CITY OF EAST ORANGE

Financial Statements With Supplementary Information

December 31, 2015

(With Independent Auditors' Reports Thereon)

THIS PAGE INTENTIONALLY LEFT BLANK

CITY OF EAST ORANGE

TABLE OF CONTENTS

PART I

Exhibit		Page
	Independent Auditor's Report	1
	CURRENT FUND	
A	Comparative Balance Sheet - Regulatory Basis	5
A-1	Comparative Statement of Operations and Changes in Fund Balance - Regulatory Basis	7
A-2	Statement of Revenues - Regulatory Basis	8
A-3	Statement of Expenditures - Regulatory Basis	10
	TRUST FUNDS	
B	Comparative Balance Sheet - Regulatory Basis	24
	GENERAL CAPITAL FUND	
C	Comparative Balance Sheet - Regulatory Basis	26
C-1	Statement of Changes in Fund Balance - Regulatory Basis	27
	WATER UTILITY FUND	
D	Comparative Balance Sheet - Regulatory Basis	28
D-1	Statement of Operations and Changes in Fund Balance - Regulatory Basis	30
D-2	Statement of Fund Balance - Regulatory Basis	31
D-3	Statement of Revenues - Regulatory Basis	32
D-4	Statement of Expenditures - Regulatory Basis	33
	GENERAL FIXED ASSETS	
E	Statement of General Fixed Assets - Regulatory Basis	34
	Notes to Financial Statements	35
	Supplementary Data and Schedules	86

CITY OF EAST ORANGE

TABLE OF CONTENTS
(continued)

Exhibit		Page
	SUPPLEMENTARY SCHEDULES	
	CURRENT FUND	
A-4	Schedule of Cash - Collector - Treasurer	89
A-5	Schedule of Change Funds	90
A-6	Schedule of Cash - Petty Cash	90
A-7	Schedule of Due from State of New Jersey - State Aid	91
A-8	Schedule of Revenue Accounts Receivable	92
A-9	Schedule of Municipal Liens	93
A-10	Schedule of Taxes Receivable and Analysis of Property Tax Levy	94
A-11	Schedule of Property Acquired for Taxes - Assessed Valuation	95
A-12	Schedule of Interfunds	96
A-13	Schedule of Deferred Charges	97
A-14	Schedule of Deferred Charges N.J.S.A. 40A:4-53 Special Emergency	98
A-15	Schedule of Appropriation Reserves	99
A-16	Schedule of Encumbrances Payable	104
A-17	Schedule of Accounts Payable	104
A-18	Schedule of Amount Due from/(to) State of New Jersey for Senior Citizens' and Veterans' Deductions - Ch. 129 P.L. 1976	105
A-19	Schedule of Tax Overpayments	106
A-20	Schedule of Prepaid Taxes	106
A-21	Schedule of Special Emergency Notes Payable	107
A-22	Schedule of Emergency Notes Payable	107
A-23	Schedule of Local School District Tax Payable	108
A-24	Schedule of County Taxes Payable	108
A-25	Schedule of Accrued Salaries and Wages	109
A-26	Schedule of Prepaid Expenses	109
A-27	Schedule of Reserve for Tax Appeals	110
A-28	Schedule of Reserve for Revaluation	110
A-29	Schedule of Reserve for Hurricane Irene Reimbursements	111
A-30	Schedule of Due to Central Ave Improvement District	112
A-31	Schedule of Reserve for Special Reserves	113
A-32	Schedule of Grants Receivable - Federal and State Grant Fund	114
A-33	Schedule of Amount Due (to)/from Current Fund - Federal and State Grant Fund	117
A-34	Schedule of Encumbrances Payable- Federal and State Grant Fund	117
A-35	Schedule of Appropriated Reserves for Grants	118
A-36	Schedule of Unappropriated Reserves for Grants	120
A-37	Schedule of Overexpenditure of Appropriated Reserves	121

CITY OF EAST ORANGE

TABLE OF CONTENTS
(continued)

Exhibit		Page
	SUPPLEMENTARY SCHEDULES	
	TRUST FUNDS	
B-1	Schedule of Cash - Trust Funds	122
B-2	Schedule of Due to State of New Jersey	123
B-3	Schedule of Reserve for Animal Trust Fund Expenditures	123
B-4	Schedule of Interfunds Receivable/(Payable)	124
B-5	Schedule of Due from H.U.D. - Community Development Block Grant Fund	125
B-6	Schedule of Due from H.U.D. - Home Loan Program Fund	125
B-7	Schedule of Other Receivables Home Loan Program Fund	126
B-8	Schedule of Construction Loan Receivable - Home Loan Program Fund	126
B-9	Schedule of Reserve for Tax Redemption - Tax Redemption Fund	127
B-10	Schedule of Miscellaneous Reserves	128
B-11	Schedule of Reserve for Payroll and Deductions Payable - Other Trust Fund	129
B-12	Schedule of Reserve for Program Expenditures - Community Development Block Grant Fund	130
B-13	Schedule of Reserve for Program Expenditures - Home Loan Program Fund	131
B-14	Schedule of Reserve for Loans Receivable - Home Loan Program Fund	131
B-15	Schedule of Reserve for UDAG Expenditures - Home Loan Program Fund	132
B-16	Schedule of Reserve for Construction Loan Receivable - Home Loan Program Fund	132
B-17	Schedule of Reserve for Self-Insurance - Workers' Compensation - Self Insurance Fund	133
B-18	Schedule of Reserve for Self-Insurance - Auto/General Liability - Self Insurance Fund	133
B-19	Schedule of Reserve for Self-Insurance - Health Benefits - Self Insurance Fund	134
	GENERAL CAPITAL FUND	
C-2	Schedule of Cash	135
C-3	Analysis of Cash	136
C-4	Schedule of Deferred Charges to Future Taxation - Funded	137
C-5	Schedule of Deferred Charges to Future Taxation - Unfunded	138
C-6	Schedule of Other Accounts Receivable	139
C-7	Schedule of General Serial Bonds Payable	140
C-8	Schedule of Bond Anticipation Notes Payable	142

CITY OF EAST ORANGE

TABLE OF CONTENTS
(continued)

Exhibit		Page
	SUPPLEMENTARY SCHEDULES	
	GENERAL CAPITAL FUND, (continued)	
C-9	Schedule of New Jersey Green Trust Loan Payable	143
C-10	Schedule of Lease Purchase Agreement Payable	144
C-11	Schedule of Improvement Authorizations	145
C-12	Schedule of Contracts Payable	147
C-13	Schedule of Encumbrances Payable	147
C-14	Schedule of Capital Improvement Fund	148
C-15	Schedule of Reserve for Down Payment on Improvements	149
C-16	Schedule of Reserve for Payment of Debt	149
C-17	Schedule of Interfunds	150
C-18	Schedule of Reserve for Future Improvements	151
C-19	Schedule of Bonds and Notes Authorized But Not Issued	152
	WATER UTILITY FUND	
D-5	Schedule of Cash - Treasurer	153
D-6	Analysis of Cash	154
D-7	Schedule of Consumers' Accounts Receivable - Operating Fund	155
D-8	Schedule of Water Liens Receivable	155
D-9	Schedule of Inventory - Materials and Supplies	156
D-10	Schedule of Interfunds	157
D-11	Schedule of Grants Receivables	158
D-12	Schedule of Deferred Charges	159
D-13	Schedule of Fixed Capital	160
D-14	Schedule of Fixed Capital Authorized and Uncompleted	161
D-15	Schedule of NJ Environmental Infrastructure Loans Receivable	162
D-16	Schedule of Overexpenditure of Ordinance Appropriations	162
D-17	Schedule of Interfunds	163
D-18	Schedule of 2014 Appropriation Reserves	164
D-19	Schedule of Reserve for Encumbrances	165
D-20	Schedule of Accounts Payable	165
D-21	Schedule of Accrued Interest on Bonds	166
D-22	Schedule of Other Payable - Due to ILSA - East Newark	166

CITY OF EAST ORANGE

TABLE OF CONTENTS
(continued)

Exhibit		Page
	SUPPLEMENTARY SCHEDULES	
	WATER UTILITY FUND, (continued)	
D-23	Schedule of Reserve for Inventory Revolving Fund	167
D-24	Schedule of Reserve for Debt Service	167
D-25	Schedule of Reserve for Labor Union Negotiations	168
D-26	Schedule of Serial Bonds Payable	169
D-27	Schedule of NJ Environmental Infrastructure Trust Loans Payable	170
D-28	Schedule of Bond Anticipation Notes Payable	175
D-29	Schedule of Improvement Authorizations	176
D-30	Schedule of Contracts Payable	177
D-31	Schedule of Capital Improvement Fund	177
D-32	Schedule of Reserve for Capital Improvements	178
D-33	Schedule of Reserve for Amortization	178
D-34	Schedule of Reserve for Deferred Reserve for Amortization	179
D-35	Schedule of Reserve for Payment of Debt	179
D-36	Schedule of Bonds and Notes Authorized But Not Issued	180

PART II

Independent Auditor's 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	181
Independent Auditor's Report on Compliance for Each Major Federal and State Program and Internal Report on Internal Control Over Compliance as Required by OMB Circular A-133 and N.J. OMB Circular 15-08	183
Schedule of Expenditures of Federal Awards	186
Schedule of Expenditures of State Financial Assistance	190
Notes to the Schedules of Expenditures of Federal and State Awards	193
Schedule of Findings and Questioned Costs	195
General Comments	200
Comments and Recommendations	203
Status of Prior Year Audit Findings/Recommendations	207

THIS PAGE INTENTIONALLY LEFT BLANK

CITY OF EAST ORANGE

* * * * * * * * * * * *

PART I

REPORT OF AUDIT ON FINANCIAL STATEMENTS

AND SUPPLEMENTARY DATA

YEAR ENDED DECEMBER 31, 2015

THIS PAGE INTENTIONALLY LEFT BLANK

Ferraioli, Wielkotz, Cerullo & Cuva, P.A.

Charles J. Ferraioli, Jr., MBA, CPA, RMA
Steven D. Wielkotz, CPA, RMA
James J. Cerullo, CPA, RMA
Paul J. Cuva, CPA, RMA
Thomas M. Ferry, CPA, RMA

Certified Public Accountants
401 Wanaque Avenue
Pompton Lakes, New Jersey 07442
973-835-7900
Fax 973-835-6631

Newton Office
100B Main Street
Newton, N.J. 07860
973-579-3212
Fax 973-579-7128

INDEPENDENT AUDITOR'S REPORT

Honorable Mayor and
Members of the City Council
City of East Orange
County of Essex, New Jersey

Report on the Financial Statements

We have audited the accompanying balance sheets - regulatory basis of the various funds and account group of the City of East Orange in the County of Essex, New Jersey as of December 31, 2015 and 2014, the related statement of operations and changes in fund balance - regulatory basis for the years then ended, and the related statement of revenues - regulatory basis and statement of expenditures - regulatory basis of the various funds for the year ended December 31, 2015, and the related notes to the financial statements, which collectively comprise the City's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with the basis of accounting prescribed by the Division of Local Government Services, Department of Community Affairs, State of New Jersey. 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 misstatements, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America, the audit requirements prescribed by the Division of Local Government Services, Department of Community Affairs, State of New Jersey (the "Division"), and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement.

FWCC

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

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

Basis for 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 City of East Orange on the basis of the financial reporting provisions prescribed by the Division of Local Government Services, Department of Community Affairs, State of New Jersey, which is a basis of accounting other than accounting principles generally accepted in the United States of America, to meet the requirements of New Jersey.

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

Adverse Opinion on U.S. Generally Accepted Accounting Principles

In our opinion, because of the significance of the matter discussed in the "Basis for Adverse Opinion on U.S. Generally Accepted Accounting Principles" paragraph, the financial statements referred to above do not present fairly, in accordance with accounting principles generally accepted in the United States of America, the financial position of each fund of the City of East Orange as of December 31, 2015 and 2014 or changes in financial position for the years then ended.

Opinion on Regulatory Basis of Accounting

In our opinion, the financial statements referred to above, present fairly, in all material respects, the regulatory basis balance sheet and account group as of December 31, 2015, the regulatory basis statements of operations for the year then ended and the regulatory basis statements of revenues and expenditures for the year ended December 31, 2015 in accordance with the basis of financial reporting prescribed by the Division of Local Government Services, Department of Community Affairs, State of New Jersey as described in Note 1.

FWCC

Other Matters

Other Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the City of East Orange's basic financial statements. The supplementary information listed in the table of contents and schedule of expenditures of federal awards, as required by Title 2 U.S. Code of Federal Regulations Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance) and the schedule of expenditures of state financial assistance as required by NJ OMB 15-08 and the letter of comments and recommendations section are presented for purposes of additional analysis and are not a required part of the basic financial statements.

The supplemental information listed in the table of contents and the schedule of expenditures of federal awards, as required by Title 2 U.S. Code of Federal Regulations Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance), the schedule of expenditures of state financial assistance as required by NJ OMB 15-08 are the responsibility of management and were derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the supplemental information listed in the table of contents, schedule of expenditures of federal awards, as required by Title 2 U.S. Code of Federal Regulations Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance), and the schedule of expenditures of state financial assistance as required by NJ OMB 15-08 are fairly stated, in all material respects, in relation to the basic financial statements as a whole.

The letter of comments and recommendations section has not been subject to the auditing procedures applied in the audit of the basic financial statements, and accordingly, we do not express an opinion or provide any assurance on it.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated July 29, 2016 on our consideration of the City of East Orange's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over

FWCC

financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the City of East Orange's internal control over financial reporting and compliance.

Steven D. Wielkotz, C.P.A.
Registered Municipal Accountant
No. CROO413

Ferraioli, Wielkotz, Cerullo & Cuva, P.A.

FERRAIOLI, WIELKOTZ, CERULLO & CUVA, P.A.
Certified Public Accountants
Pompton Lakes, New Jersey

July 29, 2016

FWCC

Exhibit A

CITY OF EAST ORANGE, N.J.

Comparative Balance Sheet - Regulatory Basis

Current Fund

December 31, 2015 and 2014

	Ref.	2015	2014
Assets			
Current Fund:			
Cash	A-4	$ 26,767,764	16,583,491
Change Funds	A-5	300	50
Accounts Receivable:			
State Aid	A-7	3,077,155	2,724,948
		29,845,219	19,308,489
Receivables and Other Assets with Full Reserves:			
Revenue Accounts Receivable	A-8	864,681	815,142
Municipal Liens Receivable	A-9	8,012,342	7,177,078
Delinquent Taxes Receivable	A-10	5,559,465	4,881,472
Property Acquired for Taxes - Assessed Valuation	A-11	8,936,450	8,936,450
Prepaid School Taxes	A-23	246,683	57,182
Interfund Accounts Receivable	A-12	3,174,488	5,090,318
		26,794,109	26,957,642
Deferred Charges:			
Emergency Authorization	A-13		1,200,000
Special Emergency Authorizations	A-14	280,000	850,853
		280,000	2,050,853
Total Current Fund		56,919,328	48,316,984
Federal and State Grant Fund:			
Grants Receivable	A-32	16,263,860	17,473,189
Overexpenditure of Appropriated Reserve	A-37	32,449	5,517
		16,296,309	17,478,706
		$ 73,215,637	65,795,690

Exhibit A

CITY OF EAST ORANGE, N.J.

Comparative Balance Sheet - Regulatory Basis

Current Fund

December 31, 2015 and 2014

	Ref.	2015	2014
Liabilities, Reserves and Fund Balance			
Current Fund:			
Appropriation Reserves	A-3/A-15	$ 7,269,362	3,838,648
Encumbrances Payable	A-3/A-16	3,979,510	3,653,113
Accounts Payable	A-17	1,201,096	789,227
Due to State of New Jersey:			
Senior Citizens and Veterans Deductions	A-18	2,640	6,037
Tax Overpayments	A-19	1,557,388	1,575,656
Prepaid Taxes	A-20	1,313,795	1,281,806
Special Emergency Notes Payable	A-21	280,000	850,500
Emergency Notes Payable	A-22		1,200,000
County Taxes Payable	A-24	49,197	13,869
Accrued Salaries & Wages	A-25	3,939	100,644
Prepaid Expenses	A-26		9,289
Interfund Accounts Payable	A-12	1,800,250	
Reserve for Tax Appeals	A-27	91,460	91,460
Reserve for Revaluation	A-28	18,731	18,731
Reserve for Hurricane Irene	A-29	35,067	35,067
Due to Central Ave Improvement District	A-30	16,492	15,053
Special Reserves	A-31	115,672	128,136
		17,734,599	13,607,236
Reserve for Receivables	Contra	26,794,109	26,957,642
Fund Balance	A-1	12,390,620	7,752,106
Total Current Fund		56,919,328	48,316,984
Federal and State Grant Fund:			
Interfund Accounts Payable	A-33	3,155,789	2,856,107
Reserve for Encumbrance	A-34	1,563,493	1,279,287
Appropriated Federal and State Grants	A-35	11,525,378	13,277,180
Unappropriated Federal and State Grants	A-36	51,649	66,132
Total Federal and State Grant Fund		16,296,309	17,478,706
Total Liabilities, Reserves and Fund Balance		$ 73,215,637	$ 65,795,690

See accompanying notes to financial statements.

Exhibit A-1

CITY OF EAST ORANGE, N.J.

Comparative Statement of Operations and Changes in Fund Balance - Regulatory Basis

Current Fund

Years Ended December 31, 2015 and 2014

	2015	2014
Revenues and Other Income:		
Fund Balance Utilized	3,100,000	6,350,000
Miscellaneous Revenue Anticipated	39,966,143	39,055,856
Receipts from Delinquent Taxes	6,274,702	6,129,022
Receipts from Current Taxes	117,164,406	116,085,491
Non-Budget Revenue	673,226	312,277
Other Credits to Income:		
Unexpended Balance of Appropriation Reserves	3,222,863	3,507,384
Interfunds Returned		961,950
Due From Board of Ed. - Revenue Accounts Recievable		288,651
Prepaid School Taxes		67,254
Cancellation of Prior Year Tax Overpayments		326,150
Prior Year Void Checks		25,991
Total Revenues and Other Income	170,401,340	173,110,026
Expenditures:		
Budget and Emergency Appropriations:		
Operations:		
Salaries and Wages	58,794,128	58,432,739
Other Expenses	42,386,081	47,810,251
Capital Improvement Fund		
Municipal Debt Service	10,043,306	9,575,775
Deferred Charges and Statutory Expenditures - Municipal	15,751,428	14,975,230
Transfer to Board of Education for Use of Local Schools		122,247
Local District School Tax	20,457,869	20,544,012
County Taxes including Added Taxes	14,105,933	14,998,986
Due from Board of Ed - Revenue Accounts Receivable		288,651
Local Open Space Taxes	498,759	503,086
Special District Taxes	58,752	59,407
Refunds	91,591	409,420
Interfunds Advanced	474,979	2,235,587
Total Expenditures	162,662,826	169,955,391
Excess (Deficit) Revenue Over Expenditures	7,738,514	3,154,635
Adjustments to Income before Surplus:		
Expenditures included above which are by Statute Deferred Charges to Budget of Succeeding Year:		
Emergency Authorization - Group Insurance		1,200,000
Statutory Excess to Surplus	7,738,514	4,354,635
Fund Balance, January 1,	7,752,106	9,747,471
	15,490,620	14,102,106
Decreased by:		
Fund Balance Utilized as Budget Revenue	3,100,000	6,350,000
Fund Balance, December 31,	12,390,620	7,752,106

See accompanying notes to the financial statements.

Exhibit A-2

CITY OF EAST ORANGE, N.J.

Statement of Revenues - Regulatory Basis

Current Fund

Year Ended December 31, 2015

	Budget	Realized	Excess or (Deficit)
Fund Balance Anticipated	$ 3,100,000	3,100,000	
Miscellaneous Revenues:			
Licenses:			
Alcoholic Beverages	64,354	50,387	(13,967)
Other	303,310	303,358	48
Fees and Permits	84,905	87,831	2,926
Fines and Costs:			
Municipal Court	2,468,998	2,797,205	328,207
Interest and Costs on Taxes	1,394,313	1,732,955	338,642
Interest on Investments and Deposits	13,465	11,843	(1,622)
Payments in Lieu of Real Estate Taxes	2,100,000	3,241,178	1,141,178
Code Enforcement	331,270	421,455	90,185
Cable Television Franchise Fees	145,476	145,476	
Fire Official LIU Fees	55,230	42,340	(12,890)
Alarm Registration Fees	25,400	23,369	(2,031)
Consolidated Municipal Property Tax Relief Aid	7,664,695	7,664,695	
Energy Receipts Tax	14,452,981	14,452,981	
Uniform Construction Code Fees	822,512	1,156,400	333,888
Alcoholism & Drug Abuse Treatment Rehab Grant	487,716	487,716	
Clean Communities Program	111,196	111,196	
County of Essex-Home Friends	240,000	240,000	
HIV Counseling & Testing	140,588	140,588	
Urban Gateway Enhance Program	32,000	32,000	
Community Development Block Grant - Carry Over	194,218	194,218	
Body Armor Replacement Grant	19,191	19,191	
Delta Dental Plan	20,000	20,000	
State Recycling Program	22,090	22,090	
Assistance to Firefighters Grant	190,127	190,127	
DEP & Garden State Preservation Trust Loan & Grant	990,000	990,000	
Summer Food Service Program	377,723	377,723	
Municipal Alliance	25,000	25,000	
Municipal Alliance - Local Match	2,266	2,266	
Home Program - Carry Over	3,596	3,596	
Shelter Care Plus - Issaiah House	408,056	408,056	
Shelter Care Plus - E. Orange General	201,597	201,597	
NJ Transportation Fund - Various Streets	412,350	412,350	
CY2015 Pedestrian Safety Grant	14,000	14,000	
Project Hope	258,200	258,200	
Childhood Lead-Base Paint Poison	250,000	250,000	
Uniform Fire Safety Act	69,739	55,898	(13,841)
Housing Inspection	53,590	88,581	34,991
Bell Atlantic Contract	10,950	10,950	
COPS in School East Orange Board of Ed.	532,066	532,066	
Reserve for Payment of Bonds	28,044	28,044	
Payroll Trust	200,000	200,000	
East Orange Golf Course Revenues	300,000	285,006	(14,994)
EOWC Interfund	2,234,211	2,234,211	
Total Miscellaneous Revenues	37,755,423	39,966,143	2,210,720
Receipts from Delinquent Taxes	6,100,000	6,274,702	174,702
Subtotal General Revenues	46,955,423	49,340,845	2,385,422
Amount to be Raised by Taxes for Support of Municipal Budget - Local Tax for Municipal Purposes Including Reserve for Uncollected Taxes	89,088,651	89,403,245	314,594
Budget Totals	136,044,074	138,744,090	2,700,016
Non-Budget Revenue		673,226	673,226
	$ 136,044,074	139,417,316	3,373,242

CITY OF EAST ORANGE, N.J.

Statement of Revenues - Regulatory Basis

Current Fund

Year Ended December 31, 2015

Analysis of Realized Revenues

Revenue from Current Tax Collections	$ 117,164,406
Allocated to Municipal Open Space	498,759
Allocated to Special District Taxes	58,752
Allocated to County and Local and Regional School Taxes	34,622,554
Balance for Support of Municipal Budget Appropriations	81,984,341
Add : Appropriation - Reserve for Uncollected Taxes	7,418,904
Amount for Support of Municipal Budget Appropriations	$ 89,403,245
Receipts from Delinquent Taxes:	
Delinquent Taxes	4,366,520
Municipal Liens	1,908,182
Delinquent Taxes	$ 6,274,702

Analysis of Non-budget Revenues

Fire Reports	$ 112	
City Clerk Copy Fees	4,757	
Police Fees	12,069	
Bounced Check Fees	1,224	
Duplicate Tax Sale Certificate	5,100	
Planning Board	8,180	
Zoning Board	15,030	
Child Support Fee	2,922	
Garnishes Fees	5,622	
Bingo and Raffle	3,250	
Passport Fees	4,225	
Contractor Licenses	415	
Rent Leveling	27,780	
Property Maint Fees	3,551	
Tax Sale Costs	79,647	
Auction	610	
Tax Assessor Tax Exempt Application Fee	34,700	
Animal Control	3,701	
STD Clinic Fees	10,330	
Foreclosure Fees	20,500	
Premiums	84,831	
Police Off Duty ADM	3,940	
Fees Vacant Properties	176,505	
Fire EMS Dispatch Fees	50,627	
Rent Family Development Center	13,500	
Commissions	59,144	
Restitution	3,151	
Misc	5,383	
FEMA	32,420	
		$ 673,226

See accompanying notes to the financial statements.

Exhibit A-3

CITY OF EAST ORANGE, N.J.

Statement of Expenditures - Regulatory Basis

Current Fund

Year Ended December 31, 2015

	Budget	Budget after Modification and Transfer	Paid or Charged	Reserved	Unexpended Balance Canceled
General Government:					
Office of the Mayor					
Salaries and Wages	$ 407,353	407,353	377,872	29,481	
Other Expenses	67,500	67,500	66,163	1,337	
Division of Public Information & Consumer Service					
Salaries and Wages	74,656	74,656	67,672	6,984	
Other Expenses	15,500	15,500	4,423	11,077	
Office of the City Administrator					
Salaries and Wages	295,672	292,572	292,137	435	
Other Expenses	115,750	115,750	103,848	11,902	
Division of Procurement					
Salaries and Wages	362,360	362,360	354,487	7,873	
Other Expenses	77,600	77,600	74,370	3,230	
Duplicating Unit					
Other Expenses	52,000	77,000	64,158	12,842	
Public Defender					
Salaries and Wages	232,000	207,000	187,602	19,398	
Other Expenses	4,000	4,000	457	3,543	
Human Resources					
Salaries and Wages	564,912	564,912	542,461	22,451	
Other Expenses	34,950	34,950	18,276	16,674	
Data Processing Department - City					
Salaries and Wages	730,247	730,247	722,130	8,117	
Other Expenses	918,000	918,000	876,097	41,903	

Exhibit A-3

CITY OF EAST ORANGE, N.J.

Statement of Expenditures - Regulatory Basis

Current Fund

Year Ended December 31, 2015

	Budget	Budget after Modification and Transfer	Paid or Charged	Reserved	Unexpended Balance Canceled
Board of Alcoholic Beverage Control					
Salaries and Wages	3,001	3,001	3,000	1	
Other Expenses	1,295	1,295	66	1,229	
Dept. of Policy, Planning & Economic Development					
Salaries and Wages	226,308	226,308	210,483	15,825	
Other Expenses	5,750	5,750	5,674	76	
Division of Economic Development					
Salaries and Wages	68,750	68,750	60,000	8,750	
Other Expenses	5,700	5,700	4,610	1,090	
Division of Neighborhood Housing Revitalization					
Salaries and Wages	269,841	272,941	195,665	77,276	
Other Expenses	7,850	7,850	6,390	1,460	
Comprehensive Planning					
Salaries and Wages	178,198	178,198	160,831	17,367	
Other Expenses	3,195	3,195	2,465	730	
Zoning Board of Adjustment					
Salaries and Wages	4,801	4,801	4,800	1	
Other Expenses	21,141	21,141	19,676	1,465	
Planning Board					
Salaries and Wages	4,920	4,920	4,920		
Other Expenses	21,241	21,241	20,576	665	
City Council					
Salaries and Wages	677,106	677,106	671,319	5,787	
Other Expenses	155,405	150,980	139,781	11,199	

Exhibit A-3

CITY OF EAST ORANGE, N.J.

Statement of Expenditures - Regulatory Basis

Current Fund

Year Ended December 31, 2015

	Budget	Budget after Modification and Transfer	Paid or Charged	Reserved	Unexpended Balance Canceled
City Clerk's Office					
Salaries and Wages	411,086	411,086	396,073	15,013	
Other Expenses	91,870	99,787	95,464	4,323	
City Clerk's Elections					
Salaries and Wages	14,500	14,500	8,964	5,536	
Other Expenses	21,500	18,008	18,007	1	
Department of Finance					
Director's Office (CFO)					
Salaries & Wages	87,542	87,542	86,816	726	
Other Expenses	327,640	327,640	290,660	36,980	
Surety Bonds	25,000	25,000	835	24,165	
Claim Administration Fee	115,500	115,500	103,650	11,850	
Unemployment Insurance	457,763	457,763	250,667	207,096	
Group Insurance for Employees	12,882,984	12,851,984	10,560,606	2,291,378	
Health Benefit Waiver	195,000	195,000	187,583	7,417	
Insurance Claim Fund - Workers Comp	2,016,727	2,016,727	1,836,378	180,349	
Miscellaneous Insurance	15,000	15,000	14,870	130	
Insurance Claim Fund (Auto & General)	1,269,000	1,269,000	1,058,176	210,824	
Fire Insurance - City Building	5,000	5,000		5,000	
City Insurance Premium	630,342	630,342	624,740	5,602	
Short Term Insurance	230,685	261,685	231,448	30,237	
Public Officials Liability Insurance	171,500	171,500	171,500		
Division of Accounts & Control					
Salaries and Wages	175,794	175,794	175,481	313	
Other Expenses	81,800	81,800	51,849	29,951	

Exhibit A-3

CITY OF EAST ORANGE, N.J.

Statement of Expenditures - Regulatory Basis

Current Fund

Year Ended December 31, 2015

	Budget	Budget after Modification and Transfer	Paid or Charged	Reserved	Unexpended Balance Canceled
Division of Treasury					
Salaries and Wages	360,734	353,734	341,489	12,245	
Other Expenses	1,600	1,600	1,155	445	
Division of Tax Collection & Revenue					
Salaries and Wages	401,955	408,955	387,679	21,276	
Other Expenses	69,700	69,700	55,805	13,895	
Department of Property Taxation					
Salaries and Wages	317,515	317,515	314,070	3,445	
Other Expenses	247,850	247,850	135,329	112,521	
Department of Law					
Salaries and Wages	931,758	931,758	885,803	45,955	
Other Expenses	423,750	418,750	316,130	102,620	
Special Prosecutors					
Salaries and Wages	10,000	15,000	11,700	3,300	
Municipal Court					
Salaries and Wages	1,949,512	1,949,512	1,875,147	74,365	
Other Expenses	178,540	178,540	142,682	35,858	
Department of Public Works					
Director's Office					
Salaries and Wages	484,636	502,636	498,404	4,232	
Other Expenses	45,480	45,480	34,193	11,287	
Street & Roads Division					
Salaries and Wages	1,085,548	1,051,548	997,395	54,153	
Other Expenses	1,671,000	1,698,000	1,640,154	57,846	

Exhibit A-3

CITY OF EAST ORANGE, N.J.

Statement of Expenditures - Regulatory Basis

Current Fund

Year Ended December 31, 2015

	Budget	Budget after Modification and Transfer	Paid or Charged	Reserved	Unexpended Balance Canceled
Snow & Ice Removal					
Salaries and Wages	67,200	117,200	106,675	10,525	
Other Expenses	199,200	199,200	192,681	6,519	
Plan & Construction Division					
Salaries and Wages	361,388	361,388	359,704	1,684	
Other Expenses	56,650	111,650	82,322	29,328	
Traffic Engineering Division					
Salaries and Wages	238,650	238,650	232,667	5,983	
Other Expenses	82,100	92,100	82,838	9,262	
Employee Safety Program					
Other Expenses	900	900	50	850	
Garbage & Trash Removal Solid Waste					
Salaries and Wages	307,328	307,328	304,042	3,286	
Other Expenses	4,506,600	4,285,121	3,829,180	455,941	
Mandated State Recycling Program					
Public Building & Grounds Division					
Salaries and Wages	563,824	563,824	548,673	15,151	
Other Expenses	1,456,920	1,468,920	1,408,876	60,044	
Garage Division					
Salaries and Wages	343,831	343,831	335,950	7,881	
Other Expenses	555,200	565,200	390,084	175,116	
Parks Maintenance					
Salaries and Wages	384,845	384,845	358,187	26,658	
Other Expenses	93,700	93,700	73,684	20,016	

Exhibit A-3

CITY OF EAST ORANGE, N.J.

Statement of Expenditures - Regulatory Basis

Current Fund

Year Ended December 31, 2015

	Budget	Budget after Modification and Transfer	Paid or Charged	Reserved	Unexpended Balance Canceled
Public Safety					
Director's Office					
Salaries and Wages	65,209	50,209	7,269	42,940	
Other Expenses	8,500	8,500	2,396	6,104	
Department of Fire					
Salaries and Wages	15,045,766	15,060,766	15,029,504	31,262	
Other Expenses	542,969	542,969	358,483	184,486	
Cert-Office of Emergency Management					
Salaries and Wages	99,589	99,589	86,618	12,971	
Other Expenses	40,981	40,981	25,943	15,038	
Uniform Fire Safety Act					
Other Expenses	69,739	69,739	69,739		
Department of Police					
Salaries and Wages	22,949,378	22,949,378	22,486,998	462,380	
Other Expenses	1,402,567	1,402,567	1,115,126	287,441	
School Traffic Guards					
Salaries and Wages	726,830	726,830	706,186	20,644	
Other Expenses	18,000	18,000		18,000	
Data Processing Department - Police					
Other Expenses	24,400	24,400	18,645	5,755	
Department of Property Maintenance					
Office of Director					
Salaries and Wages	486,587	454,587	431,410	23,177	
Other Expenses	1,450	1,450	1,356	94	

Exhibit A-3

CITY OF EAST ORANGE, N.J.

Statement of Expenditures - Regulatory Basis

Current Fund

Year Ended December 31, 2015

	Budget	Budget after Modification and Transfer	Paid or Charged	Reserved	Unexpended Balance Canceled
Building Division					
Salaries and Wages	704,113	706,113	705,233	880	
Other Expenses	63,500	63,500	46,707	16,793	
Code Enforcement					
Salaries and Wages	696,129	726,129	725,778	351	
Other Expenses	192,800	192,800	139,942	52,858	
Housing Inspection	53,590	53,590	53,590		
Vacant & Abandoned Properties					
Salaries and Wages	285,916	285,916	199,702	86,214	
Other Expenses			-15,690	15,690	
Department of Health & Human Services					
Office of the Director					
Salaries and Wages	290,227	311,227	292,167	19,060	
Other Expenses	50,900	50,900	40,371	10,529	
Health Officer/Division of Health Services					
Salaries and Wages	275,276	275,276	272,606	2,670	
Other Expenses	7,300	7,300	1,004	6,296	
Dental					
Salaries and Wages	87,022	87,022	78,899	8,123	
Other Expenses	250	250	250		
HIV Counseling					
Salaries and Wages	4,862	4,862	3,183	1,679	
Other Expenses	1,350	1,350		1,350	
Lead Poisoning					
Salaries and Wages	1,000	1,000	196	804	
Other Expenses	20,718	20,718		20,718	

Exhibit A-3

CITY OF EAST ORANGE, N.J.

