

**TOWNSHIP OF IRVINGTON**

**COUNTY OF ESSEX**

**NEW JERSEY**

**REPORT ON**

**EXAMINATION OF ACCOUNTS**

**FOR THE YEAR 2016**

**SAMUEL KLEIN AND COMPANY  
CERTIFIED PUBLIC ACCOUNTANTS**

TOWNSHIP OF IRVINGTON  
COUNTY OF ESSEX, NEW JERSEY

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**PART I**  
**REPORT ON EXAMINATION**  
**FINANCIAL STATEMENTS**  
**NOTES TO FINANCIAL STATEMENTS**  
**AND SUPPLEMENTARY EXHIBITS**  
**YEAR ENDED DECEMBER 31, 2016**

# **SAMUEL KLEIN AND COMPANY**

CERTIFIED PUBLIC ACCOUNTANTS

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## **INDEPENDENT AUDITOR'S REPORT**

The Honorable Mayor and Members  
of the Township Council  
Township of Irvington  
Irvington, New Jersey 07111

### **Report on the Financial Statements**

We have audited the financial statements - regulatory basis of the various funds and account groups of the Township of Irvington, in the County of Essex, as of and for the years then ended December 31, 2016 and 2015 and the related notes to the financial statements - regulatory basis, as listed in the foregoing table of contents.

### **Management's Responsibility for the Financial Statements**

Management is responsible for the preparation and fair presentation of these financial statements - regulatory basis in accordance with accounting principles 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 misstatement, whether due to fraud or error.

### **Auditor's Responsibility**

Our responsibility is to express opinions on these financial statements - regulatory basis based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America, audit requirements 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. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements - regulatory basis are free from material misstatement.

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

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, these financial statements - regulatory basis have been prepared in conformity with accounting principles 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 demonstrate compliance with the modified accrual basis, with certain exceptions, and the budget laws of New Jersey. The effects on the financial statements - regulatory basis 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 the Adverse Opinion on U.S. Generally Accepted Accounting Principles*" paragraph, the financial statements - regulatory basis referred to in the first paragraph, do not present fairly, in conformity with accounting principles generally accepted in the United States of America, the financial position of the Township as of December 31, 2016 and 2015, and the results of its operations for the years then ended

### **Opinion on Regulatory Basis of Accounting**

In our opinion, the financial statements - regulatory basis referred to above, present fairly, in all material respects, the financial position of the various funds of the Township of Irvington at December 31, 2016 and 2015, and the results of operations and changes in fund balance, where applicable, of such funds, thereof for the years then ended, in accordance with accounting principles on the basis of financial reporting provisions prescribed by the Division of Local Government Services, Department of Community Affairs, State of New Jersey, as described in Note 1.

### **Other Matters**

#### ***Supplementary Information***


Our audit was conducted for the purpose of forming opinions on the financial statements - regulatory basis that collectively comprise the Township's financial statements - regulatory basis. The supplementary schedules listed in the table of contents are presented for purposes of additional analysis and are not a required part of the basic financial statements - regulatory basis. The accompanying schedule of expenditures of federal awards is not a required part of the financial statements - regulatory basis, and is presented for purposes of additional analysis as required by U.S. Office of Management and Budget Uniform Guidance.

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

### Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated June 30, 2017 on our consideration of the Township of Irvington's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Township of Irvington's internal control over financial reporting and compliance.

  
SAMUEL KLEN AND COMPANY  
CERTIFIED PUBLIC ACCOUNTANTS

  
JOSEPH J. FACCONI, RMA, PA

Newark, New Jersey  
June 30, 2017



TOWNSHIP OF IRVINGTON  
CURRENT FUND

COMPARATIVE BALANCE SHEET - REGULATORY BASIS

A  
Sheet #1

<u>ASSETS AND DEFERRED CHARGES</u>	<u>Ref.</u>	<u>Balance</u> <u>Dec. 31, 2016</u>	<u>Balance</u> <u>Dec. 31, 2015</u>
<u>Regular Fund</u>			
Cash - Treasurer	A-4	\$ 2,017,318.21	\$ 7,498,784.95
Cash Held by State of New Jersey	A-5	5,511,419.60	5,446,288.94
Petty Cash	A-6	900.00	
Change Funds	A-6	478.00	478.00
Due from State of New Jersey:			
Tax Exemptions (Ch. 20, P.L. 1971)	A-7	12,152.12	10,884.16
Prepaid Debt Service	A-4	179,626.06	
		<u>7,721,893.99</u>	<u>12,956,436.05</u>
Receivables with Full Reserves:			
Delinquent Property Taxes	A-8	750,763.82	774,262.69
Tax Title Liens	A-9	23,758,612.08	21,919,060.68
Property Acquired for Taxes - Assessed			
Valuation	A-10	2,877,300.00	2,877,300.00
Sewer User Charges	A-11	468,786.36	386,120.94
Sewer User Liens	A-11	1,155,195.68	1,200,971.65
Special Improvement District Liens			
Receivable	A-12		52,893.62
Other Municipal Liens Receivable	A-13	58,599.11	112,881.77
Revenue Accounts Receivable	A-15	113,258.28	160,805.44
Other Receivables	A-37	294,443.63	
Tax Overpayments Refunded Receivable	A-4	6,976.52	
Tax Penalty Receivable	A-36		22,350.69
Interfunds Receivable	A-16	1,751,933.94	1,032,160.79
		<u>31,235,869.42</u>	<u>28,538,808.27</u>
Deferred Charges:			
Overexpenditure of Appropriations	A-17	5,624,958.87	2,821,998.14
Overexpenditure of Appropriation Reserves	A-17	431,314.62	431,314.62
Special Emergency Authorization	A-18	1,500,393.76	1,910,611.68
		<u>7,556,667.25</u>	<u>5,163,924.44</u>
		46,514,430.66	46,659,168.76
<u>Grant Fund</u>			
Grants Receivable	A-32	5,885,467.71	8,356,169.76
		<u>\$52,399,898.37</u>	<u>\$55,015,338.52</u>

TOWNSHIP OF IRVINGTON  
CURRENT FUND

COMPARATIVE BALANCE SHEET - REGULATORY BASIS

A  
Sheet #2

<u>LIABILITIES, RESERVES AND FUND BALANCE</u>	<u>Ref.</u>	<u>Balance Dec. 31, 2016</u>	<u>Balance Dec. 31, 2015</u>
<u>Regular Fund</u>			
Appropriation Reserves:			
Encumbered	A-3,19	\$ 1,007,171.18	\$ 1,789,428.63
Unencumbered	A-3,19	1,116,217.26	850,465.63
Accounts Payable	A-20	194,685.24	107,398.33
Reserve for Revaluation	A-21	5,155.33	5,155.33
Reserve for Terminal Payout	A-14	62,438.81	62,438.81
Interfunds Payable	A-16	105.00	
Due to Special Improvement District	A-22	453,471.43	381,545.87
Tax Overpayments	A-23	982,945.61	2,554,063.42
Prepaid Taxes	A-24	300,158.49	296,954.74
Sewer Rent Overpayments	A-25	11,088.55	12,908.58
Special Improvement District Tax Overpayments	A-26	3,031.79	3,372.16
County Taxes Payable	A-28		19,526.04
Tax Abatement Overpayments	A-31	5,076.15	5,076.15
Codification of Ordinances	A-35	13,284.00	13,284.00
Tax Anticipation Note	A-30	5,000,000.00	7,500,000.00
		<u>9,154,828.84</u>	<u>13,601,617.69</u>
Reserve for Receivables		31,235,869.42	28,538,808.27
Fund Balance	A-1	6,123,732.40	4,518,742.80
		<u>46,514,430.66</u>	<u>46,659,168.76</u>
<u>Grant Fund</u>			
Interfunds Payable	A-27	2,811,456.63	3,415,484.46
Appropriated Reserves for Grants	A-33	2,929,221.10	4,659,906.09
Unappropriated Reserves	A-34	144,789.98	280,779.21
		<u>5,885,467.71</u>	<u>8,356,169.76</u>
		<u>\$52,399,898.37</u>	<u>\$55,015,338.52</u>

See accompanying notes to financial statements.

TOWNSHIP OF IRVINGTON  
CURRENT FUND

COMPARATIVE STATEMENT OF OPERATIONS AND CHANGES  
IN FUND BALANCE - REGULATORY BASIS

A-1

	<u>Ref.</u>	<u>2016</u>	<u>2015</u>
<u>Revenue and Other Income</u>			
Miscellaneous Revenue Anticipated	A-2	\$ 27,251,750.63	\$ 28,014,409.82
Receipts from Delinquent Taxes	A-2a	3,158,507.31	2,678,768.32
Receipts from Current Taxes	A-2a	96,714,202.87	95,885,988.99
Nonbudget Revenue	A-2b	310,685.35	898,671.49
Other Credits to Income:			
Appropriation Reserves Lapsed	A-19	484,904.50	211,375.72
Cancelled Reserve for Grants	A-33	530,931.61	
Cancelled Unappropriated Reserve for Grants	A-34	36,058.79	
Interfund Returns			1,000,598.17
Tax Overpayments Cancelled	A-23	1,299,195.29	352.10
Total Revenues		<u>129,700,236.35</u>	<u>128,690,164.61</u>
<u>Expenditures</u>			
Budget Appropriations	A-3	99,784,393.10	102,198,640.77
Established Reserves for Tax Refund			
Overpayment Receivables	A-4	6,976.52	
Interfund Advances	A-16	719,773.15	
Cancelled Grant Fund Receivables	A-32	1,653,657.94	
Prior Year Revenue Refund	A-23	277,635.89	474,925.68
Special Improvement District Taxes	A-22	406,893.26	412,182.11
County Taxes	A-28	10,675,348.62	11,251,136.40
Local District School Tax	A-29	17,459,529.00	17,459,529.00
Total Expenditures		<u>130,984,207.48</u>	<u>131,796,413.96</u>
Deficit in Revenue		(1,197,971.13)	(3,106,249.35)
Adjustments to Income before Surplus:			
Expenditures Included Above Which Are			
By Statute Deferred Charges to Budget			
of Succeeding Year	A-3,17	<u>2,802,960.73</u>	<u>4,059,998.14</u>
Statutory Excess to Fund Balance		1,604,989.60	953,748.79
<u>Fund Balance</u>			
Balance January 1	A	<u>4,518,742.80</u>	<u>3,564,994.01</u>
Balance December 31	A	<u>\$ 6,123,732.40</u>	<u>\$ 4,518,742.80</u>

See accompanying notes to financial statements.

TOWNSHIP OF IRVINGTON  
CURRENT FUND

STATEMENT OF REVENUE - REGULATORY BASIS

A-2

	<u>Ref.</u>	<u>Anticipated Budget</u>	<u>Realized</u>	<u>Excess or (Deficit)</u>
<u>Miscellaneous Revenue</u>				
Alcoholic Beverage Licenses	A-15	\$ 59,739.00	\$ 57,047.00	\$ (2,692.00)
Other Licenses	A-15	164,304.80	202,078.00	37,773.20
Fees and Permits	A-15	717,639.63	934,304.46	216,664.83
Municipal Court Fines and Costs	A-15	1,838,154.79	2,363,468.68	525,313.89
Interest and Costs on Taxes	A-15	1,595,336.27	1,627,184.03	31,847.76
Parking Meters	A-15	173,344.71	171,873.00	(1,471.71)
Sewer User Charges	A-11	5,093,299.17	5,470,360.80	377,061.63
Cablevision Franchise Fee	A-15	310,718.74	234,511.15	(76,207.59)
Consolidated Municipal Property Tax Relief	A-15	3,706,483.00	3,706,483.00	
Energy Receipts Tax	A-15	7,934,686.00	7,934,686.00	
State School Building Aid Allowance	A-15	1,234,064.00	1,234,064.00	
Uniform Construction Code Fees	A-15	311,766.80	591,466.33	279,699.53
Uniform Fire Safety Act	A-15	35,750.00	34,836.03	(913.97)
Joint Sewer Maintenance	A-15	520,614.33	520,614.33	
Payment in Lieu of Taxes	A-15	253,205.80	233,641.70	(19,564.10)
Rental Income	A-15	67,783.37	59,169.70	(8,613.67)
Agreement with the Irvington Board of Education	A-15	115,000.00	115,000.00	
General Capital Surplus	A-15	950,201.00	950,201.00	
Irvington Hospital Development Fee	A-15	45,000.00	45,000.00	
		<u>25,127,091.41</u>	<u>26,485,989.21</u>	<u>1,358,897.80</u>
<u>Grants:</u>				
Clean Communities		88,764.54	88,764.54	
Body Armor Fund		13,381.71	13,381.71	
Housing Opportunities for People with AIDS		361,147.00	361,147.00	
Housing Opportunities for People with AIDS		5,224.77	5,224.77	
State of New Jersey Health CLIPP Grant		49,894.00	49,894.00	
Essex County:				
SSH		110,000.00	110,000.00	
SSH 2015/2016		43,998.00	43,998.00	
Community Services Block Grant (CSBG)		67,666.49	67,666.49	
Community Services Block Grant (CSBG) 2014		25,684.91	25,684.91	
	A-16,32	<u>765,761.42</u>	<u>765,761.42</u>	
Total Miscellaneous Revenue	A-1	<u>25,892,852.83</u>	<u>27,251,750.63</u>	<u>1,358,897.80</u>
Receipts from Delinquent Taxes	A-2a	<u>3,052,954.24</u>	<u>3,158,507.31</u>	<u>105,553.07</u>
<u>Amount to be Raised by Taxes for Support of Municipal Budget:</u>				
Local Tax for Municipal Purposes	A-8	70,522,859.00		
Addition to Local District School Tax	A-8	1,857,642.20		
Library Tax	A-8	691,271.37		
Total Amount to be Raised by Taxes for Support of Municipal Budget	A-2a	<u>73,071,772.57</u>	<u>73,203,104.28</u>	<u>131,331.71</u>
Total General Revenue		102,017,579.64	103,613,362.22	1,595,782.58
Nonbudget Revenue	A-2b		310,685.35	310,685.35
	A-3	<u>\$ 102,017,579.64</u>	<u>\$ 103,924,047.57</u>	<u>\$ 1,906,467.93</u>

See accompanying notes to financial statements.

TOWNSHIP OF IRVINGTON  
CURRENT FUND

STATEMENT OF REVENUE (Continued)  
ANALYSIS OF TAX COLLECTIONS - REGULATORY BASIS

A-2a

	<u>Ref.</u>		
<u>Allocation of Current Tax Collections</u>			
2016 Collections	A-1,8		\$96,714,202.87
Allocated to:			
County Taxes	A-28	\$10,675,348.62	
Local School Taxes	A-29	17,459,529.00	
Special Improvement District Taxes	A-22	<u>406,893.26</u>	
			<u>28,541,770.88</u>
			68,172,431.99
Plus: Appropriation for "Reserve for Uncollected Taxes"	A-3		<u>5,030,672.29</u>
Local Tax for Municipal Purposes	A-2		<u><u>\$73,203,104.28</u></u>
<u>Receipts from Delinquent Taxes</u>			
Delinquent Taxes	A-8		\$ 337,875.88
Tax Title Liens	A-9		2,810,488.28
Special Improvement District Liens	A-12		<u>10,143.15</u>
	A-1,2		<u><u>\$ 3,158,507.31</u></u>

See accompanying notes to financial statements.

TOWNSHIP OF IRVINGTON  
CURRENT FUND

STATEMENT OF REVENUE (Continued)  
ANALYSIS OF NONBUDGET REVENUE - REGULATORY BASIS

A-2b

	<u>Ref.</u>		
<u>Nonbudget Revenue</u>			
Prior Year Appropriation Refunds and Miscellaneous		\$ 38,467.78	
Division of Motor Vehicles - Inspection Fines		7,735.75	
Interest on Deposits		25,131.42	
Void Checks		91,286.68	
Service Charge Refunds		3,651.40	
Health Fees from State of New Jersey		1,344.00	
State of New Jersey Senior Citizen Administration			
Fee		1,823.97	
Collectors Miscellaneous and Cost of Tax Sale		48,072.19	
Federal and State Reimbursements - Prior Year		80,841.25	
	A-4	<u>298,354.44</u>	
Add:			
Other Municipal Liens Receivable Collections	A-13	<u>12,330.91</u>	
	A-1,2		<u><u>\$310,685.35</u></u>

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See accompanying notes to financial statements.



TOWNSHIP OF IRVINGTON  
CURRENT FUND

STATEMENT OF EXPENDITURES - REGULATORY BASIS

A-3  
Sheet #1

Appropriations	Appropriations		Paid or Charged	Expended		Unexpended Balance Cancelled	Overexpended
	Budget	Modified Budget		Encumbered	Reserved Unencumbered		
<u>APPROPRIATIONS WITHIN "CAPS"</u>							
<u>OFFICE OF THE MAYOR</u>							
Mayor's Office:							
Salaries and Wages	\$ 526,133.25	\$ 531,900.28	\$ 531,846.79	\$	\$ 53.49	\$	\$
Other Expenses	97,200.00	97,200.00	94,664.93	1,530.17	1,004.90		
Irvington Mental Health Center:							
Other Expenses	9,000.00	9,000.00	9,000.00				
Planning Board:							
Salaries and Wages	28,511.00	28,511.00	28,511.00				
Other Expenses	7,500.00	7,247.97	4,915.58	1,039.12	1,293.27		
Office of Emergency Management:							
Salaries and Wages	5,000.00						
Other Expenses	12,000.00						
Division of Community Development and Planning:							
Salaries and Wages	131,500.00	131,000.08	131,000.08				
Other Expenses	29,400.00	11,400.00	10,012.97	652.50	734.53		
Total Office of the Mayor	<u>846,244.25</u>	<u>816,259.33</u>	<u>809,951.35</u>	<u>3,221.79</u>	<u>3,086.19</u>		
<u>OFFICE OF THE TOWNSHIP CLERK</u>							
Municipal Clerk:							
Salaries and Wages	341,250.00	338,946.67	338,946.67				
Other Expenses	31,100.00	31,100.00	27,808.22	2,426.01	865.77		
Elections:							
Salaries and Wages	22,500.00	19,476.16	19,476.16				
Other Expenses	110,500.00	93,604.39	86,296.34	7,268.22	39.83		
Council's Office:							
Salaries and Wages	319,000.00	319,000.00	318,999.56		0.44		
Other Expenses	30,000.00	30,000.00	27,499.98		2,500.02		
Zoning Board of Adjustment:							
Salaries and Wages	64,507.46	55,331.33	55,079.30		252.03		
Other Expenses	14,500.00	8,731.33	4,384.17	1,043.68	3,303.48		
Rent Leveling Board:							
Salaries and Wages	50,000.00	32,692.36	32,692.36				
Total Office of the Township Clerk	<u>983,357.46</u>	<u>928,882.24</u>	<u>911,182.76</u>	<u>10,737.91</u>	<u>6,961.57</u>		

TOWNSHIP OF IRVINGTON  
CURRENT FUND

STATEMENT OF EXPENDITURES - REGULATORY BASIS

A-3  
Sheet #2

Appropriations	Appropriations		Paid or Charged	Expended		Unexpended Balance Cancelled	Overexpended
	Budget	Modified Budget		Encumbered	Reserved Unencumbered		
<u>APPROPRIATIONS WITHIN "CAPS"</u>							
<u>OFFICE OF THE TAX ASSESSOR</u>							
Tax Assessment Administration:							
Salaries and Wages	\$ 159,500.00	\$ 160,572.90	\$ 159,322.90	\$	\$ 1,250.00	\$	\$
Other Expenses	49,700.00	31,700.00	21,147.59	23.64	10,528.67		
Total Office of the Tax Assessor	209,200.00	192,272.90	180,470.50	23.64	11,778.67		
<u>ATTORNEY TO THE TOWNSHIP COUNCIL</u>							
Legislative Research Officer:							
Salaries and Wages	45,981.78	45,981.78	45,981.78				
Other Expenses	800.00	800.00	416.00		384.00		
Total Attorney to the Township Council	46,781.78	46,781.78	46,397.78		384.00		
<u>OFFICE OF THE TOWNSHIP ATTORNEY</u>							
Legal Services (Legal Department):							
Salaries and Wages	383,031.16	388,399.44	387,795.95		603.49		
Other Expenses	256,200.00	256,200.00	192,107.92	41,269.53	22,822.55		
Total Office of the Township Attorney	639,231.16	644,599.44	579,903.87	41,269.53	23,426.04		
<u>DEPARTMENT OF ADMINISTRATION</u>							
Office of the Business Administrator:							
Salaries and Wages	582,147.00	664,772.77	664,674.68		98.09		
Other Expenses	303,500.00	273,500.00	209,044.51	64,455.49			
Other Expenses - Postage	75,000.00	75,000.00	73,767.00		1,233.00		
Total Department of Administration	960,647.00	1,013,272.77	947,486.19	64,455.49	1,331.09		
<u>DEPARTMENT OF POLICE</u>							
Police:							
Salaries and Wages:							
Regular	16,846,060.96	17,062,834.52	16,728,282.31		334,552.21		
Overtime	1,000,000.00	1,559,341.15	1,559,341.15				
Other Expenses	705,974.34	705,974.34	881,164.38	48,316.20			223,506.24

TOWNSHIP OF IRVINGTON  
CURRENT FUND

STATEMENT OF EXPENDITURES - REGULATORY BASIS

A-3  
Sheet #3

<u>Appropriations</u>	<u>Appropriations</u>		<u>Paid or Charged</u>	<u>Expended</u>		<u>Unexpended Balance Cancelled</u>	<u>Overexpended</u>
	<u>Budget</u>	<u>Modified Budget</u>		<u>Encumbered</u>	<u>Reserved Unencumbered</u>		
<u>APPROPRIATIONS WITHIN "CAPS"</u>							
<u>DEPARTMENT OF POLICE</u>							
School Guards:							
Salaries and Wages	\$ 622,000.00	\$ 648,280.66	\$ 646,470.19	\$	\$ 1,810.47	\$	\$
Other Expenses	5,000.00	625.00	625.00				
Chaplains and Surgeons:							
Salaries and Wages	5,500.00	4,355.74	4,355.74				
Parking Division:							
Other Expenses	4,000.00						
Total Department of Police	<u>19,188,535.30</u>	<u>19,981,411.41</u>	<u>19,820,238.77</u>	<u>48,316.20</u>	<u>336,362.68</u>		<u>223,506.24</u>
<u>DEPARTMENT OF FIRE</u>							
Fire:							
Salaries and Wages	12,201,900.00	12,244,573.11	12,215,982.36		28,590.75		
Other Expenses	236,200.00	226,200.00	187,783.80	36,396.97	2,019.23		
Uniform Fire Safety Act:							
Salaries and Wages	10,000.00	10,000.00			10,000.00		
Other Expenses	5,000.00	5,000.00			5,000.00		
Total Department of Fire	<u>12,453,100.00</u>	<u>12,485,773.11</u>	<u>12,403,766.16</u>	<u>36,396.97</u>	<u>45,609.98</u>		
<u>DEPARTMENT OF REVENUE AND FINANCE</u>							
Division of Finance:							
Salaries and Wages	475,000.00	493,919.00	492,828.25		1,090.75		
Other Expenses	102,600.00	102,600.00	99,996.18	2,343.00	260.82		
Audit Services	107,500.00	107,500.00		107,500.00			
Insurance:							
Insurance and Surety Bonds	2,075,000.00	2,075,000.00	2,360,335.26	3,760.42	-		289,095.68
Worker's Compensation Insurance	1,265,000.00	1,123,199.13	1,253,199.13	2,502.08			132,502.08
Health Benefits Insurance	13,359,395.33	12,743,671.14	14,841,945.19	59,582.68			2,157,856.73
Division of Revenue - Tax Collection:							
Salaries and Wages	310,500.00	310,330.38	310,330.38				
Other Expenses	66,030.00	66,030.00	30,309.21		35,720.79		
Division of Licenses:							
Salaries and Wages	121,500.00	117,656.59	117,656.59				
Other Expenses	8,500.00	8,500.00	8,500.00				

TOWNSHIP OF IRVINGTON  
CURRENT FUND

STATEMENT OF EXPENDITURES - REGULATORY BASIS

A-3  
Sheet #4

Appropriations	Appropriations		Paid or Charged	Expended		Unexpended Balance Cancelled	Overexpended
	Budget	Modified Budget		Encumbered	Reserved Unencumbered		
<u>APPROPRIATIONS WITHIN "CAPS"</u>							
<u>DEPARTMENT OF REVENUE AND FINANCE</u>							
Division of Central Purchasing:							
Salaries and Wages	\$ 173,500.00	\$ 173,500.00	\$ 158,245.27	\$	\$ 15,254.73	\$	\$
Other Expenses	14,800.00	13,160.58	12,438.16	250.00	472.42		
Total Department of Revenue and Finance	<u>18,079,325.33</u>	<u>17,335,066.82</u>	<u>19,685,783.62</u>	<u>175,938.18</u>	<u>52,799.51</u>		<u>2,579,454.49</u>
<u>DEPARTMENT OF PUBLIC WORKS</u>							
Division of Engineering:							
Salaries and Wages	451,400.00	481,902.73	481,902.73				
Other Expenses	1,345,450.00	1,345,450.00	1,226,952.09	45,506.14	72,991.77		
Land Rental, Refuse Dumping:							
Other Expenses	3,101,502.63	3,101,502.63	2,865,484.45	233,708.16	2,310.02		
Division of Streets and Sewers:							
Salaries and Wages	735,298.00	870,344.18	870,344.18				
Other Expenses	83,000.00	83,000.00	66,200.32	16,619.09	180.59		
Snow Removal:							
Salaries and Wages	75,000.00	85,924.35	85,924.35				
Other Expenses	85,000.00	52,248.65	51,768.65	480.00			
Division of Motorized Equipment:							
Salaries and Wages	181,500.00	186,421.81	186,421.81				
Other Expenses	163,000.00	163,000.00	116,215.54	43,329.06	3,455.40		
Division of Public Property:							
Salaries and Wages:							
Public Buildings	487,343.00	582,081.59	582,056.49		25.10		
Shade Trees	175,800.00	203,569.32	203,569.32				
Other Expenses:							
Public Buildings	102,296.82	102,296.82	86,568.23	13,238.67	2,489.92		
Shade Trees	15,000.00	15,000.00	6,928.31	4,757.28	3,314.41		
Total Department of Public Works	<u>7,001,590.45</u>	<u>7,272,742.08</u>	<u>6,830,336.47</u>	<u>357,638.40</u>	<u>84,767.21</u>		

TOWNSHIP OF IRVINGTON  
CURRENT FUND

STATEMENT OF EXPENDITURES - REGULATORY BASIS

A-3  
Sheet #5

Appropriations	Appropriations		Paid or Charged	Expended		Unexpended Balance Cancelled	Overexpended
	Budget	Modified Budget		Encumbered	Reserved Unencumbered		
<u>APPROPRIATIONS WITHIN "CAPS"</u>							
<u>DEPARTMENT OF HEALTH AND SENIOR SERVICES</u>							
Division of Health:							
Salaries and Wages:							
Health Administration	\$ 158,400.00	\$ 158,888.89	\$ 158,850.43	\$	\$ 38.46	\$	\$
Environmental Health	84,832.00	94,627.52	93,377.52		1,250.00		
Nursing	69,500.00	76,142.93	76,142.93				
Other Expenses:							
Health Administration	11,600.00	11,600.00	11,202.97	383.92	13.11		
Environmental Health	116,500.00	116,500.00	58,994.91	55,712.56	1,792.53		
Nursing	12,100.00	12,100.00	4,998.43		7,101.57		
Senior Citizen Center:							
Salaries and Wages	172,447.67	164,490.00	164,490.00				
Other Expenses	7,000.00	7,000.00	6,648.37		351.63		
Total Department of Health and Senior Services	<u>622,379.67</u>	<u>641,349.34</u>	<u>574,705.56</u>	<u>56,096.48</u>	<u>10,547.30</u>		
<u>DEPARTMENT OF PARKS AND RECREATION</u>							
Division of Parks Maintenance:							
Salaries and Wages	425,700.00	496,391.55	496,391.55				
Other Expenses	18,700.00	18,700.00	8,612.46	8,379.69	1,707.85		
Division of Recreation:							
Salaries and Wages	313,000.00	318,949.88	318,509.13		440.75		
Other Expenses	84,100.00	84,100.00	79,224.52	4,220.93	654.55		
Public Events and Celebration:							
Other Expenses	15,000.00	15,000.00	10,025.50		4,974.50		
Irvington Municipal Pool:							
Salaries and Wages	45,000.00	27,103.13	27,103.13				
Other Expenses	35,500.00	25,695.23	25,695.23				
Total Department of Parks and Recreation	<u>927,000.00</u>	<u>985,939.79</u>	<u>965,561.52</u>	<u>12,600.62</u>	<u>7,777.65</u>		

TOWNSHIP OF IRVINGTON  
CURRENT FUND

STATEMENT OF EXPENDITURES - REGULATORY BASIS

A-3  
Sheet #6

Appropriations	Appropriations		Paid or Charged	Expended		Unexpended Balance Cancelled	Overexpended
	Budget	Modified Budget		Encumbered	Reserved Unencumbered		
<u>APPROPRIATIONS WITHIN "CAPS"</u>							
<u>DEPARTMENT OF HOUSING</u>							
Housing Services:							
Salaries and Wages	\$ 412,738.44	\$ 545,307.68	\$ 542,363.44	\$	\$ 2,944.24	\$	\$
Other Expenses	37,450.00	29,950.00	26,655.88	199.99	3,094.13		
Total Department of Housing	<u>450,188.44</u>	<u>575,257.68</u>	<u>569,019.32</u>	<u>199.99</u>	<u>6,038.37</u>		
<u>MUNICIPAL COURT</u>							
Operations:							
Salaries and Wages	1,014,300.00	1,012,532.29	1,006,643.81		5,888.48		
Other Expenses	108,500.00	101,000.00	100,530.81		469.19		
Public Defender (P.L.1997, c. 256):							
Salaries and Wages	30,000.00	32,043.78	31,440.10		603.68		
Other Expenses	28,000.00	28,000.00	28,000.00				
Total Municipal Court	<u>1,180,800.00</u>	<u>1,173,576.07</u>	<u>1,166,614.72</u>		<u>6,961.35</u>		
<u>UNIFORM CONSTRUCTION CODE</u>							
Construction Code Official:							
Salaries and Wages	279,044.20	372,213.28	370,963.28		1,250.00		
Other Expenses	12,600.00	12,600.00	12,084.50	70.00	445.50		
Total Uniform Construction Code	<u>291,644.20</u>	<u>384,813.28</u>	<u>383,047.78</u>	<u>70.00</u>	<u>1,695.50</u>		
<u>UNCLASSIFIED</u>							
Electricity	700,000.00	600,000.00	450,101.19	61,898.81	88,000.00		
Telephone	500,000.00	500,000.00	469,170.14	130.90	30,698.96		
Telephone Equipment Lease	52,500.00	11,527.00	11,527.00				
Water	45,000.00	45,000.00	32,756.60	10,019.75	2,223.65		
Fire Hydrant	405,000.00	381,000.00	334,326.30	45,673.70	1,000.00		
Fuel Oil and Gasoline	375,000.00	255,000.00	192,220.19	12,661.82	50,117.99		
Street Lighting	700,000.00	383,000.00	214,369.57	68,630.43	100,000.00		
911 Emergency Transportation	165,000.00	189,000.00	188,799.96		200.04		
Total Unclassified	<u>2,942,500.00</u>	<u>2,364,527.00</u>	<u>1,893,270.95</u>	<u>199,015.41</u>	<u>272,240.64</u>		
Total Operations Within "CAPS"	66,842,525.04	66,842,525.04	67,767,737.41	1,005,980.61	871,767.75		2,802,960.73



TOWNSHIP OF IRVINGTON  
CURRENT FUND

STATEMENT OF EXPENDITURES - REGULATORY BASIS

A-3  
Sheet #7

Appropriations	Appropriations		Paid or Charged	Expended		Unexpended Balance Cancelled	Overexpended
	Budget	Modified Budget		Encumbered	Reserved Unencumbered		
<u>APPROPRIATIONS WITHIN "CAPS"</u>							
Detail:							
Salaries and Wages	\$ 39,536,325.92	\$ 40,919,310.75	\$ 40,355,068.32	\$	\$ 3,201.98	\$	\$
Other Expenses	27,306,199.12	25,923,214.29	6,706,310.89	1,005,980.61	193,565.65		2,670,458.65
<u>STATUTORY EXPENDITURES</u>							
Insurance Trust Deficit	0.41	0.41	0.41				
Prior Year Expense - Legal Fees Scarinci - 2013	32,762.12	32,762.12	32,762.12				
Public Employees' Retirement System	1,231,936.95	1,231,936.95	1,231,936.95				
Social Security System (OASI)	1,350,000.00	1,386,367.41	1,386,367.41				
Consolidated Police and Firemen's Pension Fund	2,199.13	2,199.13	2,199.13				
Police and Firemen's Retirement System of N.J.	6,975,328.22	6,975,328.22	6,975,328.22				
State Unemployment Insurance Fund	350,000.00	313,632.59	271,364.27	1,190.57	41,077.75		
Defined Contribution Retirement Program	28,500.00	28,500.00	27,951.90		548.10		
Judgments	15,000.00	15,000.00			15,000.00		
Total Statutory Expenditures	9,985,726.83	9,985,726.83	9,927,910.41	1,190.57	56,625.85		
Total Appropriations Within "CAPS"	76,828,251.87	76,828,251.87	77,695,647.82	1,007,171.18	928,393.60		2,802,960.73
<u>APPROPRIATIONS EXCLUDED FROM "CAPS"</u>							
<u>OTHER OPERATIONS</u>							
911 Dispatch Services	334,000.00	334,000.00	161,036.71		172,963.29		
Joint Sewer Maintenance	4,609,033.72	4,609,033.72	4,609,033.72				
Maintenance of Free Public Library	1,150,000.00	1,150,000.00	1,135,139.63		14,860.37		
Total Other Operations	6,093,033.72	6,093,033.72	5,905,210.06		187,823.66		
<u>PUBLIC AND PRIVATE PROGRAMS OFFSET BY REVENUE</u>							
Essex County:							
SSH The Homeless	110,000.00	110,000.00	110,000.00				
SSH 2015/16	43,998.00	43,998.00	43,998.00				
Clean Communities Program - Unappropriated	88,764.54	88,764.54	88,764.54				
State of New Jersey - CLPP Lead Grant - 2015/16	49,894.00	49,894.00	49,894.00				
Police Body Armor Replacement - Unappropriated	13,381.71	13,381.71	13,381.71				

