

This is a Preliminary Official Statement "deemed final" within the meaning of, and with the exception of certain information permitted to be omitted by, Rule 15c2-12 of the Securities and Exchange Commission, and is otherwise subject to change in accordance with applicable law. The Township will deliver a final Official Statement in compliance with Rule 15c2-12. This Preliminary Official Statement does not constitute an offer to sell or the solicitation of an offer to buy nor shall there be any sale of these securities by any person in any jurisdiction in which it is unlawful for such person to make such offer, solicitation or sale prior to registration, qualification or exemption under the securities laws of any such jurisdiction.

PRELIMINARY OFFICIAL STATEMENT DATED APRIL 12, 2011

NEW ISSUE - BOOK-ENTRY ONLY

RATING: S&P:

In the opinion of Gibbons P.C., Bond Counsel to the Township, assuming continuing compliance by the Township with certain tax covenants described herein, under existing law, interest on the Bonds is excluded from the gross income of the owners of the Bonds for federal income tax purposes pursuant to Section 103 of the Internal Revenue Code of 1986, as amended (the "Code") and interest on the Bonds is not an item of tax preference under Section 57 of the Code for purposes of computing alternative minimum tax. Under existing law, interest on the Bonds and net gains from the sale of the Bonds are exempt from the tax imposed by the New Jersey Gross Income Tax Act. In the case of certain corporate holders of the Bonds, interest on the Bonds will be included in the calculation of the alternative minimum tax as a result of the inclusion of interest on the Bonds in "adjusted current earnings" of certain corporations. See "TAX MATTERS" herein.

\$11,505,000
TOWNSHIP OF WEST ORANGE
COUNTY OF ESSEX, NEW JERSEY
GENERAL OBLIGATION BONDS, SERIES 2011
Consisting of
\$11,275,000 GENERAL IMPROVEMENT BONDS, SERIES 2011
and
\$230,000 TAX APPEAL REFUNDING BONDS, SERIES 2011
(CALLABLE)

Dated: Date of Delivery

Due: May 1, as shown below

The \$11,505,000 General Obligation Bonds, Series 2011, consisting of \$11,275,000 General Improvement Bonds, Series 2011 and \$230,000 Tax Appeal Refunding Bonds, Series 2011 (collectively, the "Bonds"), will be issued by the Township of West Orange, New Jersey (the "Township") in fully registered form and, when issued, the Bonds will be registered in the name of Cede & Co. ("Cede"), as nominee for The Depository Trust Company, New York, New York ("DTC"), an automated depository for securities and clearinghouse transactions, which will act as securities depository for the Bonds. Individual purchases will be made in book-entry form (without certificates) through DTC Participants, as hereinafter defined, in the denominations of \$5,000 each or any integral multiple thereof. Purchasers will not receive certificates representing their ownership interest in the Bonds. Provided DTC or its nominee Cede is the registered owner of the Bonds, principal of, redemption premium, if any, and interest (payable semi-annually beginning on November 1, 2011 and on each May 1 and November 1 thereafter until maturity or prior redemption) on the Bonds will be paid to DTC or its nominee which is obligated to remit such principal, redemption premium, if any, and interest to DTC Participants, as defined herein. DTC Participants and Indirect Participants, as defined herein, will be responsible for remitting such payments to the Beneficial Owners of the Bonds. See "DESCRIPTION OF THE BONDS" herein.

The Bonds are being issued pursuant to the Local Bond Law of New Jersey, constituting Chapter 2 of Title 40A of the New Jersey Statutes, as amended, various ordinances and a resolution of the Township, to permanently finance specified general improvements.

The full faith and credit of the Township are irrevocably pledged for the payment of the principal of, redemption premium, if any, and interest on the Bonds. The Bonds will be valid and binding general obligations of the Township, payable as to principal, redemption premium, if any, and interest from the levy of ad valorem taxes upon all taxable property within the Township, without limitation as to rate or amount.

The Bonds are subject to redemption prior to their stated maturities as described herein.

Combined Maturities, Interest Rates and Yields

<u>Year</u>	<u>Principal Amount</u>	<u>Interest Rate</u>	<u>Yield</u>	<u>Year</u>	<u>Principal Amount</u>	<u>Interest Rate</u>	<u>Yield</u>
2012	\$655,000	%	%	2020	\$800,000	%	%
2013	500,000			2021	800,000		
2014	550,000			2022	850,000		
2015	750,000			2023	850,000		
2016	800,000			2024	850,000		
2017	800,000			2025	850,000		
2018	800,000			2026	850,000		
2019	800,000						

The Bonds are offered when, as and if issued and delivered to the Underwriter, subject to prior sale, to withdrawal or modification of the offer without notice and to approval of legality by the law firm of Gibbons P.C., Newark, New Jersey, and certain other conditions described herein. It is anticipated that the Bonds will be available for delivery to DTC on or about May 2, 2011 in New York, New York, or at such other place and time as may be agreed to by the Township.

ELECTRONIC BIDS VIA BIDCOMP/PARITY
WILL BE RECEIVED UNTIL 11:00 A.M. ON APRIL 19, 2011

TOWNSHIP OF WEST ORANGE
In The County of Essex, New Jersey

Mayor
Robert Parisi

Township Council
Sal M. Anderton
Victor Cirilo
Joseph Krakoviak
Susan McCartney
Patricia Spango

Township Administrator
John K. Sayers

Chief Financial Officer
Edward J. Coleman

Professional Advisors

Township Attorney
Richard Trenk, Esq.

Independent Auditor
McEnerney, Brady & Company, LLC
Livingston, New Jersey

Bond Counsel
Gibbons P.C.
Newark, New Jersey

No broker, dealer, salesperson or other person has been authorized by the Township or the Underwriter to give any information or to make any representations with respect to the Bonds other than those contained in this Official Statement. If given or made, such information or representation must not be relied upon as having been authorized by the foregoing. The information contained herein has been provided by the Township and other sources believed reliable by the Township and by the Underwriter; however, no representation or warranty is made as to its accuracy or completeness and such information is not to be construed as a representation or warranty by the Underwriter or, as to information from sources other than itself, by the Township. The information and expressions of opinion herein are subject to change without notice, and neither the delivery of this Official Statement nor any sale hereunder shall, under any circumstances, create any implication that there has been no change in any of the information herein since the date hereof, or the date as of which such information is given, if earlier.

References in this Official Statement to laws, rules, regulations, resolutions, agreements, reports and documents do not purport to be comprehensive or definitive. All references to such documents are qualified in their entirety by reference to the particular document, the full text of which may contain qualifications of and exceptions to statements made herein, and copies of which may be inspected at the offices of the Township during normal business hours.

This Official Statement does not constitute an offer to sell or the solicitation of an offer to buy, nor shall there be any sale of the Bonds in any jurisdiction in which it is unlawful for any person to make such offer, solicitation or sale. No dealer, broker, salesman or other person has been authorized to give any information or to make any representations other than as contained in this Official Statement. If given or made, such other information or representations must not be relied upon as having been authorized by the Township or the Underwriter.

TOWNSHIP OF WEST ORANGE
In The County of Essex, New Jersey

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**OFFICIAL STATEMENT
OF THE
TOWNSHIP OF WEST ORANGE
ESSEX COUNTY, NEW JERSEY**

***\$11,505,000 GENERAL OBLIGATION BONDS, SERIES 2011
Consisting of
\$11,275,000 General Improvement Bonds, Series 2011
and
\$230,000 Tax Appeal Refunding Bonds, Series 2011***

INTRODUCTION

The Township of West Orange (the "Township") in the County of Essex (the "County") in the State of New Jersey (the "State") has authorized this Official Statement to furnish information concerning the Township in connection with the sale of the Township's \$11,505,000 General Obligation Bonds, Series 2011, consisting of \$11,275,000 General Improvement Bonds, Series 2011 and \$230,000 Tax Appeal Refunding Bonds, Series 2011 (collectively, the "Bonds"). This Official Statement, including the cover page and the attached Appendices, contains specific information relating to the Bonds, including their general description, the purpose of the issue, a summary of borrowing procedures, certain matters affecting the financing, certain legal matters, historical financial information and other information pertinent to this issue. This Official Statement should be read in its entirety. This Official Statement has been executed by and on behalf of the Township by the Chief Financial Officer and may be distributed in connection with the sale of the Bonds.

