000.00</u>	<u>7,880,000.00</u>	<u>8,187,000.00</u>
 Total	 <u>\$ 25,487,900.00</u>	 <u>\$ 14,994,000.00</u>	 <u>\$ 25,487,900.00</u>	 <u>\$ 14,994,000.00</u>

TOWNSHIP OF SOUTH ORANGE VILLAGE
NOTES TO THE FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2021 AND 2020

4. FIXED ASSETS

General Fixed Assets

The following is a summary of changes in the General Fixed Assets account group as of December 31, 2021 and 2020:

	Balance December 31, <u>2020</u>	<u>Additions</u>	<u>Reductions</u>	Balance December 31, <u>2021</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	15,003,787.51	\$ 280,000.00	\$ 1,334,438.30	13,949,349.21
	<u>\$ 92,562,263.51</u>	<u>\$ 280,000.00</u>	<u>\$ 1,334,438.30</u>	<u>\$ 91,507,825.21</u>

	Balance December 31, <u>2019</u>	<u>Additions</u>	<u>Reductions</u>	Balance December 31, <u>2020</u>
Land and Land Improvements	\$ 33,828,166.00		\$ 1,300,000.00	\$ 32,528,166.00
Buildings and Building Improvements	42,222,784.00	\$ 2,807,526.00		45,030,310.00
Machinery and Equipment	12,356,644.00	2,647,143.51		15,003,787.51
	<u>\$ 88,407,594.00</u>	<u>\$ 5,454,669.51</u>	<u>\$ 1,300,000.00</u>	<u>\$ 92,562,263.51</u>

Utility Fund Fixed Assets

Water Utility Fund

	Balance December 31, <u>2019</u>	<u>Additions</u>	<u>Reductions</u>	Balance December 31, <u>2020</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	4,040,175.00			4,040,175.00
	<u>\$ 10,760,893.00</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 10,760,893.00</u>

	Balance December 31, <u>2018</u>	<u>Additions</u>	<u>Reductions</u>	Balance December 31, <u>2019</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	4,040,175.00			4,040,175.00
	<u>\$ 10,760,893.00</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 10,760,893.00</u>

TOWNSHIP OF SOUTH ORANGE VILLAGE
NOTES TO THE FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2021 AND 2020

5. DUE TO/FROM OTHER FUNDS

As of December 31, 2021 and 2020, interfund receivables and payables that resulted from various interfund transactions are as follows:

	2021		2020	
	Due from <u>Other Funds</u>	Due to <u>Other Funds</u>	Due from <u>Other Funds</u>	Due to <u>Other Funds</u>
Current Fund	\$ 3,130.39	\$ 1,246,502.13	\$ 4,227.20	\$ 4,452.90
Federal/State Grant Fund	1,133,218.87			75.00
General Trust Fund	372,990.71		4,452.90	4,052.20
Animal Control Trust Fund		3,130.39		
General Capital Fund		259,707.45		100.00
Water Utility Operating Fund		168,934.18		
Water Utility Capital Fund	168,934.18			
	<u>\$ 1,678,274.15</u>	<u>\$ 1,678,274.15</u>	<u>\$ 8,680.10</u>	<u>\$ 8,680.10</u>

6. FUND BALANCES APPROPRIATED

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

	2021		2020	
	Fund Balance <u>December 31,</u>	Utilized in Subsequent <u>Year's Budget</u>	Fund Balance <u>December 31,</u>	Utilized in Subsequent <u>Year's Budget</u>
Current Fund Surplus	<u>\$ 5,061,570.69</u>	<u>* \$ 2,500,000.00</u>	<u>\$ 3,558,399.24</u>	<u>* \$ 1,830,000.00</u>
Water Utility Operating Fund Surplus	<u>\$ 1,113,993.59</u>	<u>* \$ 139,404.29</u>	<u>\$ 1,281,413.58</u>	<u>* \$ 232,804.00</u>

The above fund balance amounts utilized represents the surplus anticipated in the 2022 and 2021 municipal budgets.

7. COMPENSATED ABSENCES

Under the existing policies and labor agreements of the Township, employees are allowed to accumulate, with certain restrictions, unused vacation benefits, sick leave and compensation time in lieu of overtime over the life of their working careers and to redeem such unused leave time in cash upon death, retirement or by extended absence immediately preceding retirement. The Township's total liability for sick time as of December 31, 2021, based on contractual limits, is \$4,034,260.90. 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, 2021, the Township has set aside reserves in its Trust Fund in the amount of \$615,429.86.

TOWNSHIP OF SOUTH ORANGE VILLAGE
 NOTES TO THE FINANCIAL STATEMENTS
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8. 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:

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:

	2021
Inactive plan members or beneficiaries currently receiving benefits	184,775
Inactive plan members entitled to but not yet receiving benefits	877
Active plan members	246,776
Total	432,428

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.

TOWNSHIP OF SOUTH ORANGE VILLAGE
NOTES TO THE FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2021 AND 2020

8. PENSION PLANS (continued)

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, 2021, the Township's total payroll for all employees was \$19,990,665.70. For the year ended December 31, 2021, total PERS covered payroll was \$4,238,259.00. 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 2021, 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
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8. PENSION PLANS (continued)

The Township's liability for PERS for the year ended December 31, 2021 was \$713,053.00.

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, 2021, the PERS reported a net pension liability of \$11,972,782,878.00 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 \$7,212,932.00 or 0.0608866127%, which was a decrease of 0.0031899246% from its proportion measured as of June 30, 2020. The pension liability for the June 30, 2021 measurement date was determined by an actuarial valuation as of July 1, 2020, which was rolled forward to June 30, 2021.

TOWNSHIP OF SOUTH ORANGE VILLAGE
 NOTES TO THE FINANCIAL STATEMENTS
 YEARS ENDED DECEMBER 31, 2021 AND 2020

8. PENSION PLANS (continued)

At December 31, 2021, 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	\$ 113,757.00	\$ 51,636.00
Changes of assumptions	37,565.00	2,567,851.00
Net difference between projected and actual investment earnings on pension plan investments		1,900,076.00
Changes in proportion and differences between Township contributions and proportionate share of contributions	301,992.00	739,230.00
Township contributions subsequent to the measurement date	<u>713,053.00</u>	
	<u>\$ 1,166,367.00</u>	<u>\$ 5,258,793.00</u>

\$713,053.00 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>
2022	\$ (1,863,137.00)
2023	(1,339,821.00)
2024	(861,945.00)
2025	(659,939.00)
2026	<u>(80,637.00)</u>
Total	<u>\$ (4,805,479.00)</u>

Actuarial Assumptions- The total collective pension liability in the June 30, 2021 actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement:

	<u>June 30, 2020</u>
Inflation Rate: Price	2.75%
Inflation Rate: Wage	3.25%
Salary Increases Through 2026	2.00% - 6.00% based on years of service
Thereafter	3.00% - 7.00% based on years of service
Investment Rate of Return	7.00%

TOWNSHIP OF SOUTH ORANGE VILLAGE
NOTES TO THE FINANCIAL STATEMENTS
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8. 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-2020.

The actuarial assumptions used in the July 1, 2020 valuation were based on the results of an actuarial experience study for the period July 1, 2014 to June 30, 2018.

In accordance with State statute, the long-term expected rate of return on plan investments (7.00% at June 30, 2021) 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, 2021 in the following table:

2021		
Asset Class	Target Allocation	Long-Term Expected Real Rate of Return
US Equity	27.00%	8.09%
Non-U.S. Developed Markets Equity	13.50%	8.71%
Emerging Market Equity	5.50%	10.96%
Private Equity	13.00%	11.30%
Real Assets	3.00%	7.40%
Real Estate	8.00%	9.15%
High Yield	2.00%	3.75%
Private Credit	8.00%	7.60%
Investment Grade Credit	8.00%	1.68%
Cash Equivalents	4.00%	0.50%
US Treasuries	5.00%	0.95%
Risk Management Strategies	3.00%	3.35%
	100.00%	

TOWNSHIP OF SOUTH ORANGE VILLAGE
 NOTES TO THE FINANCIAL STATEMENTS
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8. PENSION PLANS (continued)

Discount Rate – The discount rate used to measure the total pension liability as of June 30, 2021 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 78% 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	\$ 9,822,551.00	\$ 7,212,932.00	\$ 4,998,301.00

Plan Fiduciary Net Position – The plan fiduciary net position for PERS, including the State of New Jersey, at June 30, 2021 was \$35,707,804,302.00. The portion of the Plan Fiduciary Net Position that was allocable to the Local (Non-State) Group at June 30, 2020 was \$28,386,785,177.00.

Additional information

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

Collective deferred outflows of resources	\$	1,164,738,169.00
Collective deferred inflows of resources		8,339,123,762.00
Collective net pension liability - Local group		11,972,782,878.00
Township's Proportion		0.0608866127%

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 5.13, 5.16, 5.21, 5.63, 5.48, 5.57, 5.72 and 6.44 years for 2021, 2020, 2019, 2018, 2017, 2016, 2015 and 2014, respectively.

TOWNSHIP OF SOUTH ORANGE VILLAGE
 NOTES TO THE FINANCIAL STATEMENTS
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8. 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, 2021 are \$1,207,896,120.00.

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, 2020:

	2020
Inactive plan members or beneficiaries currently receiving benefits	45,537
Inactive plan members entitled to but not yet receiving benefits	65
Active plan members	42,520
Total	88,122
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
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8. 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, 2020, the Township's total payroll for all employees was \$20,166,219.98. For the year ended December 31, 2020, total PFRS covered payroll was \$7,857,280.00. 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, 2021 was \$2,544,472.00.

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, 2021 AND 2020

8. PENSION PLANS (continued)

At June 30, 2020, the PFRS reported a net pension liability of \$14,926,648,722.00 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 \$29,429,638.00, or 0.2277603279% which was a decrease of 0.0149105251% from its proportion, measured as of June 30, 2019. The pension liability for the June 30, 2020 measurement date was determined by an actuarial valuation as of July 1, 2019, which was rolled forward to June 30, 2020.

At December 31, 2020 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	\$ 296,701.00	\$ 105,619.00
Changes of assumptions	74,060.00	7,889,910.00
Net difference between projected and actual investment earnings on pension plan investments	1,725,597.00	
Changes in proportion and differences between Township contributions and proportionate share of contributions	1,794,044.00	4,860,237.00
Township contributions subsequent to the measurement date	2,544,472.00	
	\$ 6,434,874.00	\$ 12,855,766.00

\$2,544,472.00 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
2021	\$ (3,418,344.00)
2022	(2,872,148.00)
2023	(1,472,104.00)
2024	(1,121,497.00)
2025	(81,271.00)
Total	\$ (8,965,364.00)

TOWNSHIP OF SOUTH ORANGE VILLAGE
 NOTES TO THE FINANCIAL STATEMENTS
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8. PENSION PLANS (continued)

Actuarial Assumptions - The total collective pension liability in the June 30, 2020 actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement:

	June 30, 2020
Inflation Rate: Price	2.75%
Inflation Rate: Wage	3.25%
Salary Increases:	3.25% - 15.25% 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-2020.

The actuarial assumptions used in the July 1, 2019 valuation were based on the results of an actuarial experience study for the period July 1, 2013 to June 30, 2018.

In accordance with State statute, the long-term expected rate of return on plan investments (7.00% at June 30, 2020) 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, 2020 are summarized in the following table:

TOWNSHIP OF SOUTH ORANGE VILLAGE
 NOTES TO THE FINANCIAL STATEMENTS
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8. PENSION PLANS (continued)

2020		
Asset Class	Target Allocation	Long-Term Expected Real Rate of Return
US Equity	27.00%	7.71%
Non-U.S. Developed Markets Equity	13.50%	8.57%
Emerging Market Equity	5.50%	10.23%
Private Equity	13.00%	11.42%
Real Assets	3.00%	9.73%
Real Estate	8.00%	9.56%
High Yield	2.00%	5.95%
Private Credit	8.00%	7.59%
Investment Grade Credit	8.00%	2.67%
Cash Equivalents	4.00%	0.50%
U.S. Treasuries	5.00%	1.94%
Risk Mitigation Strategies	3.00%	3.40%
	100.00%	

Discount Rate – The discount rate used to measure the total pension liability as of June 30, 2020 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 78% 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 \$	39,135,361.00	\$ 29,429,638.00	\$ 21,368,294.00

Plan Fiduciary Net Position – The plan fiduciary net position for PFRS at June 30, 2020 was \$27,412,127,845.00.

TOWNSHIP OF SOUTH ORANGE VILLAGE
NOTES TO THE FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2021 AND 2020

8. PENSION PLANS (continued)

Additional information

Collective Local Group balances at June 30, 2020 are as follows:

Collective deferred outflows of resources	\$ 1,601,195,680.00
Collective deferred inflows of resources	4,191,274,402.00
Collective net pension liability - Local group	14,926,648,722.00
Township's Proportion	0.2277603279%

Collective pension expense for the Local Group for the measurement period ended June 30, 2020 was \$949,220,570.00. The average of the expected remaining service lives of all plan members is 5.90, 5.92, 5.73, 5.59, 5.58, 5.53 and 6.17 years for 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, 2020 are \$1,194,176,430.00.