TOWNSHIP OF IRVINGTON  
CURRENT FUND

STATEMENT OF EXPENDITURES - REGULATORY BASIS

A-3  
Sheet #8

Appropriations	Appropriations		Paid or Charged	Expended		Unexpended Balance Cancelled	Overexpended
	Budget	Modified Budget		Encumbered	Reserved Unencumbered		
<u>APPROPRIATIONS EXCLUDED FROM "CAPS"</u>							
<u>PUBLIC AND PRIVATE PROGRAMS OFFSET BY REVENUE</u>							
Housing Opportunities for People With Aids:							
Grant	\$ 361,147.00	\$ 361,147.00	\$ 361,147.00	\$	\$ -	\$	\$
Unappropriated	5,224.77	5,224.77	5,224.77				
County Community Service Block Grant - Unappropriated	67,666.49	67,666.49	67,666.49				
County Community Service Block Grant - Unappropriated	25,684.91	25,684.91	25,684.91				
Total Public and Private Programs Offset by Revenue	<u>766,761.42</u>	<u>765,761.42</u>	<u>765,761.42</u>		<u>-</u>		
Total Operations Excluded from "CAPS"	<u>6,858,795.14</u>	<u>6,858,795.14</u>	<u>6,670,971.48</u>		<u>187,823.66</u>		
Detail:							
Other Expenses	<u>6,858,795.14</u>	<u>6,858,795.14</u>	<u>6,670,971.48</u>		<u>187,823.66</u>		
<u>CAPITAL IMPROVEMENTS</u>							
Capital Improvement Fund	<u>325,500.00</u>	<u>325,500.00</u>	<u>325,500.00</u>				
Total Capital Improvements	<u>325,500.00</u>	<u>325,500.00</u>	<u>325,500.00</u>				
<u>MUNICIPAL DEBT SERVICE</u>							
Payment of Bond Principal	5,240,289.00	5,240,289.00	5,240,288.00			1.00	
Payment of Bond Anticipation Notes and Capital Notes	821,911.00	821,911.00	821,911.00				
Interest on Bonds	2,726,372.75	2,726,372.75	2,726,372.75				
Interest on Notes	354,883.76	354,883.76	354,883.76				
Green Trust Loan Program:							
Loan Repayments of Principal and Interest	69,320.71	69,320.71	63,846.73			5,473.98	
N.J. Environmental Infrastructure Trust Loan:							
Loan Repayments of Principal and Interest	259,659.00	259,659.00	259,659.00				
Total Municipal Debt Service	<u>9,472,436.22</u>	<u>9,472,436.22</u>	<u>9,466,961.24</u>			<u>5,474.98</u>	
<u>DEFERRED CHARGES</u>							
Special Emergency Authorizations - 5 Years	<u>410,217.92</u>	<u>410,217.92</u>	<u>410,217.92</u>				
Total Deferred Charges Excluded from "CAPS"	<u>410,217.92</u>	<u>410,217.92</u>	<u>410,217.92</u>				
Total Appropriations Excluded from "CAPS" for Municipal Purposes	<u>17,066,949.28</u>	<u>17,066,949.28</u>	<u>16,873,650.64</u>	<u>-</u>	<u>187,823.66</u>	<u>5,474.98</u>	<u>-</u>

TOWNSHIP OF IRVINGTON  
CURRENT FUND

STATEMENT OF EXPENDITURES - REGULATORY BASIS

A-3  
Sheet #9

Appropriations	Appropriations		Paid or Charged	Expended		Unexpended Balance Cancelled	Overexpended
	Budget	Modified Budget		Encumbered	Reserved Unencumbered		
<u>APPROPRIATIONS EXCLUDED FROM "CAPS"</u>							
<u>FOR LOCAL SCHOOL DISTRICT PURPOSES EXCLUDED FROM CAPS</u>							
Type 1 School District Debt Service:							
Payment of Bond Principal	\$ 1,392,375.00	\$ 1,392,375.00	\$ 1,392,375.00	\$	\$	\$	\$
Interest on Bonds	<u>1,699,331.20</u>	<u>1,699,331.20</u>	<u>1,699,331.20</u>				
	<u>3,091,706.20</u>	<u>3,091,706.20</u>	<u>3,091,706.20</u>				
Total Appropriations Excluded from "CAPS"	<u>20,158,655.48</u>	<u>20,158,655.48</u>	<u>19,965,356.84</u>	<u>-</u>	<u>187,823.66</u>	<u>5,474.98</u>	<u>-</u>
Sub-Total General Appropriations	96,986,907.35	96,986,907.35	97,661,004.66	1,007,171.18	1,116,217.26	5,474.98	2,802,960.73
Reserve for Uncollected Taxes	<u>5,030,672.29</u>	<u>5,030,672.29</u>	<u>5,030,672.29</u>				
Total General Appropriations	<u>\$102,017,579.64</u>	<u>\$102,017,579.64</u>	<u>\$102,691,676.95</u>	<u>\$1,007,171.18</u>	<u>\$1,116,217.26</u>	<u>\$ 5,474.98</u>	<u>\$2,802,960.73</u>
Reference	A-2		Below A-1	A.A-1	A.A-1		A-17

	<u>Ref.</u>	
Reserve for Uncollected Taxes	A-2a	\$ 5,030,672.29
Cash Disbursements	A-4	<u>88,518,364.57</u>
		93,549,036.86
Cash Held by State	A-5	7,966,660.75
Special Emergency Authorization	A-18	410,217.92
Reserve for Grant Programs	A-16,33	<u>765,761.42</u>
	Above	<u>\$102,691,676.95</u>

See accompanying notes to financial statements.

TOWNSHIP OF IRVINGTON  
TRUST FUND

COMPARATIVE BALANCE SHEET - REGULATORY BASIS

B  
Sheet #1

<u>ASSETS AND DEFERRED CHARGES</u>	<u>Ref.</u>	<u>Balance</u> <u>Dec. 31, 2016</u>	<u>Balance</u> <u>Dec. 31, 2015</u>
<u>Animal Control Trust Fund</u>			
Cash	B-1	\$ 11,924.40	\$ 17,850.53
Interfunds	B-6	4,472.40	4,357.40
		<u>16,396.80</u>	<u>22,217.93</u>
 <u>General Trust Fund</u>			
Cash	B-1	\$ 5,710,084.41	\$ 4,429,182.20
Interfunds	B-12	255,502.87	255,502.87
Deferred Charges:			
Deficit in Operations	B-7		0.41
Federal Grant Awards Receivable	B-2	3,236,986.95	2,267,424.60
UDAG Loans Receivable	B-3	68,325.28	68,325.28
HUD Home Loans Receivable	B-4	495,782.91	512,348.68
Other Receivables	B-5	467,612.03	467,612.03
		<u>10,234,294.45</u>	<u>8,000,396.07</u>
		<u>\$ 10,250,691.25</u>	<u>\$ 8,022,614.00</u>

TOWNSHIP OF IRVINGTON  
TRUST FUND

COMPARATIVE BALANCE SHEET - REGULATORY BASIS

B  
Sheet #2

<u>LIABILITIES, RESERVES AND FUND BALANCES</u>	<u>Ref.</u>	<u>Balance</u> <u>Dec. 31, 2016</u>	<u>Balance</u> <u>Dec. 31, 2015</u>
<u>Animal Control Trust Fund</u>			
Interfunds Payable	B-6	\$	\$ 13,515.13
Due to State of New Jersey	B-8	1,267.60	372.20
Reserve for Animal Control Expenditures	B-13	15,129.20	8,330.60
		<u>16,396.80</u>	<u>22,217.93</u>
<u>General Trust Fund</u>			
Reserve for UDAG Loans Receivable	B-3	68,325.28	68,325.28
Reserve for HUD Home Loans Receivable	B-4	495,782.91	512,348.68
Due to State of New Jersey	B-8	931,920.78	928,679.78
Other Deposits	B-9	3,417,159.07	1,813,330.73
Reserve for Net Payroll	B-20	41,240.37	1,337.64
Payroll Deductions Payable	B-10	28,270.77	362,458.05
Due to Department of Housing and Urban Development	B-11	19,838.85	105,691.15
Interfunds	B-12	371,963.51	4,367.40
Reserve for Developers' Escrow Trust Deposits	B-14	35,347.70	35,347.70
Reserve for Outside Employment of Off-Duty Police Officers	B-15		351,834.60
Reserve for Insurance Expenditures	B-16	1,591,879.69	1,371,296.45
Reserve for Grant Expenditures	B-17	3,036,471.56	2,264,791.69
Reserve for State Unemployment Insurance	B-18	47,250.09	47,250.09
Reserve for Program Income	B-19	148,843.87	133,336.83
		<u>10,234,294.45</u>	<u>8,000,396.07</u>
		<u>\$ 10,250,691.25</u>	<u>\$ 8,022,614.00</u>

See accompanying notes to financial statements.

TOWNSHIP OF IRVINGTON  
GENERAL CAPITAL FUND

COMPARATIVE BALANCE SHEET - REGULATORY BASIS

C

<u>ASSETS AND DEFERRED CHARGES</u>	<u>Ref.</u>	<u>Balance</u> <u>Dec. 31, 2016</u>	<u>Balance</u> <u>Dec. 31, 2015</u>
Cash - Treasurer	C-2	\$ 3,917,208.06	\$ 919,324.03
Grants Receivable	C-4	474,905.66	149,905.66
Loans Receivable	C-5	12,349.27	
Interfunds Receivable	C-6	2,396,838.80	2,396,838.80
Deferred Charges to Future Taxation:			
Funded	C-7	86,416,653.53	92,016,717.86
Unfunded	C-8	21,376,922.83	17,316,853.83
		<u>\$ 114,594,878.15</u>	<u>\$ 112,799,640.18</u>
 <u>LIABILITIES AND RESERVES</u>			
Bonds Payable:			
Municipal	C-16	\$ 48,105,425.80	\$ 52,877,713.80
School	C-15	33,896,708.60	35,289,083.60
N.J. Environmental Infrastructure			
Loan Payable	C-14	2,948,148.66	3,171,612.39
Demolition Loan Payable	C-12	841,294.27	
Green Trust Loans Payable	C-13	625,076.20	678,308.07
Bond Anticipation Notes	C-11	11,056,620.00	8,136,167.00
Improvement Authorizations:			
Funded	C-10	769,704.54	788,768.81
Unfunded	C-10	12,146,011.71	7,817,483.08
Capital Improvement Fund	C-9	269.30	
Interfunds Payable	C-6	1,225,222.87	255,502.87
Fund Balance	C-1	2,980,396.20	3,785,000.56
		<u>\$ 114,594,878.15</u>	<u>\$ 112,799,640.18</u>
 Bonds and Notes Authorized but Not Issued			
	C-17	<u>\$ 10,396,302.83</u>	<u>\$ 10,444,675.65</u>

See accompanying notes to financial statements.



TOWNSHIP OF IRVINGTON  
GENERAL CAPITAL FUND

STATEMENT OF FUND BALANCE - REGULATORY BASIS

C-1

	<u>Ref.</u>		
Balance December 31, 2015	C		\$ 3,785,000.56
Increased by:			
Premium on Bond Anticipation Notes	C-2	\$ 52,745.94	
Prior Period Adjustment	C-9	<u>92,850.70</u>	
			<u>145,596.64</u>
			3,930,597.20
Decreased by:			
Anticipated as Revenue in 2016 Current Fund Budget	C-2		<u>950,201.00</u>
Balance December 31, 2016	C		<u><u>\$ 2,980,396.20</u></u>

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See accompanying notes to financial statements.

TOWNSHIP OF IRVINGTON  
CAPITAL FIXED ASSETS

COMPARATIVE BALANCE SHEET - REGULATORY BASIS

E

	Balance <u>Dec. 31, 2016</u>	Balance <u>Dec. 31, 2015</u>
<u>CAPITAL FIXED ASSETS</u>		
Buildings and Construction	\$ 9,918,456.00	\$ 9,918,456.00
Machinery and Equipment	13,466,080.00	16,057,986.22
Land Improvements	<u>3,989,300.00</u>	<u>3,989,300.00</u>
	<u>\$ 27,373,836.00</u>	<u>\$ 29,965,742.22</u>
 <u>RESERVE</u>		
Investments in Capital Fixed Assets	<u>\$ 27,373,836.00</u>	<u>\$ 29,965,742.22</u>

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See accompanying notes to financial statements.

## **NOTES TO FINANCIAL STATEMENTS**

## TOWNSHIP OF IRVINGTON

### NOTES TO FINANCIAL STATEMENTS YEAR ENDED DECEMBER 31, 2016

#### 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

##### A. Reporting Entity

The Township of Irvington is organized as a Council-Mayor municipality under the provisions of N.J.S. 40:69A-115 et seq. The Township is "governed by an elected Council and an elected Mayor, and by such other officers and employees as may be duly appointed. The Council shall consist of seven members, three of which are elected at large by voters of the municipality and shall serve for a term of four years beginning on the first day of July next following their election. The Mayor is also elected directly by the voters of the municipality at the regular municipal election and shall also serve a term of four years beginning the first day of July following the election".

The financial statements - regulatory basis of the Township of Irvington include every board, body, officer or commission supported and maintained wholly or in part by funds appropriated by the Township, as required by the provisions of N.J.S. 40A:5-5. The financial statements, however, do not include the operations of the Municipal Library, which is a separate entity subject to a separate examination.

##### B. Description of Funds

The Governmental Accounting Standards Board ("GASB") is the recognized standard setting body for establishing governmental accounting and financial reporting principles. The GASB establishes three 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).

However, the accounting policies of the Township of Irvington conform to the accounting principles applicable to municipalities which have been prescribed by the Division of Local Government Services, Department of Community Affairs, and State of New Jersey. These principles are an "Other Comprehensive Basis of Accounting" (OCBOA) which differs from accounting principles generally accepted in the United States of America ("GAAP") for governmental entities. Such principles and practices are designed primarily for determining compliance with legal provisions and budgetary restrictions and as a means of reporting on the stewardship of public officials with respect to public funds. Under this method of accounting, the Township of Irvington accounts for its financial transactions through the following separate funds and an account which differs from GAAP:

Current Fund - Encompasses resources and expenditures for basic governmental operations. Fiscal activity of Federal and State grant programs are reflected in a segregated section of the Current Fund.

Trust Fund - The records of receipts, disbursements and custodianship of monies in accordance with the purpose for which each account was created are maintained in the Trust Fund. These include the Animal Control Trust Fund, General Trust Fund, Insurance Trust Fund and Grant Trust Fund for specific programs. The General Trust Fund encompasses accounts of activity for Payroll Deductions, Special Deposits and other purposes.

**1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

**B. Description of Funds (Continued)**

General Capital Fund - The receipts and expenditure records for the acquisition of general infrastructure and other capital facilities, other than those acquired in the Current Fund, are maintained in this Fund, as well as related long-term debt accounts.

Capital Fixed Assets - These accounts reflect estimated valuations of land, buildings and certain movable fixed assets of the Township as discussed under the caption of "Basis of Accounting".

**C. Basis of Accounting**

The accounting principles and practices prescribed for municipalities by the Division of Local Government Services, Department of Community Affairs, State of New Jersey, differ in certain respects from accounting principles generally accepted in the United States of America. The accounting system is maintained on the modified accrual basis with certain exceptions. Significant accounting policies in New Jersey are summarized as follows:

**Property Taxes and Other Revenue**

Property taxes and other revenue are realized when collected in cash or approved by regulation for accrual from certain sources of the State of New Jersey and the Federal Government. Accruals of taxes and other revenue are otherwise deferred as to realization by the establishment of offsetting reserve accounts. GAAP requires such revenue to be recognized in the accounting period when they become susceptible to accrual, reduced by an allowance for doubtful accounts.

**Grant Revenue**

Federal and State grants, entitlements or shared revenue received for purposes normally financed through the Current Fund are recognized when anticipated in the Township of Irvington budget. GAAP requires such revenue to be recognized in the accounting period when they become susceptible to accrual.

**Expenditures**

Expenditures for general and utility operations are generally recorded on the accrual basis. Unexpended appropriation balances, except for amounts which may have been cancelled by the governing body or by statutory regulation, are automatically recorded as liabilities at December 31st of each year, under the title of "Appropriation Reserves". Amounts unexpended at the end of the second year are lapsed and are recorded as income.

Grant appropriations are charged upon budget adoption to create separate spending reserves.

Budgeted transfers to the Capital Improvement Fund are recorded as expenditures to the extent permitted by law.

Expenditures from Trust and Capital Funds are recorded upon occurrence and charged to accounts statutorily established for specific purposes.

Budget Appropriations for interest on General Capital Long-Term Debt is raised on the cash basis and is not accrued on the records; interest on Utility Debt is raised on the accrual basis and so recorded.

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.

## 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

### C. Basis of Accounting (Continued)

#### Encumbrances

As of January 1, 1986, all local units were required by Technical Accounting Directive No. 85-1, as promulgated by the Division of Local Government Services, to maintain an encumbrance accounting system. The directive states that contractual orders outstanding at December 31st are reported as expenditures through the establishment of an encumbrance payable. Encumbrances do not constitute expenditures under GAAP.

#### Appropriation Reserves

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 sick and vacation 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

Property Acquired for Taxes (Foreclosed Property) is recorded in the Current Fund at the assessed valuation during the year when such property was acquired by deed or foreclosure and is offset by a corresponding reserve account. GAAP requires such property to be recorded in the capital fixed assets account at market value on the date of acquisition. A foreclosed property register is not maintained by the Township.

#### Self-Insurance Contributions

Contributions to self-insurance funds are charged to budget appropriations. GAAP requires that payments be accounted for as an operating transfer and not as an expenditure.

#### Interfunds Receivable

Interfunds Receivable in the Current Fund are generally recorded with offsetting reserves which are established by charges to operations. Collections are recognized as income in the year that the receivables are realized. Interfunds Receivable of all other funds are recorded as accrued and are not offset with reserve accounts. Interfunds Receivable of one fund is offset with Interfunds Payable of the opposite fund. GAAP does not require the establishment of an offsetting reserve.

#### Inventories of Supplies

Materials and supplies purchased by all funds are recorded as expenditures.

An annual inventory of materials and supplies for utilities is required, by regulation, to be prepared by Township personnel for inclusion on Utility Operating Fund Balance Sheets. Annual charges in valuations, offset with a Reserve Account, are not considered as affecting results of operations. Materials and supplies of other funds are not inventoried nor included on their respective balance sheets.



## 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

### C. Basis of Accounting (Continued)

#### Capital Fixed Assets

In accordance with Technical Accounting Directive No. 85-2, Accounting for Governmental Fixed Assets, as promulgated by the Division of Local Government Services, which differs in certain respects from GAAP, the Township of Irvington has developed a fixed asset accounting and reporting system.

GAAP requires that fixed assets be capitalized at historical or estimated historical cost if actual historical cost is not available. Depreciation on utility fixed assets should also be recorded.

Capital fixed assets used in governmental operations (general fixed assets) are accounted for in the Capital Fixed Assets. Public domain ("infrastructure") capital 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.

Acquisitions of land, buildings, machinery, equipment and other capital assets are recorded on a perpetual fixed asset record.

Vehicles, furniture, equipment and other items are reflected at replacement values at time of inventory preparation. Additions to the established fixed assets are valued at cost.

Depreciation of assets is not recorded as an operating expense of the Township.

### D. 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 Township of Irvington presents the financial statements listed in the table of contents which are required by the Division of Local Government Services 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.

### E. Other Accounting Standards

The Township is currently reviewing the following for applicability and potential impact on the financial statements:

- *GASB Statement No. 74. Financial Reporting for Postemployment Benefit Other Than Pension Plans.* The objective of this Statement is to improve the usefulness of information about postemployment benefits other than pensions (other postemployment benefits or OPEB) included in the general purpose external financial reports of state and local governmental OPEB plans for making decisions and assessing accountability. This Statement results from a comprehensive review of the effectiveness of existing standards of accounting and financial reporting for all postemployment benefits (pensions and OPEB) with regard to providing decision-useful information, supporting assessments of accountability and interperiod equity, and creating additional transparency.
- **Effective Date:** The provisions in Statement 74 are effective for fiscal years beginning after June 15, 2016. The Township does not expect this Statement to have an impact on its financial statements.
- *GASB Statement No. 75, Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions.* The primary objective of this Statement is to improve accounting and financial reporting by state and local governments for postemployment benefits other than pensions (other postemployment benefits or OPEB).

## 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

### E. Other Accounting Standards (Continued)

- **Effective Date:** The provisions in Statement 75 are effective for fiscal years beginning after June 15, 2017. The Township does not expect this Statement to have an impact its financial statements.
- **GASB Statement No. 76. *The Hierarchy of Generally Accepted Accounting Principles for State and Local Governments*.** The objective of this Statement is to identify - in the context of the current governmental financial reporting environment - the hierarchy of generally accepted accounting principles (GAAP). The "GAAP hierarchy" consists of the sources of accounting principles used to prepare financial statements of state and local governmental entities in conformity with GAAP and the framework for selecting those principles. This Statement reduces the GAAP hierarchy to two categories of authoritative GAAP and addresses the use of authoritative and nonauthoritative literature in the event that the accounting treatment for a transaction or other event is not specified within a source of authoritative GAAP.

**Effective Date:** The provisions in Statement 76 are effective for reporting periods beginning after June 15, 2015. The Township does not expect this Statement to impact its financial statements.

- **GASB Statement No. 77. *Tax Abatement Disclosures*.** Financial statements prepared by state and local governments in conformity with generally accepted accounting principles provide citizens and taxpayers, legislative and oversight bodies, municipal bond analysts, and others with information they need to evaluate the financial health of governments, make decisions, and assess accountability. This information is intended, among other things, to assist these users of financial statements in assessing (1) whether a government's current-year revenues were sufficient to pay for current-year services (known as interperiod equity), (2) whether a government complied with finance-related legal and contractual obligations, (3) where a government's financial resources come from and how it uses them, and (4) a government's financial position and economic condition and how they have changed over time.

**Effective Date:** The requirements of this Statement are effective for reporting periods beginning after December 15, 2015. The Township does not expect this Statement to impact its financial statements.

- **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.

Prior to the issuance of this Statement, the requirements of Statement 68 applied to the financial statements of all state and local governmental employers whose employees are provided with pensions through pension plans that are administered through trusts that meet the criteria in paragraph 4 of that Statement.

**Effective Date:** The requirements of this Statement are effective for reporting periods beginning after December 15, 2015. The Township does not expect this Statement to impact its financial statements.

## 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

### E. Other Accounting Standards (Continued)

- *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 establishes 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. An external investment pool qualifies for that reporting if it meets all of the applicable criteria established in this Statement. The specific criteria address (1) how the external investment pool transacts with participants; (2) requirements for portfolio maturity, quality, diversification and liquidity; and (3) calculation and requirements of a shadow price. Significant noncompliance prevents the external investment pool from measuring all of its investments at amortized cost for financial reporting purposes. Professional judgment is required to determine if instances of noncompliance with the criteria established by this Statement during the reporting period, individually or in the aggregate, were significant.

Effective Date: The requirements of this Statement are effective for reporting periods beginning after June 15, 2015, except for certain provisions on portfolio quality, custodial credit risk, and shadow pricing. Those provisions are effective for reporting period beginning after December 15, 2015. The Township does not expect this Statement to impact its financial statements.

- *GASB Statement No. 82. Pension Issues - an Amendment of GASB Statements No. 67, No. 68 and No. 73.* Specifically, this Statement addresses issues regarding (1) the presentation of payroll-related measures in required supplementary information, (2) the selection of assumptions and the treatment of deviations from the guidance in an Actuarial Standard of Practice for financial reporting purposes, and (3) the classification of payments made by employers to satisfy employee (plan member) contribution requirements.

Effective Date: The requirements of this Statement are effective for reporting periods beginning after June 15, 2016, except for the requirements of paragraph 7 in a circumstance in which an employer's pension liability is measured as of a date other than the employer's most recent fiscal year end. In that circumstance, the requirements of paragraph 7 are effective for that employer in the first reporting period in which the measurement date of the pension liability is on or after June 15, 2017. The Township does not expect this Statement to impact its financial statements.

- *GASB Statement No. 83. Certain Asset Retirement Obligations.* This Statement addresses accounting and financial reporting for certain asset retirement obligations (AROs). An ARO is a legally enforceable liability associated with the retirement of a tangible capital asset. A government that has legal obligations to perform future asset retirement activities related to its tangible capital assets should recognize a liability based on the guidance in this Statement.

Effective Date: The requirements of this Statement are effective for reporting periods beginning after June 15, 2018. The Township does not expect this Statement to impact its financial statements.

- *GASB Statement No. 84. Fiduciary Activities.* The objective of this Statement is to improve guidance regarding the identification of fiduciary activities for accounting and financial reporting purposes and how those activities should be reported. This Statement establishes criteria for identifying fiduciary activities of all state and local governments. The focus of the criteria generally is on (1) whether a government is controlling the assets of the fiduciary activity and (2) the beneficiaries with whom a fiduciary relationship exists. Separate criteria are included to identify component units and postemployment benefit arrangements that are fiduciary activities.

Effective Date: The requirements of this Statement are effective for reporting periods beginning after December 15, 2018. The Township does not expect this Statement to impact its financial statements.



## 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

### E. Other Accounting Standards (Continued)

- *GASB Statement No. 85. Omnibus 2017.* The objective of this Statement is to address practice issues that have been identified during implementation and application of certain GASB Statements. This Statement addresses a variety of topics including issues related to blending component units, goodwill, fair value measurement and application, and postemployment benefits (pensions and other postemployment benefits [OPEB]).

Effective Date: The requirements of this Statement are effective for reporting periods beginning after June 27, 2017. The Township does not expect this Statement to impact its financial statements.

- *GASB Statement No. 86. Certain Debt Extinguishment Issues.* The primary objective of this Statement is to improve consistency in accounting and financial reporting for in-substance defeasance of debt by providing guidance for transactions in which cash and other monetary assets acquired with only existing resources - resources other than the proceeds of refunding debt - are placed in an irrevocable trust for the sole purpose of extinguishing debt. This Statement also improves accounting and financial reporting for prepaid insurance on debt that is extinguished and notes to financial statements for debt that is defeased in substance.

Effective Date: The requirements of this Statement are effective for reporting periods beginning after June 27, 2017. The Township does not expect this Statement to impact its financial statements.

## 2. CASH, CASH EQUIVALENTS AND INVESTMENTS

### A. Cash and Cash Equivalents

New Jersey statutes permit the deposit of public funds in institutions located in New Jersey, which are insured by the Federal Deposit Insurance Corporation (FDIC) or any other agencies of the United States that insures deposits or the State of New Jersey Cash Management Fund.

The State of New Jersey Cash Management Fund is authorized by statute and regulations of the State Investment Council to invest in fixed income and debt securities which mature or are redeemed within one year. Twenty-five percent of the Fund may be invested in eligible securities which mature within two years provided, however, the average maturity of all investments in the Fund shall not exceed one year. Collateralization of Fund Investments is generally not required.

In addition, by regulation of the Division of Local Government Services, municipalities are allowed to deposit funds in the Municipal Bond Insurance Association (MBIA) through their investment management company, the Municipal Investors Service Corporation.

In accordance with the provisions of the Governmental Unit Deposit Protection Act of New Jersey, ("GUDPA"), public depositories are required to maintain collateral for deposits of public funds that exceed insurance limits as follows:

The market value of the collateral must equal five percent of the average daily balance of public funds or

If the public funds deposited exceed 75 percent of the capital funds of the depository, the depository must provide collateral having a market value equal to 100 percent of the amount exceeding 75 percent.

All collateral must be deposited with the Federal Reserve Bank, The Federal Home Loan Bank Board or a banking institution that is a member of the Federal Reserve System and has capital funds of not less than \$25,000,000.00.

## **2. CASH, CASH EQUIVALENTS AND INVESTMENTS (Continued)**

### **B. Investments**

New Jersey statutes permit the Township to purchase the following types of securities:

- . Bonds or other obligations of the United States of America or obligations guaranteed by the United States of America. This includes instruments such as Treasury bills, notes and bonds.
- . Government money market mutual funds.
- . Any Federal agency or instrumentality obligation authorized by Congress that matures within 397 days from the date of purchase, and has a fixed rate of interest not dependent on any index or external factors.
- . Bonds or other obligations of the local unit or school districts of which the local unit is a part.
- . Any other obligations with maturities not exceeding 397 days, as permitted by the Division of Investments.
- . Local government investment pools, such as New Jersey CLASS, and the New Jersey Arbitrage Rebate Management Program.
- . New Jersey State Cash Management Fund.
- . Repurchase agreements of fully collateralized securities, subject to special conditions.

In addition, a variety of State laws permit local governments to invest in a wide range of obligations issued by State governments and its agencies.

As of December 31, 2016, the Township had funds on deposit in checking and New Jersey Cash Management accounts. The amount on deposit of the Township's Cash and Cash Equivalents as of December 31, 2016 was \$17,169,332.68. These funds constitute "deposits with financial institutions" as defined by GASB Statement No. 40. There were no securities categorized as investment as defined by GASB Statement No. 40.

## **3. TAXES AND TAX TITLE LIENS RECEIVABLE**

Property assessments are determined on true values and taxes are assessed based upon these values. The residential tax bill includes the levies for the Township, County and School (add any special districts) purposes. Certified adopted budgets are submitted to the County Board of Taxation by each taxing district. The tax rate is determined by the Board upon the filing of these budgets.

The tax bills are mailed by the Tax Collector annually in June and are payable in four quarterly installments due the first of August and November of the current year and a preliminary billing due the first of February and May of the subsequent year. The August and November billings represent the third and fourth quarter installments and are calculated by taking the total year tax levy less the preliminary first and second quarter installments due February and May. The preliminary levy is based on one-half of the current year's total tax.

Tax installments not paid by the above due dates are subject to interest penalties determined by a resolution of the governing body. The rate of interest in accordance with the aforementioned resolution is 8% per annum on the first \$1,500.00 of delinquency and 18% on any delinquency in excess of \$1,500.00. The resolution also sets a grace period of ten days before interest is calculated. In addition, any delinquency in excess of \$10,000.00 at the end of the calendar year is subject to a 6% penalty on the unpaid balance.

### 3. TAXES AND TAX TITLE LIENS RECEIVABLE (Continued)

Taxes unpaid on the 11<sup>th</sup> day of the eleventh month in the fiscal year when the taxes became in arrears are subject to the tax sale provisions of the New Jersey statutes. The municipality may institute in rem foreclosure proceedings after six months from the date of the sale if the lien has not been redeemed.

The following is a five year comparison of certain statistical information relative to property taxes and property tax collections for the current and previous four years:

	<u>2016</u>	<u>2015</u>	<u>2014</u>	<u>2013</u>	<u>2012</u>
Tax Rate	<u>\$5.552</u>	<u>\$5.423</u>	<u>\$5.456</u>	<u>\$3.510</u>	<u>\$3.399</u>
Apportionment of Tax Rate:					
Municipal	\$3.869	\$3.737	\$3.706	\$2.364	\$2.287
Library	0.038	0.041	0.044	0.032	0.033
County	0.568	0.587	0.646	0.430	0.416
School	1.060	1.040	1.040	0.670	0.649
County Open Space	0.017	0.018	0.020	0.014	0.014

#### Assessed Valuations

<u>Year</u>	<u>Amount</u>
2016	\$ 1,822,763,569.00
2015	1,857,415,749.00
2014	1,867,019,415.00
2013	2,898,434,038.00
2012	2,993,855,601.00

#### Comparison of Tax Levies

<u>Year</u>	<u>Tax Levy</u>	<u>Collections</u>	<u>Percentage of Collections</u>
2016	\$101,826,069.43	\$ 96,714,202.87	94.97 %
2015	101,306,007.15	95,885,988.99	94.64
2014	102,208,925.84	96,316,452.81	94.23
2013	102,056,879.04	95,290,099.96	93.37
2012	102,305,119.86	95,545,487.81	93.39

#### Delinquent Taxes and Tax Liens

<u>Year</u>	<u>Amount of Tax Title Liens</u>	<u>Amount of Delinquent Taxes</u>	<u>Total Delinquent</u>	<u>Percentage of Tax Levy</u>
2016	\$ 23,758,612.08	\$ 750,612.08	\$ 24,509,224.16	24.06 %
2015	21,919,060.68	774,262.69	22,693,323.37	22.40
2014	19,389,594.11	648,320.90	20,037,915.01	19.60
2013	16,487,749.50	911,569.99	17,399,319.49	17.05
2012	12,470,455.63	1,065,234.02	13,535,689.65	13.23 *

\*Based upon a tax levy for six months for transition year requirements.

#### 4. SPECIAL IMPROVEMENT DISTRICT

Two special improvement districts, the Springfield Avenue Center Special Improvement District and the Camptown Business Improvement District were established by ordinances of the Township of Irvington adopted on November 25, 1997 and November 9, 2000, respectively. These districts were established in accordance with the provisions of N.J.S.A. 40:56-65 for the purposes of promoting the economic and general welfare of the district and the Township and to make improvements designated to increase the safety and attractiveness of the district to prospective businesses.

A special assessment is levied on property within each district at a rate of 3% or 5% of the general real estate taxes. Assessments are performed on a yearly basis.

As noted in the general comments of the report, tax levies were not calculated on individual tax rates based on the fiscal year budgetary requirements for each district, rather on a 3% or 5% levy of the general real estate taxes.

#### 5. PROPERTY ACQUIRED BY TAX TITLE LIEN LIQUIDATION

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

<u>Year</u>	<u>Amount</u>
2016	\$ 2,877,300.00
2015	2,877,300.00
2014	2,877,300.00
2013	2,877,300.00
2012	2,877,300.00

#### 6. SEWER CHARGE ACCOUNTS RECEIVABLE

The Township of Irvington maintains a Utility Account within the Current Fund for the billing and collection of sewer rents. The Township is divided into six sections for the purposes of billings which are done once a year.