This Preliminary Official Statement is "deemed final," as of its date, within the meaning of Rule 15c2-12 of the Securities and Exchange Commission ("Rule 15c2-12"), but is subject to (a) completion with certain pricing and other information to be made available by the successful bidder for the Bonds and (b) amendment. This Preliminary Official Statement, as so revised, will constitute the "final official statement" within the meaning of Rule 15c2-12.

DESCRIPTION OF THE BONDS

General

The Bonds are dated their date of delivery and will bear interest thenceforth payable commencing November 1, 2011 and semiannually thereafter on May 1 and November 1 of each year until maturity or optional redemption at the rates shown on the front cover page hereof, and will mature on the dates and in the amounts set forth on the cover page of this Official Statement.

The Bonds will be issued in the form of one certificate for the aggregate amount of the Bonds maturing in each year of each series and when issued will be registered in the name of Cede & Co., as nominee of The Depository Trust Company ("DTC"), New York, New York, which will act as Securities Depository. The certificates will be on deposit with DTC. DTC will be responsible for maintaining a book-entry system for recording the interests of its participants or the transfers of the interest among its participants. The participants will be responsible for maintaining records regarding the beneficial ownership interest in the Bonds on behalf of the individual purchasers. Individual purchases may be made with a minimum principal amount of \$5,000 or any integral multiple thereof through book entries made on the

DESCRIPTION OF THE BONDS (Continued)

General (Continued)

books and records of DTC and its participants. Individual purchasers of the Bonds will not receive certificates representing their beneficial ownership interest in the Bonds, but each Bond owner will receive a credit balance on the books of its nominee, and this credit balance will be confirmed by an initial transaction statement stating the details of the Bonds purchased.

Maturity Schedule

<u>Year</u>	<u>General</u> <u>Improvement</u>	<u>Tax Appeal</u> <u>Refunding</u>	<u>Total</u>
2012	\$ 425,000	\$230,000	\$ 655,000
2013	500,000	-	500,000
2014	550,000	-	550,000
2015	750,000	-	750,000
2016	800,000	-	800,000
2017	800,000	-	800,000
2018	800,000	-	800,000
2019	800,000	-	800,000
2020	800,000	-	800,000
2021	800,000	-	800,000
2022	850,000	-	850,000
2023	850,000	-	850,000
2024	850,000	-	850,000
2025	850,000	-	850,000
2026	850,000	-	850,000
	<u>\$11,275,000</u>	<u>-</u>	<u>\$11,505,000</u>

AUTHORIZATION AND PURPOSE OF THE BONDS

The Bonds have been authorized and are to be issued pursuant to the Local Bond Law, constituting Chapter 2 of Title 40A of the Revised Statutes of the State of New Jersey, as amended (the "Local Bond Law"), a resolution of the governing body of the Township entitled: "Resolution Combining Bonds Aggregating the Principal Sum of \$11,505,000 Authorized by Thirty-Six Bond Ordinances Heretofore Adopted to Finance Part of the Cost of Various General Improvements in the Township of West Orange, County of Essex, New Jersey Into One Consolidated Issue of Bonds and Providing for the Form, Maturities and Other Details of Said Consolidated Issue," adopted March 29, 2011, and by virtue of certain bond ordinances referred to therein.

The Bonds have been authorized and are to be issued pursuant to the laws of the State, including the Local Bond Law. The Bonds are authorized by the ordinances listed on the following page. The ordinances included in the sale of the Bonds were published in full or in summary form after their adoption, along with a statement that the twenty (20) day period of limitation within which a suit, action, or proceeding questioning the validity of such ordinances can be commenced began to run from the date of the first publication of such estoppel statement. The Local Bond Law provides that after issuance of the Bonds, all persons are estopped from questioning their sale, execution, or delivery by the Township.

AUTHORIZATION AND PURPOSE OF THE BONDS (Continued)

The proceeds of the Bonds will be used to refund, on a current basis, \$11,505,000 of the Township's outstanding bond anticipation notes.

<i>UL</i>	<i>Ordinance #</i>	<i>Improvement Description</i>	<i>Total</i>
20	1126-92	Acquisition of Parking Garage	\$ 37,000
15	1181-93	Various Capital Improvements	13,000
11.7	1403-96	Various Capital Improvements	23,000
10.77	1435-97	Various Capital Improvements	5,044
7.57	1448-97	Various Capital Improvements	49,000
10	1504-98	Various Capital Improvements	18,000
7.973	1580-98	Various Capital Improvements	123,674
37.01	1608-99	Various Capital Improvements	4,197
15	1619-99	Various Capital Improvements	51,755
12.95	1697-00	Various Capital Improvements	87,575
7.23	1720-00	Various Capital Improvements	30,975
12.06	1760-01	Various Capital Improvements	334,000
12.06	1760-01	Various Capital Improvements	175,950
5	1791-01	Various Capital Improvements	44,000
7.93	1819-02	Various Capital Improvements	74,270
25	1823-02	Capital Assessment – Joint Meeting	31,862
6.26	1839-02	Various Capital Improvements	12,000
15.86	1840-02	Various Capital Improvements	48,000
15.86	1840-02	Various Capital Improvements	57,275
10	1886-03	Various Capital Improvements	30,000
7.02	1892-03	Various Capital Improvements	23,000
7.02	1892-03	Various Capital Improvements	69,100
12.86	1905-03	Various Capital Improvements	300,000
15.8	2018-05	Various Capital Improvements	96,000
15.8	2018-05	Various Capital Improvements	50,000
15.8	2018-05	Various Capital Improvements	100,000
10	2019-05	Various Capital Improvements	83,000
15	2055-06	Improvements at Stagg Field	46,475
15	2067-06	Redevelopment Study	96,000
7.02	2069-06	Various Capital Improvements	184,000
7.02	2069-06	Various Capital Improvements	50,000
10	2070-06	Various Road Improvements	378,000
10	2070-06	Various Road Improvements	185,375
14.93	2078-06	Various Capital Improvements	150,000
14.93	2078-06	Various Capital Improvements	188,981
1	2104-06	Refunding – Tax Appeals	230,000
26.85	2106-06	Various Capital Improvements	1,630,000
20.17	2125-07	Various Capital Improvements	194,000
20.17	2125-07	Various Capital Improvements	150,000
20.17	2125-07	Various Capital Improvements	100,000
11.32	2127-07	Various Capital Improvements	95,000
11.32	2127-07	Various Capital Improvements	1,200,000
11.32	2127-07	Various Capital Improvements	619,000
21.84	2133-07	Various Capital Improvements	200,000
21.84	2133-07	Various Capital Improvements	500,000
5	2160-07	Acq. Of Mobile Comm. System	308,750
11.91	2166-08	Various Capital Improvements	600,000
11.91	2166-08	Various Capital Improvements	1,380,225
16.99	2172-08	Various Capital Improvements	952,517
5	2176-08	Consulting Study – Comm System	95,000
			<u>\$11,505,000</u>

SECURITY FOR THE BONDS

The Bonds will recite that they are issued pursuant to the Local Bond Law of New Jersey. The full faith and credit of the Township are irrevocably pledged for the punctual payment of the principal, redemption price, if any, and interest on the Bonds. The Bonds will be direct and general obligations of the Township, and the Township will be obligated to levy *ad valorem* taxes upon all the taxable property within the Township for the payment of the principal of and the interest on the Bonds without limitation as to rate or amount.

Enforcement of a claim for payment of principal of or interest on the Bonds of the Township will be subject to applicable provisions of federal bankruptcy laws and to the provisions of statutes, if any, hereafter enacted by the Congress of the United States or the Legislature of the State extending item for payment or imposing other constraints upon enforcement of such contracts insofar as the same may be constitutionally applied. Under State Law, a county, municipality, or other political subdivision may file a petition under federal bankruptcy laws and a plan for readjustment of its debt, but only after first receiving the approval of the State Municipal Finance Commission.