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, 2020 for police and fire is 0.2277603279%. The non-employer contributing entities' contribution for the year ended June 30, 2020 was \$351,455.00. The state's proportionate share of net pension liability attributable to the Township as of June 30, 2020 was \$4,567,346.00.

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
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8. 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. At June 30, 2020, the membership in the DCRP, based on the information within the Division's database, was 60,336.

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.

9. 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

TOWNSHIP OF SOUTH ORANGE VILLAGE
 NOTES TO THE FINANCIAL STATEMENTS
 YEARS ENDED DECEMBER 31, 2021 AND 2020

9. POSTEMPLOYMENT BENEFITS OTHER THAN PENSIONS (continued)

Pensions and Benefits' (the Division) Comprehensive Annual Financial Report (CAFR), which can be found at <https://www.state.nj.us/treasury/pensions/financial-reports.shtml>.

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, 2021 AND 2020

9. POSTEMPLOYMENT BENEFITS OTHER THAN PENSIONS (continued)

Nonspecial Funding Situation – The State of New Jersey’s Total OPEB Liability for nonspecial funding situation was \$12,484,309,814.00 at June 30, 2020.

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, 2020
Total OPEB Liability	\$ 18,111,475,228.00
Plan Fiduciary Net Position	164,862,282.00
Net OPEB Liability	\$ 17,946,612,946.00
Plan fiduciary net position as a percentage of the total OPEB liability	0.92%

Actuarial Assumptions and Other Inputs – The total OPEB liability as of June 30, 2020 was determined by an actuarial valuation as of June 30, 2019, which was rolled forward to June 30, 2020. 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 2020 in the measurement:

	June 30, 2020
Inflation	2.50%
Salary Increases*:	
Public Employees' Retirement System (PERS)	
Rate through 2026	2.00% - 6.00%
Rate thereafter	3.00% - 7.00%
Police and Firemen's Retirement System (PFRS)	
Rate for all future years	3.25% - 15.25%

*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-2020 scale.

Actuarial assumptions used in the July 1, 2019 valuation were based on the results of the PFRS and PERS experience studies prepared for July 1, 2013 to June 30, 2019 and July 1, 2014 to June 30, 2018 respectively.

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

Healthcare Trend Assumptions - For pre-Medicare medical benefits, the trend is initially 5.6% and decreases to a 4.5% long-term trend rate after seven years. For post-65 medical benefits, the actual fully-insured Medicare Advantage trend rates for fiscal year 2021 through 2022 are reflected. The rates used for 2023 and 2024 are 21.83% and 18.53%, respectively, trending to 4.5% for all future years. For prescription drug benefits, the initial trend rate is 7.00% and decreases to a 4.5% long-term rate after seven years.

TOWNSHIP OF SOUTH ORANGE VILLAGE
 NOTES TO THE FINANCIAL STATEMENTS
 YEARS ENDED DECEMBER 31, 2021 AND 2020

9. POSTEMPLOYMENT BENEFITS OTHER THAN PENSIONS (continued)

Discount Rate - The discount rate for June 30, 2020 was 2.21%. 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.

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, 2020, 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:

	1% Decrease	At Discount Rate	1% Increase
Total Net OPEB Liability - 2020	\$ 21,216,688,254.00	\$ 17,946,612,946.00	\$ 15,358,051,000.00

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, 2020, 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:

	1% Decrease	Heathcare Cost Trend Rate	1% Increase
Total Net OPEB Liability - 2020	\$ 14,850,840,718.00	\$ 17,946,612,946.00	\$ 22,000,569,109.00

Special Funding Situation - The State of New Jersey's Total OPEB Liability for special funding situation was \$5,462,303,132 at June 30, 2020.

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 \$28,779,728.00 (128 members) at June 30, 2020. These allocated liabilities represent 0.526879% of the State's total Nonemployer OPEB Liability for June 30, 2020. The OPEB Expense attributed to the Township was \$(1,432,662.00) at June 30, 2020.

TOWNSHIP OF SOUTH ORANGE VILLAGE
NOTES TO THE FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2021 AND 2020

10. 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, 2021 and 2020, there was \$510,309.56 and \$425,566.69, 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.

11. TAX APPEALS

There are several tax appeals pending before the State Tax Court of New Jersey requesting a reduction of assessments for the year 2021 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 \$67,355.65 and \$219,268.88 as of December 31, 2021 and 2020, 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.

12. 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, 2021. 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.

13. 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, 2021, the Township estimates that no material liabilities will result from such audits.

TOWNSHIP OF SOUTH ORANGE VILLAGE
NOTES TO THE FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2021 AND 2020

13. COMMITMENTS AND CONTINGENCIES (continued)

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.

14. 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.

15. 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.

TOWNSHIP OF SOUTH ORANGE VILLAGE
NOTES TO THE FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2021 AND 2020

15. SOUTH ORANGE PERFORMING ARTS CENTER (continued)

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.

16. 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, 2021 and 2020, the outstanding balances due from SHU is \$200,000.00 and \$250,000.00 respectively.

17. 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 2021, the Township collected revenue from various tax abatement agreements in the amount of \$2,761,582.35. If taxes had been billed in full at the 2021 tax rates, \$6,303,563.93 would have been collected from property owners.

18. SUBSEQUENT EVENTS

The Township has evaluated subsequent events occurring after the balance sheet date through August 31, 2022, 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, 2021.

Effective July 25, 2022, the Township authorized \$3,000,000.00 in bonds or notes to be issued to finance the cost of two water improvement projects passed by the Township council. The two improvement projects, West End Road Water Main Rehabilitation Project and Crest Drive Water Tank Improvement Project will each have an authorization of \$1,500,000.00 for the issuance of bonds or notes to finance the cost of the improvements and ultimately are intended to be funded by the New Jersey Infrastructure Bank.

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

PART II

**SUPPLEMENTARY INFORMATION
YEARS ENDED DECEMBER 31, 2021 AND 2020**

TOWNSHIP OF SOUTH ORANGE VILLAGE
CURRENT FUND

CASH RECEIPTS AND DISBURSEMENTS - TREASURER
YEAR ENDED DECEMBER 31, 2021

A-4

	<u>Ref.</u>	<u>Current Fund</u>	<u>Federal and State Grant Fund</u>
Balance, December 31, 2020	A	\$ 7,800,887.28	\$ 377,442.18
Increased by Cash Receipts:			
Nonbudget Revenue	A-2b	\$ 177,533.25	
Tax Exemptions Due from State	A-6	31,750.00	
Taxes Receivable	A-7	95,530,269.40	
Other Accounts Receivable	A-9	3,322.32	
Special Improvement District	A-11	104,193.67	
Revenue Accounts Receivable	A-12	10,485,583.53	
Interfund Settlements	A-13	1,496,602.53	
Prepaid Taxes	A-24	727,111.75	
Tax Overpayments	A-17	452,417.67	
Reserves for Tax Appeals	A-23	76,248.88	
Reserves for Hurricane Ida	A-23a	1,000,000.00	
Accounts Payable	A-15a	500.00	
Interfunds	A-18		\$ 536,932.71
Unappropriated Grant Revenue	A-27		99,017.43
Federal and State Grants Receivable	A-14		412,517.24
		<u>110,085,533.00</u>	<u>1,048,467.38</u>
		<u>117,886,420.28</u>	<u>1,425,909.56</u>
Decreased by Cash Disbursed:			
Budget Appropriations	A-3	33,890,008.71	
Interfund Settlements	A-13	743,645.14	
Appropriation Reserves	A-15	825,342.93	
Accounts Payable	A-15a	40,300.00	
Refund of Tax Overpayments	A-17	485,113.47	
County Taxes Payable	A-20	15,023,917.25	
Regional School District Tax	A-21	54,441,168.98	
Open Space	A-22	283,314.45	
Other Reserves	A-23	228,162.11	
Special Improvement District	A-25	102,821.45	
Interfunds	A-18		796,715.16
Federal and State Grant Expenditures	A-26		313,322.53
		<u>106,063,794.49</u>	<u>1,110,037.69</u>
Balance, December 31, 2021	A	<u>\$ 11,822,625.79</u>	<u>\$ 315,871.87</u>

TOWNSHIP OF SOUTH ORANGE VILLAGE
CURRENT FUND

CHANGE FUNDS
YEAR ENDED DECEMBER 31, 2021

A-5

	<u>Ref.</u>	
Balance, December 31, 2021 and 2020	A	<u>\$ 225.00</u>

TOWNSHIP OF SOUTH ORANGE VILLAGE
CURRENT FUND

DUE TO/FROM STATE OF NEW JERSEY
PER CHAPTER 129, P.L. 1976
SENIOR CITIZENS AND VETERANS' DEDUCTIONS
YEAR ENDED DECEMBER 31, 2021

A-6

	<u>Ref.</u>		
Balance, December 31, 2020	A		\$ 16,360.34
Increased by:			
Deductions per Tax Duplicate			
Senior Citizens		\$ 2,750.00	
Veterans		28,000.00	
Veteran/Senior Citizens Deduction			
Allowed by Tax Collector		<u>500.00</u>	
	A-7		<u>31,250.00</u>
			<u>47,610.34</u>
Decreased by:			
Prior Year Senior Citizens Deduction			
Disallowed by Tax Collector	A-1	250.00	
Cash Received	A-4	<u>31,750.00</u>	
			<u>32,000.00</u>
Balance, December 31, 2021	A		<u><u>\$ 15,610.34</u></u>

TOWNSHIP OF SOUTH ORANGE VILLAGE
CURRENT FUND

TAXES RECEIVABLE AND ANALYSIS OF PROPERTY TAX LEVY
YEAR ENDED DECEMBER 31, 2021

A-7

Year	Balance, Dec. 31, 2020	2021 Levy	Added Taxes	<u>Collected</u>		Exemptions Granted	Cancellations and Adjustments	Transferred to Tax Title Liens	Balance, Dec. 31, 2021
				2020	2021				
Prior Year Taxes	\$ 1,110,491.12		\$ 250.00		\$ 1,061,012.22		\$ 49,728.90		
	1,110,491.12				1,061,012.22		49,728.90		
2021		\$ 95,934,415.10	30,750.00	\$ 652,904.37	94,469,257.18	\$ 31,250.00	73,462.69	\$ 7,748.27	\$ 730,542.59
	<u>\$ 1,110,491.12</u>	<u>\$ 95,934,415.10</u>	<u>\$ 30,750.00</u>	<u>\$ 652,904.37</u>	<u>\$ 95,530,269.40</u>	<u>\$ 31,250.00</u>	<u>\$ 123,191.59</u>	<u>\$ 7,748.27</u>	<u>\$ 730,542.59</u>
<u>Ref.</u>	A	Below	Reserve	A-24, Below	A-4, Below	A-6	Reserve	A-8	A
Collected in 2021				Above	\$ 95,530,269.40				
Collected in 2020				Above	652,904.37				
Senior Citizens and Veterans Deductions (Net)				Above	31,250.00				
				A-2a	<u>\$ 96,214,423.77</u>				
				<u>Ref.</u>					
<u>Tax Yield</u>									
General Purpose Tax				\$ 95,881,425.28					
Added and Omitted				52,989.82					
			Above		<u>\$ 95,934,415.10</u>				
<u>Tax Levy</u>									
Regional District School Tax (Abstract)			A-2a, A-21		\$ 54,953,487.00				
County Taxes:									
Regular County Tax (Abstract)			A-20	\$ 14,534,575.67					
Open Space			A-20	471,670.77					
			A-2a		15,006,246.44				
Local Taxes:									
For Municipal Purposes			A-2	25,638,377.39					
Local Open Space			A-22	283,314.45					
Additional Tax Levied				52,989.82					
					<u>25,974,681.66</u>				
			Above		<u>\$ 95,934,415.10</u>				

TOWNSHIP OF SOUTH ORANGE VILLAGE
CURRENT FUND

TAX TITLE LIENS
YEAR ENDED DECEMBER 31, 2021

A-8

	<u>Ref.</u>	
Balance, December 31, 2020	A	\$ 7,592.57
Increased by:		
Transferred from Taxes Receivable	A-7	\$ 7,748.27
Transferred from Other Accounts Receivable	A-9	42,950.00
Transferred from Revenue Accounts Receivable	Reserve	<u>13,297.81</u>
		<u>63,996.08</u>
Balance, December 31, 2021	A	<u>\$ 71,588.65</u>

OTHER ACCOUNTS RECEIVABLE
YEAR ENDED DECEMBER 31, 2021

A-9

	<u>Ref.</u>	
Balance, December 31, 2020	A	\$ 45,419.75
Increased by:		
Billings	Reserved	<u>3,200.00</u>
		48,619.75
Decreased by:		
Cash Receipts	A-1, A-4	\$ 3,322.32
Transferred to Tax Title Liens	A-8	42,950.00
Cancellations	Reserved	<u>1,037.43</u>
		<u>47,309.75</u>
Balance, December 31, 2021	A	<u>\$ 1,310.00</u>
<u>Analysis of Balance</u>		
Lot Cleaning Charges	Above	<u>\$ 1,310.00</u>