A comparison of sewer rent billings and collections for the past five years are as follows:

<u>Year</u>	<u>Billing</u>	<u>Collections</u>
2016	\$ 5,543,546.69	\$ 5,200,553.91
2015	5,532,970.41	5,030,786.17
2014	5,575,468.16	5,116,834.09
2013	4,781,653.09	4,291,472.84
2012	4,767,839.17	4,312,914.07

The sums of billings and collections include interest penalties in undetermined amounts. Realization of prior year unpaid balances are also included in the collections above.



## 7. PENSION PLANS

### Description of Systems

Substantially all of the Township's employees participate in one of the following contributory defined benefit public employee retirement systems which have been established by State statute: the Public Employees' Retirement System (PERS) or the Police and Firemen's Pension Fund (PFRS). These systems are sponsored and administered by the New Jersey Division of Pensions and Benefits. The Public Employees' Retirement System (PERS) and the Police and Firemen's Retirement System (PFRS) are considered cost-sharing multiple-employer plans. The PERS and PFRS issue publicly available financial reports that includes financial statements and required supplementary information and separate actuarial valuations. Those reports may be obtained by visiting their website at [www.state.nj.us/treasury/pensions/pdf/financial/qasb-43.July2014.pdf-rpts-home.shtml](http://www.state.nj.us/treasury/pensions/pdf/financial/qasb-43.July2014.pdf-rpts-home.shtml).

#### Public Employees' Retirement System

The Public Employees' Retirement System (PERS) was established January 1, 1955 under the provisions of N.J.S.A. 43:15A to provide coverage, including post-retirement health care, to substantially all full-time employees of the State or any county, municipality, school district or public agency provided the employee is not a member of another State-administered retirement system. Membership is mandatory for such employees and vesting occurs after eight to ten years of service and twenty-five years for health care coverage. The following represents the membership tiers for PERS:

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

Service retirement benefits of 1/55<sup>th</sup> of final average salary for each year of service credit is available to tiers 1 and 2 members upon reaching age 60 and to tier 3 members upon reaching age 62. Service retirement benefits of 1/60<sup>th</sup> of final average salary for each year of service credit is available to tier 4 members upon reaching age 62 and tier 5 members upon reaching age 65. Early retirement benefits are available to tiers 1 and 2 members before reaching age 60, tiers 3 and 4 with 25 or more years of service credit before age 62 and tier 5 with 30 or more years of service credit before age 65. Benefits are reduced by a fraction of a percent for each month that a member retires prior to the age at which a member can receive full early retirement benefits in accordance with their respective tier. Tier 1 members can receive an unreduced benefit from age 55 to age 60 if they have at least 25 years of service. Deferred retirement is available to members who have at least 10 years of service credit and have not reached the service retirement age for the respective tier.

## 7. PENSION PLANS (Continued)

### Description of Systems (Continued)

#### Police and Firemen's Retirement System (Continued)

The Police and Firemen's Retirement System (PFRS) was established July 1, 1944 under the provisions of N.J.S.A. 43:16A to provide coverage to substantially all full time county and municipal police or firemen and State firemen appointed after June 30, 1944. Membership is mandatory for such employees. The following represents the membership tiers for PFRS:

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

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

#### Contributions Required to be Made

Employee contributions for 2016 were 7.06% through June 30, 2016 and 7.20% thereafter for PERS and 10% for PFRS of the employee's base wages. Employer's contributions are actuarially determined annually by the Division of Pensions. The Township's contributions to the plan for the past three (3) years are as follows:

	<u>PERS</u>		
	<u>2016</u>	<u>2015</u>	<u>2014</u>
Covered Payroll	\$ 9,583,215	\$ 8,784,217	\$ 7,295,975
Actuarial Contribution Requirements	1,231,937	1,160,455	1,040,269
Total Contributions Employer Share	1,231,937	1,160,455	1,040,269
Percent of Covered Employee - Payroll	12.85%	8.40%	8.20%
Employee's Share	673,120	630,936	616,814
Percent of Covered Payroll	7.13%	6.91%	6.86%

## 7. PENSION PLANS (Continued)

### Description of Systems (Continued)

#### Pension (PERS) Accrual

The Township is required to report on its financial statements on an "Other Comprehensive Basis of Accounting" (OCBOA) Regulatory Basis, which does not require an accrual for its obligations inclusive of pension. If the Township were required to reflect the obligation under Generally Accepted Accounting Principles (GAAP) then an accrual for the PERS obligation due April 1, 2017 would be needed in the amount of \$1,200,157.78 since the obligation relates to the period December 31, 2016 and prior. The accrual (under GAAP) would affect the fund balance at year end.

	PFRS		
	<u>2016</u>	<u>2015</u>	<u>2014</u>
Covered Payroll	\$ 25,608,647	\$ 25,148,741	\$ 25,333,600
Actuarial Contribution Requirements	6,975,328	5,893,388	5,787,187
Total Contributions Employer Share	6,975,328	5,893,388	5,787,187
Percent of Covered Employee - Payroll	27.23%	12.22%	9.41%
Employee's Share	2,560,864	2,514,574	2,533,360
Percent of Covered Payroll	10.00%	10.00%	10.00%

All contributions were equal to the required contributions for each of the three (3) years, respectively.

#### Pension (PFRS) Accrual

The Township is required to report on its financial statements on an "Other Comprehensive Basis of Accounting" (OCBOA) Regulatory Basis, which does not require an accrual for its obligations inclusive of pension. If the Township were required to reflect the obligation under Generally Accepted Accounting Principles (GAAP) then an accrual for the PFRS obligation due April 1, 2017 would be needed in the amount of \$7,125,829.48 since the obligation relates to the period December 31, 2016 and prior. The accrual (under GAAP) would affect the fund balance at year end.

### **Government-Wide Financial Statements GASB #68**

#### Public Employees' Retirement System (PERS)

The information for PERS was abstracted from State of New Jersey Public Employees' Retirement System Schedules of Employer Allocations and Schedules of Pension Amounts by Employer as of June 30, 2016 and June 30, 2015 Independent Auditor's Report dated April 16, 2017 and April 14, 2016, respectively.

The Township's reported liability of \$37,302,269.00 and \$30,466,029.00 for its proportionate share of the net pension liability at December 31, 2016 (*measurement date of June 30, 2016*) and December 31, 2015 (*measurement date of June 30, 2015*), respectively. The net pension liability was measured as of June 30, 2016 and June 30, 2015 and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of those dates. The Township's proportion of the net pension liability was based on a projection of the Township's long-term share of contributions to the pension plan relative to the projected contributions of all participating entities, actuarially determined.

7. PENSION PLANS (Continued)

*Government-Wide Financial Statements GASB #68 (Continued)*

Public Employees' Retirement System (PERS) (Continued)

	June 30, (Measurement Date)	
	<u>2016</u>	<u>2015</u>
Local Group Share	\$ 29,617,131,759	\$ 22,447,996,119
Township Proportionate Percentage	0.1256106417%	0.1357182548%
Difference - Decrease	0.010107613%	0.050744936%

For the year ended December 31, 2016, the Township's recognizable pension expense was \$3,101,713.00. At December 31, 2016, the Township reported deferred outflows of resources and deferred inflows of resources related to PERS from the following sources:

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Changes in Assumptions	\$ 7,706,323	\$
Net Difference Between Expected and Actual Experience	691,849	
Net Difference Between Projected and Actual Investment Earnings on Pension Plan Investment	1,418,556	
Changes in Proportion	276,053	2,279,139
Authority Contributions Subsequent to the Year End	<u>1,200,158</u>	<u></u>
	<u>\$ 11,292,939</u>	<u>\$ 2,279,139</u>

The \$11,292,939.00 reported as deferred outflows of resources related to pensions resulting from entities' contributions subsequent to the measurement date (i.e. for the Township year ending December 31, 2016, the plan measurement date is June 30, 2016) will be recognized as a reduction of the net pension liability in the Township for the year ended December 31, 2016. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense based on the local share is as follows:

<u>Year Ended December 31,</u>	<u>Amount</u>
2017	\$ 2,210,147
2018	2,210,147
2019	2,560,530
2020	2,151,220
2021	684,684



## 7. PENSION PLANS (Continued)

### *Government-Wide Financial Statements GASB #68 (Continued)*

#### Public Employees' Retirement System (PERS) (Continued)

##### Additional Information

Collective (local and state employers) balances at June 30, 2016 and June 30, 2015 are as follows:

	<u>June 30, 2016</u>	<u>June 30, 2015</u>
Collective Deferred Outflows of Resources:		
Local Group	\$ 8,685,338,380	\$ 3,578,755,666
Collective Deferred Inflows of Resources:		
Local Group	870,133,595	993,410,455
Collective Net Pension Liability:		
Local Group	29,617,131,759	22,447,996,119
Township's Proportion (of Local Group)	0.1256106417%	0.1357182548%

##### Actuarial Assumptions

The total pension liability for the June 30, 2016 measurement date was determined by an actuarial valuation as of July 1, 2015, which rolled forward to June 30, 2016. The total pension liability for the December 31, 2016 measurement date was determined by an actuarial valuation as of June 30, 2016. This actuarial valuation used the following assumptions, applied to all periods in the measurement.

Inflation	3.08 Percent
Salary Increases:	
Through 2026	1.65 - 4.15 Percent (based on age)
Thereafter	2.65 - 5.15 Percent (based on age)
Investment Rate of Return	7.65 Percent

The actuarial assumptions used in the July 1, 2015 valuation were based on the results of an actuarial experience study for the period July 1, 2011 to June 30, 2014.

##### Mortality Rates

Pre-retirement mortality rates were based on the RP-2000 Employee Pre-retirement Mortality Table for male and female active participants. For local employees, mortality tables are set back 2 years for males and 7 years for females. In addition, the tables provide for future improvements in mortality from the base year of 2013 using a generational approach based on the plan actuary's modified MP-2014 projection scale. Post-retirement mortality rates were based on the RP-2000 Combined Healthy Male and Female Mortality Tables (set back 1 year for males and females) for service retirements and beneficiaries of former members and a one-year static projection based on mortality improvement Scale AA. In addition, the tables for service retirements and beneficiaries of former members provide for future improvements in mortality from the base year of 2013 using a generational approach based on the plan actuary's modified MP-2014 projection scale. Disability retirement rates used to value disabled retirees were based on the RP-2000 Disabled Mortality Table (set back 3 years for males and set forward 1 year for females).

The actuarial assumptions used in the July 1, 2015 valuation were based on the results of an actuarial experience study for the period July 1, 2011 to June 30, 2014. It is likely that future experience will not exactly conform to these assumptions. To the extent that actual experience deviates from these assumptions, the emerging liabilities may be higher or lower than anticipated. The more the experience deviates, the larger the impact on future financial statements

## 7. PENSION PLANS (Continued)

### *Government-Wide Financial Statements GASB #68 (Continued)*

#### Public Employees' Retirement System (PERS) (Continued)

##### Long-Term Rate of Return

In accordance with State statute, the long-term expected rate of return on plan investments (7.65% at June 30, 2016) is determined by the State Treasurer, after consultation with the Directors of the Division of Investments and Division of Pensions and Benefits, the board of trustees and the actuaries. The long-term expected rate of return was determined using a building block method in which best-estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. Best estimates of arithmetic real rates of return for each major asset class included in PERS's target asset allocation as of June 30, 2016 are summarized in the following table:

<u>Asset Class</u>	<u>Target Allocation</u>	<u>Long-Term Expected Real Rate of Return</u>
Cash	5.00 %	0.87%
U.S. Treasuries	1.50	1.74
Investment Grade Credit	8.00	1.79
Mortgages	2.00	1.67
High Yield Bonds	2.00	4.56
Inflation-Indexed Bonds	1.50	3.44
Broad U.S. Equities	26.00	8.53
Developed Foreign Equities	13.25	6.83
Emerging Market Equities	6.50	9.95
Private Equity	9.00	12.40
Hedge Funds/Absolute Return	12.50	4.68
Real Estate (Property)	2.00	6.91
Commodities	0.50	5.45
Global Debt ex U.S.	5.00	-0.25
REIT	5.25	5.63
	<u>100.00 %</u>	

##### Discount Rate

The discount rate used to measure the total pension liability was 3.98% as of June 30, 2016. This single blended discount rate was based on the long-term expected rate of return on pension plan investments of 7.65%, and a municipal bond rate of 2.85% as of June 30, 2016 based on the *Bond Buyer* GO 20-Bond Municipal Bond Index which includes tax-exempt general obligation municipal bonds with an average rating of AA/Aa or higher. The projection of cash flows used to determine the discount rate assumed that contributions from plan members will be made at the current member contribution rates and that contributions from employers 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 2034. Therefore, the long-term expected rate of return on plan investments was applied to projected benefit payments through 2034, and the municipal bond rate was applied to projected benefit payments after that date in determining the total pension liability.

## 7. PENSION PLANS (Continued)

### *Government-Wide Financial Statements GASB #68 (Continued)*

#### Public Employees' Retirement System (PERS) (Continued)

#### 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 (*measurement dates*) June 30, 2016 and 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 one percentage point lower or one percentage-point higher than the current rate:

	December 31, 2016		
	At 1% Decrease <u>2.98%</u>	At Current Discount Rate <u>3.98%</u>	At 1% Increase <u>4.98%</u>
Township's Proportionate Share of the Pension Liability	<u>\$ 45,587,038</u>	<u>\$ 37,202,269</u>	<u>\$ 30,279,915</u>
	At 1% Decrease <u>3.90%</u>	At Current Discount Rate <u>4.90%</u>	At 1% Increase <u>5.90%</u>
Township's Proportionate Share of the Pension Liability	<u>\$ 37,856,546</u>	<u>\$ 30,466,028</u>	<u>\$ 24,262,327</u>

#### 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) or by visiting their website at [www.state.us/treasury/pensions/pers1](http://www.state.us/treasury/pensions/pers1).

#### Police and Firemen's Retirement System (PFRS)

The information for PFRS was abstracted from the State of New Jersey Police and Firemen's Retirement System Schedules of Employer Allocations and Schedules of Pension Amounts by Employer as of June 30, 2016 and June 30, 2015 Independent Auditor's Report dated April 6, 2017 and April 19, 2016, respectively.



## 7. PENSION PLANS (Continued)

### Government-Wide Financial Statements GASB #68 (Continued)

#### Police and Firemen's Retirement System (PFRS) (Continued)

The Township's reported liability net of the Special Funding situation is \$149,960,453.00 and \$132,356,313.00 for its proportionate share of the net pension liability at December 31, 2016 (*measurement date of June 30, 2016*) and December 31, 2015 (*measurement date of June 30, 2015*), respectively. The net pension liability was measured as of June 30, 2016 and June 30, 2015 and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of those dates. The Township's proportion of the net pension liability was based on a projection of the Township's long-term share of contributions to the pension plan relative to the projected contributions of all participating entities, actuarially determined.

	June 30, (Measurement Date)	
	<u>2016</u>	<u>2015</u>
Local Group Share	\$ 19,102,557,969	\$ 16,656,514,197
Township Proportionate Percentage	0.7850281287%	0.7946219221%
Difference - Decrease	0.095937934%	0.0273226969%

For the year ended December 31, 2016, the Township's recognizable pension expense was \$16,394,279.00. At December 31, 2016, the Township reported deferred outflows of resources and deferred inflows of resources related to PFRS from the following sources:

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Changes in assumptions	\$ 20,770,765	\$
Net difference between expected and actual experience		983,013
Net difference between projected and actual investment earnings on pension plan investment	10,507,427	
Changes in proportion	2,335,440	2,874,320
Township contributions subsequent year end	7,125,829	
	<u>\$ 40,739,461</u>	<u>\$ 3,857,333</u>

The \$40,739,461.00 reported as deferred outflows of resources related to pensions resulting from entities contributions subsequent to the measurement date (i.e. for the Township year ending December 31, 2016, the *plan measurement date* is June 30, 2016) will be recognized as a reduction of the net pension liability in the Township for the year ended December 31, 2016. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense based on local share is as follows:

<u>Year Ended December 31,</u>	<u>Amount</u>
2017	\$ 7,251,933
2018	7,251,933
2019	9,774,491
2020	6,394,348
2021	251,453

## 7. PENSION PLANS (Continued)

### *Government-Wide Financial Statements GASB #68 (Continued)*

#### Police and Firemen's Retirement System (PFRS) (Continued)

#### Additional Information

Collective (local employers) balances at June 30, 2016 and June 30, 2015 are as follows:

	<u>June 30, 2016</u>	<u>June 30, 2015</u>
Collective Deferred Outflows of Resources:		
Local Group	\$ 4,547,316,543	\$ 3,512,729,953
Collective Deferred Inflows of Resources:		
Local Group	2,043,911,998	871,083,367
Collective Net Pension Liability:		
Local Group	20,706,699,056	16,656,514,197
Less: Special Funding Situation (1)	<u>1,604,141,087</u>	<u>None</u>
	<u>\$ 19,102,557,969</u>	<u>\$ 16,656,514,197</u>
Township's Proportion (of Local Group)	<u>0.7850281287%</u>	<u>0.7946219221%</u>

(1) Special Funding Situation

Under N.J.S.A. 43:16A-15, local participating employers are responsible for their own contributions based on actuarially determined amounts, except where legislation was passed that legally obligated the State if certain circumstances occurred. The legislation, which legally obligates the State, is as follows: Chapter 8, P.L. 2000, Chapter 318, P.L. 2001, Chapter 86, P.L. 2001, Chapter 511, P.L. 1991, Chapter 109, P.L. 1979, Chapter 247, P.L. 1993 and Chapter 201, P.L. 2001. The amounts contributed on behalf of the local participating employers under this legislation is considered to be a special funding situation as defined by GASB Statement No. 68 and the State is treated as a nonemployer contributing entity. Since the local participating employers do not contribute under this legislation directly to the plan (except for employer specific financed amounts), there is no net pension liability or deferred outflows or inflows to report in the financial statements of the local participating employers related to this legislation. However, the notes to the financial statements of the local participating employers must disclose the portion of the nonemployer contributing entities' total proportionate share of the collective net pension liability that is associated with the local participating employer.

#### Actuarial Assumptions

The total pension liability for the June 30, 2016 measurement date was determined by an actuarial valuation as of July 1, 2015, which rolled forward to June 30, 2016. The total pension liability for the December 31, 2016 measurement date was determined by an actuarial valuation as of June 30, 2016. This actuarial valuation used the following assumptions.

Inflation	3.08 Percent
Salary Increases:	
Through 2026	1.65 - 4.15 Percent (based on age)
Thereafter	2.65 - 5.15 Percent (based on age)
Investment Rate of Return	7.65 Percent

The actuarial assumptions used in the June 30, 2016 valuation were based on the results of an actuarial experience study for the period July 1, 2010 to June 30, 2013.

## 7. PENSION PLANS (Continued)

### *Government-Wide Financial Statements GASB #68 (Continued)*

#### Police and Firemen's Retirement System (PFRS) (Continued)

##### Mortality Rates

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

##### Long-Term Rate of Return

In accordance with State statute, the long-term expected rate of return on plan investments (7.65% at June 30, 2016) is determined by the State Treasurer, after consultation with the Directors of the Division of Investments and Division of Pensions and Benefits, the board of trustees and the actuaries. The long-term expected rate of return was determined using a building block method in which best-estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. Best estimates of arithmetic real rates of return for each major asset class included in PFRS's target asset allocation as of June 30, 2016 are summarized in the following table:

<u>Asset Class</u>	<u>Target Allocation</u>	<u>Long-Term Expected Real Rate of Return</u>
Cash	5.00 %	0.87%
U.S. Treasuries	1.50	1.74
Investment Grade Credit	8.00	1.79
Mortgages	2.00	1.67
High Yield Bonds	2.00	4.56
Inflation-Indexed Bonds	1.50	3.44
Broad U.S. Equities	26.00	8.53
Developed Foreign Equities	13.25	6.83
Emerging Market Equities	6.50	9.95
Private Equity	9.00	12.40
Hedge Funds/Absolute Return	12.50	4.68
Real Estate (Property)	2.00	6.91
Commodities	0.50	5.45
Global Debt ex U.S.	5.00	-0.25
REIT	5.25	5.63
	<u>100.00 %</u>	

## 7. PENSION PLANS (Continued)

### Government-Wide Financial Statements GASB #68 (Continued)

#### Police and Firemen's Retirement System (PFRS) (Continued)

##### Discount Rate

The discount rate used to measure the total pension liability was 5.55% as of June 30, 2016. This single blended discount rate was based on the long-term expected rate of return on pension plan investments of 7.65%, and a municipal bond rate of 2.85% as of June 30, 2016 based on the *Bond Buyer* GO 20-Bond Municipal Bond Index which includes tax-exempt general obligation municipal bonds with an average rating of AA/Aa or higher. The projection of cash flows used to determine the discount rate assumed that contributions from plan members will be made at the current member contribution rates and that contributions from employers 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 2050. Therefore, the long-term expected rate of return on plan investments was applied to projected benefit payments through 2050, and the municipal bond rate was applied to projected benefit payments after that date in determining the total pension liability.

##### Sensitivity of the Collective Net Pension Liability to Changes in the Discount Rate

The following presents the collective net pension liability inclusive of the Special Funding of the participating employers as of (*measurement dates*) June 30, 2016 and 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 one percentage point lower or one percentage point higher than the current rate:

	December 31, 2016		
	At 1% Decrease <u>4.55%</u>	At Current Discount Rate <u>5.55%</u>	At 1% Increase <u>6.55%</u>
Township's Proportionate Share of the Pension Liability	<u>\$ 209,600,706</u>	<u>\$ 176,065,187</u>	<u>\$ 71,509,539</u>
	December 31, 2015		
	At 1% Decrease <u>4.79%</u>	At Current Discount Rate <u>5.79%</u>	At 1% Increase <u>6.79%</u>
Township's proportionate share of the pension liability	<u>\$ 288,386,874</u>	<u>\$ 235,344,221</u>	<u>\$ 191,552,913</u>

##### 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) or by visiting their website at [www.state.us/treasury/pensions/pdf1](http://www.state.us/treasury/pensions/pdf1).

## 7. PENSION PLANS (Continued)

### Contributions Required and Made

Contributions made by employees for PERS and PFRS are currently 7.06% and 10.0% of their base wages, respectively. Employer contributions are actuarially determined on an annual basis by the Division of Pensions. Contributions to the plan for the past three (3) years are as follows:

<u>Year</u>	<u>PERS</u>		<u>PFRS</u>	
	<u>Township</u>	<u>Employees</u>	<u>Township</u>	<u>Employees</u>
2016	\$1,231,936.95	\$673,120.45	\$6,459,091.00	\$2,560,864.70
2015	1,160,455.00	630,936.04	5,893,388.00	2,537,602.80
2014	1,040,269.00	616,813.83	5,787,187.00	2,546,765.30

<u>Year</u>	<u>Pension Adjustments</u>	<u>CPFPP</u>	<u>Pension Adjustment</u>	
		<u>Administrative Charges</u>	<u>PFRS</u>	<u>PERS</u>
2016	\$ 435,070.00	\$ 1,636.40	N/A	N/A
2015	493,155.00		N/A	N/A
2014	483,347.00		N/A	N/A

The Township of Irvington, in accordance with the provisions of Public Law 2009, c. 19 (S21), elected by resolution of the governing body to defer the 50% of their 2009 normal and accrued pension liability for the PERS and PFRS pension retirement system obligation in the amount of \$3,278,923.00. This deferred pension liability will be repaid over a 15 year period and started in April 2012.

## 8. DEFINED CONTRIBUTION RETIREMENT PROGRAM

### Description of System

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

The DCRP is jointly administered by the Division of Pensions and Benefits and Prudential Financial.

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 and 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 options 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 remain in the Public Employees' Retirement System (PERS).
- A Governor appointee with the advice and consent of the Legislature or who serves at the pleasure of the Governor only during that Governor's term of office.



## 8. DEFINED CONTRIBUTION RETIREMENT PROGRAM (Continued)

### Description of System (Continued)

- Employees enrolled in the PERS on or after July 1, 2007 or employees enrolled in the PFRS after May 21, 2010 who earn salary in excess of established "maximum compensation" limits.
- Employees otherwise eligible to enroll in the PERS on or after November 2, 2008 who do not earn the minimum salary for PERS Tier 3, but who earn salary of at least \$5,000.00.
- Employees otherwise eligible to enroll in the PERS after May 21, 2010, who do not work the minimum number of hours per week, required for PERS Tier 4 or Tier 5 enrollment (32 hours per week) but who earn salary of at least \$5,000.00 annually.

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 Required and Made

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

During the year 2016, there were eighteen (18) to twenty-six (26) employees enrolled in the DCRP.

Contributions to the Plan for the past three (3) years are as follows:

<u>Year</u>	<u>Township</u>	<u>Employees</u>
2016	\$ 27,951.00	\$55,902.45
2015	28,110.26	51,535.48
2014	8,868.85	18,023.45

## 9. POST-EMPLOYMENT BENEFITS OTHER THAN PENSION

### Plan Description

The Township of Irvington, by contractual agreement, provides medical benefits to Township employees who retire in accordance with the Police and Firemen's Retirement System. The Township also provides medical coverage to surviving spouses and their eligible dependents of any officer retiring with 25 years or more of service. Such coverage expires when the spouse becomes eligible for Medicare at which time the Township will pay the Part B premium.

In addition, by resolution of the Township Council, the Township provides medical benefits to other retired employees with 25 years of service and to their surviving spouses and eligible dependents. The Township will also reimburse the retired employee for Medicare Part B premiums when they become eligible for Medicare.

The Township will also provide medical coverage to employees that retire on disability prior to obtaining 25 years of service at discounted rates.

### Actuarial Valuation

An actuarial valuation for the annual payment for currently retired employees and the future costs for these employees is \$6,632,966.00 as of December 31, 2016.

## 10. MUNICIPAL DEBT

The Local Bond Law governs the issuance of bonds and notes to finance general capital expenditures. All bonds are retired in serial installments within the statutory period of usefulness. Bonds issued by the Township are general obligation bonds, backed by the full faith and credit of the Township. Pursuant to N.J.S.A. 40A:2-8, bond anticipation notes, which are issued to temporarily finance capital projects, cannot be renewed past the third anniversary unless an amount equal to at least the first legal requirement is paid prior to each anniversary and must be paid off within ten years and five months or retired by the issuance of bonds.

### Summary of Municipal Debt (Excluding Operating and School Debt)

	<u>Year 2016</u>	<u>Year 2015</u>	<u>Year 2014</u>
<u>Issued</u>			
General:			
Serial Bonds	\$48,105,425.80	\$52,877,713.80	\$58,220,091.30
Loans Payable	4,414,519.13	3,849,920.46	2,735,929.23
Bond Anticipation Notes	11,056,620.00	8,136,167.00	6,082,578.00
	<u>63,576,564.93</u>	<u>64,863,801.26</u>	<u>67,038,598.53</u>
 <u>Authorized but Not Issued</u>			
General:			
Bonds and Notes	<u>10,396,302.83</u>	<u>10,444,675.65</u>	<u>14,596,933.65</u>
 Total Debt	<u>73,972,867.76</u>	<u>75,308,476.91</u>	<u>81,635,532.18</u>
 Less: Pension Refunding Bonds (N.J.S.A. 40A:2-52)	1,490,000.00	2,655,000.00	3,715,000.00
Cash on Hand to Pay Notes	76,000.00	1,268,288.82	414,709.66
Due from State			77,579.16
	<u>1,566,000.00</u>	<u>3,923,288.82</u>	<u>4,207,288.82</u>
 Net Bonds and Notes Issued and Authorized but Not Issued	<u>\$72,406,867.76</u>	<u>\$71,385,188.09</u>	<u>\$77,428,243.36</u>

### Summary of Statutory Debt Condition - Annual Debt Statement

The summary 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 3.391%:

	<u>Gross Debt</u>	<u>Deductions</u>	<u>Net Debt</u>
Local School District Debt	\$ 33,896,708.60	\$33,896,708.60	\$
General Debt	<u>73,972,867.76</u>	<u>1,566,000.00</u>	<u>72,406,867.76</u>
	<u>\$107,869,576.36</u>	<u>\$35,462,708.60</u>	<u>\$72,406,867.76</u>

Net Debt, \$72,406,867.76 divided by Equalized Valuation Basis per N.J.S. 40A:2-2 as amended, \$2,134,886,715.67 equals 3.391%.



## 10. MUNICIPAL DEBT (Continued)

### Borrowing Power Under N.J.S. 40A:2-6 as Amended

3 1/2% of Equalized Valuation Basis	\$72,721,035.04
Net Debt	<u>72,406,867.76</u>
Remaining Borrowing Capacity	<u>\$ 314,167.28</u>

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

### Long-Term Debt

Long-Term Debt at December 31, 2016 is as follows:

#### Municipal Bonds

##### General Improvement Refunding Term Bonds - Series 2008:

\$10,837,090.40, 2006 Qualified Bonds Due in Annual Installments of \$1,572,187.50 to \$2,215,238.30 through July 2018. Bonds Will Not Bear Interest. Accredited Value Paid at Maturity

\$ 3,787,425.80

##### General Improvement Bonds - Series 2008:

\$9,067,000.00, 2008 Qualified Bonds Due in Annual Installments of \$300,000.00 through January 2018, Interest at 4.50% to 5.00%

600,000.00

##### General Obligation Refunding Bonds - Series 2012:

\$8,288,000.00, 2012 Qualified Bonds Due in Annual Installments of \$540,000.00 to \$1,228,000.00 through April 2020, Interest at 2.70%

2,848,000.00

##### General Obligation Refunding Bonds - Series 2013A:

\$3,555,000.00, 2012 Qualified Bonds Due in Annual Installments of \$505,000.00 to \$510,000.00 through 2012, Interest at 4.00% to 5.00%

2,030,000.00

##### General Obligation Refunding Bonds - Series 2013B:

\$4,715,000.00, 2013 Qualified Bonds Due in Annual Installments of \$35,000.00 to \$1,285,000.00 through April 2021, Interest at 2.880% to 4.994%

1,490,000.00

##### Fiscal Year Adjustment Refunding Term Bonds - Series 2014A-1:

\$21,095,000.00, 2014 Qualified Bonds Due in Annual Installments of \$3,800,000.00 to \$4,660,000.00 through July 2033, Interest at 5.00%.

21,095,000.00

##### General Improvement Refunding Bonds - Series 2014A:

\$9,720,000.00, 2014 Qualified Bonds Due in Annual Installments of \$1,760,000.00 to \$2,140,000.00 through July 2033, Interest at 5.00%

9,720,000.00

##### General Obligation Refunding Bonds - Series 2016:

\$6,535,000.00, 2016 Qualified Bonds Due in Annual Installments of \$105,000.00 to \$1,505,000.00 through January 2023, Interest at 2.38%

6,535,000.00

\$ 48,105,425.80

# 10. MUNICIPAL DEBT (Continued)

## Long-Term Debt (Continued)

### Municipal Bonds (Continued)

#### Green Acres Trust Loan

##### Expansion of Orange Park:

\$250,000.00, 2006 Loan Due in Semi-Annual Installments of \$7,152.28 to \$8,221.40 through March 2024, Interest at 2.0%	\$ 115,129.55
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##### Irvington Township Orange Avenue:

\$225,000.00, 2007 Loan Due in Semi-Annual Installments of \$5,810.95 to \$7,232.98 through March 2028, Interest at 2.0%	149,436.13
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##### Irvington Township Playground Improvements:

\$250,000.00, 2008 Loan Due in Semi-Annual Installments of \$6,244.72 to \$7,695.97 through July 2027, Interest at 2.0%	152,818.15
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##### Irvington Township Playground Improvements:

\$300,000.00, 2010 Loan Due in Semi-Annual Installments of \$7,692.31 through April 2030, Interest at 2.0%	<u>207,692.37</u>
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\$ 625,076.20

## N.J. Environmental Infrastructure Trust Loan

Loan agreements were entered into by the Township of Irvington with the New Jersey Department of Environmental Protection for various improvements with interest rates of 3.00% to 5.00%. Loans payable at December 31, 2016 in the amount of \$2,948,148.66 are detailed as follows:

	<u>Total</u>	<u>Year 2002</u>	<u>Year 2006</u>	<u>Year 2010</u>	<u>Year 2015</u>
Trust Share	\$ 1,130,000.00	\$230,000.00	\$200,000.00	\$315,000.00	\$ 385,000.00
Fund Share	<u>1,818,148.66</u>	<u>193,758.24</u>	<u>467,267.34</u>	<u>275,314.05</u>	<u>881,809.03</u>
	<u>\$2,948,148.66</u>	<u>\$423,758.24</u>	<u>\$667,267.34</u>	<u>\$590,314.05</u>	<u>\$ 1,266,809.03</u>

## Demolition Loan

### Demolition of Unsafe Buildings:

\$923,240.00 2014 Loan Due Installments of \$92,324.00 to \$195,949.51 through July, 2024, Interest at 4.00%	<u>\$ 841,294.27</u>
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# 10. MUNICIPAL DEBT (Continued)

## Bond Anticipation Notes

Outstanding Bond Anticipation Notes are summarized as follows:

<u>Notes</u>	<u>Interest Rate</u>	<u>Amount</u>
General Capital	3.00%	\$ 6,341,400.00
General Capital	2.85%	4,415,220.00
General Capital	4.25%	<u>300,000.00</u>
		<u>\$ 11,056,620.00</u>

Statutory requirements for providing sums equivalent to legally payable installments for the redemption of notes (Budget Appropriations) and permanent funding (Bond Issues) are summarized as follows:

<u>Installments Due</u>	<u>Required as of May 1</u>
2016 - 2023	2024
2017 - 2024	2025
2018 - 2025	2026

## Bonds and Notes Authorized but Not Issued

	<u>Balance Dec. 31, 2016</u>	<u>Balance Dec. 31, 2015</u>
General Capital Fund:		
General Improvements	<u>\$ 10,396,302.83</u>	<u>\$ 10,444,675.65</u>

## School Debt

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

The Board of Education of the Township of Irvington is a Type II school district. The members of the Board of Education are elected by the voters of the school district on the third Tuesday in April. At each annual school election the Board of Education shall submit to the voters of the district the amount of money fixed and determined in its budget, excluding interest and debt redemption charges, to be voted upon for use of the public schools of the district for the ensuing school year.