OPTIONAL REDEMPTION PROVISIONS

The Bonds maturing on or prior to May 1, 2021 shall not be subject to redemption prior to their respective maturity dates. The Bonds maturing on or after May 1, 2022 shall be subject to redemption prior to their respective maturity dates, on or after May 1, 2021 at the option of the Township, either in whole or in part at any time in any order of maturity at one hundred percent (100%) of the principal amount of the Bonds being redeemed (the "Redemption Price"), plus in each case accrued interest thereon to the date fixed for redemption.

Notice of Redemption shall be given by publishing such notice once a week for two (2) successive weeks in a newspaper of general circulation that carries financial news, is printed in the English language and is customarily published on each business day in the State of New York, the first of such publications to be at least thirty (30) but not more than sixty (60) days before the date fixed for redemption. A Notice of Redemption shall also be mailed by first class mail in a sealed envelope with postage prepaid to the registered owners of such Bonds at their respective addresses as they last appear on the registration books kept for that purpose by the Township. However, so long as DTC (or any successor thereto) acts as Securities Depository for the Bonds, Notice of Redemption shall be sent to such depository and shall not be sent to the beneficial owners of the Bonds, nor shall the notice be published as provided herein. Any failure of such depository to advise any of its participants or any failure of any participant to notify any beneficial owner of any Notice of Redemption shall not affect the validity of the redemption proceedings. If the Township determines to redeem a portion of the Bonds of a maturity, such Bonds shall be selected by the Township by lot. If Notice of Redemption has been given as described herein, the Bonds, or the portion thereof called for redemption, shall be due and payable on the date fixed for redemption at the Redemption Price, together with accrued interest to the date fixed for redemption. Payment shall be made upon surrender of the Bonds redeemed.

BOOK-ENTRY ONLY SYSTEM

The description which follows regarding the procedures and record keeping with respect to beneficial ownership interests in the Bonds, payment of principal and interest, and other payments on the Bonds to DTC Participants or Beneficial Owners (as such terms are defined or used herein), confirmation and transfer of beneficial ownership interests in the Bonds and other related transactions by and between DTC, DTC Participants and Beneficial Owners, is based on certain information furnished by DTC to the Township. Accordingly, the Township does not make any representations concerning these matters.

DTC will act as securities depository for the Bonds. The Bonds will be issued as fully-registered securities registered in the name of Cede & Co. (DTC's partnership nominee) or such other name as may be requested by an authorized representative of DTC. One fully-registered Bond certificate will be issued for each maturity of each series of the Bonds, each in the aggregate principal amount of such maturity, and will be deposited with DTC.

DTC, the world's largest depository, is a limited-purpose trust company organized under the New York Banking Law, a "banking organization" within the meaning of the New York Banking Law, a member of the Federal Reserve System, a "clearing corporation" within the meaning of the New York Uniform Commercial Code, and a "clearing agency" registered pursuant to the provisions of Section 17A of the Securities Exchange Act of 1934. DTC holds and provides asset servicing for over 3.5 million issues of U.S. and non-U.S. equity issues, corporate and municipal debt issues, and money market instruments (from over 100 countries) that DTC's participants ("Direct Participants") deposit with DTC. DTC also facilitates the post-trade settlement among Direct Participants of sales and other securities transactions in deposited securities through electronic computerized book-entry transfers and pledges between Direct Participants' accounts. This eliminates the need for physical movement of securities certificates. Direct Participants include both U.S. and non-U.S. securities brokers and dealers, banks, trust companies, clearing corporations and certain other organizations. DTC is a wholly-owned subsidiary of The Depository Trust & Clearing Corporation ("DTCC"). DTCC is the holding company for DTC, National Securities Clearing Corporation and Fixed Income Clearing Corporation, all of which are registered clearing agencies. DTCC is owned by the users of its regulated subsidiaries. Access to the DTC system is also available to others such as both U.S. and non-U.S. securities brokers and dealers, banks, trust companies, and clearing corporations that clear through or maintain a custodial relationship with a Direct Participant, either directly or indirectly ("Indirect Participants" and, together with Direct Participants, "Participants").

DTC has Standard & Poor's highest rating: AAA. The DTC rules applicable to its Participants are on file with the Securities and Exchange Commission. More information about DTC can be found at www.dtcc.com and www.dtc.org.

Purchases of the Bonds under the DTC system must be made by or through Direct Participants, which will receive a credit for the Bonds on DTC's records. The ownership interest of each actual purchaser of each Bond ("Beneficial Owner") is in turn to be recorded on the Direct Participants' and Indirect Participants' records. Beneficial Owners will not receive written confirmation from DTC of their purchase. Beneficial Owners are, however, expected to receive

BOOK-ENTRY ONLY SYSTEM (Continued)

written confirmations providing details of the transaction, as well as periodic statements of their holdings, from the Direct Participant or Indirect Participant through which the Beneficial Owner entered into the transaction. Transfers of ownership interest in the Bonds are to be accomplished by entries made on the books of Direct Participants and Indirect Participants acting on behalf of Beneficial Owners. Beneficial Owners will not receive certificates representing their ownership interests in the Bonds, except in the event that use of the book-entry system for the Bonds is discontinued.

To facilitate subsequent transfers, all Bonds deposited by Direct Participants with DTC are registered in the name of DTC's partnership nominee, Cede & Co., or such other name as may be requested by an authorized representative of DTC. The deposit of Bonds with DTC and their registration in the name of Cede & Co. or such other DTC nominee do not effect any change in beneficial ownership. DTC has no knowledge of the actual Beneficial Owners of the Bonds; DTC's records reflect only the identity of the Direct Participants to whose accounts such Bonds are credited, which may or may not be the Beneficial Owners. The Direct Participants or Indirect Participants will remain responsible for keeping account of their holdings on behalf of their customers.

Conveyance of notices and other communications by DTC to Direct Participants, by Direct Participants to Indirect Participants, and by Direct Participants and Indirect Participants to Beneficial Owners will be governed by arrangements among them, subject to any statutory or regulatory requirements as may be in effect from time to time. Beneficial Owners of the Bonds may wish to take certain steps to augment transmission to them of notices of significant events with respect to the Bonds, such as redemptions, tenders, defaults, and proposed amendments to the Bond documents. For example, Beneficial Owners of the Bonds may wish to ascertain that the nominee holding the Bonds for their benefit has agreed to obtain and transmit notices to Beneficial Owners. In the alternative, Beneficial Owners may wish to provide their names and addresses to the registrar and request that copies of the notices be provided directly to them.

Neither DTC nor Cede & Co. (nor any other DTC nominee) will consent or vote with respect to Bonds unless authorized by a Direct Participant in accordance with DTC's procedures. Under its usual procedures, DTC mails an Omnibus Proxy to the Township as Paying Agent as soon as possible after the record date. The Omnibus Proxy assigns Cede & Co.'s consenting or voting rights to those Direct Participants to whose accounts the Bonds are credited on the record date (identified in a listing attached to the Omnibus Proxy).

Redemption notices shall be sent to DTC. If less than all of the Bonds within a maturity are being redeemed, DTC's practice is to determine by lot the amount of the interest of each Direct Participant in such maturity to be redeemed.

Redemption proceeds and principal and interest payments on the Bonds will be made to Cede & Co., or such other nominee as may be requested by an authorized representative of DTC. DTC's practice is to credit Direct Participants' accounts upon DTC's receipt of funds and in accordance with their respective holdings shown on DTC's records. Payments by Participants to

BOOK-ENTRY ONLY SYSTEM (Continued)

Beneficial Owners will be governed by standing instructions and customary practices, as in the case with securities held for the accounts of customers in bearer form or registered in "street name," and will be the responsibility of such Participant and not of DTC or the Township, subject to any statutory or regulatory requirements as may be in effect from time to time.

Payment of redemption proceeds and principal and interest payments to Cede & Co. (or such other nominee as may be requested by an authorized representative of DTC) is the responsibility of the Township as Paying Agent, disbursement of such payments to Direct Participants will be the responsibility of DTC, and disbursement of such payments to the Beneficial Owners will be the responsibility of Direct Participants and Indirect Participants.