Statement of Expenditures - Regulatory Basis

Current Fund

Year Ended December 31, 2015

	Budget	Budget after Modification and Transfer	Paid or Charged	Reserved	Unexpended Balance Canceled
Environmental Health					
Salaries and Wages	262,139	262,139	233,211	28,928	
Other Expenses	6,500	6,500	-3,759	10,259	
Public Health Nursing					
Salaries and Wages	310,594	310,594	232,874	77,720	
Other Expenses	24,350	24,350	9,386	14,964	
Substance Abuse					
Salaries and Wages	7,868	7,868	7,868		
Other Expenses	81,720	81,720		81,720	
Vital Statistics					
Salaries and Wages	118,514	118,514	117,979	535	
Other Expenses	5,830	5,830	2,074	3,756	
WIC					
Salaries and Wages	2,946	2,946		2,946	
Animal Control					
Salaries and Wages	128,858	124,268	76,849	47,419	
Other Expenses	90,329	94,919	94,711	208	
Emergency Medical Service	697,500	697,500	697,500		
Essex Regional Health Commission	13,000	13,000	12,767	233	
Lab Waster Disposal	3,000	3,000	1,060	1,940	
Division of Senior Citizens					
Salaries and Wages	702,945	681,945	582,837	99,108	
Other Expenses	82,200	82,200	78,020	4,180	
Division of Employment & Training					
Salaries and Wages	556,281	556,281	552,202	4,079	
Other Expenses	49,000	49,000	41,312	7,688	

Exhibit A-3

CITY OF EAST ORANGE, N.J.

Statement of Expenditures - Regulatory Basis

Current Fund

Year Ended December 31, 2015

	Budget	Budget after Modification and Transfer	Paid or Charged	Reserved	Unexpended Balance Canceled
Child Food Program - Winter					
Salaries and Wages	317,950	317,950	304,322	13,628	
Child Food Program - Summer					
Salaries and Wages	57,668	57,668	57,668	-	
Department of Recreation & Cultural Affairs					
Director's Office					
Salaries and Wages	455,462	455,462	365,679	89,783	
Other Expenses	47,466	47,466	46,829	637	
Instructional & Recreational Leaders					
Salaries and Wages	731,321	704,321	671,489	32,832	
Other Expenses	14,300	14,300	9,731	4,569	
Community Celebrations					
Other Expenses					
Day Camp Program					
Salaries and Wages	40,707	67,707	58,615	9,092	
Other Expenses			-10,049	10,049	
Swimming Pool Program					
Salaries and Wages	185,275	185,275	180,359	4,916	
Division of Neighborhood Facilities					
Salaries and Wages	203,604	203,604	201,380	2,224	
Other Expenses	16,897	16,897	14,385	2,512	
East Orange Golf Course					
Salaries and Wages	370,911	386,911	383,745	3,166	
Other Expenses	475,598	533,077	458,087	74,990	
Water Comission					
Other Expenses	1,000	1,000		1,000	

Exhibit A-3

CITY OF EAST ORANGE, N.J.

Statement of Expenditures - Regulatory Basis

Current Fund

Year Ended December 31, 2015

	Budget	Budget after Modification and Transfer	Paid or Charged	Reserved	Unexpended Balance Canceled
COPS in Schools	532,066	532,066	532,066		
Municipal Bond Notes & Expenses	25,000	25,000	15,781	9,219	
Settlement Costs - Salary Expense	500,000	500,000	85,442	414,558	
Matching Funds for Grants	46,000	46,000		46,000	
Assistance to Firefighters Grant Match					
Total Operations within "CAPS"	93,612,866	93,612,866	86,364,955	7,247,911	
Total Operations Including Contingent-within "CAPS"	93,612,866	93,612,866	86,364,955	7,247,911	
Detail:					
Salaries & Wages	58,768,718	58,794,128	57,133,124	1,661,004	
Other Expenses (Including Contingent)	34,844,148	34,818,738	29,231,831	5,586,907	
(E) Deferred Charges and Statutory Expenditures-Municipal within "CAPS"					
(1) DEFERRED CHARGES					
Deficit in Water Utility Operations	1,000,000	1,000,000			1,000,000
Accumulated Sick Leave & Hold Back	800,000	800,000	635,061		164,939
Settlement Cost for Previous Litigation	200,000	200,000	13,700		186,300
Over expenditures from Prior Years Budget	126,022	126,022			126,022
Prior Year Bills	25,000	25,000	21,009		3,991
(2) STATUTORY EXPENDITURES:					
Contribution to:					
Public Employees' Retirement System	2,969,390	2,969,390	2,969,390		
Social Security System (O.A.S.I.)	2,317,137	2,317,137	2,296,351	20,786	

Exhibit A-3

CITY OF EAST ORANGE, N.J.

Statement of Expenditures - Regulatory Basis

Current Fund

Year Ended December 31, 2015

	Budget	Budget after Modification and Transfer	Paid or Charged	Reserved	Unexpended Balance Canceled
Consolidated Police and Fireman's Pension Fund	84	84	83	1	
Police and Fireman's Retirement System of N.J.	8,008,298	8,008,298	8,008,298		
PERS - Employer Delayed Enrollment	15,895	15,895	15,895		
PERS Death Benefit	1	1		1	
Total Deferred Charged and Statutory Expenditures-Municipal within "CAPS"	15,461,827	15,461,827	13,959,787	20,788	1,481,252
Total General Appropriations for Municipal Purposes within "CAPS"	109,074,693	109,074,693	100,324,742	7,268,699	1,481,252
Operations - Excluded from "CAPS":					
Maintenance of Free Public Library	3,167,429	3,167,429	3,166,766	663	
Total Other Operations - Excluded from "CAPS"	3,167,429	3,167,429	3,166,766	663	
Public and Private Programs Offset by Revenues					
Alcoholism & Drug Abuse Treatment Rehab Grant	487,716	487,716	487,716		
Child Food Program- Summer Food	377,723	377,723	377,723		
Body Armor	19,191	19,191	19,191		
Clean Communities Program	111,196	111,196	111,196		
Community Development Block Grant - Carry Over	194,218	194,218	194,218		
Municipal Alliance Grant	25,000	25,000	25,000		
Municipal Alliance Grant - Local Match	2,266	2,266	2,266		
Delta Dental	20,000	20,000	20,000		
HIV Counsel & Test Grant	140,588	140,588	140,588		
Home Friends	240,000	240,000	240,000		

Exhibit A-3

CITY OF EAST ORANGE, N.J.

Statement of Expenditures - Regulatory Basis

Current Fund

Year Ended December 31, 2015

	Budget	Budget after Modification and Transfer	Paid or Charged	Reserved	Unexpended Balance Canceled
Home Program - Carry Over	3,596	3,596	3,596		
Youth Corps Urban Gateway Enhancement Grant	32,000	32,000	32,000		
State Recycling Grant - Unappropriated	22,090	22,090	22,090		
Shelter Care Plus - Issaiah House	408,056	408,056	408,056		
Shelter Care Plus - E.O. General Hospital	201,597	201,597	201,597		
NJ Transportation Trust Fund	412,350	412,350	412,350		
CY 2015 Pedestrian Safety Grant	14,000	14,000	14,000		
Assistance to Firefighters Grant	190,127	190,127	190,127		
DEP & Garden State Preservation Trust Loan & Grant	990,000	990,000	990,000		
Childhood Lead Poisoning	250,000	250,000	250,000		
Substance Abuse Project Hope Grant	258,200	258,200	258,200		
Total Public and Private Programs Offset by Revenues	4,399,914	4,399,914	4,399,914		
Total Operations-Excluded from "CAPS"	7,567,343	7,567,343	7,566,680	663	
Detail:					
Other Expenses	7,567,343	7,567,343	7,566,680	663	

CITY OF EAST ORANGE, N.J.

Statement of Expenditures - Regulatory Basis

Current Fund

Year Ended December 31, 2015

	Budget	Budget after Modification and Transfer	Paid or Charged	Reserved	Unexpended Balance Canceled
Municipal Debt Service - Excluded from "CAPS"					
Payment of Bond Principal	4,940,000	4,940,000	4,940,000		
Interest on Bonds	1,575,393	1,575,393	1,575,393		
Payment of Bond Anticipation Notes	3,149,000	3,149,000	3,149,000		
Interest on Notes	72,520	72,520	72,340		180
Loan Repayments for Principal and Interest	30,890	30,890	30,889		1
Capital Lease Payments	324,011	324,011	275,684		48,327
Total Municipal Debt Service-Excluded from "CAPS"	10,091,814	10,091,814	10,043,306		48,508
Deferred Charges and Statutory Expenditures-Municipal excluded from "CAPS"					
(1) DEFERRED CHARGES:					
Emergency Authorizations	1,200,000	1,200,000	1,200,000		
Special Emergency Authorizations - 5 years	570,853	570,853	570,853		
Total Deferred Charged and Statutory Expenditures-Municipal excluede from "CAPS"	1,770,853	1,770,853	1,770,853		
Transferred to BOE for Use of Local Schools	120,467	120,467			120,467
Total General Appropriations for Municipal Purposes Excluded from "CAPS"	19,550,477	19,550,477	19,380,839	663	168,975

Exhibit A-3

CITY OF EAST ORANGE, N.J.

Statement of Expenditures - Regulatory Basis

Current Fund

Year Ended December 31, 2015

	Budget	Budget after Modification and Transfer	Paid or Charged	Reserved	Unexpended Balance Canceled
Subtotal General Appropriations	128,625,170	128,625,170	119,705,581	7,269,362	1,650,227
Reserve for Uncollected Taxes	7,418,904	7,418,904	7,418,904		
Total General Appropriations	$ 136,044,074	136,044,074	127,124,485	7,269,362	1,650,227

Appropriation by 40:A4-87 $	1,015,107
Adopted Budget	135,028,967
$	136,044,074

Reserve for Uncollected Taxes $	7,418,904
Federal and State Grants	4,399,914
State Aid - Debt Payments	6,472,834
Deferred Charges	1,770,853
Encumbrances	3,979,510
Cash	103,082,470
$	127,124,485

See accompanying notes to the financial statements.

THIS PAGE INTENTIONALLY LEFT BLANK

Exhibit B

CITY OF EAST ORANGE, N.J.

Comparative Balance Sheet - Regulatory Basis

Trust Funds

December 31, 2015 and 2014

	Ref.	2015	2014
Assets			
Animal Trust Fund:			
Cash	B-1	$ 4,069	3,648
		4,069	3,648
Tax Redemption Fund:			
Cash	B-1	1,287,237	1,036,603
		1,287,237	1,036,603
Other Trust Funds:			
Cash	B-1	11,534,447	7,275,697
Interfunds Accounts Receivable	B-4	498,759	
		12,033,206	7,275,697
Community Development Trust Fund:			
Cash	B-1	52,988	41,923
Interfunds Accounts Receivable	B-4	192,115	105,043
Due from H.U.D.	B-5	2,038,723	2,752,644
		2,283,826	2,899,610
Home Loan Program Fund:			
Cash	B-1	19,826	55,769
Due from H.U.D.	B-6	1,033,934	1,415,759
Other Loans Receivable	B-7	4,777,566	4,947,564
Construction Loan Receivable	B-8	339,485	339,485
		6,170,811	6,758,577
Self Insurance Fund:			
Cash	B-1	907,061	858,816
		907,061	858,816
		$ 22,686,210	18,832,951

Exhibit B

CITY OF EAST ORANGE, N.J.

Comparative Balance Sheet - Regulatory Basis

Trust Funds

December 31, 2015 and 2014

Liabilities, Reserves & Fund Balance	Ref.	2015	2014
Animal Trust Fund:			
Due to State of New Jersey	B-2	$ 25	29
Reserve for Animal Trust Fund Expenditures	B-3	3,497	3,619
Interfund Accounts Payable	B-4	547	
		4,069	3,648
Tax Redemption Fund:			
Reserve for Expenditures	B-9	1,287,237	1,036,603
		1,287,237	1,036,603
Other Trust Fund:			
Interfund Accounts Payable	B-4	18,152	
Reserve for Miscellaneous Reserves	B-10	8,829,981	6,395,723
Reserve for Payroll and Deductions Payable	B-11	3,185,073	879,974
		12,033,206	7,275,697
Community Development Grant Fund:			
Reserve for Expenditures	B-12	2,283,826	2,899,610
		2,283,826	2,899,610
Home Loan Program Fund:			
Interfund Accounts Payable	B-4	192,115	105,043
Reserve for Program Expenditures	B-13	816,401	1,321,241
Reserve for Loans Receivable	B-14	4,777,566	4,947,564
Reserve for UDAG Expenditures	B-15	45,244	45,244
Reserve for Construction Loan Receivable	B-16	339,485	339,485
		6,170,811	6,758,577
Self Insurance Fund:			
Reserve for Worker's Compensation Expenditures	B-17	616,816	617,813
Reserve for Auto/General Liability	B-18	260,951	211,712
Reserve for Health Benefits (Flexible Spending)	B-19	29,294	29,291
		907,061	858,816
		$ 22,686,210	18,832,951

See accompanying notes to financial statements.

Exhibit C

CITY OF EAST ORANGE, N.J.

Comparative Balance Sheet - Regulatory Basis

General Capital Fund

December 31, 2015 and 2014

	Ref.		2015	2014
Assets				
Cash	C-2/C-3	$	10,259,947	1,506,643
Deferred Charges to Future Taxation:				
Funded	C-4		40,354,992	45,738,489
Unfunded	C-5		18,912,892	21,433,576
Other Accounts Receivable	C-6		11,500	11,500
Interfunds	C-17		1,301,491	
		$	70,840,822	68,690,208
Liabilities, Reserves and Fund Balance				
General Serial Bonds	C-7	$	39,845,937	44,990,937
Bond Anticipation Notes Payable	C-8		17,632,491	5,645,500
NJ Green Trust Loans Payable	C-9		421,169	443,302
Capital Lease Obligations Payable	C-10		87,886	304,250
Improvement Authorizations:				
Funded	C-11		734,010	2,280,576
Unfunded	C-11		9,990,918	14,050,818
Contracts Payable	C-12		1,049,800	537,532
Encumbrances Payable	C-13		22,052	
Capital Improvement Fund	C-14		193,027	193,027
Down Payment on Improvements	C-15		109,653	109,653
Reserve for Payment of Debt	C-16			28,044
Reserve for Future Improvements	C-18		106,569	106,569
Fund Balance	C-1		647,310	
		$	70,840,822	68,690,208

There were $1,280,401 and $15,788,076 of Bonds and Notes Authorized But Not Issued on December 31, 2015 and 2014 respectively (Exhibit C-19).

See accompanying notes to the financial statements.

Exhibit C-1

CITY OF EAST ORANGE, N.J.

Statement of Changes in Fund Balance - Regulatory Basis

General Capital Fund

For the Years Ended December 31,

	2015	2014
Balance - December 31,	$	65,607
Increased By:		
Improvement Authorizations Cancelled	1,107,605	
Premium on Bond Anticipation Note Sale	39,705	
	1,147,310	
Decreased By:		
Down Payment of Capital Ordinance	500,000	
Disbursement - 2014 Budget Appropriation		65,607
	500,000	65,607
Balance - December 31,	$ 647,310	

See accompanying notes to the financial statements.

Exhibit D

CITY OF EAST ORANGE, N.J.

Comparative Balance Sheet - Regulatory Basis

Water Utility Fund

December 31, 2015 and 2014

Assets	Ref.	2015	2014
Water Utility Operating Fund:			
Cash - Treasurer	D-5	$ 4,808,074	2,957,662
		4,808,074	2,957,662
Receivables with Full Reserves:			
Consumers' Accounts Receivable	D-7	4,972,869	3,634,462
Water Liens Receivable	D-8	101,854	25,667
Inventory - Materials and Supplies	D-9	411,955	538,323
		5,486,678	4,198,452
Grants Receivable	D-11	110,339	110,339
		110,339	110,339
Deferred Charges:			
Overexpenditure of Appropriations	D-12		236,685
Overcommitment of Appropriations	D-12	1,871,542	850,788
Overexpenditure of Appropriation Reserves	D-12	435,120	536,940
Deficit in Operations	D-12		1,406,235
		2,306,662	3,030,648
Total Water Utility Operating Fund		12,711,753	10,297,101
Capital Fund:			
Cash - Treasurer	D-5/D-6	3,348,584	1,118,284
Fixed Capital	D-13	61,331,134	61,331,134
Fixed Capital Authorized and Uncompleted	D-14	25,741,040	13,341,040
NJEIT Loans Receivable	D-15	1,821,786	5,674,278
Interfunds Receivable	D-17	337,062	245,779
Overcommitment of Ordinance Appropriations	D-16	31,666	31,666
Total Capital Fund		92,611,272	81,742,181
		$ 105,323,025	92,039,282

Exhibit D

CITY OF EAST ORANGE, N.J.

Comparative Balance Sheet - Regulatory Basis

Water Utility Fund

December 31, 2015 and 2014

Liabilities, Reserves and Fund Balance	Ref.	2015	2014
Water Utility Operating Fund:			
Appropriation Reserves	D-4/D-18	$ 166,468	50,000
Reserve for Encumbrances	D-19	1,642,690	1,165,685
Accounts Payable	D-20	371,344	370,644
Interfund Accounts Payable	D-10	337,062	2,479,990
Accrued Interest	D-21	440,676	363,208
Other Payables-Due to ILSA-East Newark	D-22	213,542	184,094
Reserve for Inventory Revolving Fund	D-23	118,735	118,735
Reserve for Debt Service	D-24	610,000	
Reserve for Labor Union Negotiations	D-25	65,077	
		3,965,594	4,732,356
Reserve for Receivables and Inventory	contra	5,486,678	4,198,452
Fund Balance	D-1	3,259,481	1,366,293
Total Water Utility Operating Fund		12,711,753	10,297,101
Capital Fund:			
Serial Bonds Payable	D-26	17,715,000	20,480,000
NJEIT Loans Payable	D-27	6,876,557	6,913,896
Bond Anticipation Notes Payable	D-28	5,103,000	4,203,000
Improvement Authorizations			
Funded	D-29	1,044,141	1,805,113
Unfunded	D-29	6,035,939	1,960,394
Contracts Payable	D-30	8,413,970	3,678,247
Capital Improvement Fund	D-31	900,000	600,000
Reserve for Capital Improvements	D-32	238,485	238,485
Reserve for Amortization	D-33	29,162,271	26,713,713
Deferred Reserve for Amortization	D-34	15,140,690	15,140,690
Reserve for Payment of Debt	D-35	1,977,380	4,804
Fund Balance	D-2	3,839	3,839
Total Capital Fund		92,611,272	81,742,181
		$ 105,323,025	92,039,282

There were $13,074,656 and $1,220,875 of Bonds and Notes Authorized But Not Issued on December 31, 2015 and 2014 respectively (Exhibit D-36).

See accompanying notes to financial statements.

Exhibit D-1

CITY OF EAST ORANGE, N.J.

Comparative Statement of Operations and Changes in Fund Balance - Regulatory Basis

Water Utility Operating Fund

For the Years ended December 31, 2015 and 2014

	2015	2014
Revenue and other income:		
Water/Sewer rents	$ 23,347,634	17,937,153
Miscellaneous Revenue	597,345	591,564
Other Credit to Income:		
Interfund Advances	8,289	849,722
Unexpended balance appropriation reserve	75,748	
Total revenue and other income	24,029,016	19,378,439
Expenditures:		
Operating	16,953,410	17,032,413
Capital improvements	300,000	600,000
Debt Service	3,192,960	2,819,498
Deferred charges and statutory expenditures	2,710,212	1,048,138
Expenditure without Appropriation		74,563
Overexpenditure of Appropriation Reserves	435,120	536,940
Interfunds Returned		271,535
Refunds		26,000
Total expenditures	23,591,702	22,409,087
Excess(Deficit) in revenues	437,314	(3,030,648)
Adjustments to Income before Surplus:		
Expenditures included above which are Statute Deferred Charges to Budget of Succeeding Year		
Overexpenditure of Appropriations		236,685
Overcommitment of Appropriations	1,020,754	850,788
Overexpenditure of Appropriation Reserves	435,120	536,940
Statutory excess to Surplus	1,893,188	
Deficit in Operations to be Raised in Budget of Subsequent Year		(1,406,235)
Fund balance, January 1	1,366,293	1,366,293
Balance, December 31	$ 3,259,481	1,366,293

See accompanying notes to financial statements.

Exhibit D-2

CITY OF EAST ORANGE, N.J.

Statement of Fund Balance - Regulatory Basis

Water Utility Capital Fund

For the Years Ended December 31,

	2015	2014
Balance - December 31,	$ 3,839	$ 3,839
Balance - December 31,	$ 3,839	$ 3,839

See accompanying notes to financial statements.

Exhibit D-3

CITY OF EAST ORANGE, N.J.

Statement of Revenues - Regulatory Basis

Water Utility Operating Fund

Year ended December 31, 2015

	Anticipated	Realized	Excess (deficit)
Rents	$ 21,712,503	23,347,634	1,635,131
Miscellaneous	157,000	597,345	440,345
	21,869,503	23,944,979	2,075,476
Special Item of General Revenue Anticipated with Prior Written Consent of Director of Local Government Services			
Deficit (General Budget)	1,000,000		(1,000,000)
	1,000,000		(1,000,000)
	$ 22,869,503	23,944,979	1,075,476

Analysis of Realized Revenue

Cash Receipts	$ 23,944,171
Interfunds	808
	$ 23,944,979

See accompanying notes to financial statements.

Exhibit D-4

CITY OF EAST ORANGE, N.J.

Statement of Expenditures - Regulatory Basis

Water Utility Operating Fund

Year ended December 31, 2015

	Appropriations					
	Budget	Budget after modification	Paid or charged	Reserved	Canceled	Over-commitments/ Over-expenditures
Operating:						
Salaries and Wages	$ 3,802,000	3,802,000	3,752,357	49,643		
Other Expenses	12,388,787	12,388,787	13,151,410			762,623
Total Operating	16,190,787	16,190,787	16,903,767	49,643		762,623
Capital Improvements:						
Capital Improvement Fund	300,000	300,000	300,000			
Total Capital Improvements	300,000	300,000	300,000			
Debt Service:						
Payment of Bond Principal	1,719,059	1,719,059	1,977,190			258,131
Payment of Note Principal	610,000	610,000	610,000			
Interest on Bonds	1,073,816	1,073,816	605,770		468,046	
Interest on Notes	65,629	65,629			65,629	
Total Debt Service	3,468,504	3,468,504	3,192,960		533,675	258,131
Deferred Charges and Statutory Expenditures:						
Deferred Charges:						
Overexpenditure of Appropriations	436,685	436,685	236,685		200,000	
Overexpenditure of Capital Improvement Fund	536,940	536,940	536,940			
Statutory Expenditures - Contribution to:						
Public Employees' Retirement System	150,000	150,000	150,000			
Social Security System (O.A.S.I.)	280,353	280,353	263,528	16,825		
Unemployement Compensation Insurance	100,000	100,000		100,000		
Deficit in Operations in Prior Years	1,406,234	1,406,234	1,406,234			
Total Deferred Charges and Statutory Expenditures	2,910,212	2,910,212	2,593,387	116,825	200,000	
	$ 22,869,503	22,869,503	22,990,114	166,468	733,675	1,020,754

Adopted Budget	$ 22,869,503
	$ 22,869,503

Cash Disbursed	$ 17,797,564
Reserve for Encumbrances	1,642,690
Deferred Charges	2,179,860
Accrued Interest on Bonds	460,000
Reserve for Debt	610,000
Capital Improvement Fund	300,000
	$ 22,990,114

See accompanying notes to financial statements.

Exhibit E

CITY OF EAST ORANGE, N.J.

Comparative Statement of General Fixed Assets - Regulatory Basis

December 31, 2015 and 2014

		2015	Restated 2014
General Fixed Assets:			
Land	$	2,434,409	2,434,409
Land Improvements		7,459,289	7,459,289
Buildings		28,286,487	28,286,487
Machinery and Equipment		13,280,838	17,520,654
	$	51,461,023	55,700,839
Investment in Fixed Assets	$	51,461,023	55,700,839

See accompanying notes to financial statements.

THIS PAGE INTENTIONALLY LEFT BLANK

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The Governmental Accounting Standards Board (GASB) is the accepted standard-setting body for establishing governmental accounting and financial reporting principles. The GASB Codification establishes seven fund types and two account groups to be used by governmental units when reporting financial position and results of operations in accordance with accounting principles generally accepted in the United States of America (GAAP).

The financial statements of the City of East Orange have been prepared in conformity with accounting principles and practices prescribed by the Division of Local Government Services, Department of Community Affairs, State of New Jersey (the "Division") which is another comprehensive basis of accounting other than accounting principles generally accepted in the United States of America. 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 City accounts for its financial transactions through the following separate funds which differ from the fund structure required by GAAP.

A. Reporting Entity

The City of East Orange (the "City") operates under a Mayor/Council form of government. The City's major operations include public safety, road repair and maintenance, sanitation, fire protection, recreation and parks, health services, and general administrative services.

GASB has issued Statement No. 14 which requires the financial reporting entity to include both the primary government and those component units for which the primary government is financially accountable. Financial accountability is defined as appointment of a voting majority of the component unit's board, and either a) the ability to impose will by the primary government, or b) the possibility that the component unit will provide a financial benefit to or impose a financial burden on the primary government.

However, the municipalities in the State of New Jersey do not prepare financial statements in accordance with GAAP and thus do not comply with all of the GASB pronouncements. The financial statements contained herein include only those boards, bodies, officers or commissions as required by NJS 40A:5-5. Accordingly, the financial statements of the City do not include the Public Library, which is considered a component unit under GAAP. Complete financial statements of the above components can be obtained by contacting the Treasurer of the respective entity.

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, (continued)

B. Measurement Focus, Basis of Accounting and Basis of Presentation

The City 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 City 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.

The City has the following funds and account group:

Current Fund – This fund accounts for resources and expenditures for governmental operations of a general nature, including Federal and State grants.

Trust Funds – Trust Funds are used to account for assets held by the government in a trustee capacity. Funds held by the City as an agent for individual, private organizations, or other governments are recorded in the Trust Funds.

Animal License Fund – This fund is used to account for fees collected from animal licenses and expenditures, which are regulated by NJS 4:19-15.11.

Tax Redemption Fund – This fund is used to account for the receipts and disbursements relating to tax redemptions.

Other Trust Fund – This fund is established to account for the assets and resources which are also held by the City as a trustee or agent for individuals, private organizations, other governments and/or other funds. These funds include dedicated fees/proceeds collected, developer deposits, payroll related deposits and funds deposited with the City as collateral.

Community Development Block Grant Fund – This fund is used to account for grant proceeds and related expenditures for Block grant entitlements.

Home Loan Program Fund – This fund is used to account for grant proceeds and related expenditures for the Home Loan Investment Program.

Self-Insurance Fund – This fund is used to account for the resources and expenditures for worker's compensation, auto/general liability and health benefits insurance claims and premiums.

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, (continued)

B. Measurement Focus, Basis of Accounting and Basis of Presentation, (continued)

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

Water Utility Fund – This fund is used to account for the revenues and expenditures for the operation of the City's water utility and the assets and liabilities relative to such activities. Acquisition or improvement of capital facilities are accounted for in the capital section of the fund.

General Fixed Assets Account Group – This account group is used to account for all general fixed assets of the City other than those accounted for in the water utility fund. The City's infrastructure is not reported in the account group.

Basis of Accounting

A modified accrual basis of accounting is followed by the City of East Orange. Under this method of accounting, revenues, except State/Federal Aid, are recognized when received and expenditures are recorded when incurred. The accounting principles and practices prescribed for municipalities by the Division differ in certain respects from accounting principles generally accepted in the United States of America (GAAP) applicable to local government units. The more significant differences are as follows:

Property Tax Revenues - Real property taxes are assessed locally, based upon the assessed value of the property. The tax bill includes a levy for Municipal, County, and School purposes. The bills are mailed annually in June for that calendar year's levy. Taxes are payable in four quarterly installments on February 1, May 1, August 1, and November 1. The amounts of the first and second installments are determined as one quarter of the total tax levied against the property for the preceding year. The installment due the third and fourth quarters is determined by taking the current year levy less the amount previously charged for the first and second installments, with the remainder being divided equally. If unpaid on these dates, the amount due becomes delinquent and subject to interest at 8% per annum, or 18% on any delinquency amount in excess of $1,500. The school levy is turned over to the Board of Education as expenditures are incurred, and the balance, if any, must be transferred as of June 30, of each fiscal year. County taxes are paid quarterly on February 15, May 15, August 15 and November 15, to the County by the City. When unpaid taxes or any municipal

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, (continued)

Basis of Accounting, (continued)

lien, or part thereof, on real property, remains in arrears on the 11th day of the 11th month in the year when levied, the collector in the municipality shall subject to the provisions of the New Jersey Statutes enforce the lien by placing the property on a tax sale. Annual in rem tax foreclosure proceedings are instituted to enforce the tax collection or acquisition of title to the property by the City. In accordance with the accounting principles prescribed by the State of New Jersey, current and delinquent taxes are realized as revenue when collected. Since delinquent taxes and liens are fully reserved, no provision has been made to estimate that portion of the taxes receivable and tax title liens that are uncollectible. GAAP requires property tax revenues to be recognized in the accounting period when they become susceptible to accrual, reduced by an allowance for doubtful accounts.

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

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

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 for the Current Fund and the water utility operating fund. Budget amounts presented in the accompanying financial statements represent amounts adopted by the City and approved by the State Division of Local Government Services per N.J.S.A. 40A:4 et seq.

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

General Capital Fund
Trust Fund
Water Utility Capital Fund

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, (continued)

Basis of Accounting, (continued)

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

Emergency appropriations, those made after the adoption of the budget and determination of the tax rate, may be authorized by the governing body of the municipality. During the last two months of the 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.

During the years ended December 31, 2015 and 2014, the City Council approved additional revenues and appropriations of $1,015,107 and $5,321,814, respectively, in accordance with N.J.S.A. 40A:4-87. The Council also approved $1,200,000 of emergency appropriations for group insurance claims in 2014. In addition, several budget transfers were approved by the governing body in 2015 and 2014.

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 canceled by the governing body. 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, which should be recognized when due.

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, (continued)

Basis of Accounting, (continued)

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

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

Compensated Absences - Expenditures relating to obligations for unused vested accumulated vacation and sick pay are not recorded until paid. 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 be recorded as a long-term obligation.

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

Interfunds - 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. GAAP does not require the establishment of an offsetting reserve.

Inventories - The costs 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.

Cash and Investments - Cash includes amounts in demand deposits as well as short-term investments with a maturity date within one year of the date acquired by the government. Investments are stated at cost which approximates fair value and are limited by N.J.S.A. 40A:5-15.1(a).

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, (continued)

Basis of Accounting, (continued)

Deferred Charges to Future Taxation Funded and Unfunded - Upon the authorization of capital projects, the City establishes deferred charges for the costs of the capital projects to be raised by future taxation. Funded deferred charges relate to permanent debt issued, whereas unfunded deferred charges relate to temporary or nonfunding of the authorized cost of capital projects. According to N.J.S.A. 40A:2-4, the City may levy taxes on all taxable property within the local unit to repay the debt. Annually, the City raises the debt requirements for that particular year in the current budget. As the funds are raised by taxation, the deferred charges are reduced.

General Fixed Assets - The City of East Orange has developed a fixed assets accounting and reporting system, as promulgated by the Division of Local Government Services, which differs in certain respects from generally accepted accounting principles.

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 and drainage systems are not capitalized.

All fixed assets are valued at historical cost or estimated historical cost if actual historical cost is not available.

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.

Fixed assets acquired through grants in aid or contributed capital have not been accounted for separately.

GAAP requires that fixed assets be capitalized at historical or estimated historical cost if actual historical cost is not available.

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

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, (continued)

Basis of Accounting, (continued)

Comparative Data - Comparative data for the prior year has been presented in the accompanying balance sheets and statements of operations in order to provide an understanding of changes in the City'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.

Recent Accounting Pronouncements

In June 2012, the Governmental Accounting Standards Board (GASB) issued GASB Statement No. 68, *Accounting and Financial Reporting for Pensions* – an amendment of GASB Statement No. 27. This statement, which is effective for fiscal periods beginning after June 15, 2014, will not have any effect on the entity's financial reporting. However, the provisions of this statement required significant modifications to the disclosure requirements related to the entity's proportionate share of the cost-sharing defined benefit plans reported at the State of New Jersey level.

In April of 2013, the Government Accounting Standards Board issued GASB Statement No. 70, *Accounting and Financial Reporting for Nonexchange Financial Guarantees.* The objective of this Statement is to improve accounting and financial reporting by state and local governments that extend and receive nonexchange financial guarantees. This Statement is effective for reporting periods beginning after June 15, 2013 and will not have any impact on the entity's financial statement disclosures.

In November 2013, the Government Accounting Standards Board issued GASB Statement No. 71, *Pension Transition for Contributions Made Subsequent to the Measurement Date* – an amendment of GASB Statement No. 68. The provisions of this statement are required to be applied simultaneously with the provisions of Statement 68 which is effective for periods beginning after June 15, 2014. The provisions of this Statement required significant modifications to the disclosure requirements related to the entity's proportionate share of the cost-sharing defined benefit plans reported at the State of New Jersey level.

In February 2015, the Government Accounting Standards Board issued GASB Statement No. 72, *Fair Value Measurement and Application.* This Statement addresses accounting and financial reporting issues related to fair value measurements. The definition of *fair value* is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. This Statement also

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, (continued)

Basis of Accounting, (continued)

Recent Accounting Pronouncements, (continued)

provides guidance for determining a fair value measurement for financial reporting purposes. This Statement also provides guidance for applying fair value to certain investments and disclosures related to all fair value measurements. This Statement is effective for periods beginning after June 15, 2015. The City is currently reviewing what effect, if any, this Statement might have on future financial statements.

In June 2015, the Government Accounting Standards Board issued GASB Statement No. 73, *Accounting and Financial Reporting for Pensions and Related Assets That Are Not Within the Scope of GASB Statement 68 and Amendments to Certain Provisions of GASB Statements 67 and 68*. This Statement is effective for periods beginning after June 15, 2015 – except those provisions that address employers and governmental nonemployer contributing entities for pensions that are not within the scope of Statement 68, which are effective for financial statements for periods beginning after June 15, 2016. The City is currently reviewing what effect, if any, this Statement might have on future financial statements.

In June 2015, the Government Accounting Standards Board issued GASB Statement No. 74, *Financial Reporting for Postemployment Benefit Plans Other Than Pension Plans*. This Statement applies to OPEB plans and basically parallels GASB Statement 67 and replaces GASB Statement 43 and is effective for periods beginning after June 15, 2016. The City is currently reviewing what effect, if any, this Statement might have on future financial statements.

In June 2015, the Government Accounting Standards Board issued GASB Statement No. 75, *Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions*. This Statement applies to government employers who provided OPEB plans to their employees and basically parallels GASB Statement 68 and replaces GASB Statement 45. The Statement is effective for periods beginning after June 15, 2017. The City is currently reviewing what effect, if any, this Statement might have on future financial statements.

In June 2015, the Government Accounting Standards Board issued GASB Statement No. 76, *The Hierarchy of Generally Accepted Accounting Principles for State and Local Governments*, which reduces the GAAP hierarchy to two categories of authoritative GAAP from the four categories under GASB Statement No. 55, *The Hierarchy of Generally Accepted Accounting Principles for State and Local Governments*. The first category of authoritative GAAP consists of GASB Statements of Governmental Accounting Standards. The second category comprises GASB Technical Bulletins and Implementation Guides, as

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, (continued)

Basis of Accounting, (continued)

Recent Accounting Pronouncements, (continued)

well as guidance from the American Institute of Certified Public Accountants that is cleared by the GASB. This Statement is effective for periods beginning after June 15, 2015. The City is currently reviewing what effect, if any, this Statement might have on future financial statements.

In August 2015, the Government Accounting Standards Board issued GASB Statement No. 77, *Tax Abatement Disclosures*, which improve financial reporting by giving users of financial statements essential information that is not consistently or comprehensively reported to the public at present. Disclosure of information about the nature and magnitude of tax abatements will make these transactions more transparent to financial statement users. As a result, users will be better equipped to understand (1) how tax abatements affect a government's future ability to raise resources and meet its financial obligations and (2) the impact those abatements have on a government's financial position and economic condition. The City is currently reviewing what effect, if any, this Statement might have on future financial statements.