## Type I School Bonds

School Refunding Capital Appreciation Bonds:

\$29,110,713.60, 2003 Series 2003C Bonds Due in Annual Installments of \$1,618,375.00 to \$2,124,950.00 through July 2026, Interest at 4.84% to 5.40%	\$18,406,708.60
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School Refunding Bonds:

\$15,635,000.00, 2014 Series Bonds Due in Annual Installments of \$30,000.00 to \$6,655,000.00 through July 2028, Interest at 3.00% to 4.00%	<u>15,490,000.00</u>
	<u>\$33,896,708.60</u>

## 10. MUNICIPAL DEBT (Continued)

### Schedule of Annual Debt Service for Principal and Interest for Loans and Bonded Debt Issued and Outstanding

Calendar Year	Municipal Bonds		
	Total	Principal	Interest
2017	\$ 9,201,916.30	\$ 5,688,238.30	\$ 3,513,678.00
2018	6,219,844.50	3,062,187.50	3,157,657.00
2019	3,241,633.00	1,490,000.00	1,751,633.00
2020	4,208,206.00	2,540,000.00	1,668,206.00
2021	3,150,850.00	1,520,000.00	1,630,850.00
2022	3,079,241.00	1,485,000.00	1,594,241.00
2023	3,063,660.00	1,505,000.00	1,558,660.00
2024	1,540,750.00		1,540,750.00
2025	1,540,750.00		1,540,750.00
2026	1,540,750.00		1,540,750.00
2027	1,540,750.00		1,540,750.00
2028	1,540,750.00		1,540,750.00
2029	7,100,750.00	5,560,000.00	1,540,750.00
2030	7,137,750.00	5,875,000.00	1,262,750.00
2031	7,114,000.00	6,145,000.00	969,000.00
2032	7,117,750.00	6,436,000.00	681,750.00
2033	7,140,000.00	6,800,000.00	340,000.00
	<u>\$ 75,479,350.80</u>	<u>\$ 48,106,425.80</u>	<u>\$ 27,372,925.00</u>

Calendar Year	Green Trust Loan			N.J. Environmental Infrastructure Trust Loan		
	Total	Principal	Interest	Total	Principal	Interest
2017	\$ 61,372.15	\$ 53,992.59	\$ 7,379.56	\$ 279,206.02	\$ 229,368.52	\$ 49,837.50
2018	61,356.57	54,768.62	6,587.95	272,835.73	227,098.23	45,737.50
2019	62,148.19	55,560.24	6,587.95	280,787.94	239,150.44	41,637.50
2020	62,148.19	56,367.75	5,780.44	282,335.00	244,797.50	37,537.50
2021	62,148.20	57,191.54	4,956.66	274,977.30	241,989.80	32,987.50
2022	62,148.19	58,031.83	4,116.36	301,451.50	272,639.00	28,812.50
2023	62,148.18	58,889.04	3,259.14	203,718.77	179,868.77	23,850.00
2024	53,844.62	51,459.95	2,384.67	199,283.95	178,283.95	21,000.00
2025	45,541.05	43,798.42	1,742.63	208,741.95	190,741.95	18,000.00
2026	45,541.14	44,369.53	1,171.61	203,698.62	188,761.12	14,937.50
2027	45,541.07	44,952.16	588.91	137,167.37	125,167.37	12,000.00
2028	22,689.93	22,617.60	72.33	134,967.37	125,167.37	9,800.00
2029	15,384.62	15,384.62		132,767.55	125,167.55	7,600.00
2030	7,692.31	7,692.31		79,389.38	73,989.38	5,400.00
2031				78,389.38	73,989.38	4,400.00
2032				77,389.38	73,989.38	3,400.00
2033				81,389.38	78,989.38	2,400.00
2034				80,189.57	78,989.57	1,200.00
	<u>\$ 669,704.41</u>	<u>\$ 625,076.20</u>	<u>\$ 44,628.21</u>	<u>\$ 3,308,686.16</u>	<u>\$ 2,948,148.66</u>	<u>\$ 360,537.50</u>

# 10. MUNICIPAL DEBT (Continued)

## Schedule of Annual Debt Service for Principal and Interest for Loans and Bonded Debt Issued and Outstanding

Calendar Year	Urban And Rural Centers Unsafe Building Demolition Bond Loan		
	Total	Principal	Interest
2017	\$ 206,105.15	\$ 195,026.27	\$ 11,078.88
2018	96,016.96	92,324.00	3,692.96
2019	96,016.96	92,324.00	3,692.96
2020	96,016.96	92,324.00	3,692.96
2021	96,016.96	92,324.00	3,692.96
2022	96,016.96	92,324.00	3,692.96
2023	96,016.96	92,324.00	3,692.96
2024	96,016.96	92,324.00	3,692.96
	<u>\$ 878,223.87</u>	<u>\$ 841,294.27</u>	<u>\$ 36,929.60</u>

Calendar Year	Type 1 School Bonds		
	Total	Principal	Interest
2017	\$ 4,090,806.25	\$ 1,825,360.00	\$ 2,265,446.25
2018	4,759,906.35	2,301,252.10	2,458,654.25
2019	4,818,706.75	2,229,837.50	2,588,869.25
2020	6,047,506.25	2,654,950.00	3,392,556.25
2021	6,026,306.25	2,522,250.00	3,504,056.25
2022	5,855,106.75	2,029,241.50	3,825,865.25
2023	5,854,094.25	1,909,722.50	3,944,371.75
2024	6,003,081.25	1,845,110.00	4,157,971.25
2025	6,002,068.75	1,740,610.00	4,261,458.75
2026	6,001,018.75	1,648,375.00	4,352,643.75
2027	7,004,968.75	6,535,000.00	469,968.75
2028	6,896,243.75	6,655,000.00	241,243.75
	<u>\$ 69,359,814.10</u>	<u>\$ 33,896,708.60</u>	<u>\$ 35,463,105.50</u>

The above Schedule of Type I School District Debt is a direct liability of the Township.

## 11. FUND BALANCES APPROPRIATED

	<u>Fiscal Year</u>	<u>Balance Year Ended</u>	<u>Budgets of Succeeding Year</u>
Current Fund:	2016	\$ 6,123,732.40	\$ -
	2015	4,518,742.80	-
	2014	3,564,994.01	-
	2013	3,076,020.65	-
	2012	1,167,102.28	-

## 12. INTERFUND RECEIVABLES AND PAYABLES

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

	<u>Due from Other Funds</u>	<u>Due to Other Funds</u>
Current Fund	\$ 1,751,933.94	\$ 105.00
Grant Fund		2,811,456.63
Animal Control Trust Fund	4,472.40	
General Trust Fund	255,502.87	371,963.51
General Capital Fund	<u>2,396,838.80</u>	<u>1,225,222.87</u>
	<u>\$ 4,408,748.01</u>	<u>\$ 4,408,748.01</u>

## 13. DEFERRED COMPENSATION PLAN

The Township of Irvington offers its employees a deferred compensation plan created in accordance with the provisions of N.J.S. 43:15B-1 et seq., and the Internal Revenue Code, Section 457. The plan, available to all municipal employees, permits them to defer a portion of their salary until future years. The deferred compensation is not available to employees until terminations, retirement, death or unforeseeable emergency.

Statutory and regulatory requirements governing the establishment and operation of Deferred Compensation Plans have been codified in the New Jersey Administrative Code under the reference N.J.A.C. 5:37.

The "Small Business Job Protective Act of 1996" revised several provisions of Section 457 of the Internal Revenue Code. A provision of the act required that all existing plans be modified to provide that the funds be held for the exclusive benefit of the participating employees and their beneficiaries. The Township of Irvington authorized such modifications to their plan by resolution of the Township Council.

The Deferred Compensation Plan is administered by the Hartford Variable Annuity Life Insurance Company, Nationwide and City Street Incorporated.



#### 14. RISK MANAGEMENT

Self-insurance funds for Workers' Compensation and Health Benefits were established by resolutions of the Township Council on December 31, 1981 and July 12, 1983, respectively. The Township of Irvington is self-insured to the extent of deductibles for excess insurance coverage.

During the year ended December 31, 2016, activity of these funds are shown on Exhibit B-16.

Excess insurance coverage currently in force is carried for Workers' Compensation and Health Benefits with specified limits detailed as follows:

##### Workers' Compensation:

###### 1. Specific Loss:

The Township can pay no more than \$500,000.00 for any one accident or occurrence. Above that amount, insurance coverage will pay further benefits to the extent of \$7,000,000.00.

##### Health Benefits:

###### 1. Specific Loss:

The Township can pay no more than \$175,000.00 for any one accident or occurrence. Above that amount, insurance coverage will pay further benefits to the extent of \$825,000.00.

###### 2. Aggregate Loss:

Total losses exceeding was \$23,989,446.82 for the year ended December 31, 2016 and will be covered by insurance to the extent of \$1,000,000.00.

There have been no provisions included in the financial statements for claims incurred but not reported as of December 31, 2016.

In addition, the Township of Irvington is self-insured with respect to state unemployment compensation claims under the State reimbursement method and there was a report dated June 8, 2017 that indicated estimated cost for net post-employment benefits (OPEB) under GASB No.45 as of December 31, 2016 in the amount of \$23,288,649.00.

#### 15. DEFERRED CHARGES TO BE RAISED IN SUCCEEDING YEARS BUDGETS

Certain expenditures are required to be deferred to budgets of succeeding years. At December 31, 2016, the following deferred charges are shown on the Current Fund balance sheet:

	<u>Balance Dec. 31, 2016</u>	<u>2017 Budget Appropriation</u>	<u>To be Raised in Budgets of Succeeding Years</u>
Overexpenditure of Appropriation Reserves	\$ 431,314.62	\$	\$ 431,314.62
Special Emergency Authorization (N.J.S. 40A:4-53)	1,500,393.76	423,903.72	1,076,490.04
Overexpenditure of Appropriations	<u>5,624,958.87</u>	<u></u>	<u>5,624,958.87</u>
	<u>\$7,556,667.25</u>	<u>\$423,903.72</u>	<u>\$7,132,763.53</u>



## **16. CASH HELD BY STATE OF NEW JERSEY**

The amount of \$5,511,419.60 represents the Township's share for debt service for the period January 1, 2017 to June 30, 2017 that was allocated under the Qualified Bond Act by the State of New Jersey for the Calendar Year 2017.

## **17. CONTINGENT LIABILITIES**

### **a. Compensated Absences**

The policy of the Township of Irvington concerning unused sick and vacation days, as well as compensating time, is summarized as follows:

- a) Upon separation (not retirement) an employee would be compensated for any unused vacation days and any compensatory time accumulated but nothing for unused sick days.
- b) In cases of prolonged illness, an employee would be paid up to the number of sick days accumulated.
- c) Upon retirement, an employee (except for police and fire) would be paid for one-half of his accumulated sick days, limited to \$8,500.00, plus payment, in full, for unused vacation days and compensatory time.

The future liability for compensated absences was estimated at \$6,312,783.00. This amount was not verified by audit.

Provisions for the above are not reflected on the Financial Statements of the Township.

### **b. Tax Appeals**

Assessed valuations for the last several years were subject to approximately two hundred five (205) tax appeals pending in the Tax Court of New Jersey on December 31, 2016. The estimated liability on the tax appeals per the Tax Assessor is undeterminable.

Judgments favorable to the taxpayers generally extend to two years following the year judged and would also subject the Township to a liability for statutory interest on the amount of taxes refunded from the date of payment to the date of refund (R.S. 54:3-27.2).

County taxes paid on the reductions in assessed valuations are subject to credits against the County tax levy of the year subsequent to the year in which the appeals are adjudicated.

### **c. Federal and State Awards**

The Township participates in several federal and state grant programs which are governed by various rules and regulations of the grantor agencies; therefore to the extent that the Township has not complied with the rules and regulations governing the grants, refunds of any money received may be required and the collectibility of any related receivable at December 31, 2016 may be impaired. In the opinion of management, there are no significant contingent liabilities relating to compliance with the rules and regulations governing the respective grants; therefore, no provisions have been recorded in the accompanying statutory basis financial statements for such contingencies.

## 17. CONTINGENT LIABILITIES (Continued)

### d. Due to State of New Jersey

A restructuring of Irvington Township's school bonds occurred in 2002 and 2003. The Township received debt service aid for these school bonds between 2002 and 2007 based on the pre-refinancing principal and interest payments. A state aid overpayment in the amount of \$8,156,849.86, which is to be refunded to the State, was the result of the pre-financing payment schedule being utilized. The repayment method will consist of annual payments in the amount of \$407,842.00 over a period of twenty years which began in fiscal year 2009 which was deducted from the Township's debt service aid.

### e. Arbitrage Rebate Calculation

In 1985, under the Tax Reform Act, the Arbitrage Rebate Law went into effect requiring issuers of tax-exempt debt obligations to rebate to the Federal Government all of the earnings in excess of the yield on investments or proceeds of such debt issuances (the "Rebate Arbitrage"). The Rebate Regulations apply to obligations issued after August 31, 1986. The arbitrage rebate liability must be calculated every installment computation date (last day of the fifth bond year) or earlier if the bonds are retired, defeased or refunded and pay at least 90% of the rebatable arbitrage (plus any earnings thereon) within 90 days from such date.

### f. Payments in Lieu of Taxes (PILOT)

Under N.J.S.A. 40A:20-12, each municipality is required to annually remit to the County five percent (5%) of the annual service charge for each long-term PILOT financial agreement entered into by the municipality.

### g. Litigation

The Township Attorney's letter did not indicate any litigation, claims or contingent liabilities that are either not covered by the Township's insurance carrier or would have a material financial impact on the Township.

## 18. SUBSEQUENT EVENT

The Township of Irvington has evaluated subsequent events that occurred after the balance sheet date, but before June 30, 2017 and it was determined the following items required disclosure:

The Township issued a Bond Anticipation Note of \$6,215,400.00 on June 15, 2017 with a maturity date of June 15, 2018. In addition, the Township cancelled authorized but unissued debt of \$5,464,406.95 prior to the date of report.

## 19. SECONDARY MARKET DISCLOSURE

Solely for purposes of complying with Rule 1602-12 of the Securities and Exchange Commission, as amended and interpreted from time to time (the "Rule"), and provided that the Bonds are not exempt from the Rule and provided that the Bonds are not exempt from the requirements in accordance with Paragraph (d) of the Rule, for so long as the Bonds remain outstanding (unless the Bonds have been wholly defeased), the municipality shall provide for the benefit of the holders of the Bonds and the beneficial owners thereof various financial documents relating to the financial conditions of the Municipal Securities Rulemaking Board through the Electronic Municipal Access Data Port (the "MSRB").

TOWNSHIP OF IRVINGTON  
CURRENT FUND

CASH RECEIPTS AND DISBURSEMENTS - TREASURER

A-4

	<u>Ref.</u>	<u>Regular Fund</u>	<u>Grant Fund</u>
Balance December 31, 2015	A	\$ 7,498,784.95	\$
Increased by Receipts:			
Nonbudget Revenue	A-2b	\$ 298,354.44	\$
Cash Held by State of New Jersey	A-5	3,609,377.59	
Due from State of New Jersey	A-7	108,780.00	
Taxes Receivable	A-8	96,559,417.56	
Tax Title Liens	A-9	2,793,211.08	
Sewer User Charges	A-11	5,464,820.11	
Special Improvement District Liens			
Receivable	A-12	10,143.15	
Other Municipal Liens Receivable	A-13	12,330.91	
Revenue Accounts Receivable	A-15	9,374,459.41	
Interfunds	A-16	8,308,138.03	
Tax Overpayments	A-23	253,557.24	
Prepaid Taxes	A-24	299,447.88	
Sewer Rent Overpayments	A-25	3,489.85	
Special Improvement District			
Tax Overpayments	A-26	13.42	
Interfunds	A-27		1,965,514.80
Tax Anticipation Note	A-30	5,000,000.00	
Grants Receivable	A-32		1,338,085.11
Reserve for Grants - Unappropriated	A-34		144,789.98
		<u>132,095,540.67</u>	<u>3,448,389.89</u>
		139,594,325.62	3,448,389.89
Decreased by Disbursements:			
Budget Appropriations	A-3	88,518,364.57	
Prepaid Debt Service	A	179,626.06	
Tax Overpayments Refunded Receivable	A,A-1	6,976.52	
Petty Cash	A-6	900.00	
Interfunds	A-16	10,114,473.72	
Appropriation Reserves	A-19	1,960,304.52	
Accounts Payable	A-20	107,398.33	
Due to Special Improvement District	A-22	334,967.70	
Tax Overpayments	A-23	699,592.23	
Interfunds	A-27		1,482,875.09
County Taxes	A-28	10,694,874.66	
Local District School Taxes	A-29	17,459,529.00	
Tax Anticipation Note	A-30	7,500,000.00	
Grants Appropriated	A-33		1,965,514.80
		<u>137,577,007.31</u>	<u>3,448,389.89</u>
Balance December 31, 2016	A	\$ 2,017,318.31	\$ -

TOWNSHIP OF IRVINGTON  
CURRENT FUND

CASH HELD BY STATE OF NEW JERSEY

A-5

	<u>Ref.</u>		
Balance December 31, 2015	A		\$ 5,446,288.94
Increased by:			
Anticipated State Aid Revenue	A-15		<u>11,641,169.00</u>
			17,087,457.94
Decreased by:			
Current Appropriations	A-3	\$7,966,660.75	
Cash Receipts	A-4	<u>3,609,377.59</u>	
			<u>11,576,038.34</u>
Balance December 31, 2016	A		<u>\$ 5,511,419.60</u>

TOWNSHIP OF IRVINGTON  
CURRENT FUND

CHANGE AND PETTY CASH FUNDS

A-6

	<u>Ref.</u>	<u>Petty Cash Funds</u>	<u>Change Funds</u>	<u>Total</u>
Balance December 31, 2015	A	\$	\$478.00	\$ 478.00
Increased by:				
Cash Disbursements	A-4	<u>900.00</u>	<u>          </u>	<u>900.00</u>
Balance December 31, 2016	A	<u>\$ 900.00</u>	<u>\$478.00</u>	<u>\$1,378.00</u>
<u>Analysis of Balance</u>				
Treasurer		\$ 200.00	\$	\$ 200.00
Police			20.00	20.00
Fire		300.00		300.00
INIC		200.00		200.00
Clerk		200.00		200.00
Municipal Court			100.00	100.00
Tax Collector			350.00	350.00
Free Public Library			8.00	8.00
		<u>\$ 900.00</u>	<u>\$478.00</u>	<u>\$1,378.00</u>



TOWNSHIP OF IRVINGTON  
CURRENT FUND

DUE (TO)/FROM STATE OF NEW JERSEY  
PER CHAPTER 20, P.L. 1971

A-7

	<u>Ref.</u>		
Balance December 31, 2015:			
Due From	A		\$ 10,884.16
Decreased by:			
Exemptions per Tax Billings		\$109,750.00	
Deductions Allowed by Tax Collector		<u>1,000.00</u>	
		110,750.00	
Deductions Disallowed by Tax Collector		<u>702.04</u>	
	A-8		<u>110,047.96</u>
			120,932.12
Increased by:			
Collections		91,198.74	
Prior Year Deductions Disallowed by Tax Collector		<u>17,581.26</u>	
	A-4		<u>108,780.00</u>
Balance December 31, 2016:			
Due From	A		<u>\$ 12,152.12</u>

TOWNSHIP OF IRVINGTON  
CURRENT FUND

TAXES RECEIVABLE AND ANALYSIS OF PROPERTY TAX LEVY

A-8

<u>Year</u>	<u>Balance</u> <u>Dec. 31, 2015</u>	<u>2016</u> <u>Levy</u>	<u>Collections</u>		<u>Overpayments</u> <u>Applied</u>	<u>Cancelled</u>	<u>Tax</u> <u>Title Liens</u>	<u>Balance</u> <u>Dec. 31, 2016</u>
			<u>2015</u>	<u>2016</u>				
FY 2011	\$ 16,090.84	\$	\$	\$ 4,355.03	\$ 843.32	\$	\$	\$ 10,892.49
TY 2011	11,817.74			1,005.02	2,824.68			7,988.04
2012	44,883.29			10,103.98			9,545.36	25,233.95
2013	94,908.86			4,888.95			39,725.05	50,292.86
2014	158,737.22			35,183.75	2,260.82		26,016.96	95,275.69
2015	447,828.74			255,840.73	20,569.60	4,759.73	20,798.97	145,859.71
	<u>774,262.69</u>			<u>311,377.46</u>	<u>26,498.42</u>	<u>4,759.73</u>	<u>96,084.34</u>	<u>335,542.74</u>
2016		101,826,069.43	296,954.74	96,358,088.06	59,160.07	453,886.77	4,242,758.71	415,221.08
	<u>\$ 774,262.69</u>	<u>\$ 101,826,069.43</u>	<u>\$ 296,954.74</u>	<u>\$ 96,689,485.52</u>	<u>\$ 85,658.49</u>	<u>\$ 458,646.50</u>	<u>\$ 4,338,843.05</u>	<u>\$ 750,763.82</u>
<u>Reference</u>	<u>A</u>	<u>Below</u>	<u>A-2a,24</u>	<u>A-2a,Below</u>	<u>A-2a,23,26</u>	<u>Reserve</u>	<u>Below</u>	<u>A</u>

	<u>Ref.</u>			<u>Ref.</u>	
Cash Collections	A-4	\$ 96,559,417.56	Tax Title Liens	A-9	\$ 4,322,374.39
Due from State of New Jersey	A-7	110,047.96	Special Improvement		
			District Tax Liens	A-12	16,468.66
	<u>Above</u>	<u>\$ 96,669,465.52</u>		<u>Above</u>	<u>\$ 4,338,843.05</u>

ANALYSIS OF PROPERTY TAX LEVY

<u>Ref.</u>		<u>Ref.</u>	
<u>Tax Yield</u>		<u>Tax Levy</u>	
General Property Tax	\$ 101,199,833.50	Local School District	A-29 \$ 17,459,529.00
Added and Omitted Tax	212,977.65	Addition to Local School District	
6% Tax Penalty	<u>6,365.02</u>	Tax (Budget)	A-2 <u>1,857,642.20</u>
	101,419,176.17		\$ 19,317,171.20
Special Improvement		County Taxes:	
District Taxes	406,893.26	County Tax	10,652,833.35
		Added Tax	<u>22,515.27</u>
			A-28 10,675,348.62
		Special Improvement District Taxes	A-22 406,893.26
		Local Taxes for Municipal Purposes (Budget)	A-2 70,522,859.00
		Library Taxes	A-2 691,271.37
		Additional Taxes Levied and Tax Penalty	<u>212,525.98</u>
			<u>71,426,656.35</u>
Above	<u>\$ 101,826,069.43</u>	Above	<u>\$ 101,826,069.43</u>

TOWNSHIP OF IRVINGTON  
CURRENT FUND

TAX TITLE LIENS

A-9

	<u>Ref.</u>		
Balance December 31, 2015	A		\$21,919,060.68
Increased by:			
Transferred from Taxes Receivable	A-8	\$4,322,374.39	
Transferred from Special Improvement			
District Liens Receivable	A-12	59,219.13	
Transferred from Tax Penalty Receivable	A-36	22,350.69	
Interest and Costs on Tax Sale of			
December 20, 2016	Reserve	198,545.13	
Year End Penalty	Reserve	<u>83,184.14</u>	
			<u>4,685,673.48</u>
			26,604,734.16
Decreased by:			
Collections	A-4	2,793,211.08	
Tax Overpayments Applied	A-23	<u>17,277.20</u>	
	A-2a	2,810,488.28	
Cancelled	Reserve	<u>35,633.80</u>	
			<u>2,846,122.08</u>
Balance December 31, 2016	A		<u>\$23,758,612.08</u>

PROPERTY ACQUIRED FOR TAXES  
ASSESSED VALUATION

A-10

	<u>Ref.</u>	
Balance December 31, 2015	A	<u>\$ 2,877,300.00</u>
Balance December 31, 2016	A	<u>\$ 2,877,300.00</u>

TOWNSHIP OF IRVINGTON  
CURRENT FUND

SEWER USER CHARGES RECEIVABLE

A-11

	<u>Ref.</u>	<u>Total</u>	<u>Sewer User Charges</u>	<u>Sewer Liens</u>
Balance December 31, 2015	A	\$ 1,587,092.59	\$ 386,120.94	\$ 1,200,971.65
Increased by:				
Sewer Charges	Reserve	5,543,546.69	5,543,546.69	
Transferred from Sewer User Charges Receivable	A-11	236,517.48		236,517.48
Interest and Costs on Tax Sale of December 20, 2016	Reserve	4,093.84		4,093.84
		<u>7,371,250.60</u>	<u>5,929,667.63</u>	<u>1,441,582.97</u>
Decreased by:				
Collections	A-2,4	5,464,820.11	5,195,013.22	269,806.89
Cancelled	Reserve	40,390.28	23,809.88	16,580.40
Tax Overpayments Applied	A-2,23	230.81	230.81	
Sewer Charge Overpayments Applied	A-2,25	5,309.88	5,309.88	
Transferred to Sewer Liens Receivable	A-11	236,517.48	236,517.48	
		<u>5,747,268.56</u>	<u>5,460,881.27</u>	<u>286,387.29</u>
Balance December 31, 2016	A	<u>\$ 1,623,982.04</u>	<u>\$ 468,786.36</u>	<u>\$ 1,155,195.68</u>

TOWNSHIP OF IRVINGTON  
CURRENT FUND

SPECIAL IMPROVEMENT DISTRICT LIENS RECEIVABLE

A-12

	<u>Ref.</u>		
Balance December 31, 2015	A		\$ 52,893.62
Increased by:			
Transferred from Taxes Receivable	A-8		16,468.66
			<u>69,362.28</u>
Decreased by:			
Transferred to Tax Title Liens Receivable	A-9	\$59,219.13	
Collections	A- 2b,4	<u>10,143.15</u>	
			<u>69,362.28</u>
			<u>\$ -</u>

OTHER MUNICIPAL LIENS RECEIVABLE

A-13

	<u>Ref.</u>		
Balance December 31, 2015	A		\$112,881.77
Decreased by:			
Collections	A-2b,4	\$12,330.91	
Cancelled	Reserve	<u>41,951.75</u>	
			<u>54,282.66</u>
Balance December 31, 2016	A		<u>\$ 58,599.11</u>

RESERVE FOR TERMINAL PAYOUT

A-14

	<u>Ref.</u>		
Balance December 31, 2015	A		<u>\$ 62,438.81</u>
Balance December 31, 2016	A		<u>\$ 62,438.81</u>



TOWNSHIP OF IRVINGTON  
CURRENT FUND

REVENUE ACCOUNTS RECEIVABLE

A-15

	<u>Ref.</u>	<u>Balance</u> <u>Dec. 31, 2015</u>	<u>Accrued</u>	<u>Collections</u>	<u>Balance</u> <u>Dec. 31, 2016</u>
<u>Revenue and Finance</u>					
Alcoholic Beverage Licenses	A-2	\$	\$ 57,047.00	\$ 57,047.00	\$
Other Licenses	A-2		202,078.00	202,078.00	
Fees and Permits	A-2		934,304.46	934,304.46	
Municipal Court - Fines and Costs	A-2	160,805.44	2,315,921.52	2,363,468.68	113,258.28
Interest and Costs on Taxes	A-2		1,627,184.03	1,627,184.03	
Parking Meters	A-2		171,873.00	171,873.00	
Cablevision Fee Franchise	A-2		234,511.15	234,511.15	
Consolidated Municipal Property Tax Relief	A-2		3,706,483.00	3,706,483.00	
Energy Receipts Tax	A-2		7,934,686.00	7,934,686.00	
State School Building Aid Allowance	A-2		1,234,064.00	1,234,064.00	
Construction Code Official Fees	A-2		591,466.33	591,466.33	
Uniform Fire Safety Act	A-2		34,836.03	34,836.03	
Joint Sewer Maintenance	A-2		520,614.33	520,614.33	
Payment in Lieu of Taxes	A-2		233,641.70	233,641.70	
Rental Income	A-2		59,169.70	59,169.70	
Agreement with the Irvington Board of Education	A-2		115,000.00	115,000.00	
General Capital Surplus	A-2		950,201.00	950,201.00	
Irvington Hospital Development Fee	A-2		45,000.00	45,000.00	
		<u>\$160,805.44</u>	<u>\$20,968,081.25</u>	<u>\$21,015,628.41</u>	<u>\$113,258.28</u>

Reference

A

Reserve

Below

A

	<u>Ref.</u>	
Cash Receipts	A-4	\$ 9,374,459.41
Cash Held by State of New Jersey	A-5	<u>11,641,169.00</u>
	<u>Above</u>	<u>\$21,015,628.41</u>

TOWNSHIP OF IRVINGTON  
CURRENT FUND

INTERFUNDS

A-16

	<u>Ref.</u>	<u>Total</u>	<u>Grant Fund</u>	<u>Animal Control Trust Fund</u>	<u>General Trust Fund</u>	<u>General Capital Fund</u>
Balance December 31, 2015:						
Due From	A,Below	<u>\$ 1,032,160.79</u>	<u>\$ 1,018,645.66</u>	<u>\$ 13,515.13</u>	\$	\$
Cancellation of Grants Receivable	A-27	1,653,657.94	1,653,657.94			
Budget Appropriations	A-3	765,761.42	765,761.42			
Cash Receipts	A-4	<u>8,308,138.03</u>	<u>1,482,875.09</u>	<u>13,620.13</u>	<u>6,811,642.81</u>	
		<u>10,727,557.39</u>	<u>3,902,294.45</u>	<u>13,620.13</u>	<u>6,811,642.81</u>	
Anticipated Revenue	A-2	765,761.42	765,761.42			
Cancellation of Grant Reserves						
Appropriated and Unappropriated	A-33,34	566,990.40	566,990.40			
Cash Disbursements	A-4	<u>10,114,473.72</u>	<u>1,965,514.80</u>		<u>7,179,238.92</u>	<u>969,720.00</u>
		<u>11,447,225.54</u>	<u>3,298,266.62</u>		<u>7,179,238.92</u>	<u>969,720.00</u>
Balance December 31, 2016:						
Due From	A,Below	<u>\$ 1,751,933.94</u>	<u>\$ 414,617.83</u>		<u>\$ 367,596.11</u>	<u>\$ 969,720.00</u>
Due To	A	<u>\$ 105.00</u>		<u>\$ 105.00</u>		
Analysis of Net Interfund Account						
<u>Credit to Operations</u>						
Balance December 31, 2015 (Due From)	Above	\$ 1,032,160.79				
Balance December 31, 2016 (Due From)	Above	<u>1,751,933.94</u>				
Net Charge to Operations	A-1	<u>\$ 719,773.15</u>				

TOWNSHIP OF IRVINGTON  
CURRENT FUND

DEFERRED CHARGES

A-17

	<u>Balance</u> <u>Dec. 31, 2015</u>	<u>Increase</u>	<u>Balance</u> <u>Dec. 31, 2016</u>
Overexpenditure of 2015 Appropriations	\$ 2,821,998.14	\$	\$ 2,821,998.14
Overexpenditure of 2016 Appropriations		2,802,960.73	2,802,960.73
Overexpenditure of Appropriation Reserves	<u>431,314.62</u>	<u>                    </u>	<u>431,314.62</u>
	<u>\$ 3,253,312.76</u>	<u>\$ 2,802,960.73</u>	<u>\$ 6,056,273.49</u>
<u>Reference</u>	<u>A</u>	<u>A-1,3</u>	<u>A</u>

TOWNSHIP OF IRVINGTON  
CURRENT FUND

DEFERRED CHARGES  
N.J.S.A. 40A:4-53 SPECIAL EMERGENCY

A-18

<u>Date</u> <u>Authorized</u>	<u>Purpose</u>	<u>Net Amount</u> <u>Authorized</u>	<u>1/5 of</u> <u>Net Amount</u> <u>Authorized</u>	<u>Balance</u> <u>Dec. 31, 2015</u>	<u>Budget</u> <u>Appropriation</u>	<u>Balance</u> <u>Dec. 31, 2016</u>
10-14-14	Codification of Ordinance	\$ 22,140.00	\$ 4,428.00	\$ 22,140.00	\$	\$ 22,140.00
12-09-14	Terminal Payout	813,098.60	162,619.72	650,471.68	162,617.92	487,853.76
4-04-15	Severance	1,238,000.00	247,600.00	<u>1,238,000.00</u>	<u>247,600.00</u>	<u>990,400.00</u>
				<u>\$ 1,910,611.68</u>	<u>\$ 410,217.92</u>	<u>\$ 1,500,393.76</u>
			<u>Reference</u>	<u>A</u>	<u>A-3</u>	<u>A</u>

TOWNSHIP OF IRVINGTON  
CURRENT FUND

APPROPRIATION RESERVES

A-19  
Sheet #1

<u>APPROPRIATIONS WITHIN "CAPS"</u>	Balance Dec. 31, 2015		Balance After Transfers	Expended		Balance Lapsed
	<u>Encumbered</u>	<u>Unencumbered</u>		<u>Cash Disbursed</u>	<u>Accounts Payable</u>	
<u>OFFICE OF THE MAYOR</u>						
Mayor's Office:						
Other Expenses	\$ 3,885.73	\$ 533.97	\$ 4,419.70	\$ 2,497.23	\$ 1,875.00	\$ 47.47
Planning Board:						
Other Expenses	511.13	1,876.45	2,387.58	970.50	152.13	1,264.95
Division of Community Development and Planning:						
Salaries and Wages		33,188.12	5,063.12			5,063.12
Other Expenses	3,454.50	8,410.38	11,864.88	7,612.40	4,135.20	117.28
<u>OFFICE OF THE TOWNSHIP CLERK</u>						
Municipal Clerk:						
Other Expenses	918.46	2,395.82	3,314.28	1,523.18		1,791.10
Council's Office:						
Salaries and Wages		7,971.73	7,971.73			7,971.73
Other Expenses	1,971.70		1,971.70	1,971.70		
Zoning Board of Adjustment:						
Other Expenses	700.08	1,828.79	2,528.87	1,200.08		1,328.79
<u>OFFICE OF THE TAX ASSESSOR</u>						
Tax Assessment Administration:						
Other Expenses	23.64		23.64			23.64
<u>OFFICE OF THE TOWNSHIP ATTORNEY</u>						
Legal Services (Legal Department):						
Other Expenses	60,258.97	18,890.56	79,149.53	77,302.35	1,062.04	785.14