TOWNSHIP OF SOUTH ORANGE VILLAGE
CURRENT FUND

PROPERTY ACQUIRED FOR TAXES AT ASSESSED VALUATION
YEAR ENDED DECEMBER 31, 2021

A-10

	<u>Ref.</u>	
Balance, December 31, 2021 and 2020	A	<u>\$ 417,253.87</u>

SPECIAL IMPROVEMENT DISTRICT RECEIVABLE
YEAR ENDED DECEMBER 31, 2021

A-11

	<u>Ref.</u>	
Balance - December 31, 2020	A	\$ 3,436.83
Increased by:		
SID Levy	A-25	\$ 102,821.45
Transfer from SID Overpayment	A-16	<u>4.42</u>
		<u>102,825.87</u>
		106,262.70
Decreased by:		
Cash Collections	A-4	104,193.67
Prior Year Transfer to SID Overpayment	A-16	90.34
Prior Year Cancellations	A-1	<u>59.66</u>
		<u>104,343.67</u>
Balance - December 31, 2021	A	<u>\$ 1,919.03</u>
<u>Net Change to Operations</u>		
SID Levy	Above	\$ 102,825.87
Less: Prior Year Transfer to SID Overpayment	Above	90.34
Less: Collections	Above	<u>104,193.67</u>
Net Credit to Operations	A-1	<u>\$ (1,458.14)</u>

TOWNSHIP OF SOUTH ORANGE VILLAGE
CURRENT FUND

REVENUE ACCOUNTS RECEIVABLE
YEAR ENDED DECEMBER 31, 2021

A-12

	<u>Ref.</u>	<u>Balance Dec. 31, 2020</u>	<u>Accrued</u>	<u>Collected</u>	<u>Balance Dec. 31, 2021</u>
Township Clerk:					
Alcoholic Beverage Licenses	A-2		\$ 30,563.00	\$ 30,563.00	
Other Licenses	A-2		16,806.00	16,806.00	
Other Fees and Permits	A-2		77,832.53	77,832.53	
Tax Collector:					
Interest and Cost on Taxes	A-2		289,910.76	289,910.76	
Construction Official:					
Building Permits	A-2		1,264,204.50	1,264,204.50	
Municipal Court	A-2	\$ 26,676.10	419,644.77	416,570.08	\$ 29,750.79
Recreation Receipts	A-2		741,415.98	741,415.98	
Joint Meeting Refund	A-2		58,929.46	58,929.46	
Sewer User Charges	A-2	94,223.86	2,500,000.00	2,504,216.34	90,007.52
Cell Tower Fees	A-2		98,522.43	98,522.43	
Cable TV Franchise Fee	A-2		191,649.06	191,649.06	
Interest on Investments	A-2		5,145.19	5,145.19	
PILOT	A-2	111,635.32	2,761,582.35	2,694,688.33	178,529.34
State of New Jersey:					
Energy Receipts Tax	A-2		1,456,861.00	1,456,861.00	
Uniform Fire Safety Act	A-2		21,393.13	21,393.13	
Seton Hall Debt Service Payment	A-2		60,625.00	60,625.00	
Water Utility Surplus	A-2		300,000.00	300,000.00	
Police Side Job Fees	A-2		71,353.75	71,353.75	
General Capital Fund Balance	A-2		122,715.81	122,715.81	
		<u>\$ 232,535.28</u>	<u>\$ 10,489,154.72</u>	<u>\$ 10,423,402.35</u>	<u>\$ 298,287.65</u>
	<u>Ref.</u>	A	Reserve	Below	A
			<u>Ref.</u>		
Cash Receipts			A-4	\$ 10,485,583.53	
County Pilot Payable			A-22a	(66,023.32)	
Interfunds, Net			A-13	3,842.14	
			Above	<u>\$ 10,423,402.35</u>	

TOWNSHIP OF SOUTH ORANGE VILLAGE
CURRENT FUND

A-13

SCHEDULE OF INTERFUNDS
YEAR ENDED DECEMBER 31, 2021

	<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>
Balance, December 31, 2020						
From	A	\$ 175.00	\$ 75.00	\$ -		\$ 100.00
(To)	A	\$ (400.70)			\$ (400.70)	
Increased by:						
Interest Due From Trust Fund	A-12	3,842.14			3,842.14	
Statutory Animal Control Fund Excess	A	3,130.39		3,130.39		
Budget Chargebacks	A-3	16,501.50	16,501.50			
Budget Chargebacks	A-15	4,860.00	4,860.00			
Cash Disbursements	A-4	743,645.14	202,240.48	2,850.00	402,792.84	135,761.82
Budget	A-3	680,416.73	680,416.73			
		<u>1,424,061.87</u>	<u>904,018.71</u>	<u>5,980.39</u>	<u>406,634.98</u>	<u>135,761.82</u>
Decreased by:						
Capital Improvement Fund/Payment of BAN Principal	A-3	135,761.82				135,761.82
To Fund Accumulated Absences	A-15	372,760.86			372,760.86	
Cash Receipts	A-4	1,496,602.53	1,087,188.40	2,850.00	406,464.13	100.00
Budget Reallocation	A-3	10,000.00	10,000.00			
Budget	A-3	680,416.73	680,416.73			
		<u>2,695,541.94</u>	<u>1,777,605.13</u>	<u>2,850.00</u>	<u>779,224.99</u>	<u>135,861.82</u>
Balance, December 31, 2021						
From	A	<u>\$ 3,130.39</u>	<u>\$ -</u>	<u>\$ 3,130.39</u>		<u>\$ -</u>
(To)	A	<u>\$ (1,246,502.13)</u>	<u>\$ (873,511.42)</u>		<u>\$ (372,990.71)</u>	<u>\$ -</u>

TOWNSHIP OF SOUTH ORANGE VILLAGE
CURRENT FUND

FEDERAL AND STATE GRANTS RECEIVABLE
YEAR ENDED DECEMBER 31, 2021

A-14

<u>Program</u>	<u>Balance</u> <u>Dec. 31, 2020</u>	<u>2021 Budget</u> <u>Revenue Realized</u>	<u>Received</u>	<u>Balance</u> <u>Dec. 31, 2021</u>
DOT:				
Alcohol Education Rehabilitation and Enforcement Fund		\$ 499.41	\$ 499.41	
Body Armor Replacement Program				
Body Worn Camera		95,786.00	95,786.00	
Bulletproof Vest Program		12,906.97	12,906.97	
Clean Communities		27,397.56	27,397.56	
Community Care Justice Program		110,000.00	110,000.00	
Drunk Driving Enforcement		13,453.31	13,453.31	
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
Cops in Shops	2,800.00			2,800.00
Municipal Alliance on Alcohol & Drug:				
2015	49.26		49.26	
2016	1,299.72		1,299.72	
2019		16,125.27	14,134.29	1,990.98
2021		6,300.00	6,300.00	
Grotta Fund Planning Grant				
2019	2,500.00		2,500.00	
2021		60,000.00	60,000.00	
Sustainable Jersey Small Grant	8,000.00	2,016.84	2,016.84	8,000.00
Sustainable Jersey Small Grants Program - Roots to Rivers		1,755.00	1,755.00	
Neighborhood Preservation Program		125,000.00	112,500.00	12,500.00
Greenway Recovery Project	400,000.00			400,000.00
Recycling Tonnage		20,176.37	20,176.37	
NJ Historic Trust - 2011	627,653.62			627,653.62
NJ American Water Grant	1,000.00			1,000.00
Essex County Open Space		150,000.00		150,000.00
Essex County Census Grant		4,000.00	4,000.00	
NJ Urban & Community Forrestry		30,000.00	23,414.40	6,585.60
Stonyfield Farm Grant		5,000.00	5,000.00	
Coronavirus Aid Relief Grant	51,008.32			51,008.32
	<u>\$ 3,066,810.92</u>	<u>\$ 680,416.73</u>	<u>\$ 513,189.13</u>	<u>\$ 3,234,038.52</u>
<u>Ref.</u>	A	A-2	Below	A
		<u>Ref.</u>		
		Cash Receipts	\$ 412,517.24	
		Unappropriated Grants	100,671.89	
			<u>\$ 513,189.13</u>	

See Independent Auditors' Report

TOWNSHIP OF SOUTH ORANGE VILLAGE
CURRENT FUND

A-15
Sheet # 1

2020 APPROPRIATION RESERVES
YEAR ENDED DECEMBER 31, 2021

Appropriations	Balance Dec. 31, 2020		Balance After Transfers	Expended	Balance Lapsed
	Encumbered	Unencumbered			
<u>GENERAL GOVERNMENT</u>					
Administrative and Executive:					
Salaries and Wages		\$ 72,363.90	\$ 72,363.90	\$ (4,860.00)	\$ 77,223.90
Other Expenses	\$ 46,224.06	142,727.55	188,951.61	63,323.84	125,627.77
Village Committee:					
Other Expenses		16,672.23	16,672.23	80.56	16,591.67
Office of Village Clerk:					
Salaries and Wages		34,642.38	34,642.38		34,642.38
Other Expenses	31.95	36,644.41	36,676.36	31.95	36,644.41
Neighborhoods:					
Other Expenses		15,000.00	15,000.00		15,000.00
Mayor and Council:					
Other Expenses	510.00	2,429.65	2,939.65	510.00	2,429.65
Financial Administration:					
Salaries and Wages		4,433.72	4,433.72		4,433.72
Other Expenses		32,731.01	32,731.01	19,380.00	13,351.01
Annual Audit	11,000.00	2,900.00	13,900.00	11,000.00	2,900.00
Assessment of Taxes:					
Salaries and Wages		2,876.23	2,876.23		2,876.23
Other Expenses	2,365.72	1,682.84	4,048.56	2,413.71	1,634.85
Tax Appeals	5,765.53		5,765.53	1,417.50	4,348.03
Collection of Taxes:					
Salaries and Wages		43,693.70	43,693.70	29,917.01	13,776.69
Other Expenses		184.86	184.86	43.98	140.88
Legal Services and Costs:					
Other Expenses	45,237.82	55,936.48	101,174.30	30,376.89	70,797.41
Engineering Services and Costs:					
Salaries and Wages		4,843.11	4,843.11		4,843.11
Other Expenses		29,869.02	29,869.02		29,869.02
Computer Information Technology:					
Salaries and Wages		10,080.79	10,080.79		10,080.79
Other Expenses		14,647.69	14,647.69	462.94	14,184.75
<u>LAND USE ADMINISTRATION</u>					
Planning Board:					
Other Expenses	271.45	1,748.10	2,019.55	271.45	1,748.10
Board of Adjustment:					
Other Expenses	250.00	1,192.70	1,442.70	250.00	1,192.70
Historic Preservation Commission:					
Other Expenses	353.80	691.85	1,045.65	1,008.80	36.85
<u>Insurance</u>					
Employee Group Benefits		498,507.67	476,007.67	10,431.19	465,576.48
Group Health Waiver		60,000.00	60,000.00		60,000.00
General Liability		1,497.50	1,497.50		1,497.50
<u>MUNICIPAL COURT</u>					
Municipal Court:					
Salaries and Wages		3,213.34	3,213.34		3,213.34
Public Defender:					
Salaries and Wages		686.26	686.26		686.26
<u>PUBLIC SAFETY</u>					
Police:					
Salaries and Wages		430,436.35	430,436.35	430,436.35	
Other Expenses	47,234.94	15,743.01	85,477.95	84,840.51	637.44
Emergency Management					
Other Expenses	589.02	299.30	888.32	695.88	192.44
Fire:					
Salaries and Wages		36,575.41	36,575.41	36,575.41	
Other Expenses	32,692.06	689.52	33,381.58	19,933.27	13,448.31
<u>PUBLIC WORKS FUNCTIONS</u>					
Other Public Works Function:					
Salaries and Wages		123,986.92	123,986.92		123,986.92
Other Expenses	200,319.71	103,922.73	304,242.44	195,087.91	109,154.53

TOWNSHIP OF SOUTH ORANGE VILLAGE
CURRENT FUND

A-15
Sheet # 2

2020 APPROPRIATION RESERVES
YEAR ENDED DECEMBER 31, 2021

Appropriations	Balance Dec. 31, 2020		Balance After Transfers	Expended	Balance Lapsed
	Encumbered	Unencumbered			
HEALTH AND WELFARE					
Board of Health:					
Salaries and Wages		\$ 68,440.11	\$ 68,440.11		\$ 68,440.11
Other Expenses	\$ 522.50	8,100.07	8,622.57	\$ 5,204.38	3,418.19
RECREATION AND EDUCATION					
Public Recreation Programs:					
Salaries and Wages		794.71	794.71		794.71
Other Expenses	27,579.85	158,272.44	185,852.29	37,454.98	148,397.31
Other Expenses (SOPAC)		3,350.00	3,350.00		3,350.00
UNIFORM CONSTRUCTION CODE					
Construction Code Officials:					
Inspection of Buildings:					
Salaries and Wages		2,742.00	2,742.00	2,700.00	42.00
Other Expenses	369.00	1,223.84	1,592.84	369.00	1,223.84
UNCLASSIFIED					
Electricity		4,606.98	4,606.98	3,423.26	1,183.72
Telephone and Telegraph		1,443.35	1,443.35	162.00	1,281.35
Street Lighting	5,904.97	42,402.99	48,307.96	46,745.87	1,562.09
Rent		5,137.75	5,137.75		5,137.75
STATUTORY EXPENDITURES					
Contributions to:					
Social Security System (OASI)		489.78	489.78		489.78
Unemployment Insurance		10,000.00	10,000.00		10,000.00
Defined Contribution Retirement Program		2,000.00	2,000.00		2,000.00
OTHER OPERATIONS:					
Municipal Library	2,454.35	27,013.66	29,468.01		29,468.01
Length of Service Awards Program		10,250.00	10,250.00		10,250.00
Interlocal Municipal Service Agreements					
Municipal Court - Township of Maplewood		300,430.91	300,430.91	163,555.15	136,875.76
PUBLIC AND PRIVATE PROGRAMS					
OFFSET BY REVENUES					
Municipal Alliance Grant - Local Match		6,625.00	6,625.00		6,625.00
	<u>\$ 429,676.73</u>	<u>\$ 2,456,873.82</u>	<u>\$ 2,886,550.55</u>	<u>\$ 1,193,243.79</u>	<u>\$ 1,693,306.76</u>
Ref.	A	A		Below	A-1