In December 2015, the Government Accounting Standards Board issued GASB Statement No. 78, *Pensions Provided Through Certain Multiple-Employer Defined Benefit Pension Plans*. The objective of this Statement is to address a practice issue regarding the scope and applicability of Statement No. 68, *Accounting and Financial Reporting for Pensions*. This issue is associated with pensions provided through certain multiple-employer defined benefit pension plans and to state or local governmental employers whose employees are provided with such pensions. This Statement is effective for reporting periods beginning after December 15, 2015. The City is currently reviewing what effects, if any, this Statement might have on future financial statements.

In December 2015, the Government Accounting Standards Board issued GASB Statement No. 79, *Certain External Investment Pools and Pool Participants*. This Statement addresses accounting and financial reporting for certain external investment pools and pool participants. Specifically, it established criteria for an external investment pool to qualify for making the election to measure all of its investments at amortized cost for financial reporting purposes. This Statement is effective for periods beginning after June 15, 2015, and for certain provisions, periods beginning after December 15, 2015. The City is currently reviewing what effects, if any, this Statement might have on future financial statements.

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, (continued)

Basis of Accounting, (continued)

C. Basic Financial Statements

The GASB Codification also defines the financial statements of a governmental unit to be presented in the general purpose financial statements to be in accordance with GAAP. The City presents the financial statements listed in the table of contents which are required by the Division and which differ from the financial statements required by GAAP. In addition, the Division requires the financial statements listed in the table of contents to be referenced to the supplementary schedules. This practice differs from GAAP.

NOTE 2. CASH, CASH EQUIVALENTS AND INVESTMENTS

Cash

Custodial Credit Risk - Deposits

Custodian credit risk is the risk that in the event of a bank failure, the government's deposits may not be returned to it. The City's policy is based on New Jersey Statutes requiring cash be deposited only in New Jersey based banking institutions that participate in New Jersey Governmental Depository Protection Act (GUDPA) or in qualified investments established in New Jersey Statutes 40A:5-15.1(a) that are treated as cash equivalents. As of December 31, 2015, $-0- of the City's bank balance of $56,299,301 was exposed to custodial credit risk. As of December 31, 2014, $-0- of the City's bank balance of $30,452,437 was exposed to custodial credit risk.

Investments

Investment Rate Risk

The City does not have a formal investment policy that limits investment maturities as a means of managing its exposure to fair value losses arising from increasing interest rates. However, New Jersey Statutes 40A:5-15.1(a) limits the length of time for most investments to 397 days.

NOTE 2. CASH, CASH EQUIVALENTS AND INVESTMENTS, (continued)

Credit Risk

New Jersey Statutes 40A:5-15.1(a) limits municipal investments to those specified in the Statutes. The type of allowance investments are Bonds of the United States of America, bonds or other obligations of the Citys or bonds or other obligations of the local unit or units within which the City is located: obligations of federal agencies not exceeding 397 days; government money market mutual funds; the State of New Jersey Cash Management Plan; local government investment pools; or repurchase of fully collateralized securities.

Concentration of Credit Risk

The City places no limit on the amount the City may invest in any one issuer.

NOTE 3. MUNICIPAL DEBT

Changes in long-term debt as of December 31, 2015 and 2014 were as follows:

	Balance Dec. 31, 2014	Additions	Reductions	Balance Dec.31,2015	Amounts Due Within One Year
Bonds Payable:					
General Obligation Debt	$44,990,937	$4,770,000	$9,915,000	$39,845,937	$5,120,000
Water and Sewer Utility Obligation Debt	20,480,000	18,125,000	20,890,000	17,715,000	1,335,000
Total Bonds Payable	65,470,937	22,895,000	30,805,000	57,560,937	6,455,000
Other Liabilities:					
Pension Deferral	3,802,652		269,814	3,532,838	292,166
General Capital:					
NJ Green Trust Loans Payable	443,302		22,133	421,169	22,578
Lease Purchase Agreements Payable	304,250		216,364	87,886	43,223
Water Utility Capital:					
NJ Environmental Infrastructure Trust Loan	6,913,896	339,844	377,183	6,876,557	391,248
Compensated Absences Payable	8,247,527	1,004,778	2,746,091	6,506,214	
Total Other Liabilities	19,711,627	1,344,622	3,631,585	17,424,664	749,215
	$85,182,564	$24,239,622	$34,436,585	$74,985,601	$7,204,215

NOTE 3. MUNICIPAL DEBT, (continued)

	Balance Dec. 31, 2013	Additions	Reductions	Balance Dec.31,2014	Amounts Due Within One Year
Bonds Payable:					
General Obligation Debt	$49,745,937	$	$4,755,000	$44,990,937	$4,940,000
Water and Sewer Utility Obligation Debt	21,770,000		1,290,000	20,480,000	1,350,000
Total Bonds Payable	71,515,937		6,045,000	65,470,937	6,290,000
Other Liabilities:					
Pension Deferral	4,047,667		245,015	3,802,652	269,814
General Capital:					
NJ Green Trust Loans Payable	465,000		21,698	443,302	22,134
Lease Purchase Agreements Payable	519,266		215,016	304,250	216,365
Water Utility Capital:					
NJ Environmental Infrastructure Trust Loan	7,277,949		364,053	6,913,896	369,053
Compensated Absences Payable	7,556,992	1,157,760	467,225	8,247,527	
Total Other Liabilities	19,866,874	1,157,760	1,313,007	19,711,627	877,366
	$91,382,811	$1,157,760	$7,358,007	$85,182,564	$7,167,366

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

NOTE 3. MUNICIPAL DEBT, (continued)

Summary of Municipal Debt (Excluding Current Operating Debt)

	Year Ended December 31, 2015	Year Ended December 31, 2014	Year Ended December 31, 2013
Issued			
General - Bonds, Notes and Loans	$57,899,597	$51,079,740	$58,529,937
Water Utility - Bonds, Notes and Loans	29,694,557	31,596,896	29,047,949
	87,594,154	82,676,636	87,577,886
Authorized But Not Issued			
General - Bonds and Notes	1,280,401	15,788,076	1,533,576
Water Utility - Bonds and Notes	13,074,656	1,220,875	1,738,875
	14,355,057	17,008,951	3,272,451
Total Bonds, Notes and Loans Issued And Authorized Not Issued	101,949,211	99,685,587	90,850,337
Less: Deductions	42,769,213	28,044	30,897,920
Net Debt	$59,179,998	$99,657,543	$59,952,417

SUMMARY OF STATUTORY DEBT CONDITION - ANNUAL DEBT STATEMENTS

The summarized statement of debt condition which follows is prepared in accordance with the required method of setting up the Annual Debt Statement and indicates a statutory net debt of 2.099% for 2015:

2015	Gross Debt	Deductions	Net Debt
Water Utility Debt	$42,769,213	$42,769,213	$0
General Debt	59,179,998		59,179,998
	$101,949,211	$42,769,213	$59,179,998

Net Debt of $59,179,998 divided by Equalized Valuation Basis per N.J.S. 40A:2-2 as amended of $2,819,961,090 equals 2.099%.

NOTE 3. MUNICIPAL DEBT, (continued)

SUMMARY OF STATUTORY DEBT CONDITION - ANNUAL DEBT STATEMENTS, (continued)

The summarized statement of debt condition which follows is prepared in accordance with the required method of setting up the Annual Debt Statement and indicates a statutory net debt of 3.248% for 2014:

2014	Gross Debt	Deductions	Net Debt
Water Utility Debt	$32,817,771	$	$32,817,771
General Debt	66,867,816	28,044	66,839,772
	$99,685,587	$28,044	$99,657,543

Net Debt of $99,657,543 divided by Equalized Valuation Basis per N.J.S. 40A:2-2 as amended of $3,068,342,705 equals 3.248%.

BORROWING POWER UNDER N.J.S. 40A:2-6 AS AMENDED

	2015	2014
3 ½% of equalized valuation basis (municipal)	$98,698,638	$107,391,995
Net Debt	59,179,998	99,657,543
Remaining borrowing power	$39,518,640	$7,734,452

CALCULATION OF "SELF-LIQUIDATING PURPOSE", WATER UTILITY PER N.J.S.A.40a:2-45

	2015	2014
Cash receipts from fees, rents or other charges for year	$23,944,979	$18,528,717
Deductions:		
Operating and Maintenance Cost	16,721,140	17,913,458
Debt Service	3,468,504	2,819,498
Total Deductions	20,189,644	20,732,956
Excess in Revenue - Self-Liquidating	$3,755,335	($2,204,239)

NOTE 3. MUNICIPAL DEBT, (continued)

The City's long term debt consisted of the following at December 31, 2015:

	Amount Outstanding	
General Obligation Bonds:	2015	2014
$9,350,938, 2003 Pension Refund Bonds - with an interest rate of 5.000% to 6.570%, issued April 1, 2003, due through April 4, 2028	$1,800,937	$1,800,937
$11,225,000, Refunding Capital Improvement Bonds - with an interest rate of 3.700% to 5.000%, issued March 15, 2005, due through July 15, 2020		5,975,000
$22,725,000, 2006 Refunding Bonds - with an interest rate of 4.000% to 5.000%, issued February 23, 2006, due through August 1, 2018	4,635,000	6,045,000
$23,000,000, 2006 Capital Improvement Bonds - with an interest rate of 4.125%, issued November 1, 2006, due through November 1, 2015		1,265,000
$9,380,000, 2012 Refunding Bonds - with an interest rate of 2.125% to 4.000%, issued August 2, 2012, due through September 15, 2028	7,910,000	8,560,000
$15,785,000, 2013 Refunding Bonds - with an interest rate of 3.000% to 4.000%, issued April 25, 2013, due through November 1, 2023	15,785,000	15,785,000
$6,095,000, Pension Refunding Bonds - with an interest rate o 1.027% to 3.112%, issued April 25, 2013, due through April 1, 2021	4,970,000	5,560,000
$4,770,000, 2015 Refunding Bonds - with an interest rate of 3.000% to 5.000%, issued May 13, 2015, due through July 15, 2020	4,745,000	
Total General Serial Bonds	$39,845,937	$44,990,937

General Intergovernmental Loans Payable

The City has entered into a loan agreement with the New Jersey Department of Environmental Protection for the financing related to the various capital improvements at Rowley Park. General intergovernmental loans outstanding at December 31 are as follows:

	Amount Outstanding	
	2015	2014
$465,000, 2012 Loan - with an interest rate of 2.000%, issued January 13, 2012, due through August 24, 2031	$421,169	$443,302

NOTE 3. MUNICIPAL DEBT, (continued)

Paid by Water and Sewer Utility Fund:

	Amount Outstanding	
Water and Sewer Utility Serial Bonds:	2015	2014
$17,675,000, Water Utility Refunding Bonds - with an interest rate of 3.700% to 5.000%, issued March 15, 2005, due through June 15, 2025	$	$12,400,000
$11,025,000, Water Utility Refund Bonds - with an interest rate of 4.000% to 4.625%, issued November 8, 2005, due through July 1, 2028		8,080,000
$18,125,000, Water Utility Refunding Bonds - with an interest rate of 2.000% to 5.000%, issued May 5, 2015, due through July 15, 2028	17,715,000	
Total Water and Sewer Utility Bonds	$17,715,000	$20,480,000

General Intergovernmental Loans Payable

The City has entered into loan agreements with the New Jersey Environmental Infrastructure Trust for the financing related to the various improvements to the sanitary sewer system and water system of the City. Utility intergovernmental loans outstanding of the water utility at December 31 are as follows:

	Amount Outstanding	
	2015	2014
$745,000, 2010 Trust Loan - with an interest rate of 3.000% to 5.000%, issued March 10, 2010, due through August 1, 2029	$605,000	$635,000
$2,280,375, 2010 Fund Loan - interest free, issued March 10, 2010, due through August 1, 2029	1,623,317	1,739,268
$3,400,000, 2010 Trust Loan - with an interest rate of 5.000%, issued March 10, 2010, due through August 1, 2030	2,920,000	3,050,000
$1,831,000, 2010 Fund Loan - interest free, issued March 10, 2010, due through August 1, 2029	1,396,526	1,489,628
$100,000, 2015 Trust Loan - with an interest rate of 4.000% to 5.000%, issued May 28, 2015, due through August 1, 2034	100,000	
$239,844, 2015 Fund Loan - interest free, issued May 28, 2015, due through August 1, 2034	231,714	
Total Intergovernmental Loans Payable	$6,876,557	$6,913,896

NOTE 3. MUNICIPAL DEBT, (continued)

The City's principal and interest for bonded debt and loans issued and outstanding as of December 31, 2015 is as follows:

	General Capital					Water Utility				
	General Bonds		General Loans			Utility Bonds		Utility Loans		
	Principal	Interest	Principal	Interest	Total	Principal	Interest	Principal	Interest	Total
2016	$5,120,000	$1,361,866	$22,578	$8,311	$6,512,755	$1,335,000	$767,294	$391,248	$175,500	$2,669,042
2017	5,285,000	1,185,677	23,032	7,857	6,501,566	1,370,000	727,244	401,248	167,000	2,665,492
2018	5,470,000	1,007,292	23,495	7,394	6,508,181	1,430,000	672,444	411,248	158,000	2,671,692
2019	3,830,000	806,580	23,967	6,922	4,667,469	1,495,000	615,244	421,248	148,500	2,679,992
2020	3,980,000	670,165	24,449	6,440	4,681,054	1,555,000	555,444	431,248	138,900	2,680,592
2021-2025	13,786,218	1,652,074	129,817	24,630	15,592,739	9,050,000	1,527,969	2,301,242	533,500	13,412,711
2026-2030	2,374,719	170,283	143,399	11,048	2,699,449	1,480,000	87,738	2,445,293	218,450	4,231,481
2031			30,432	457	30,889			73,782	2,800	76,582
	$39,845,937	$6,853,937	$421,169	$73,059	$47,194,102	$17,715,000	$4,953,377	$6,876,557	$1,542,650	$31,087,584

NOTE 4. BOND ANTICIPATION NOTES

The City issues bond anticipation notes to temporarily fund various capital projects prior to the issuance of serial bonds. The term of the notes cannot exceed one year but the notes may be renewed from time to time for a period not exceeding one year. Generally, such notes must be paid no later than the first day of the fifth month following the close of the tenth fiscal year following the date of the original notes. The State of New Jersey also prescribes that on or before the third anniversary date of the original note a payment of an amount at least equal to the first legally payable installment of the bonds in anticipation of which such notes were issued be paid or retired. A second and third legal installment must be paid if the notes are to be renewed beyond the fourth and fifth anniversary date of the original issuance.

On December 31, 2015 and 2014, the City had $17,632,491 and $5,645,500, respectively, in outstanding General Capital bond anticipation notes. The City also had $5,103,000 and $4,203,000, respectively, of outstanding Water Utility Capital bond anticipation notes.

NOTE 4. BOND ANTICIPATION NOTES, (continued)

The following activity related to bond anticipation notes occurred during the periods ended December 31, 2015 and 2014:

General Capital Fund:	Balance Dec. 31, 2014	Additions	Reductions	Balance Dec. 31, 2015
Cede & Co.	$	$13,834,500	$	$13,834,500
Oppenheimer & Co. Inc.	5,645,500	3,797,991	5,645,500	3,797,991
	$5,645,500	$17,632,491	$5,645,500	$17,632,491
Water Utility Capital Fund:				
Oppenheimer & Co. Inc.	$2,928,000	$3,828,000	$2,928,000	$3,828,000
Jefferies, LLC		1,275,000		1,275,000
PNC Bank.	1,275,000		1,275,000	
	$4,203,000	$5,103,000	$4,203,000	$5,103,000

General Capital Fund:	Balance Dec. 31, 2013	Additions	Reductions	Balance Dec. 31, 2014
Bank of New York Mellon	$8,319,000	$	$8,319,000	$0
Oppenheimer & Co. Inc.		5,645,500		5,645,500
	8,319,000	5,645,500	8,319,000	5,645,500
Water Utility Capital Fund:				
Oppenheimer & Co. Inc.	$	$2,928,000	$	$2,928,000
PNC Bank.		1,275,000		1,275,000
	$	$4,203,000	$	$4,203,000

NOTE 5. SPECIAL EMERGENCY NOTES

Following the adoption of an ordinance or resolution for special emergency appropriations, the City may borrow money and issue special emergency notes which may be renewed from time to time, but at least 1/3 or 1/5 of all such notes and the renewal thereof, shall mature and be paid in each year so that all notes have been paid by the end of the third or fifth year following the date of the special emergency resolution.

On December 31, 2015 and 2014, the City had $280,000 and $850,500, respectively, in outstanding Current Fund Special Emergency notes.

NOTE 5. SPECIAL EMERGENCY NOTES, (continued)

The following activity related to special emergency notes occurred during the calendar years ended December 31, 2015 and 2014:

	Balance Dec. 31, 2014	Additions	Reductions	Balance Dec. 31, 2015
Oppenheimer & Co., Inc.	$850,500	$280,000	$850,500	$280,000

	Balance Dec. 31, 2013	Additions	Reductions	Balance Dec. 31, 2014
Bank of New York Mellon	$1,580,000	$	$1,580,000	$
Oppenheimer & Co., Inc.		850,500		850,500
	$1,580,000	$850,500	$1,580,000	$850,500

NOTE 6. EMERGENCY NOTES

Any local unit may borrow money and issue its negotiable notes to meet an emergency appropriation. All emergency notes, and any renewals thereof, shall mature not later than the last day of the fiscal year following the fiscal year in which the notes were issued and the emergency appropriation authorized.

On December 31, 2015 and 2014, the City had $-0- and $1,200,000, respectively, in outstanding Current Fund Emergency notes.

The following activity related to special emergency notes occurred during the calendar years ended December 31, 2015 and 2014:

	Balance Dec. 31, 2014	Additions	Reductions	Balance Dec. 31, 2015
Current Fund:				
PNC Bank	$1,200,000	$	$1,200,000	$

NOTE 6. EMERGENCY NOTES, (continued)

	Balance Dec. 31, 2013	Additions	Reductions	Balance Dec. 31, 2014
Current Fund:				
PNC Bank	$500,000	$1,200,000	$500,000	$1,200,000
Water Utility Fund:				
PNC Bank	1,000,000		1,000,000	
	$1,500,000	$1,200,000	$1,500,000	$1,200,000

NOTE 7. CAPITAL LEASES PAYABLE

The City has entered into Capital Lease Purchase Agreements for the acquisition of telephone equipment and a pumper truck for the Fire Department. Principal and interest payments for the telephone equipment are due semi-annually through 2015 and annually through 2017 for the pumper truck. The following is a schedule of the future minimum lease payments under the agreements, and the present value of the net minimum lease payments at December 31, 2015:

Year	Total	Principal	Interest
2016	$46,150	$43,223	$2,927
2017	46,151	44,663	1,488
	$92,301	$87,886	$4,415

NOTE 8. PENSION PLANS

Description of Systems

Substantially all of the City's employees participate in one of the following contributory defined benefit public employee retirement systems which have been established by State statute: the Police and Firemens' Retirement System (PFRS) or the Public Employees' Retirement System (PERS). These systems are sponsored and administered by the State of New Jersey. The Public Employees' Retirement System and the Police and Firemens' Retirement System (PFRS) are considered a cost sharing multiple-employer plans. 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 systems terminate.

NOTE 8. PENSION PLANS, (continued)

Description of Systems: (continued)

Public Employees' Retirement System (PERS)

The Public Employees' Retirement System was established in January, 1955 under the provisions of N.J.S.A. 43:15A to provide coverage including post-retirement health care to certain qualified members. Membership is mandatory for substantially all full time employees of the State or any county, municipality, school district or public agency provided the employee is not required to be a member of another State-administered retirement system. Vesting occurs after 8-10 years of service and 25 years for health care coverage. Members are eligible for retirement at age 60 with an annual benefit generally determined to be 1/55th of the average annual compensation for the highest three fiscal years' compensation for each year of membership during years of creditable service. Early retirement is available to those under age 60 with 25 or more years of credited service. Members are always fully vested for their own contributions and, after three years of service credit, become vested for 2% of related interest earned on contributions. In case of death before retirement, members' beneficiaries are entitled to full interest credited to the members' accounts.

Chapter 103, P.L. 2007 amended the early retirement reduction formula for members hired on or after July 1, 2007 and retiring with 25 years of service to be reduced by 1% for every year between age 55 and 60, plus 3% for every year under age 55.

Chapter 89, P.L. 2008 increased the PERS eligibility age for unreduced benefits from age 60 to age 62 for members hired on or after November 1, 2008; increased the minimum annual compensation required for membership eligibility for new members. Also, it amended the early retirement reduction formula for members hired on or after November 1, 2008 and retiring with 25 years of service to be reduced by 1% for every year between age 55 and 62, plus 3% for every year under age 55.

Chapter 1, P.L. 2010, effective May 21, 2010, changed the membership eligibility criteria for new members of PERS from the amount of compensation to the number of hours worked weekly. Also, it returned the benefit multiplier for new members of PERS to 1/60 from 1/55, and it provided that new members of PERS have the retirement allowance calculated using the average annual compensation for the last five years of service instead of the last three years of service. New members of PERS will no longer receive pension service credit from more than one employer. Pension service credit will be earned for the highest paid position only. This law also closed the Prosecutors Part of the PERS to new members and repealed the law for new members that provided a non-forfeitable right to receive a pension based on the laws of the retirement system in place at the time 5 years of pension service credit is attained. The law also requires the State to make its full pension contribution, defined as 1/7th of the required amount, beginning in fiscal year 2012.

NOTE 8. PENSION PLANS, (continued)

Description of Systems: (continued)

Public Employees' Retirement System (PERS), (continued)

Chapter 3, P.L. 2010, effective May 21, 2010, replaced the accidental and ordinary disability retirement for new members of PERS with disability insurance coverage similar to that provided by the State to individuals enrolled in the State's Defined Contribution Retirement Program.

Chapter 78, P.L. 2011, provides that new members of PERS hired on or after June 28, 2011 (Tier 5 members) will need 30 years of creditable service and age 65 for receipt of the early retirement benefit without a reduction of ¼ of 1% for each month that the member is under age 65. Tier 5 members will be eligible for a service retirement benefit at age 65.

Police and Firemens' Retirement System (PFRS)

The Police and Firemens' Retirement System was established in July 1944 under the provisions of N.J.S.A. 43:16A to provide retirement, death and disability benefits to its members. Membership is mandatory for all full time county and municipal police and firemen, and state firemen or officer employees with police powers appointed after June 30, 1944.

Enrolled members of the Police and Firemens' Retirement System may retire at age 55 with no minimum service requirement. The annual allowance is equal to 2% of the members' final compensation for each year of service up to 30 years, plus 1% of each year of creditable service over 30 years. Final compensation equals the compensation for the final year of service prior to retirement. Special retirement is permitted to members who have 25 or more years of creditable service in the system.

Benefits fully vest on reaching 10 years of service. Members are always fully vested for their own contributions. In the case of death before retirement, members' beneficiaries are entitled to full payment of members' contributions.

Chapter 1, P.L. 2010, effective May 21, 2010, eliminated the provision in PFRS that would permit a member to retire, at any age after 25 years of service credit, on a special retirement allowance of 70% of final compensation after the retirement system reaches a funded level of 104%. Also, for new members of PFRS, the law capped the maximum compensation that can be used to calculate a pension from the plan at the annual wage contribution base for Social Security, and requires the pension to be calculated using a three year average annual compensation instead of the last year's salary.

NOTE 8. PENSION PLANS, (continued)

Description of Systems: (continued)

Police and Firemens' Retirement System (PFRS), (continued)

The State of New Jersey, Department of the Treasury, Division of Pensions and Benefits, issues publicly available financial reports that include the financial statements and required supplementary information for PERS and PFRS. The financial reports may be obtained by writing to the State of New Jersey, Department of the Treasury, Divisions of Pensions and Benefits, P.O. Box 295, Trenton, NJ 08625-0295.

Defined Contribution Retirement Program

The Defined Contribution Retirement Program (DCRP) was established on July 1, 2007 for certain public employees under the provisions of Chapter 92, P.L. 2007 and Chapter 103, P.L. 2007. The program provides eligible members, with a minimum base salary of $1,500.00 or more, with a tax-sheltered, defined contribution retirement benefit, in addition to life insurance and disability coverage. The DCRP is jointly administered by the Division of Pensions and Benefits and Prudential Financial.

If the eligible elected or appointed official will earn less than $5,000.00 annually, the official may choose to waiver participation in the DCRP for that office or position. The waiver is irrevocable.

This retirement program is a new pension system where the value of the pension is based on the amount of the contribution made by the employee, employer and through investment earnings. It is similar to a Deferred Compensation Program where the employee has a portion of tax deferred salary placed into an account that the employee manages through investment option provided by the employer.

The law requires that three classes of employees enroll in the DCRP detailed as follows:

All elected officials taking office on or after July 1, 2007, except that a person who is reelected to an elected office held prior to that date without a break in service may retain in the PERS.

A Governor appointee with advice and consent of the Legislature or who serves at the pleasure of the Governor only during that Governor's term of office.

NOTE 8. PENSION PLANS, (continued)

Defined Contribution Retirement Program, (continued)

Other employees commencing service after July 1, 2007, pursuant to an appointment by an elected official or elected governing body which include the statutory untenured Chief Administrative Officer such as the Business Administrator, County Administrator, or Municipal or County Manager, Department Heads, Legal Counsel, Municipal or County Engineer, Municipal Prosecutor and the Municipal Court Judge.

Notwithstanding the foregoing requirements, other employees who hold a professional license or certificate or meet other exceptions are permitted to remain to join or remain in PERS.

Contributions made by employees for DCRP are currently at 5.5% of the base wages. Member contributions are matched by a 3.0% employer contribution.

Significant Legislation

On March 17, 2009, the legislative of the State of New Jersey enacted Public Laws 2009, c.19(S-21) the "Pension Deferral Program". This law allows the Division of Pensions and Benefits to provide non-state government pension system employers the option of paying their full amount, or an amount that reflects a 50 percent reduction of the normal and accrued liability component of the Public Employees' Retirement System and/or the Police and Firemen's Retirement System obligation for payment due to the State Fiscal Year ending June 30, 2009. The amount deferred will be repaid starting in April 2012 over a 15-year period at 81/4 percent. The amount will fluctuate based on pension system investment earnings on the deferred amount. The local employer is allowed to payoff the obligation at any time prior to April 2012.

The City of East Orange opted for this deferral in the amount of $4,460,772. The amount outstanding at December 31, 2015 was $3,532,838.

Contribution Requirements

The contribution policy is set by laws of the State of New Jersey and, in most retirement systems, contributions are required by active members and contributing employers. Plan member and employer contributions may be amended by State of New Jersey legislation. The pension funds provide for employee contributions based on 5.5% for PERS. This amount will increase to 6.5% plus an additional 1% phased in over 7 years beginning 2012 and 8.5% for PFRS, which increased to 10% in October 2011, of the employee's annual

NOTE 8. PENSION PLANS, (continued)

Contribution Requirements, (continued)

compensation, as defined by law. Employers are required to contribute at an actuarially determined rate in all Funds except the SACT. The actuarially determined employer contribution includes funding for cost-of-living adjustments and noncontributory death benefits in the PERS and PFRS. In the PERS and PFRS, the employer contribution includes funding for post-retirement medical premiums.

The City's contribution to the various plans, equal to the required contributions for each year, were as follows:

Year	PERS	PFRS	DCRP
2015	$3,295,212	$8,040,222	$14,870
2014	3,022,018	7,869,067	12,828
2013	3,138,486	8,265,694	13,586

Statement No's 68 and 71 require a state or local government employer to recognize a net pension liability measured as of a date (the measurement date) no earlier than the end of its prior fiscal year. However, since the financial statements are prepared on another comprehensive basis of accounting, the net pension liability of the various pension systems is not recorded in the financial statements and is only required to be disclosed in the notes to the financial statements.

Pension Liabilities, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions

Public Employees Retirement System (PERS)

At December 31, 2015, the City had a liability of $89,048,405 for its proportionate share of the PERS net pension liability. The net pension liability was measured as of June 30, 2015, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of that date. The City's proportion of the net pension liability was based on a projection of the City's long-term share of contributions to the pension plan relative to the projected contributions of all participating governmental entities, actuarially determined. At June 30, 2015, the City's proportion was .3966875465 percent, which was an increase/(decrease) of 0.01259580 percent from its proportion measured as of June 30, 2014.

NOTE 8. PENSION PLANS, (continued)

Pension Liabilities, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions, (continued)

Public Employees Retirement System (PERS), (continued)

For the year ended December 31, 2015, the City recognized pension expense of $3,295,212. At December 31, 2015, deferred outflows of resources and deferred inflows of resources related to PERS from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Difference between expected and actual experience	$2,124,382	$
Changes of assumptions	9,563,087	
Net difference between projected and actual earnings on pension plan investments		1,431,727
Changes in proportion and differences between the City's contributions and proportionate share of contributions	2,237,901	
Total	$13,925,370	$1,431,727

Amounts reported as deferred outflows of resources related to pensions resulting from contributions subsequent to the measurement date (June 30, 2015) will be recognized as a reduction of the net pension liability in the subsequent year. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

Year ended June 30:	
2016	$1,867,061
2017	1,867,061
2018	1,867,062
2019	2,973,595
2020	1,680,963

NOTE 8. PENSION PLANS, (continued)

Pension Liabilities, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions, (continued)

Public Employees Retirement System (PERS), (continued)

Additional Information

Local Group Collective balances at June 30, 2015 and June 30, 2014 are as follows:

	June 30, 2015	June 30, 2014
Collective deferred outflows of resources	$3,578,755,666	$952,194,675
Collective deferred inflows of resources	993,410,455	1,479,224,662
Collective net pension liability	22,447,996,119	18,722,735,003
City s Proportion	.3966875465%	.384091751%

Actuarial Assumptions

The total pension liability for the June 30, 2015 measurement date was determined by an actuarial valuation as of July 1, 2014, which rolled forward to June 30, 2015. This actuarial valuation used the following assumptions, applied to all periods in the measurement.

Inflation	3.04 Percent
Salary Increases:	
2012-2021	2.15-4.40 Percent (based on age)
Thereafter	3.15-5.40 Percent (based on age)
Investment Rate of Return	7.90 Percent

The actuarial assumptions used in the June 30, 2014 valuation were based on the results of an actuarial experience study for the period July 1, 2008 to June 30, 2011.

NOTE 8. PENSION PLANS, (continued)

Pension Liabilities, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions, (continued)

Public Employees Retirement System (PERS), (continued)

Mortality Rates

Mortality rates were based on the RP-2000 Combined Healthy Male and Female Mortality Tables (setback one year for females) with adjustments for mortality improvements from the base year of 2012 based on Projection Scale AA.

Long-Term Rate of Return

In accordance with State statute, the long-term expected rate of return on plan investments is determined by the State Treasurer, after consultation with the Directors of the Division of Investments and Division of Pensions and Benefits, the board of trustees and the actuaries. Best estimates of arithmetic real rates of return for each major asset class included in PERS's target asset allocation as of June 30, 2015 are summarized in the following table:

Asset Class	Target Allocation	Long-Term Expected Real Rate of Return
Cash	5.00%	1.04%
U.S. Treasuries	1.75%	1.64%
Investment Grade Credit	10.00%	1.79%
Mortgages	2.10%	1.62%
High Yield Bonds	2.00%	4.03%
Inflation-Indexed Bonds	1.50%	3.25%
Broad U.S. Equities	27.25%	8.52%
Developed Foreign Markets	12.00%	6.88%
Emerging Market Equities	6.40%	10.00%
Private Equity	9.25%	12.41%
Hedge Funds/Absolute Returns	12.00%	4.72%
Real Estate (Property)	2.00%	6.83%
Commodities	1.00%	5.32%
Global Debt ex US	3.50%	-0.40%
REIT	4.25%	5.12%

NOTE 8. PENSION PLANS, (continued)

Pension Liabilities, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions, (continued)

Public Employees Retirement System (PERS), (continued)

Discount Rate

The discount rate used to measure the total pension liability was 4.90% and 5.39% as of June 30, 2015 and 2014, respectively. This single blended discount rate was based on the long-term expected rate of return on pension plan investments of 7.9%, and a municipal bond rate of 3.80% and 4.29% as of June 30, 2015 and 2014, respectively, based on the Bond Buyer GO 20-Bond Municipal Bond Index which includes tax-exempt general obligation municipal bonds with an average rating of AA/Aa or higher. The projection of cash flows used to determine the discount rate assumed that contributions from plan members will be made at the current member contribution rates and that contributions from employers will be made based on the average of the last five years of contributions made in relation to the last five years of recommended contributions. Based on those assumptions, the plan's fiduciary net position was projected to be available to make projected future benefit payments of current plan members through 2033. Therefore, the long-term expected rate of return on plan investments was applied to projected benefit payments through 2033, and the municipal bond rate was applied to projected benefit payments after that date in determining 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 the participating employers as of June 30, 2015 respectively, calculated using the discount rate as disclosed above as well as what the collective net pension liability would be if it was calculated using a discount rate that is 1 -percentage point lower or 1- percentage-point higher than the current rate:

	June 30, 2015		
	1% Decrease 3.90%	At Current Discount Rate 4.90%	1% Increase 5.90%
City's proportionate share of the pension liability	$110,676,272	$89,048,405	$70,915,758

Pension Plan Fiduciary Net Position

Detailed information about the pension plan's fiduciary net position is available in the separately issued Financial Report for the State of New Jersey Public Employees Retirement System (PERS). The financial report may be accessed at www.state.nj.us/treasury/pensions.

NOTE 8. PENSION PLANS, (continued)

Pension Liabilities, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions, (continued)

Police and Firemen's Retirement System (PFRS)

At December 31, 2015, the City had a liability of $167,620,567 for its proportionate share of the PFRS net pension liability. The net pension liability was measured as of June 30, 2015, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of that date. The City's proportion of the net pension liability was based on a projection of the City's long-term share of contributions to the pension plan relative to the projected contributions of all participating governmental entities, actuarially determined. At June 30, 2015, the City's proportion was 1.0063364097 percent, which was an increase/(decrease) of .02815953 percent from its proportion measured as of June 30, 2014.

For the year ended December 31, 2015, the City recognized pension expense of $8,040,222. At December 31, 2015, deferred outflows of resources and deferred inflows of resources related to PFRS from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Difference in actual and expected experience	$30,946,921	$1,445,781
Changes of assumptions		
Net difference between projected and actual earnings on pension plan investments		2,917,289
Changes in proportion and differences between City contributions and proportionate share of contributions	3,088,830	2,655,840
Total	$34,035,751	$7,018,910

NOTE 8. PENSION PLANS, (continued)

Pension Liabilities, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions, (continued)

Police and Firemen's Retirement System, (continued)

Amounts reported as deferred outflows of resources related to pensions resulting from contributions subsequent to the measurement date (June 30, 2015) will be recognized as a reduction of the net pension liability in the subsequent year. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

Year ended June 30:	
2016	$5,048,758
2017	5,048,758
2018	5,048,758
2019	8,278,222
2020	3,159,356

Additional Information

Local Group Collective balances at June 30, 2015 and June 30, 2014 are as follows:

	June 30, 2015	June 30, 2014
Collective deferred outflows of resources	$3,512,729,953	$750,532,959
Collective deferred inflows of resources	871,083,367	1,561,923,934
Collective net pension liability	16,656,514,197	13,933,627,178
City's Proportion	1.0063364097%	.97817688%

NOTE 8. PENSION PLANS, (continued)

Pension Liabilities, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions, (continued)

Police and Firemen's Retirement System, (continued)

Actuarial Assumptions

The total pension liability for the June 30, 2015 measurement date was determined by an actuarial valuation as of July 1, 2014, which rolled forward to June 30, 2015. This actuarial valuation used the following assumptions, applied to all periods in the measurement.