TOWNSHIP OF IRVINGTON  
CURRENT FUND

APPROPRIATION RESERVES

A-19  
Sheet #2

	Balance Dec. 31, 2015		Balance After	Expended		Balance
	<u>Encumbered</u>	<u>Unencumbered</u>	<u>Transfers</u>	<u>Cash Disbursed</u>	<u>Accounts Payable</u>	<u>Lapsed</u>
<u>APPROPRIATIONS WITHIN "CAPS"</u>						
<u>DEPARTMENT OF ADMINISTRATION</u>						
Office of the Business Administrator:						
Other Expenses	\$ 19,558.59	\$ 4,198.76	\$ 23,757.35	\$ 22,257.35	\$ 1,500.00	\$
Other Expenses - Postage		22,548.52	22,548.52			22,548.52
<u>DEPARTMENT OF POLICE</u>						
Police:						
Other Expenses	69,248.54	60,745.08	129,993.62	93,197.62	36,796.00	
School Guards:						
Other Expenses	625.00	2,896.60	3,521.60			3,521.60
Chaplains and Surgeons:						
Salaries and Wages		1,893.98	1,893.98			1,893.98
Parking Division:						
Other Expenses		4,841.02	4,841.02			4,841.02
<u>DEPARTMENT OF FIRE</u>						
Fire:						
Other Expenses	12,001.31	5,704.22	17,705.53	17,151.59		553.94
Uniform Fire Safety Act:						
Other Expenses		1,962.34	1,962.34			1,962.34
<u>DEPARTMENT OF REVENUE AND FINANCE</u>						
Division of Finance:						
Other Expenses	250.00		250.00	(271.92)	425.00	96.92
Audit Services	28,125.00	79,375.00	135,625.00	29,625.00	106,000.00	
Insurance:						
Insurance and Surety Bonds	2,375.00	62,252.68	12,166.68	2,375.00		9,791.68
Worker's Compensation Insurance	5,541.67	15,827.69	21,369.36	5,541.67		15,827.69
Health Benefits Insurance	116,500.80		168,961.80	168,961.80		

TOWNSHIP OF IRVINGTON  
CURRENT FUND

APPROPRIATION RESERVES

A-19  
Sheet #3

APPROPRIATIONS WITHIN "CAPS"

DEPARTMENT OF REVENUE AND FINANCE

Division of Revenue - Tax Collection:

Other Expenses

	\$	61,280.27	\$	\$	61,280.27	\$	61,280.27	\$	\$

Division of Licenses:

Other Expenses

	500.00	1,164.09	1,664.09	1,664.09	1,664.09	1,664.09	1,664.09
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Division of Central Purchasing:

Other Expenses

	3,044.81	3,044.81	544.81	544.81	544.81	2,500.00
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DEPARTMENT OF PUBLIC WORKS

Division of Engineering:

Other Expenses

	173,692.21	51,711.12	225,403.33	169,475.68	32,512.10	23,415.55
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Land Rental, Refuse Dumping:

Other Expenses

	708,070.24	708,070.24	708,070.24	708,070.24	708,070.24	708,070.24
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Division of Streets and Sewers:

Other Expenses

	6,367.00	683.79	7,050.79	7,011.64	7,011.64	39.15
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Snow Removal:

Other Expenses

	24,719.08	24,719.08	5,299.85	5,299.85	5,299.85	19,419.23
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Division of Motorized Equipment:

Other Expenses

	31,448.49	4,158.22	35,606.71	31,195.85	31,195.85	4,410.86
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Division of Public Property:

Other Expenses:

Public Buildings

	35,972.53	433.05	36,405.58	34,358.14	1,249.27	798.17
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Shade Trees

	2,864.56	916.48	3,781.04	3,126.71	3,126.71	654.33
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TOWNSHIP OF IRVINGTON  
CURRENT FUND

APPROPRIATION RESERVES

A-19  
Sheet #4

	Balance Dec. 31, 2015		Balance After	Expended		Balance
<u>APPROPRIATIONS WITHIN "CAPS"</u>	<u>Encumbered</u>	<u>Unencumbered</u>	<u>Transfers</u>	<u>Cash Disbursed</u>	<u>Accounts Payable</u>	<u>Lapsed</u>
<u>DEPARTMENT OF HEALTH AND WELFARE</u>						
Division of Health:						
Other Expenses:						
Health Administration	\$ 4,460.49	\$ 177.89	\$ 4,638.38	\$ 1,365.30	\$ 2,916.67	\$ 356.41
Environmental Health	17,788.76	1,647.76	19,436.52	17,580.68	461.62	1,394.22
Nursing	2,500.00	1,504.00	4,004.00		2,500.00	1,504.00
<u>DEPARTMENT OF PARKS AND RECREATION</u>						
Division of Parks Maintenance:						
Other Expenses	2,217.99	782.01	3,000.00	2,985.30		14.70
Division of Recreation:						
Other Expenses	3,717.68		3,717.68	3,717.68		
Public Events and Celebration:						
Other Expenses		792.07	792.07			792.07
Senior Citizen Center:						
Salaries and Wages		9,866.69	9,866.69			9,866.69
<u>DEPARTMENT OF HOUSING</u>						
Housing Services:						
Other Expenses		689.52	689.52	580.90		108.62
<u>MUNICIPAL COURT</u>						
Operations:						
Other Expenses	10,840.72	4,856.69	15,697.41	9,732.32		5,965.09
Public Defender (P.L.1997, c. 256):						
Other Expenses	200.00	349.90	549.90	400.00		149.90

TOWNSHIP OF IRVINGTON  
CURRENT FUND

APPROPRIATION RESERVES

A-19  
Sheet #5

	Balance Dec. 31, 2015		Balance After Transfers	Expended		Balance Lapsed
	<u>Encumbered</u>	<u>Unencumbered</u>		<u>Cash Disbursed</u>	<u>Accounts Payable</u>	
<u>APPROPRIATIONS WITHIN "CAPS"</u>						
<u>UNIFORM CONSTRUCTION CODE</u>						
Construction Code Official:						
Other Expenses	\$	\$ 1,532.75	\$ 1,532.75	\$ 291.50	\$	\$ 1,241.25
<u>UNCLASSIFIED</u>						
Electricity, Gas	65,690.76	59,235.00	124,925.76	69,589.13		55,336.63
Telephone	60,768.97	23,047.43	83,816.40	82,807.02		1,009.38
Telephone Equipment Lease		1,235.17	1,235.17			1,235.17
Water	2,701.41	216.07	2,917.48	2,849.70		67.78
Fire Hydrant	64,074.94		64,074.94	64,074.94		
Fuel Oil and Gasoline	11,765.80	78,639.00	90,404.80	16,122.60		74,282.20
Street Lighting	181,339.08		181,339.08	133,291.49		48,047.59
911 Emergency Transportation		184,000.00	184,000.00	59,847.46		124,152.54
<u>STATUTORY EXPENDITURES</u>						
State Unemployment Insurance Fund	1,949.73	2,492.68	4,442.41	1,949.73		2,492.68
Prior Year Expense - Legal Fees Scarinci - 2013	3,100.21	0.70	3,100.91		3,100.21	0.70
Defined Contribution Retirement Program		927.28	927.28			927.28
<u>JUDGMENTS</u>		13,883.20	13,883.20			13,883.20
<u>OTHER OPERATIONS</u>						
911 Dispatch Services	10,166.67	2,480.80	12,647.47	7,685.87		4,961.60
Joint Sewer Maintenance		0.01	0.01			0.01
Maintenance of Free Public Library		37,936.66	37,936.66	31,490.07		6,446.59
	<u>\$ 1,789,428.63</u>	<u>\$ 850,465.63</u>	<u>\$ 2,639,894.26</u>	<u>\$ 1,960,304.52</u>	<u>\$ 194,685.24</u>	<u>\$ 484,904.50</u>
<u>Reference</u>	<u>A</u>	<u>A</u>		<u>A-4</u>	<u>A-20</u>	<u>A-1</u>

TOWNSHIP OF IRVINGTON  
CURRENT FUND

ACCOUNTS PAYABLE

A-20

	<u>Ref.</u>	
Balance December 31, 2015	A	\$107,398.33
Increased by:		
Commitments	A-19	<u>194,685.24</u>
		302,083.57
Decreased by:		
Payments	A-4	<u>107,398.33</u>
Balance December 31, 2016	A	<u><u>\$194,685.24</u></u>

RESERVE FOR REVALUATION

A-21

	<u>Ref.</u>	
Balance December 31, 2015	A	<u>\$ 5,155.33</u>
Balance December 31, 2016	A	<u><u>\$ 5,155.33</u></u>



TOWNSHIP OF IRVINGTON  
CURRENT FUND

DUE TO SPECIAL IMPROVEMENT DISTRICT

A-22

	<u>Ref.</u>	
Balance December 31, 2015	A	\$381,545.87
Increased by:		
Special Improvement District Tax		
Levy	A-1,2a,8	<u>406,893.26</u>
		788,439.13
Decreased by:		
Payments	A-4	<u>334,967.70</u>
Balance December 31, 2016	A	<u><u>\$453,471.43</u></u>

TOWNSHIP OF IRVINGTON  
CURRENT FUND

TAX OVERPAYMENTS

A-23

	<u>Ref.</u>		
Balance December 31, 2015	A		\$2,554,063.42
Increased by:			
Prior Year Paid Taxes Cancelled for			
Tax Appeals	A-1	\$ 277,635.89	
Collections	A-4	<u>253,557.24</u>	
			<u>531,193.13</u>
			3,085,256.55
Decreased by:			
Refunded	A-4	699,592.33	
Applied to Taxes Receivable	A-8	85,304.70	
Applied to Sewer User Charges Receivable	A-11	230.81	
Applied to Tax Title Liens Receivable	A-9	17,277.20	
Applied to Prepaid Taxes	A-24	710.61	
Cancelled	A-1	<u>1,299,195.29</u>	
			<u>2,102,310.94</u>
Balance December 31, 2016	A		<u>\$ 982,945.61</u>

TOWNSHIP OF IRVINGTON  
CURRENT FUND

PREPAID TAXES

A-24

	<u>Ref.</u>		
Balance December 31, 2015	A		\$ 296,954.74
Increased by:			
Collections	A-4	\$ 299,447.88	
Transferred from Tax Overpayments	A-23	<u>710.61</u>	
			<u>300,158.49</u>
			597,113.23
Decreased by:			
Applied	A-8		<u>296,954.74</u>
Balance December 31, 2016	A		<u><u>\$ 300,158.49</u></u>

TOWNSHIP OF IRVINGTON  
CURRENT FUND

SEWER RENT OVERPAYMENTS

A-25

	<u>Ref.</u>	
Balance December 31, 2015	A	\$12,908.58
Increased by:		
Collections	A-4	<u>3,489.85</u> 16,398.43
Decreased by:		
Overpayments Applied to Sewer User Charges Receivable	A-11	<u>5,309.88</u>
Balance December 31, 2016	A	<u><u>\$11,088.55</u></u>

SPECIAL IMPROVEMENT DISTRICT TAX OVERPAYMENTS

A-26

	<u>Ref.</u>	
Balance December 31, 2015	A	\$ 3,372.16
Increased by:		
Collections	A-4	<u>13.42</u> 3,385.58
Decreased by:		
Overpayments Applied to Taxes Receivable	A-8	<u>353.79</u>
Balance December 31, 2016	A	<u><u>\$ 3,031.79</u></u>

TOWNSHIP OF IRVINGTON  
GRANT FUND

INTERFUNDS

A-27

	<u>Ref.</u>	<u>Total</u>	<u>Grant Fund</u>	
			<u>Current Fund</u>	<u>General Capital Fund</u>
Balance December 31, 2015:				
Due To	A	<u>\$3,415,484.46</u>	<u>\$1,018,645.66</u>	<u>\$2,396,838.80</u>
Budget Appropriations	A-33	765,761.42	765,761.42	
Cash Receipts	A-4	1,965,514.80	1,965,514.80	
Cancellation of Grant Reserves				
Appropriated and Unappropriated	A-33,34	<u>566,990.40</u>	<u>566,990.40</u>	
		<u>3,298,266.62</u>	<u>3,298,266.62</u>	
Decreased by:				
Miscellaneous Anticipated Revenue	A-32	765,761.42	765,761.42	
Cancellation of Grants Receivable	A-32	1,653,657.94	1,653,657.94	
Cash Disbursements	A-4	<u>1,482,875.09</u>	<u>1,482,875.09</u>	
		<u>3,902,294.45</u>	<u>3,902,294.45</u>	
Balance December 31, 2016:				
Due To	A	<u>\$2,811,456.63</u>	<u>\$ 414,617.83</u>	<u>\$2,396,838.80</u>

TOWNSHIP OF IRVINGTON  
CURRENT FUND

COUNTY TAXES PAYABLE

A-28

	<u>Ref.</u>		
Balance December 31, 2015	A		\$ 19,526.04
Increased by:			
2016 Levy		\$ 10,343,830.93	
2016 Open Space Levy		309,002.42	
		<u>10,652,833.35</u>	
Added County Taxes		22,515.27	
	A-1,2a,8		<u>10,675,348.62</u>
			10,694,874.66
Decreased by:			
Payments	A-4		<u>10,694,874.66</u>
			<u>\$ -</u>

LOCAL DISTRICT SCHOOL TAX

A-29

	<u>Ref.</u>		
Increased by:			
Levy - Calendar Year 2016	A-1,2a,8		\$ 17,459,529.00
Decreased by:			
Payments	A-4		<u>17,459,529.00</u>
			<u>\$ -</u>



TOWNSHIP OF IRVINGTON  
CURRENT FUND

TAX ANTICIPATION NOTE

A-30

	<u>Ref.</u>	
Balance December 31, 2015	A	\$ 7,500,000.00
Increased by:		
Cash Receipts	A-4	<u>5,000,000.00</u>
		12,500,000.00
Decreased by:		
Payments	A-4	<u>7,500,000.00</u>
Balance December 31, 2016	A	<u><u>\$ 5,000,000.00</u></u>

TAX ABATEMENT OVERPAYMENTS

A-31

	<u>Ref.</u>	
Balance December 31, 2015	A	<u>\$ 5,076.15</u>
Balance December 31, 2016	A	<u><u>\$ 5,076.15</u></u>

TOWNSHIP OF IRVINGTON  
GRANT FUND

GRANTS RECEIVABLE

A-32  
Sheet #1

	<u>Balance</u> <u>Dec. 31, 2015</u>	<u>Realized</u> <u>in 2016</u>	<u>Collections</u>	<u>Cancelled</u>	<u>Balance</u> <u>Dec. 31, 2016</u>
Baseball Tomorrow Fund	\$ 49,624.47	\$	\$	\$ 49,624.47	\$
Children's Summer Food Service Program	40,403.11			40,403.11	
Children's Summer Food Service Program	134,102.85			134,102.85	
Clean Communities		88,764.54	88,764.54		
COPS MORE Program	8,563.00		8,563.00		
COPS Hiring Recovery Program - 2011	1,113,291.21		766,264.00	347,027.21	
COPS Hiring Recovery Program	1,000,000.00				1,000,000.00
COPS Technology Grant - 2010	630.78		630.78		
Essex County:					
Open Space	120,394.56				120,394.56
Community Service Block Grant - 2014	77,015.52		45,273.41	31,742.11	
Community Service Block Grant	25,057.38	67,666.49	92,723.87		
SSH Block Grant	23,022.83	43,998.00	43,998.00	23,022.83	
SSH Block Grant Homeless	32,732.05	25,684.91	25,684.91	32,732.05	
SSH Block Grant for Homeless 2015/2016		110,000.00	87,579.19		22,420.81
FEMA Emergency Food and Shelter	12,500.00				12,500.00
FEMA Firefighters Assistance	87.00			87.00	
Gateway Enhancement	29,011.24			29,011.24	
GREAT:					
Fiscal Year 2004	13,562.00			13,562.00	
Fiscal Year 2005	13,504.00			13,504.00	
Green Acres Chancellor and Green Playground Improvements	24,281.97				24,281.97
Housing Opportunities for People with AIDS	186,910.40	5,224.77	163,480.51	28,654.66	
Housing Opportunities for People with AIDS		361,147.00	136,155.32		224,991.68
HUD - Transitional Housing	18,084.00				18,084.00
Hurricane Sandy Temporary Worker	19,254.62				19,254.62
Hurricane Sandy Temporary Worker (2013/2014)	507.72				507.72
Irvington Weed and Seed	297,000.00			297,000.00	
Irvington Youth Violent Prevention Initiative	110,087.00				110,087.00
Office of Juvenile Justice Delinquent Prevention	58,434.52				58,434.52
Newark - JAG Police Grant	83,801.40		3,893.82		79,907.58
Local Disaster Preparedness	200,000.00				200,000.00
Milton Eisenhower Foundation - Youth Safe Haven	9,025.00			9,025.00	
Essex County:					
Municipal Alliance on Alcoholism and Drug Abuse	12,636.50				12,636.50
Municipal Alliance on Alcoholism and Drug Abuse	41,434.54				41,434.54
Neighborhood Preservation	608.56			608.56	
New Jersey Department of Environmental Protection:					
Forestry Grant	20,000.00				20,000.00
Green Communities Grant	3,000.00				3,000.00
New Jersey Health Officers' Association:					
2011 Mass Vaccination Exercise Grant	500.00			500.00	
Mass Vaccination Mini-Grant	622.00			622.00	
ACCHO	17,904.00				17,904.00
Shaping Grant	12,000.00				12,000.00
New Jersey Transportation Trust Fund Authority:					
38th Street (FY 2004)	65,000.00				65,000.00
Clinton Avenue (FY 2000)	300,000.00				300,000.00
Columbia Avenue (FY 2002)	268,000.00				268,000.00
Eastern Parkway (FY 2007)	89,738.00				89,738.00
Grove Street (FY 2000)	26,000.00				26,000.00
Smith Street (FY 2001)	49,911.89				49,911.89
Nye Avenue (CY 2013)	297,900.00				297,900.00

TOWNSHIP OF IRVINGTON  
GRANT FUND

GRANTS RECEIVABLE

A-32  
Sheet #2

	Balance Dec. 31, 2015	Realized In 2016	Collections	Cancelled	Balance Dec. 31, 2016
New Jersey Transportation Trust Fund Authority:					
Washington and Clinton Avenues (FY 2004)	\$ 85,000.00	\$	\$	\$	\$ 85,000.00
Civic West (FY 2010)	1,579.29				1,579.29
Paine Avenue (FY 2011)	297,360.00				297,360.00
Park Place (CY 2015)	377,637.00				377,637.00
Obey the Signs	3,750.00				3,750.00
Pandemic Influenza Preparedness	232.61			232.61	
Pandemic Influenza Phase II	1,922.00			1,922.00	
Pandemic Influenza Preparedness Grant III	6,020.00			6,020.00	
Pedestrian Safety Education and Enforcement	16,193.43			16,193.43	
Body Armor Fund		13,381.71	13,381.71		
Police Institute of Rutgers University - Rutgers					
Cease Fire	286,853.40				286,853.40
RMS	236.04			236.04	
Robert Wood Johnson Foundation Grant	150,000.00				150,000.00
PARIS	4,096.90			4,096.90	
Safe and Secure Communities	17,608.00			17,608.00	
Secure Our Schools	15,659.00			15,659.00	
Sharing Available Resources Efficiency - SHARE	139,875.10			139,875.10	
State Health Service	1,242.00			1,242.00	
State of New Jersey - CLIPP Grant (2015/ 2016)	45,173.00	49,894.00	95,067.00		
State of New Jersey - HIV/AIDS Grant	11,345.47		11,345.47		
Statewide Livable Communities:					
Local Library Aid	9,203.75				9,203.75
Capital Improvements	144,364.00				144,364.00
Summer Food Program	96,021.46			96,021.46	
Summer Food Program	68,172.31			68,172.31	
Summer Recreational Swimming	2,500.00			2,500.00	
Tobacco Age-of-Sale Enforcement	480.00			480.00	
Urban Enterprise Zone Authority	1,435,330.88				1,435,330.88
U. S. Energy Block Grant	232,170.00			232,170.00	
	<u>\$ 8,356,169.76</u>	<u>\$ 765,761.42</u>	<u>\$ 1,582,805.53</u>	<u>\$ 1,653,657.94</u>	<u>\$ 5,885,467.71</u>

Reference

A

A-2.27

Below

A-1.16.27

A

Ref.

Collections  
Unappropriated Reserves  
Realized

A-4

\$ 1,338,085.11

A-34

244,720.42

Above

\$ 1,582,805.53

TOWNSHIP OF IRVINGTON  
GRANT FUND

RESERVE FOR GRANTS - APPROPRIATED

A-33  
Sheet #1

	<u>Balance</u> <u>Dec. 31, 2015</u>	<u>Increase</u>	<u>Expended</u>	<u>Cancelled</u>	<u>Balance</u> <u>Dec. 31, 2016</u>
Alcohol Education and Rehabilitation	\$ 10,271.12	\$	\$ 10,271.12	\$	\$
Child and Adolescent Health Program	1,604.08		51.76	1,552.32	
Children's Summer Food Service	76,210.92		40,292.65	35,918.27	
Summer Food Program 2014	97,998.00		97,998.00		
Summer Food Program 2015	29,800.18		29,800.18		
Clean Communities		88,764.54	88,764.54		
COPS Universal Hiring (9/1/11 to 2/1/16)	454,451.48		454,451.48		
COPS Universal Hiring (9/1/14 to 8/1/17)	1,000,000.00				1,000,000.00
Essex County:					
County Community Service Block Grant	612.23	43,998.00	27,701.65	16,908.58	
County Community Service Block Grant		67,666.49	67,666.49		
County Community Services for Homeless (SSH)	49,709.17	25,684.91	75,394.08		
SSH Block Grant for Homeless 2015/2016		110,000.00	74,832.16		35,167.84
SSH Block Grant 2014/2015	41,274.95			41,274.95	
Open Space	159,793.29		16,365.24		143,428.05
DEP Hazardous Discharge	114,409.47			114,409.47	
Drunk Driving Enforcement	9,839.42		9,839.42		
FEMA Emergency Food Shelter - Newark Emergency	6,398.31		6,398.31		
FEMA Firefighters Assistance:					
Federal Aid	104,501.96				104,501.96
Local Match - Equipment	17,542.00				17,542.00
FM Global Foundation	406.80			406.80	
Gateway Enhancement	23,249.53			23,249.53	
Green Acres Playground Improvements	51,622.53				51,622.53
GREAT (FY 07)	27,066.00			27,066.00	
Healthy Community Development Grant	7,541.40			7,541.40	
Housing Opportunities for People with AIDS -					
1/1/16 to 12/31/16		361,147.00	317,335.63		43,811.37
Housing Opportunities for People with AIDS		5,224.77	5,224.77		
HUD Transitional Housing	105,501.29		105,501.29		
Irvington Youth Violence Prevention Initiative	3,321.64		3,321.64		
Office of Juvenile Justice Delinquent Prevention	83,801.40		83,801.40		
Law and Public Safety Grant	1,722.56				1,722.56
Lead Based Paint Abatement	4,143.77		4,143.77		
Lead Identification and Field Testing	769.98		769.98		
Local Disaster Preparedness	475.00			475.00	
Milton Eisenhower Foundation - Youth Safe Haven	9,025.00			9,025.00	
Municipal Alliance for Alcoholism and Drug Abuse:					
State Aid - 2015	53,474.66		53,474.66		
Local Match - 2015	475.00		475.00		
Neighborhood Preservation	755.22			755.22	
New Jersey Department of Environmental Protection:					
Forestry Grant	20,000.00				20,000.00
Green Communities Grant	3,000.00				3,000.00
New Jersey Department of Transportation:					
Clinton Avenue	12,456.18				12,456.18
Grove Street	100,000.00				100,000.00
Smith Street (FY 01)	324.42				324.42
Smith Street (FY 08)	5,372.98				5,372.98
Cordier Street	1,398.50				1,398.50

TOWNSHIP OF IRVINGTON  
GRANT FUND

RESERVE FOR GRANTS - APPROPRIATED

A-33  
Sheet #2

	Balance <u>Dec. 31, 2015</u>	<u>Increase</u>	<u>Expended</u>	<u>Cancelled</u>	Balance <u>Dec. 31, 2016</u>
New Jersey Department of Transportation:					
Columbia Avenue	\$ 113,900.72	\$	\$	\$	\$ 113,900.72
38th Street	9,641.37				9,641.37
Eastern Parkway	199,520.10				199,520.10
Civic West	2,000.00				2,000.00
Paine Avenue (FY 11)	120,535.04				120,535.04
Nye Avenue	297,900.00				297,900.00
Park Place (CY 2015)	361,987.00		4,975.00		357,012.00
New Jersey Health Officers' Association:					
H1N1 Corrective Actions	8.24		8.24		
ACCHO	5,904.00		5,904.00		
Obey the Signs	2,450.00		2,450.00		
Pandemic Influenza Phase III	571.78			571.78	
PARIS	4,096.90			4,096.90	
Pedestrian Safety	19,900.00			19,900.00	
Body Armor Fund	51,603.86	13,381.71	8,548.40		56,437.17
Police Institute of Rutgers University:					
Cease Fire Partnership	33,114.33				33,114.33
Police Reserve 911	3,578.00		3,578.00		
RMS	236.04			236.04	
Robert Wood Johnson Foundation	179,588.52		79,588.52		100,000.00
Secure Our Schools	21,229.64			21,229.64	
Sharing Available Resources Efficiency	119,941.60			119,941.60	
Shaping New Jersey Mini-Grant	17,826.04		17,826.04		
State Health Service	5,793.08		3,352.62	2,440.46	
State of New Jersey:					
CLIPP Grant (2015/2016)	81,813.47	49,894.00	131,707.47		
Statewide Livable Communities:					
Local Library Aid	4,347.71				4,347.71
Summer Recreational Swimming	2,500.00			2,500.00	
Targeting Violent Crime Initiative	746.76			746.76	
Tobacco Age-of-Sale Enforcement	2,574.18			2,574.18	
U.S. Department of Technology	20.01			20.01	
U.S. Energy Block Grant	77,591.70			77,591.70	
Urban Enterprise Zone Authority	228,165.56		133,701.29		94,464.27
WIC and Senior FMNP	500.00			500.00	
	<u>\$4,659,906.09</u>	<u>\$765,761.42</u>	<u>\$1,965,514.80</u>	<u>\$530,931.61</u>	<u>\$2,929,221.10</u>
<u>Reference</u>	<u>A</u>	<u>A-3,27</u>	<u>A-4</u>	<u>A-1,11,27</u>	<u>A</u>

TOWNSHIP OF IRVINGTON  
GRANT FUND

RESERVE FOR GRANTS - UNAPPROPRIATED

A-34

	<u>Balance</u> <u>Dec. 31, 2015</u>	<u>Increase</u>	<u>Anticipated as</u> <u>Revenue in</u> <u>2016 Budget</u>	<u>Cancelled</u>	<u>Balance</u> <u>Dec. 31, 2016</u>
Body Armor Replacement	\$ 13,381.71	\$ 12,770.39	\$ 13,381.71	\$	\$ 12,770.39
Clean Communities	88,764.54	101,418.21	88,764.54		101,418.21
Housing Opportunities for People with AIDS	5,224.77		5,224.77		
County of Essex:					
CSBG Block Grant - 2015	19,827.36			19,827.36	
CSBG Block Grant - 2015	14,977.72			14,977.72	
SSH for Homeless (2014/2015)	1,253.71			1,253.71	
Community Service SSH Grant (7/1/2016 - 6/30/2017)		30,601.38			30,601.38
Community Service SSH Grant	43,998.00		43,998.00		
Community Service Block Grant	67,666.49		67,666.49		
Community Service SSH Grant	25,684.91		25,684.91		
	<u>\$ 280,779.21</u>	<u>\$ 144,789.98</u>	<u>\$ 244,720.42</u>	<u>\$ 36,058.79</u>	<u>\$ 144,789.98</u>
<u>Reference</u>	<u>A</u>	<u>A-4</u>	<u>A-32</u>	<u>A-1,16.27</u>	<u>A</u>



TOWNSHIP OF IRVINGTON  
CURRENT FUND

RESERVE FOR CODIFICATION OF ORDINANCES

A-35

	<u>Ref.</u>	
Balance December 31, 2015	A	<u>\$ 13,284.00</u>
Balance December 31, 2016	A	<u><u>\$ 13,284.00</u></u>

TAX PENALTY RECEIVABLE

A-36

	<u>Ref.</u>	
Balance December 31, 2015	A	\$ 22,350.69
Decreased by:		
Transferred to Tax Title Liens	A-9	<u>22,350.69</u>
		<u><u>\$ -</u></u>

OTHER RECEIVABLES

A-37

	<u>Ref.</u>	
Increased by:		
Charges	Reserves	<u>\$294,443.63</u>
Balance December 31, 2016	A	<u><u>\$294,443.63</u></u>

TOWNSHIP OF IRVINGTON  
TRUST FUND

CASH RECEIPTS AND DISBURSEMENTS - TREASURER

B-1

	<u>Ref.</u>	<u>Animal Trust Fund</u>	<u>Other Trust Fund</u>
Balance December 31, 2015	B	\$ 17,850.53	\$ 4,429,182.20
Increased by Receipts:			
Federal Grant Awards Receivable	B-2	\$	\$ 299,976.65
HUD Home Loans Receivable	B-4		16,565.77
Budget Appropriations	B-7		0.41
Due to State Agencies	B-8	895.40	30,781.00
Other Deposits	B-9		8,154,381.45
Payroll Deductions	B-10		27,424,484.24
Interfunds	B-12		367,596.11
Reserve for Animal Control Expenditures	B-13	6,798.60	
Reserve for Outside Employment of Off-Duty Police Officers	B-15		2,112,267.10
Reserve for Insurance Expenditures	B-16		18,411,428.04
Reserve for Grant Expenditures	B-17		113,645.55
Reserve for Program Income	B-19		1,730.61
Reserve for Net Payroll	B-20		27,381,272.64
		<u>7,694.00</u>	<u>84,314,129.57</u>
		25,544.53	88,743,311.77
Decreased by Disbursements:			
Interfunds	B-6	13,620.13	
Due to State Agencies	B-8		27,540.00
Other Deposits	B-9		6,550,553.11
Payroll Deductions Payable	B-10		27,758,671.52
Due to Department of Housing and Urban Development	B-11		85,852.30
Reserve for Outside Employment of Off-Duty Police Officers	B-15		2,464,101.70
Reserve for Insurance Expenditures	B-16		18,190,844.80
Reserve for Grant Expenditures	B-17		611,504.68
Reserve for Program Income	B-19		2,789.34
Reserve for Net Payroll	B-20		27,341,369.91
		<u>13,620.13</u>	<u>83,033,227.36</u>
Balance December 31, 2016	B	<u>\$ 11,924.40</u>	<u>\$ 5,710,084.41</u>

TOWNSHIP OF IRVINGTON  
TRUST FUND

FEDERAL GRANT AWARDS RECEIVABLE

B-2

	<u>Ref.</u>	<u>Total</u>	<u>Community Development Block Grant</u>	<u>HOME Investment Partnership</u>
Balance December 31, 2015	B	\$ 2,267,424.60	\$ 1,688,443.89	\$ 578,980.71
Increased by:				
Grant Awards	B-17	<u>1,269,539.00</u>	<u>955,920.00</u>	<u>313,619.00</u>
		3,536,963.60	2,644,363.89	892,599.71
Decreased by:				
Collections	B-1	<u>299,976.65</u>	<u>299,976.65</u>	
Balance December 31, 2016	B	<u>\$ 3,236,986.95</u>	<u>\$ 2,344,387.24</u>	<u>\$ 892,599.71</u>

TOWNSHIP OF IRVINGTON  
TRUST FUND

UDAG LOANS RECEIVABLE

B-3

	<u>Ref.</u>	
Balance December 31, 2015	B	<u>\$ 68,325.28</u>
Balance December 31, 2016	B	<u><u>\$ 68,325.28</u></u>

Analysis of Balance

<u>Date of Loan</u>	<u>Loan Number</u>	<u>Amount</u>
10/18/79	1	\$ 11,636.92
08/01/83	4	5,254.17
07/01/92	7	9,058.08
05/16/95	8	7,565.13
03/31/03	13	<u>34,810.98</u>
		<u><u>\$ 68,325.28</u></u>

TOWNSHIP OF IRVINGTON  
TRUST FUND

HUD HOME LOANS RECEIVABLE

B-4

	<u>Ref.</u>	
Balance December 31, 2015	B	\$ 512,348.68
Decreased by:		
Collections	B-1,19	<u>16,565.77</u>
Balance December 31, 2016	B	<u><u>\$ 495,782.91</u></u>

TOWNSHIP OF IRVINGTON  
TRUST FUND

OTHER RECEIVABLES

B-5

Ref.