Due to Trust Fund	A-13	\$ 372,760.86
Budget Chargebacks	A-18	(4,860.00)
Cash Disbursements	A-4	825,342.93
Above		<u>\$ 1,193,243.79</u>

TOWNSHIP OF SOUTH ORANGE VILLAGE
CURRENT FUND

ACCOUNTS PAYABLE
YEAR ENDED DECEMBER 31, 2021

A-15a

	<u>Ref.</u>		
Balance, December 31, 2020	A		\$ 225,000.00
Increased by:			
Cash Receipts	A-4		500.00
			<u>225,500.00</u>
Decreased by:			
Cash Disbursements	A-4	\$ 40,300.00	
Cancelations	A-1	<u>170,000.00</u>	
			<u>210,300.00</u>
Balance, December 31, 2021	A		<u><u>\$ 15,200.00</u></u>

TOWNSHIP OF SOUTH ORANGE VILLAGE
CURRENT FUND

SPECIAL IMPROVEMENT DISTRICT OVERPAYMENTS
YEAR ENDED DECEMBER 31, 2021

A-16

	<u>Ref.</u>	
Balance, December 31, 2020	A	\$ 90.34
Increased by:		
Transfer from Improvement District Tax Receivable	A-11	4.42
		<u>94.76</u>
Decreased by:		
Transfer to Improvement District Tax Receivable	A-11	90.34
		<u>90.34</u>
Balance, December 31, 2021	A	<u>\$ 4.42</u>

TAX OVERPAYMENTS
YEAR ENDED DECEMBER 31, 2021

A-17

	<u>Ref.</u>	
Balance, December 31, 2020	A	\$ 91,745.23
Increased by:		
Cash Receipts	A-4	\$ 434,957.67
Overpayments Refunded	A-4, A-12	17,460.00
		<u>452,417.67</u>
		544,162.90
Decreased by:		
Refunds	A-4	485,113.47
Overpayment Cancellations	A-1	1,116.37
		<u>486,229.84</u>
Balance, December 31, 2021	A	<u>\$ 57,933.06</u>

TOWNSHIP OF SOUTH ORANGE VILLAGE
CURRENT FUND

A-18

INTERFUNDS
FEDERAL AND STATE GRANT FUND
YEAR ENDED DECEMBER 31, 2021

	<u>Ref.</u>	<u>Total</u>	<u>General Capital Fund</u>	<u>Current Fund</u>
Balance, December 31, 2020				
Due To		\$ (75.00)		\$ (75.00)
Increased by:				
Current Year Budget Chargebacks	A-3, A-4	16,501.50		16,501.50
Appropriation Reserve Budget Chargebacks	A-4, A-15	4,860.00		4,860.00
Cash Receipts	A-4	515,571.21		515,571.21
Grants Received in Current Fund	A-13	873,511.42		873,511.42
		<u>1,410,444.13</u>		<u>1,410,444.13</u>
		<u>1,410,519.13</u>		<u>1,410,519.13</u>
Decreased by:				
Cash Disbursements	A-4	786,715.16	\$ 259,707.45	527,007.71
Budget Appropriations	A-3, A-4	10,000.00		10,000.00
		<u>796,715.16</u>	<u>259,707.45</u>	<u>537,007.71</u>
Balance, December 31, 2021				
Due From		<u>\$ 1,133,218.87</u>	<u>\$ 259,707.45</u>	<u>\$ 873,511.42</u>

TOWNSHIP OF SOUTH ORANGE VLLAGE
CURRENT FUND

SEWER RENT OVERPAYMENTS
YEAR ENDED DECEMBER 31, 2021

A-19

	<u>Ref.</u>	
Balance, December 31, 2021 and 2020	A	\$ <u>5,389.38</u>

COUNTY TAXES PAYABLE
YEAR ENDED DECEMBER 31, 2021

A-20

	<u>Ref.</u>	
Balance, December 31, 2020	A	\$ 17,670.81
Increased by:		
2021 Levy:		
General County	A-7	\$ 14,534,575.67
Open Space Preservation	A-7	<u>471,670.77</u>
	A-1, A-2a	<u>15,006,246.44</u>
		15,023,917.25
Decreased by:		
Payments	A-4	<u>15,023,917.25</u>
Balance, December 31, 2021	A	\$ <u>-</u>

TOWNSHIP OF SOUTH ORANGE VILLAGE
CURRENT FUND

REGIONAL DISTRICT SCHOOL TAX
YEAR ENDED DECEMBER 31, 2021

A-21

	<u>Ref.</u>	
Balance, December 31, 2020	A	\$ 33,820.98
Increased by:		
School Tax Levy - Calendar Levy - 2021	A-1, A-2a, A-7	54,953,487.00
		<u>54,987,307.98</u>
Decreased by:		
Paid	A-4	54,441,168.98
		<u>54,441,168.98</u>
Balance, December 31, 2021	A	<u>\$ 546,139.00</u>

OPEN SPACE TAX LEVY
YEAR ENDED DECEMBER 31, 2021

A-22

	<u>Ref.</u>	
Balance, December 31, 2020		\$ -
Increased by:		
Tax Levy		283,314.45
	A-1, A-2a	<u>283,314.45</u>
Decreased by:		
Cash Disbursements	A-4	283,314.45
		<u>283,314.45</u>
Balance, December 31, 2021		<u>\$ -</u>

TOWNSHIP OF SOUTH ORANGE VILLAGE
CURRENT FUND

COUNTY PILOT TAXES PAYABLE
YEAR ENDED DECEMBER 31, 2021

A-22a

	<u>Ref.</u>	
Balance, December 31, 2020	A	\$ 122,179.94
Increased by:		
5% Pilot Due County	A-12	<u>66,023.32</u>
Balance, December 31, 2021	A	<u>\$ 188,203.26</u>

TOWNSHIP OF SOUTH ORANGE VILLAGE
CURRENT FUND

RESERVE FOR TAX APPEALS
YEAR ENDED DECEMBER 31, 2021

A-23

	<u>Ref.</u>	
Balance, December 31, 2020	A	\$ 219,268.88
Increased by:		
Cash Receipts	A-4	<u>76,248.88</u>
		295,517.76
Decreased by:		
Cash Disbursements	A-4	<u>228,162.11</u>
Balance, December 31, 2021	A	<u>\$ 67,355.65</u>

TOWNSHIP OF SOUTH ORANGE VILLAGE
CURRENT FUND

RESERVE FOR HURRICANE IDA
YEAR ENDED DECEMBER 31, 2021

A-23a

Balance, December 31, 2020	A	\$ -
Increased by:		
Cash Receipts	A-4	<u>1,000,000.00</u>
Balance, December 31, 2021	A	<u><u>\$ 1,000,000.00</u></u>

TOWNSHIP OF SOUTH ORANGE VILLAGE
CURRENT FUND

PREPAID TAXES
YEAR ENDED DECEMBER 31, 2021

A-24

	<u>Ref.</u>	
Balance, December 31, 2020	A	\$ 652,904.37
Increased by:		
Cash Collections	A-4	<u>727,111.75</u> 1,380,016.12
Decreased by:		
Applied to Current Taxes Receivable	A-7	<u>652,904.37</u>
Balance, December 31, 2021	A	<u><u>\$ 727,111.75</u></u>

SPECIAL IMPROVEMENT DISTRICT PAYABLE
YEAR ENDED DECEMBER 31, 2021

A-25

	<u>Ref.</u>	
Balance, December 31, 2020		\$ -
Increased by:		
Levy	A-11	<u>102,821.45</u> 102,821.45
Decreased by:		
Cash Disbursements	A-4	<u>102,821.45</u>
Balance, December 31, 2021		<u><u>\$ -</u></u>

TOWNSHIP OF SOUTH ORANGE VILLAGE
CURRENT FUND

SCHEDULE OF APPROPRIATED RESERVES FOR
FEDERAL AND STATE GRANTS
YEAR ENDED DECEMBER 31, 2021

A-26

Program	Balance Dec. 31, 2020	Transferred from 2021 Budget Appropriations		Expended	Balance Dec. 31, 2021
		Budget	Appropriated by 40A: 4-87		
Alcohol Education, Rehabilitation and Enforcement Fund	\$ 15,818.56	\$ 499.41			\$ 16,317.97
Body Armor	2,519.42			\$ 2,519.42	
Bulletproof Vest Program	4,184.34	12,906.97		8,786.08	8,305.23
Body Worn Cameras			\$ 95,786.00	89,861.00	5,925.00
Clean Communities 2015	398.60				398.60
Clean Communities 2016	4,148.27				4,148.27
Clean Communities 2017	171.76				171.76
Clean Communities 2018	878.95			40.00	838.95
Clean Communities 2019	29,352.09			23,004.10	6,347.99
Clean Communities 2020		27,397.56		544.00	26,853.56
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	14,150.00			3,450.00	10,700.00
Council of the Arts 2018	9,433.00			1,800.00	7,633.00
Council of the Arts 2019	4,716.00				4,716.00
DOT:					
Academy Street Phase 2	103,944.38				103,944.38
Turrell Avenue	1,740.00				1,740.00
Turrell Avenue Phase 2	114,559.39				114,559.39
Pedestrian Bridge	560,000.00				560,000.00
Drive Sober or Get Arrested	1,850.00				1,850.00
Drunk Driving Enforcement Program	179.00				179.00
Drunk Driving Enforcement Program 2016	2,925.81			2,754.34	171.47
Drunk Driving Enforcement Program 2021		13,453.31		880.00	12,573.31
Essex County Open Space		150,000.00		5,393.00	144,607.00
Essex County Census Grant		4,000.00			4,000.00
Grotta Fund Planning Grant	94,267.07	30,000.00	30,000.00	107,041.59	47,225.48
2006 Green Acres Acquisition	944,465.38				944,465.38
2008 Green Acres River Corridor	122,040.10				122,040.10
Municipal Stormwater Grant - 2011	7,325.00				7,325.00
Municipal Stormwater Grant	12,029.00				12,029.00
Greenway Recovery Project	400,000.00				400,000.00
ANJEC Grant	1,300.00				1,300.00
Nature Conservancy	2,000.00				2,000.00
New Jersey Sustainable Grant	16,067.95				16,067.95
New Jersey Sustainable Grant	1,423.20				1,423.20
New Jersey Sustainable Grant		3,771.84			3,771.84
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	25,309.01				25,309.01
Recycling Tonnage Grant - 2017	57,984.68				57,984.68
Recycling Tonnage Grant - 2018	23,680.87			2,009.00	21,671.87
Recycling Tonnage Grant - 2019	16,205.72			3,348.44	12,857.28
Recycling Tonnage Grant - 2020		20,176.37			20,176.37
Safe and Secure Grant	15,000.00				15,000.00
Safe and Secure Grant	20,000.00				20,000.00
Special Improvement District	9,775.00				9,775.00
Municipal Alliance on Alcoholism and Drugs - 2018	750.00				750.00
Municipal Alliance on Alcoholism and Drugs - 2019	7,686.26			3,522.50	4,163.76
Municipal Alliance on Alcoholism and Drugs - 2020		16,125.27		15,701.00	424.27
Municipal Alliance on Alcoholism and Drugs - 2021			6,300.00	4,012.50	2,287.50
Stonyfield Farm Grant		5,000.00			5,000.00
NJ Historic Grant - 2011	638,055.00				638,055.00
Cops in Shops - 2017	2,010.00				2,010.00
Pedestrian Safety	7,875.50			1,100.00	6,775.50
N.J. Urban Community and Forestry		30,000.00		739.53	29,260.47
N.J. Neighborhood Preservation Program			125,000.00	3,016.03	121,983.97
Community Care and Justice			110,000.00	33,450.00	76,550.00
Coronavirus Relief Aid	6,258.63			350.00	5,908.63
	<u>\$ 3,343,506.21</u>	<u>\$ 313,330.73</u>	<u>\$ 367,086.00</u>	<u>\$ 313,322.53</u>	<u>\$ 3,710,600.41</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, 2021

A-27

	<u>Ref.</u>		
Balance, December 31, 2020	A		\$ 100,671.89
Increased by:			
Cash Receipts	A-4	\$ 99,017.43	
Due from Current Fund	A-13	<u>873,511.42</u>	
			<u>972,528.85</u>
			1,073,200.74
Decreased by:			
Realized	A-14		<u>100,671.89</u>
Balance, December 31, 2021	A		<u><u>\$ 972,528.85</u></u>