Inflation	3.04 Percent
Salary Increases:	
2012-2021	2.60-9.48 Percent (based on age)
Thereafter	3.60-10.48 Percent (based on age)
Investment Rate of Return	7.90 Percent

Mortality Rates

Mortality rates were based on the RP-2000 Combined Healthy Mortality Tables projected one year using Projection Scale AA and one year using Projection Scale BB for male service retirements with adjustments for mortality improvements from the base year based on Projection Scale BB. Mortality rates were based on the RP-2000 Combined Healthy Mortality Tables projected fourteen years using Projection Scale BB for female service retirements and beneficiaries with adjustments for mortality improvements from the base year of 2014 based on Projection Scale BB.

Long-Term Rate of Return

In accordance with State statute, the long-term expected rate of return on plan investments is determined by the State Treasurer, after consultation with the Directors of the Division of Investments and Division of Pensions and Benefits, the board of trustees and the actuaries. Best estimates of arithmetic real rates of return for each major asset class included in PFRS's target asset allocation as of June 30, 2015 are summarized in the following table:

NOTE 8. PENSION PLANS, (continued)

Pension Liabilities, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions, (continued)

Police and Firemen's Retirement System, (continued)

Asset Class	Target Allocation	Long-Term Expected Real Rate of Return
Cash	5.00%	1.04%
U.S. Treasuries	1.75%	1.64%
Investment Grade Credit	10.00%	1.79%
Mortgages	2.10%	1.62%
High Yield Bonds	2.00%	4.03%
Inflation-Indexed Bonds	1.50%	3.25%
Broad U.S. Equities	27.25%	8.52%
Developed Foreign Markets	12.00%	6.88%
Emerging Market Equities	6.40%	10.00%
Private Equity	9.25%	12.41%
Hedge Funds/Absolute Returns	12.00%	4.72%
Real Estate (Property)	2.00%	6.83%
Commodities	1.00%	5.32%
Global Debt ex US	3.50%	-0.40%
REIT	4.25%	5.12%

Discount Rate

The discount rate used to measure the total pension liability was 5.79% and 6.32% as of June 30, 2015 and 2014, respectively. This single blended discount rate was based on the long-term expected rate of return on pension plan investments of 7.9%, and a municipal bond rate of 3.80% and 4.29% as of June 30, 2015 and 2014, respectively, based on the Bond Buyer GO 20-Bond Municipal Bond Index which includes tax-exempt general obligation municipal bonds with an average rating of AA/Aa or higher. The projection of cash flows used to determine the discount rate assumed that contributions from plan members will be made at the current member contribution rates and that contributions from employers will be

NOTE 8. PENSION PLANS, (continued)

Pension Liabilities, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions, (continued)

Police and Firemen's Retirement System, (continued)

made based on the average of the last five years of contributions made in relation to the last five years of recommended contributions. Based on those assumptions, the plan's fiduciary net position was projected to be available to make projected future benefit payments of current plan members through 2045. Therefore, the long-term expected rate of return on plan investments was applied to projected benefit payments through 2045, and the municipal bond rate was applied to projected benefit payments after that date in determining 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 the participating employers as of June 30, 2015, respectively, calculated using the discount rate as disclosed above as well as what the collective net pension liability would be if it was calculated using a discount rate that is 1 -percentage point lower or 1- percentage-point higher than the current rate:

	June 30, 2015		
	1% Decrease 4.79%	At Current Discount Rate 5.79%	1% Increase 6.79%
City's proportionate share of the pension liability	$225,656,314	$167,620,567	$120,297,601

Pension Plan Fiduciary Net Position

Detailed information about the pension plan's fiduciary net position is available in the separately issued Financial Report for the State of New Jersey Police and Firemen's Retirement System (PFRS). The financial report may be accessed at www.state.nj.us/treasury/pensions.

NOTE 9. ACCUMULATED VACATION AND SICK PAY

Under the existing policies and labor agreements of the City, employees are allowed to accumulate (with certain restrictions) sick pay over the life of their working careers. Employees are allowed to accumulate unused vacation pay and redeem such unused time in cash (with certain limitations) upon death or retirement.

The estimated accumulated vacation time liability as of December 31, 2015 and 2014 was $6,262,729 and $8,247,527, respectively.

NOTE 10. FIXED ASSETS

The following is a summary of General Fixed Assets Account Group for the years ended December 31, 2015 and 2014:

	Balance Dec. 31, 2014	Additions	Deletions	Balance Dec. 31, 2015
Land	$2,434,409	$	$	$2,434,409
Land Improvements	7,459,289			7,459,289
Buildings	28,286,487			28,286,487
Machinery and Equipment	17,520,654	123,860	4,363,676	13,280,838
	$55,700,839	$123,860	$4,363,676	$51,461,023

	Balance Dec. 31, 2013	Additions	Deletions	Balance Dec. 31, 2014
Land	$2,434,409	$	$	$2,434,409
Land Improvements	7,459,289			7,459,289
Buildings	28,286,487			28,286,487
Machinery and Equipment	13,133,199	862,225		13,995,424
	$51,313,384	$862,225	$	$52,175,609

NOTE 11. DUE TO/FROM OTHER FUNDS

Balances due from/to other funds at December 31, 2015 consist of the following:

$3,155,789	Due to the Current Fund from the Federal and State Grant Fund for reimbursement of expenditures paid.
547	Due to the Current Fund from the Animal License Trust Fund for statutory excess.
18,152	Due to the Current Fund from the Payroll Agency Account for advances made in error.
498,759	Due to the Open Space Trust Fund from the Current Fund for levy collections not turned over.
1,301,491	Due to the General Capital Fund from the Current Fund for bond anticipation note proceeds.
337,062	Due to the Water Utility Capital Fund from the Water Utility Operating Fund budget appropriations less reimbursement of expenditures paid.
192,115	Program Fund reimbursement of expenditures paid.
$5,503,915	

It is anticipated that all interfunds will be liquidated during the fiscal year.

NOTE 12. RISK MANAGEMENT

The City is self-insured for Automobile Liability, General Liability (Employment Practices, Law Enforcement, and Employee Benefits) Health Benefits and Workers' Compensation for a single retention limit of $300,000 for auto and general liability and $500,000 for workers compensation for any one claim. The City maintains excess reinsurance over and above the self-insured retention up to a $3 million limit. Claims are administered by a Third-Party Administrator. The programs are administered by an independent contractor. As of January 31, 1999, the administrator has estimated a cumulative potential liability of pending claims to be approximately $6,000,000. Under the Division's requirements, the City appropriates amounts in its annual budget to meet expected payments of claims. The City has not created a liability for loss reserves for claims incurred which were unpaid at December 31, 2015 and 2014. In addition, the City has not created a liability for loss reserves for any potential unreported losses. The effect on the financial statements from these omissions could not be determined, but is probably material. A contingent liability exists with respect to reinsurance, which would become an actual liability in the event the

NOTE 12. RISK MANAGEMENT, (continued)

reinsuring company might be unable to meet their obligations to the City under existing reinsurance agreements. The City has established a reserve in the Trust Fund to pay for expected claims. There was a cash balance of $907,061 and $858,816 at December 31, 2015 and 2014, respectively. Appropriations of $1,836,378 (workers' compensation), $1,058,176 (auto and general) and $10,560,606 (group insurance) were available in the CY 2016 municipal budget for self-insurance claims.

NOTE 13. DEFERRED CHARGES TO BE RAISED IN SUCCEEDING BUDGETS

Certain expenditures are required to be deferred to budgets of succeeding years. The following deferred charges are shown on the balance sheets of the City of East Orange:

2015	Balance December 31,	Subsequent Year Budget Appropriation	Balance to Succeeding Year Budget
Current Fund:			
Special Emergency Authorizations	$280,000	$280,000	$
Federal and State Grant Fund:			
Overexpenditure of Appropriations	32,449	32,449	
Water Utility Fund:			
Overexpenditure of Appropriations	1,871,542	1,871,542	
Overexpenditure of Appropriation Reserves	435,120	435,120	
Total Deferred Charges	$2,619,111	$2,619,111	$

2014	Balance December 31,	Subsequent Year Budget Appropriation	Balance to Succeeding Year Budget
Current Fund:			
Special Emergency Authorizations	$850,853	$450,853	$400,000
Emergency Authorizations	1,200,000	1,200,000	
Federal and State Grant Fund:			
Overexpenditure of Appropriations	5,517		5,517
Water Utility Fund:			
Overexpenditure of Appropriations	436,685	436,685	
Overexpenditure of Appropriation Reserves	536,940	536,940	
Total Deferred Charges	$3,029,995	$2,624,478	$405,517

NOTE 14. TAXES COLLECTED IN ADVANCE

Taxes collected in advance are recorded as cash liabilities in the financial statements. Following is a comparison of the liability for the previous two years:

	Balance Dec. 31, 2015	Balance Dec. 31, 2014
Prepaid Taxes	$1,313,795	$1,281,806
Cash Liability for Taxes Collected in Advance	$1,313,795	$1,281,806

NOTE 15. COMMITMENTS AND CONTINGENT LIABILITIES

We are advised by the City Counsel that the City is involved in several legal suits. These legal proceedings are not likely to have a material adverse impact on the affected funds of the City. The following matters were identified by City Counsel to have significant risk exposure:

Parchment v. City of East Orange, et al. The City currently faces a declaratory judgment action filed in 2012 by plaintiff Esmay Parchment following the award of a jury verdict to her for $300,000 and an attorney fee award of $27,190 (the fee-shifting provision of the applicable federal), or a total docketed judgment of $327,190. That underlying trial was brought by plaintiff Parchment for alleged constitutional violations under 42 U.S.C. 1983 for false arrest, imprisonment and excessive force. Plaintiff sued the City and four police officers; by the time of trial, the City and two officers were dismissed with prejudice from that lawsuit. More than two years after the jury's verdict, plaintiff Parchment filed a second lawsuit, this one against the City for "indemnification" of the jury verdict and attorney's fees of the underlying matter. Plaintiff's basis for recovery rests on a couple of different theories of indemnification, even though the City was dismissed with prejudice from the underlying matter. Plaintiff Parchment seeks recovery of the full $327,190 from the City of East Orange. Although plaintiff has never expressly so stated, her attorney has suggested that should plaintiff prevail that he also will seek the costs of litigation the declaratory judgment action, although on what legal basis is unclear. In March 2013, the litigation was dismissed without prejudice. However, that without-prejudice dismissal resulted in some legal detours that resulted in plaintiff's having to move to restore the matter and re-open the extinguished discovery period. Plaintiff accomplished this in March 2014. Discovery

NOTE 15. COMMITMENTS AND CONTINGENT LIABILITIES, (continued)

proceeded until September 15, 2014. The parties were called to trial on October 14, 2014, at which time both counsel requested and were granted an adjournment, until December 8, 2014, so that both parties can file Summary Judgment applications. While no attorney can accurately pinpoint the likelihood of any outcome, here, based on this trial judge's past rulings, it is possible that he may rule in plaintiff's favor. However, because both the law and the facts here support the City's position, it is our opinion that the Appellate Division would review the matter and likely find in favor of the City based on the law and the facts.

City of East Orange adv. Rochester, et al. This matter arises under the Fair Labor Standards Act (FLSA), in which more than 130 East Orange police officers allege they were not properly compensated for hours worked beyond their regularly scheduled shifts. The officers claim that they should be paid for the 10-minute line up (munster time) that occurs at the beginning of each tour of duty; they also claim that they are required to complete reports and file paperwork at the end of their tours and are not compensated for this additional work time. An estimate of the range of potential loss is not possible at this time. Due to the number of plaintiffs in the collection action, actual losses can exceed $1M. However, the serious deficits in plaintiff's allegations may prevent the case from ever proceeding to a jury.

June Morris v. City of East Orange Police Department et. al. This matter involves a seven (7) count Complaint filed by Plaintiff as Executor of the Estate of Darroll E. Morris against the City of East Orange, East Orange Police Department, Tariq Sewell, Car Tech Auction, Inc., Cali Auto Sales, Inc. and Jose Tobar. Mr. Morris was killed on or about August 27, 2012 when he was hit by a vehicle driven by Defendant, Tariq Sewell and owned by Defendants, Car Tech Auction, Inc., Cali Auto Sales, Inc. and Jose Tobar. He was a pedestrian and was walking on Lincoln Street located in East Orange when he was struck and killed by Plaintiff, who was fleeing from the East Orange Police Department at the time the accident occurred. Plaintiff's estate is asserting that the City of East Orange Police Department was negligent in how it conducted police pursuit of Defendant, Tariq Sewell whose vehicle ultimately struck and killed Mr. Morris. Plaintiff is asserting that the City Police Department did not follow the requisite Attorney General Guidelines in conducting police vehicular pursuits. Plaintiff has not officially made a demand but this office believes it will be in excess of one hundred thousands dollars ($100,000). In terms of insurance coverage there was only minimal underinsured motorist coverage whose policy limits were one hundred thousand dollars ($100,000) and those monies have been paid to Plaintiff's estate. The uninsured motorist coverage was from a separate Defendant (Sewell) and not the City of East Orange. There is no additional insurance coverage. Realistically, this office expects the damages sought to be in excess of $250,000.

NOTE 15. COMMITMENTS AND CONTINGENT LIABILITIES, (continued)

Robert Heyward v. City of East Orange, et. als. This case involves the shooting of a suspect by Police Officer, Robert Licausi following the hot pursuit of the suspect from the City of East Orange to Irvington; where the suspect finally stopped his vehicle. Thereafter, the Officer approached the vehicle directed the suspect to raise his hands. . As the Officer approached, the suspect made a furtive movement down toward the floor, whereupon the Officer fired one shot into the vehicle striking the suspect on the right side of his face. The shot was non-lethal and the suspect was hospitalized. He was later found to have a firearm in the vehicle. Following an investigation, Officer Robert Licausi was not criminally charged. Suit was thereafter filed by Mr. Heyward in Federal District Court, alleging violations of his Civil Rights, Excessive Force and Negligent Supervision. Presently, the matter before the Honorable Joseph Dickson, U.S.M.J., who has scheduled a Settlement Conference later this month. The range of Settlement in this case is between $75,000 and $150,000.

Estate of Zara Malani-Lin, et. al. v. East Orange Police Dept., et. al., Dkt. No.: 2:12-cv-0774 The case involves Plaintiff Venetta Benjamin and her claims – both individually and in the name of her murdered daughter Zara. Plaintiff has alleged that she, with the assistance of her older sister Rayon, tried to obtain a domestic violence temporary restraining order from the East Orange Police Department ("EOPD") on President's Day, February 15, 2010 but was turned away. She has alleged in her Complaint that she was told by the EOPD front desk officer then on duty that "under the way the law worked on a holiday such as President's Day, no resources were allocated for consideration of a temporary restraining order" and further that "the way the law worked....(she) had to report to the Superior Court on the day following a holiday to seek a temporary restraining order." Accordingly, the very next day Plaintiff went to the Superior Court Family Part in Newark with her sister Rayon to seek and obtain a restraining order against the defendant Shamsiddin Abdur-Raheem who was both her former boyfriend and the father of her three month old daughter Zara. Also on that day at approximately 4:15p.m., defendant Abdur-Raheem abducted Zara from the care of the Plaintiff's mother at her fourth floor apartment at 299 S. Harrison Street. He then fled in a car down the Garden State Parkway, stopped at the top of the Driscoll Bridge and tossed Baby Zara off the bridge into the Raritan River below. Upon these factual allegations, Plaintiff has asserted a federal civil rights claim and a number of State law negligence and wrongful death claims against the City of East Orange ("the City").

NOTE 15. COMMITMENTS AND CONTINGENT LIABILITIES, (continued)

In an Opinion and Order, entered February 20, 2014, U.S. District Judge William J. Martini held that Plaintiff's allegations "sufficiently alleged a policy or custom" that suggest "turning away domestic violence victims after hours was a permanent and well-settled practice." There was no activity in the case until the initial Court-ordered Rule 26 Disclosures and Status Conference held on May 30, 2014 before Magistrate Judge Falk. At that time, Plaintiff made a demand of $1.5 million. The City responded with a no pay position. Thereafter, discovery commenced.

On September 30, 2014, U.S.M.J. Mark Falk conducted a Court ordered Settlement and Status Conference with parties' attendance required. Assistant Corporation Counsel Kevin D. Harris attended as the City's authorized representative. Prior to and at the outset of the Settlement Conference, the City repeated its no pay position. At the conference, Plaintiff's counsel reduced the demand to $500,000. Following a round of separate discussions with each party and their counsel, Magistrate Judge Falk intimated to the City that he thought Plaintiff would settle then for less than her $500,000 demand and around or under $350,000. The City made an offer of approximately $30,000 – the maximum amount for which a case can be settled without being subject to Council approval by formal resolution. The counter-offer was conveyed to Plaintiff which was rejected.

Fact Discovery must be concluded by January 30, 2015. Magistrate Judge Falk has directed counsel for parties to commence taking their depositions expeditiously, cautioning that the present fact discovery cut-off date of January 30, 2015 may not be extended. Under the existing Discovery Order, any all and all affirmative expert reports are to be served by February 25, 2015 and depositions thereon to be completed without 30 days. Any responding expert reports are to be served by March 27, 2015 and related depositions completed within 30 days.

Dhanashawar Premnauth v. City of East Orange, et al., Docket No.: ESX-L-7354-13. Plaintiff Dhanashawar Premnauth filed this lawsuit in the Superior Court of New Jersey, Law Division, Essex County on September 19, 2013. I filed and served an Answer on behalf of the City and the Police Department on November 25, 2013.

The lawsuit arises out of an incident that occurred on November 19, 2011, in which Plaintiff, a pedestrian, was struck by a vehicle that was being operated by East Orange Police Department Lt. Baba Karade. Lt. Karade is being represented in this lawsuit by John J. Zidziunas, Esq.

NOTE 15. COMMITMENTS AND CONTINGENT LIABILITIES, (continued)

Plaintiff, age 51, has alleged that he sustained permanent injuries to his neck, back, right wrist, right knee, right shoulder, and that he lost his front tooth. He was treated in the emergency room on the day of the incident and on a later date, and he underwent shoulder surgery, and received follow up treatment,. Plaintiff claims that he incurred over $60,000.00 in medical bills, but that he only had PIP coverage of $15,000.00. Plaintiff also claims that as a result of his injuries, he was unable to operate his bar and restaurant known as Moon Palace, Inc., which resulted in lost earnings.

Plaintiff's attorney has made one settlement demand in the amount of $285,000.00. Plaintiff's attorney indicated that he based this demand upon his assessment of plaintiff's injuries, past and future lost profits due to his inability to run his restaurant, and unpaid medical bills that exceeded his $15,000.00 PIP limitation. For a variety of reasons which I have detailed to the City and to Inservco Insurance Services, Inc., in prior summaries, I believe that Plaintiff's settlement demand is rather high, but I have reserved making a recommendation on a counter offer until discovery has been completed.

Thus far, the parties have exchanged written discovery, including answers to interrogatories and responses to document demands. I recently provided a report from our orthopedic expert, but I have not received Plaintiff's medical expert report to date. We have not yet scheduled the depositions of Plaintiff, Lt. Karade, or other lay witnesses. The court recently extended the discovery end date of November 20, 2014.

On January 2, 2014, this firm submitted an invoice for services rendered to the City, which included our services up to December 31, 2013, in the amount of $517.50. This firm received payment from the City in that full amount on February 3, 2014.

It is my understanding that the City has automobile liability excess insurance with Starr Insurance Company, but has a self insured retention of $300,000.00. I would not expect Plaintiff's claim to exceed the City's self insured retention.

With respect to the management of this litigation, at the conclusion of discovery, I anticipate that I will be recommending that we file a motion for summary judgment based upon "good faith immunity." Under a good faith immunity analysis, a police officer would not be held liable for his actions if he acts in good faith in the execution or enforcement of any law. Good faith immunity applies to a police officer's operation of a motor vehicle within the scope of his duties and in response to an emergency, where the officer acted with objective reasonableness or subjective good faith. Lt. Karade was not in pursuit at the time of the incident, so he would not be entitled to absolute immunity. Instead, a good faith immunity analysis would apply.

NOTE 15. COMMITMENTS AND CONTINGENT LIABILITIES, (continued)

In the event that we do not prevail in a summary judgment motion based upon good faith immunity, I would suggest that we engage in settlement negotiations. In all likelihood, the injuries sustained by the Plaintiff would be sufficient to satisfy the pain and suffering threshold of the New Jersey Tort Claims Act. Plaintiff's injuries required shoulder surgery, considerable treatment, including chiropractic treatment, physical therapy, treatment with a physiatrist, pain management including, two lumbar epidural blocks.

I do not believe the Plaintiff's claim for lost earnings is credible. The income tax returns produced reflect that his business was already losing money before the incident. Furthermore, I obtained records from the New Jersey Division of Alcoholic Beverage Control and the Bloomfield Police Department, which revealed that there have been numerous incidents and infractions at Plaintiff's restaurant and bar that would account for his business losses, that are unrelated to his physical limitations that were allegedly caused by the accident. I will explore these issues further during depositions.

North Oraton Urban Renewal v. City of East Orange The underlying facts involve a payment in lieu of taxes (PILOT) program entered into between North Oraton Urban Renewal, LLC ("North Oraton") in 1995. Almost from the outset of the PILOT, North Oraton failed to make the required PILOT payments, but the City was unaware of this failure until sometime in 2005, when the tax collector apparently obtained information that the payments had never been made.

The tax collector determined that the property should no longer be listed as exempt and the property was apparently returned to the tax rolls. Later in 2005, the collector issued a delinquency notice for unpaid taxes and, in November of 2005, the City published notice that it intended to sell a tax sale certificate for outstanding taxes. The tax sale certificate was ultimately sold to an entity known as Fidelity Tax, LLC ("Fidelity"). Subsequent taxes have been kept current by either Fidelity or its successors in interest.

In October 2007, Fidelity filed several complaints in the tax court naming both the City and Fidelity as defendants. The relevant allegation was Fidelity's contention that the City violated the Financial Agreement underlying the PILOT by unilaterally revoking the exemption on the property. The City filed counterclaims. A trial was conducted in the Tax Court in 2010.

The matter remained dormant for several years pending a decision by the trial court on the issues raised at trial. On or about October 20, 2014, after issuing a preliminary opinion, the Court issued its ruling on the matter, which still does not constitute a final decision or order since the Court left open several decisions to be resolved.

NOTE 15. COMMITMENTS AND CONTINGENT LIABILITIES, (continued)

The Court's decision is detailed and lengthy, but the essence of the judge's decision is that North Oraton was in breach of its PILOT payment obligations, but that the City was also in breach of the Financial Agreement by unilaterally revoking the agreement. As a result, the Court is returning the status quo ante, meaning the PILOT is being reinstated and North Oraton is required to make all back payments with interest at a rate yet to be determined. Conversely, since the PILOT is reinstated, the tax sale certificate is voided and the City is required to pay back the original tax sale certificate of $115,000, with ordinary interest required by the applicable court rule, as well as all subsequent taxes paid to the City. An additional issue involves a lienholder by virtue of a note and mortgage given to it by North Oraton. The outstanding issues will have to be resolved before the opinion becomes final at which time the City will have to give consideration to a potential appeal.

Andre Egberongbe v. William Shirden, City of East Orange, et al.
Docket No. ESX-L-814-15
Client - Officer William Shirden
Status - Discovery complete.

The Proceedings:

Plaintiff Andre Egberongbe ("Plaintiff") alleges that on January 23, 2013, he entered the East Orange Municipal Court wearing "sagging" pants (wearing pants around his buttocks). Plaintiff alleges that after he passed the metal detector and as he was walking up the stairs, he was pursued by Officer Shirden who told him to pull his pants up, or Officer Shirden would punch him in his "f***ing mouth". Plaintiff alleges that after he refused, Officer Shirden pulled Plaintiff down the stairs and punched him in the mouth. Plaintiff further alleges that several East Orange police officers wrestled Plaintiff to the ground and handcuffed him, after which Plaintiff was processed at the East Orange Police Department. Plaintiff also alleges that the County downgraded the charges, and that he was tried and found not guilty in 2014.

Amount of Monetary or Other Damages Sought:

Plaintiff demanded $1.5 million dollars in damages in his February 6, 2013 Notice of Tort Claim. Plaintiff demanded $750,000 in his May 20, 2014 Amended Notice of Tort Claim.

NOTE 15. COMMITMENTS AND CONTINGENT LIABILITIES, (continued)

An evaluation of the likelihood of an unfavorable outcome and an estimate, if one can be made, of the amount or range of potential loss.

We are still investigating whether, and the extent of our client's liability. There is a video showing Officer Shirden and several East Orange officers taking down plaintiff. Unfortunately the preceding incident, where plaintiff shoved Officer Shirden on a stairwell, was not caught on video nor was it witnessed by any other officers on duty.

Based upon the information we have to date, it appears that plaintiff was arrested on or about January 23, 2013 and was released on January 24, 2013 after he paid bill. Plaintiff's counsel alleges that Plaintiff made multiple court appearances until an unknown date in mid-2014 when the matter was disposed of by bench trial and plaintiff found not guilty.

An estimate as to the amount or range of potential loss, with an upper limit on possible and probable losses

Unknown at this time.

Perry v. City of East Orange

1. Nature of litigation:

   A. The proceeding: Workers' Compensation Claim.

   B. The claims asserted are for the re-opener low back.

   C. The monetary damages sought for re-opener back claim is $179,524.80.

   D. East Orange is Self-insured.

   E. Petitioner seeks a monetary award.

2. Case is in the negotiations stage.

3. This is an admitted workers' compensation claim and the petitioner's demand is contested.

4. The petitioner will receive an award as it is an admitted case. Petitioner will receive a substantial award, but the amount of the award is unclear, but not likely to exceed the above demand.

NOTE 15. COMMITMENTS AND CONTINGENT LIABILITIES, (continued)

5. The range of the loss is $100,000.00 to $125,000.00, however the ultimate call is the Judge's.

Plaintiff, East Orange Ventures LLC ("the Developer"), represented by the law firm of McCarter & English, is a developer located in Hackensack, New Jersey and the owner of 106 North Grove Street, Block No. 172, Lot No. 42 of the tax map of the City (the "Property"). On October 20, 2010, the City of East Orange condemned the Property for conditions that made the property uninhabitable. Plaintiff purchased the properly pursuant to a Letter Agreement with the City, and tendered a performance bond in the amount of $150,000.00, which is currently being held in escrow. The Letter Agreement provided the Developer with 18 months, or until June 30, 2012, to remedy the conditions on the property. Due to the need for architectural drawings, a major site plan, and planning board approval, permits were not issued until June 23, 2014, and construction began shortly thereafter. The City has taken the position that because the Developer did not meet the original deadlines contemplated under the Letter Agreement or extensions granted thereunder, the Developer has forfeited the $150,000.00 held in escrow. Developer seeks over $1,000,000.00 in damages for the City's alleged bad faith in refusing to issue permits in a timely manner.

Discovery is now complete, and trial is set for August 8, 2016. The City will be moving for summary judgment on July 8, 2016, returnable August 5, 2016.

Tax Appeals

There were numerous tax appeal cases pending at December 31, 2015. These cases, when resolved, will be paid by future taxation or reserve for tax appeals. The reserve for tax appeals at December 31, 2015 has a balance of $91,460.

NOTE 16. FUND BALANCES

Fund balances as of December 31, 2015 that have been anticipated as revenue in the 2016 budget is as follows:

Current Fund	$3,979,000
Water Utility Operating Fund	$952,818

NOTE 17. DEFERRED WAGES

In February 1996, as part of the City's Fiscal Recovery Plan, certain employees (except police services) agreed to have a portion of their pay deferred. Accordingly, as of June 30, 1996, employees had two weeks of pay withheld, which amounted to approximately $1,600,000 for the Current Fund and $176,000 for the Water Utility Fund. As of December 31, 2015 and 2014, the estimated balance of deferred wages amounted to $107,039 for the Current Fund and $123,393 for the Water Utility Fund, respectively. These amounts for the Current Fund and the Water Utility Fund are not reflected as liabilities in the financial statements, but rather will be included as expenditures when paid out upon the employee's resignation, termination or retirement.

NOTE 18. POST RETIREMENT BENEFITS

Plan Description

The City provides a post-employment healthcare plan for its eligible retirees and their spouses. The plan is a single-employer defined benefit healthcare plan administered by the City. In accordance with City ordinances, contracts and/or policies, the City provides payment of insurance premiums after retirement upon request by the retiree the entire cost of the premiums for health insurance selected by the City which shall include administrative fees and eligible dependents who have retired after 25 years or more of service credit in a State administered retirement system and a period of 25 years with the City at the time of retirement; or who have retired and reached the age of 65 years or older with 25 years or more of service credit in a State administered retirement system and a period of service of 15 years with the City at the time of retirement.

The City shall assume upon request by the retiree fifty (50%) percent of the costs for health insurance premiums selected by the City which shall include administrative fees and eligible dependents for retirees from a State administered retirement system who have retired and reached the age of 62 years or older with at least 15 years of service with the City; or who have retired on a disability pension with at least 10 years of service with the City.

Covered Benefits

Medical coverage, including prescription drugs as part of the medical plan, is offered to pre-65 and post-65 retirees on a fully insured basis. Coverage is subsidized for dental and life insurance are not subsidized or reflected in the valuation. Similarly retirees eligible for Medicare due not receive subsidies or reimbursements for Medicare Part B and Part D premium payments.

NOTE 18. POST RETIREMENT BENEFITS, (continued)

The number of retirees receiving premium-free benefits as of June 30, 2016, the effective date of the biannual Other Post-Employment Benefit, herein referred to as "OPEB", valuation is 261. Active employees number 852 as of the same valuation date. There have been no significant changes in the number of covered retirees or type of coverage since the valuation date.

Funding Policy

The required contribution is funded on a pay-as-you-go basis with an additional amount to prefund benefits as determined annually by the City. For the years 2015 and 2014, the City's projected contribution was $2,919,077 and $2,984,975, respectively, to the plan for self-insured claims.

Annual OPEB Cost and Net OPEB Obligation

The City's annual other post-employment benefit (OPEB) cost (expense) is calculated based on the *annual required contribution of the employer (ARC)*, an amount actuarially determined in accordance with the parameters of GASB Statement 45. The ARC represents a level of funding that, if paid on an ongoing basis, is projected to cover normal cost each year and amortize any unfunded liabilities (or funding excess) over a period not to exceed thirty years. The following table shows the components of the City's annual OPEB cost for the year, the amount actually contributed to the plan, and changes in the City's net OPEB obligation to the Plan.

Annual Required Contribution	$8,347,148
Interest on Net OPEN Obligation	701,409
Adjustment to ARC	3,232,725
Total Annual OPEB Cost (Expense)	12,281,282
Contributions Made (Projected)	(2,912,077)
Increase in Net OPEB Obligation	9,369,205
Net OPEB Obligation - Beginning of Year	17,535,219
Net OPEB Obligation - End of Year	$26,904,424

NOTE 18. POST RETIREMENT BENEFITS, (continued)

The City's annual OPEB cost, the percentage of annual OPEB cost contributed to the plan, and the net OPEB obligation for the years 2015, 2014 and 2013 were as follows:

Year Ended	Annual OPEB Cost	Percentage of Annual OPEB Cost Contributed	Net OPEB Obligation
December 31, 2015	$12,281,282	23.71%	$26,904,424
December 31, 2014	8,032,355	37.2	17,535,219
December 31, 2013	8,032,355	37.16	12,487,839

Funded Status and Funding Progress

As of December 31, 2015 the most recent actuarial valuation date, the plan was not funded. The actuarial accrued liability for benefits was $128,120,609, and the actuarial value of assets was $0, resulting in an unfunded actuarial accrued liability (UAAL) of $128,120,609.

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

Actuarial Methods and Assumptions

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

In the December 31, 2015, actuarial valuation, the entry age actuarial cost method was used. The actuarial assumptions include a 5.0 percent investment rate of return (net of administrative expense) which is a blended rate of the expected long-term investment returns on plan assets and on the employer's own investments calculated based on the

NOTE 18. POST RETIREMENT BENEFITS, (continued)

funded level of the plan at the valuation date, and an annual healthcare cost trend rate of 10 percent initially, reduced by decrements to an ultimate rate of 5 percent after five years. The actuarial value of assets was determined using techniques that spread the effects of short-term volatility in the market value of investment over a five-year period. The UAAL is being amortized as a level percentage of projected payroll on an open basis. The remaining amortization period at December 31, 2015 was 27 years.

NOTE 19. SUBSEQUENT EVENTS

The City has evaluated subsequent events through July 29, 2016, the date which the financial statements were available to be issued and no other items were noted for disclosure.

NOTE 20. RETROACTIVE RESTATEMENT DUE TO UPDATED FIXED ASSET SCHEDULE

During 2015, the City's fixed asset report was updated to reflect adjustments not made prior to the issuance of the December 31, 2014 audit report. The City's fixed asset report had not been updated since 2013. The following adjustments have been made to the General Fixed Assets Group as of December 31, 2014:

	Balance Dec. 31, 2014	Restatement	Balance Dec. 31, 2014
Land	$2,434,409	$	$2,434,409
Land Improvements	7,459,289		7,459,289
Buildings	28,286,487		28,286,487
Machinery and Equipment	13,995,424	3,525,230	17,520,654
	$52,175,609	$3,525,230	$55,700,839

THIS PAGE INTENTIONALLY LEFT BLANK

SUPPLEMENTARY DATA AND SCHEDULES

THIS PAGE INTENTIONALLY LEFT BLANK

CITY OF EAST ORANGE

Supplementary Data

Officials in Office and Surety Bonds

The following officials were in office during the period under audit.

Name	Title	
Lester E. Taylor III	Mayor	
Quilla E. Talmadge	Member of City Council	
Andrea D. McPhatter	Member of City Council	
Sharon Fields	Member of City Council	
Jacquelyn E. Johnson	Member of City Council	
Christopher D. James	Member of City Council	
Theodore R. Green	Member of City Council	
Romal D. Bullock	Member of City Council	
Alicia Holman	Member of City Council	
Lonnie P. Hughes	Member of City Council	
Tyshammie L. Cooper	Member of City Council	
William Senande	City Administrator	(A)
Khalifah Shabazz Esq.	Corporation Counsel	(A)
Cynthia Brown	City Clerk	(A)
Kim Lemmon	Assistant City Clerk	(A)
William Senande	Chief Financial Officer	(A)
Ann Marie Corbitt	Tax Collector & Utility Collector	600,000
William Robinson	Chief of Police	(A)
Charles Salley	Fire Chief	(A)
Cynthia Edwards	Court Administrator	1,000,000
Sybonae Oliphant	Court Director	75,000
Harold Fullilove, Jr.	Municipal Court Judge	75,000
Wilfredo Benitez	Municipal Court Judge	75,000
Marvin Braker	Municipal Court Judge	75,000
Cassandra Savoy	Municipal Court Judge	75,000
Sherwin Campbell	Municipal Court Judge	75,000
Rochelle Williams-Evans	Health Officer	(A)
Lisa Jackson	Purchasing Agent	(A)
Thomas Small	Director fo Property Taxation	(A)
Christopher Coke	Acting Executive Director of the Water Utility	(A)
Claude B. Craig	Director of Human Resources	(A)

(A) - All City employees are covered by a $1,000,000 Employee Dishonesty Insurance policy issued by Public Entity Joint Insurance Fund.