Balance December 31, 2015	B	<u>\$ 467,612.03</u>
Balance December 31, 2016	B	<u><u>\$ 467,612.03</u></u>

Analysis of Balance

New Visions Community Development	\$ 84,000.00
Crest New Construction	6,823.87
455 South 21st Street	38,380.00
Topaz Housing Development	79,000.00
Topaz Management	199,408.16
Phoenix Fox LLC	<u>60,000.00</u>
	<u><u>\$ 467,612.03</u></u>



TOWNSHIP OF IRVINGTON  
ANIMAL CONTROL TRUST FUND

INTERFUNDS

B-6

	<u>Ref.</u>	<u>Total</u>	<u>Current Fund</u>	<u>General Trust Fund</u>
Balance December 31, 2015:				
Due From	B	<u>\$ 4,367.40</u>		<u>\$ 4,367.40</u>
Due (To)	B	<u>\$ 13,515.13</u>	<u>\$ 13,515.13</u>	
Disbursements	B-1	<u>13,620.13</u>	<u>13,620.13</u>	
Balance December 31, 2016:				
Due From	B	<u>\$ 4,472.40</u>	<u>\$ 105.00</u>	<u>\$ 4,367.40</u>

TOWNSHIP OF IRVINGTON  
TRUST FUND

DEFERRED CHARGES

B-7

	<u>Ref.</u>	<u>Total</u>	<u>Unemployment Compensation</u>
Balance December 31, 2015:			
Deficit in Operations	B	\$ 0.41	\$      0.41
Decreased by:			
Budget Appropriation	B-1	<u>0.41</u>	<u>0.41</u>
		<u>\$ -</u>	<u>\$ -</u>

TOWNSHIP OF IRVINGTON  
TRUST FUND

DUE TO STATE OF NEW JERSEY

B-8

		Animal Control Trust Fund			General Trust		
		Dog Registration Fees	Total	Building Construction Fees	Marriage License Fees	Burial Fees	Unemployment Insurance Claims
	Ref.						
Balance December 31, 2015	B	\$ 372.20	\$ 928,679.78	\$ 10,765.00	\$ 11,380.00	\$ 320.00	\$ 906,214.78
Increased by:							
Collections	B-1	895.40	30,781.00	23,214.00	7,557.00	10.00	
		<u>1,267.60</u>	<u>959,460.78</u>	<u>33,979.00</u>	<u>18,937.00</u>	<u>330.00</u>	<u>906,214.78</u>
Decreased by:							
Payments	B-1		27,540.00	24,390.00	3,150.00		
Balance December 31, 2016	B	<u>\$ 1,267.60</u>	<u>\$ 931,920.78</u>	<u>\$ 9,589.00</u>	<u>\$15,787.00</u>	<u>\$ 330.00</u>	<u>\$ 906,214.78</u>

TOWNSHIP OF IRVINGTON  
TRUST FUND

OTHER DEPOSITS

B-9

	Balance <u>Dec. 31, 2015</u>	Increase	Decrease	Balance <u>Dec. 31, 2016</u>
Public Defender	\$ 43,239.29	\$ 4,530.40	\$ 14,800.00	\$ 32,969.69
Lien Redemptions	1,080,556.54	6,531,137.30	6,245,800.04	1,365,893.80
Performance Bonds	25,500.00			25,500.00
Recycling Trust	21,158.67	4,086.12	25,244.79	
Security Deposit	18,566.89			18,566.89
Essex County - Confiscated Funds	87,773.47	49,195.70	65,299.80	71,669.37
Parking Offense Adjudication Act	133,442.76	29,511.00		162,953.76
Recreation Activities	19,266.69	41,208.50	48,011.70	12,463.49
Federal Forfeiture Funds - Police	7,048.38			7,048.38
Escrow Deposits	122,097.45	67,080.04	19,929.13	169,248.36
Premium on Tax Sale	211,537.15	1,400,900.00	105,800.00	1,506,637.15
Senior Citizen Fund Raising - Donations	7,246.06			7,246.06
Fire Department FIRSTEC	7,500.00			7,500.00
Municipal Court DWI	3,062.26			3,062.26
Police Armor Vest Donations	633.00			633.00
Police Donations	3,550.00	6,849.00	5,281.27	5,117.73
Drug Enforcement Agency	21,152.12	15,885.40	16,579.09	20,458.43
Miscellaneous	3,997.99	3,807.29		190.70
	<u>\$ 1,813,330.73</u>	<u>\$ 8,154,381.45</u>	<u>\$ 6,550,553.11</u>	<u>\$ 3,417,159.07</u>
<u>Reference</u>	<u>B</u>	<u>B-1</u>	<u>B-1</u>	<u>B</u>

TOWNSHIP OF IRVINGTON  
TRUST FUND

PAYROLL DEDUCTIONS PAYABLE

B-10

	<u>Ref.</u>	
Balance December 31, 2015	B	\$ 362,458.05
Increased by:		
Payroll Deductions	B-1	<u>27,424,484.24</u>
		27,786,942.29
Decreased by:		
Payments	B-1	<u>27,758,671.52</u>
Balance December 31, 2016	B	<u><u>\$ 28,270.77</u></u>

TOWNSHIP OF IRVINGTON  
TRUST FUND

DUE TO DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT

B-11

	<u>Ref.</u>	
Balance December 31, 2015	B	\$ 105,691.15
Decreased by		
Disbursements	B-1	<u>85,852.30</u>
Balance December 31, 2016	B	<u>\$ 19,838.85</u>



TOWNSHIP OF IRVINGTON  
TRUST FUND

INTERFUNDS

B-12

	<u>Ref.</u>	<u>Total</u>	<u>Current Fund</u>	<u>Animal Control Trust Fund</u>	<u>General Capital Fund</u>
Balance December 31, 2015:					
Due From	B	<u>\$ 255,502.87</u>			<u>\$255,502.87</u>
Due (To)	B	<u>\$ 4,367.40</u>		<u>\$ 4,367.40</u>	
Receipts	B-1	<u>\$ 367,596.11</u>	<u>\$ 367,596.11</u>		
Balance December 31, 2016:					
Due From	B	<u>\$ 255,502.87</u>			<u>\$255,502.87</u>
Due (To)	B	<u>\$ 371,963.51</u>	<u>\$ 367,596.11</u>	<u>\$ 4,367.40</u>	

TOWNSHIP OF IRVINGTON  
TRUST FUND

RESERVE FOR ANIMAL CONTROL EXPENDITURES

B-13

Ref.

Balance December 31, 2015	B	\$ 8,330.60
Increased by:		
Collections:		
Dog License Fees	B-1	<u>6,798.60</u>
Balance December 31, 2016	B	<u><u>\$ 15,129.20</u></u>

TOWNSHIP OF IRVINGTON  
TRUST FUND

RESERVE FOR DEVELOPERS' ESCROW TRUST DEPOSITS

B-14

	<u>Ref.</u>	
Balance December 31, 2015	B	\$ 35,347.70
Balance December 31, 2016	B	<u>\$ 35,347.70</u>

RESERVE FOR OUTSIDE EMPLOYMENT  
OF OFF-DUTY POLICE OFFICERS

B-15

	<u>Ref.</u>	
Balance December 31, 2015	B	\$ 351,834.60
Increased by:		
Collections	B-1	<u>2,112,267.10</u>
		2,464,101.70
Decreased by:		
Cash Disbursements	B-1	<u>2,464,101.70</u>
		<u>\$ -</u>

TOWNSHIP OF IRVINGTON  
TRUST FUND

RESERVE FOR INSURANCE EXPENDITURES

B-16

	<u>Ref.</u>	<u>Total</u>	<u>Health Benefits</u>	<u>General Liability</u>	<u>Workers' Compensation</u>
Balance December 31, 2015	B	\$ 1,371,296.45	\$ 787,616.13	\$ 196,254.47	\$ 387,425.85
Increased by:					
Collections	B-1	<u>18,411,428.04</u>	<u>15,632,204.92</u>	<u>1,238,309.34</u>	<u>1,540,913.78</u>
		19,782,724.49	16,419,821.05	1,434,563.81	1,928,339.63
Decreased by:					
Insurance Claims	B-1	<u>18,190,844.80</u>	<u>15,489,762.33</u>	<u>1,155,644.43</u>	<u>1,545,438.04</u>
Balance December 31, 2016	B	<u>\$ 1,591,879.69</u>	<u>\$ 930,058.72</u>	<u>\$ 278,919.38</u>	<u>\$ 382,901.59</u>

TOWNSHIP OF IRVINGTON  
TRUST FUND

RESERVE FOR GRANT EXPENDITURES

B-17

	<u>Ref.</u>	<u>Total</u>	<u>Community Development Block Grant</u>	<u>HOME Investment Partnership</u>	<u>UDAG Revolving Loan</u>
Balance December 31, 2015	B	\$ 2,264,791.69	\$ 1,547,821.91	\$ 638,747.99	\$ 78,221.79
Increased by:					
Void Checks	B-1	113,645.55		113,645.55	
Grant Awards	B-2	<u>1,269,539.00</u>	<u>955,920.00</u>	<u>313,619.00</u>	<u>                    </u>
Sub-Total		3,647,976.24	2,503,741.91	1,066,012.54	78,221.79
Decreased by:					
Program Expenditures:					
Cash Disbursed	B-1	<u>611,504.68</u>	<u>423,044.09</u>	<u>175,041.64</u>	<u>13,418.95</u>
Balance December 31, 2016	B	<u><u>\$ 3,036,471.56</u></u>	<u><u>\$ 2,080,697.82</u></u>	<u><u>\$ 890,970.90</u></u>	<u><u>\$ 64,802.84</u></u>

TOWNSHIP OF IRVINGTON  
TRUST FUND

RESERVE FOR STATE UNEMPLOYMENT INSURANCE

B-18

	<u>Ref.</u>	
Balance December 31, 2015	B	<u>\$ 47,250.09</u>
Balance December 31, 2016	B	<u><u>\$ 47,250.09</u></u>

TOWNSHIP OF IRVINGTON  
TRUST FUND

RESERVE FOR PROGRAM INCOME

B-19

	<u>Ref.</u>	<u>Total</u>	<u>Community Development Block Grant</u>	<u>HOME Investment Partnership</u>
Balance December 31, 2015	B	<u>\$ 133,336.83</u>	<u>\$ 1,036.43</u>	<u>\$ 132,300.40</u>
Increased by:				
Collections	B-1	1,730.61		1,730.61
Collections Applied - 2016	B-4	<u>16,565.77</u>		<u>16,565.77</u>
		<u>18,296.38</u>		<u>18,296.38</u>
		151,633.21	1,036.43	150,596.78
Decreased by:				
Program Expenditures:				
Cash Disbursed	B-1	<u>2,789.34</u>	<u>1,036.43</u>	<u>1,752.91</u>
Balance December 31, 2016	B	<u>\$ 148,843.87</u>	<u>\$ -</u>	<u>\$ 148,843.87</u>



TOWNSHIP OF IRVINGTON  
TRUST FUND

RESERVE FOR NET PAYROLL

B-20

	<u>Ref.</u>	
Balance December 31, 2015	B	\$ 1,337.64
Increased by:		
Cash Receipts	B-1	<u>27,381,272.64</u>
		27,382,610.28
Decreased by:		
Payments	B-1	<u>27,341,369.91</u>
Balance December 31, 2016	B	<u>\$ 41,240.37</u>

TOWNSHIP OF IRVINGTON  
GENERAL CAPITAL FUND

CASH RECEIPTS AND DISBURSEMENTS

C-2

	<u>Ref.</u>		
Balance December 31, 2015	C		\$ 919,324.03
Increased by Receipts:			
Premium on Refunding Bonds and Notes	C-1	\$ 52,745.94	
Interfunds	C-6	969,720.00	
Bond Anticipation Notes	C-11	11,056,620.00	
Capital Improvement Fund	C-9	325,500.00	
Demolition Loan Payable	C-12	923,240.00	
Bonds Issued	C-16	<u>6,535,000.00</u>	
			<u>19,862,825.94</u>
			20,782,149.97
Decreased by Disbursements:			
Fund Balance	C-1	950,201.00	
Loans Receivable	C-5	12,349.27	
Improvement Authorizations	C-10	2,439,189.91	
Bonds Refunded	C-16	6,067,000.00	
Bond Anticipation Notes	C-11	7,314,256.00	
Demolition Loan Payable	C-12	<u>81,945.73</u>	
			<u>16,864,941.91</u>
Balance December 31, 2016	C		<u>\$ 3,917,208.06</u>

TOWNSHIP OF IRVINGTON  
GENERAL CAPITAL FUND

ANALYSIS OF CASH

C-3

<u>Ordinance Number</u>	<u>Account</u>	<u>Balance Dec. 31, 2016</u>
	Fund Balance	\$ 2,980,396.20
	Interfunds Receivable	(2,396,838.80)
	Interfunds Payable	1,225,222.87
	Capital Improvement Fund	269.30
	Cash on Hand to Pay Notes	76,000.00
	<u>Improvement Authorizations</u>	
MC-3124	Joint Sewer Capital Assessment	(237.95)
MC-3142i	Town-Wide Telephone System	(494.70)
MC-3196	Joint Sewer Capital Assessment	(38,165.00)
MC-3208	Demolition of Unsafe Buildings	(25,067.00)
MC-3349	Various Capital Improvements	(103,473.00)
MC-3401	Various Redevelopment Plan Activities	(144,418.20)
MC-3411	Replacement of 911 Telephone System	269.89
MC-3414	Court-Ordered Judgment	237,515.10
MC-3439	Emergency Operations Center - Fire	0.18
MC-3440	Fire Pumper	19,286.55
MC-3450	Communication Radio System and Equipment	(3,551.05)
MC-3463	Redevelopment Activities	1,815.49
MC-3479	Revaluation of Real Property	92,424.70
MC-3480	Playground Improvements	44,893.16
MC-3481	Refunding Bonds	41.35
MC-3489	Refunding Bonds	(2,860,911.05)
MC-3501	Redevelopment Activities	149,315.71
MC-3505	Various Capital Improvements	120,713.33
MC-3506	Tax Appeals	(5,016.28)
MC-3522	Various Capital Improvements	416,349.56
MC-3580	Various Capital Improvements	4,245,867.70
MC-3586	Various Capital Improvements	(115,000.00)
		<u>\$ 3,917,208.06</u>

Reference

C

TOWNSHIP OF IRVINGTON  
GENERAL CAPITAL FUND

GRANTS RECEIVABLE

C-4

	<u>Ref.</u>	
Balance December 31, 2015	C	\$ 149,905.66
Increased by:		
Grant Award	C-10	<u>325,000.00</u>
Balance December 31, 2016	C	<u><u>\$ 474,905.66</u></u>

Analysis of Balance

<u>Ordinance Number</u>	<u>Grant</u>	<u>Amount</u>
3581	Green Acres Grant	\$ 325,000.00
3480	Green Acres Grant	<u>149,905.66</u>
		<u><u>\$ 474,905.66</u></u>

LOANS RECEIVABLE

C-5

	<u>Ref.</u>	
Increased by:		
Cash Disbursed	C-2	<u>\$ 12,349.27</u>
Balance December 31, 2016	C	<u><u>\$ 12,349.27</u></u>

Analysis of Balance

<u>Ordinance Number</u>	<u>Loan</u>	<u>Amount</u>
3478	Demolition	<u><u>\$ 12,349.27</u></u>

TOWNSHIP OF IRVINGTON  
GENERAL CAPITAL FUND

INTERFUNDS

C-6

	<u>Ref.</u>	<u>Total</u>	<u>Current Fund</u>	<u>Federal and State Grant Fund</u>	<u>General Trust Fund</u>
Balance December 31, 2015:					
Due From	C	<u>\$2,396,838.80</u>		<u>\$2,396,838.80</u>	
Due To	C	<u>\$ 255,502.87</u>			<u>\$ 255,502.87</u>
Receipts	C-2	<u>\$ 969,720.00</u>	<u>\$969,720.00</u>		
Balance December 31, 2016:					
Due From	C	<u>\$2,396,838.80</u>		<u>\$2,396,838.80</u>	
Due (To)	C	<u>\$1,225,222.87</u>	<u>\$969,720.00</u>		<u>\$ 255,502.87</u>

TOWNSHIP OF IRVINGTON  
GENERAL CAPITAL FUND

DEFERRED CHARGES TO FUTURE TAXATION - FUNDED

C-7

	<u>Ref.</u>		
Balance December 31, 2015	C		\$ 92,016,717.86
Increased by:			
Demolition Loan	C-2,12	\$ 923,240.00	
Serial Bonds Issued	C-16	<u>6,535,000.00</u>	
			<u>7,458,240.00</u>
			99,474,957.86
Decreased by:			
Budget Appropriations:			
Green Acres Loan Principal	C-13	53,231.87	
Demolition Loan Principal	C-12	81,945.73	
Environmental Infrastructure Loan Principal	C-14	223,463.73	
Principal on Serial Bonds:			
Type I School	C-15	1,392,375.00	
Municipal Bonds	C-16	<u>11,307,288.00</u>	
			<u>13,058,304.33</u>
Balance December 31, 2016	C		<u>\$ 86,416,653.53</u>

TOWNSHIP OF IRVINGTON  
GENERAL CAPITAL FUND

DEFERRED CHARGES TO FUTURE TAXATION - UNFUNDED

C-8

<u>Ordinance Number</u>	<u>Improvement Description</u>	<u>Balance Dec. 31, 2016</u>	<u>Analysis of Balance</u>		
			<u>Expenditures</u>	<u>Bond Anticipation Notes</u>	<u>Unexpended Improvement Authorizations</u>
MC-3124	Joint Sewer Capital Assessment	\$ 237.95	\$ 237.95	\$	\$
MC-3142	Various Capital Improvements	494.70	494.70		
MC-3196	Joint Sewer Capital Assessment	38,165.00	38,165.00		
MC-3208	Demolition of Unsafe Buildings	25,067.00	25,067.00		
MC-3349	Various Capital Improvements	103,473.00	103,473.00		
MC-3354,3374,3376, 3386,3398	Various Capital Improvements	160.00			160.00
MC-3401	Various Redevelopment Plan Activities	150,000.00	144,418.20		5,581.80
MC-3403	Joint Sewer Capital Assessment	853,796.00			853,796.00
MC-3411	Replacement of 911 Telephone System	111,000.00		111,000.00	
MC-3439	Emergency Operations Center - Fire	419,248.18		419,000.00	248.18
MC-3440	Fire Pumper	25,263.00		25,263.00	
MC-3441	Fire Truck Simulator	19,267.00		19,267.00	
MC-3450	Communication Radio System and Equipment	617,500.00	3,551.05	470,000.00	143,948.95
MC-3463	Redevelopment Activities	150,000.00		150,000.00	
MC-3479	Revaluation of Real Property	684,000.00		684,000.00	
MC-3481	Refunding Bonds	385,000.00			385,000.00
MC-3489	Refunding Bonds	6,550,000.00	2,860,911.05		3,689,088.95
MC-3501	Various Redevelopment Activities	150,000.00		150,000.00	
MC-3505	Various Capital Improvements	508,189.00		508,189.00	
MC-3506	Tax Appeals	1,470,500.00	5,016.28	1,461,900.00	3,583.72
MC-3515	Joint Sewer Capital Assessment	536,542.00			536,542.00
MC-3522	Various Capital Improvements	2,773,800.00		2,566,781.00	207,019.00
MC-3580	Various Capital Improvements	4,415,220.00		4,415,220.00	
MC-3581	40th Street Park Upgrades	325,000.00			325,000.00
MC-3584	Refunding Bonds	465,000.00			465,000.00
MC-3586	Demolition of Unsafe Buildings	600,000.00	115,000.00		485,000.00
		<u>\$ 21,376,922.83</u>	<u>\$ 3,296,334.23</u>	<u>\$ 10,980,620.00</u>	<u>\$ 7,099,968.60</u>
	<u>Reference</u>	<u>C</u>	<u>C-3</u>	<u>Below</u>	<u>Below</u>
			<u>Ref.</u>		
	Bond Anticipation Notes		C-11	\$ 11,056,620.00	
	Less: Cash on Hand to Pay Notes: Ordinance # MC-3479		C-3	<u>76,000.00</u>	
			Above	<u>\$ 10,980,620.00</u>	
	Improvement Authorizations - Unfunded		C-10		\$ 12,146,011.71
	Less: Unexpended Proceeds of Bond Anticipated Notes Issued - Various Ordinances		C-3		<u>5,046,043.11</u>
			Above		<u>\$ 7,099,968.60</u>



TOWNSHIP OF IRVINGTON  
GENERAL CAPITAL FUND

CAPITAL IMPROVEMENT FUND

C-9

	<u>Ref.</u>		
Increased by:			
Budget Appropriations.	C-2		\$ 325,500.00
Decreased by:			
Prior Period Adjustment	C-1	\$ 92,850.70	
Appropriated to Finance Improvement			
Authorizations	C-10	<u>232,380.00</u>	
			<u>325,230.70</u>
Balance December 31, 2016	C		<u>\$ 269.30</u>

TOWNSHIP OF IRVINGTON  
GENERAL CAPITAL FUND

IMPROVEMENT AUTHORIZATIONS

C-10

Purpose	Number	Ordinance Date	Amount	Balance Dec. 31, 2015		2016 Authorizations	Paid or Charged	Balance Dec. 31, 2016	
				Funded	Unfunded			Funded	Unfunded
Various Capital Improvements	3354,3374, 3376,3386, 3398	06/02/09	\$ 6,729,950.00	\$ 356,413.54	\$ 160.00	\$ .	\$ 356,413.54	\$ .	\$ 160.00
Various Redevelopment Plan Activities	3401	06/23/09	150,000.00		5,581.80				5,581.80
Joint Sewer Capital Assessment	3403	06/23/09	1,630,000.00		853,796.00				853,796.00
Replacement of 911 Telephone System	3411	11/25/09	330,000.00		269.89				269.89
Court-Ordered Judgment	3414	01/27/10	5,400,000.00	237,515.10				237,515.10	
Emergency Operations Center - Fire	3439	05/24/11	1,000,000.00		18,157.97		17,909.61		248.36
Fire Pumper	3440	05/24/11	750,000.00		19,286.55				19,286.55
Communication Radio System and Equipment	3450	09/13/11	650,000.00		143,948.95				143,948.95
Redevelopment Activities	3463	04/24/12	150,000.00		1,815.49				1,815.49
Demolition of Unsafe Buildings	3478	12/18/12	923,240.00		94,295.00		81,945.73	12,349.27	
Revaluation of Real Property	3479	12/18/12	800,000.00		92,424.70				92,424.70
Playground Improvements	3480	12/18/12	300,000.00	194,798.82				194,798.82	
Refunding 2013	3481	01/15/13	5,100,000.00	41.35	385,000.00			41.35	385,000.00
Refunding Bonds	3489	04/09/13	53,000,000.00		3,689,088.95				3,689,088.95
Redevelopment Activities	3501	06/06/13	150,000.00		149,315.71				149,315.71
Various Capital Improvements	3505	11/13/13	533,600.00		120,713.33				120,713.33
Tax Appeals	3506	11/25/13	2,436,500.00		3,583.72				3,583.72
Joint Sewer Capital Assessment	3515	09/23/14	1,900,000.00		536,542.00				536,542.00
Various Capital Improvements	3522	12/15/14	2,935,579.00		1,703,503.02		1,080,134.46		623,368.56
Various Capital Improvements	3580	08/16/16	4,415,220.00			4,647,600.00	401,732.30		4,245,867.70
40th Street Park Improvements	3581	08/16/16	325,000.00			650,000.00		325,000.00	325,000.00
Refunding Bonds	3584	09/13/16	7,000,000.00			7,000,000.00	6,535,000.00		465,000.00
Demolition of Unsafe Buildings	3586	10/25/16	600,000.00			600,000.00	115,000.00		485,000.00
				<u>\$ 788,768.81</u>	<u>\$ 7,817,483.08</u>	<u>\$ 12,897,600.00</u>	<u>\$ 8,588,135.64</u>	<u>\$ 769,704.54</u>	<u>\$ 12,146,011.71</u>

<u>Reference</u>	<u>C</u>	<u>C</u>	<u>Below</u>	<u>Below</u>	<u>C</u>	<u>C</u>
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	<u>Ref.</u>		
Cash Disbursed	C-2	\$	\$ 2,439,189.91
State Aid	C-4	325,000.00	
Municipal Bonds Payable	C-16		6,067,000.00
Demolition Loan Payable	C-12		81,945.73
Deferred Charges to Future Taxation - Unfunded	C-8	12,340,220.00	
Capital Improvement Fund	C-9	232,380.00	
	Above	<u>\$ 12,897,600.00</u>	<u>\$ 8,588,135.64</u>

TOWNSHIP OF IRVINGTON  
GENERAL CAPITAL FUND

BOND ANTICIPATION NOTES

C-11

	<u>Ordinance Number</u>	<u>Date of Original Issue</u>	<u>Date of Issue</u>	<u>Date of Maturity</u>	<u>Interest Rate</u>	<u>Balance Dec. 31, 2015</u>	<u>Increase</u>	<u>Decrease</u>	<u>Balance Dec. 31, 2016</u>
Tax Appeals	3415	06-22-11	06-19-15	06-17-16	3.25 %	\$ 176,000.00	\$	\$ 176,000.00	\$
Emergency Operations Center - Fire	3439	06-22-11	06-19-15 06-17-16	06-17-16 06-16-17	3.25 3.00	936,858.00	419,000.00	936,858.00	419,000.00
Fire Pumper	3440	06-22-11	06-19-15 06-17-16	06-17-16 06-16-17	3.25 3.00	664,342.00	25,263.00	664,342.00	25,263.00
Fire Truck Simulator	3441	06-22-11	06-19-15 06-17-16	06-17-16 06-16-17	3.25 3.00	202,778.00	19,267.00	202,778.00	19,267.00
Revaluation of Real Property	3479	06-20-14	06-19-15 06-17-16	06-17-16 06-16-17	3.25 3.00	760,000.00	760,000.00	760,000.00	760,000.00
Redevelopment Activities	3501	06-20-14	06-19-15 06-17-16	06-17-16 06-16-17	3.25 4.25	150,000.00	150,000.00	150,000.00	150,000.00
Various Capital Improvements	3505	06-20-14	06-19-15 06-17-16	06-17-16 06-16-17	3.25 3.00	508,189.00	508,189.00	508,189.00	508,189.00
Tax Appeals	3506	06-20-14	06-19-15 06-17-16	06-17-16 06-16-17	3.25 3.00	1,949,200.00	1,461,900.00	1,949,200.00	1,461,900.00
Various Capital Improvements	3522	06-19-15	06-19-15	06-17-16 06-16-17	3.25 3.00	2,788,800.00	2,566,781.00	2,788,800.00	2,566,781.00
Various Capital Improvements	3580	11-04-16	11-04-16	11-03-17	2.85		4,415,220.00		4,415,220.00
Replacement of 911 Telephone	3411	06-16-16	06-16-16	06-16-17	3.00		111,000.00		111,000.00
Communication Ratio System and Equipment	3450	06-16-16	06-16-16	06-16-17	3.00		470,000.00		470,000.00
Redevelopment Activities	3463	06-16-16	06-16-16	06-16-17	4.25		150,000.00		150,000.00
						<u>\$ 8,136,167.00</u>	<u>\$ 11,056,620.00</u>	<u>\$ 8,136,167.00</u>	<u>\$ 11,056,620.00</u>
				<u>Reference</u>		<u>C</u>	<u>Below</u>	<u>Below</u>	<u>C</u>
						<u>Ref.</u>			
Cash						C-2	\$ 11,056,620.00	\$ 7,314,256.00	
Paid by Budget Appropriation								821,911.00	
						Above	<u>\$ 11,056,620.00</u>	<u>\$ 8,136,167.00</u>	

TOWNSHIP OF IRVINGTON  
GENERAL CAPITAL FUND

DEMOLITION LOAN PAYABLE

C-12

<u>Purpose</u>	<u>Date of Issue</u>	<u>Original Issue</u>	<u>Maturities of Loans Outstanding Dec. 31, 2016</u>		<u>Interest Rate</u>	<u>Increase</u>	<u>Decrease</u>	<u>Balance Dec. 31, 2016</u>
			<u>Date</u>	<u>Amount</u>				
Demolition of Unsafe Buildings and Structures	2/10/14	\$ 923,240.00	2/10/15 - 2/10/17	\$ 195,949.51	4.00%	\$ 923,240.00	\$ 81,945.73	\$ 841,294.27
			2/10/18 - 2/10/24	92,324.00				
					<u>Reference</u>	<u>C-2,7</u>	<u>C-2,7</u>	<u>C</u>

TOWNSHIP OF IRVINGTON  
GENERAL CAPITAL FUND

GREEN TRUST LOANS PAYABLE

C-13  
Sheet #1

<u>Purpose</u>	<u>Date of Issue</u>	<u>Original Issue</u>	<u>Maturities of Loans Outstanding Dec. 31, 2016</u>		<u>Interest Rate</u>	<u>Balance Dec. 31, 2015</u>	<u>Decrease</u>	<u>Balance Dec. 31, 2016</u>
			<u>Date</u>	<u>Amount</u>				
Irvington Township Playground Improvements	03/12/06	\$ 250,000.00	03/12/17	\$ 7,152.28				
			09/12/17	7,223.80				
			03/12/18	7,296.04				
			09/12/18	7,369.00				
			03/12/19	7,442.69				
			09/12/19	7,517.12				
			03/12/20	7,592.29				
			09/12/20	7,668.21				
			03/12/21	7,744.90				
			09/12/21	7,822.35				
			03/12/22	7,900.57				
			09/12/22	7,979.57				
			03/12/23	8,059.37				
			09/12/23	8,139.96				
			03/12/24	8,221.40	2.00%	\$ 129,222.37	\$ 14,092.82	\$ 115,129.55

TOWNSHIP OF IRVINGTON  
GENERAL CAPITAL FUND

GREEN TRUST LOANS PAYABLE

C-13  
Sheet #2

<u>Purpose</u>	<u>Date of Issue</u>	<u>Original Issue</u>	<u>Maturities of Loans Outstanding Dec. 31, 2016</u>		<u>Interest Rate</u>	<u>Balance Dec. 31, 2015</u>	<u>Decrease</u>	<u>Balance Dec. 31, 2016</u>
			<u>Date</u>	<u>Amount</u>				
Irvington Township Playground Improvements	01/05/08	\$ 250,000.00	01/05/17	\$ 6,244.72				
			07/05/17	6,307.16				
			01/05/18	6,370.24				
			07/05/18	6,433.94				
			01/05/19	6,498.28				
			07/05/19	6,563.26				
			01/05/20	6,628.89				
			07/05/20	6,695.18				
			01/05/21	6,762.13				
			07/05/21	6,829.76				
			01/05/22	6,898.05				
			07/05/22	6,967.03				
			01/05/23	7,036.70				
			07/05/23	7,107.07				
			01/05/24	7,178.14				
			07/05/24	7,249.92				
			01/05/25	7,322.42				
			07/05/25	7,395.65				
			01/05/26	7,469.60				
			07/05/26	7,544.30				
			01/05/27	7,619.74				
			07/05/27	7,695.97	2.00%	\$ 165,122.71	\$ 12,304.56	\$ 152,818.15

TOWNSHIP OF IRVINGTON  
GENERAL CAPITAL FUND

GREEN TRUST LOANS PAYABLE

C-13  
Sheet #3

<u>Purpose</u>	<u>Date of Issue</u>	<u>Original Issue</u>	<u>Maturities of Loans Outstanding Dec. 31, 2016</u>		<u>Interest Rate</u>	<u>Balance Dec. 31, 2015</u>	<u>Decrease</u>	<u>Balance Dec. 31, 2016</u>
			<u>Date</u>	<u>Amount</u>				
Irvington Township Orange Avenue	03/15/2007	\$ 225,000.00	03/12/17	\$ 5,810.95				
			09/12/17	5,869.06				
			03/12/18	5,927.75				
			09/12/18	5,987.03				
			03/12/19	6,046.90				
			09/12/19	6,107.37				
			03/12/20	6,168.44				
			09/12/20	6,230.12				
			03/12/21	6,292.43				
			09/12/21	6,355.35				
			03/12/22	6,418.90				
			09/12/22	6,483.09				
			03/12/23	6,547.92				
			09/12/23	6,613.40				
			03/12/24	6,679.54				
			09/12/24	6,746.33				
			03/12/25	6,813.80				
			09/12/25	6,881.93				
			03/12/26	6,950.75				
			09/12/26	7,020.26				
			03/12/27	7,090.46				
			09/12/27	7,161.37				
			03/12/28	7,232.98	2.00%	\$ 160,886.00	\$ 11,449.87	\$ 149,436.13



TOWNSHIP OF IRVINGTON  
GENERAL CAPITAL FUND

GREEN TRUST LOANS PAYABLE

C-13  
Sheet #4

<u>Purpose</u>	<u>Date of Issue</u>	<u>Original Issue</u>	<u>Maturities of Loans Outstanding Dec. 31, 2016</u>		<u>Interest Rate</u>	<u>Balance Dec. 31, 2015</u>	<u>Decrease</u>	<u>Balance Dec. 31, 2016</u>
			<u>Date</u>	<u>Amount</u>				
Irvington Township Playground Improvements	10/23/10	\$ 300,000.00	04/23/17	\$ 7,692.31				
			10/23/17	7,692.31				
			04/23/18	7,692.31				
			10/23/18	7,692.31				
			04/23/19	7,692.31				
			10/23/19	7,692.31				
			04/23/20	7,692.31				
			10/23/20	7,692.31				
			04/23/21	7,692.31				
			10/23/21	7,692.31				
			04/23/22	7,692.31				
			10/23/22	7,692.31				
			04/23/23	7,692.31				
			10/23/23	7,692.31				
			04/23/24	7,692.31				
			10/23/24	7,692.31				
			04/23/25	7,692.31				
			10/23/25	7,692.31				

TOWNSHIP OF IRVINGTON  
GENERAL CAPITAL FUND

GREEN TRUST LOANS PAYABLE

C-13  
Sheet #5

<u>Purpose</u>	<u>Date of Issue</u>	<u>Original Issue</u>	<u>Maturities of Loans Outstanding Dec. 31, 2016</u>		<u>Interest Rate</u>	<u>Balance</u>	<u>Decrease</u>	<u>Balance</u>
			<u>Date</u>	<u>Amount</u>		<u>Dec. 31, 2015</u>		<u>Dec. 31, 2016</u>
Irvington Township Playground Improvements	10/23/10	\$ 300,000.00	04/23/26	\$ 7,692.31				
			10/23/26	7,692.31				
			04/23/27	7,692.31				
			10/23/27	7,692.31				
			04/23/28	7,692.31				
			10/23/28	7,692.31				
			04/23/29	7,692.31				
			10/23/29	7,692.31				
			04/23/30	7,692.31	2.00%	\$ 223,076.99	\$ 15,384.62	\$ 207,692.37
						<u>\$ 678,308.07</u>	<u>\$ 53,231.87</u>	<u>\$ 625,076.20</u>
					<u>Reference</u>	<u>C</u>	<u>C-7</u>	<u>C</u>

TOWNSHIP OF IRVINGTON  
GENERAL CAPITAL FUND

N.J. ENVIRONMENTAL INFRASTRUCTURE TRUST LOAN PAYABLE

C-14  
Sheet #1

<u>Purpose</u>	<u>Date of Issue</u>	<u>Original Issue</u>	<u>Maturities of Loans Outstanding Dec. 31, 2016</u>		<u>Interest Rate</u>	<u>Balance Dec. 31, 2015</u>	<u>Decrease</u>	<u>Balance Dec. 31, 2016</u>
			<u>Date</u>	<u>Amount</u>				
Trust Share	11/07/02	\$ 550,000.00	09/01/2017	\$35,000.00	5.00 %			
			09/01/2018	35,000.00	5.00			
			09/01/2019	35,000.00	5.00			
			09/01/2020	40,000.00	5.00			
			09/01/2021	40,000.00	5.00			
			09/01/2022	45,000.00	4.75	\$ 260,000.00	\$ 30,000.00	\$ 230,000.00
Fund Share	11/07/02	581,028.00	02/01/2017	3,746.76	*			
			08/01/2017	26,778.46	*			
			02/01/2018	3,170.97	*			
			08/01/2018	26,202.67	*			
			02/01/2019	2,595.17	*			
			08/01/2019	25,626.88	*			
			02/01/2020	2,019.38	*			
			08/01/2020	28,341.33	*			
			02/01/2021	1,361.33	*			
			08/01/2021	27,683.28	*			
			02/01/2022	703.28	*			
			08/01/2022	45,528.73	*	221,980.30	28,222.06	193,758.24