Analysis of Balance:

Body Armor Replacement		\$ 2,893.93
Municipal Alliance		642.00
Bulletproof Vest Program		2,497.05
Grotta Planning Grant		35,000.00
Recycling Tonnage		18,822.92
Aspiring Kindness Grant		10,000.00
Clean Communities - 2021		29,161.53
ARPA Allocation		<u>873,511.42</u>
		<u><u>\$ 972,528.85</u></u>

TOWNSHIP OF SOUTH ORANGE VILLAGE
CURRENT FUND

DEFERRED CHARGES - N.J.S.A. 40A:4-55 SPECIAL EMERGENCY
YEAR ENDED DECEMBER 31, 2021

A-28

<u>Date Authorized</u>	<u>Purpose</u>	<u>Net Amount Authorized</u>	<u>Balance Dec. 31, 2020</u>	<u>Authorization</u>	<u>Balance Dec. 31, 2021</u>
9-13-21	Tropical Storm Ida Response	\$ 250,000.00	-	\$ 250,000.00	\$ 250,000.00
			\$ -	\$ 250,000.00	\$ 250,000.00
		<u>Ref.</u>	A	A-1, A-3	A

TOWNSHIP OF SOUTH ORANGE VILLAGE
TRUST FUND

CASH RECEIPTS AND DISBURSEMENTS
COLLECTOR-TREASURER
YEAR ENDED DECEMBER 31, 2021

B-1

	<u>Ref.</u>	<u>Animal Control Fund</u>	<u>Payroll Fund</u>		<u>General Trust Fund</u>
Balance, December 31, 2020	B	\$ 17,226.09	\$ 153,602.01		\$ 3,607,576.08
Increased by Receipts:					
Due to State of New Jersey	B-3	\$ 769.80			
Net Payroll and Deductions	B-5		\$ 19,990,665.70		
Animal Control Fees	B-6	10,204.10			
Interfunds	B-2			\$ 406,634.98	
Open Space	B-4			498,105.41	
Special Deposits	B-7			3,782,796.50	
		<u>10,973.90</u>	<u>19,990,665.70</u>		<u>4,687,536.89</u>
		28,199.99	20,144,267.71		8,295,112.97
Decreased by Disbursements:					
Due to State of New Jersey	B-3	769.80			
Net Payroll and Deductions	B-5		20,044,207.68		
Interfunds	B-2			406,464.13	
Animal Control Fund Expenditures	B-6	5,241.91			
Special Deposits	B-7			3,096,820.06	
Open Space Expenditures	B-2, B-4			222,797.00	
		<u>6,011.71</u>	<u>20,044,207.68</u>		<u>3,726,081.19</u>
Balance, December 31, 2021	B	<u>\$ 22,188.28</u>	<u>\$ 100,060.03</u>		<u>\$ 4,569,031.78</u>

TOWNSHIP OF SOUTH ORANGE VILLAGE
TRUST FUNDS

INTERFUNDS
YEAR ENDED DECEMBER 31, 2021

B-2

	<u>Ref.</u>	<u>Total</u>	<u>General Trust Current Fund</u>
Balance, December 31, 2020			
Due From	B	<u>\$ 400.70</u>	<u>\$ 400.70</u>
Increased by:			
Cash Disbursements		406,464.13	406,464.13
Special Deposits		<u>372,760.86</u>	<u>372,760.86</u>
	B-1	<u>779,224.99</u>	<u>779,224.99</u>
		<u>779,625.69</u>	<u>779,625.69</u>
Decreased by:			
Cash Receipts		402,792.84	402,792.84
Interest Due to Current Fund		<u>3,842.14</u>	<u>3,842.14</u>
	B-1	<u>406,634.98</u>	<u>406,634.98</u>
Balance, December 31, 2021			
Due From	Below	<u>\$ 372,990.71</u>	<u>\$ 372,990.71</u>
Interfunds Receivable	B	\$ 779,625.69	
Interfunds Payable	B	<u>(406,634.98)</u>	
Above		<u>\$ 372,990.71</u>	

TOWNSHIP OF SOUTH ORANGE VILLAGE
TRUST FUND

DUE TO STATE OF NEW JERSEY
YEAR ENDED DECEMBER 31, 2021

B-3

	<u>Ref.</u>	<u>Animal Control Fund</u>
Balance, December 31, 2020		\$ -
Increased by:		
State Fees	B-1	769.80
		<u>769.80</u>
Decreased by:		
Payments to State of New Jersey	B-1	769.80
		<u>769.80</u>
Balance, December 31, 2021		<u><u>\$ -</u></u>

TOWNSHIP OF SOUTH ORANGE VILLAGE
TRUST FUND

RESERVE FOR OPEN SPACE
YEAR ENDED DECEMBER 31, 2021

B-4

	<u>Ref.</u>	
Balance, December 31, 2020	B	\$ 335,439.66
Increased by:		
Interest Earned		\$ 29.45
Added Omitted Levy		15,378.13
Cash Receipts		199,383.38
Tax Levy		<u>283,314.45</u>
	B-1	<u>498,105.41</u>
		<u>833,545.07</u>
Decreased by:		
Cash Disbursements	B-1	<u>222,797.00</u>
Balance, December 31, 2021	B	<u>\$ 610,748.07</u>

TOWNSHIP OF SOUTH ORANGE VILLAGE
TRUST FUND

PAYROLL DEDUCTIONS PAYABLE
YEAR ENDED DECEMBER 31, 2021

B-5

	<u>Ref.</u>	
Balance, December 31, 2020	B	\$ 153,602.01
Increased by:		
Gross Payroll and Employer Share of FICA	B-1	19,990,665.70
		<u>20,144,267.71</u>
Decreased by:		
Net Payroll and Agency Payments	B-1	20,044,207.68
		<u>20,044,207.68</u>
Balance, December 31, 2021	B	<u>\$ 100,060.03</u>
 <u>Analysis of Balance</u>		
Police and Firemen's Retirement System		\$ 72,679.93
Public Employees' Retirement System		36,366.18
Due From Unemployment Trust		(8,169.12)
Net Payroll Due From Employees		(445.03)
Mass Mutual Due From Employees		(1,200.00)
Due To PBA		85.10
Other		742.97
		<u>\$ 100,060.03</u>

TOWNSHIP OF SOUTH ORANGE VILLAGE
TRUST FUND

RESERVE FOR ANIMAL CONTROL FUND EXPENDITURES
YEAR ENDED DECEMBER 31, 2021

B-6

	<u>Ref.</u>		
Balance, December 31, 2020	B		\$ 17,226.09
Increased by:			
Dog License Fees:			
Dog Licenses Issued		\$ 8,121.20	
Late Fees		400.00	
Other		<u>1,682.90</u>	
	B-1		<u>10,204.10</u>
			27,430.19
Decreased by:			
Expenditures Under R.S. 41:19-15.11	B-1	5,241.91	
Due to Current Fund	B	<u>3,130.39</u>	
			<u>8,372.30</u>
Balance, December 31, 2021	B		<u><u>\$ 19,057.89</u></u>

License Fees Collected

<u>Year</u>	Amount
2019	\$ 9,198.31
2020	<u>9,859.58</u>
	<u><u>\$ 19,057.89</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, 2021

B-7

	Balance Dec. 31, 2020	Increased	Decreased	Balance Dec. 31, 2021
Law Enforcement - Confiscated Funds	\$ 2,248.17	\$ 488.24		\$ 2,736.41
Confidential Fund	731.86	0.12		731.98
Municipal Court POAA	48,318.03	232.00		48,550.03
Municipal Drug Alliance Committee	149.75			149.75
Recreation Fee Based Program	49,241.11	108,512.50	\$ 64,205.13	93,548.48
Recycling	61,774.23	65,788.54	19,019.60	108,543.17
Master Card	13,760.97			13,760.97
Pool Trust	83,836.62	105,862.00	82,828.29	106,870.33
Donations	76,026.14	24,897.00	26,482.30	74,440.84
LOSAP Reserve	2,318.90			2,318.90
Public Defender	10,190.00	442.00		10,632.00
Fire Department Fines	4,505.61			4,505.61
Developer's Escrow	563,623.52	575,962.43	547,632.52	591,953.43
Affordable Housing	448,291.45	518,059.02	100,915.83	865,434.64
Tree Maintenance & Removal	14,040.00	2,450.00		16,490.00
Pedestrian Safety Study	5,000.00			5,000.00
Recreation Field Use	182,323.79	106,506.29	145,137.56	143,692.52
Contracted Services - Special Duty	18,793.00	515,077.50	514,832.50	19,038.00
Storm Recovery/Snow Trust	94,000.00			94,000.00
Accumulated Absences	242,669.00	372,760.86		615,429.86
Third Party Tax Title Lien Redemption	1,083,882.82	1,757,888.86	1,595,129.46	1,246,642.22
Garden Fees	1,451.85	630.00	636.87	1,444.98
Community Development Block Grant	234,113.00			234,113.00
Other Trust Reserves	31,247.30			31,247.30
	<u>\$ 3,272,537.12</u>	<u>\$ 4,155,557.36</u>	<u>\$ 3,096,820.06</u>	<u>\$ 4,331,274.42</u>

Reference

	B	Below	B-1	B
Cash Receipts	B-1		\$ 3,782,796.50	
Due To (From) Current Fund	B-2		372,760.86	
	Above		<u>\$ 4,155,557.36</u>	

See Independent Auditors' Report

TOWNSHIP OF SOUTH ORANGE VILLAGE
GENERAL CAPITAL FUND

CASH RECEIPTS AND DISBURSEMENTS
YEAR ENDED DECEMBER 31, 2021

C-2

	<u>Ref.</u>		
Balance, December 31, 2020	C		\$ 9,400,275.17
Increased by Receipts:			
Interfunds	C-16	\$ 3,732,637.60	
Capital Improvement Fund	C-9	400,000.00	
Accounts Receivable	C-4	50,000.00	
Premium on Sale of Bonds and Notes	C-1	196,201.78	
Bond Anticipation Notes	C-11	<u>6,836,988.00</u>	
			<u>11,215,827.38</u>
			20,616,102.55
Decreased by Disbursements:			
Fund Balance Utilized in Current Fund Budget	C-1	122,715.81	
Payment of Redevelopment Loan	C-4	50,000.00	
Improvement Authorizations	C-12	6,971,670.03	
Interfunds	C-16	<u>3,732,737.60</u>	
			<u>10,877,123.44</u>
Balance, December 31, 2021	C		<u><u>\$ 9,738,979.11</u></u>

TOWNSHIP OF SOUTH ORANGE VILLAGE
GENERAL CAPITAL FUND

ANALYSIS OF CAPITAL CASH
YEAR ENDED DECEMBER 31, 2021

C-3

	Balance	New	Receipts	Disbursements	Transfers		Balance
	Dec. 31, 2020				Authorizations	From	To
Due To (From) Current Fund	\$ 100.00		\$ 135,761.82	\$ 135,861.82			
Due To (From) Trust Fund							
Due To (From) Grant Fund						\$ 259,707.45	\$ 259,707.45
Due To (From) Water Capital Fund			3,527,170.22	3,527,170.22			
Due To (From) Water Operating Fund			69,705.56	69,705.56			
Fund Balance	122,715.81		196,201.78	122,715.81			196,201.78
Capital Improvement Fund	26,775.53		400,000.00		\$ 384,758.00		42,017.53
Due from Seton Hall University	(250,000.00)		50,000.00				(200,000.00)
Reserve for Seton Hall University	250,000.00			50,000.00			200,000.00
Due from New Jersey Historic Trust	(500,000.00)	\$ (300,000.00)					(800,000.00)
Reserve for New Jersey Historic Trust	500,000.00	300,000.00					800,000.00
Reserve for Preliminary Engineering Expense	30.00						30.00
Ordinance							
<u>Number</u>	<u>Improvement Authorization</u>						
11-16	Various Capital Improvements	6,840.00					6,840.00
12-10	Various Capital Improvements	112,211.54		12,000.00			100,211.54
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
16-11/18-19	Reassessment of Real Property	(285,000.00)	285,000.00				
17-06	Various Capital Improvements	3,630,499.06		3,378,430.32			252,068.74
18-06	Various Capital Improvements	20,470.95		27,985.32			(7,514.37)
18-18	Undertaking of a Master Plan	(791.42)					(791.42)
18-20	Library Preliminary Planning Expenses	84,827.07		64,099.79			20,727.28
19-02	Various Capital Improvements	5,874,976.64	3,000,000.00	1,134,308.69			7,740,667.95
20-07	Purchase 45 W. 3rd Street	70,900.00	1,000,000.00	1,009,380.26			61,519.74
20-15	Flood Facilities Mitigation Project	(600.00)					(600.00)
20-16	Various Capital Improvements	(321,705.52)	2,551,988.00	620,093.88			1,610,188.60
21-10	Various Capital Improvements			603,866.05	250,000.00	384,758.00	(469,108.05)
21-19	Various Capital Improvements			121,505.72	9,707.45		(131,213.17)
		<u>\$ 9,400,275.17</u>	<u>\$ -</u>	<u>\$ 11,215,827.38</u>	<u>\$ 10,877,123.44</u>	<u>\$ 644,465.45</u>	<u>\$ 644,465.45</u>
				<u>\$ 10,877,123.44</u>			<u>\$ 9,738,979.11</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, 2021