CITY OF EAST ORANGE

Supplementary data

Comparative Schedule of Tax Rate Information

	2015	2014	2013
Tax rate	4.978	4.908	4.724
Apportionment of tax rate:			
Municipal	3.596	3.493	3.263
School	0.817	0.818	0.799
County	0.565	0.597	0.662

Assessed Value	
2015	$ 2,803,390,280
2014	3,068,342,705
2013	3,341,485,878

Comparison of Tax Levies and Collections Currently

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

		Currently	
Year	Tax Levy	Collections	Percentage of Collection
2015	$ 124,487,961	117,164,406	94.12%
2014	123,397,713	116,085,491	94.07%
2013	122,607,820	114,443,656	93.34%

Delinquent Taxes and Tax Title Liens

This tabulation includes a comparison, expressed in percentages, of the total of delinquent taxes and tax title liens in relation to the tax levies of the last three years.

Dec. 31	Amount of delinquent taxes	Tax title liens	Total delinquent	Percentage of tax levy
2015	$ 5,559,465	8,012,342	13,571,807	10.90%
2014	4,881,472	7,177,078	12,058,550	9.77%
2013	5,600,032	5,709,345	11,309,377	9.22%

CITY OF EAST ORANGE

Supplementary data

Property Acquired by Tax Title Lien Liquidation

No properties have been acquired in 2015 by foreclosure or deed, as a result of liquidation of tax title liens.

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

Year		Amount
2015	$	8,936,450
2014		8,936,450
2013		8,936,450

Comparative Schedule of Fund Balance

	Year		Balance Year End Dec. 31	Utilized in budget of succeeding year
Current Fund	Dec. 31, 2015	$	12,390,620	3,979,000
	Dec. 31, 2014		7,752,106	3,100,000
	Dec. 31, 2013		9,747,471	6,350,000
	Dec. 31, 2012		10,199,075	3,400,000
	Dec. 31, 2011		6,807,972	
Water Utility Operating Fund	Dec. 31, 2015		3,259,481	952,818
	Dec. 31, 2014		1,366,293	
	Dec. 31, 2013		1,366,293	
	Dec. 31, 2012		1,477,693	1,475,070
	Dec. 31, 2011		5,169,252	4,500,000

THIS PAGE INTENTIONALLY LEFT BLANK

CITY OF EAST ORANGE, N.J.

Schedule of Cash - Collector-Treasurer

Current Fund

Year Ended December 31, 2015

		Current Fund
Balance - December 31, 2014	$	16,583,491
Increased by Receipts:		
Taxes Receivable		119,788,006
Miscellaneous Revenue Not Anticipated		673,226
Tax Overpayments		411,492
Prepaid Taxes		1,313,795
Due from State of NJ - State Aid		2,724,948
Petty Cash		16,907
Change Fund		250
Due from State - Senior Citizen and Veteran Deductions		140,961
Revenue Accounts Receivable		26,016,240
Interfunds		11,601,491
Municipal Liens		1,908,182
Special Emergeny Note Payable		280,000
Special Reserves		139,899
Grants Receivable		4,779,686
Unappropriated Reserves		7,607
		169,802,690
		186,386,181
Decreased by Disbursements:		
Current Year Budget Appropriations		103,082,470
Petty Cash		16,907
Appropriation Reserves		3,809,916
Refunds		91,591
Tax Overpayment Refunds		113,004
Local District School Taxes		20,647,370
County Taxes Payable		14,070,605
Special Emergency Notes		850,500
Emergency Notes Payable		1,200,000
Accounts Payable		47,113
Due to Central Ave Improvement District		57,313
Prepaid Expenses		9,289
Reserve for Accrued Salaries & Wages		96,705
Special Reserves		152,363
Interfunds		10,286,296
Appropriated Grants		3,807,688
Grant Encumbrances Payable		1,279,287
		159,618,417
Balance - December 31, 2015	$	26,767,764

Exhibit A-5

CITY OF EAST ORANGE, N.J.

Schedule of Change Funds

Current Fund

Year Ended December 31, 2015

Balance - December 31, 2014	$ 50
Increased by:	
Appropriations	250
Balance - December 31, 2015	$ 300
Analysis of Balance:	
Clerk	$ 50
Golf Course	250
	$ 300

Exhibit A-6

Schedule of Cash - Petty Cash

Current Fund

Year Ended December 31, 2015

Increased by:	
Disbursed	$ 16,907
Decreased by:	
Returned to Treasurer	$ 16,907

Exhibit A-7

CITY OF EAST ORANGE, N.J.

Schedule of Due from State of New Jersey - State Aid

Current Fund

Year Ended December 31, 2015

Balance - December 31, 2014	$	2,724,948
Increased by:		
Revenue Accounts Receivable		3,077,155
		5,802,103
Decreased by:		
Cash Receipts		2,724,948
Balance - December 31, 2015	$	3,077,155

Exhibit A-8

CITY OF EAST ORANGE, N.J.

Schedule of Revenue Accounts Receivable

Current Fund

Year Ended December 31, 2015

	Balance Dec. 31, 2014	Accrued	Collected	Balance Dec. 31, 2015
Clerk:				
Licenses:				
Alcoholic beverages	$	50,387	50,387	
Other		303,358	303,358	
Fees and Permits		87,831	87,831	
Municipal Court :				
Fines and Costs	215,508	2,797,790	2,797,205	216,093
Interest and Costs on Taxes		1,732,955	1,732,955	
Interest on Investments and Deposits		11,843	11,843	
Payments in Lieu of Real Estate Taxes	310,983	3,290,132	3,241,178	359,937
Code Enforcement		421,455	421,455	
Cable Television Franchise Fees		145,476	145,476	
Fire Official LIU Fees		42,340	42,340	
Alarm Registration Fees		23,369	23,369	
Consolidated Municipal Property Tax Relief Aid		7,664,695	7,664,695	
Energy Receipts Tax		14,452,981	14,452,981	
Uniform Construction Code Fees		1,156,400	1,156,400	
Uniform Fire Safety Act		55,898	55,898	
Housing Inspection		88,581	88,581	
Bell Atlantic Contract		10,950	10,950	
East Orange Golf Course Fees		285,006	285,006	
COPS in School - East Orange Board of Ed.	288,651	532,066	532,066	288,651
Reserve for Payment of Bonds		28,044	28,044	
Payroll Trust		200,000	200,000	
EOWC Interfund		2,234,211	2,234,211	
	$ 815,142	35,615,768	35,566,229	864,681

State Aid Debt - Payments	$ 6,472,834
Accounts Receivable State Aid	3,077,155
Cash	26,016,240
	$ 35,566,229

Exhibit A-9

CITY OF EAST ORANGE, N.J.

Schedule of Municipal Liens

Current Fund

Year Ended December 31, 2015

Balance - December 31, 2014		$ 7,177,078
Increased by:		
Transferred from Delinquent Taxes - Tax Sale	$ 396,181	
Interest and costs - 2014 tax sale	106,724	
Interest, Penalties & Recording Fees	524,141	
Subsequent Taxes	1,748,256	
		2,775,302
Decreased by:		
Cancelled	31,856	
Redeemed	1,908,182	
		1,940,038
Balance - December 31, 2015		$ 8,012,342

Exhibit A-10

CITY OF EAST ORANGE, N.J.

Schedule of Taxes Receivable and Analysis of Property Tax Levy

Current Fund

Year Ended December 31, 2015

Year	Balance, Dec. 31, 2014	Levy	Collected 2014	Collected 2015	Senior Citizen and Veteran Deductions	Transferred to Tax Title Liens	Canceled	Balance, Dec. 31, 2015
FY2009	9,010			9,010				
FY2010	2,106			2,106				
FY2011	20,871			20,871				
TY2011	24,203			14,347				9,856
CY2013	269,094			237,408				31,686
CY2014	4,556,188			4,082,778		396,181		77,229
	4,881,472			4,366,520		396,181		118,771
CY2015		124,487,961	1,281,806	115,738,242	144,358	1,748,256	134,605	5,440,694
	$ 4,881,472	124,487,961	1,281,806	120,104,762	144,358	2,144,437	134,605	5,559,465

Cash Receipts	$ 119,788,006
Transfer from Tax Overpayments	316,756
	$ 120,104,762

Analysis of Tax Levy

Tax yield:		
General Purpose Tax		$ 124,055,102
Added Tax (R.S. 54:4-63.1 et seq.)		432,859
		$ 124,487,961
Tax Levy:		
Local District School Tax		$ 20,457,869
Local Open Space Taxes		498,759
Special District Tax		58,752
County Tax	$ 14,056,737	
County Added and Omitted Taxes	49,196	
		14,105,933
Local Tax for Municipal Purposes	$ 89,086,661	
Add: Additional Taxes Levied	279,987	
Local Tax for Municipal Purposes		89,366,648
		$ 124,487,961

Exhibit A-11

CITY OF EAST ORANGE, N.J.

Schedule of Property Acquired for Taxes - Assessed Valuation

Current Fund

Year Ended December 31, 2015

Balance - December 31, 2014	$ 8,936,450
Balance - December 31, 2015	$ 8,936,450

Exhibit A-12

CITY OF EAST ORANGE, N.J.

Schedule of Interfunds

Current Fund

Year Ended December 31, 2015

Fund	Due from/(to) Balance Dec. 31, 2014	Increased	Decreased	Due from/(to) Balance Dec. 31, 2015
Federal and State Grant Fund	$ 2,856,107	5,086,975	4,787,293	3,155,789
Animal Control Trust Fund		547		547
Other Trust Fund - Payroll Agency		18,152		18,152
Open Space Trust Fund			498,759	(498,759)
Water Operating Fund	2,234,211		2,234,211	
General Capital Fund		10,300,000	11,601,491	(1,301,491)
	$ 5,090,318	15,405,674	19,121,754	1,374,238
Due to Current Fund	5,090,318	5,105,674	7,021,504	3,174,488
Due from Current Fund		10,300,000	12,100,250	(1,800,250)
	$ 5,090,318	15,405,674	19,121,754	1,374,238

Cash Receipts $		11,601,491
Cash Disbursements	10,286,296	
Reimbursement for expenditures paid	31,856	
Municipal Open Space Taxes		498,759
Budgeted Revenue		2,234,211
Statutory Excess	547	
Grants Receivable		4,779,686
Appropriated Reserves	5,086,975	
Unappropriated Reserves		7,607
$	15,405,674	19,121,754

Exhibit A-13

CITY OF EAST ORANGE, N.J.

Schedule of Deferred Charges

Current Fund

Year Ended December 31, 2015

Purpose	Balance, Dec. 31, 2014	Reduced in 2015
Emergency Authorizations:		
Group Insurance	$ 1,200,000	$ 1,200,000
	$ 1,200,000	$ 1,200,000

Exhibit A-14

CITY OF EAST ORANGE, N.J.

Schedule of Deferred Charges N.J.S.A. 40A:4-53 Special Emergency

Current Fund

Year Ended December 31, 2015

Date Authorized	Purpose	Amount Authorized	1/5 of Net Amount Authorized	Balance, Dec. 31, 2014	Reduced in 2015	Balance, Dec. 31, 2015
12/23/10	Termination Pay	$ 950,000	190,000	190,000	190,000	
6/1/11	Termination Pay	300,000	60,000	60,000	60,000	
9/21/12	Termination Pay	1,000,000	200,000	400,000	200,000	200,000
9/21/12	City Wide Assessment	400,000	80,000	160,000	80,000	80,000
12/31/12	Hurricane Sandy	300,000	60,000	40,853	40,853	
		$ 2,950,000	590,000	850,853	570,853	280,000

CITY OF EAST ORANGE, N.J.

Schedule of Appropriation Reserves

Current Fund

Year Ended December 31, 2015

	Balance, Dec. 31, 2014	Balance after Transfers and Encumbrances	Paid or Charged	Balance Lapsed
Salaries and Wages Within "CAPS":				
Office of the Mayor	$ 212	212		212
Office of the City Administrator	497	497		497
Office of Procurement	252	252		252
Department of Data Processing - City	271	271		271
Board of Alcohol Bev Control	1	1		1
Department of Policy, Planning and Economic De	1,400	1,400		1,400
Division of Economic Development	6,929	6,929		6,929
Division of Neighborhood Housing Revitalization	14,378	14,378		14,378
Zoning Board of Adjustment	1	1		1
Comprehensive Planning	9,285	9,284	2,236	7,048
City Council	5,561	5,561		5,561
City Clerk's Office	15,825	15,825		15,825
City Clerk's Elections	2,797	2,797		2,797
Department of Finance	15,190	15,191	1,025	14,166
Division of Accounts and Controls	47,300	47,300		47,300
Division of Tax Collection & Revenue	32,685	32,685		32,685
Division of Treasury	301	301		301
Department of Property Taxation	13,072	13,072		13,072
Department of Law	450	450		450
Special Prosecutors	2,525	4,150	1,950	2,200
Municipal Court	26,067	26,067	6,156	19,911
Public Defender	56,810	68,835		68,835
Human Resources	13,151	13,151		13,151
Department of Public Works	5,865	5,865		5,865
Garage Division	3,163	3,163		3,163
Street & Roads Division	42,160	42,160		42,160
Snow and Ice Removal	4	4		4
Public Buildings and Grounds Division	3,971	3,971		3,971
Plan and Construction Division	10,848	10,848		10,848
Garbage and Trash Removal Solid Waste	3,500	3,501		3,501
Traffic Engineering Division	4,386	4,386		4,386
Department of Fire	83,438	83,438	10,160	73,278
Office of Emergency Management	132	132		132
Department of Police	372,280	277,280	14,400	262,880
School Traffic Guards	32,400	32,400	675	31,725
Department of Property Maintenance - Director	2,401	2,401		2,401

CITY OF EAST ORANGE, N.J.

Schedule of Appropriation Reserves

Current Fund

Year Ended December 31, 2015

	Balance, Dec. 31, 2014	Balance after Transfers and Encumbrances	Paid or Charged	Balance Lapsed
Building Division	2,326	326		326
Code Enforcement	1,279	479		479
Department of Health & Human Services	13,198	13,198		13,198
Health Officer/Division of Health Services	1,201	1,201		1,201
Child Food Program - Summer	22,650	22,650		22,650
Environmental Health	43,753	43,753		43,753
HIV Counseling	1,753	1,753		1,753
Lead Poisoning	5,360	5,360		5,360
Public Health Nursing	1,872	1,872		1,872
Vital Statistics	10,780	10,780		10,780
Animal Control	18,159	18,159	332	17,827
Division of Senior Citizens	42,135	42,134	4,203	37,931
Division of Employment & Training	4,052	4,052		4,052
Department of Recreation & Cultural Affairs	6,547	6,547		6,547
Instructional and Recreational Leaders	11,539	11,539		11,539
Parks Maintenance	3,844	3,844		3,844
Division of Neighborhood Facilities	4,514	4,514		4,514
East Orange Golf Course	387	387		387
Total Salaries and Wages Within "CAPS"	1,024,857	940,707	41,137	899,570
Other Expenses Within "CAPS":				
Office of the Mayor	35,582	36,709	11,049	25,660
Office of the City Administrator	31,507	54,066	22,310	31,756
Office of Procurement	14,923	23,733	10,417	13,316
Duplicating Unit	9,380	21,027	17,955	3,072
Department of Data Processing - City	62,565	208,544	208,209	335
Department of Data Processing - Police	58,368	72,020	13,652	58,368
Board of Alcohol Bev Control	2,182	2,182		2,182
Department of Policy, Planning and Economic De	1,033	10,771	9,452	1,319
Division of Economic Development	190	664	326	338
Division of Neighborhood Housing Revitalization	4,379	6,338	1,944	4,394
Zoning Board of Adjustment	4,394	17,946	14,137	3,809
Planning Board	2,929	18,818	18,716	102
Comprehensive Planning	4,692	4,692	90	4,602
City Council	17,274	40,927	27,829	13,098
City Clerk's Office	3,736	17,965	16,222	1,743

CITY OF EAST ORANGE, N.J.

Schedule of Appropriation Reserves

Current Fund

Year Ended December 31, 2015

	Balance, Dec. 31, 2014	Balance after Transfers and Encumbrances	Paid or Charged	Balance Lapsed
City Clerk's Elections	88	88		88
Department of Finance	37,655	41,196	4,245	36,951
Insurance				
Group Insurance	872,568	1,748,408	1,219,547	528,861
Insurance Claim Fund (Workers' Comp)	131,914	131,914		131,914
Miscellaneous Insurance	2,172	6,245	5,455	790
Insurance Claim (Auto & General)	4,644	16,544	10,853	5,691
Fire Insurance - City Building	5,000	5,000		5,000
Public Officials Liability Insurance	17,717	17,717		17,717
Surety Bonds	20,990	10,990		10,990
Claim Adminstration Fee	12,500	12,500		12,500
Unemployment Insurance	53,059	148,059	147,950	109
City Insurance Premium		28,328	28,328	
Short Term Insurance	9,881	41,395	31,515	9,880
Health Benefit Waiver	4,708	4,708		4,708
Division of Accounts and Controls	839	839		839
Division of Tax Collection & Revenue	8,737	24,052	19,100	4,952
Division of Treasury	522	522		522
Department of Property Taxation	73,752	161,527	148,697	12,830
Department of Law	170,953	226,496	71,047	155,449
Municipal Court	25,237	53,713	21,010	32,703
Public Defender	764	3,259	2,494	765
Human Resources	18,674	20,395	1,440	18,955
Department of Public Works	5,495	12,661	7,140	5,521
Garage Division	8,894	56,614	41,671	14,943
Street & Roads Division	90,506	404,847	304,666	100,181
Snow and Ice Removal	62,162	230,679	132,094	98,585
Public Buildings and Grounds Division	4,314	463,958	385,953	78,005
Planning and Construction Division	1,152	1,354	252	1,102
Garbage and Trash Removal Solid Waste	19,101	596,363	512,708	83,655
Traffic Engineering Division	17,584	42,191	17,277	24,914
Employees Safety Program	900	900		900
Mandated State Recycling Program	1,800	1,800		1,800
Department of Fire	202,473	307,224	162,001	145,223
Office of Emergency Management	1,211	12,310	11,899	411
Department of Police	60,238	400,491	357,903	42,588
School Traffic Guards	1,000	19,000	17,992	1,008

CITY OF EAST ORANGE, N.J.

Schedule of Appropriation Reserves

Current Fund

Year Ended December 31, 2015

	Balance, Dec. 31, 2014	Balance after Transfers and Encumbrances	Paid or Charged	Balance Lapsed
Department of Property Maintenance - Director	1,508	636	128	508
Building Division	4,211	8,102	3,856	4,246
Code Enforcement	18,792	97,275	94,662	2,613
Department of Health & Human Services	20,310	25,889	15,866	10,023
Health Officer/Division of Health Services	5,614	7,700	2,086	5,614
Environmental Health	1,276	1,970	852	1,118
Public Health Nursing	6,758	12,586	6,282	6,304
Vital Statistics	6,165	6,482	890	5,592
WIC	6,549	6,549		6,549
Animal Control	395	10,335	9,941	394
Emergency Medical Service	6,125	6,125		6,125
Essex Regional Health Commission	368	383		383
Lab Waste Disposal	2,920	2,920	275	2,645
Division of Senior Citizens	6,159	11,151	5,354	5,797
Division of Employment & Training	17,911	30,894	9,772	21,122
Department of Recreation & Cultural Affairs	229	229		229
Instructional and Recreational Leaders	590	790	455	335
Community Celebrations	2,667	3,258	1,135	2,123
Parks Maintenance	23,028	35,762	11,576	24,186
Division of Neighborhood Facilities	400	775	770	5
East Orange Golf Course	31,645	40,776	8,596	32,180
Water Commission	1,000	1,000		1,000
Matching Funds for Grants	46,875	46,875		46,875
Bond and Note Expenses	9,293	9,293		9,293
Total Other expenses Within "CAPS"	2,423,126	6,158,444	4,208,041	1,950,403

Exhibit A-15

CITY OF EAST ORANGE, N.J.

Schedule of Appropriation Reserves

Current Fund

Year Ended December 31, 2015

	Balance, Dec. 31, 2014	Balance after Transfers and Encumbrances	Paid or Charged	Balance Lapsed
Deferred Charges and Statutory Expenditures Within "CAPS":				
Accumulated Sick Leave & Hold Back	18,422	18,422	17,774	648
Settlement/Previous Litigation	23,092	23,092		23,092
Public Employees Retirement System	34,772	34,772		34,772
PERS Employer Delayed Enrollment	1	1		1
Social Security System (O.A.S.I.)	190,651	192,596	1,946	190,650
Consolidated Police & Firemen's Pension	1	1		1
Police and Fireman's Retirement of NJ	1,477	1,477		1,477
Police and Fireman's Retroactive Pay	1	1		1
PERS Death Benefit Fund	1	1		1
Total Deferred Charges and Statutory Expenditures Within "CAPS"	268,418	270,363	19,720	250,643
Other Expenses Excluded From "CAPS":				
Transferred to BOE	122,247	122,247		122,247
Total Other Expenses Excluded from "CAPS"	122,247	122,247		122,247
Total Reserves	$ 3,838,648	7,491,761	4,268,898	3,222,863

Appropriation Reserves	3,838,648
Encumbrances	3,653,113
	$ 7,491,761

Cash Disbursed	$ 3,809,916
Transfer to Accounts Payable	458,982
	$ 4,268,898

Exhibit A-16

CITY OF EAST ORANGE, N.J.

Schedule of Encumbrances Payable

Current Fund

Year Ended December 31, 2015

Balance - December 31, 2014	$ 3,653,113
Increased by:	
Transferred from Current Year Budget	3,979,510
	7,632,623
Decreased by:	
Transferred to Appropriation Reserves	3,653,113
Balance - December 31, 2015	$ 3,979,510

Exhibit A-17

Schedule of Accounts Payable

Current Fund

Year Ended December 31, 2015

Balance - December 31, 2014	$ 789,227
Increased by:	
Transferred from Appropriation Reserves	458,982
	1,248,209
Decreased by:	
Cash Disbursements	47,113
Balance - December 31, 2015	$ 1,201,096

Exhibit A-18

CITY OF EAST ORANGE, N.J.

Schedule of Amount Due (to)/from State of New Jersey for Senior Citizens' and Veterans' Deductions - CH. 129 P.L. 1976

Current Fund

Year Ended December 31, 2015

Balance - December 31, 2014		$ (6,037)
Increased by:		
Senior Citizens' Deductions Per Tax Billing	$ 36,250	
Veterans' Deductions Per Tax Billing	108,250	
Senior Citizen's and Veteran's Allowed - 2015	3,750	
		148,250
		142,213
Decreased by:		
State Share of Senior Citizens and Veteran Deductions Received in Cash	140,961	
Senior Citizen's and Veteran's Disallowed - 2015	3,892	
		144,853
Balance - December 31, 2015		$ (2,640)

Exhibit A-19

CITY OF EAST ORANGE, N.J.

Schedule of Tax Overpayments

Current Fund

Year Ended December 31, 2015

Balance - December 31, 2014		$ 1,575,656
Increased by:		
Collections		411,492
		1,987,148
Decreased by:		
Applied to 2015 Taxes Receivable	$ 316,756	
Cash Disbursements	113,004	
		429,760
Balance - December 31, 2015		$ 1,557,388

Exhibit A-20

Schedule of Prepaid Taxes

Current Fund

Year Ended December 31, 2015

Balance - December 31, 2014	$ 1,281,806
Increased by:	
Collections	1,313,795
	2,595,601
Decreased by:	
Applied to 2015 Taxes Receivable	1,281,806
Balance - December 31, 2015	$ 1,313,795

Exhibit A-21

CITY OF EAST ORANGE, N.J.

Schedule of Special Emergency Notes Payable

Current Fund

Year Ended December 31, 2015

Number	Purpose	Date of Original Issue	Maturity	Interest Rate	Balance, Dec. 31, 2014	Issued	Matured	Balance, Dec. 31, 2015
2013B	Terminal Pay	12/23/2010		1.00%	$ 190,000		190,000	$
2013B	Terminal Pay	6/1/2011		1.00%	60,000		60,000	
2013B	Terminal Pay	9/21/2012	8/19/2016	1.00%	160,000	80,000	160,000	80,000
2013B	City-Wide Assessment	9/21/2012	8/19/2016	1.00%	400,000	200,000	400,000	200,000
2013B	Repair and Reconstruction of Public Property-Hurricane Sandy	12/31/2012		1.00%	40,500		40,500	
					$ 850,500	280,000	850,500	$ 280,000

Exhibit A-22

Schedule of Emergency Notes Payable

Current Fund

Year Ended December 31, 2015

Number	Purpose	Date of Original Issue	Maturity	Interest Rate	Balance, Dec. 31, 2014	Matured
EN-2014-1	Group Insurance	12/31/2012		0.84%	$ 1,200,000	$ 1,200,000
					$ 1,200,000	$ 1,200,000

Exhibit A-23

CITY OF EAST ORANGE, N.J.

Schedule of Local School District Tax Payable

Current Fund

Year Ended December 31, 2015

Balance - December 31, 2014 - (Prepaid)	$	(57,182)
Increased by:		
2015 Levy		20,457,869
		20,400,687
Decreased by:		
Payments		20,647,370
Balance - December 31, 2015 - (Prepaid)	$	(246,683)

Exhibit A-24

Schedule of County Taxes Payable

Current Fund

Year Ended December 31, 2015

Balance - December 31, 2014			$	13,869
Increased by:				
2015 Levy	$	13,648,262		
2015 Open Space		408,475		
2015 Added Assessments		49,196		
				14,105,933
				14,119,802
Decreased by:				
Payments				14,070,605
Balance - December 31, 2015			$	49,197

Exhibit A-25

CITY OF EAST ORANGE, N.J.

Schedule of Accrued Salaries and Wages

Current Fund

Year Ended December 31, 2015

Balance - December 31, 2014	$	100,644
Decreased by:		
Cash Disbursements		96,705
Balance - December 31, 2015	$	3,939

Exhibit A-26

Schedule of Prepaid Expenses

Current Fund

Year Ended December 31, 2015

Balance - December 31, 2014	$	9,289
Decreased by:		
Cash Disbursements	$	9,289

Exhibit A-27

CITY OF EAST ORANGE, N.J.

Schedule of Reserve for Tax Appeals

Current Fund

Year Ended December 31, 2015

Balance - December 31, 2014	$ 91,460
Balance - December 31, 2015	$ 91,460

Exhibit A-28

Schedule of Reserve for Revaluation

Current Fund

Year Ended December 31, 2015

Balance - December 31, 2014	$ 18,731
Balance - December 31, 2015	$ 18,731

Exhibit A-29

CITY OF EAST ORANGE, N.J.

Schedule of Reserve for Hurricane Irene Reimbursements

Current Fund

Year Ended December 31, 2015

Balance - December 31, 2014	$ 35,067
Balance - December 31, 2015	$ 35,067

Exhibit A-30

CITY OF EAST ORANGE, N.J.

Schedule of Due to Central Ave Improvement District

Current Fund

Year Ended December 31, 2015

Balance - December 31, 2014	$	15,053
Increased by:		
Levy		58,752
		73,805
Decreased by:		
Cash Disbursements		57,313
Balance - December 31, 2015	$	16,492

Exhibit A-31

CITY OF EAST ORANGE, N.J.

Schedule of Reserve for Special Reserves

Current Fund

Year Ended December 31, 2015

	Balance December 31, 2014	Cash Receipts	Cash Disbursements	Balance December 31, 2015
Department of Human Services	$ 5,747	9,625	6,850	$ 8,522
New Construction - State Training	34,024	45,963	40,062	39,925
HHS - Civil Unions	600			600
HHS - Domestic Violence	925			925
HHS - Weights and Measures	60,384	58,034	91,169	27,249
HHS - Employement & Training Youth	800			800
HHS - Burial and Disbinterment Fees	1,245	35	30	1,250
HHS - Substance Abuse NJ Access Initiative	23,684			23,684
HHS - Environmental Division - Special Projects	727	5,050		5,777
Midlantic Payroll		21,192	14,252	6,940
	$ 128,136	139,899	152,363	$ 115,672

Exhibit A-32

CITY OF EAST ORANGE, N.J.

Schedule of Grants Receivable

Federal and State Grant Fund

Year Ended December 31, 2015

Grant	Balance, Dec. 31, 2014	2015 Budget Revenue Realized	Received	Balance, Dec. 31, 2015
East Orange Municipal Alliance	$ 103,875			103,875
Municipal Alliance	12,500			12,500
Municipal Alliance		25,000		25,000
Municipal Alliance Match		2,266		2,266
Balanced Housing	106,389			106,389
Shelter Care Plus - Issaiah House		408,056	408,056	
Shelter Care Plus - East Orange General		201,597	201,597	
Body Armor		19,191	19,191	
Lead Hazard Control Assistance Fund	250,000			250,000
Justice Assistance Grant	74,752			74,752
Justice Assistance Grant	50,474			50,474
Green Acres Multi Parks Project	443,322			443,322
Economic Development Initiative	346,500			346,500
Clean Communities Grant		111,196	111,196	
Pandemic Flu	9,602			9,602
WIC - Supplemental Food Program for Women Infants and Children	92,108			92,108
WIC-Supplemental Food Program	85,817			85,817
WIC - Supplemental Food Program	1,005,800		692,947	312,853
County of Essex Home Friends	35,011			35,011
County of Essex Home Friends		240,000	163,122	76,878
Childhood Lead-Based Paint Poisoning Grant	220,550		162,123	58,427
Childhood Lead-Based Paint Poisoning Grant		250,000		250,000
Urban Enterprise Zone	662,359			662,359
Drug Abuse Methadone/Addiction Treatment Svcs.	40,378		40,378	
Alcohol and Drug Abuse	745,916		414,208	331,708
Alcohol & Drug Abuse Treatment/Rehabilitation	407,221		366,843	40,378
Alcohol & Drug Abuse Treatment/Rehabilitation		487,716		487,716
Winter Food Program	1,874,383		1,579,406	294,977
Child and Adult Care Food Service Program (A.K.A. Winter Food)	617,556			617,556
Child and Adult Care Food Service Program (A.K.A. Winter Food)	1,422,918			1,422,918

CITY OF EAST ORANGE, N.J.

Schedule of Grants Receivable

Federal and State Grant Fund

Year Ended December 31, 2015

Grant	Balance, Dec. 31, 2014	2015 Budget Revenue Realized	Received	Balance, Dec. 31, 2015
Child and Adult Care Food Service Program (A.K.A. Winter Food)	2,679,560			2,679,560
Summer Food Service Program	1,447,360		297,713	1,149,647
Summer Food Service Program	507,343			507,343
Summer Food Service Program	207,973			207,973
Summer Food Service Program		377,723		377,723
HIV Counseling & Testing II	14,774			14,774
HIV Counseling & Testing	91,777		91,777	
HIV Counseling & Testing	140,588		132,225	8,363
HIV Counseling & Testing		140,588		140,588
Urban Gateway Enhancement	3,300			3,300
Urban Gateway Enhancement	64,000			64,000
Urban Gateway Enhancement		32,000	32,000	
Community Development Block Grant - Carryover		194,218	194,218	
Home Program - Carryover		3,596	3,596	
Tobacco Enforcement Grant	7,890			7,890
Delta Dental		20,000	20,000	
NJ Transportation Trust Fund	2,083,251			2,083,251
NJ Transportation Trust Fund	409,820		409,820	
NJDOT Transportation Trust	412,760			412,760
NJDOT Various Streets		412,350		412,350
Click It or Ticket It Seat Belt Campaign	4,000			4,000
Pedestrian Safety Program	15,000			15,000
Pedestrian Safety Program		14,000		14,000
State Recycling Program		22,090	22,090	
COPS Technology Program (CRISP)	22,380			22,380
NJ Relocation Assistance	8,225			8,225
HUD Eco Dev Initiative - VIADUCT	237,500		23,750	213,750
E.O. Hazardous Material Incidents & Waste Managemei	21,020			21,020
Senior Citizen Special Project	194,800			194,800
Hurricane Sandy Disaster NEG	12,435			12,435
Essex County Open Space	150,000			150,000
Sandy Lead Screening	125,000		72,368	52,632
Assistance to Firefighters		190,127		190,127
DEP & Garden State Preservation Trust Program		990,000		990,000

CITY OF EAST ORANGE, N.J.

Schedule of Grants Receivable

Federal and State Grant Fund

Year Ended December 31, 2015

Grant	Balance, Dec. 31, 2014	2015 Budget Revenue Realized	Received	Balance, Dec. 31, 2015
Project HOPE		258,200	150,619	107,581
Click It or Ticket It Seat Belt Campaign	5,000			5,000
COPS Hiring Recovery Grant	1			1
Home Program	1			1
	$ 17,473,189	4,399,914	5,609,243	16,263,860

Adopted Budget	3,384,807
Added by N.J.S.A. 40A:4-87	1,015,107
	$ 4,399,914

Cash	$ 4,779,686
Unappropriated	22,090
Transferred to Trust Fund	807,467
	$ 5,609,243

Exhibit A-33

CITY OF EAST ORANGE, N.J.

Schedule of Amount Due from/(to) Current Fund

Federal and State Grant Fund

Year Ended December 31, 2015

Balance - December 31, 2014		$ (2,856,107)
Increased by:		
Unappropriated Reserves	$ 7,607	
Grants Receivable	4,779,686	
		4,787,293
		1,931,186
Decreased by:		
Appropriated Reserves	3,807,688	
Encumbrances	1,279,287	
		5,086,975
Balance - December 31, 2015		$ (3,155,789)

Exhibit A-34

Schedule of Encumbrances Payable

Federal and State Grant Fund

Year Ended December 31, 2015

Balance - December 31, 2014	$ 1,279,287
Increased by:	
Transferred from Current Year Budget	1,563,493
	2,842,780
Decreased by:	
Cash Disbursed	1,279,287
Balance - December 31, 2015	$ 1,563,493

CITY OF EAST ORANGE, N.J.