TOWNSHIP OF IRVINGTON  
GENERAL CAPITAL FUND

N.J. ENVIRONMENTAL INFRASTRUCTURE TRUST LOAN PAYABLE

C-14  
Sheet #2

<u>Purpose</u>	<u>Date of Issue</u>	<u>Original Issue</u>	<u>Maturities of Loans Outstanding Dec. 31, 2016</u>		<u>Interest Rate</u>	<u>Balance Dec. 31, 2015</u>	<u>Decrease</u>	<u>Balance Dec. 31, 2016</u>
			<u>Date</u>	<u>Amount</u>				
Trust Share	11/09/06	\$ 315,000.00	09/01/2017	\$ 15,000.00	4.00 %			
			09/01/2018	15,000.00	4.00			
			09/01/2019	20,000.00	4.00			
			09/01/2020	20,000.00	4.00			
			09/01/2021	20,000.00	4.125			
			09/01/2022	20,000.00	4.125			
			09/01/2023	20,000.00	4.250			
			09/01/2024	20,000.00	5.00			
			09/01/2025	25,000.00	5.00			
			09/01/2026	25,000.00	5.00	\$ 215,000.00	\$ 15,000.00	\$ 200,000.00
Fund Share	11/09/06	901,191.00	02/01/2017	7,854.21	*			
			08/01/2017	35,821.72	*			
			02/01/2018	7,294.85	*			
			08/01/2018	35,262.37	*			
			02/01/2019	6,735.50	*			
			08/01/2019	44,025.52	*			
			02/01/2020	5,989.70	*			
			08/01/2020	43,279.72	*			
			02/01/2021	5,243.90	*			
			08/01/2021	42,533.92	*			

TOWNSHIP OF IRVINGTON  
GENERAL CAPITAL FUND

N.J. ENVIRONMENTAL INFRASTRUCTURE TRUST LOAN PAYABLE

C-14  
Sheet #3

<u>Purpose</u>	<u>Date of Issue</u>	<u>Original Issue</u>	<u>Maturities of Loans Outstanding Dec. 31, 2016</u>		<u>Interest Rate</u>	<u>Balance Dec. 31, 2015</u>	<u>Decrease</u>	<u>Balance Dec. 31, 2016</u>
			<u>Date</u>	<u>Amount</u>				
Fund Share	11/09/06	\$ 901,191.00	02/01/2022	\$ 4,474.80	* %			
			08/01/2022	41,764.82	*			
			02/01/2023	3,705.69	*			
			08/01/2023	40,995.71	*			
			02/01/2024	2,913.28	*			
			08/01/2024	40,203.30	*			
			02/01/2025	1,981.03	*			
			08/01/2025	48,593.55	*			
			02/01/2026	990.51	*			
			08/01/2026	47,603.24	*	\$ 512,341.64	\$ 45,074.30	\$ 467,267.34
Trust Share	03/10/10	395,000.00	08/01/2017	20,000.00	5.00			
			08/01/2018	20,000.00	5.00			
			08/01/2019	20,000.00	4.00			
			08/01/2020	20,000.00	5.00			
			08/01/2021	20,000.00	3.00			
			08/01/2022	25,000.00	4.00			
			08/01/2023	25,000.00	4.00			
			08/01/2024	25,000.00	4.00			
			08/01/2025	25,000.00	4.00			
			08/01/2026	25,000.00	3.50			
			08/01/2027	30,000.00	4.00			
			08/01/2028	30,000.00	4.00			
			08/01/2029	30,000.00	4.00	335,000.00	20,000.00	315,000.00

TOWNSHIP OF IRVINGTON  
GENERAL CAPITAL FUND

N.J. ENVIRONMENTAL INFRASTRUCTURE TRUST LOAN PAYABLE

C-14  
Sheet #4

<u>Purpose</u>	<u>Date of Issue</u>	<u>Original Issue</u>	<u>Maturities of Loans Outstanding Dec. 31, 2016</u>		<u>Interest Rate</u>	<u>Balance Dec. 31, 2015</u>	<u>Decrease</u>	<u>Balance Dec. 31, 2016</u>
			<u>Date</u>	<u>Amount</u>				
Fund Share	03/10/10	\$ 381,204.00	02/01/2017	\$ 7,059.33	* %			
			08/01/2017	14,118.66	*			
			02/01/2018	7,059.33	*			
			08/01/2018	14,118.66	*			
			02/01/2019	7,059.33	*			
			08/01/2019	14,118.66	*			
			02/01/2020	7,059.33	*			
			08/01/2020	14,118.66	*			
			02/01/2021	7,059.33	*			
			08/01/2021	14,118.66	*			
			02/01/2022	7,059.33	*			
			08/01/2022	14,118.66	*			
			02/01/2023	7,059.33	*			
			08/01/2023	14,118.66	*			
			02/01/2024	7,059.33	*			
			08/01/2024	14,118.66	*			
			02/01/2025	7,059.33	*			
			08/01/2025	14,118.66	*			
			02/01/2026	7,059.33	*			
			08/01/2026	14,118.66	*			
			02/01/2027	7,059.33	*			
			08/01/2027	14,118.66	*			
			02/01/2028	7,059.33	*			
			08/01/2028	14,118.66	*			
			02/01/2029	7,059.33	*			
			08/01/2029	14,118.84	*	\$ 296,492.04	\$ 21,177.99	\$ 275,314.05
Fund Share	08/01/15	963,458.00	02/01/2017	16,329.79	*			
			08/01/2017	32,659.59	*			
			02/01/2018	16,329.79	*			
			08/01/2018	32,659.59	*			
			02/01/2019	16,329.79	*			
			08/01/2019	32,659.59	*			
			02/01/2020	16,329.79	*			

TOWNSHIP OF IRVINGTON  
GENERAL CAPITAL FUND

N.J. ENVIRONMENTAL INFRASTRUCTURE TRUST LOAN PAYABLE

C-14  
Sheet #5

<u>Purpose</u>	<u>Date of Issue</u>	<u>Original Issue</u>	<u>Maturities of Loans Outstanding Dec. 31, 2016</u>		<u>Interest Rate</u>	<u>Balance Dec. 31, 2015</u>	<u>Decrease</u>	<u>Balance Dec. 31, 2016</u>
			<u>Date</u>	<u>Amount</u>				
Fund Share	08/01/15	\$ 963,458.00	08/01/2020	\$32,659.59	* %			
			02/01/2021	16,329.79	*			
			08/01/2021	32,659.59	*			
			02/01/2022	16,329.79	*			
			08/01/2022	32,659.59	*			
			02/01/2023	16,329.79	*			
			08/01/2023	32,659.59	*			
			02/01/2024	16,329.79	*			
			08/01/2024	32,659.59	*			
			02/01/2025	16,329.79	*			
			08/01/2025	32,659.59	*			
			02/01/2026	16,329.79	*			
			08/01/2026	32,659.59	*			
			02/01/2027	16,329.79	*			
			08/01/2027	32,659.59	*			
			02/01/2028	16,329.79	*			
			08/01/2028	32,659.59	*			
			02/01/2029	16,329.79	*			
			08/01/2029	32,659.59	*			
			02/01/2030	16,329.79	*			
			08/01/2030	32,659.59	*			
			02/01/2031	16,329.79	*			
			08/01/2031	32,659.59	*			
			02/01/2032	16,329.79	*			
			08/01/2032	32,659.59	*			
			02/01/2033	16,329.79	*			
			08/01/2033	32,659.59	*			
			02/01/2034	16,329.79	*			
			08/01/2034	32,659.78	*	\$ 930,798.41	\$ 48,989.38	\$ 881,809.03



TOWNSHIP OF IRVINGTON  
GENERAL CAPITAL FUND

N.J. ENVIRONMENTAL INFRASTRUCTURE TRUST LOAN PAYABLE

C-14  
Sheet #6

<u>Purpose</u>	<u>Date of Issue</u>	<u>Original Issue</u>	<u>Maturities of Loans</u>		<u>Interest Rate</u>	<u>Balance Dec. 31, 2015</u>	<u>Decrease</u>	<u>Balance Dec. 31, 2016</u>		
			<u>Outstanding Dec. 31, 2016</u>							
			<u>Date</u>	<u>Amount</u>						
Trust Share	08/01/15	\$ 400,000.00	08/01/2017	\$ 15,000.00	5.00 %					
			08/01/2018	15,000.00	5.00					
			08/01/2019	15,000.00	5.00					
			08/01/2020	15,000.00	5.00					
			08/01/2021	15,000.00	5.00					
			08/01/2022	20,000.00	5.00					
			08/01/2023	20,000.00	5.00					
			08/01/2024	20,000.00	5.00					
			08/01/2025	20,000.00	5.00					
			08/01/2026	20,000.00	5.00					
			08/01/2027	25,000.00	4.00					
			08/01/2028	25,000.00	4.00					
			08/01/2029	25,000.00	4.00					
			08/01/2030	25,000.00	4.00					
			08/01/2031	25,000.00	4.00					
			08/01/2032	25,000.00	4.00					
			08/01/2033	30,000.00	4.00					
			08/01/2034	30,000.00	4.00					
								<u>\$ 400,000.00</u>	<u>\$ 15,000.00</u>	<u>\$ 385,000.00</u>
								<u>\$ 3,171,612.39</u>	<u>\$ 223,463.73</u>	<u>\$ 2,948,148.66</u>
					<u>C</u>	<u>C-7</u>	<u>C</u>			

\*Interest Free

TOWNSHIP OF IRVINGTON  
GENERAL CAPITAL FUND

TYPE I SCHOOL BONDS

C-15

<u>Purpose</u>	<u>Date of Issue</u>	<u>Original Issue</u>	<u>Maturities of Bonds Outstanding Dec. 31, 2016</u>		<u>Interest Rate</u>	<u>Balance Dec. 31, 2016</u>	<u>Paid</u>	<u>Balance Dec. 31, 2015</u>
			<u>Date</u>	<u>Amount</u>				
School Refunding Capital	07/15/03	\$ 29,110,713.60	7/15/17	\$ 1,795,360.00	4.84 %			
			7/15/18	1,771,252.10	4.93			
			7/15/19	1,699,837.50	5.02			
			7/15/20	2,124,950.00	5.11			
			7/15/21	1,992,250.00	5.19			
			7/15/22	1,999,241.50	5.26			
			7/15/23	1,879,722.50	5.31			
			7/15/24	1,815,110.00	5.36			
			7/15/25	1,710,610.00	5.39			
			7/15/26	1,618,375.00	5.40	\$ 19,769,083.60	\$ 1,362,375.00	\$ 18,406,708.60
School Refunding	08/20/14	15,635,000.00	7/15/17	30,000.00	3.00			
			7/15/18	530,000.00	4.00			
			7/15/19	530,000.00	4.00			
			7/15/20	530,000.00	4.00			
			7/15/21	530,000.00	4.00			
			7/15/22	30,000.00	3.375			
			7/15/23	30,000.00	3.375			
			7/15/24	30,000.00	3.375			
			7/15/25	30,000.00	3.50			
			7/15/26	30,000.00	3.50			
			7/15/27	6,535,000.00	3.50			
			7/15/28	6,655,000.00	3.625	15,520,000.00	30,000.00	15,490,000.00
						<u>\$ 35,289,083.60</u>	<u>\$ 1,392,375.00</u>	<u>\$ 33,896,708.60</u>
					<u>Reference</u>	<u>C</u>	<u>C-7</u>	<u>C</u>

TOWNSHIP OF IRVINGTON  
GENERAL CAPITAL FUND

MUNICIPAL BONDS

C-16  
Sheet #1

Purpose	Date of Issue	Original Issue	Maturities of Bonds Outstanding Dec. 31, 2016		Interest Rate	Balance Dec. 31, 2015	Issued	Paid	Balance Dec. 31, 2016
			Date	Amount					
Fiscal Year Adjustment Refunding (Noncallable)	07/15/03	\$ 8,490,000.00		\$	%	\$ 1,255,000.00	\$	\$ 1,255,000.00	\$
General Improvement Refunding (Qualified) (Callable)	07/15/06	10,837,090.40	07/15/17	2,215,238.30	*				
			07/15/18	1,572,187.50	*	4,569,713.80		782,288.00	3,787,425.80
General Improvement Bonds	11/20/07	9,067,000.00	01/01/17	300,000.00	5.00				
			01/01/18	300,000.00	5.00	6,967,000.00		6,367,000.00	600,000.00
General Obligation Refunding Bonds (Qualified)	04/27/12	8,288,000.00	04/01/17	1,228,000.00	2.70				
			04/01/18	540,000.00	2.70				
			04/01/19	540,000.00	2.70				
			04/01/20	540,000.00	2.70	4,076,000.00		1,228,000.00	2,848,000.00
General Obligation Refunding Bonds (Qualified), Series 2013A	04/18/13	3,555,000.00	04/01/17	505,000.00	4.00				
			04/01/18	510,000.00	4.50				
			04/01/19	505,000.00	4.75				
			04/01/20	510,000.00	5.00	2,540,000.00		510,000.00	2,030,000.00
General Obligation Refunding Bonds (Qualified), Series 2013B	04/18/13	4,715,000.00	04/01/17	1,285,000.00	3.578				
			04/01/18	35,000.00	3.928				
			04/01/19	45,000.00	4.288				
			04/01/20	60,000.00	4.538				
			04/01/21	65,000.00	4.994	2,655,000.00		1,165,000.00	1,490,000.00
Fiscal Year Adjustment Refunding Term Bonds - Series 2014A-1 (Qualified) (Callable)	8/20/14	21,095,000.00	07/15/29	3,800,000.00	5.00				
			07/15/30	4,025,000.00	5.00				
			07/15/31	4,210,000.00	5.00				
			07/15/32	4,400,000.00	5.00				
			07/15/33	4,660,000.00	5.00	21,095,000.00			21,095,000.00
General Improvement Refunding Bonds - Series 2014A-2 (Qualified) (Callable)	8/20/14	9,720,000.00	07/15/29	1,760,000.00	5.00				
			07/15/30	1,850,000.00	5.00				
			07/15/31	1,935,000.00	5.00				
			07/15/32	2,035,000.00	5.00				
			07/15/33	2,140,000.00	5.00	9,720,000.00			9,720,000.00

TOWNSHIP OF IRVINGTON  
GENERAL CAPITAL FUND

MUNICIPAL BONDS

C-18  
Sheet #2

	Date of <u>Issue</u>	Original <u>Issue</u>	Maturities of Bonds Outstanding Dec. 31, 2016		Interest <u>Rate</u>	Balance <u>Dec. 31, 2015</u>	<u>Issued</u>	<u>Paid</u>	Balance <u>Dec. 31, 2016</u>
			<u>Date</u>	<u>Amount</u>					
General Improvement Refunding (Qualified)	11/04/16	\$ 6,535,000.00	01/01/17	\$ 155,000.00	2.380 %				
			01/01/18	105,000.00	2.380				
			01/01/19	400,000.00	2.380				
			01/01/20	1,430,000.00	2.380				
			01/01/21	1,455,000.00	2.380				
			01/01/22	1,485,000.00	2.380				
			01/01/23	1,505,000.00	2.380				
						<u>\$</u>	<u>\$ 6,535,000.00</u>	<u>\$</u>	<u>\$ 6,535,000.00</u>
						<u>\$ 52,877,713.80</u>	<u>\$ 6,535,000.00</u>	<u>\$ 11,307,288.00</u>	<u>\$ 48,105,425.80</u>
					<u>Reference</u>	<u>C</u>	<u>C-2,7</u>	<u>C-7</u>	<u>C</u>
							<u>Ref.</u>		
					Budget Appropriations		C-7	\$ 5,240,288.00	
					Cash Disbursements		C-2	<u>6,067,000.00</u>	
							Above	<u>\$ 11,307,288.00</u>	

\*The Bonds will not bear current interest "accreted value" paid at maturity.

TOWNSHIP OF IRVINGTON  
GENERAL CAPITAL FUND

BONDS AND NOTES AUTHORIZED BUT NOT ISSUED

C-17

<u>Ordinance Number</u>	<u>Improvement Description</u>	<u>Balance Dec. 31, 2016</u>	<u>Balance Dec. 31, 2015</u>
MC-3124	Joint Sewer Capital Assessment	\$ 237.95	\$ 237.95
MC-3142	Various Capital Improvements	494.70	494.70
MC-3196	Joint Capital Sewer Assessment	38,165.00	38,165.00
MC-3208	Demolition of Unsafe Buildings	25,067.00	25,067.00
MC-3349	Various Capital Improvements	103,473.00	103,473.00
MC-3354/3374/3376			
3386/3398	Various Capital Improvements	160.00	160.00
MC-3401	Various Redevelopment Plan Activities	150,000.00	150,000.00
MC-3403	Joint Sewer Capital Assessment	853,796.00	853,796.00
MC-3411	Replacement of 911 Telephone System		111,000.00
MC-3439	Emergency Operations Center	248.18	
MC-3450	Communication Radio System and Equipment	147,500.00	617,500.00
MC-3478	Demolition of Unsafe Buildings		923,240.00
MC-3481	Refunding Bonds	385,000.00	385,000.00
MC-3489	Refunding Bonds	6,550,000.00	6,550,000.00
MC-3501	Various Redevelopment Activities		150,000.00
MC-3506	Tax Appeals	8,600.00	
MC-3515	Joint Sewer Capital Assessment	536,542.00	536,542.00
MC-3522	Various Capital Improvements	207,019.00	
MC-3581	40th Street Park Upgrades	325,000.00	
MC-3584	Refunding Bonds	465,000.00	
MC-3586	Demolition of Unsafe Buildings	600,000.00	
		<u>\$ 10,396,302.83</u>	<u>\$ 10,444,675.65</u>
	<u>Reference</u>	<u>C</u>	<u>C</u>

**PART II**  
**REPORT ON INTERNAL CONTROL**  
**SINGLE AUDIT ATTACHMENTS**  
**ROSTER OF OFFICIALS**  
**LETTER OF TRANSMITTAL, COMMENTS AND RECOMMENDATIONS**  
**(MANAGEMENT LETTER)**  
**YEAR ENDED DECEMBER 31, 2016**

550 BROAD STREET, 11TH FLOOR  
NEWARK, N.J. 07102-9969  
PHONE (973) 624-6100  
FAX (973) 624-6101

36 WEST MAIN STREET, SUITE 303  
FREEHOLD, N.J. 07728-2291  
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**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 STANDARD**

The Honorable Mayor and Members  
of the Township Council  
Township of Irvington  
Irvington, New Jersey 07111

We have audited the financial statements - regulatory basis of the various funds of the Township of Irvington, in the County of Essex, as of and for the years ended December 31, 2016 and December 31, 2015, and the related notes to the financial statements - regulatory basis and have issued our report thereon dated June 30, 2017. These financial statements - regulatory basis have been prepared in conformity with accounting principles 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. We conducted our audit in accordance with auditing standards generally accepted in the United States of America, audit requirements 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.

**Internal Control Over Financial Reporting**

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

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. A *material weakness* is a deficiency, or a combination of deficiencies, in internal control such that there is a reasonable possibility that a material misstatement of the Township's financial statements - regulatory basis 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. We consider Finding Number 2016-1, described in Part II of the accompanying Schedule of Findings and Questioned Costs, to be a material weakness in internal control over financial reporting.

Our consideration of internal control over financial reporting 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 financial reporting that might be significant deficiencies or material weaknesses and therefore, there can be no assurance that all deficiencies, significant deficiencies, or material weaknesses have been identified. However, as described in the accompanying schedule of findings and questioned costs, we identified certain deficiencies in internal control over financial reporting that we consider to be material weaknesses and other deficiencies, Finding Number 2016-2 that we consider to be a significant deficiency.


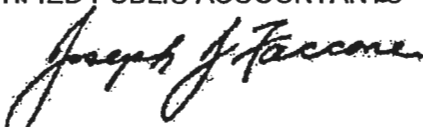


## Compliance and Other Matters

As part of obtaining reasonable assurance about whether the Township'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 no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*. We noted certain matters, however, that we have reported and described in Part II of the accompanying "Report on Examination of Accounts".

## 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 result of that testing and not to provide an opinion on the effectiveness of the Township of Irvington's internal control or on compliance. This report is an integral part of the audit performed in accordance with Governmental Auditing Standards in considering the Township of Irvington's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

  
SAMUEL KLEIN AND COMPANY  
CERTIFIED PUBLIC ACCOUNTANTS  
  
JOSEPH J. FACCONI, RMA, PA

Newark, New Jersey  
June 30, 2017



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**INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE FOR EACH MAJOR FEDERAL PROGRAM,  
AND REPORT ON INTERNAL CONTROL OVER COMPLIANCE AND REPORT ON THE SCHEDULE OF  
EXPENDITURES OF FEDERAL AWARDS REQUIRED BY THE UNIFORM GUIDANCE**

The Honorable Mayor and Members  
of the Township Council  
Township of Irvington  
Irvington, New Jersey 07111

**Report on Compliance for Each Major Federal Program**

We have audited the Township of Irvington in the County of Essex, State of New Jersey, compliance with the types of compliance requirements described in the Uniform Guidance that could have a direct and material effect on each of the Township's major federal program for the year ended December 31, 2016. The Township's major federal programs are identified in the *Summary of Auditor's Results* section of the accompanying *Schedule of Findings and Questioned Costs*.

**Management's Responsibility**

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

**Auditor's Responsibility**

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

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

## Opinion on Each Major Federal Program

In our opinion, the Township of Irvington complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended December 31, 2016.

## Report on Internal Control Over Compliance

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

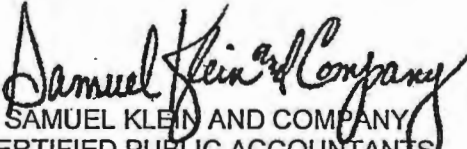
*A deficiency in internal control over compliance* exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent or detect and correct noncompliance with a type of compliance requirement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

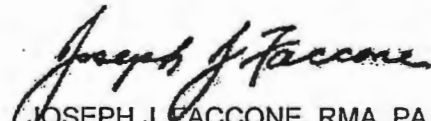
Our consideration of internal control over compliance was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies. We did not identify any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

The purpose of this report is solely to describe the scope of our testing of internal controls and compliance and the results of that testing based on the requirements of the Uniform Guidance. Accordingly, this communication is not suitable for any other purpose.

## Report on Schedule of Expenditures of Federal Awards Required by Uniform Guidance

We have audited the financial statements - regulatory basis of the Township of Irvington as of and for the year ended December 31, 2016, and the related notes to the financial statements which collectively comprise the Township's basic financial statements. We have issued our report thereon dated June 30, 2017, which contained an unmodified opinion on those financial statements. Our audit was conducted for the purpose of forming an opinion on the financial statements that collectively comprise the basic financial statements. The accompanying schedule of expenditures of federal awards is presented for purposes of additional analysis as required by Uniform Guidance and is not a required part of the financial statements - regulatory basis. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the schedule of expenditures of federal awards is fairly stated in all material respects in relation to the financial statements as a whole

  
SAMUEL KLEIN AND COMPANY  
CERTIFIED PUBLIC ACCOUNTANTS

  
JOSEPH J. FACCONI, RMA, PA

Newark, New Jersey  
June 30, 2017

TOWNSHIP OF IRVINGTON  
COUNTY OF ESSEX

SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS  
FOR THE YEAR ENDED DECEMBER 31, 2016

SCHEDULE A  
Sheet #1

<u>Federal Funding Department</u>	<u>Program</u>	<u>Catalog Number</u>	<u>State Account Number</u>	<u>Program Amount</u>	<u>Funds Received</u>	<u>Expenditures</u>	
						<u>2016 Year</u>	<u>Total</u>
Housing and Urban Development:	Community Development Block Grant:						
	Year 2016	14.218		\$ 955,920.00	\$	\$	\$
	Year 2015	14.218		917,961.00	299,976.65	423,044.09	423,044.09
	Year 2014	14.218		931,286.00			819,565.92
	HOME Investment Partnership Program:						
	Year 2016	14.239		313,619.00			
	Year 2015	14.239		87,754.00			
	Year 2014	14.239		126,072.00			
	Year 2012	14.239		325,281.00		175,041.64	175,041.04
	Transition Year 2011	14.239		618,586.00		(113,645.55)	405,299.46
	Transitional Housing:						
	Year 2014	N/A		388,839.00		105,501.29	388,839.00
Pass-Through City of Newark:	Housing Opportunities for People with Aids:						
	Year 2016	14.241		361,147.00	136,155.32	317,335.63	317,335.63
	Year 2015	14.241		192,600.00	163,480.51		192,600.00
Pass-Through County of Essex:	Community Service Block Grant:						
	Year 2016	93.569		105,858.16		67,666.49	67,666.49
	Year 2015	93.569		144,079.65	92,723.87	27,701.65	89,127.40
	County Community SSH Block Grant:						
	Year 2016	93.000		153,998.00	30,601.38		
	Year 2015	93.000		153,998.00	43,998.00		68,725.05
	County Community Services for the Homeless (SSH):						
	Year 2016			110,000.00	87,579.19	74,832.16	74,832.16
	Year 2015			135,684.91	25,684.91	75,394.08	135,684.91

TOWNSHIP OF IRVINGTON  
COUNTY OF ESSEX

SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS  
FOR THE YEAR ENDED DECEMBER 31, 2016

SCHEDULE A  
Sheet #2

<u>Federal Funding Department</u>	<u>Program</u>	<u>Catalog Number</u>	<u>State Account Number</u>	<u>Program Amount</u>	<u>Funds Received</u>	<u>Expenditures</u>	
						<u>2016 Year</u>	<u>Total</u>
Department of Transportation:	New Jersey DOT Capital Improvements: Park Place: Year 2015		6320-480-601385-61	\$ 377,637.00	\$	\$ 4,975.00	\$ 20,625.00
U.S. Department of Homeland Security:	FEMA Emergency Operations Center			750,000.00		6,398.31	738,240.34
U.S. Department of Justice:	COPS Hiring Recovery Program: Year 2015	16.710		1,000,000.00			
	Year 2012	16.710		1,986,472.00	774,827.00	454,451.48	1,986,472.00
Passed-Through City of Newark: U.S. Department of Justice:	Justice Assistance ( JAG ) Year 2016			83,801.40	3,893.82	83,801.40	83,801.40
					<u>\$1,358,944.00</u>	<u>\$1,279,453.58</u>	<u>\$6,639,159.59</u>

The accompanying notes are an integral part of this schedule.

**TOWNSHIP OF IRVINGTON  
COUNTY OF ESSEX, NEW JERSEY**

**NOTES TO THE SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS  
FOR THE YEAR ENDED DECEMBER 31, 2016**

**1. GENERAL**

The accompanying Schedule of Expenditures of Federal Awards presents the activity of all federal programs of the Township of Irvington, County of Essex, New Jersey for the year ended December 31, 2016. All federal and state financial assistance received directly from federal agencies as well as federal and state financial assistance, passed-through other government agencies, is included on the Schedule of Expenditures of Federal Awards. The information in this schedule is presented in accordance with the requirements of Uniform Guidance. Because this schedule presents only a selected portion of the operations of the Township, it is not intended to and does not present the financial position of the Township.

**2. BASIS OF ACCOUNTING**

The accompanying Schedule of Expenditures of Federal Awards is presented on the prescribed basis of accounting, modified accrual basis with certain exceptions, prescribed by the Division of Local Government Services, Department of Community Affairs, State of New Jersey, that demonstrates compliance with the budget laws of New Jersey, which is a comprehensive basis of accounting, other than generally accepted accounting principles. The basis of accounting, with exception, is described in Note 1 to the Township's regulatory basis financial statements.

**3. RELATIONSHIP TO FINANCIAL STATEMENTS**

Amounts reported in the accompanying schedule agree with amounts reported in the Township's financial statements. These amounts are reported in either the Current Fund, General Capital Fund or Trust Fund. Matching contributions expended by the Township in accordance with terms of the various grants are not reported in the accompanying schedule.



TOWNSHIP OF IRVINGTON  
COUNTY OF ESSEX, NEW JERSEY

SCHEDULE OF FINDINGS AND QUESTIONED COSTS  
FOR THE YEAR ENDED DECEMBER 31, 2016

**Section I - Summary of Auditor's Results**

**Financial Statements**

Type of auditor's report issued:

Modified

Internal control over financial reporting:

Material weakness(es) identified?

√ Yes        No

Significant deficiency(ies) identified?

√ Yes        None  
Reported

Noncompliance material to financial statements noted?

√ Yes        No

**Federal Awards**

Internal Control over major federal programs:

Material weakness(es) identified?

       Yes √ No

Significant deficiency(ies) identified?

       Yes √ None  
Reported

Type of auditor's report issued on compliance  
for major programs:

Unmodified

Any audit findings disclosed that are required to  
be reported in accordance with Uniform Guidance?

√ Yes        No

Identification of major federal programs:

CFDA Number(s)

Name of Federal Program or Cluster

14.239

Home Investment Partnership

14.218

Community Development Block Grant

16.710

COPS Hiring Recovery Program

Dollar threshold used to distinguish between Type A and  
Type B Programs:

\$750,000.00

Auditee qualified as low-risk auditee?

       Yes √ No

TOWNSHIP OF IRVINGTON  
COUNTY OF ESSEX, NEW JERSEY

SCHEDULE OF FINDINGS AND QUESTIONED COSTS  
FOR THE YEAR ENDED DECEMBER 31, 2016  
(Continued)

**Section I - Summary of Auditor's Results (Continued)**

**State Awards - N/A**

Internal Control over major state programs:

Material weakness(es) identified?	_____ Yes _____ No
Control deficiency(ies) identified?	_____ Yes _____ None Reported
Significant deficiency(ies) identified not considered to be material weaknesses?	_____ Yes _____ None Reported

Type of auditor's report issued on compliance for major programs:

Unmodified

Any audit findings disclosed that are required to be reported in accordance with N.J. OMB Circular 15-08 listed in Section III of the Schedule?

\_\_\_\_\_ Yes \_\_\_\_\_ No

Identification of major state programs:

Account Number(s)

Name of State Program or Cluster

Dollar threshold used to distinguish between Type A and Type B Programs

\$750,000.00

Auditee Qualified as low-risk auditee

\_\_\_\_\_ Yes \_\_\_\_\_ No



TOWNSHIP OF IRVINGTON  
COUNTY OF ESSEX, NEW JERSEY

SCHEDULE OF FINDINGS AND QUESTIONED COSTS  
FOR THE YEAR ENDED DECEMBER 31, 2016  
(Continued)

**Section II - Financial Statement Audit - Reported Findings Under *Government Auditing Standards***

***Finding 2016-1:***

***Condition:***

The Township maintains a computerized general ledger for all funds. As of December 31, 2016, the General Ledger for all funds did not agree with various subsidiary ledgers. Cash receipts as posted contained numerous errors and did not agree with the Collector's reports, department turnovers or bank reconciliations. In addition, cash disbursements were not recorded and/or incorrectly posted.

In our judgment, this finding is considered to be a material weakness.

***Criteria:***

Technical Accounting Directive No. 85-3, issued by the State of New Jersey, Division of Local Government Services, requires all municipalities to establish and maintain a general ledger. Provisions of the "Single Audit Act", and Generally Accepted Accounting Procedures, also require the use of a general ledger. The general ledger is the official permanent financial record of the local unit and provides a summary of all financial transactions. It supports the "fund" basis of accounting as prescribed by the State of New Jersey.

***Cause:***

These deficiencies appear to be as a result of a general lack of oversight control and accountability in regards to the General Ledger.

***Effect:***

Precludes the Chief Financial Officer from proving control totals to the detail for all major accounts within all funds of the Township. The major accounts include Cash and Cash Equivalents, Taxes Receivable, Improvement Authorizations, Appropriations, Appropriation Reserves, Interfunds, Other Reserves and Liabilities.

***Recommendations:***

That General Ledgers be properly maintained for all funds and reconciled monthly to detailed subsidiary ledgers.

That consideration should also be given to documenting all procedures in the Finance Office to enhance the operations.

TOWNSHIP OF IRVINGTON  
COUNTY OF ESSEX, NEW JERSEY

SCHEDULE OF FINDINGS AND QUESTIONED COSTS  
FOR THE YEAR ENDED DECEMBER 31, 2016  
(Continued)

**Section II - Financial Statement Audit - Reported Findings under *Government Auditing Standards***  
**(Continued)**

***Finding 2016-2:***

***Condition:***

Our review of cash reconciliations noted the following:

- Cash reconciliations for various accounts contained numerous reconciling items which were carried forward each month without change.
- Cash reconciliations were not in agreement with general ledger balances.
- Outstanding check listings contained numerous errors.
- It appears that the bank reconciliations were not prepared on a timely basis.

In our judgment, this finding is considered to be a significant deficiency.

***Criteria:***

Cash reconciliations are required to be prepared on a monthly basis and be in agreement with general ledger balances.

***Cause:***

The lack of proper review and control by Township officials.

***Effect:***

Possible misappropriation of funds.

***Recommendations:***

That more care be exercised in the preparation of Township cash reconciliations.

That cash reconciliations be prepared on a timely basis.

**TOWNSHIP OF IRVINGTON  
COUNTY OF ESSEX, NEW JERSEY**

**SCHEDULE OF FINDINGS AND QUESTIONED COSTS  
FOR THE YEAR ENDED DECEMBER 31, 2016  
(Continued)**

**Section III - Federal Awards and State Financial Assistance - Findings and Questioned Costs**

**NONE**

TOWNSHIP OF IRVINGTON  
COUNTY OF ESSEX, NEW JERSEY

SUMMARY SCHEDULE OF PRIOR YEAR AUDIT FINDINGS  
FOR THE YEAR ENDED DECEMBER 31, 2016

**Section IV - Summary Schedule of Prior Year Audit Findings:**

***Finding 2015-1, 2014-1:***

***Condition:***

The Township maintains a computerized general ledger for all funds. As of December 31, 2015, the general ledger did not agree with various subsidiary ledgers. Cash receipts, as posted, contained numerous errors and did not agree with collector's reports, department turnovers or bank reconciliations.