C-4

	<u>Ref</u>	<u>Due from Seton Hall University</u>
Balance, December 31, 2020	C	\$ 250,000.00
Decreased by:		
Payment of Redevelopment Loan	C-2, C-5	<u>50,000.00</u>
Balance, December 31, 2021	C	<u><u>\$ 200,000.00</u></u>

RESERVE FOR SETON HALL UNIVERSITY
YEAR ENDED DECEMBER 31, 2021

C-5

	<u>Ref</u>	
Balance, December 31, 2020	C	\$ 250,000.00
Decreased by:		
Payment of Redevelopment Loan	C-2, C-4	<u>50,000.00</u>
Balance, December 31, 2021	C	<u><u>\$ 200,000.00</u></u>

TOWNSHIP OF SOUTH ORANGE VILLAGE
GENERAL CAPITAL FUND

GRANTS RECEIVABLE
YEAR ENDED DECEMBER 31, 2021

C-6

	<u>Ref</u>	
Balance, December 31, 2020	C	\$ 500,000.00
Increased by:		
New Award	C-12	<u>300,000.00</u>
Balance, December 31, 2021	C	<u>\$ 800,000.00</u>
<u>Analysis of Balance:</u>		
New Jersey Historic Trust		\$ 500,000.00
New Jersey Department of Transportation		<u>300,000.00</u>
		<u>\$ 800,000.00</u>

RESERVE FOR GRANTS RECEIVABLE
YEAR ENDED DECEMBER 31, 2021

C-6a

	<u>Ref</u>	
Balance, December 31, 2020	C	\$ 500,000.00
Increased by:		
New Award	C-6	<u>300,000.00</u>
Balance, December 31, 2021	C	<u>\$ 800,000.00</u>
<u>Analysis of Balance:</u>		
New Jersey Historic Trust		\$ 500,000.00
New Jersey Department of Transportation		<u>300,000.00</u>
		<u>\$ 800,000.00</u>

TOWNSHIP OF SOUTH ORANGE VILLAGE
GENERAL CAPITAL FUND

DEFERRED CHARGES TO FUTURE TAXATION - FUNDED
YEAR ENDED DECEMBER 31, 2021

C-7

	<u>Ref.</u>		
Balance, December 31, 2020	C		\$ 44,755,085.66
Increased by:			
Serial Bonds Issued	C-10		4,265,000.00
			<u>49,020,085.66</u>
Decreased by:			
Serial Bonds Refunded	C-10	\$ 4,930,000.00	
Payment of Serial Bonds	C-10	3,560,000.00	
Payment of Green Trust Loan	C-13	7,611.93	
Payment of Environmental Infrastructure Loan	C-14	<u>29,153.53</u>	
			<u>8,526,765.46</u>
Balance, December 31, 2021	C		<u><u>\$ 40,493,320.20</u></u>

TOWNSHIP OF SOUTH ORANGE VILLAGE
GENERAL CAPITAL FUND

DEFERRED CHARGES TO FUTURE TAXATION - UNFUNDED
YEAR ENDED DECEMBER 31, 2021

C-8

Ordinance Number		Balance, Dec. 31, 2020	2021 Authorizations	Paid by Budget Appropriation	Balance, Dec. 31, 2021	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		
17-22	Various Capital Improvements	21,100.00		\$ 21,100.00				
18-06	Various Capital Improvements	2,850,000.00		35,900.00	2,814,100.00	2,750,000.00	\$ 7,514.37	\$ 56,585.63
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	10,250,000.00		68,000.00	10,182,000.00	6,932,000.00		3,250,000.00
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		600.00	1,304,400.00
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		469,108.05	2,691,317.95
21-19	Various Capital Improvements		4,750,000.00		4,750,000.00		131,213.17	4,618,786.83
		<u>\$ 19,352,600.00</u>	<u>\$ 7,910,426.00</u>	<u>\$ 125,000.00</u>	<u>\$ 27,138,026.00</u>	<u>\$ 13,518,988.00</u>	<u>\$ 609,227.01</u>	<u>\$ 13,009,810.99</u>
	<u>Ref.</u>	C	C-12, C-17	C-11	C	C-11	C-3	See Below
						Improvement Authorizations - Unfunded	<u>Ref.</u> C-12	\$ 22,422,187.28
						Less: Unexpended Proceeds of Bond Anticipation Notes Issued:		
						Ordinance # 19-02		(7,740,667.95)
						Ordinance # 20-07		(61,519.74)
						Ordinance # 20-16		(1,610,188.60)
							Above	<u>\$ 13,009,810.99</u>

TOWNSHIP OF SOUTH ORANGE VILLAGE
GENERAL CAPITAL FUND

C-9

CAPITAL IMPROVEMENT FUND
YEAR ENDED DECEMBER 31, 2021

	<u>Ref.</u>	
Balance, December 31, 2020	C	\$ 26,775.53
Increased by :		
Budget Appropriation	C-2	<u>400,000.00</u>
		426,775.53
Decreased by:		
Improvement Authorizations	C-12	<u>384,758.00</u>
Balance, December 31, 2021	C	<u><u>\$ 42,017.53</u></u>

TOWNSHIP OF SOUTH ORANGE VILLAGE
GENERAL CAPITAL FUND

BOND ANTICIPATION NOTES PAYABLE
YEAR ENDED DECEMBER 31, 2021

Ordinance Number	Improvement Description	Original		Date of Issue	Date of Maturity	Interest Rate	Balance December 31, 2020	Increased	Decreased	<u>C-11</u>
		Amount	Date							Balance December 31, 2021
17-06	Various Capital Improvements	\$ 9,723,250.00	12/14/2017	7/7/2021	7/7/2022	1.50%		\$ 285,000.00		\$ 285,000.00
17-22	Various Capital Improvements	475,000.00	12/14/2017	7/7/2021	7/7/2022	1.50%	\$ 21,100.00		\$ 21,100.00	
18-06	Various Capital Improvements	2,785,000.00	7/9/2019	7/7/2021	7/7/2022	1.50%	2,785,900.00	2,750,000.00	2,785,900.00	2,750,000.00
19-02	Various Capital Improvements	4,000,000.00	7/9/2019	7/7/2021	7/7/2022	1.50%	4,000,000.00	6,932,000.00	4,000,000.00	6,932,000.00
20-07	Purchase of 45 W. #3rd St	1,000,000.00	7/7/2021	7/7/2021	7/7/2022	1.50%		1,000,000.00		1,000,000.00
20-16	Various Capital Improvements	2,551,988.00	7/7/2021	7/7/2021	7/7/2022	1.50%		2,551,988.00		2,551,988.00
							<u>\$ 6,807,000.00</u>	<u>\$ 13,518,988.00</u>	<u>\$ 6,807,000.00</u>	<u>\$ 13,518,988.00</u>
						<u>Ref.</u>	C	C-2	Below	C
						New BANs Issued Notes Renewed	C-2, C-17	\$ 6,836,988.00		
						Above		<u>6,682,000.00</u>		
								<u>\$ 13,518,988.00</u>		
						Paid by Budget Appropriation Notes Renewed	C-8		\$ 125,000.00	
						Above			<u>6,682,000.00</u>	
									<u>\$ 6,807,000.00</u>	

TOWNSHIP OF SOUTH ORANGE VILLAGE
GENERAL CAPITAL FUND

IMPROVEMENT AUTHORIZATIONS
YEAR ENDED DECEMBER 31, 2021

C-12

Ordinance Number	Improvement Description	Original		Balance, Dec. 31, 2020		2021 Authorizations	Paid or Charged	Balance Dec. 31, 2021	
		Amount	Date	Funded	Unfunded			Funded	Unfunded
11-16	Various Capital Improvements	\$ 4,791,766.93	7/25/2011	\$ 6,840.00				\$ 6,840.00	
12-10	Various Capital Improvements	2,681,003.00	9/24/2012	112,211.54			\$ 12,000.00	100,211.54	
13-16	Various Capital Improvements	1,035,000.00	9/09/2013	2,509.00				2,509.00	
14-05	Various Capital Improvements	1,625,000.00	4/17/2014	5,550.00				5,550.00	
15-04	Various Capital Improvements	2,575,000.00	3/9/2015	14,063.47				14,063.47	
15-19	Streets and Roads	2,000,000.00	9/16/2015	1,356.00				1,356.00	
15-21	IT and Communications	500,000.00	11/23/2015	34,547.04				34,547.04	
17-06	Various Capital Improvements	10,235,000.00	3/13/2017	3,630,499.06			3,378,430.32	252,068.74	
18-06	Various Capital Improvements	3,000,000.00	3/12/2018		\$ 84,570.95		27,985.32		\$ 56,585.63
18-18	Undertaking of a Master Plan	225,000.00	8/13/2018		10,458.58				10,458.58
18-20	Library Preliminary Planning Expenses	225,000.00	8/13/2018	84,827.07			64,099.79	20,727.28	
18-34	Joint Meeting of Essex and Union Counties	645,000.00	11/26/2018		645,000.00				645,000.00
19-02	Various Capital Improvements	15,000,000.00	2/11/2019		12,124,976.64		1,134,308.69		10,990,667.95
20-07	Purchase 45 W. 3rd Street	1,500,000.00	3/9/2020	70,900.00	1,428,500.00		1,009,380.26		490,019.74
20-15	Flood Facilitates Mitigation Project	1,305,000.00	6/22/2020		1,304,400.00				1,304,400.00
20-16	Various Capital Improvements	2,665,000.00	6/22/2020		2,235,044.48		620,093.88		1,614,950.60
21-10	Various Capital Improvements	3,295,184.00	3/22/2021			\$ 3,295,184.00	603,866.05		2,691,317.95
21-19	Various Capital Improvements	5,000,000.00	9/13/2021			5,000,000.00	381,213.17		4,618,786.83
				<u>\$ 3,963,303.18</u>	<u>\$ 17,832,950.65</u>	<u>\$ 8,295,184.00</u>	<u>\$ 7,231,377.48</u>	<u>\$ 437,873.07</u>	<u>\$ 22,422,187.28</u>
			<u>Ref.</u>	C	C	Below	C-2	C	C
Capital Improvement Fund			C-9			\$ 384,758.00			
Deferred Charges to Future Taxation Unfunded			C-8			<u>7,910,426.00</u>			
			Above			<u>\$ 8,295,184.00</u>			
Due to Grant Fund			C-16			\$ 259,707.45			
Cash Disbursements			C-2			<u>6,971,670.03</u>			
			Above			<u>\$ 7,231,377.48</u>			

TOWNSHIP OF SOUTH ORANGE VILLAGE
GENERAL CAPITAL FUND

GREEN ACRES LOAN PAYABLE
YEAR ENDED DECEMBER 31, 2021

C-13

	<u>Ref.</u>	
Balance, December 31, 2020	C	\$ 48,029.03
Decreased by:		
Budget Appropriation for Payment of Green Trust Loan	C-7	<u>7,611.93</u>
Balance, December 31, 2021	C	<u>\$ 40,417.10</u>

ENVIRONMENTAL INFRASTRUCTURE LOAN PAYABLE
YEAR ENDED DECEMBER 31, 2021

C-14

	<u>Ref.</u>	
Balance, December 31, 2020	C	\$ 387,056.63
Decreased by:		
Payment of Loan	C-7	<u>29,153.53</u>
Balance, December 31, 2021	C	<u>\$ 357,903.10</u>

TOWNSHIP OF SOUTH ORANGE VILLAGE
GENERAL CAPITAL FUND

RESERVE FOR PRELIMINARY ENGINEERING EXPENSES
YEAR ENDED DECEMBER 31, 2021

	<u>Ref</u>	<u>C-15</u>
Balance, December 31, 2021 and 2020	C	<u>\$ 30.00</u>

TOWNSHIP OF SOUTH ORANGE VILLAGE
GENERAL CAPITAL FUND
INTERFUNDS
YEAR ENDED DECEMBER 31, 2021

C-16

	Ref	Total	Current Fund	Grant Fund	Water Operating Fund	Water Capital Fund
Balance, December 31, 2020	C	\$ (100.00)	\$ (100.00)	\$ -	\$ -	\$ -
Increased by:						
Cash Disbursements	C-2	3,732,737.60	135,761.82		69,805.56	3,527,170.22
Improvement Authorizations	C-12	<u>259,707.45</u>		<u>259,707.45</u>		
		3,992,445.05	135,761.82	259,707.45	69,805.56	3,527,170.22
Decreased by:						
Cash Receipts	C-2	<u>3,732,837.60</u>	<u>135,861.82</u>		<u>69,805.56</u>	<u>3,527,170.22</u>
		3,732,837.60	135,861.82	-	69,805.56	3,527,170.22
Balance, December 31, 2021	C	<u>\$ 259,707.45</u>	<u>\$ -</u>	<u>\$ (259,707.45)</u>	<u>\$ -</u>	<u>\$ -</u>