Schedule of Appropriated Reserves for Grants

Federal and State Grant Fund

Year Ended December 31, 2015

Grant	Balance, Dec. 31, 2014	Transfer From 2015 Budget	Expended	Balance, Dec. 31, 2015	Overexpenditure
Municipal Alliance	$ 53,753	27,266	15,938	65,081	
Balanced Housing			(18,000)	18,000	
COPS Hiring					
Shelter Plus Care Program		609,653	609,653		
DLPS Body Armor Program	22,189		19,964	2,225	
Lead Intervention	85,561			85,561	
Livable Communities	26,615			26,615	
Justice Assistance Grant	25,177			25,177	
USCM - Dupont Excellence Award	5,000			5,000	
Comcast Video - City Council Surveillance	133,936		125,291	8,645	
Police PSAP - Equipment	5			5	
Weed & Seed Initiative	2,258		(4,490)	6,748	
Green Acres - Multi Parks Project	7,106			7,106	
Drunk Driving Enforcement Fund	7,454			7,454	
Economic Development Initiative	346,500			346,500	
Lead Hazard Control Assistance Fund	23			23	
Clean Communities	91,436	111,196	87,481	115,151	
Public Health Priority Funding	57,076		(2,725)	59,801	
Pandemic Flu			(318)	318	
WIC - Supplemental Food Program for Women, Infants and Children	1,387,389		999,270	388,119	
County of Essex - Home Friends		240,000	266,932		26,932
Childhood Lead - Based Paint Poisoning Grant	194,772	250,000	178,355	266,417	
Urban Enterprise Zone	512,346			512,346	
Traffic Enforcement Fund	14			14	
Law Enforcement Block Grants	252			252	
Alcohol Education & Rehab Grant	667,468	487,716	636,812	518,372	
DYFS Methadone Drug Abuse	116,847			116,847	
Child and Adult Care Food (Winter) Service Program	4,460,451		1,850,453	2,609,998	
Summer Food Service Program	1,337,950	377,723	344,533	1,371,140	
HIV Counseling & Testing	118,624	140,588	151,939	107,273	
Intensive Methadone Outpatient	28,158		(6,859)	35,017	
SAMSHA			(4,261)	4,261	
Youth Corp Urban Gateway	2,895	32,000	34,506	389	
Community Development Block Grant		194,218	194,218		
Home Program		3,596	3,596		
Colgate Palmolive	6,557			6,557	
IMF Child Maternity Grant	13,698			13,698	
Tobacco Enforcement Grant			(86)	86	
Delta Dental Plan	24,430	20,000	7,544	36,886	
NJ Transportation Trust Fund	2,638,250	412,350	307,479	2,743,121	
Click It Or Ticket	4,000			4,000	
Pedestrian Safety Program		14,000	13,000	1,000	
EPA Stormwater Management	2,366			2,366	
Emergency Relocation Lead Program	25			25	
Recycling Tonnage	37,974	22,090		60,064	
COPS Technology Program (CRISP)	22,306		21,247	1,059	
Emergency Management Performance	20,000			20,000	

CITY OF EAST ORANGE, N.J.

Schedule of Appropriated Reserves for Grants

Federal and State Grant Fund

Year Ended December 31, 2015

Grant	Balance, Dec. 31, 2014	Transfer From 2015 Budget	Expended	Balance, Dec. 31, 2015	Overexpenditure
Golf Cart Pass - Stimulus	15,615			15,615	
Energy Efficient and Conservation Grant	427			427	
HUD Economic Dev. Initiative	204,600			204,600	
E.O. Hazardous Materials	18,019		(2,020)	20,039	
SAFER Grant - NJ Health Officer Association	63,820			63,820	
Senior Services Special Projects	189,500			189,500	
Hurricane Sandy Disaster Grant	7,410			7,410	
Essex County Open Space	145,000		(1,000)	146,000	
Sandy Lead Screening	97,050		86,352	10,698	
Assistance to Firefighters Grant		190,127	189,977	150	
Substance Abuse Program - Project HOPE		258,200	73,867	184,333	
DEP & Garden State Preservation Trust Loan		990,000		990,000	
NJ Relocation Assistance	74,878			74,878	
Body Armor		19,191		19,191	
	$ 13,277,180	4,399,914	6,178,648	11,525,378	26,932

Budget $	3,384,807
Appropriated by 40a:4-87	1,015,107
$	4,399,914

Encumbrances	1,563,493
Transferred to Trust Fund	807,467
Cash Disbursements	3,807,688
$	6,178,648

Exhibit A-36

CITY OF EAST ORANGE, N.J.

Schedule of Unappropriated Reserves for Grants

Federal and State Grant Fund

Year Ended December 31, 2015

Grant	Balance, Dec. 31, 2014	Transfer To 2015 Budget	Received	Balance, Dec. 31, 2015
Recycling Tonnage Grant	$ 22,089	22,090	7,607	7,606
Safer Grant	44,043			44,043
	$ 66,132	22,090	7,607	51,649

Exhibit A-37

CITY OF EAST ORANGE, N.J.

Schedule of Overexpenditure of Appropriated Reserves

Federal and State Grant Fund

Year Ended December 31, 2015

Balance - December 31, 2014	$	5,517
Increased by:		
Overexpenditures		26,932
Balance - December 31, 2015	$	32,449

THIS PAGE INTENTIONALLY LEFT BLANK

Exhibit B-1

CITY OF EAST ORANGE, N.J.

Schedule of Cash

Trust Funds

Year Ended December 31, 2015

	Animal Trust Fund	Tax Redemption Fund	Other Trust Fund	Community Development Block Grant Fund	Home Loan Program Fund	Self Insurance Fund
Balance - December 31, 2014	$ 3,648	1,036,603	7,275,697	41,923	55,769	858,816
Increase by Receipts:						
Reserve for Animal Trust Expenditures	1,616					
Due to the State of New Jersey	793					
Interfunds			18,152	385,421		
Tax Redemptions		5,251,611				
Miscellaneous Reserves			6,648,378			
Payroll and Deductions			93,540,444			
Due from H.U.D.				2,824,567		
Interest Earnings				75		398
UDAG Receipts					29,148	
Workers' Compensation						1,725,109
Auto/General Liability						1,067,154
Total Receipts	2,409	5,251,611	100,206,974	3,210,063	29,148	2,792,661
	6,057	6,288,214	107,482,671	3,251,986	84,917	3,651,477
Decreased by Disbursements:						
Reserve for Animal Trust Expenditures	1,191					
Due to the State of New Jersey	797					
Interfunds				472,493		
Tax Redemptions		5,000,977				
Miscellaneous Reserves			4,712,879			
Payroll and Deductions			91,235,345			
Community Development				2,726,505		
UDAG Reserve					65,091	
Workers' Compensation						1,726,380
Auto/General Liability						1,018,036
Total Disbursements	1,988	5,000,977	95,948,224	3,198,998	65,091	2,744,416
Balance - December 31, 2015	$ 4,069	1,287,237	11,534,447	52,988	19,826	907,061

Exhibit B-2

CITY OF EAST ORANGE, N.J.

Schedule of Due to State of New Jersey

Trust Funds

Year Ended December 31, 2015

		Dog License Fees
Balance - December 31, 2014	$	29
Increased by:		
Dog License Fees		793
		822
Decreased by:		
Cash Disbursements		797
Balance - December 31, 2015	$	25

Exhibit B-3

Schedule of Reserve for Animal Trust Fund Expenditures

Trust Funds

Year Ended December 31, 2015

Balance - December 31, 2014		$	3,619
Increased by:			
Dog License Fees	$ 1,511		
Cat License Fees	93		
Miscellaneous Revenue:			
Late Fees	10		
Interest Earnings	2		
			1,616
			5,235
Decreased by:			
Cash Disbursements	1,191		
Statutory Excess Due to Current Fund	547		
			1,738
Balance - December 31, 2015		$	3,497

Animal License Fees Collected		
Year		
CY 2013	$	1,911
CY 2014		1,586
Maximum Reserve	$	3,497

Exhibit B-4

CITY OF EAST ORANGE, N.J.

Schedule of Interfunds Receivable/(Payable)

Trust Funds

Year Ended December 31, 2015

	Balance Dec. 31, 2014	Increased	Decreased	Balance Dec. 31, 2015
Animal Trust Fund:				
Current Fund	$		547	(547)
Total Animal Trust			547	(547)
Other Trust Fund:				
Current Fund - Payroll Agency			18,152	(18,152)
Current Fund - Open Space Trust		498,759		498,759
Total Other Trust		498,759	18,152	480,607
Community Development Grant Fund:				
Home Loan Program Fund	105,043	472,493	385,421	192,115
Total Community Development Fund	105,043	472,493	385,421	192,115
Home Loan Program Fund:				
Community Development Grant Fund	(105,043)	385,421	472,493	(192,115)
Total Home Loan Program Fund	(105,043)	385,421	472,493	(192,115)
	$	1,356,673	876,613	480,060
Due to Current Fund	$		18,699	(18,699)
Due from Current Fund		498,759		498,759
Due from Home Loan Program - CDBG	105,043	472,493	385,421	192,115
Due to CDBG - Home Loan Program	(105,043)	385,421	472,493	(192,115)
	$	1,356,673	876,613	480,060

Receipts	$	403,573
Disbursements	472,493	
Reimbursement for expenditures paid		472,493
Open Space Tax Levy	498,759	
Home Loan Program Reserve	385,421	
Statutory Excess		547
	$ 1,356,673	876,613

Exhibit B-5

CITY OF EAST ORANGE, N.J.

Schedule of Due From H.U.D.

Community Development Block Grant Fund

Year Ended December 31, 2015

Balance - December 31, 2014		$ 2,752,644
Increased by:		
Program Allotment - Current Year		
Community Development Block Grant	$ 1,500,993	
Shelter Care Plus	609,653	
		2,110,646
		4,863,290
Decreased by:		
Cash Receipts		2,824,567
Balance - December 31, 2015		$ 2,038,723

Analysis of Balance	
Community Development	513,373
Shelter Plus Care	1,525,350
	$ 2,038,723

Exhibit B-6

Schedule of Due From H.U.D.

Home Loan Program Fund

Year Ended December 31, 2015

Balance - December 31, 2014	$ 1,415,759
Increased by:	
Program Allotment - Current Year	
Home Loan Program	3,596
	1,419,355
Decreased by:	
Interfunds	385,421
Balance - December 31, 2015	$ 1,033,934

Exhibit B-7

CITY OF EAST ORANGE, N.J.

Schedule of Other Receivables

Home Loan Program Fund

Year Ended December 31, 2015

Balance - December 31, 2014		$ 4,947,564
Increased by:		
Loans Authorized		272,141
		5,219,705
Decreased by:		
Deferred Payment Loans Discharged	$ 263,205	
Cash Receipts	178,934	
		442,139
Balance - December 31, 2015		$ 4,777,566

Analysis of Balance:	
Housing Deferred Payment Loan	4,777,566
	$ 4,777,566

Exhibit B-8

Schedule of Construction Loan Receivable

Home Loan Program Fund

Year Ended December 31, 2015

Balance - December 31, 2014	$ 339,485
Balance - December 31, 2015	$ 339,485

Exhibit B-9

CITY OF EAST ORANGE, N.J.

Schedule of Reserve for Tax Redemption

Tax Redemption Fund

Year Ended December 31, 2015

Balance - December 31, 2014	$ 1,036,603
Increased by:	
Cash Reciepts	5,251,611
	6,288,214
Decreased by:	
Cash Disbursements	5,000,977
Balance - December 31, 2015	$ 1,287,237

Exhibit B-10

CITY OF EAST ORANGE, N.J.

Schedule of Miscellaneous Reserves

Other Trust Fund

Year Ended December 31, 2015

	Balance Dec. 31, 2014	Increased	Decreased	Balance Dec. 31, 2015
Police US Customs Expenditures	$ 334,056	31,038	196,721	168,373
Police DEA Expenditures	185,649	91,904	50,425	227,128
Police Ferfeited Property Expenditures	220,346	69,505	74,194	215,657
Law Enforcement Trust Expenditures	874	8,113		8,987
Permit Deposits	95,970	28,278	22,599	101,649
Hunting & Fishing	6,236			6,236
POAA	147,645	20,363		168,008
Franklin Land Memorial	5,435			5,435
Relocation Expense	10,666			10,666
Performance Bonds	20,057			20,057
Police Off-Duty Assignment	32,127			32,127
Hurricane Katrina Funds	102			102
Susan G Komen	297			297
Upsala Woodlands Escrow	216,740			216,740
North Walnut Realty Escrow	75,000			75,000
General Trust	107,735			107,735
Forth Ward	4,686			4,686
Drug Abuse Client Fees	23,135	146,389		169,524
Health - Special Projects	633			633
Docutech Center	26,819			26,819
Litigation Settlements	301,661		25,783	275,878
Municipal Enforcing Agency Fees	6,345			6,345
Demolition	10,943			10,943
Uniform Fire Code Penalties	550			550
Bid Bond Deposits	14,085	3,495		17,580
Gun Buy Back	10			10
Accumulated Sick/Vacation	219			219
Municipal Court DWI Trust	10,532			10,532
Recycling Program	23,419	257	13,495	10,181
Snow & Ice Removal	123,429			123,429
Developers Escrow	17,728			17,728
Haiti Relief Fund	3,116			3,116
Salary Adjustments	586,954			586,954
State Unemployment Insurance	248,885			248,885
Recreation Trust	57,483	17,163	66,153	8,493
Performance Art School	3,330	1		3,331
Police Off-Duty Assignment	208,645	345,232	320,420	233,457
ACH Death & Burial Expenditures	60,613	10,408	67	70,954
Developers Escrow #2	210,089	94,312	95,178	209,223
Auction Escrow Trust	1,204,014	1,212,075	695,000	1,721,089
Senior Citizens		200,051	102,717	97,334
Senior Citizen Center Brick Campaign	8,437	1	300	8,138
Tax Escrow	582,717	4,309,929	2,367,288	2,525,358
UEZ Assistance Fund	266,370	646	118,607	148,409
Uniform Contruction Code Fees	61,739	5	23,080	38,664
Central Ave Business Improvement Project	1,827	59,155	55,000	5,982
Open Space Trust Fund	868,375	498,817	485,852	881,340
	$ 6,395,723	7,147,137	4,712,879	8,829,981

Cash Receipts $	6,648,378	
Cash Disbursements		4,712,879
Interfunds	498,759	
	7,147,137	4,712,879

Exhibit B-11

CITY OF EAST ORANGE, N.J.

Schedule of Reserve for Payroll and Deductions Payable

Other Trust Fund

Year Ended December 31, 2015

Balance - December 31, 2014	$ 879,974
Increased by:	
Payroll and Deductions	93,540,444
	94,420,418
Decreased by:	
Payroll and Deductions	91,235,345
Balance - December 31, 2015	$ 3,185,073

Exhibit B-12

CITY OF EAST ORANGE, N.J.

Schedule of Reserve for Program Expenditures

Community Development Block Grant Fund

Year Ended December 31, 2015

Balance - December 31, 2014		$ 2,899,610
Increased by:		
Current Year Award:		
Community Development	$ 1,500,993	
Shelter Care Plus	609,653	
Interest Earnings	75	
		2,110,721
		5,010,331
Cash Disbursements		2,726,505
Balance - December 31, 2015		$ 2,283,826

Analysis of Balance:	
Community Development	1,203,867
Shelter Plus Care	1,079,959
	2,283,826

Exhibit B-13

CITY OF EAST ORANGE, N.J.

Schedule of Reserve for Program Expenditures

Home Loan Program Fund

Year Ended December 31, 2015

Balance - December 31, 2014		$ 1,321,241
Increased by:		
Current Year Award:		
Home Loan Program	$ 3,596	
Cash Receipts	29,148	
		32,744
		1,353,985
Decreased by:		
Interfunds	472,493	
Cash Disbursements	65,091	
		537,584
Balance - December 31, 2015		$ 816,401

Exhibit B-14

Schedule of Reserve for Loans Receivable

Home Loan Program Fund

Year Ended December 31, 2015

Balance - December 31, 2014		$ 4,947,564
Increased by:		
Loans Authorized		272,141
		5,219,705
Decreased by:		
Deferred Payment Loans Discharged	$ 263,205	
Cancelled by Resolution	178,934	
		442,139
Balance - December 31, 2015		$ 4,777,566

Exhibit B-15

CITY OF EAST ORANGE, N.J.

Schedule of Reserve for UDAG Expenditures

Home Loan Program Fund

Year Ended December 31, 2015

Balance - December 31, 2014	$ 45,244
Balance - December 31, 2015	$ 45,244

Exhibit B-16

Schedule of Reserve for Construction Loan Receivable

Home Loan Program Fund

Year Ended December 31, 2015

Balance - December 31, 2014	$ 339,485
Balance - December 31, 2015	$ 339,485

Exhibit B-17

CITY OF EAST ORANGE, N.J.

Schedule of Reserve for Self-Insurance - Workers' Compensation

Self Insurance Fund

Year Ended December 31, 2015

Balance - December 31, 2014		$ 617,813
Increased by:		
Interest Earnings	$ 274	
Cash Receipts	1,725,109	
		1,725,383
		2,343,196
Decreased by:		
Cash Disbursements		1,726,380
Balance - December 31, 2015		$ 616,816

Exhibit B-18

Schedule of Reserve for Self-Insurance - Auto/General Liability

Self Insurance Fund

Year Ended December 31, 2015

Balance - December 31, 2014		$ 211,712
Increased by:		
Interest	$ 121	
Cash Receipts	1,067,154	
		1,067,275
		1,278,987
Decreased by:		
Cash Disbursements		1,018,036
Balance - December 31, 2015		$ 260,951

Exhibit B-19

CITY OF EAST ORANGE, N.J.

Schedule of Reserve for Self-Insurance - Health Benefits

Self Insurance Fund

Year Ended December 31, 2015

Balance - December 31, 2014	$	29,291
Increased by:		
Interest		3
Balance - December 31, 2015	$	29,294

THIS PAGE INTENTIONALLY LEFT BLANK

Exhibit C-2

CITY OF EAST ORANGE, N.J.

Schedule of Cash

General Capital Fund

Year Ended December 31, 2015

Balance - December 31, 2014		$ 1,506,643
Increased by Receipts:		
Bond Anticipation Notes	$ 13,834,500	
Interfunds	10,300,000	
Premium on Sale of Notes	39,705	
		24,174,205
		25,680,848
Decreased by Disbursements:		
Improvement Authorizations	4,555,325	
Contracts Payable	537,532	
Reserve for Payment of Debt	28,044	
Interfunds	10,300,000	
		15,420,901
Balance - December 31, 2015		$ 10,259,947

Exhibit C-3

CITY OF EAST ORANGE, N.J.

Analysis of Cash

General Capital Fund

Year Ended December 31, 2015

Capital Improvement Fund		$ 193,027
Down Payment on Improvements		109,653
Other Accounts Receivable		(11,500)
Interfunds		(1,301,491)
Contracts Payable		1,049,800
Encumbrances Payable		22,052
Reserve for Capital Improvements		106,569
Fund Balance		647,310
Improvement Authorizations:		
Ordinance Number	Improvement Description	
18-2002	Capital Improvements - Police Facility	29,956
26-2004	Renovations/Purchases/Improvements	2,001
2-2007	Acquisition of Office Furniture & Related Fixtures	250
3-2007	Acquisition of Computer Equipment & Related Improvements	124,784
21-2007	Acquisition of New Fire Truck	11,670
1-2009	Municipal Court Renovations and Security Upgrades/Roadway Paving	12,027
2-2009/12-2009	Construction of Senior Center	237,979
13-2009/18-2009	Refunding of Tax Appeals	52,212
20-2009	Improvements to Firehouse #2	800
3-2010	Various Capital Acquisitions and Improvements	841
6-2010	Various Golf Course Improvements	70
7-2010	Acquisition of a Vacuum Truck and Acquisition and Installation of Various Park Signs	17,038
18-2010	Outdoor Ticket Vending Kiosk and Security Upgrades at Midland Yard	23,000
23-2010	Refunding Tax Appeals	3,957
24-2010	Acquisition of Telephone Equipment	678,750
12-2011	Various Capital Improvements	23,221
26-2011	Reconstrcution of Rowley Park/HVAC at Evergreen	10,605
39-2011	Various Repairs & Improvements - Municipal Court	264,467
2-2012	Acquisition and Installation of Security Glass for Police Headquarters	15,176
3-2012	Public Facilities Needs Assessment for Various City Owned Facilities	63,387
23-2012	Various Improvements	45,472
9-2013	Refund of Various Tax Appeals	142,377
8-14	DPW Garage Improvements	79,451
29-14	Refunding Bond Ord. - Tax Appeals	(115,177)
30-14	Various Capital Acquisitions and Imps.	7,720,213
		$ 10,259,947

Exhibit C-4

CITY OF EAST ORANGE, N.J.

Schedule of Deferred Charges to Future
Taxation - Funded

General Capital Fund

Year Ended December 31, 2015

Balance - December 31, 2014		$ 45,738,489
Increased by:		
Refunding Bonds Issued		4,770,000
		50,508,489
Decreased by:		
Current year Budget Appropriations:		
Capital Lease Payments	$ 216,364	
NJ Green Trust Loans	22,133	
Serial Bond Principal	4,965,000	
Bonds Refunded	4,950,000	
		10,153,497
Balance - December 31, 2015		$ 40,354,992

Exhibit C-5

CITY OF EAST ORANGE, N.J.

Schedule of Deferred Charges to Future Taxation - Unfunded

General Capital Fund

Year Ended December 31, 2015

Ordinance Number	Improvement Description	Balance Dec. 31, 2014	2015 Authorizations	Decreased By:	Balance Dec. 31, 2015	Analysis of Balance: Financed by Bond Anticipation Notes	Analysis of Balance: Expenditures	Analysis of Balance: Unexpended Improvement Authorization
	General Improvements:							
05-02	Various Capital Improvements	$ 1,684		1,684				
13-09/18-09	Tax Appeal Refunds	768,000		384,000	384,000	384,000		
23-10	Tax Appeal Refunds	1,200,000		1,200,000				
24-10	Acquisition of Telephone Equipment	646,425			646,425	646,425		
24-11	Tax Appeal Refunds	2,035,000		1,017,500	1,017,500	1,017,500		
39-11	Various Repairs to Municipal Court	665,467			665,467	655,066		10,401
1-13	Refunding Bond Ord. - Pension	215,000			215,000			215,000
2-13	Refunding Bond Ord. - Pension Refuding Bonds	5,000			5,000			5,000
9-13	Refund of Various Tax Appeals	1,642,500		547,500	1,095,000	1,095,000		
29-14	Refunding Bond Ord. - Tax Appeals	3,700,000			3,700,000	3,280,000	115,177	304,823
30-14	Various Capital Acquisitions and Imps.	10,554,500			10,554,500	10,554,500		
12-15	Refunding Bond Ord.		630,000		630,000			630,000
		$ 21,433,576	630,000	3,150,684	18,912,892	17,632,491	115,177	1,165,224

Paydown on Bond Anticipation Notes	3,149,000
Cancelled	1,684
	$ 3,150,684

Improvement Authorizations - Unfunded			$ 9,990,918
Less: Unexpended proceeds of Bond Anticipation Notes			
Ordinance:	13-2009/18-2009	52,212	
	24-2010	646,425	
	39-2011	264,467	
	9-2013	142,377	
	30-14	7,720,213	
			8,825,694
			$ 1,165,224

Exhibit C-6

CITY OF EAST ORANGE, N.J.

Schedule of Other Accounts Receivable

General Capital Fund

Year Ended December 31, 2015

Balance - December 31, 2014	$ 11,500
Balance - December 31, 2015	$ 11,500

Exhibit C-7

CITY OF EAST ORANGE, N.J.

Schedule of General Serial Bonds Payable

General Capital Fund

Year Ended December 31, 2015

Purpose	Date of Issue	Original Issue	Maturities of Bonds Outstanding, December 31, 2015 Date	Amount	Interest Rate	Balance Dec. 31, 2014	Increased	Decreased	Balance Dec. 31, 2015
Pension Refunding Bonds	April 1, 2003	9,350,938	04/01/22	309,393	6.470%	1,800,937			1,800,937
			04/01/23	288,620	6.500%				
			04/01/24	267,576	6.510%				
			04/01/25	270,629	6.530%				
			04/01/26	252,669	6.550%				
			04/01/27	212,920	6.560%				
			04/01/28	199,130	6.570%				
Refunding Capital Improvement Bond:	March 15, 2005	11,225,000				5,975,000		5,975,000	
2006 Refunding Bonds	February 23, 2006	22,725,000	08/01/16	1,480,000	5.000%	6,045,000		1,410,000	4,635,000
			08/01/17	1,550,000	4.000%				
			08/01/18	1,605,000	4.000%				
2006 Capital Improvement Bonds	November 1, 2006	23,000,000				1,265,000		1,265,000	
2012 Refunding Bonds	August 2, 2012	9,380,000	09/15/16	645,000	3.000%	8,560,000		650,000	7,910,000
			09/15/17	640,000	3.000%				
			09/15/18	635,000	3.000%				
			09/15/19	630,000	3.000%				
			09/15/20	625,000	3.000%				
			09/15/21	620,000	2.125%				
			09/15/22	610,000	4.000%				
			09/15/23	605,000	4.000%				
			09/15/24	600,000	2.875%				
			09/15/25	590,000	3.000%				
			09/15/26	580,000	3.125%				
			09/15/27	570,000	3.125%				
			09/15/28	560,000	3.250%				

Exhibit C-7

CITY OF EAST ORANGE, N.J.

Schedule of General Serial Bonds Payable

General Capital Fund

Year Ended December 31, 2015

Purpose	Date of Issue	Original Issue	Maturities of Bonds Outstanding, December 31, 2015 Date	Amount	Interest Rate	Balance Dec. 31, 2014	Increased	Decreased	Balance Dec. 31, 2015
2013 Refunding Bonds	April 25, 2013	15,785,000	11/01/16	1,360,000	3.000%	15,785,000			15,785,000
			11/01/17	1,420,000	3.000%				
			11/01/18	1,505,000	4.000%				
			11/01/19	1,410,000	4.000%				
			11/01/20	1,495,000	4.000%				
			11/01/21	2,740,000	4.000%				
			11/01/22	2,890,000	4.000%				
			11/01/23	2,965,000	4.000%				
Pension Refunding Bonds	April 25, 2013	6,095,000	04/01/16	650,000	1.585%	5,560,000		590,000	4,970,000
			04/01/17	710,000	2.067%				
			04/01/18	780,000	2.217%				
			04/01/19	855,000	2.530%				
			04/01/20	945,000	2.730%				
			04/01/21	1,030,000	3.112%				
2015 Refunding Bonds	May 13, 2015	4,770,000	07/15/16	985,000	3.000%		4,770,000	25,000	4,745,000
			07/15/17	965,000	4.000%				
			07/15/18	945,000	4.000%				
			07/15/19	935,000	4.000%				
			07/15/20	915,000	5.000%				
						$ 44,990,937	4,770,000	9,915,000	39,845,937

Budget Appropriations	$ 4,965,000
Bonds Refunded	4,950,000
	$ 9,915,000

Exhibit C-8

CITY OF EAST ORANGE, N.J.

Schedule of Bond Anticipation Notes Payable

General Capital Fund

Year ended December 31, 2015

Ord. No.	Improvement Description	Date of issue of original notes	Date of issue	Date of Maturity	Interest rate	Balance Dec.31 2014	Increased	Decreased	Balance, Dec.31, 2015
18-2009	Tax Appeal Refunds	April 9, 2010	Sept. 22, 2015	Aug. 19, 2016	2.00%	768,000	384,000	768,000	384,000
23-2010	Tax Appeal Refunds	September 28, 2011				1,200,000		1,200,000	
24-2011	Tax Appeal Refunds	September 28, 2011	Sept. 22, 2015	Aug. 19, 2016	2.00%	2,035,000	1,017,500	2,035,000	1,017,500
9-2013	Tax Appeal Refunds	September 28, 2013	Sept. 22, 2015	Aug. 19, 2016	2.00%	1,642,500	1,095,000	1,642,500	1,095,000
24-2010	Acquisition of Telephone Equipment	September 22, 2015	Sept. 22, 2015	Aug. 19, 2016	2.00%		646,425		646,425
39-2011	Various Repairs & Impts - Municipal Ctr	September 22, 2015	Sept. 22, 2015	Aug. 19, 2016	2.00%		655,066		655,066
29-2014	Refunding Bond Ord. - Tax Appeals	March 31, 2015	Mar. 31, 2015	Mar. 30, 2016	1.00%		3,280,000		3,280,000
30-2014	Various Capital Acquisitions and Imprs.	March 31, 2015	Mar. 31, 2015	Mar. 30, 2016	1.00%		10,554,500		10,554,500
						$ 5,645,500	17,632,491	5,645,500	17,632,491
					Cash	$ 13,834,500			
					Interfunds	1,301,491			
					Renewals	2,496,500		2,496,500	
					Budget Appropriation			3,149,000	
						$ 17,632,491		5,645,500	

CITY OF EAST ORANGE, N.J.

Schedule of New Jersey Green Trust Loans Payable

General Capital Fund

Year Ended December 31, 2015

Improvement Description	Date of Issue	Original Issue	Maturities of Loans Outstanding, December 31, 2015 Date	Amount	Interest Rate	Balance Dec. 31, 2014	Decreased	Balance Dec. 31, 2015
Rowley Park Redevelopment	Jan. 13, 2012	465,000	2/24/2016	11,233	2.00%	$ 443,302	22,133	421,169
			8/24/2016	11,345	2.00%			
			2/24/2017	11,459	2.00%			
			8/24/2017	11,573	2.00%			
			2/24/2018	11,689	2.00%			
			8/24/2018	11,806	2.00%			
			2/24/2019	11,924	2.00%			
			8/24/2019	12,043	2.00%			
			2/24/2020	12,164	2.00%			
			8/24/2020	12,285	2.00%			
			2/24/2021	12,408	2.00%			
			8/24/2021	12,532	2.00%			
			2/24/2022	12,658	2.00%			
			8/24/2022	12,784	2.00%			
			2/24/2023	12,912	2.00%			
			8/24/2023	13,041	2.00%			
			2/24/2024	13,172	2.00%			
			8/24/2024	13,303	2.00%			
			2/24/2025	13,436	2.00%			
			8/24/2025	13,571	2.00%			
			2/24/2026	13,706	2.00%			
			8/24/2026	13,843	2.00%			
			2/24/2027	13,982	2.00%			
			8/24/2027	14,122	2.00%			
			2/24/2028	14,263	2.00%			
			8/24/2028	14,405	2.00%			
			2/24/2029	14,550	2.00%			
			8/24/2029	14,695	2.00%			
			2/24/2030	14,842	2.00%			
			8/24/2030	14,990	2.00%			
			2/24/2031	15,140	2.00%			
			8/24/2031	15,292	2.00%			
						$ 443,302	22,133	421,169

Exhibit C-10

CITY OF EAST ORANGE, N.J.

Schedule of Lease Purchase Agreement Payable

General Capital Fund

Year Ended December 31, 2015

Purpose	Date of Issue	Original Issue	Maturities of Loans Outstanding, December 31, 2015 Date	Amount	Interest Rate	Balance Dec. 31, 2014	Decreased	Balance Dec. 31, 2015
2011 Crimson "Star" Pumper	January 16, 2012	211,800	1/15/16	43,223	3.331%	$ 129,715	41,829	87,886
			1/15/17	44,663	3.331%			
Telephone Equipment	March 10, 2011	872,675				174,535	174,535	
						$ 304,250	216,364	87,886

Exhibit C-11

CITY OF EAST ORANGE, N.J.

Schedule of Improvement Authorizations

General Capital Fund

Year Ended December 31, 2015

Ordinance Number	Improvement Description	Ordinance Amount	Balance Dec. 31, 2014 Funded	Balance Dec. 31, 2014 Unfunded	2015 Authorizations	Authorizations Cancelled	Paid or Charged	Balance Dec. 31, 2015 Funded	Balance Dec. 31, 2015 Unfunded
	General Improvements:								
9-00	Demolition of Unsafe Buildings and Structures	739,250	35,224			35,224			
11-00	Underground Storage Tanks	513,500	430			15,119	(14,689)		
12-00	Various Capital Improvements	8,200,000	150,451			194,111	(43,660)		
2001	Rowley Park Expansion	5,250	500			500			
5-02	Various Capital Improvements	957,500	55,267	1,684		60,176	(3,225)		
18-02	Capital Improvements - Police Facility	1,400,000	27,560				(2,396)	29,956	
26-04	Renovations/Purchases/Improvements	600,000					(2,001)	2,001	
31-05	Various Purchases and Improvements	841,265	9,766			13,363	(3,597)		
25-06	Capital Improvements	23,000,000	822,055			790,796	31,259		
2-07	Acquisition of Office Furniture & Related Fixture	200,000	250					250	
3-07	Acquisition of Computer Equipment & Related Improvements	300,000	124,784					124,784	
21-07	Acquisition of New Fire Truck	750,000	11,670					11,670	
1-09	Municipal Court Renovations and Security Upgrades/Roadway Paving	649,439	11,887				(140)	12,027	
2-09/12-09	Capital Improvements	3,600,000	233,220				(4,759)	237,979	
13-09/18-09	Refunding Tax Appeals	9,400,000		52,212					52,212
20-09	Improvements to Firehouse #2	80,000					(800)	800	
3-10	Various Capital Acquisitions and Improvements	109,600	715				(126)	841	
6-10	Various Golf Course Improvements	25,000	70					70	
7-10	Acquisition of a Vacuum Truck and Acquisition & Installation of Various Parking Signs	150,000	17,038					17,038	
18-10	Outdoor Ticket Vending Kiosk and Security Upgrades at Midland Yard	63,000	23,000					23,000	
23-10	Refunding Tax Appeals	2,400,000		3,957				3,957	
24-10	Acquisition of Telephone Equipment	678,750	32,325	646,425				32,325	646,425
12-11	Various Capital Improvements	400,000	23,221					23,221	
26-11	Reconstruction of Rowley Park/HVAC at Evergre	460,000	10,605					10,605	
39-11	Various Repairs & Improvements - Municipal Co	1,400,000		274,868					274,868
2-12	Acquisition and Installation of Security Glass for								

Exhibit C-11

CITY OF EAST ORANGE, N.J.

Schedule of Improvement Authorizations

General Capital Fund

Year Ended December 31, 2015

Ordinance Number	Improvement Description	Ordinance Amount	Balance Dec. 31, 2014 Funded	Balance Dec. 31, 2014 Unfunded	2015 Authorizations	Authorizations Cancelled	Paid or Charged	Balance Dec. 31, 2015 Funded	Balance Dec. 31, 2015 Unfunded
	Police Headquarters	120,000	15,176					15,176	
3-12	Public Facilities Needs Assessment for Various City Owned Facilities	125,000	63,387					63,387	
23-12	Various Improvements	120,000	45,472					45,472	
1-13	Refunding Bond Ord. - Pension	16,000,000		215,000					215,000
2-13	Refunding Bond Ord. - Pension Refunding Bonds	6,100,000		5,000					5,000
9-13	Tax Appeal Refunds	2,190,000		142,377					142,377
8-14	DPW Garage Improvements	500,000	104,503				25,052	79,451	
29-14	Refunding Bond Ord. - Tax Appeals	3,700,000		2,154,795			1,849,972		304,823
30-14	Various Capital Acquisitions and Imps.	11,110,000	462,000	10,554,500			3,296,287		7,720,213
12-15	Refunding Bond Ord.	5,400,000			5,400,000		4,770,000		630,000
53-15	Construction of a Clubhouse at East Orange Golf Course	500,000			500,000		500,000		
		$	2,280,576	14,050,818	5,900,000	1,109,289	10,397,177	734,010	9,990,918

Fund Balance $	500,000
Authorized not Issued	5,400,000
$	5,900,000

Cash $	4,555,325
Encumbrances Payable	22,052
Contracts Payable	1,049,800
Refunding Bond Issued	4,770,000
$	10,397,177

Exhibit C-12

CITY OF EAST ORANGE, N.J.

Schedule of Contracts Payable

General Capital Fund

Year Ended December 31, 2015

Balance - December 31, 2014	$	537,532
Increased by:		
Charges to Improvement Authorizations		1,049,800
		1,587,332
Decreased by:		
Cash Disbursements		537,532
Balance - December 31, 2015	$	1,049,800

Exhibit C-13

Schedule of Encumbrances Payable

General Capital Fund

Year Ended December 31, 2015

Increased by:		
Charges to Improvement Authorizations	$	22,052
Balance - December 31, 2015	$	22,052

Exhibit C-14

CITY OF EAST ORANGE, N.J.

Schedule of Capital Improvement Fund

General Capital Fund

Year Ended December 31, 2015

Balance - December 31, 2014	$ 193,027
Balance - December 31, 2015	$ 193,027

Exhibit C-15

CITY OF EAST ORANGE, N.J.