DTC may discontinue providing its services as depository with respect to the Bonds at any time by giving reasonable notice to the Township. Under such circumstances, in the event that a successor depository is not obtained, Bond certificates are required to be printed and delivered.

The Township may decide to discontinue use of the system of book-entry transfers through DTC (or a successor securities depository). In that event, Bond certificates will be printed and delivered.

The information in this section concerning DTC and DTC's book-entry only system has been obtained from sources that the Township believes to be reliable, but the Township takes no responsibility for the accuracy thereof.

NO DEFAULT

The Township has never defaulted in the payment of any bonds or notes, nor are any payments of principal or interest on the Township's indebtedness past due.

CERTAIN STATUTORY PROVISIONS FOR THE PROTECTION OF GENERAL OBLIGATION DEBT

Local Bond Law (N.J.S.A. 40A:2-1 et seq.)

The Local Bond Law governs the issuance of bonds and notes to finance certain municipal capital expenditures. Among its provisions are requirements that bonds must mature within the statutory period of usefulness of the projects bonded and that bonds be retired in serial installments. A 5% cash down payment is generally required to be appropriated for the financing of expenditures for municipal purposes for which bonds are authorized.

The Local Fiscal Affairs Law (N.J.S.A. 40A:5-1 et seq.)

This law regulates the non-budgetary financial activities of local governments. An annual, independent audit of the local unit's accounts for the previous year must be performed by a licensed Registered Municipal Accountant.

The audit, conforming to the Division of Local Government Services' (the "Division") "Requirements of Audit", includes recommendations for improvement of the local unit's financial procedures and must be filed with the Director (as hereinafter defined) within six months after the close of the fiscal year. A synopsis of the audit report, together with all recommendations must be published in a local newspaper within 30 days of its completion.

The chief financial officer of every local unit must file annually with the Director, (as hereinafter defined) a verified statement of financial condition of the local unit and all constituent boards, agencies or commissions. The annual audit report is filed with the Township Clerk and is available for review during business hours.

Debt Limits

The authorized bonded indebtedness of a municipality in the State of New Jersey is limited by statute, subject to the exceptions noted below, to an amount equal to 3-1/2% of its equalized valuation basis. The equalized valuation basis of the municipality is set by statute as the average for the last three years of the equalized value of all taxable real property and improvements and certain class II railroad property within its boundaries as annually determined by the State Board of Taxation. Certain categories of debt are permitted by statute to be deducted for purposes of computing the statutory debt limit.

Overlapping Debt

The debt of the County, Essex County Utilities Authority and Essex County Improvement Authority, which overlaps the Township is not considered in the calculation of the debt limits of the Township. It represents the debt outstanding at the County and Authorities level for which the Township will fund its portion of debt service through the normal payments of County taxes and service fees, respectively. The debt of the Board of Education which also overlaps the Township also is not considered in the Township's calculation of its obligations, but represents an obligation of the Board of Education, which has its own borrowing margin (See "Certain Statutory Provisions for the Protection of General Obligation Debt - School Debt" herein).

Exceptions to Debt Limit - Extensions of Credit

The debt limit of the Township may be exceeded with the approval of the Local Finance Board, in the Division of Local Government Services, Department of Community Affairs, State of New Jersey, a State regulatory agency (the "Board"). If all or any part of a proposed debt authorization would exceed its debt limit, the Township must apply to the Board for an extension of credit. If the Board determines that a proposed debt authorization would not materially impair the ability of the Township to meet its obligations or to provide essential services, or makes other statutory determinations, approval is granted. In addition to the aforesaid, debt in excess of

Exceptions to Debt Limit - Extensions of Credit (Continued)

the debt limit may be issued without the approval of the Board to fund certain notes, for self-liquidating purposes and, in each fiscal year, in an amount not exceeding two-thirds of the amount budgeted in such fiscal year for the retirement of outstanding obligations (exclusive of obligations issued for assessment purposes).

Debt Statements

The Township must report all new authorizations of debt or changes in previously authorized debt to the Division through the filing of Supplemental and Annual Debt Statements. The Supplemental Debt Statement must be submitted to the Division before final passage of any debt authorization other than a refunding debt authorization. Before the end of the first month of each fiscal year, the Township must file an Annual Debt Statement dated as of the last day of the preceding fiscal year with the Division. This report is made under oath and states the authorized, issued and unissued debt of the Township as of the previous fiscal year end. Through the Annual and Supplemental Debt Statements, the Division monitors all local borrowing. Even though the Township's authorizations are within its debt limits, the Division is able to enforce state regulations as to the amounts and purposes of local borrowings.

Short-Term Financing

The Township may sell short-term "bond anticipation notes" to finance temporarily a capital improvement or project in anticipation of the issuance of bonds, if the bond ordinance or a subsequent resolution so provides. Bond anticipation notes for capital improvements may be issued in an aggregate amount not exceeding the amount specified in the ordinance creating such capital expenditure, as it may be amended and supplemented. A local unit's bond anticipation notes may be issued for periods not greater than one year. Generally, bond anticipation notes may not be outstanding for longer than ten years. An additional period may be available following the tenth anniversary date equal to the period from the notes' maturity to the end of the tenth fiscal year in which the notes mature plus four months (November 1) in the next following fiscal year from the date of original issuance. Additionally, beginning in the third year and continuing in each year that the notes are outstanding, the amount of notes that may be renewed is decreased by the minimum amount required for the first year's principal payment for a bond issue.

Refunding Bonds (N.J.S.A. 40A:2-51 et seq.)

Refunding bonds may be issued pursuant to the Local Bond Law for the purpose of paying, funding or refunding outstanding bonds, including emergency appropriations, actuarial liabilities of a non-State administered public employee pension system and amounts owing to others for taxes levied and for paying the costs of issuance of refunding bonds. The Board must consent to the authorization of the issuance of refunding bonds.

School Debt (N.J.S.A. 18A:24-1 et seq.)

New Jersey's school districts operate under a comprehensive review and regulation

School Debt (N.J.S.A. 18A:24-1 et seq.)

system that is similar to that of municipalities. Certain exceptions and differences are provided, but the State supervision of school finance closely parallels that of local governments.

School district bonds and temporary notes are issued in conformity with the cited statute, which closely parallels the Local Bond Law. Although school districts are exempted from the five percent (5%) down payment provision generally applied to local government, they are subject to debt limits (which vary depending on the grades the school system provides), and to State regulation of their borrowing.

All authorizations of debt must be reported to the Division by means of a Supplemental Debt Statement prior to final approval to ensure the authorization is within all applicable debt limitations.

The Local Budget Law (N.J.S.A. 40A:4-1 et seq.)

The foundation of the New Jersey local finance system is the annual cash basis budget. The Township must adopt an operating budget in the form required by the Division. Items of revenue and appropriation are regulated by law and must be certified by the Director of the Division (the "Director") prior to final adoption of the budget. The Local Budget Law requires each local unit to appropriate sufficient funds for payment of current debt service and the Director is required to review the adequacy of such appropriations, among others, for certification.

The Director has no authority over individual operating appropriations, unless a specific amount is required by law, but the review functions focusing on anticipated revenue serve to protect the solvency of all local bonds. Local budgets, by law and regulation, must be in balance on a "cash basis".

The principal sources of Township revenue are real estate taxes and miscellaneous revenue.

Tax anticipation notes, if utilized, are limited in amount by law and must be paid off in full by the municipality within one hundred and twenty (120) days after the close of the fiscal year.

Real Estate Taxes

The general principle that revenue cannot be anticipated in a budget in excess of that realized in the preceding year applies to property taxes. N.J.S.A. 40A:4-29 delineates anticipation of delinquent tax collections: "The maximum which may be anticipated is the sum produced by the multiplication of the amount of delinquent taxes unpaid and owing to the local unit on the first day of the current fiscal year by the percentage of collection of delinquent taxes for the year immediately preceding the current fiscal year".