TOWNSHIP OF SOUTH ORANGE VILLAGE
GENERAL CAPITAL FUND

BONDS AND NOTES AUTHORIZED BUT NOT ISSUED
YEAR ENDED DECEMBER 31, 2021

C-17

Ordinance Number	Improvement Description	Balance Dec. 31, 2020	2021 Authorizations	Bond Anticipation Notes Issued	Balance Dec. 31, 2021
16-11/18-19	Reassessment of Real Property	\$ 285,000.00		\$ 285,000.00	
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	6,250,000.00		3,000,000.00	3,250,000.00
20-07	Purchase of Property	1,428,500.00		1,000,000.00	428,500.00
20-15	Flood Facilitites Mitigation Project	1,305,000.00			1,305,000.00
20-16	Various Capital Improvements	2,556,750.00		2,551,988.00	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
		<u>\$ 12,545,600.00</u>	<u>\$ 7,910,426.00</u>	<u>\$ 6,836,988.00</u>	<u>\$ 13,619,038.00</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, 2021

D-5

	Ref.	<u>Operating</u>		<u>Capital</u>
Balance, December 31, 2020	D	\$ 1,952,133.46		\$ 1,679,508.05
Increased by Receipts:				
Premium on Sale of Notes	D-2		\$ 46,158.22	
Premium on Sale of Bonds	D-2		14,810.92	
Miscellaneous Revenues	D-3	\$ 355.65		
Consumer Accounts Receivable	D-3, D-7	4,290,511.07		
Bond Anticipation Notes	D-9		<u>8,168,012.00</u>	
		<u>4,290,866.72</u>		<u>8,228,981.14</u>
		6,243,000.18		9,908,489.19
Decreased by Disbursements:				
Budget Appropriations	D-4	3,541,259.33		
Accrued Interest on Bonds	D-10	197,303.63		
Accounts Payable	D-15a	750.00		
Due from Current Fund	D-1	300,000.00		
Appropriation Reserves	D-15	267,166.81		
Bond Anticipation Notes	D-9		8,187,000.00	
Improvement Authorizations	D-13		<u>1,209,463.86</u>	
		<u>4,306,479.77</u>		<u>9,396,463.86</u>
Balance, December 31, 2021	D	<u>\$ 1,936,520.41</u>		<u>\$ 512,025.33</u>

TOWNSHIP OF SOUTH ORANGE VILLAGE
WATER UTILITY

ANALYSIS OF CASH AND INVESTMENTS
WATER CAPITAL FUND
YEAR ENDED DECEMBER 31, 2021

D-6

	Balance	Receipts	Disbursements	Transfers		Balance
	Dec. 31, 2020			From	To	Dec. 31, 2021
Fund Balance	\$ 95,415.39	\$ 60,969.14		\$ 81,065.82		\$ 75,318.71
Environmental Infrastructure Loan Receivable	(6,337.00)				\$ 6,337.00	
Due To/(From) Water Operating Fund				250,000.00	81,065.82	(168,934.18)
Reserve for Future Projects					231,012.00	231,012.00
Improvement Authorizations:						
#2016-01 Crest Drive Standpipe	(1,457,651.48)	3,481,012.00	\$ 3,604,594.31		18,988.00	(1,562,245.79)
#2016-02 Newstead Sphere	432,324.54		306,747.93			125,576.61
#2018-28 (NJIB) Crest Drive Standpipe	1,550,358.75	895,000.00	1,242,087.50			1,203,271.25
#2018-29 (NJIB) Newstead Sphere	447,567.38		156,698.86	6,337.00		284,531.52
#2019-07/18 (NJIB) Newstead Sphere	597,425.44	3,292,000.00	3,437,910.38			451,515.06
#2020-08-NJIB Infastructure	20,405.03	500,000.00	510,200.00			10,205.03
#2021-03-NJIB Infastructure			138,224.88			(138,224.88)
	<u>\$ 1,679,508.05</u>	<u>\$ 8,228,981.14</u>	<u>\$ 9,396,463.86</u>	<u>\$ 337,402.82</u>	<u>\$ 337,402.82</u>	<u>\$ 512,025.33</u>
<u>Ref.</u>	D	D-5	D-5			D

TOWNSHIP OF SOUTH ORANGE VILLAGE
WATER UTILITY

SCHEDULE OF WATER RENTS RECEIVABLE
YEAR ENDED DECEMBER 31, 2021

D-7

	<u>Ref.</u>	
Balance, December 31, 2020	D	\$ 549,980.74
Increased by:		
Rent Billings	Reserve	4,454,122.03
		<u>5,004,102.77</u>
Decreased by:		
Collections	D-5	<u>4,290,511.07</u>
Balance, December 31, 2021	D	<u><u>\$ 713,591.70</u></u>

TOWNSHIP OF SOUTH ORANGE VILLAGE
WATER UTILITY

RESERVE FOR AMORTIZATION
YEAR ENDED DECEMBER 31, 2021

D-8

	Ref.			
Balance, December 31, 2020	D		\$	8,220,893.09
Increased by:				
Payment of Serial Bonds	D-14	\$		735,000.00
Forgiveness of New Jersey Environmental Infrastructure Loan	D-17a			36,980.00
Payment of Bond Anticipation Note Principal	D-13a			18,988.00
				790,968.00
				9,011,861.09
Decreased by:				
Serial Bond Refunding	D-14			470,000.00
				470,000.00
Balance, December 31, 2021	D		\$	8,541,861.09

TOWNSHIP OF SOUTH ORANGE VILLAGE
WATER CAPITAL FUND

BOND ANTICIPATION NOTES PAYABLE
YEAR ENDED DECEMBER 31, 2021

D-9

Ordinance Number	Improvement Description	Original		Date of Issue	Date of Maturity	Interest Rate	Balance Dec. 31, 2020	Increased	Decreased	Balance Dec. 31, 2021
		Amount	Date							
16-01/18-26	Various Capital Improvements	\$ 1,500,000.00	7/9/2018	7/8/2021	7/7/2022	2.00%	\$ 1,500,000.00	\$ 1,481,012.00	\$ 1,500,000.00	\$ 1,481,012.00
		2,000,000.00	12/19/2019	7/8/2021	7/7/2022	2.00%	2,000,000.00	2,000,000.00	2,000,000.00	2,000,000.00
18-28	Crest Drive Standpipe	895,000.00	12/19/2019	12/17/2021	12/17/2022	1.00%	895,000.00	895,000.00	895,000.00	895,000.00
19-07	Scotland Road Project	3,292,500.00	12/19/2019	12/17/2021	12/17/2022	1.00%	3,292,000.00	3,292,000.00	3,292,000.00	3,292,000.00
20-08	Various Capital Improvements	500,000.00	12/17/2020	12/17/2021	12/17/2022	1.00%	500,000.00	500,000.00	500,000.00	500,000.00
							<u>\$ 8,187,000.00</u>	<u>\$ 8,168,012.00</u>	<u>\$ 8,187,000.00</u>	<u>\$ 8,168,012.00</u>
							D	D-5	D-5	D

Ref

TOWNSHIP OF SOUTH ORANGE VILLAGE
WATER UTILITY

ACCRUED INTEREST PAYABLE
YEAR ENDED DECEMBER 31, 2021

D-10

	<u>Ref.</u>	
Balance, December 31, 2020	D	\$ 54,536.97
Increased by:		
Budget Appropriation	D-4	<u>187,227.51</u>
		241,764.48
Decreased by:		
Cash Disbursements	D-5	<u>197,303.63</u>
Balance, December 31, 2021	D	<u>\$ 44,460.85</u>

Analysis of Accrued Interest at December 31, 2021

Serial Bonds:

	<u>Date of Issue</u>	<u>Balance Dec. 31, 2021</u>	<u>Interest Payable</u>	<u>Period</u>	<u>Amount</u>
	01/31/12	\$ 470,000.00	Various	2 Months	\$ 3,025.00
	4/12/18	<u>1,805,000.00</u>	Various	1.5 Months	<u>14,520.83</u>
		<u>2,275,000.00</u>			<u>17,545.83</u>

Bond Anticipation Notes:

	<u>Date of Issue</u>	<u>Balance Dec. 31, 2021</u>	<u>Interest Payable</u>	<u>Period</u>	<u>Amount</u>
	12/17/2021	4,687,000.00	1.00%	11 days	1,822.72
	7/8/2021	<u>3,481,012.00</u>	2.00%	183 days	<u>25,092.29</u>
		<u>\$ 8,168,012.00</u>			<u>26,915.01</u>
					<u>\$ 44,460.84</u>

TOWNSHIP OF SOUTH ORANGE VILLAGE
WATER UTILITY

FIXED CAPITAL
YEAR ENDED DECEMBER 31, 2021

D-11

	<u>Balance Dec. 31, 2020</u>	<u>Balance Dec. 31, 2021</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
	<u>\$ 8,460,893.09</u>	<u>\$ 8,460,893.09</u>
<u>Ref.</u>	D	D

TOWNSHIP OF SOUTH ORANGE VILLAGE
WATER CAPITAL FUND

D-12

SCHEDULE OF FIXED CAPITAL AUTHORIZED AND UNCOMPLETED
YEAR ENDED DECEMBER 31, 2021

Ordinance Number	Description	Ordinance		Balance Dec. 31, 2020	Increased by 2021 Authorizations	Balance Dec. 31, 2021
		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		3,292,500.00
19-18	(NJIB) Scotland Road	700,000.00	9/23/19	700,000.00		700,000.00
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
				<u>\$ 15,292,500.00</u>	<u>\$ 3,500,000.00</u>	<u>\$ 18,792,500.00</u>
				D	D-13	D

TOWNSHIP OF SOUTH ORANGE VILLAGE
WATER CAPITAL FUND

SCHEDULE OF IMPROVEMENT AUTHORIZATIONS
YEAR ENDED DECEMBER 31, 2021

Ordinance Number	Improvement Description	Original		Balance, Dec. 31, 2020		2021 Authorizations	Paid or Charged	Balance Dec. 31, 2021	
		Amount	Date	Funded	Unfunded			Funded	Unfunded
16-01	Crest Drive Standpipe	\$ 3,500,000.00	2/22/16		\$ 133,579.26		\$ 104,594.31		\$ 28,984.95
16-02	Newstead Sphere	2,300,000.00	2/22/16	\$ 432,324.54			306,747.93	\$ 125,576.61	
18-28	(NJIB) Crest Dr. Standpipe	4,000,000.00	8/27/18		3,064,128.01		347,087.50		2,717,040.51
18-29	(NJIB) Newstead Sphere	1,000,000.00	8/27/18		807,567.38		156,698.86		650,868.52
19-07	(NJIB) Scotland Road	3,292,500.00	4/8/19		776,274.67		16,717.67		759,557.00
19-18	(NJIB) Scotland Road	700,000.00	9/23/19		521,650.77		129,192.71		392,458.06
20-08	Various Capital Improvements	500,000.00	12/17/20		20,405.03		10,200.00		10,205.03
21-03	NJIB Water Meters	3,000,000.00	3/8/21			\$ 3,000,000.00	138,224.88		2,861,775.12
21-22	Various Capital Improvements	500,000.00	12/13/21			500,000.00			500,000.00
				<u>\$ 432,324.54</u>	<u>\$ 5,323,605.12</u>	<u>\$ 3,500,000.00</u>	<u>\$ 1,209,463.86</u>	<u>\$ 125,576.61</u>	<u>\$ 7,920,889.19</u>
				D	D	D-12, D-18	D-5	D	D

TOWNSHIP OF SOUTH ORANGE VILLAGE
WATER UTILITY OPERATING FUND

D-13a

SCHEDULE OF INTERFUNDS
YEAR ENDED DECEMBER 31, 2021

	<u>Ref.</u>	<u>Water Operating</u> <u>Fund</u>	<u>Water Capital</u> <u>Fund</u>
Balance December 31, 2020	D		
Decreased by:			
Fund Balance Anticipated	D-3		\$ (81,065.82)
Capital Outlay	D-4	(231,012.00)	
Payment of BAN Principal	D-4	(18,988.00)	
		<u>(250,000.00)</u>	<u>(81,065.82)</u>
Increased by:			
Fund Balance Anticipated	D-3	81,065.82	
Reserve for Future Projects	D-16a		231,012.00
Reserve for Amortization	D-8		18,988.00
		<u>81,065.82</u>	<u>250,000.00</u>
Balance December 31, 2021			
Due From			<u>\$ 168,934.18</u>
Due (To)		<u>\$ (168,934.18)</u>	