Schedule of Reserve for Down Payment on Improvements

General Capital Fund

Year Ended December 31, 2015

Balance - December 31, 2014	$ 109,653
Balance - December 31, 2015	$ 109,653

Exhibit C-16

Schedule of Reserve for Payment of Debt

General Capital Fund

Year Ended December 31, 2015

Balance - December 31, 2014	$ 28,044
Decreased by:	
Cash Disbursements	$ 28,044

Exhibit C-17

CITY OF EAST ORANGE, N.J.

Schedule of Interfunds

General Capital Fund

Year ended December 31, 2015

		Increased	Decreased	Due from/(to) Balance Dec. 31, 2015
Current Fund	$	11,601,491	10,300,000	1,301,491
	$	11,601,491	10,300,000	1,301,491

Cash Receipts	$		10,300,000
Cash Disbursements		10,300,000	
Bond Anticipation Notes		1,301,491	
	$	11,601,491	10,300,000

Exhibit C-18

CITY OF EAST ORANGE, N.J.

Schedule of Reserve for Future Improvements

General Capital Fund

Year Ended December 31, 2015

Balance - December 31, 2014	$ 106,569
Balance - December 31, 2015	$ 106,569

Exhibit C-19

CITY OF EAST ORANGE, N.J.

Schedule of Bonds and Notes Authorized But Not Issued

General Capital Fund

Year Ended December 31, 2015

Ordinance Number	Improvement Description	Balance Dec. 31, 2014	2015 Authorizations	Decreased	Balance Dec. 31, 2015
5-02	Various Capital Improvements	1,684		1,684	
24-10	Acquisition of Telephone Equipment	646,425		646,425	
39-11	Various Repairs & Improvements - Municipal Court	665,467		655,066	10,401
1-13	Refunding Bond Ord. - Pension	215,000			215,000
2-13	Refunding Bond Ord. - Pension Refunding Bonds	5,000			5,000
29-14	Refunding Bond Ord. - Tax Appeals	3,700,000		3,280,000	420,000
30-14	Various Capital Acquisitions and Imps.	10,554,500		10,554,500	
12-15	Refunding Bonds		5,400,000	4,770,000	630,000
		$ 15,788,076	5,400,000	19,907,675	1,280,401

Refunding Bonds Issued	$ 4,770,000
Cancelled	1,684
Bond Anticipation Notes Issued	15,135,991
	$ 19,907,675

Exhibit D-5

CITY OF EAST ORANGE, N.J.

Schedule of Cash - Treasurer

Water Utility Fund

Year ended December 31, 2015

	Operating	Capital
Balance - December 31, 2014	$ 2,957,662	1,118,284
Increased by Receipts:		
Water Collector	23,944,171	
NJ Environmental Infrastructure Loans		4,273,711
Bonds Issued		18,125,000
Bond Anticipation Notes		900,000
Reserve for Payment of Debt		1,972,576
Reserve for Labor Union Negotiations	65,077	
Due to ILSA - East Newark	393,448	
Interfunds		208,717
	24,402,696	25,480,004
	27,360,358	26,598,288
Decreased by Disbursements:		
2015 Appropriations	17,797,564	
2014 Appropriation Reserves	1,574,357	
Interfunds	2,433,831	
Accrued Interest on Bonds	382,532	
Due to ILSA - East Newark	364,000	
Contracts Payable		3,678,247
Improvement Authorizations		19,571,457
	22,552,284	23,249,704
Balance - December 31, 2015	$ 4,808,074	3,348,584

Exhibit D-6

CITY OF EAST ORANGE, N.J.

Analysis of Cash

Water Utility Capital Fund

December 31, 2015

		Balance, Dec. 31, 2015
Fund Balance		$ 3,839
Overexpenditure of Capital Improvement Fund		(31,666)
NJEIT Receivable		(1,821,786)
Capital Improvement Fund		900,000
Reserve for Capital Improvement		238,485
Reserve for Payment of Debt Service		1,977,380
Contracts Payable		8,413,970
Interfunds Accounts Receivable		(337,062)
Improvement authorizations:		
Ordinance number	General improvements	
	Security Services	4,100
	Well Field Testing & Improvements	62,001
	Improvements and Upgrades	234,102
4-2009	Various Improvements to Water System	(140,924)
5-2009	Various Improvements to Sewer System	(146,779)
28-2010	Acquisition of Telephone Equipment	(48,295)
	Solar System Project	33,502
	PSE&G Project Plan	4,407
	Rowley Park	1,109
	EOWC/WORPS Remoding	132,975
	Water Storage Projects	45,266
	Hydrogeological Study	3,710
	Master Plan Phase II	2,792
	Acquisition of Equipment (Homeland Security)	10
	Hurricane Sandy Projects	167
4-2014	Emergency Temporary Appropriation Refunding	880,445
23-2014	Waste Water Treatment Plant Improvements	520,000
24-2015	Water Treatment and Supply Program	(7,583,164)
		$ 3,348,584

Exhibit D-7

CITY OF EAST ORANGE, N.J.

Schedule of Consumers' Accounts Receivable - Operating Fund

Water Utility Operating Fund

Year ended December 31, 2015

Balance - December 31, 2014		$ 3,634,462
Increased by:		
Water Utility Billings		24,735,775
		28,370,237
Decreased by:		
Cash receipts	$ 23,347,634	
Transfer to Water Liens	49,734	
Cash receipts		23,397,368
Balance - December 31, 2015		$ 4,972,869

Exhibit D-8

Schedule of Water Liens Receivable

Water Utility Operating Fund

Year ended December 31, 2015

Balance - December 31, 2014		$ 25,667
Increased by:		
Transferred from Water Utility Accounts Receivable	$ 49,734	
Interest, Penalties & Recording Fees	26,453	
		76,187
Balance - December 31, 2015		$ 101,854

Exhibit D-9

CITY OF EAST ORANGE, N.J.

Schedule of Inventory - Materials and Supplies

Water Utility Operating Fund

Year ended December 31, 2015

Balance - December 31, 2014	$	538,323
Increased by:		
Purchases		84,362
		622,685
Decreased by:		
Inventory usage		210,730
Balance - December 31, 2015	$	411,955

Exhibit D-10

CITY OF EAST ORANGE, N.J.

Schedule of Interfunds

Water Utility Operating Fund

Year ended December 31, 2015

	Due from/(to) Balance Dec. 31, 2014	Increased	Decreased	Due from/(to) Balance Dec. 31, 2015
Water Utility Capital Fund	$ (245,779)	208,717	300,000	(337,062)
Current Fund	(2,234,211)	2,234,211		
	$ (2,479,990)	2,442,928	300,000	(337,062)
Analysis				
Due from Water Utility Operating Fund	$ (2,479,990)	2,442,928	300,000	(337,062)
	(2,479,990)	2,442,928	300,000	(337,062)

Cash Disbursements	$ 2,433,831	
Premium on Notes Issued	8,289	
Interest	808	
Capital Improvement Fund		300,000
	$ 2,442,928	300,000

Exhibit D-11

CITY OF EAST ORANGE, N.J.

Schedule of Grants Receivables

Water Utility Operating Fund

Year ended December 31, 2015

	Total	Hurricane Sandy FEMA Grant	Hurricane Sandy NEG Grant
Balance - December 31, 2014	$ 110,339	62,776	47,563
Balance - December 31, 2015	$ 110,339	62,776	47,563

Exhibit D-12

CITY OF EAST ORANGE, N.J.

Schedule of Deferred Charges

Water Utility Operating Fund

Year ended December 31, 2015

	Balance Dec. 31, 2014	Added in 2015	Reduced in 2015	Balance Dec. 31, 2015
Emergency Authorization - Settlements	$			
Overexpenditure of Appropriations	236,685		236,685	
Overcommitment of Appropriations	850,788	1,020,754		1,871,542
Overexpenditure of Appropriation Reserves	536,940	435,120	536,940	435,120
Deficit in Operations	1,406,235		1,406,235	
	$ 3,030,648	1,455,874	2,179,860	2,306,662

Exhibit D-13

CITY OF EAST ORANGE, N.J.

Schedule of Fixed Capital

Water Utility Capital Fund

Year ended December 31, 2015

Account	Balance, Dec. 31, 2014	Balance, Dec. 31, 2015
Reservation Sources of Supply, etc.	$ 12,386,629	12,386,629
Pumping System	4,997,996	4,997,996
Distribution System	11,360,201	11,360,201
General Equipment	2,428,189	2,428,189
Sewer System	5,952,377	5,952,377
Adminstrative/Service Facility	8,826,549	8,826,549
System-Wide Development	15,379,193	15,379,193
	$ 61,331,134	$ 61,331,134

Exhibit D-14

CITY OF EAST ORANGE, N.J.

Schedule of Fixed Capital Authorized and Uncompleted

Water Utility Capital Fund

Year ended December 31, 2015

Improvement description	Balance, Dec. 31, 2014	2015 Authorizations	Balance, Dec. 31, 2015
Garden State Parkway Project	$ 711		711
Well Field Testing & Improvements	62,001		62,001
Upgrades & Improvements	299,957		299,957
Various Improvements to Water System	7,912,217		7,912,217
Various Improvements to Sewer System	920,973		920,973
Solar System Project	28,407		28,407
Acquisition of Telephone Equipment	226,250		226,250
Rowling Park	1,109		1,109
EOWC/WORPS Remodeling	132,975		132,975
Water Storage Project	28,622		28,622
Hydrogeological Study	3,710		3,710
Master Plan - Phase II	38,704		38,704
Acquisition of Equipment (Homeland Security)	10		10
Hurricane Sandy Projects	394		394
Emergency Temporary Appropriation Refunding	3,165,000		3,165,000
Waste Water Treatment Plant Improvements	520,000		520,000
Water Treatment and Supply Program		12,400,000	12,400,000
	$ 13,341,040	12,400,000	25,741,040

Exhibit D-15

CITY OF EAST ORANGE, N.J.

Schedule of NJ Environmental Infrastructure Loans Receivable

Water Utility Capital Fund

Year ended December 31, 2015

Balance - December 31, 2014	$ 5,674,278
Increased by:	
Loans Authorized	421,219
	6,095,497
Decreased by:	
Cash Receipts	4,273,711
Balance- December 31, 2015	$ 1,821,786

Exhibit D-16

Schedule of Overexpenditure of Ordinance Appropriations

Water Utility Capital Fund

Year ended December 31, 2015

Balance, December 31, 2014	$ 31,666
Balance, December 31, 2015	$ 31,666

Exhibit D-17

CITY OF EAST ORANGE, N.J.

Schedule of Interfunds

Water Utility Capital Fund

Year ended December 31, 2015

	Due from/(to) Balance Dec. 31, 2014	Increased	Decreased	Due from/(to) Balance Dec. 31, 2015
Water Utility Operating Fund	$ 245,779	300,000	208,717	337,062
	245,779	300,000	208,717	337,062
Analysis				
Due from Water Utility Capital Fund	245,779	300,000	208,717	337,062
	$ 245,779	300,000	208,717	337,062

Cash Receipts	$	208,717
Capital Improvement Fund	300,000	
	$ 300,000	208,717

Exhibit D-18

CITY OF EAST ORANGE, N.J.

Schedule of 2014 Appropriation Reserves

Water Utility Operating Fund

Year ended December 31, 2015

	Balance, Dec. 31, 2014	Balance after tranfers and encumbrances	Paid or charged	Balance Lapsed	Over-Expenditures
Operating:					
Salaries and Wages	$		1,600		1,600
Other Expenses		1,165,685	1,573,457	25,748	433,520
Total Operating		1,165,685	1,575,057	25,748	435,120
Statutory Expenditures:					
Public Employees' Retirement System					
Unemployment Compensation Insurance	50,000	50,000		50,000	
Total Statutory Expenditures	50,000	50,000		50,000	
	$ 50,000	1,215,685	1,575,057	75,748	435,120

Appropriation Reserves	50,000
Encumbrances	1,165,685
	$ 1,215,685

Cash	1,574,357
Accounts Payable	700
	$ 1,575,057

Exhibit D-19

CITY OF EAST ORANGE, N.J.

Schedule of Reserve for Encumbrances

Water Utility Operating Fund

Year ended December 31, 2015

Balance - December 31, 2014	$ 1,165,685
Increased by:	
Transferred from Current Year Budget	1,642,690
	2,808,375
Decreased by:	
Transferred to Appropriation Reserves	1,165,685
Balance- December 31, 2015	$ 1,642,690

Exhibit D-20

Schedule of Accounts Payable

Water Utility Operating Fund

Year ended December 31, 2015

Balance, December 31, 2014	$ 370,644
Increased by:	
Transferred from Appropriation Reserves	700
Balance, December 31, 2015	$ 371,344

Exhibit D-21

CITY OF EAST ORANGE, N.J.

Schedule of Accrued Interest on Bonds

Water Utility Operating Fund

Year ended December 31, 2015

Balance - December 31, 2014	$ 363,208
Increased by:	
Budget Appropriation	460,000
	823,208
Decreased by:	
Payments	382,532
Balance- December 31, 2015	$ 440,676

Analysis of Balance

Principal Outstanding Dec. 31, 2015	Period (Days)	Interest Rate	Amount
Serial Bonds			
$ 17,715,000	165	Variable	175,838
Infrastructure Trust Loans			
605,000	150	Variable	5,198
2,920,000	150	Variable	30,417
100,000	150	Variable	948
Bond Anticipation Notes			
3,828,000	98	2.000%	20,841
1,275,000	130	2.000%	9,208
			$ 242,450

Exhibit D-22

Schedule of Other Payables - Due to ILSA - East Newark

Water Utility Operating Fund

Year ended December 31, 2015

Balance - December 31, 2014	$ 184,094
Increased by:	
Cash Receipts	393,448
	577,542
Decreased by:	
Cash Disbursements	364,000
Balance- December 31, 2015	$ 213,542

Exhibit D-23

CITY OF EAST ORANGE, N.J.

Schedule of Reserve for Inventory Revolving Fund

Water Utility Operating Fund

Year ended December 31, 2015

Balance, December 31, 2014	$ 118,735
Balance, December 31, 2015	$ 118,735

Exhibit D-24

Schedule of Reserve for Debt Service

Water Utility Operating Fund

Year ended December 31, 2015

Increased by:	
Transferred from Appropriations	$ 610,000
Balance, December 31, 2015	$ 610,000

Exhibit D-25

CITY OF EAST ORANGE, N.J.

Schedule of Reserve for Labor Union Negotiations

Water Utility Operating Fund

Year ended December 31, 2015

Increased by:	
Cash Receipts	$ 65,077
Balance, December 31, 2015	$ 65,077

Exhibit D-26

CITY OF EAST ORANGE, N.J.

Schedule of Serial Bonds Payable

Water Utility Capital Fund

Year ended December 31, 2015

Purpose	Date of Issue	Original Issue	Maturities of Bonds Outstanding, December 31, 2015 Date	Amount	Interest Rate	Balance Dec. 31, 2014	Increased	Decreased	Balance Dec. 31, 2015
Water Utility Refunding Bonds	March 15, 2005	17,675,000				$ 12,400,000		12,400,000	$
Water Utility Refunding Bonds, Series B ECIA Refunding Bonds	November 8, 2005	11,025,000				8,080,000		8,080,000	
Water Utility Refunding Bonds, Series B	May 5, 2015	18,125,000	July 15, 2016	1,335,000	3.000%		18,125,000	410,000	17,715,000
			July 15, 2017	1,370,000	4.000%				
			July 15, 2018	1,430,000	4.000%				
			July 15, 2019	1,495,000	4.000%				
			July 15, 2020	1,555,000	5.000%				
			July 15, 2021	1,635,000	5.000%				
			July 15, 2022	1,720,000	5.000%				
			July 15, 2023	1,805,000	5.000%				
			July 15, 2024	1,900,000	5.000%				
			July 15, 2025	1,990,000	3.779%				
			July 15, 2026	610,000	3.250%				
			July 15, 2027	625,000	3.375%				
			July 15, 2028	245,000	3.500%				
						$ 20,480,000	18,125,000	20,890,000	17,715,000
						Budget Appropriations		1,760,000	
						Refunded		19,130,000	
								$ 20,890,000	

CITY OF EAST ORANGE, N.J.

Schedule of NJ Environmental Infrastructure Trust Loans Payable

Water Utility Capital Fund

Year ended December 31, 2015

Purpose	Date of issue	Original issue	Maturities of bonds outstanding, December 31, 2015 Date	Amount	Interest rate	Balance, Dec. 31, 2014	Issued	Decreased	Balance, Dec. 31, 2015
Trust Loan - Sewer	March 10, 2010	745,000	Aug. 1, 2016	30,000	5.000%	$ 635,000		30,000	605,000
			Aug. 1, 2017	35,000	5.000%				
			Aug. 1, 2018	35,000	5.000%				
			Aug. 1, 2019	40,000	4.000%				
			Aug. 1, 2020	40,000	5.000%				
			Aug. 1, 2021	40,000	3.000%				
			Aug. 1, 2022	40,000	4.000%				
			Aug. 1, 2023	45,000	4.000%				
			Aug. 1, 2024	45,000	4.000%				
			Aug. 1, 2025	45,000	4.000%				
			Aug. 1, 2026	50,000	3.500%				
			Aug. 1, 2027	50,000	4.000%				
			Aug. 1, 2028	55,000	4.000%				
			Aug. 1, 2029	55,000	4.000%				
Fund Loan - Sewer	March 10, 2010	2,280,375	Feb. 1, 2016	38,650		1,739,268		115,951	1,623,317
			Aug. 1, 2016	77,301					
			Feb. 1, 2017	38,650					
			Aug. 1, 2017	77,301					
			Feb. 1, 2018	38,650					
			Aug. 1, 2018	77,301					
			Feb. 1, 2019	38,650					
			Aug. 1, 2019	77,301					
			Feb. 1, 2020	38,650					
			Aug. 1, 2020	77,301					
			Feb. 1, 2021	38,650					
			Aug. 1, 2021	77,301					
			Feb. 1, 2022	38,650					
			Aug. 1, 2022	77,301					
			Feb. 1, 2023	38,650					
			Aug. 1, 2023	77,301					

CITY OF EAST ORANGE, N.J.

Schedule of NJ Environmental Infrastructure Trust Loans Payable

Water Utility Capital Fund

Year ended December 31, 2015

Purpose	Date of issue	Original issue	Maturities of bonds outstanding, December 31, 2015 Date	Amount	Interest rate	Balance, Dec. 31, 2014	Issued	Decreased	Balance, Dec. 31, 2015
2010B Fund Loan, Cont....			Feb. 1, 2024	38,650					
			Aug. 1, 2024	77,301					
			Feb. 1, 2025	38,650					
			Aug. 1, 2025	77,301					
			Feb. 1, 2026	38,650					
			Aug. 1, 2026	77,301					
			Feb. 1, 2027	38,650					
			Aug. 1, 2027	77,302					
			Feb. 1, 2028	38,650					
			Aug. 1, 2028	77,302					
			Feb. 1, 2029	38,650					
			Aug. 1, 2029	77,302					
Trust Loan - Water	March 10, 2010	3,400,000	Aug. 1, 2016	135,000	5.000%	$ 3,050,000		130,000	2,920,000
			Aug. 1, 2017	140,000	5.000%				
			Aug. 1, 2018	150,000	5.000%				
			Aug. 1, 2019	155,000	5.000%				
			Aug. 1, 2020	165,000	5.000%				
			Aug. 1, 2021	175,000	5.000%				
			Aug. 1, 2022	180,000	5.000%				
			Aug. 1, 2023	190,000	5.000%				
			Aug. 1, 2024	200,000	5.000%				
			Aug. 1, 2025	210,000	5.000%				
			Aug. 1, 2026	220,000	5.000%				
			Aug. 1, 2027	230,000	5.000%				
			Aug. 1, 2028	245,000	5.000%				
			Aug. 1, 2029	255,000	5.000%				
			Aug. 1, 2030	270,000	5.000%				

CITY OF EAST ORANGE, N.J.

Schedule of NJ Environmental Infrastructure Trust Loans Payable

Water Utility Capital Fund

Year ended December 31, 2015

Purpose	Date of issue	Original issue	Maturities of bonds outstanding, December 31, 2015 Date	Amount	Interest rate	Balance, Dec. 31, 2014	Issued	Decreased	Balance, Dec. 31, 2015
Fund Loan - Water	March 10, 2010	1,831,000	Feb. 1, 2016	31,034		1,489,628		93,102	1,396,526
			Aug. 1, 2016	62,068					
			Feb. 1, 2017	31,034					
			Aug. 1, 2017	62,068					
			Feb. 1, 2018	31,034					
			Aug. 1, 2018	62,068					
			Feb. 1, 2019	31,034					
			Aug. 1, 2019	62,068					
			Feb. 1, 2020	31,034					
			Aug. 1, 2020	62,068					
			Feb. 1, 2021	31,034					
			Aug. 1, 2021	62,068					
			Feb. 1, 2022	31,034					
			Aug. 1, 2022	62,068					
			Feb. 1, 2023	31,034					
			Aug. 1, 2023	62,068					
			Feb. 1, 2024	31,034					
			Aug. 1, 2024	62,068					
			Feb. 1, 2025	31,034					
			Aug. 1, 2025	62,068					
			Feb. 1, 2026	31,034					
			Aug. 1, 2026	62,068					
			Feb. 1, 2027	31,033					
			Aug. 1, 2027	62,068					
			Feb. 1, 2028	31,033					
			Aug. 1, 2028	62,068					
			Feb. 1, 2029	31,033					
			Aug. 1, 2029	62,068					
			Feb. 1, 2030	31,033					
			Aug. 1, 2030	62,068					

Exhibit D-27

CITY OF EAST ORANGE, N.J.

Schedule of NJ Environmental Infrastructure Trust Loans Payable

Water Utility Capital Fund

Year ended December 31, 2015

Purpose	Date of issue	Original issue	Maturities of bonds outstanding, December 31, 2015 Date	Amount	Interest rate	Balance, Dec. 31, 2014	Issued	Decreased	Balance, Dec. 31, 2015
Trust Loan - Water	May 5, 2015	100,000	Aug. 1, 2016	5,000	5.000%	$	100,000		100,000
			Aug. 1, 2017	5,000	5.000%				
			Aug. 1, 2018	5,000	5.000%				
			Aug. 1, 2019	5,000	5.000%				
			Aug. 1, 2020	5,000	5.000%				
			Aug. 1, 2021	5,000	5.000%				
			Aug. 1, 2022	5,000	5.000%				
			Aug. 1, 2023	5,000	5.000%				
			Aug. 1, 2024	5,000	5.000%				
			Aug. 1, 2025	5,000	5.000%				
			Aug. 1, 2026	5,000	5.000%				
			Aug. 1, 2027	5,000	4.000%				
			Aug. 1, 2028	5,000	4.000%				
			Aug. 1, 2029	5,000	4.000%				
			Aug. 1, 2030	5,000	4.000%				
			Aug. 1, 2031	5,000	4.000%				
			Aug. 1, 2032	5,000	4.000%				
			Aug. 1, 2033	5,000	4.000%				
			Aug. 1, 2034	10,000	4.000%				
Fund Loan - Water	May 5, 2015	1,831,000	Feb. 1, 2016	4,065			239,844	8,130	231,714
			Aug. 1, 2016	8,130					
			Feb. 1, 2017	4,065					
			Aug. 1, 2017	8,130					
			Feb. 1, 2018	4,065					
			Aug. 1, 2018	8,130					
			Feb. 1, 2019	4,065					
			Aug. 1, 2019	8,130					
			Feb. 1, 2020	4,065					
			Aug. 1, 2020	8,130					
			Feb. 1, 2021	4,065					
			Aug. 1, 2021	8,130					

Exhibit D-27

CITY OF EAST ORANGE, N.J.

Schedule of NJ Environmental Infrastructure Trust Loans Payable

Water Utility Capital Fund

Year ended December 31, 2015

Purpose	Date of issue	Original issue	Maturities of bonds outstanding, December 31, 2015 Date	Amount	Interest rate	Balance, Dec. 31, 2014	Issued	Decreased	Balance, Dec. 31, 2015
2015B Fund Loan, Cont....			Feb. 1, 2022	4,065					
			Aug. 1, 2022	8,130					
			Feb. 1, 2023	4,065					
			Aug. 1, 2023	8,130					
			Feb. 1, 2024	4,065					
			Aug. 1, 2024	8,130					
			Feb. 1, 2025	4,065					
			Aug. 1, 2025	8,130					
			Feb. 1, 2026	4,065					
			Aug. 1, 2026	8,131					
			Feb. 1, 2027	4,065					
			Aug. 1, 2027	8,131					
			Feb. 1, 2028	4,065					
			Aug. 1, 2028	8,131					
			Feb. 1, 2029	4,065					
			Aug. 1, 2029	8,131					
			Feb. 1, 2030	4,065					
			Aug. 1, 2030	8,131					
			Feb. 1, 2031	4,065					
			Aug. 1, 2031	8,131					
			Feb. 1, 2032	4,065					
			Aug. 1, 2032	8,131					
			Feb. 1, 2033	4,065					
			Aug. 1, 2033	8,131					
			Feb. 1, 2034	4,065					
			Aug. 1, 2034	8,131					
						$ 6,913,896	339,844	377,183	6,876,557

Exhibit D-28

CITY OF EAST ORANGE, N.J.

Schedule of Bond Anticipation Notes Payable

Water Utility Capital Fund

Year ended December 31, 2015

Ord. No.	Improvement Description	Date of issue of original notes	Date of issue	Date of Maturity	Interest rate	Balance Dec.31 2014	Increased	Decreased	Balance, Dec.31, 2015
4-2009	Various Improvements to Water System	Sept. 24, 2014	Sept. 22, 2015	Aug. 19, 2016	2.00%	$ 1,038,000	1,038,000	1,038,000	1,038,000
4-2014	Emergency Temporary Appropriation Refunding	Sept. 24, 2014	Aug. 20, 2015	Aug. 19, 2016	2.00%	1,275,000	1,275,000	1,275,000	1,275,000
4-2014	Emergency Temporary Appropriation Refunding	Sept. 24, 2014	Sept. 22, 2015	Aug. 19, 2016	2.00%	1,890,000	1,890,000	1,890,000	1,890,000
24-2015	Water Treatment and Supply	Sept. 22, 2015	Sept. 22, 2015	Aug. 19, 2016	2.00%		900,000		900,000
						$ 4,203,000	5,103,000	4,203,000	5,103,000
						Cash $	900,000		
						Renewals	4,203,000	4,203,000	
							$ 5,103,000	4,203,000	

Exhibit D-29

CITY OF EAST ORANGE, N.J.

Schedule of Improvement Authorizations

Water Utility Capital Fund

Year ended December 31, 2015

Ordinance number	Improvement description	Balance, Dec. 31, 2014 Funded	Balance, Dec. 31, 2014 Unfunded	2015 Authorizations	Expended	Balance, Dec. 31, 2015 Funded	Balance, Dec. 31, 2015 Unfunded
	Security Services	$			(4,100)	4,100	
	Well Field Testing & Improvement	62,001				62,001	
	Improvements & Upgrades	292,757			58,655	234,102	
04-2009	Various Improvements to Water System		379,076				379,076
05-2009	Various Improvements to Sewer System	728,156	474,623		874,933		327,846
28-2010	Acquisition of Telephone Equipment		226,250		48,295		177,955
	Solar System Project	28,407			(5,095)	33,502	
	PSE&G Project Plan	4,407				4,407	
	Rowley Park	1,109				1,109	
	EOWC/WORPS Remodeling	132,975				132,975	
	Water Storage Project	28,622			(16,644)	45,266	
	Hydrogeological Study	3,710				3,710	
	Master Plan Phase II	2,792				2,792	
	Acquisition of Equipment (Homeland Security)	10				10	
	Hurricane Sandy Projects	167				167	
04-2014	Emergency Temporary Appropriation Refunding		880,445				880,445
23-2014	Waste Water Treatment Plant Improvements	520,000				520,000	
12-2015	Refunding Bond			18,900,000	18,125,000		775,000
24-2015	Water Treatment and Supply Program			12,400,000	8,904,383		3,495,617
		$ 1,805,113	1,960,394	31,300,000	27,985,427	1,044,141	6,035,939

Bonds & Notes Authorized not Issued $ 31,300,000

Cash Disbursements	$ 19,571,457
Contracts Payable	8,413,970
	$ 27,985,427

Exhibit D-30

CITY OF EAST ORANGE, N.J.

Schedule of Contracts Payable

Water Utility Capital Fund

Year ended December 31, 2015

Balance - December 31, 2014	$ 3,678,247
Increased by:	
Charges to Improvement Authorizations	8,413,970
	12,092,217
Decreased by:	
Cash Disbursements	3,678,247
Balance - December 31, 2015	$ 8,413,970

Exhibit D-31

Schedule of Capital Improvement Fund

Water Utility Capital Fund

Year ended December 31, 2015

Balance - December 31, 2014	$ 600,000
Increased by:	
Budget Appropriations	300,000
Balance - December 31, 2015	$ 900,000

Exhibit D-32

CITY OF EAST ORANGE, N.J.

Schedule of Reserve for Capital Improvements

Water Utility Capital Fund

Year ended December 31, 2015

Balance- December 31, 2014	$ 238,485
Balance- December 31, 2015	$ 238,485

Exhibit D-33

Schedule of Reserve for Amortization

Water Utility Capital Fund

Year ended December 31, 2015

Balance, December 31, 2014		$ 26,713,713
Increased by:		
Budget Appropriation -		
Serial Bonds	$ 1,760,000	
NJEIT Loans	377,183	
NJEIT Loans Principal Forgiveness	81,375	
Bonds Refunded	19,130,000	
		21,348,558
		48,062,271
Decreased by:		
Refunding Bond Ordinance		18,900,000
Balance, December 31, 2015		$ 29,162,271

Exhibit D-34

CITY OF EAST ORANGE, N.J.

Schedule of Reserve for Deferred Reserve for Amortization

Water Utility Capital Fund

Year ended December 31, 2015

Balance- December 31, 2014	$ 15,140,690
Balance- December 31, 2015	$ 15,140,690

Exhibit D-35

Schedule of Reserve for Payment of Debt

Water Utility Capital Fund

Year ended December 31, 2015

Balance, December 31, 2014	$ 4,804
Increased by:	
Cash Receipts	1,972,576
Balance, December 31, 2015	$ 1,977,380

Exhibit D-36

CITY OF EAST ORANGE, N.J.

Schedule of Bonds and Notes Authorized But Not Issued

Water Utility Capital Fund

Year ended December 31, 2015

Ordinance Number	Improvement Description	Balance Dec. 31, 2014	2015 Authorizations	Decreased	Balance Dec. 31, 2015
4-2009	Various Improvements to Water System	$ 520,000			520,000
5-2009	Various Improvements to Sewer System	474,625			474,625
28-2010	Acquisition of Telephone Equipment	226,250			226,250
12-2015	Refunding Bond Ordinance		18,900,000	18,125,000	775,000
24-2015	Water Treatment and Supply Program		12,400,000	1,321,219	11,078,781
		$ 1,220,875	31,300,000	19,446,219	13,074,656

Bonds Issued	$ 18,125,000
Bond Anticipation Notes Issued	900,000
NJEIT Loans	421,219
	$ 19,446,219

CITY OF EAST ORANGE

* * * * * * * * * * * *

PART II

LETTER ON COMPLIANCE AND ON INTERNAL CONTROL

COMMENTS AND RECOMMENDATIONS

YEAR ENDED DECEMBER 31, 2015

THIS PAGE INTENTIONALLY LEFT BLANK

Ferraioli, Wielkotz, Cerullo & Cuva, P.A.

Charles J. Ferraioli, Jr., MBA, CPA, RMA
Steven D. Wielkotz, CPA, RMA
James J. Cerullo, CPA, RMA
Paul J. Cuva, CPA, RMA
Thomas M. Ferry, CPA, RMA

Certified Public Accountants
401 Wanaque Avenue
Pompton Lakes, New Jersey 07442
973-835-7900
Fax 973-835-6631

Newton Office
100B Main Street
Newton, N.J. 07860
973-579-3212
Fax 973-579-7128

INDEPENDENT AUDITOR'S 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

Honorable Mayor and
Members of the City Council
City of East Orange
County of Essex, New Jersey

We have audited, in accordance with auditing standards generally accepted in the United States of America; audit requirements as prescribed by the Division of Local Government Services, Department of Community Affairs, State of New Jersey; and the standards applicable to financial audits contained in Government Auditing Standards, issued by the Comptroller General of the United States, the financial statements-regulatory basis of the City of East Orange in the County of Essex as of and for the year ended December 31, 2015 and the related notes to the financial statements, and have issued our report thereon dated July 29, 2016, which was adverse due to being presented in accordance with New Jersey regulatory basis of accounting.

Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements-regulatory basis, we considered the City of East Orange's internal control over financial reporting to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements-regulatory basis, but not for the purpose of expressing an opinion on the effectiveness of the City of East Orange's internal control. Accordingly, we do not express an opinion on the effectiveness of the City of East Orange'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 combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected on a timely basis. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

FWCC

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

We did identify a certain immaterial deficiency in internal control, described in the accompanying schedule of findings and questioned costs, Finding 2015-001, that we consider to be a significant deficiency.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the City of East Orange's financial statements-regulatory basis are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit and, accordingly, we do not express such an opinion. The results of our tests disclosed instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*, which are described in the accompanying schedule of findings and questioned costs as item 2015-001.

We also noted certain immaterial instances of noncompliance that we have reported to the management of the City of East Orange in the accompanying comments and recommendations section of this report.

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 City of East Orange'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 City of East Orange's internal controls and compliance. Accordingly, this communication is not suitable for any other purpose.

Steven D. Wielkotz, C.P.A.
Registered Municipal Accountant
No. CR00413

Ferraioli, Wielkotz, Cerullo & Cuva, P.A.

FERRAIOLI, WIELKOTZ, CERULLO & CUVA, P.A.
Certified Public Accountants
Pompton Lakes, New Jersey

July 29, 2016

FWCC

Ferraioli, Wielkotz, Cerullo & Cuva, P.A.

Charles J. Ferraioli, Jr., MBA, CPA, RMA
Steven D. Wielkotz, CPA, RMA
James J. Cerullo, CPA, RMA
Paul J. Cuva, CPA, RMA
Thomas M. Ferry, CPA, RMA

Certified Public Accountants
401 Wanaque Avenue
Pompton Lakes, New Jersey 07442
973-835-7900
Fax 973-835-6631

Newton Office
100B Main Street
Newton, N.J. 07860
973-579-3212
Fax 973-579-7128

INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE FOR EACH MAJOR FEDERAL AND STATE PROGRAM AND REPORT ON INTERNAL CONTROL OVER COMPLIANCE AS REQUIRED BY THE UNIFORM GUIDANCE AND N.J. OMB CIRCULAR 15-08

Honorable Mayor and
Members of the City Council
City of East Orange
County of Essex, New Jersey

Report on Compliance for Each Major Federal and State Program

We have audited the City of East Orange in the County of Essex compliance with the types of compliance requirements described in the OMB Compliance Supplement and N.J. Office of Management and Budget (OMB) Circular 15-08 Compliance Supplement that could have a direct and material effect on each of its major state programs for the year ended December 31, 2015. The City of East Orange's major federal and state programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

Management's Responsibility

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

Auditor's Responsibility

Our responsibility is to express an opinion on compliance for each of the City of East Orange's major state programs based on our audit of the types of compliance requirements referred to above. We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and the audit requirements of Title 2 U.S. Code of Federal Regulations Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance) and N.J. OMB Circular 15-08. Those standards, the Uniform Guidance and N.J. OMB Circular 15-08 require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major state program occurred. An audit includes examining, on a test basis, evidence about the City of East Orange's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances.