Real Estate Taxes (Continued)

Section 41 of the Local Budget Law provides, with regard to current taxes, that: "Receipts from the collection of taxes levied or to be levied in the municipality shall be anticipated in an amount which is not in excess of the percentage of taxes levied and payable during the next preceding fiscal year which was received in cash by December 31 of such preceding fiscal year".

This provision requires that an additional amount (the "reserve for uncollected taxes") be added to the tax levy required to balance the budget so that when the percentage of the prior year's tax collection is applied to the combined total, the product will at least be equal to the tax levy required to balance the budget. The reserve requirement is calculated as follows:

$$\frac{\text{Levy Required to Balance Budget}}{\text{Prior Year's Percentage of Current Tax Collection (or Lesser \%)}} = \text{Total Taxes to be Levied}$$

Tax Collection Procedures

Real property taxes are assessed locally, based upon an assessment at true value. The tax bill includes a levy for Township, County and Local School purposes. Tax bills are mailed annually in June. Taxes are payable in four quarterly installments on February 1, May 1, August 1, and November 1. If unpaid on these dates, the amount due becomes delinquent and subject to interest at 8% per annum, or 18% on any delinquency amount in excess of \$1,500. County taxes are paid quarterly on February 15, May 15, August 15 and November 15, to the County by the Township. Annually, the properties with unpaid taxes for the previous year are placed in a tax sale in accordance with the New Jersey Statutes.

Tax Appeals

The New Jersey Statutes provide a taxpayer with remedial procedures for appealing an assessment deemed excessive. The taxpayer has a right to petition the County Board of Taxation on or before the first day of April of the current tax year for review. The County Board of Taxation has the authority after a hearing to decrease or reject the appeal petition. These adjustments are usually concluded within the current tax year and reductions are shown as canceled or remitted taxes for that year. If the taxpayer feels his petition was unsatisfactorily reviewed by the County Board of Taxation, appeal may be made to the Tax Court of New Jersey, for a further hearing. State tax appeals tend to take several years prior to settlement and any losses in tax collections from prior years are charged directly to operations or with the permission of the Local Finance Board may be financed, generally, over a three to seven year period.

Miscellaneous Revenue

Section 26 of the Local Budget Law provides that "no miscellaneous revenue from any source shall be included as an anticipated revenue in the budget in an amount in excess of the amount actually realized in cash from the same source during the next preceding fiscal year, unless the Director shall determine upon application by the governing body that the facts clearly

Miscellaneous Revenue (Continued)

warrant the expectation that such excess amount will actually be realized in cash during the fiscal year and shall certify such determination, in writing, to the local unit”.

No budget or amendment thereof shall be adopted unless the Director shall have previously certified his approval thereof (N.J.S.A. 40A:4-10). The exception to this is the inclusion of categorical grants-in-aid contracts for their face amount with an offsetting appropriation. The fiscal years for such grants rarely coincide with the municipality’s calendar fiscal year.

Limitations on Municipal Appropriations

Chapter 68 of the Pamphlet Laws of 1976 (N.J.S.A. 40A:4-45.1 et seq.), as amended and supplemented by P.L. 1983, c. 49, P.L. 1990, c. 89, and by P.L. 2004, c.74 (the “CAP Law”), imposes restrictions which limit the allowable increase in Township appropriations over the previous year’s appropriations to the lesser of 2.5% or the increase in the Implicit Price Deflator for State and Local Government Purchases of Goods and Services as published by the United States Department of Commerce (the “Cost-of-Living Adjustment”). If the Cost-of-Living Adjustment is less than or equal to 2.5%, an increase up to 3.5% will be permitted by adoption of an ordinance. If the Cost-of-Living Adjustment is greater than 2.5%, an increase in any amount above 2.5% will be permitted upon passage of a referendum. This limitation is subject to the following exceptions among others: (i) all debt service payments; (ii) the amount of revenue generated by the increase in valuations within the Township based solely on applying the preceding year’s Township tax rate to the apportionment valuation of new construction or improvements within the Township and such increase shall be levied in direct proportion to said valuation; (iii) capital expenditures funded by any source; (iv) an increase involving certain defined categories of emergency appropriations as approved by the Director of the Division in certain cases; (v) amounts required to be paid pursuant to any contract between the Township and any political subdivision or public body in connection with the provision and/or financing of projects for certain public purposes such as water, sewer, parking, senior citizens’ housing or any similar purpose; or (vi) that portion of the Township tax levy which represents funding to participate in any Federal or State aid program and amounts received or to be received from Federal, State or other funds in reimbursement for local expenditures.

Limitations on Municipal Tax Levy

Additionally, the Legislature of the State of New Jersey has previously enacted P.L. 2007, c. 62 (the “Property Tax Act”) effective April 3, 2007, which imposed a 4% cap on the tax levy of a municipality, county, fire district or solid waste collection district, with certain exceptions and subject to a number of adjustments. The Property Tax Act has now been amended by the provisions of P.L. 2010, c. 44 effective June 13, 2010 (the “Amendment”) and applicable to the next budget year following enactment. The Amendment reduces the tax levy cap to 2% from 4%, limits exclusions only to capital expenditures, including debt service, certain increases in pension contributions and accrued liability for pension contributions in excess of 2%, certain healthcare cost increases in excess of 2% and extraordinary costs directly related to a declared emergency. Waivers from the Division or the Board are no longer available under the Amendment.

Deferral of Current Expenses

Emergency appropriations, those made after the adoption of the budget and determination of the tax rate, may be authorized by the governing body of the municipality. With minor exceptions, however, such appropriation must be included in full in the following year's budget. When such appropriations exceed 3% of the adopted operating budget, consent of the Director must be obtained.

The exceptions are certain enumerated quasi-capital projects such as ice and snow removal and repair of flood damage to streets, roads, and bridges, which may be amortized over three years; and tax map preparation, revision of ordinances, and master plan preparations, which may be amortized over five years.

Budget Transfers

Budget transfers provide a degree of flexibility and afford a control mechanism. Transfers between major appropriation accounts are prohibited, except for: (i) during the first three months of a current fiscal year, appropriation reserves may be transferred between major appropriations of the immediately preceding fiscal year's budget; and (ii) transfers between major appropriation accounts are permitted during the last two months of a current fiscal year.

Both types of transfers require a 2/3 vote of the full membership of the governing body. Although sub-accounts within an appropriation account are not subject to the same year-end transfer restriction, they are subject to internal review and approval.

Operation of Utilities

Municipal public utilities are supported by the revenues generated by the respective operations of the utilities in addition to the general taxing power upon real property. For each utility, there is established a separate budget. The anticipated revenues and appropriations for each utility are set forth in the separate budget. The budget is required to be balanced and to provide fully for debt service. The regulations regarding anticipation of revenues and deferral of charges apply equally to the budgets of the utilities.

Deficits or anticipated deficits in utility operations which cannot be funded from utility surplus, if any, are required to be raised in the "current" or operating budget.

The Township owns and operates a swimming pool utility.

Capital Budget

In accordance with the Local Budget Law, the Township must adopt and may from time to time amend rules and regulations for capital budgets, which rules and regulations must require a statement of capital undertakings underway or projected for a period not greater than over the next ensuing six years as a general improvement program.

The capital budget, when adopted, does not constitute the approval or appropriation of funds, but sets forth a plan for possible capital expenditures which the local unit may contemplate over the ensuing six years. Expenditures for capital purposes may be made either by ordinances adopted by the governing body setting forth the items and the method of financing or from the annual operating budget if the terms were detailed.

INVESTMENT OF MUNICIPAL FUNDS

Investment of funds by New Jersey municipalities is governed by State statute. Pursuant to N.J.S.A.40A:5-15.1, municipalities are limited to purchasing the following securities: (1) direct obligations of, or obligations guaranteed by, the United States of America ("Government Obligations"); (2) U.S. Government money market mutual funds; (3) obligations of Federal Government agencies or instrumentalities having a maturity of 397 days or less, provided such obligations bear a fixed rate of interest not dependent on any index or external factor; (4) bonds or other obligations of the particular municipality or a school district encompassing the geographic area of the particular municipality; (5) bonds or other obligations having a maturity of 397 days or less approved by the Division of Investment of the State Department of the Treasury; (6) local government investment pools, rated in the highest rating category, investing in U.S. government securities and repurchase agreements fully collateralized by securities set forth in (1) and (3) above; (7) deposits with the New Jersey Cash Management Fund (created pursuant to N.J.S.A. 52:18A-90.4; the "Cash Management Fund"); and (8) repurchase agreement with a maximum 30 day maturity fully collateralized by securities set forth in (1) and (3) above. Municipalities are required to deposit their funds in interest-bearing bank accounts in banks satisfying certain security requirements set forth in N.J.S.A. 17:9-41 et seq. or invest in permitted investments to the extent practicable, and may invest in bank certificates of deposit.