See Independent Auditors' Report

TOWNSHIP OF SOUTH ORANGE VILLAGE
WATER UTILITY CAPITAL FUND

SERIAL BONDS
YEAR ENDED DECEMBER 31, 2021

D-14

Purpose	Date of Issue	Original Issue	Maturities of Bonds Outstanding Dec. 31, 2021		Interest Rate	Balance Dec. 31, 2020	Bonds Issued	Bonds Redeemed	Balance Dec. 31, 2021							
			Date	Amount												
Water Refunding Bonds	01/31/2012	\$ 1,075,000.00	11/1/2022	\$ 65,000.00	4.00%	\$ 605,000.00		\$ 605,000.00								
			11/1/2023	65,000.00	2.50%											
			11/1/2024	70,000.00	4.00%											
			11/1/2025	70,000.00	4.00%											
			11/1/2026	70,000.00	2.75%											
			11/1/2027	70,000.00	3.00%											
			11/1/2028	70,000.00	3.13%											
			11/1/2029	65,000.00	3.25%											
			Water Utility Bonds	4/12/2018	2,135,000.00					4/15/2022	135,000.00	5.00%	1,935,000.00		130,000.00	\$ 1,805,000.00
4/15/2023	135,000.00	5.00%														
4/15/2024	140,000.00	5.00%														
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				6/1/2022	55,000.00	5.00%		\$ 470,000.00		470,000.00				
						11/1/2023	55,000.00	5.00%								
			11/1/2024	60,000.00	5.00%											
			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%											
													\$ 2,540,000.00	\$ 470,000.00	\$ 735,000.00	\$ 2,275,000.00
<u>Ref.</u>						D	D-8	D-8	D							

TOWNSHIP OF SOUTH ORANGE VILLAGE
WATER UTILITY FUND

2020 APPROPRIATION RESERVES
YEAR ENDED DECEMBER 31, 2021

D-15

Appropriation	Balance Dec. 31 2020		Amount After Modification	Paid or Charged	Balance Lapsed
	Encumbered	Unencumbered			
Operating					
Salaries and Wages		\$ 3,000.00	\$ 3,000.00		\$ 3,000.00
Other Expenses	\$ 1,906.25	609,081.66	610,987.91	\$ 267,166.81	343,821.10
	<u>\$ 1,906.25</u>	<u>\$ 612,081.66</u>	<u>\$ 613,987.91</u>	<u>\$ 267,166.81</u>	<u>\$ 346,821.10</u>
<u>Ref</u>	D	D	D	D-5	D-1

D-15a

SCHEDULE OF ACCOUNTS PAYABLE
YEAR ENDED DECEMBER 31, 2021

Balance, December 31, 2020	D		\$ 2,195.00
Decreased by:			
Disbursements	D-5		750.00
Balance, December 31, 2021	D		\$ 1,445.00

TOWNSHIP OF SOUTH ORANGE VILLAGE
WATER UTILITY

D-16

SCHEDULE OF ENVIRONMENTAL INFRASTRUCTURE INTERIM FINANCING RECEIVABLE
YEAR ENDED DECEMBER 31, 2021

	<u>Ref.</u>	
Balance, December 31, 2020	D	\$ 6,337.00
Decreased by:		
Cancellation of Receivable	D-17a	<u>6,337.00</u>
Balance, December 31, 2021	D	<u>\$ -</u>

D-16a

SCHEDULE OF RESERVE FOR FUTURE PROJECTS
YEAR ENDED DECEMBER 31, 2021

Balance, December 31, 2020	D	\$ -
Increased by:		
Budget Appropriation - Capital Outlay	D-4	<u>231,012.00</u>
Balance, December 31, 2021	D	<u>\$ 231,012.00</u>

TOWNSHIP OF SOUTH ORANGE VILLAGE
WATER UTILITY

D-17

SCHEDULE OF ENVIRONMENTAL INFRASTRUCTURE INTERIM FINANCING PAYABLE
YEAR ENDED DECEMBER 31, 2021

	<u>Ref.</u>	
Balance, December 31, 2020	D	\$ 640,000.00
Decreased by:		
Transfer to Environmental Loan Payable	D-17a	<u>640,000.00</u>
Balance, December 31, 2021	D	<u>\$ -</u>

NEW JERSEY ENVIRONMENTAL INFRASTRUCTURE LOAN PAYABLE
YEAR ENDED DECEMBER 31, 2021

D-17a

Balance, December 31, 2020	D			\$ -
Increased by:				
Transfer from Interim Financing Payable	D-17			<u>640,000.00</u>
				640,000.00
Decreased by:				
Loan Forgiveness	D-8	\$ 36,980.00		
Cancellation of Receivable	D-16	<u>6,337.00</u>		
				<u>43,317.00</u>
Balance, December 31, 2021	D			<u>\$ 596,683.00</u>

TOWNSHIP OF SOUTH ORANGE VILLAGE
WATER CAPITAL FUND

SCHEDULE OF BONDS AND NOTES
AUTHORIZED BUT NOT ISSUED
YEAR ENDED DECEMBER 31, 2021

D-18

	<u>Ref.</u>	
Balance, December 31, 2020	D	\$ 4,165,500.00
Increased by:		
2021 Authorizations	D-13	<u>3,500,000.00</u>
Balance, December 31, 2021	D	<u><u>\$ 7,665,500.00</u></u>
 <u>Analysis of Balance</u>		
Ordinance No. 18-28		\$ 3,105,000.00
Ordinance No. 18-29		360,000.00
Ordinance No. 19-07		500.00
Ordinance No. 19-18		700,000.00
Ordinance No. 21-03		3,000,000.00
Ordinance No. 21-22		<u>500,000.00</u>
		<u><u>\$ 7,665,500.00</u></u>

TOWNSHIP OF SOUTH ORANGE VILLAGE
PUBLIC ASSISTANCE FUND

SCHEDULE OF RECEIPTS AND DISBURSEMENTS
YEAR ENDED DECEMBER 31, 2021

E-2

	<u>Ref.</u>	
Balance, December 31, 2020	E	\$ 612.00
Increased by:		
Cash Receipt	E-1	<u>0.16</u>
Balance, December 31, 2021	E	<u>\$ 612.16</u>

TOWNSHIP OF SOUTH ORANGE VILLAGE
TRUSTEES OF FREE PUBLIC LIBRARY

CASH - CHECKING
REGULATORY BASIS
YEAR ENDED DECEMBER 31, 2021

F-2

	<u>Ref.</u>	<u>Unrestricted</u>	<u>Restricted</u>	<u>Total</u>
Balance, December 31, 2020	F	\$ 86,415.21	\$ 203,571.95	\$ 289,987.16
Increased By:				
State Library Aid	F-1	8,889.00		8,889.00
Gifts & Donations	F-1	65,787.45		65,787.45
Fines and Lost Books	F-1	5,026.12		5,026.12
Copier Fees	F-1	8,051.05		8,051.05
Miscellaneous	F-1	14,149.01		14,149.01
Interest on Deposits	F-1	275.72	27.02	302.74
Current Fund Budget Appropriations	F-4	185,000.00		185,000.00
		<u>287,178.35</u>	<u>27.02</u>	<u>287,205.37</u>
		<u>373,593.56</u>	<u>203,598.97</u>	<u>577,192.53</u>
Decreased By:				
Expenditures	F-1	306,085.29		306,085.29
Accounts Payable	F-5			-
Transfers	F-1	(3,302.00)	3,302.00	-
		<u>302,783.29</u>	<u>3,302.00</u>	<u>306,085.29</u>
Balance, December 31, 2021	F	<u>\$ 70,810.27</u>	<u>\$ 200,296.97</u>	<u>\$ 271,107.24</u>

TOWNSHIP OF SOUTH ORANGE VILLAGE
TRUSTEES OF FREE PUBLIC LIBRARY

CASH - MONEY MARKET
REGULATORY BASIS
YEAR ENDED DECEMBER 31, 2021

F-3

	<u>Ref.</u>	
Balance, December 31, 2020	F	\$ 90,027.49
Increased By:		
Interest on Deposits	F-1	<u>273.84</u>
Balance, December 31, 2021	F	<u>\$ 90,301.33</u>

DUE TO LIBRARY FROM TOWNSHIP OF SOUTH ORANGE VILLAGE
YEAR ENDED DECEMBER 31, 2021

F-4

	<u>Ref.</u>	
Balance, December 31, 2020	F	\$ -
Increased by:		
Budget Appropriation	F-1	<u>1,037,706.83</u>
		1,037,706.83
Decreased by:		
Payments Made Directly by Township	F-1	\$ 852,706.83
Cash Receipts	F-2	<u>185,000.00</u>
		<u>1,037,706.83</u>
Balance, December 31, 2021		<u>\$ -</u>

TOWNSHIP OF SOUTH ORANGE VILLAGE

ESSEX COUNTY, NEW JERSEY

PART III

ROSTER OF OFFICIALS

COMPARATIVE INFORMATION

COMMENTS AND RECOMMENDATIONS

YEAR ENDED DECEMBER 31, 2021

TOWNSHIP OF SOUTH ORANGE VILLAGE

**ROSTER OF OFFICIALS
DECEMBER 31, 2021**

Village President

Sheena C. Collum

Trustees

Bill Haskins
Bobby Brown
Donna Coallier
Karen Hartshorn Hilton
Summer Jones
Bob Zuckerman

Village Administrator

Adam D. Loehner

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, 2021**

Comparative Schedule of Tax Rate Information

	2021	2020	2019
Tax Rate	\$ 3.385	\$ 3.280	\$ 3.198
Apportionment of Tax Rate:			
Municipal	0.868	0.834	0.812
Library Tax	0.037	0.037	0.036
County	0.513	0.519	0.500
School	1.940	1.863	1.824
Municipal - Open Space	0.010	0.010	0.010
County - Open Space	0.017	0.017	0.016
	<u>\$ 3.385</u>	<u>\$ 3.280</u>	<u>\$ 3.198</u>
Assessed Valuation	<u>\$ 2,833,144,483</u>	<u>\$ 2,839,414,916</u>	<u>\$ 2,839,507,221</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

Year	Tax Levy	Cash Collections	Percent of Collections
2021	\$ 95,934,415.10	\$ 95,153,411.55	99.19%
2020	93,240,943.94	92,032,571.95	98.70%
2019	90,968,250.50	89,926,096.04	98.85%

Utility Rents

Year	Billings	Cash Collections	Percent of Collections
2021	\$ 4,454,122.03	\$ 4,290,511.07	96.33%
2020	4,439,985.04	4,276,831.75	96.33%
2019	4,995,002.15	4,755,337.22	95.20%

**TOWNSHIP OF SOUTH ORANGE VILLAGE
COUNTY OF ESSEX, NEW JERSEY
YEAR ENDED DECEMBER 31, 2021**

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>
2021	\$ 71,588.65	\$ 730,542.59	\$ 802,131.24	0.84%
2020	7,592.57	1,110,491.12	1,118,083.69	1.20%
2019	24,344.35	890,710.88	915,055.23	1.01%

The last tax sale was held via the internet on September 22, 2021 and 29 properties were sold.

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>
2021	4
2020	2
2019	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>
2021	\$ 417,253.87
2020	417,253.87
2019	417,253.87

Equalized Valuations – Real Property

<u>Year</u>	<u>Amount</u>
2021	\$ 3,370,126,668
2020	3,124,076,152
2019	3,123,685,620

**TOWNSHIP OF SOUTH ORANGE VILLAGE
COUNTY OF ESSEX, NEW JERSEY
YEAR ENDED DECEMBER 31, 2021**

Comparative Schedule of Fund Balances

Current Fund

<u>Year</u>	<u>Balance December 31</u>	<u>Utilized in Budget of Succeeding Year</u>
2021	\$ 5,061,570.69	\$ 2,500,000.00
2020	3,558,399.24	1,830,000.00
2019	2,188,145.42	1,577,000.00

Water Utility Fund

<u>Year</u>	<u>Balance December 31</u>	<u>Utilized in Budget of Succeeding Year</u>
2021	\$ 1,113,993.59	\$ 139,404.29
2020	1,281,413.58	232,804.18
2019	1,062,850.42	234,409.93

Bonded Officials

The following officials were bonded during the year ended December 31, 2021 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
Chris Battaglia	Chief Financial Officer	1,000,000

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, 2021**

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, 2021, 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, 2021**

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 2021 and was complete.

**TOWNSHIP OF SOUTH ORANGE VILLAGE
COUNTY OF ESSEX, NEW JERSEY
YEAR ENDED DECEMBER 31, 2021**

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.

New Jersey Comptroller's Report on Sick and Vacation Leave Policies

On July 7, 2022, the Office of the New Jersey Comptroller ("Comptroller") issued a report regarding its review of "Sick and Vacation Leave Policies in New Jersey Municipalities". In the report, the Comptroller reviewed the sick and vacation leave policies of 60 municipalities against laws enacted by the New Jersey State Legislature in 2007 and 2010. The results of the report found that some policies of 57 of the 60 municipalities reviewed were non-compliant with the applicable laws. The impact of the 2007 and 2010 laws regarding leave policies and how they are incorporated and implemented into collective bargaining agreements, individual contracts and municipal codes can be complicated and difficult to understand and implement. The Township of South Orange Village was not included as part of the Comptroller's review. However, given the instances of non-compliance noted in the Comptroller's report over the 60 municipalities reviewed, we believe that it would be prudent for the Township to review its current policies and practices with its municipal labor attorney to ensure compliance with the applicable New Jersey State Statutes.

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 2021. 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:

2021-001

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.

**TOWNSHIP OF SOUTH ORANGE VILLAGE
COUNTY OF ESSEX, NEW JERSEY
YEAR ENDED DECEMBER 31, 2021**

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.

Capital Fixed Assets

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

Status of Prior Years' Audit Recommendation

A review was performed on all prior years' findings, 2020-001 is a repeated finding as 2021-001.

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.

2021-001 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
August 31, 2022

Robert E. Provost

Robert Provost, CPA
Registered Municipal Accountant, No. 582