In our judgment, this finding is considered to be a material weakness.

***Recommendation:***

That all general ledgers be properly maintained for all funds and reconciled monthly to detailed subsidiary ledgers.

That consideration should also be given to documenting all procedures in the Finance Office to enhance the operations.

***Current Year Status:***

Unchanged.

TOWNSHIP OF IRVINGTON  
COUNTY OF ESSEX, NEW JERSEY

SUMMARY SCHEDULE OF PRIOR YEAR AUDIT FINDINGS  
FOR THE YEAR ENDED DECEMBER 31, 2016  
(Continued)

**Section IV - Summary Schedule of Prior Year Audit Findings: (Continued)**

***Finding 2015-2, 2014-2:***

***Condition:***

Our review of cash reconciliations noted the following:

- Cash reconciliations for various accounts contained numerous reconciling items which were carried forward each month without change.
- Cash reconciliations were not in agreement with general ledger balances.
- Outstanding check listings contained numerous errors.
- It appears that the bank reconciliations were not prepared on a timely basis.

In our judgment, this finding is considered to be a significant deficiency.

***Recommendations:***

That more care be exercised in the preparation of Township cash reconciliations.

That cash reconciliations be prepared on a timely basis.

***Current Year Status:***

Unchanged.

**ROSTER OF OFFICIALS AND CERTAIN EMPLOYEES  
AND REPORT ON SURETY BONDS**

**FOR THE YEAR 2016**

The following officials were in office during the period under review:

<u>Name</u>	<u>Title</u>	<u>Amount of Bond</u>
Anthony Tony Vauss	Mayor	\$
David Lyons	Council Member to June 30, 2016 President from July 1, 2016	
Charnette Frederic	President to June 30, 2016 Council Member from July 1, 2016	
Renee C. Burgess	Council Member and 1 <sup>st</sup> Vice President	
Sandra Jones	Council Member and 2 <sup>nd</sup> Vice President	
Paul Inman	Council Member	
Vernal C. Cox, Sr.	Council Member	
October Hudley	Council Member	
Musa A. Malik	Business Administrator	
Harold E. Wiener	Township Clerk	
Faheem Ra'Oof	Director of Revenue and Finance	25,000.00
Beverly Baytops	Tax Collector, Tax Searcher and Supervisor of Sewer Fee Collections	220,000.00
Anthony Atwell	Chief Judge	
Ramon Rivera	Township Attorney	250,000.00

Travelers Casualty and Surety Company of America Public Employee Dishonesty - Per Employee is \$250,000.00.

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CERTIFIED PUBLIC ACCOUNTANTS

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The Honorable Mayor and Members  
of the Township Council  
Township of Irvington  
Irvington, New Jersey 07111

Mesdames and Gentlemen:

We have audited the financial statements - regulatory basis, Federal Programs and supplemental schedules and data of the

**TOWNSHIP OF IRVINGTON  
COUNTY OF ESSEX**

for the years ended December 31, 2016 and December 31, 2015 and have issued our report thereon. As part of our audit, we reviewed and tested the municipality's system of internal accounting control to the extent we considered necessary to evaluate the system as required by auditing standards generally accepted in the United States of America; by the Division of Local Government Services of the Department of Community Affairs, State of New Jersey; by the *Government Auditing Standards* issued by the U.S. General Accounting Office; and by the provisions of the Uniform Guidance. Compliance requirements were also reviewed in accordance with the requirements of the aforementioned standards and guidelines or, where applicable, the terms and conditions of particular grant agreements and as approved by the Cognizant Audit Agency.

Our comments with respect to the audit, internal control, and any error, omission, irregularity, violation of law, discrepancy or other nonconformity to the law or regulation found during the audit are herewith set forth.

### Contracts and Agreements Required to be Advertised for (N.J.S. 40A:11-4 - as Amended)

N.J.S. 40A:11-4a states "Every contract awarded by the contracting agent for the provision or performance of any goods or services, the cost of which in the aggregate exceeds the bid threshold, shall be awarded only by resolution of the governing body of the contracting unit to the lowest responsible bidder after public advertising for bids and bidding therefor, except as is provided otherwise in this act or specifically by any other law. The governing body of a contracting unit may, by resolution approved by a majority of the governing body, disqualify a bidder who would otherwise be determined to be the lowest responsible bidder, if the governing body finds that it has had prior negative experience with the bidder."

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

The threshold was \$40,000.00 for 2016.

Notwithstanding N.J.S.A. 40A:11-3a, P.L. 2005, Chapter 51 and N.J.S.A. 19:44A-20.5, known as the "Pay-to-Play Law" provides that a municipality is prohibited from executing any contract in excess of \$17,500.00, on or after January 1, 2006, to a business entity that made certain reportable contributions to any municipal committee of a political party if a member of that party is in office as a member of the governing body of the municipality when the contract is awarded unless proposals or qualifications are solicited through a fair and open process.

It is further noted that contracts between \$17,500.00 and the municipal bidding threshold, known as "window contracts", can be issued by resolution of the governing body without competitive bidding if a non-fair and open process is implemented which prohibits reportable contributions by the business entity.

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

- Snow Removal
- Purchase of Vehicles and Equipment - Various Departments
- Road Resurfacing
- Lease of Office Space
- Summer Food Services
- Sewer Repairs
- Police Bicycles
- Vehicle Repairs
- Solid Waste
- DPW Uniforms
- Emergency Generators
- 911 System
- Payroll Services
- Recyclables

The minutes indicate that proposals were solicited for professional services in accordance with the provisions of N.J.S.A. 19:44A-20.5.

### Collection of Interest on Delinquent Taxes

N.J.S. 54:4-67, as amended, provides the method for authorizing interest and the maximum rate to be charged for the nonpayment of taxes on or before the date when they would become delinquent.



The Governing Body on January 1, 1981 adopted the following resolution authorizing interest to be charged on delinquent taxes.

"WHEREAS, the Legislature of the State of New Jersey has amended the Revised Statutes of New Jersey so that municipalities may increase the interest rate of delinquent taxes; and

WHEREAS, the Township of Irvington may establish the interest rate for delinquent taxes paid; and

WHEREAS, by extending the eight percent tax delinquency rate to the first \$1,500.00 rather than to the first \$1,000.00, the Township of Irvington recognizes the depressed state of the economy and in recognition of the necessity of the Township of Irvington in assisting the small property owner in maintaining his tax payments; and

WHEREAS, in this time of high interest rates the Township of Irvington finds it necessary to discourage the borrowing of tax money from the Township of Irvington at less than market rate by the failure of a large property owner to pay on a timely basis.

NOW, THEREFORE, BE IT RESOLVED BY THE MUNICIPAL COUNCIL OF THE TOWNSHIP OF IRVINGTON that, effective as of the date listed in this Resolution, the interest rate for delinquent taxes shall be 8% on the first \$1,500.00 taxes delinquent more than ten calendar days following the date upon which the same became payable and 18% per annum on any amount in excess of \$1,500.00 taxes delinquent more than ten calendar days following the date upon which the same became payable and 18% per annum on any amount in excess of \$1,500.00 to be calculated from the date the tax was payable until the date of the actual payment; and

BE IT FURTHER RESOLVED that said Resolution shall become effective as of January 1, 1981."

On June 10, 1991, the Governing Body also adopted the following resolution:

"WHEREAS, Governor Florio has recently signed into law Bills that change the amount of interest rate or penalties capable of being charged on account of delinquent taxes and sewer as well as the amount required to redeem Tax Sale Certificates; and

WHEREAS, the amendment to N.J.S.A. 54:4-67 the Governing Body may, at its discretion, establish an additional penalty of 6% of the delinquency in excess of \$10,000.00 and said delinquency is now to be calculated on the sum of all taxes and sewer from year to year and not on an individual year basis; and

WHEREAS, said amendment to N.J.S.A. 54:5-61, a municipality holding a Tax Sale Certificate may charge a 2% penalty on the amount due over \$200.00 up to \$5,000.00, 4% up to \$10,000.00 and 6% in excess of \$10,000.00. These penalties are effective as of March 29, 1991, and are respectively applicable to all Tax Sale Certificates presently held by the Township as well as those which may be subsequently required by the Township as a result of future Tax Sales;

NOW, THEREFORE, BE IT RESOLVED BY THE MUNICIPAL COUNCIL OF THE TOWNSHIP OF IRVINGTON that the Tax Collector is hereby directed to implement the aforesaid penalties per the amendments to N.J.S.A. 54:4-67 and N.J.S.A. 54:5-61."

On September 14, 2016 and November 22, 2016, the Governing Body adopted resolutions granting a tax amnesty program for interest and penalties.

Our review of the records of the Tax Collector indicated that interest for taxes was generally collected in accordance with the provisions of the foregoing resolutions.

### Collection of Interest on Delinquent Sewer Charges

The Governing Body on December 13, 1977 adopted Ordinance Number MC 2517 establishing the liability per payment of sewer charges and the interest thereon. This ordinance was subsequently amended on August 14, 1979 by Ordinance Number MC 2575 to read as follows:

"BE IT ORDAINED by the Municipal Council of the Township of Irvington:

Section 1. All charges established and provided for herein shall be assessed against the owners of the property from which said sewage or waste water emanates, respectively, and shall be collected annually by the Township of Irvington, New Jersey, and shall be paid by the user on or before August 15.

Section 2. Such charges shall draw the same interest from the time they become due as taxes upon real estate in the municipality and shall be a lien upon the premises until paid, and the municipality shall have the same remedies for the collection thereof, with interest, costs and penalties as it has by law for the collection of taxes upon real estate.

Section 3. All sums collected under the terms of this Article shall be applied by the Township of Irvington, New Jersey, for reimbursement of such sums advanced by it to the Joint Meeting as the result of estimates made and assessments levied by said Joint Meeting for the cost of operation and maintenance of the joint trunk sewer and treatment works, including appurtenances, as set forth in S1671-8 hereof."

Our review of the records of the Tax Collector indicated that interest on delinquent sewer bills was generally collected in accordance with the provisions of the foregoing ordinance.

### Tax Title Liens

A tax sale was conducted on December 20, 2016 for the Year 2016.

The tax sale was not complete.

The following comparison is made of the number of Tax Title Liens Receivable for the following periods ended:

<u>Year</u>	<u>Number of Liens</u>
2016	1,243
2015	1,249
2014	1,222

Recourse to all means provided by the statutes should be taken to realize or eliminate tax title liens through collection or foreclosure in order to return such property to a tax paying basis.

### Tax Collector

During 2016, the Tax Office did not accurately maintain a cash receipts book and/or prepare monthly cash reports. In addition, a report that lists uncollectible taxes was not prepared and presented to the Municipal Council, as required by R.S. 54:4-91 and 91-1.

Overpayments for taxes that have been refunded by the Department of Finance were not posted on the records maintained by the Tax Office in a timely manner. As a result there were two (2) instances whereby the Tax Office authorized a tax refund in excess of amount paid by the taxpayer. In addition, there were numerous instances where the Tax Office did not correctly record all State Tax Court Judgments. We found that various monthly reports were prepared from the records maintained by the Tax Office, whereby the ending balance of one month was not the beginning balance of the subsequent month.

The collection of funds by the Tax Office are recorded by user/batch number for each day in the general ledger. However, the collection of funds posted for one day were combined with several other deposits. In addition, funds collected by the Tax Office were not deposited within 48 hours.

In addition, a cash report for 2016 was not in agreement with the individual tax reports. We noted that adjustment reports provided for audit were not in agreement with the status audit totals for taxes, tax title liens, sewer charges, sewer lien charges and special charges.

Our review of prior years' taxes receivable indicated that the Tax Collector's Office has not reviewed annually all open filings of bankruptcy.

The Tax Office did not generate any reports on a monthly basis which resulted in the amounts collected per the Tax Collector's cash report not agreeing with individual computer reports.

A review of various adjusted reports indicated that adjustments for cash received from one year were combined with multi-entries of several years. In addition, a condensed lien report was prepared by the Tax Officer that included taxes, special improvements, senior citizens, cost of sale, clean up receivables and special charges. The amounts listed by various properties should be reported in their respective receivable reports.

For 2016, bank reconciliations were not accurately performed.

The amount collected for the payment of outside lienholders was not disbursed in a reasonable time. There were several instances where amounts collected were not remitted to the outside lienholder for several months.

There were several months whereby all funds collected by the Tax Office were not remitted to the Finance Office on a monthly basis.

It was noted that authorized installment tax payment plans approved by resolutions of the Township's governing body were not reviewed by the Tax Department for compliance.

It is recommended:

That a complete tax sale be held.

That the Tax Office maintain an accurate cash receipt book and prepare monthly cash reports.

That the Tax Office file and present a list of uncollectible tax reports to the Municipal Council.

That the Tax Office record all tax refunds disbursed for the year in a timely manner.

That the Tax Office collect all excess tax overpayments refunded.

That the Tax Office receive additional training for the proper use of the tax software program.

That bank deposits be in agreement with daily posted receipts.

That the Tax Office cash receipts report be proven to all receivable reports on a monthly basis.

That the Tax Office prepare adjustment reports and be reconciled to all receivable reports on a monthly basis.

That the Tax Office review all receivable reports for items eligible to be collected.

That the Tax Office prepare all receivable reports on a monthly basis.

That the Tax Office properly classify charges to their various receivable reports.

That monthly bank reconciliations be accurately performed.

That funds collected for payment of outside lienholders be disbursed on a monthly basis.

That all funds collected by the Tax Office be transferred to the Finance Office on a monthly basis.

That authorized installment tax payment plans be reviewed by the Tax Department for compliance with approved resolutions.

### **Special Improvement Districts**

The Township of Irvington established by ordinance two special improvement districts known as the Camptown Business Improvement District and the Springfield Avenue Center Special Improvement District. As required by the provisions of each ordinance, an annual budget must be prepared and submitted to the Township Council for approval. Subsequent to the adoption of the budget, a tax rate is required to be used in the calculation of a special assessment tax for each commercial property located within the district.

During our audit, it was noted that a tax rate was not used, rather the special tax assessment was calculated based on 3% or 5% of the tax levy.

It is further noted that district assessed valuations and tax rates should be forwarded to the Essex County Board of Taxation for appropriate disclosure.

It is recommended:

That special improvement district tax rates be calculated each year based on approved budget requirements.

That statistical information with respect to the special improvement districts be filed with the Essex County Board of Taxation.

### **Revenue Collection Departments**

The following exceptions were noted during the course of our audit of the Township Revenue Departments:

Turnovers of revenue collections in the Recreation Department, Fire Department, Police Department, Public Works Department, Housing Department, Assessor Department, Purchasing Department, Business Administrator and Construction Code Official were not in compliance with the provisions of N.J.S.A. 40A:5-15 *"Deposits of Funds Paid to the Local Unit"*.

The Cash Receipts Book for the Taxi Unit, Police Department and Housing Department was not available for audit.

Marriage license fees were not submitted to the State of New Jersey on a timely basis.

Comments with respect to the Construction Code Official are detailed as follows:

- Quarterly DCA Training Fee Reports were not submitted to the State of New Jersey on a timely basis.
- Permit fee logs, monthly reports and turnover slips were not in agreement. Additionally, monthly reports and permit fee logs were not mathematically correct.
- Consecutively numbered permits are not issued for fees that are not required to be included on the State Permit Fee Logs.
- The fees charged by the Construction Code Official was not in compliance with fee schedules approved by the Township Council.



It is recommended:

That the Recreation Department, Fire Department, Police Department, Public Works Department, Housing Department, Assessor Department, Purchasing Department, Business Administrator and Construction Code Official comply with the provisions of N.J.S.A. 40A:5-15.

That the cash receipts book for the Taxi Unit, Police Department and Housing Department be available for audit.

That marriage license fees be remitted on a timely basis.

That more care be exercised by the Construction Code Official in the preparation of Permit Fee Logs, Monthly Reports and Turnover Forms.

That the Construction Code Official issue consecutively numbered permits for all fees collected.

That the Construction Permit Report and the Transaction Audit Report prepared by the Construction Code Official be in agreement on a monthly basis.

That the DCA Training Fees collected by the Construction Code Official be submitted to the State of New Jersey on a timely basis.

That fees charged by the Construction Code Official be in compliance with fee schedules approved by the Township Council.

## Cash

### Deposits:

Funds collected by the Finance Department were not deposited in accordance with the provisions of N.J.S.A. 40A:5-15.

### Outstanding Checks:

A review of the Township's bank reconciliations revealed numerous checks dated prior to December 31, 2016 for the Current Fund and Other Trust Fund. Checks outstanding in excess of twelve months are considered stale and may not be honored by the bank. Periodically, stale dated checks should be reviewed and cancelled or other appropriate action taken.

### Bank Accounts:

Our review of the cash accounts for the Current, Trust and Capital Funds has indicated that the Township maintains approximately twenty-seven (27) bank accounts. There are several bank accounts that have been inactive for a number of years. The Township's Administration should review inactive bank accounts.

### Cash Reconciliations:

Our review of cash reconciliations noted the following:

- . Cash reconciliations for the various accounts contained numerous reconciling items which were carried forward each month without change.
- . Cash reconciliations were not in agreement with general ledger balances.
- . Outstanding check listings contained numerous errors.

- Postage, bank service charges and rental fees associated with credit card transactions of the Municipal Court were not recorded and classified as expenditures.
- Bank reconciliations were not prepared on a timely basis.

It is recommended:

That the Finance Department comply with the provisions of N.J.S.A. 40A:5-15.

That more care be exercised in recording and classifying expenditures.

That outstanding checks over one year old be reviewed and appropriate action be taken, including a resolution approved by the Municipal Council.

That more care be exercised in the preparation of Township cash reconciliations.

That cash reconciliations be prepared on a timely basis.

### **General Ledger**

Technical Accounting Directive No. 85-3, issued by the State of New Jersey, Division of Local Government Services, requires all municipalities to establish and maintain a general ledger. Provisions of the "Single Audit Act" and Generally Accepted Accounting Procedures also require the use of a general ledger. The general ledger is the official permanent financial record of the local unit and provides a summary of all financial transactions. It supports the "fund" basis of accounting as prescribed by the State of New Jersey.

The Township maintains a computerized general ledger for all funds. As of December 31, 2016, the general ledger did not agree with the various subsidiary ledgers. Cash receipts and disbursements, as posted, contained numerous errors and did not agree with the Collector's reports, department turnovers or bank reconciliations.

Adjustments for the following were not summarized for appropriate general ledger entry:

- County and State Board Judgments
- Overpayments
- Senior Citizen and Veteran Deductions
- Municipal Cancellations

When the internal operations do not allow management or employees to prevent or detect a misstatement of the financial statements on a timely basis, a control deficiency exists. Control deficiencies may either be a significant deficiency or a material weakness. By definition, a material weakness "is a combination of control deficiencies that adversely affects the entity's ability to initiate, authorize, record, process or report financial data reliably such that there is more than a remote likelihood that a material misstatement of the financial statements will not be prevented or detected", except for the tax levy, there were no tax adjustments recorded in the general ledger.

The aforementioned comments regarding internal control can be classified as a material weakness and are reported as such under the Single Audit Section of this report.

It is recommended:

That General Ledgers be properly maintained for all funds and reconciled monthly to detailed subsidiary ledgers.

That consideration be given to documenting all procedures in the Finance Office to enhance the operations.

### Due to State of New Jersey

Amounts Due to the State of New Jersey for Building Construction, Marriage and Burial Fees, as detailed on Exhibit B-8 herein, have remained unpaid for several years.

It is recommended that certain amounts Due to the State of New Jersey be reviewed for propriety and appropriate action taken as to payment or cancellation.

### Other Deposits

Premium on tax sale and lien redemptions, reflected on Exhibit B-9 herein, does not have detailed supporting documentation.

It is recommended that a detailed list for premium on tax sale and lien redemptions be maintained.

### Outside Employment of Off-Duty Police Officers

Our review of the records for the Outside Employment of Off-Duty Police Officers noted the following comments:

- Records for Off-Duty Police Officers are maintained by the Irvington Police Department.
- Administrative fees are not identified for transfer to the Township.
- Township officials do not record amounts billed by the Police Department.
- Collections received by the Police Department and transferred to the Township are not reconciled to the corresponding payroll expenditures.

It is recommended:

That Off-Duty Police Administrative Fees be identified and transferred to the Township on a regular basis.

That collections for Off-Duty Police Fees be reconciled to corresponding payroll expenditures.

### Escrow Deposits

A list of escrow deposits was not available for audit.

It is recommended that the detailed listing supporting the escrow deposits be available for audit.

### Animal Control Trust Fund

Our examination of Animal Control records indicated the following deficiencies:

A cash receipts book was not maintained for funds collected.

New Jersey State Dog Registration Fees are payable thirty (30) days after collection. Reports filed by the License Bureau were not submitted for 2016.

Turnover of revenue collections in the Animal Control were not in compliance with the provisions of N.J.S.A. 40A:5-15 "Deposits of Funds Paid to the Local Unit."

It is recommended:

That a cash receipts book be maintained for animal control fees.

That the monthly State Dog Report be prepared by the License Bureau.

### **Grant Trust Fund**

Administrative costs incurred by the Community Development Block Grant and HUD Home Grant Programs have not been drawn down by the Township from April 8, 2014 to December 31, 2016.

A review by HUD officials of certain projects resulted in disallowed costs for six (6) projects. As a result, a receivable in the amount of \$467,612.03 has been established for the disallowed costs.

It is recommended:

That the Township draw down all eligible administrative costs.

That the Township review the projects for proper disposition.

### **Interfunds**

The balance sheets of the various funds as of December 31, 2016 reflect Interfunds Receivable and Payable. Subsequent to year-end, efforts should be undertaken to review and liquidate the interfunds that have occurred.

The cause of these interfunds relate to interest earned but not remitted to the corresponding fund, disbursements made by one fund on behalf of another fund, misposting of cash receipts and lack of transferring budget revenue and/or appropriations from one fund to another.

In the case of the Current Fund, the effect of the Interfunds not being liquidated is a charge to operations (Fund Balance) and a decrease in surplus available. In other funds, the Interfunds do not represent charges to operations but should be liquidated regardless since each fund's cash requirements should stand on their own.

It is recommended that all Interfunds be liquidated on a current basis.

### **Grant Fund**

General:

A detail of Current Fund grants receivable and appropriations are reflected on Exhibits A-32 and A-33. As of December 31, 2016, there were grants receivable in the sum of \$5,885,467.71, many of which have been uncollected for several years and unexpended grant appropriations in the sum of \$2,929,221.10. In addition, the detail computer report for the Grant Fund was not in agreement with the audited balances.

It is recommended that all Federal and State Grants be reviewed and appropriate action taken as to collection, cancellation, expenditure or refund to the sponsoring agency in accordance with findings.

Urban Development Action Grant (Recycled Loan Program):

An examination of the activity of the Urban Development Action Grant loans receivable revealed eight (8) loans currently open of which five (5) are in default. These loans total \$68,325.28 and appear on Exhibit B-3.

It is recommended that certain Urban Development Action Grant loans be reviewed and appropriate action taken as to collection or cancellation.

Grant Expenditure Report:

The detailed computer report for Federal and State Grants was not in agreement with the audited balance.

It is recommended that the detailed computer report for Federal and State Grants be reconciled to master controls.



There are Encumbered funds that are over one (1) year old that should be reviewed and properly liquidated.

It is recommended that all Encumbered amounts in the detailed computer report for the Grant Fund be reviewed and properly liquidated.

### **General Capital Fund**

In accordance with regulations of the Local Finance Board, capital ordinances over five years old cannot finance expenditures from cash not provided from its own resources. As of the date of this report, there are several ordinances over five years old that have a deficit in cash. The Township has a plan to fund the unfunded improvement authorizations over the next several years.

### **Payroll**

The Township of Irvington has contracted with a third party payroll vendor to prepare the payroll and maintain certain payroll records. The vendor is required to pay deductions on behalf of the Township from funds transferred by the Township to the vendor's payroll account.

An audit of the service provider's payroll account was not provided to the Township nor did our staff prepare such an audit. We did review certain records provided to the Township. It should be noted however, that we could not verify required payments of Federal and State agencies made by the service vendor.

The Local Finance Board has adopted rules and regulations regarding third-party payroll vendors which are summarized in N.J.A.C. 5:30-17 and further provides authority for local governments to hire payroll service vendors to disburse funds to payroll agencies on behalf of the local unit.

In addition, Local Finance Notice 2009-18 has offered additional safeguards with respect to third party payroll services.

Comments with respect to the Payroll account are detailed as follows:

- Exhibit B-10, Payroll Deductions Payable, reflects an unidentified balance in the sum of \$28,270.77 as of December 31, 2016.
- As of December 31, 2016, State Unemployment Insurance claims in the sum of \$906,214.78 were unpaid.

It is recommended that effort be made to identify certain unidentified payroll funds and appropriate action be taken.

### **Other Post-Employment Benefits**

Local Finance Notice 2007-15 requires local units that provide non-pension benefits to retired employees, such as health insurance coverage, prescription or other benefits, to disclose the annual payment for currently retired employees and future cost for those employees in the Notes to the Financial Statements.

Those municipalities that are not members of the State Health Benefits Plan or other cost-sharing plans must obtain an actuarially calculated post-employment benefit on a periodic basis for inclusion in the Notes to the Financial Statements.

The Township of Irvington maintains private health coverage and provides certain retired employees with post-employment benefits which require appropriate disclosure in the Notes to the Financial Statements in accordance with regulations promulgated by the Local Finance Board.

## **Expenditures**

In verifying expenditures, test computations were made on claims approved and paid. No attempt was made in this connection to establish proof of rendition, character or extent of services, nor quantities, nature, propriety of prices or receipt of materials, these elements being left necessarily to internal review in connection with approval of claims.

There were several expenditures not recorded in the appropriation budgetary reports. This resulted in overexpenditures in several budgetary line items.

It is recommended that all expenditures be recorded in the appropriate budgetary reports.

## **Municipal Court**

Comments with respect to the Municipal Court are as follows:

Our tests revealed the following exceptions:

The December 2016 Monthly Management Report was examined and the following items were noted:

All tickets that have been assigned must be issued within six (6) months. The Tickets Assigned Not Issued Report indicated that 67 tickets were not issued within six (6) months.

The Tickets Issued but Not Assigned Report indicated that 111 tickets were issued but not assigned.

The General Account and Bail Account cash books reflected errors.

Our tests of disbursements indicated that two (2) of the twelve (12) items selected were not disbursed to the proper agencies by the 15<sup>th</sup> of the month following the receipt of funds.

It is recommended:

That Tickets Assigned but Not Issued in excess of six (6) months be reviewed for proper disposition.

That follow-up procedures be implemented for tickets whether issued or assigned.

That more care be utilized in the posting of the General Account and the Bail Account cash books.

That all monies collected be remitted to the proper agencies by the 15<sup>th</sup> of the month following the receipt of funds.

## **Other Matters**

We noted that goods and services were paid by wire transfers. Payment of expenditures by wire transfers are not in conformity with the Payment of Claims Ordinance.

It is recommended that the Payment of Claims Ordinance be reviewed to determine whether the payment of expenditures by wire transfers be allowed.

## **Corrective Action Plan**

In accordance with regulations promulgated by the Single Audit Act and the Division of Local Government Services, all municipalities are required to prepare and submit to the Division of Local Government Services, a Corrective Action Plan with regard to audit deficiencies. This plan must be approved by formal resolution of the Governing Body and submitted within 60 days from the date the audit is received. A Corrective Action Plan was prepared and submitted for items found in the 2014 Report on Examination of Accounts.

### Status of Prior Years' Audit Recommendations

A review was performed on all prior years' recommendations and corrective action was taken on all with the exception of those recommendations marked with an asterisk.

### Miscellaneous

In verifying expenditures, test computations were made on claims approved and paid. No attempt was made in this connection to establish proof of rendition, character or extent of services, nor quantities, nature, propriety of prices or receipt of materials, these elements being left necessarily to internal review in connection with approval of claims.

Revenue and receipts were established and verified as to source and amount only insofar as the local records permitted.

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

The comments and recommendations appearing in this report were reviewed with the Director of Revenue and Finance at an exit conference.

One copy of this report is filed with the New Jersey Division of Local Government Services.

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

## RECOMMENDATIONS

### PAGE

#### Single Audit - Financial Statement

- \* That General Ledgers be properly maintained for all funds and reconciled monthly to detailed subsidiary ledgers. 145
- \* That consideration should also be given to documenting all procedures in the Finance Office to enhance the operations. 145
- \* That more care be exercised in the preparation of Township cash reconciliations. 146
- \* That cash reconciliations be prepared on a timely basis. 146

#### General

- \* That a complete tax sale be held. 155
- \* That the Tax Office maintain an accurate cash receipt book and prepare monthly cash reports. 155
- \* That the Tax Office file and present a list of uncollectible tax reports to the Municipal Council. 155
- \* That the Tax Office record all tax refunds disbursed for the year in a timely manner. 155
- That the Tax Office collect all excess tax overpayments refunded. 155
- \* That the Tax Office receive additional training for the proper use of the tax software program. 155
- \* That bank deposits be in agreement with daily posted receipts. 155
- \* That the Tax Office cash receipts report be proven to all receivable reports on a monthly basis. 155
- \* That the Tax Office prepare adjustment reports and be reconciled to all receivable reports on a monthly basis. 155
- \* That the Tax Office review all receivable reports for items eligible to be collected. 155
- \* That the Tax Office prepare all receivable reports on a monthly basis. 155
- \* That the Tax Office properly classify charges to their various receivable reports. 155
- \* That monthly bank reconciliations be accurately performed. 156
- \* That funds collected for payment of outside lienholders be disbursed on a monthly basis. 156
- \* That all funds collected by the Tax Office be transferred to the Finance Office on a monthly basis. 156
- \* That authorized installment tax payment plans be reviewed by the Tax Department for compliance with approved resolutions. 156

**RECOMMENDATIONS**  
**(Continued)**

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**General (Continued)**

* That special improvement district tax rates be calculated each year based on approved budget requirements.	156
* That statistical information with respect to the special improvement districts be filed with the Essex County Board of Taxation.	156
* That the Recreation Department, Fire Department, Police Department, Public Works Department, Housing Department, Assessor Department, Purchasing Department, Business Administrator and Construction Code Official comply with the provisions of N.J.S.A. 40A:5-15.	157
* That the cash receipts book for the Taxi Unit, Police Department and Housing Department be available for audit.	157
* That marriage license fees be remitted on a timely basis.	157
* That more care be exercised by the Construction Code Official in the preparation of Permit Fee Logs, Monthly Reports and Turnover Forms.	157
* That the Construction Code Official issue consecutively numbered permits for all fees collected.	157
* That the Construction Permit Report and the Transaction Audit Report prepared by the Construction Code Official be in agreement on a monthly basis.	157
* That the DCA Training Fees collected by the Construction Code Official be submitted to the State of New Jersey on a timely basis.	157
* That fees charged by the Construction Code Official be in compliance with fee schedules approved by the Township Council.	157
* That the Finance Department comply with the provisions of N.J.S.A. 40A:5-15.	158
* That more care be exercised in recording and classifying expenditures.	158
* That outstanding checks over one year old be reviewed and appropriate action be taken, including a resolution approved by the Municipal Council.	158
* That more care be exercised in the preparation of Township cash reconciliations.	158
* That cash reconciliations be prepared on a timely basis.	158
* That General Ledgers be properly maintained for all funds and reconciled monthly to detailed subsidiary ledgers.	158
* That consideration be given to documenting all procedures in the Finance Office to enhance the operations.	158
* That certain amounts Due to the State of New Jersey be reviewed for propriety and appropriate action taken as to payment or cancellation.	159
* That a detailed list for premium on tax sale and lien redemptions be maintained.	159
* That Off-Duty Police Administrative Fees be identified and transferred to the Township on a regular basis.	159



**RECOMMENDATIONS**  
**(Continued)**

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**General (Continued)**

- \* That collections for Off-Duty Police Fees be reconciled to corresponding payroll expenditures. 159
- \* That the detailed listing supporting the escrow deposits be available for audit. 159
- \* That a cash receipts book be maintained for animal control fees. 159
- \* That the monthly State Dog Report be prepared by the License Bureau. 159
- \* That the Township draw down all eligible administrative costs. 160
- \* That the Township review the projects for proper disposition. 160
- \* That all Interfunds be liquidated on a current basis. 160
- \* That all Federal and State Grants be reviewed and appropriate action taken as to collection, cancellation, expenditure or refund to the sponsoring agency in accordance with findings. 160
- \* That certain Urban Development Action Grant loans be reviewed and appropriate action taken as to collection or cancellation. 160
- \* That the detailed computer report for Federal and State Grants be reconciled to master controls. 160
- \* That all Encumbered amounts in the detailed computer report for the Grant Fund be reviewed and properly liquidated. 161
- \* That effort be made to identify certain unidentified payroll funds and appropriate action be taken. 161
- \* That all expenditures be recorded in the appropriate budgetary reports. 162

**Municipal Court**

- \* That Tickets Assigned but Not Issued in excess of six (6) months be reviewed proper disposition. 162
- \* That follow-up procedures be implemented for tickets whether issued or assigned. 162
- \* That more care be utilized in the posting of the General Account and the Bail Account cash books. 162
- That all monies collected be remitted to the proper agencies by the 15<sup>th</sup> of the month following the receipt of funds. 162
- That the Payment of Claims Ordinance be reviewed to determine whether the payment of expenditures by wire transfers be allowed. 162


\*Repeated from prior year.

The foregoing comments and resultant recommendations are not of sufficient materiality whereby they would affect our ability to express an opinion on the financial statements taken as a whole.

We shall be pleased to confer on any questions that might arise with respect to any matters in this report.

We desire to express our appreciation for the assistance and courtesies rendered by the Township officials and employees during the course of this examination.

  
SAMUEL KLEIN AND COMPANY  
CERTIFIED PUBLIC ACCOUNTANTS

  
JOSEPH J. FACCONI, RMA, PA

Newark, New Jersey  
June 30, 2017