The Cash Management Fund is governed by regulations of the State Investment Council, a non-partisan oversight body, and is not permitted to invest in derivatives. The Cash Management Fund is permitted to invest in Government Obligations, Federal Government Agency obligations, certain short-term investment grade corporate obligations, commercial paper rated "prime", certificates of deposit, repurchase agreements involving Government Obligations and Federal Government Agency Obligations and certain other types of instruments. The average maturity of the securities in the Cash Management Fund must be one year or less, and only a quarter of the securities are permitted to mature in as much as two years.

The Township has no investments in derivatives.

DOCUMENTS ACCOMPANYING DELIVERY OF THE BONDS

Absence of Litigation

Upon delivery of the Bonds, the Township shall furnish a certificate of the Township Attorney, dated the date of delivery of the Bonds, to the effect that there is no litigation of any nature pending or threatened to restrain or enjoin the issuance, sale, execution or delivery of the Bonds, or in any way contesting or affecting the validity of the Bonds or any of the proceedings taken with respect to the issuance and sale thereof or the application of monies to the payment of the Bonds. In addition, such certificate shall state that there is no litigation of any nature now pending or threatened by or against the Township wherein an adverse judgment or ruling could have a material adverse impact on the financial condition of the Township, or adversely affect the power of the Township to enforce the collection of taxes or other revenues for the payment of its bonds and notes, which has not been disclosed in this Official Statement.

Legal Matters

The legality of the Bonds will be subject to the final approving opinion of Gibbons P.C., Newark, New Jersey. Such opinion will be to the effect that the Bonds are valid and legally binding obligations of the Township, and the Township has the power and is obligated to levy ad valorem tax upon all the taxable property within the Township for the payment of the Bonds and the interest thereon, without limitation as to rate or amount.

Certificates of Township Officials

Upon delivery of the Bonds, the original purchaser shall receive a certificate, in form satisfactory to Gibbons P.C., and signed by a proper official of the Township stating to the best knowledge of said official, that this Official Statement as of its date did not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements contained therein, in light of the circumstances under which they were made, not misleading; and stating to the best knowledge of said official, there have been no material adverse change in the condition, financial or otherwise of the Township from that set forth in or contemplated by this Official Statement. In addition, the original purchaser of the Bonds shall also receive certificates in form satisfactory to Gibbons P.C., evidencing the proper execution and delivery of the Bonds and receipt of payment therefor, and a certificate, dated as of the date of the delivery of the Bonds, and signed by the officers who signed the Bonds, stating that no litigation is then pending or, to the knowledge of such officers, threatened to restrain or enjoin the issuance or delivery of the Bonds or the levy or collection of taxes to pay the Bonds or the interest, thereon, or questioning the validity of the statutes or the proceedings under which the Bonds are issued, and that neither the corporate existence or boundaries of the Township, nor the title of any of the said officers to their respective offices, is being contested.

TAX MATTERS

Exclusion of Interest on the Bonds from Gross Income for Federal Income Tax Purposes

The Internal Revenue Code of 1986, as amended (the "Code"), imposes certain requirements which must be met on a continuing basis subsequent to the issuance of the Bonds

TAX MATTERS (Continued)

Exclusion of Interest on the Bonds from Gross Income for Federal Income Tax Purposes (Continued)

in order to assure that interest on the Bonds will be excluded from gross income for Federal income tax purposes under Section 103 of the Code. Failure of the Township to comply with such requirements may cause interest on the Bonds to be included in gross income for Federal income tax purposes, retroactive to the date of the issuance of the Bonds. The Township has covenanted to comply with the provisions of the Code applicable to the Bonds and has covenanted not to take any action or permit any action that would cause the interest on the Bonds to be included in gross income under Section 103 of the Code or cause interest on the Bonds to be treated as an item of tax preference under Section 57 of the Code.

Assuming the Township observes its covenants with respect to compliance with the Code, Gibbons P.C., Bond Counsel to the Township, is of the opinion that, interest on the Bonds is excluded from the gross income of the owners of the Bonds for Federal income tax purposes pursuant to Section 103 of the Code and interest on the Bonds is not an item of tax preference under Section 57 of the Code for purposes of computing the alternative minimum tax.

Additional Federal Income Tax Consequences

In the case of certain corporate holders of the Bonds, interest on the Bonds will be included in the calculation of the alternative minimum tax as a result of the inclusion of interest on the Bonds in "adjusted current earnings" of certain corporations.

Prospective purchasers of the Bonds should be aware that ownership of, accrual of or receipt of interest on or disposition of tax-exempt obligations, such as Bonds, have additional Federal income tax consequences for certain taxpayers, including, without limitation, taxpayers eligible for the earned income credit, recipients of certain social security and certain railroad retirement benefits, taxpayers that may be deemed to have incurred or continued indebtedness to purchase or carry tax-exempt obligations, financial institutions, property and casualty companies, foreign corporations and certain S corporations.

Bond Counsel expresses no opinion regarding any Federal tax consequences other than its opinion with regard to the exclusion of interest on the Bonds from gross income pursuant to section 103 of the Code and interest on the Bonds not constituting an item of tax preference under Section 57 of the Code. Prospective purchasers of the Bonds should consult their tax advisors with respect to all other tax consequences (including, but not limited to, those listed above) of holding the Bonds.

State Taxation

Bond Counsel is of the opinion that, under existing law, interest on the Bonds and net gains from the sale of the Bonds are exempt from the tax imposed by the New Jersey Gross Income Tax Act.

State Taxation (Continued)

ALL POTENTIAL PURCHASERS OF THE BONDS SHOULD CONSULT WITH THEIR TAX ADVISORS WITH RESPECT TO THE FEDERAL, STATE AND LOCAL TAX CONSEQUENCES (INCLUDING BUT NOT LIMITED TO THOSE LISTED ABOVE) OF THE OWNERSHIP OF THE BONDS.

SECONDARY MARKET DISCLOSURE

The Securities and Exchange Commission (the "SEC") pursuant to the Securities Exchange Act of 1934, as amended and supplemented (the "Securities Exchange Act") has adopted amendments to its Rule 15c2-12 ("Rule 15c2-12") effective July 3, 1995 which generally prohibits a broker, dealer or municipal securities dealer ("Participating Underwriter") from purchasing or selling municipal securities, such as the Bonds, rules the Participating Underwriter has reasonably determined that an issuer of municipal securities or an obligated person has undertaken in a written agreement or contract for the benefit of holders of such securities to provide certain annual financial information and event notices to the Municipal Securities Rulemaking Board (the "MSRB") (the "Continuing Disclosure Requirements").

On the date of delivery of the Bonds, the Township will enter into a Continuing Disclosure Certificate (the "Continuing Disclosure Certificate") containing the Continuing Disclosure Requirements for the benefit of the beneficial holders of the Bonds pursuant to which the Township will agree to comply on a continuing basis with the Continuing Disclosure Requirements of Rule 15c2-12. Specifically, the Township will covenant for the benefit of the holder and beneficial owners of the Bonds to provide certain financial information and operating data relating to the Township by no later than nine (9) months after the end of each year, commencing with the year ending December 31, 2010 (the "Annual Report"), and to provide notices of the occurrence of certain enumerated events (each, a "Disclosure Event"). The Annual Report will be filed by the Township with the MSRB.