FWCC

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

Opinion on Each Major Federal and State Program

In our opinion, the City of East Orange complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major federal and state programs for the year ended December 31, 2015.

Report on Internal Control Over Compliance

Management of the City of East Orange is responsible for establishing and maintaining effective internal control over compliance with the types of compliance requirements referred to above. In planning and performing our audit of compliance, we considered the City of East Orange's internal control over compliance with the types of requirements that could have a direct and material effect on a major federal and state program to determine our auditing procedures that are appropriate in the circumstances for the purpose of expressing an opinion on compliance for each major federal and state program and to test and report on internal control over compliance with the Uniform Guidance and N.J. OMB Circular 15-08, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of the City of East Orange's internal control over compliance.

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

Our consideration of the internal control over compliance was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies and, therefore, material weaknesses or significant deficiencies may exist that were not identified. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses. However, we identified certain deficiencies in internal control over compliance as described in the accompanying schedule of findings and questioned costs as item 2015-002 that we consider significant deficiencies.

FWCC

The City of East Orange's response to the internal control over compliance finding identified in our audit is described in the accompanying schedule of findings and questioned costs. The City of East Orange's response was not subjected to the auditing procedures applied in the audit of compliance and, accordingly, we express no opinion on the response.

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

Report on Schedules of Expenditures of Federal Awards and State Financial Assistance Required by the Uniform Guidance and NJ OMB Circular 15-08

We have audited the financial statements of the City of East Orange, New Jersey as of and for the year ended December 31, 2015, and have issued our report thereon dated July 29, 2016, which contained an unmodified opinion on those financial statements on a regulatory basis. Our audit was conducted for the purpose of forming an opinion on the financial statements as a whole. The accompanying schedules of expenditures of federal awards and the Uniform Guidance and NJ OMB Circular 15-08 and are not a required part of the financial statements. Such information is the responsibility of management and was derived from and related directly to the underlying accounting and other records used to prepare the financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the schedule of expenditure of federal awards and State financial assistance are fairly stated in all material respects in relation to the financial statements taken as a whole.

Steven D. Wielkotz
Registered Municipal Accountant
No. 413

Ferraioli, Wielkotz, Cerullo & Cuva, P.A.

FERRAIOLI, WIELKOTZ, CERULLO & CUVA, P.A.
Certified Public Accountants
Pompton Lakes, New Jersey

July 29, 2016

FWCC

THIS PAGE INTENTIONALLY LEFT BLANK

Schedule 1

CITY OF EAST ORANGE, N.J.

Schedule of Expenditures of Federal Awards

Year ended December 31, 2015

Program	CFDA number	Grant period	Award Amount	Balance at Dec. 31, 2014	Cash Received	Expenditures	Adjustments/ Cancellations	Deferred Revenue/ (Accounts Receivable) at Dec. 31, 2015	MEMO Cumulative Total Expenditures
Federal and State Grant Fund:									
US Department of Health and Human Services									
(Passed Through)									
Lead Based Paint Poisoning Program (Passed through)	93.994	2014	250,000	(13,477)	162,123	184,990		(36,344)	227,917
Lead Based Paint Poisoning Program (Passed through)	93.994	2015	250,000						
Lead Intervention		2011	85,561	85,561				85,561	
HIV Counseling and Testing (Passed through)	93.940	2013	172,551	(14,774)				(14,774)	172,551
HIV Counseling and Testing (Passed through)	93.940	2014	232,365	(113,135)	224,002	119,230		(8,363)	232,365
HIV Counseling and Testing (Passed through)	93.940	2015	140,588			33,315		(33,315)	33,315
Alcohol and Drug Abuse-Methadone Program									
Methadone Intensive Outpatient(Passed Through)	93.959		35,017	35,017				35,017	
Division of Senior Services									
Home Friend Program	93.667	2014	240,000	(35,011)				(35,011)	240,000
Home Friend Program	93.667	2015	240,000		163,122	240,000		(76,878)	240,000
Social Services Block Grant									
Hurricane Sandy Lead Screenings	93.667	2014/15	125,000	(19,812)	72,368	91,654		(39,098)	111,466
Senior Services Special Project			194,800	(5,300)				(5,300)	5,300
				(80,931)	621,615	669,189		(128,505)	1,262,914
US Department of Justice									
Weed, and Seed	16.595	2011	155,275	6,748				6,748	148,527
COPS Technology Program (CRISP)	16.004	2009	22,380			21,321		(21,321)	21,321
COPS Ahead Grant	16.710	2013	1,310,982	(1)				(1)	1,310,982
Edward Byrne Memorial Justice Assistance	16.738	2013	74,752	(74,752)				(74,752)	74,752
Edward Byrne Memorial Justice Assistance	16.738	2014	92,266	(18,680)		4,533		(23,213)	65,005
Law Enforcement Block Grant				252				252	
				(86,433)		25,854		(112,287)	1,620,587

CITY OF EAST ORANGE, N.J.

Schedule of Expenditures of Federal Awards

Year ended December 31, 2015

Program	CFDA number	Grant period	Award Amount	Balance at Dec. 31, 2014	Cash Received	Expenditures	Adjustments/ Cancellations	Deferred Revenue/ (Accounts Receivable) at Dec. 31, 2015	MEMO Cumulative Total Expenditures
Department of Agriculture									
WIC-Supply Food Program for Women, Infants, and Children	10.557	2012/13	2,055,727	(92,108)				(92,108)	2,055,727
WIC-Supply Food Program for Women, Infants, and Children	10.557	2013/14	2,082,863	304,242	692,947	1,003,434		(6,245)	1,690,438
Winter Food Service Program (Passed through) (Child and Adult Care Food Program)	10.558	2012/13	1,849,208	(3,914,857)	1,579,406			(2,335,451)	1,849,208
Winter Food Service Program (Passed through) (Child and Adult Care Food Program)	10.558	2013/14	7,170,032	2,372,710		1,600,971		771,739	3,718,733
Summer Food Service Food Program (Passed through)	10.559	2012/13	1,753,468	(1,447,360)	297,713			(1,149,647)	1,753,468
Summer Food Service Food Program (Passed through)	10.559	2013/14	1,818,298	643,649		358		643,291	459,691
Summer Food Service Food Program (Passed through)	10.559	2014/15	377,723			344,247		(344,247)	344,247
				(2,133,724)	2,570,066	2,949,010		(2,512,668)	11,871,512
Department of Homeland Security									
Disaster Grant (Hurricane Sandy)	97.036	2013	917,123	(917,123)			917,123		917,123
East Orange OEM	97.042	2013	10,000	20,000				20,000	
SAFER Grant	97.044	2013	930,138	107,863				107,863	1,393,172
				(789,260)			917,123	127,863	2,310,295
Department of Law and Public Safety									
East Orange Hazardous Materials and Incident Plan	20.703	2011	21,020	(981)				(981)	
				(981)				(981)	
Department of Energy									
Energy Efficient and Conservation Grant	81.128	2011	3,538	3,538				3,538	
				3,538				3,538	

Schedule 1

CITY OF EAST ORANGE, N.J.

Schedule of Expenditures of Federal Awards

Year ended December 31, 2015

Program	CFDA number	Grant period	Award Amount	Balance at Dec. 31, 2014	Cash Received	Expenditures	Adjustments/ Cancellations	Deferred Revenue/ (Accounts Receivable) at Dec. 31, 2015	MEMO Cumulative Total Expenditures
Department of Labor									
Hurricane Sandy NEG	17.284	2013	561,513	7,960				7,960	476,498
				7,960				7,960	476,498
Total State and Federal Grant Fund:				(3,079,831)	3,191,681	3,644,053	917,123	(2,615,080)	17,541,806
Trust Fund:									
US Departments of Housing and Urban Development									
Community Development Block Grant	14.218	2013	1,358,054						1,358,054
Community Development Block Grant	14.218	2014	1,363,259	651,913		111,616		540,297	1,363,259
Community Development Block Grant	14.218	2015	1,306,775		2,080,119	2,065,813		14,306	2,065,813
Shelter Plus Care	14.238	2013	583,398						583,398
Shelter Plus Care	14.238	2014	607,553	(504,947)	504,947				607,553
Shelter Plus Care	14.238	2015	626,805		103,688	549,077		(445,389)	549,077
HOME Program/Program Income	14.239	2013	357,816	(26,220)	26,220				1,821,480
HOME Program/Program Income	14.239	2014	68,298	(68,298)	68,298				68,289
HOME Program/Program Income	14.239	2015	41,889		426,717	472,493		(45,776)	472,493
Economic Development Initiative	14.251								
Economic Development Initiative	14.251	2010		(23,750)				(23,750)	38,000
Total Trust Fund:				28,698	3,209,989	3,198,999		39,688	8,927,416
Water Utility Fund:									
Department of Labor									
Hurricane Sandy NEG	17.284	2013	456,319	(262,503)				(262,503)	136,859
				(262,503)				(262,503)	136,859

Schedule 1

CITY OF EAST ORANGE, N.J.

Schedule of Expenditures of Federal Awards

Year ended December 31, 2015

Program	CFDA number	Grant period	Award Amount	Balance at Dec. 31, 2014	Cash Received	Expenditures	Adjustments/ Cancellations	Deferred Revenue/ (Accounts Receivable) at Dec. 31, 2015	MEMO Cumulative Total Expenditures
Environmental Protection Agency									
Capitalization Grants for Clean Ware									
State Revolving Funds									
Wastewater Facilities-Sewer	66.458	2010	2,280,375	(172,199)				(172,199)	2,280,375
Wastewater Facilities - Project # W0705001-008	66.458	2010	3,662,000	(393,696)	1,628,358	1,628,358		(393,696)	2,871,836
Wastewater Facilities - Project # W0705001-011	66.458	2015	7,222,292						
Wastewater Facilities - Project # S340686-07A	66.458	2015	239,844						
Wastewater Facilities - Project # S340686-07A (Principal Forgiveness)	66.458	2015	81,375						
				(565,895)	1,628,358	1,628,358		(565,895)	5,152,211
Department of Homeland Security									
Disaster Grant (Hurricane Sandy)	97.036	2013	469,782	(367,066)				(367,066)	469,782
				(367,066)				(367,066)	469,782
Total Water Utility Fund:				(1,195,464)	1,628,358	1,628,358		(1,195,464)	5,758,852
Total Federal Awards				$ (4,246,597)	8,030,028	8,471,410	917,123	(3,770,856)	32,228,074

Note: This schedule was subject to an audit in accordance with the Uniform Guidance

Schedule 2

CITY OF EAST ORANGE, N.J.

Schedule of Expenditures of State Financial Assistance

Year ended December 31, 2015

	Grant number	Grant period	Award Amount	Balance Dec. 31, 2014	Cash Received	Budgetary Expenditures	Adjustments/ Cancellations	Deferred Revenue/ (Accounts Receivable) at Dec. 31, 2015	MEMO Cumulative Total Expenditures
Federal and State Grant Fund:									
Department of Community Affairs									
Lead Hazard Control Assistance Fund	8050-745-001	2010	250,000	(249,977)				(249,977)	249,977
Clean Communities Program- Passed Through Dept. of Environmental Protection	4900-765-178920	2014	125,793	125,793		76,795		48,998	76,795
Clean Communities Program- Passed Through Dept. of Environmental Protection	4900-765-178920	2015	111,196		111,196			111,196	
Municipal Alliance	100-082-2000-044-995120	2013	103,875	(103,875)				(103,875)	103,875
Municipal Alliance	100-082-2000-044-995120	2014	15,625	41,253				41,253	10,122
Municipal Alliance	100-082-2000-044-995121	2015	27,266						
Urban Enterprise Zone - Passed Through Commerce and Economics	2830-763-046/053	2012	662,359	(150,013)				(150,013)	150,013
Balanced Housing Program	100-022-8020-101		106,389	(88,389)				(88,389)	88,389
Statewide Livable Communities			26,615	26,615				26,615	
				(398,593)	111,196	76,795		(364,192)	679,171
Department of Health and Human Services									
Public Health Priority Funding	4220-150-0210030-60	2010	59,801	59,801				59,801	
Alcohol Education & Rehab Grant	054-7700-100-102/168	2013	745,916	(745,916)	414,208			(331,708)	745,916
Alcohol Education & Rehab Grant	054-7700-100-102/168	2014	895,916	310,814	366,843	664,813		12,844	888,283
Alcohol Education & Rehab Grant	054-7700-100-102/168	2015	487,716						
Infant Mortality Fund- Maternity Grant			13,698	13,698				13,698	
Tobacco Enforcement Grant	100-046-4240-165		7,890	(7,890)			86	(7,804)	7,804
Pandemic Flu	06-92-BT-L-0		9,602	(9,284)				(9,284)	9,284
DYFS Methadone Drug Abuse		2010	116,847	76,469	40,378			116,847	
				(302,308)	821,429	664,813	86	(145,606)	1,651,287

Schedule 2

CITY OF EAST ORANGE, N.J.

Schedule of Expenditures of State Financial Assistance

Year ended December 31, 2015

	Grant number	Grant period	Award Amount	Balance Dec. 31, 2014	Cash Received	Budgetary Expenditures	Adjustments/ Cancellations	Deferred Revenue/ (Accounts Receivable) at Dec. 31, 2015	MEMO Cumulative Total Expenditures
Department of Transportation									
Transportation Trust Fund	480-078-6320	2012	7,183,675	197,155	409,820	392,058		214,917	4,885,507
Transportation Trust Fund	480-078-6320	2014	412,760						
Transportation Trust Fund	480-078-6320	2015	412,350						
Youth Corp Urban Gateway Enhancement Program		2013	64,000	(64,000)				(64,000)	
Youth Corp Urban Gateway Enhancement Program		2014	32,000	(405)		2,895		(3,300)	29,105
Youth Corp Urban Gateway Enhancement Program		2015	32,000		32,000	31,611		389	31,611
				132,750	441,820	426,564		148,006	4,946,223
Department of Children and Families									
Child Protection and Permancy	016-1610-100-015	2015	258,200		150,619	73,867		76,752	73,867
					150,619	73,867		76,752	73,867
Department of Law and Public Safety									
Traffic Enforcement Fund	N/A			14				14	
Body Armor Program	1020-718-001	2014	48,952	42,900		21,539		21,361	27,591
Body Armor Program	1020-718-001	2015	19,191		19,191			19,191	
				42,914	19,191	21,539		40,566	27,591
Office of Information Technology									
Police PSAP - Enhance 911 General Assistance	07-10-082-2034-050	2008		5				5	
Pedestrian Safety Program	480-078-6320	2012	15,000	(15,000)				(15,000)	15,000
Pedestrian Safety Program	480-078-6320	2015	14,000			13,000		(13,000)	13,000
				(14,995)		13,000		(27,995)	28,000
Division of Highway Traffic Safety									
Drunk Driving Enforcement Fund			7,466	7,454				7,454	12
Click it or Ticket		2013	9,000	(5,000)				(5,000)	4,000
				2,454				2,454	4,012
Department of Environmental Protection									
Green Acres- Multi Parks Project	042-4800-533-003-12	2012	465,000	(436,216)				(436,216)	457,894
Recycling Grant	042-4900-001-6020	2013	39,930	38,459				38,459	1,471
		2014	22,090	22,090				22,090	
		2015	7,607		7,607			7,607	
Municipal Stormwater Regulation Program	100-042-4840-091			2,366				2,366	9,836
				(373,301)	7,607			(365,694)	469,201

CITY OF EAST ORANGE, N.J.

Schedule of Expenditures of State Financial Assistance

Year ended December 31, 2015

	Grant number	Grant period	Award Amount	Balance Dec. 31, 2014	Cash Received	Budgetary Expenditures	Adjustments/ Cancellations	Deferred Revenue/ (Accounts Receivable) at Dec. 31, 2015	MEMO Cumulative Total Expenditures
Other Agencies									
County Of Essex									
Open Space - Soverel Park Court Improvements		2014	150,000			4,000		(4,000)	4,000
NJ School Construction Corp.									
School Demonstration Project	1210-N01-04-10000	2012							
Emergency Relocation Lead Program				25				25	
Delta Dental Plan		2014	26,563	27,251		10,121		17,130	9,433
Delta Dental Plan		2015	20,000		20,000			20,000	
Comcast Video - City Council Surveillance			150,000	133,936		125,291		8,645	103,364
NJ Relocation Assistance			75,000	66,653				66,653	122
Total Local Awards				227,865	20,000	135,412		112,453	112,919
Total Federal and State Grant Fund:				(683,214)	1,571,862	1,411,990	86	(523,256)	7,992,271
Water Utility Fund:									
Department of Labor									
Hurricane Sandy NEG		2012		(12,435)				(12,435)	
				(12,435)				(12,435)	
Environmental Protection Agency									
Capitalization Grants for Clean Water State Revolving Funds									
Wastewater Facilities State Revolving Fund Loan (Sewer)	042-4860-510-009-13	2010	760,125	(57,400)				(57,400)	760,125
Wastewater Facilities State Revolving Fund Loan - Project #W0705001-008	042-4860-510-009-13	2010	3,662,000	(393,695)	1,628,361	1,628,361		(393,695)	2,871,838
Wastewater Facilities State Revolving Fund Loan - Project #W0705001-011	042-4860-510-009-13	2015	2,407,431		1,972,576	1,972,576			1,972,576
Wastewater Facilities State Revolving Fund Loan - Project #S340686-07A	042-4860-510-009-13	2015	107,073						
Total Water Utility Fund:				(451,095)	3,600,937	3,600,937		(451,095)	5,604,539
				(463,530)	3,600,937	3,600,937		(463,530)	5,604,539
Total State and Local Awards				$ (1,146,744)	5,172,799	5,012,927	86	(986,786)	13,596,810

Note: This schedule was subject to an audit in accordance with N.J. OMB 15-08

THIS PAGE INTENTIONALLY LEFT BLANK

CITY OF EAST ORANGE
NOTES TO THE SCHEDULES OF EXPENDITURES OF FEDERAL AND STATE AWARDS
FOR THE YEAR ENDED DECEMBER 31, 2015

NOTE 1. GENERAL

The accompanying schedules of expenditures of awards present the activity of all federal and state financial assistance programs of the City of East Orange, County of Essex. The City is defined in Note 1A to the City's financial statements. All federal financial assistance received directly from federal agencies, as well as federal financial assistance passed through other government agencies is included on the schedule of expenditures of awards.

NOTE 2. BASIS OF ACCOUNTING

The accompanying schedules of expenditures of awards are presented using the modified accrual basis of accounting as prescribed for counties by the Division of Local Government Services, Department of Community Affairs, State of New Jersey which differ in certain respects from generally accepted accounting principles (GAAP) applicable to local government units. This basis of accounting is described in Note 1(B) to the City's financial statements.

NOTE 3. RELATIONSHIP TO FINANCIAL STATEMENTS

Amounts reported in the accompanying schedules do not agree with amounts reported in the City's financial statements because encumbrances are not reported in the accompanying schedules. Financial assistance awards are reported in the City's financial statements on a basis of accounting described above as follows:

	Federal	State	Local	Total
Current Fund	$3,644,053	$1,276,578	$135,412	$5,056,043
Trust Fund	3,198,999			3,198,999
Water Utility Capital Fund	1,628,358	3,600,937		5,229,295
Total Financial Awards	$8,471,410	$4,877,515	$135,412	$13,484,337

NOTE 4. RELATIONSHIP TO FEDERAL AND STATE FINANCIAL REPORTS

Amounts reported in the accompanying schedules agree, in all material respect, with the amounts reported in the related federal and state financial reports. However, we noted certain differences which are reported in the accompanying schedule of findings of noncompliance and questioned costs.

NOTE 5. ADJUSTMENTS

Amounts reported in the accompanying schedules were adjusted to report the financial assistance awards as described in Note 2 Basis of Accounting.

NOTE 6. FEDERAL AND STATE LOANS OUTSTANDING

The City's federal and state loans outstanding at December 31, 2015, which are not required to be reported on the schedule of expenditures of federal and state awards, are as follows:

Loan Program	Total
State of New Jersey Green Acres Trust Loan	$421,169

NOTE 7. INDIRECT COST RATE

The City of East Orange has elected not to use the 10-percent de minimis indirect cost rate as allowed under the Uniform Guidance.

CITY OF EAST ORANGE
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE YEAR ENDED DECEMBER 31, 2015

Section I - Summary of Auditor's Results

Financial Statements

Type of auditor's report issued: adverse - USGAAP
unmodified - regulatory

Internal control over financial reporting:

1. Significant deficiencies identified that are not considered to be material weaknesses? X yes ____ none reported

2. Material weakness(es) identified? ____ yes X no

Noncompliance material to financial statements noted? X yes ____ no

Federal Awards Section

Dollar threshold used to determine type A programs: $ 750,000

Auditee qualified as low-risk auditee? ____ yes X no

Type of auditors' report on compliance for major programs: unmodified

Internal Control over compliance:

1. Significant deficiencies identified that are not considered to be material weaknesses? X yes ____ none reported

2. Material weakness(es) identified? ____ yes X no

Any audit findings disclosed that are required to be reported in accordance with Uniform Guidance? X yes ____ no

Identification of major programs:

CFDA Number(s)	Name of Federal Program
10.558	Summer Food Service Program Child and Adult Care Food Program
66.458	New Jersey Environmental Infrastructure Trust Grant
10.557	WIC - Supply Food Program for Women, Infants and Children
14.218	Community Development Block Grant

Section I - Summary of Auditor's Results, (continued)

State Awards Section

Dollar threshold used to determine type A programs:	$ 750,000	
Auditee qualified as low-risk auditee?	_____ yes	X no
Type of auditors' report on compliance for major programs:	unmodified	
Internal Control over compliance:		
1. Significant deficiencies identified that are not considered to be material weaknesses?	_____ yes	X none reported
2. Material weakness(es) identified?	_____ yes	X no
Any audit findings disclosed that are required to be reported in accordance with N.J. OMB Circular 15-08, as amended?	_____ yes	X no

Identification of major programs:

GMIS Number(s)	Name of State Program
042-4860-5100-009-13	Wastewater Facilities State Revolving Fund Loan

Section II – Financial Statement Findings

This section identifies the significant deficiencies, material weaknesses and instances of noncompliance related to the basic financial statements that are required to be reported in accordance with Chapter 5.18 of General Auditing Standards.

Finding 2015-001

The subsidiary ledgers for the Water Utility Funds were not always in agreement with the general ledger account balances or the adopted budget.

Criteria or Specific Requirement:

N.J.A.C. 5:30-5.7 General Ledger Accounting Systems

Condition:

The subsidiary ledgers for the Water Utility Funds were not always in agreement with the general ledger account balances or the adopted budget.

Questioned Costs:

None

Context:

The legal line items in the budget appropriation reports did not agree to the adopted budget. In addition, there were several reports including the open encumbrance report, accounts payable report, municipal lien report and consumer accounts reports which did not agree to the general ledger balances.

Effect:

The general ledger presented for audit did not agree to supporting subsidiary ledgers.

Cause:

The finance department and the water utility commission do not reconcile the general ledger and the subsidiary ledgers.

Recommendation:

That more care be taken to ensure the records of the water utility funds are accurately reflected in the general ledger.

Management's Response:

The City has reviewed this finding and has indicated corrective action will be taken.

Section III – Federal Awards and State Financial Assistance Findings and Questioned Costs

This section identifies the significant deficiencies, material weaknesses, and instances of noncompliance, including questioned costs, related to the audit of major federal and state programs, as required by the Uniform Guidance and New Jersey OMB's Circular 15-08, as amended.

FEDERAL AWARDS

Finding 15-002

Information on the federal program:
U.S. Department of Agriculture – Child and Adult Food Program, CFDA #10.558

Criteria or specific requirement:
Monitoring compliance requires site visits to the sub-recipients to review financial and programmatic records and observation of operations.

Condition:
The City's process in place to perform on-site fiscal and programmatic monitoring of their sub-recipients is not operating as designed.

Questioned costs:
None.

Context:
The City does not perform a sufficient amount of the required on-site fiscal and programmatic monitoring procedures over their sub-recipients.

Effect:
Failure to perform fiscal and programmatic monitoring results in non-compliance with the specific program requirements in accordance with OMB Uniform Guidance.

Cause:
The City does not have an adequate system in place to ensure proper monitoring of their sub-recipients

Recommendation:
A process be developed and implemented to ensure proper documentation is collected and on-site fiscal and programmatic monitoring procedures are performed.

Management's response:
Procedures are to be implemented to ensure proper on-site fiscal and programmatic monitoring will take place in the future.

CITY OF EAST ORANGE
SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS
FOR THE YEAR ENDING DECEMBER 31, 2015
(continued)

This section identifies the status of prior-year findings related to the general purpose financial statements and federal and state awards that are required to be reported in accordance with Chapter 6.12 of *Government Auditing Standards*, U.S. OMB Circular A-133 (section .315(a)(b)) and New Jersey OMB's Circular 04-04, as amended.

STATUS OF PRIOR YEAR FINDINGS:

Finding 2014-001

The fixed asset inventory has not been updated since June 30, 2011. In addition, the fixed assets inventory listing includes machinery and equipment but does not include land, buildings and building improvements.

Current Status

Corrective action has been taken.

Finding 2014-002

The subsidiary ledgers for the Water Utility Funds were not always in agreement with the general ledger account balances or the adopted budget.

Current Status

See Finding 2015-001.

Finding 2014-003

Administrative costs in conjunction with the operation of the Child and Adult Care Food Program have exceeded 15% of the total allotment.

Current Status

Corrective action has been taken.

Finding 2014-004

Grantees may disburse funds only to those organizations that meet the eligibility requirements state in the grant agreement.

Current Status

Corrective action has been taken.

THIS PAGE INTENTIONALLY LEFT BLANK

CITY OF EAST ORANGE

GENERAL COMMENTS

Contracts and Agreements Requiring Advertisement for Bid

N.J.S.A. 40A:11-2 contains definitions for terms used throughout N.J.S.A. 40A:11-1 et seq. and was amended under P.L. 1999, c.440. It includes as subsection (23) the term 'competitive contracting', which is defined as "the method described in sections 1 through 5 of P.L. 1999, c.440 (C.40:11-4.1 through C.40A:11-4.5) of contracting for specialized goods and services in which formal proposals are solicited from vendors' formal proposals are evaluated by the purchasing agent or counsel; and the governing body awards a contract to a vendor or vendors from among the formal proposals received."

N.J.S.A. 40A:11-3 was amended with P.L. 1999, c.440 to raise the bid threshold and require award by governing body resolution. "When the cost or price of any contract awarded by the purchasing agent in the aggregate does not exceed in a contract year the total sum of $17,500 or $25,000 if there is a certified purchasing agent, the contract may be awarded by a purchasing agent when so authorized by ordinance or resolution as appropriate to the contracting unit, of the governing body of the contracting unit without public advertising for bids and bidding therefore, except that the governing body may adopt an ordinance or resolution to set a lower threshold for the receipt of public bids or the solicitation of competitive quotations."

N.J.S.A. 40A:11-15 was amended with P.L. 1999, c.440 to extend the base contract period. "Any contract made pursuant to this section may be awarded for a period of 24 consecutive months, except that contracts for professional services pursuant to paragraph (1) of subsection (a) of N.J.S.A. 40A:11-5 may be awarded for a period not exceeding 12 consecutive months."

Effective July 1, 2010 and thereafter the bid thresholds in accordance with N.J.S.A. 40A:11-3 (as amended) is $17,500 or $36,000 if there is a certified purchasing agent. On July 1, 2015, the threshold with a qualified purchasing agency was increased to $40,000.

The governing body has the responsibility of determining whether the expenditures in any category will exceed the statutory thresholds within the contract year. Where question arises as to whether any contract or agreement might result in violation of the statute, the Solicitor's opinion should be sought before a commitment is made.

The minutes indicated that bids were requested by public advertising for the following items:

East Orange Golf Course Renovation
Lease of Golf Carts
Private Collection Agency Services
Milling and Paving of Various Streets
2015 Summer Food Service Program
2015 or New Tahoe LT FWD or Equivalent
Financial Consulting and Bookkeeping Services
Demolition, Construction and/or Rehabilitation of Structures at East Orange Golf Course
East Orange Golf Course Concession Stand Concessionaire
Third Party Administrator Services
Online Tee Booking and Integrated Tee Shirt Service Software and Marketing Services
Seasonal Municipal Pool and Spray Ground Maintenance Service
Public Health Clinic Services
Soveral Park Tennis and Handball Courts Rehabilitation
Phase I - Environmental Review

Planning Board and Zoning Board of Adjustment Consultant
City Wide Parks and Facilities Seasonal Landscaping Services for Department of Public Works
Electronic Recycling Services for Department of
Health Insurance Brokerage Services
Golf Marketing Services for Department of Police Planning And Economic Development
Janitorial Services for Department of Public Works
General Plumbing Services for Department of Public Works
Afterschool Meal Program
Meals Delivered Services (Prisoners) for Department of Public Works

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

The results of our examination indicated that no individual payments, contracts, or agreements were made "for the performance of any work or the furnishing or hiring of any materials or supplies," in excess of the statutory thresholds where there had been no advertising for bids in accordance with the provision of N.J.S.A.40A:11-4.

Resolutions were adopted authorizing the awarding of contract or agreements for "Professional Services" per N.J.S.A. 40A:11-5.

Collection of Interest on Delinquent Taxes and Assessments

The governing body, on January 12, 2015, adopted the following amended resolution authorizing interest to be charged on delinquent taxes:

> "BE IT FURTHER RESOLVED, by the City of East Orange, in the County of Essex, State of New Jersey, that the interest on delinquent taxes during the year 2015 be charged at the rate of eight (8) percent of the first $1,500 of the delinquency on any lot, and at the rate of eighteen (18) percent on any amount in excess of $1,500, the same calculated from the date the tax was payable until the date of the actual payment, provided however, that no interest be charged if payment of taxes is made within 10 days after the date upon which the same became payable.
>
> BE IT FURTHER RESOLVED, that pursuant to N.J.S.A. 54-4-67 delinquencies in excess of $10,000 at the end of the Calendar Year 2015, be charged an additional six (6) percent end of year penalty."

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

Delinquent Taxes and Tax Title Liens

A tax sale was held on October 1, 2015.

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

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

	Number of Liens
December 31, 2015	307
December 31, 2014	321
December 31, 2013	440

Verification of Delinquent Taxes and Other Charges

A test verification of delinquent charges and current payments was made in accordance with the regulations of the Division of Local Government Services.

In addition, analytical review procedures were utilized to ascertain the validity of the receivables.

THIS PAGE INTENTIONALLY LEFT BLANK

CITY OF EAST ORANGE
COMMENTS & RECOMMENDATIONS
DECEMBER 31, 2015

Comments:

Finance:

*1. A review of the trust accounts and reserve balances found that there were certain accounts that were either inactive or had multiple bank accounts for the same purpose. In addition, it was noted that several reserve balances did not have approved Dedication by Riders.

*2. A detailed list of accounts payable balances that agrees to the general ledger balance could not be provided at the time of audit.

*3. The Tax Redemption Trust and Tax Escrow Trust have unallocated funds recorded in the reserve balances.

*4. The Federal and State Grant Fund subsidiary ledger was not updated to reflect audited balances.

*5. There were tax overpayments from prior years that were not refunded nor applied.

*6. Large receivable and reserve balances exist in the Community Development and Home Loan Trust Funds which she be investigated for collectability.

7. Cash receipts are being posted as budget off-sets rather than anticipated as revenue in the budget.

Purchasing:

1. There were instances in which quotes were not provided for items selected for review which exceeded 15% of the bid threshold.

Departments:

1. Fees collected by the Health Department for Dog Licenses, Marriage Licenses and Burial Fees are not being turned over to the State in a timely manner.

Comments: (continued)

Municipal Court:

1. There are 1,205 tickets Eligible for FTA over 14 days on the December Monthly Management Report.
2. There are 14,185 tickets Assigned over 180 days on the December Monthly Management Report.
3. There are 308 tickets in Other Case Status on the December Monthly Management Report.
4. There are 413 tickets Eligible for DSUS/RSUS on the December Monthly Management Report.
5. Monies collected are not being turned over to the proper agencies prior to the fifteenth of the subsequent month.

*6. The reconciled cash balance in the Bail Account does not agree to the Analysis of Open Bail.

Water Utility Commission:

1. Line item amounts of the Water Utility operating budget appropriations in the internal accounting system did not agree to the adopted budget.
2. A detailed list of open encumbrances that agrees to the general ledger balance could not be provided at the time of audit.
3. A detailed list of accounts payable balances that agrees to the general ledger balance could not be provided at the time of audit.
4. An analysis of consumer accounts receivable that agrees to the general ledger balance could not be provided at the time of audit.

CITY OF EAST ORANGE
COMMENTS & RECOMMENDATIONS
DECEMBER 31, 2015

Recommendations:

Finance:

*1. That trust account balances be reviewed and consideration be given to either closing inactive accounts and/or consolidating bank accounts in instances where there are multiple bank accounts or one trust reserve. Also, reserves should be reviewed to determine if the balance should be cancelled or if a Dedication by Rider should be obtained.
*2. That a detailed list of accounts payable be provided at the time of audit.
*3. That the reserve balances be reviewed and any unallocated amounts be turned over to the current fund.
*4. That the subsidiary ledger be updated to reflect audit balances.
*5. That tax overpayments be refunded in a timely manner.
*6. That Community Development and Home Loan Trust Fund receivable and reserve balances be reviewed to ensure collection is possible and cancelled if necessary.
7. That receipts collected for services provided be recorded as part of anticipated revenues not budget reimbursements.

Purchasing:

1. That verification of quotes obtained for purchases which exceed 15% of the bid threshold be provided for review at the time of audit.

Departments:

1. That fees collected which are designated as Due to State be turned over in a timely manner.

Recommendations: (continued)

Municipal Court:

1. That tickets Eligible for FTA over 14 days be processed in a timely manner.
2. That tickets Assigned over 180 days be recalled by the Court Administrator.
3. That items in Other Case Status be processed in a timely manner.
4. That items Eligible for DSUS/RSUS be processed in a timely manner.
5. That monies collected be turned over to the proper agencies prior to the fifteenth of the subsequent month.
6. That the unallocated balance in the Bail Account be investigated and if necessary the monies be turned over to the proper agencies.

Water Utility Commission:

1. That the Water Utility operating budget appropriations be entered into the internal accounting system as reflected in the adopted budget.
2. That a detailed list of open purchase orders that agrees to the trial balance be maintained and made available at the time of audit.
3. That a detailed list of accounts payable be provided at the time of audit.
5. That an accurate analysis of consumer accounts receivable that agrees to the general ledger be maintained and made available at the time of audit.

CITY OF EAST ORANGE

STATUS OF PRIOR YEAR AUDIT FINDINGS/RECOMMENDATIONS

A review was performed on all prior year recommendations and corrective action was taken on all, except for those recommendations denoted with an asterisk ("*").

The problems and weaknesses noted in our audit were not of such magnitude that they would affect my ability to express an opinion on the financial statements taken as a whole.

Should any questions arise as to my comments or recommendations, or should you desire assistance in implementing my recommendations, please do not hesitate to call me.

Respectfully submitted,

Steven D. Wielkotz
Registered Municipal Accountant
No. CR00413

FERRAIOLI, WIELKOTZ, CERULLO & CUVA, P.A.
Certified Public Accountants
Pompton Lakes, New Jersey

July 29, 2016