The notices of Disclosure Events will be filed by the Township with the MSRB. The specific nature of the information to be contained in the Annual Report or the notices of Disclosure Events is set forth in "Appendix C - Form of Continuing Disclosure Certificate". These covenants have been made in order to assist the Underwriter in complying with S.E.C. Rule 15c2-12(b)(5). The Township has not failed to comply in any material respect with any prior continuing disclosure undertaking made by the Township in accordance with Rule 15c2-12.

STATEMENT OF LITIGATION

There is at present no single action pending or threatened against the Township which would impose an undue financial burden on the Township. In New Jersey's courts of general jurisdiction, unliquidated money damages are pleaded generally without specifying a dollar amount.

STATEMENT OF LITIGATION (Continued)

The Township is a party-defendant in certain law suits, none of a kind unusual for a municipality of its size, and none of which, in the opinion of the Township Attorney, would adversely impair the Township's ability to pay its bondholders. All of the Township's tort actions are being defended by an insurance company as well as the insurance underwriters. Pending municipal real estate appeals are limited in number and, based upon the Township's prior experience in tax appeals, and assuming that such tax appeals are resolved adversely to the interest of the Township, such resolution would not in any way endanger the Township's ability to pay its bondholders.

LEGALITY FOR INVESTMENT

The State and all public officers, municipalities, counties, political subdivisions and public bodies, and agencies thereof, all banks, bankers, trust companies, savings and loans associations, and institutional building and loan associations, investment companies, and other persons carrying on banking business, all insurance companies, and all executors, administrators, guardians, trustees, and other fiduciaries may legally invest any sinking funds, monies or other funds belonging to them or within their control in any obligations of the Township, including the Bonds, and such are authorized security for any and all public deposits.

RATING

The Township has applied for a rating on the Bonds from Standard and Poor's Rating Services, a division of The McGraw-Hill Companies, Inc. ("Standard and Poor's"). An explanation of the significance of such credit rating may be obtained from Standard and Poor's, 55 Water Street, New York, New York 10041-0003. The Township furnished Standard and Poor's with certain information and material concerning the Bonds and the Township. Generally, Standard and Poor's bases its ratings on such information and materials and also on such investigations, studies, and assumptions that it may undertake independently. There can be no assurance that such rating will be maintained for any given period of time or that it may not be raised, lowered or withdrawn entirely, if in the rating agency's judgment, circumstances so warrant. Any downward change in or withdrawal of such rating may have an adverse effect on the marketability or market price of the Bonds.

UNDERWRITING

The Bonds will be purchased at public sale from the Township for reoffering by the purchasers (the "Underwriters").

PREPARATION OF OFFICIAL STATEMENT

McEnerney, Brady & Co., LLC assisted in the preparation of information contained in this Official Statement and takes responsibility for the audited financial statements to the extent specified in the Independent Auditor's Report.

PREPARATION OF OFFICIAL STATEMENT (Continued)

All other information has been obtained from sources which the Township considers to be reliable and the Township makes no warranty, guaranty or other representation with respect to the accuracy and completeness of such information.

Gibbons P.C. has not participated in the preparation of the financial or statistical information contained in this official statement, nor have they verified the accuracy, completeness or fairness thereof and, accordingly, expresses no opinion with respect thereto.

APPROVAL OF OFFICIAL STATEMENT

Prior to the delivery of the Bonds, the Township Council will have adopted a resolution approving this Official Statement, deeming it a "final official statement" for purposes of Rule 15c2-12 and directing the Chief Financial Officer to deliver a reasonable number of copies thereof in final form to the original purchaser of the Bonds for its use in the sale, resale or distribution of the Bonds.

ADDITIONAL INFORMATION

Additional information may be obtained upon request from the office of the Chief Financial Officer, Township of West Orange, 66 Main Street, West Orange, New Jersey 07052.

MISCELLANEOUS

This Official Statement is not to be construed as a contract or agreement between the Township and the purchasers or holders of any of the Bonds. Any statements made in this Official Statement involving matters of opinion, whether or not expressly so stated, are intended merely as an opinion and not as representations of fact. The information and expressions of opinions herein are subject to change without notice and neither the delivery of this Official Statement nor any sale made hereunder shall, under any circumstances, create any implication that there have been no changes in the affairs in the Township, the State or any of their agencies or authorities; since the date thereof.

This Official Statement has been duly executed and delivered by the Chief Financial officer of the Township.

TOWNSHIP OF WEST ORANGE
IN THE COUNTY OF ESSEX

By: _____

Edward J. Coleman,
Chief Financial Officer

DATED: April __, 2011

APPENDIX A

GENERAL INFORMATION ABOUT THE TOWNSHIP

GENERAL INFORMATION **ABOUT THE TOWNSHIP**

Location and Area

Located in Essex County, the Township of West Orange (the "Township") is approximately 18 miles west of midtown New York City and six miles west of downtown Newark. With a population of 42,207, as of 2010, it is largely a residential community of owner-occupied single family dwellings and a distribution center for business that serves the surrounding area.

The Township was incorporated in 1900 and covers a 12.154 square mile area.

Form of Government

Citizens of the Township voted to adopt the Mayor Council Plan B of the Optional Municipal Charter Law of New Jersey, known as the Faulkner Act. Under this form of government, a Mayor and five Council members are elected at large for four-year terms. Council terms are staggered, and no party designations are permitted on the ballot.

The day-to-day operations are the responsibility of the Mayor, Business Administrator and the directors of the various departments. The executive power is vested in the Mayor while the Township Council is the legislative and policy-making body.

Biographies of Municipal Officials

Mayor: Robert Parisi was elected to his first, four-year term which began July 1, 2010. Prior to his initial election as Mayor, he was elected to the West Orange Township Council in 1998, 2000, 2004, and 2008. Mayor Robert Parisi is a graduate of West Orange High School; graduated from Rutgers University and has a BA in English Literature. He is President of R.D. Parisi and Associates.

Business Administrator: John K. Sayers, appointed in January 2001, graduated from Kean College of New Jersey with a B.A. in Political Science and a Juris Doctorate Degree from Seton Hall University School of Law. He was admitted to practice law at the Bar of the United States District Court for the District of New Jersey and also admitted to practice law at the Bar of the State of New Jersey, both in 1994. Mr. Sayers is a Certified Public Manager I, II, III, and a former Undersheriff for the Essex County Sheriff's Office. His duties included Operations and Budget and Administration of the 550-member Department. Mr. Sayers is a member of the State Police Pension Board and the New Jersey State Investment Council.

Chief Financial Officer: Edward J. Coleman, appointed in January, 1991, as Chief Financial Officer, graduated from St. John's University with a B.S. Degree in Accounting and an M.B.A. in Finance. He is a member of the Municipal Finance Officers Association of New Jersey and the Tax Collector and Treasurer's Association of New Jersey. Edward J. Coleman is a Certified Municipal Finance Officer in the State of New Jersey and is a past President of the Tax Collector and Treasurer's Association of Essex, Hudson, Passaic, and Union Counties.

FINANCIAL INSTITUTIONS

The financial needs of the Township are served by the following financial institutions:

Bank of America, NA
Citibank
Kearny Federal Saving Bank
Llewellyn-Edison Savings Bank, FSB
New York Community Bank
JP Morgan Chase Bank
PNC Bank, NA
Sovereign Bank
MBIA - Class of New Jersey
State of New Jersey Cash Management Fund
Valley National Bank
Wells Fargo Bank, NA

MUNICIPAL SERVICES

Protection

The Township has four (4) municipality-owned firehouses. The Fire Department consists of (76) full-time employees. Acquisition of new fire fighting apparatus and conversion of older equipment toward modernization has been a Township priority program. The Department has (11) pieces of modern fire fighting equipment.

The Township's Department is a municipal police agency dedicated to the development and utilization of the Department's human and material resources. The Department employs (96) police officers, (19) civilian employees and (40) school traffic crossing guards.

Health

A varied array of health services is available in the Township. The full range of public health programs is provided through the services of one full-time, licensed Health Officer in accordance with State regulations and includes health nursing services, environmental health services, communicable disease control maternal and child health services and chronic illness preventative services. The presence of several major medical centers nearby the community assures the availability of quality health care.

Planning and Development

The Planning and Development Department is comprised of three divisions: the Planning Division, the Construction Division and the Zoning Enforcement, Property Maintenance and Housing Division. The Planning Division includes the Planning Board, Main Street Development Corporation, Rent Leveling Board and Environmental Commission. The Planning and Zoning Boards are quasi-judicial boards established under the Municipal Land Use Law. The Construction Division reviews and issues applications for permits and performs inspections on construction projects. The purpose of the Zoning Enforcement, Property Maintenance and Housing Division is to enforce the Municipal Zoning Ordinances.

Public Works

The Township has (37) full-time public works employees and (6) engineering employees and they maintain approximately (75) pieces of equipment. Gas, electric, and water services are provided by privately owned utility corporations. The Township operates its own sewer system which connects with the Joint Outlet Sewer System.

Garbage and rubbish collections are made twice a week under a five year contract between the Township and a private operator.

Recreation

The Township provides a year-round recreation program involving the use of fifteen playgrounds, six of nine school buildings and various municipal buildings. Programs are offered for all ages. Specialized divisions of the Recreation Department include the Mayor's Program for Individuals with Disabilities, the Senior Citizen Program, the Teen Program, and the Summer Park Program. The Township provides a (3) pool swimming complex that operates in the summer months.

Other agencies provide additional recreational programs available to the community. The Mountain Top League and the Police Athletic League provide sports programs for youngsters. Essex County operates an indoor skating arena, two reservations with picnic facilities, a children's zoo, and a golf course. Five additional private golf courses are either totally or partially located within Township borders.

The Recreation Department employs (7) full-time employees and approximately (100) seasonal employees.

EDUCATIONAL SERVICES

The School District operates as an independent legal entity and is a Type II school district under the laws of the State of New Jersey, administered by a five member board of education (the "Board") which is elected by the citizens. The members serve five-year terms.

The Board elects a President and Vice President and organizes itself into several committees to plan general policy, personnel policy, curriculum policy, budget policy, and the capital improvement policy for building and grounds. All budget policy and capital improvement policy must be approved by the Township electorate.

The school district operates the following types of educational facilities:

High Schools	-	One
Middle Schools	-	Three
Elementary Schools	-	Seven

EDUCATIONAL SERVICES (Continued)

School	Functional Capacity	2010 – 2009 Enrollment	2009-2008 Enrollment	2008-2007 Enrollment
Elementary Schools (K-5):				
Gregory	502	563	522	510
Hazel Avenue	332	336	329	330
Pleasantdale	485	439	430	468
Redwood	518	506	529	520
St. Cloud	362	367	358	348
Washington	468	406	430	422
Mt. Pleasant	348	412	391	372
Middle Schools (6-8):				
Edison	558	503	458	490
Liberty	535	546	543	517
Roosevelt	625	484	470	455
High School (9-12):				
West Orange	<u>2,728</u>	<u>2,040</u>	<u>2,077</u>	<u>1,983</u>
Totals:*	<u>7,461</u>	<u>6,602</u>	<u>6,537</u>	<u>6,415</u>

*Special Education Enrollment is Included in Totals

The Central Administration offices are located in a separate building owned by the Board.

ASSESSED VALUATION AND TAX RATES

<i>Year</i>	<i>Equalization Amount Added</i>	<i>Net Taxable Value Real and *Personal Property</i>	<i>Tax Rate Per \$100.00</i>	<i>Real Property Assessed Valuation Percentage of True Value</i>
2010	\$4,802,165,354	\$1,506,512,200	\$12.98	23.88%
2009	5,225,937,617	1,544,288,600	12.54	22.81
2008	5,533,485,452	1,544,393,100	12.13	21.82
2007	5,373,027,340	1,538,507,700	11.39	22.26
2006	4,958,443,641	1,529,967,300	10.60	23.58

<i>Year</i>	<i>Net Taxable Value Real and *Personal Property</i>	<i>Real Property Assessed Valuation Percentage of True Value</i>	<i>Estimated Full True Value</i>
2010	\$1,506,512,200	23.88%	\$6,308,677,554
2009	1,544,288,600	22.81	6,770,225,217
2008	1,544,393,100	21.82	7,077,578,552
2007	1,538,507,700	22.26	6,911,535,040
2006	1,529,967,300	23.58	6,488,410,941

*Consists of Machinery, Implements and Equipment of Telephone, Telegraph and Messenger Systems Companies (Chapter 38, P.L. 1966).

COMPARISON OF COMPONENTS OF TAX RATE

	<u>2010</u>	<u>2009</u>	<u>2008</u>	<u>2007</u>	<u>2006</u>
Tax Rate	<u>\$12.98</u>	<u>\$12.54</u>	<u>\$12.13</u>	<u>\$11.39</u>	<u>\$10.60</u>
Apportionment of Tax Rate:					
Municipal	3.38	3.38	3.25	2.98	2.59
Open Space	.01	.01	.01	.01	.01
County	1.70	1.72	1.69	1.63	1.63
Open Space	.07	.078	.07	.04	.04
Local School	7.82	7.361	7.11	6.73	6.33
	<u>\$12.98</u>	<u>\$12.54</u>	<u>\$12.13</u>	<u>\$11.39</u>	<u>\$10.60</u>

SCHEDULE OF TAX LEVIES AND COLLECTION CURRENTLY

<u>Year</u>	<u>Tax Levy</u>	<u>Collections</u>	<u>Percentage of Collections</u>
2010*	\$196,442,732.54	\$194,889,060.59	97.96%
2009	194,862,048.93	192,923,538.64	99.00
2008	188,262,592.49	186,298,309.69	98.95
2007	176,064,525.22	174,614,716.73	99.17
2006	162,648,617.52	161,496,302.19	99.29

SUPPLEMENTARY INFORMATION

SCHEDULE OF DELINQUENT TAXES AND TAX TITLE LIENS

<u>December 31, 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>
2010*	\$156,756.86	\$1,557,515.11	\$1,626,661.31	.828%
2009	14,047.89	1,563,235.23	1,577,283.12	.809
2008	12,643.00	1,317,444.00	1,330,087.00	.714
2007	11,285.00	1,238,175.00	1,249,460.00	.710
2006	10,009.00	928,542.00	938,551.00	.577

BUILDING PERMITS

<u>Year</u>	<u>Total Number</u>	<u>Construction Value</u>
2010*	2,064	\$53,540,096.00
2009	2,000	39,837,908.00
2008	2,183	55,429,190.00
2007	2,328	79,214,477.00
2006	2,254	59,706,636.00

* Unaudited

LARGEST TAXPAYERS

The following table sets forth ten of the largest taxpayers located in the Township and their assessed valuation for the year 2010:

<i>Taxpayer</i>	<i>Service or Product</i>	<i>Assessed Valuation</i>
Essex Green Shopping Plaza	Shopping Center	\$21,173,300
Blackburn Development Corporation	Apartment Complex	13,227,700
Kessler Institute	Rehabilitation	13,195,200
West Orange Plaza	Shopping Center	10,747,000
Rexcorp, LLC	Office Buildings	9,635,200
Crestmont Country Club	Recreation	8,961,500
Prism Green Associates	Real Estate Developers	8,612,600
Bow and Arrow Manor, Inc.	Catering and Dining	8,454,900
Atkins & Kent Ltd.	Medical Offices	7,734,600
Montclair Country Club	Recreation	7,490,400

Source: Township of West Orange

LARGEST EMPLOYERS

The Township hosts a number of commercial and industrial facilities. These include:

<i>Name</i>	<i>Type Of Business</i>	<i>Estimated Number Of Employees</i>
Board of Education	Public School	1,200
Kessler Institute	Rehabilitation	404
Township of West Orange	Municipal Government	420
Daughters of Israel	Nursing Home	300
Manor Restaurant	Catering and Dining	300
Wolff & Samson, P.C.	Law Firm	200
Shop Rite	Retail	200
Greenhill Retirement Comm.	Nursing Home	198
K-Mart	Retail	170

Source: Township of West Orange

***TOWNSHIP OF WEST ORANGE
IN THE COUNTY OF ESSEX, NEW JERSEY***

ECONOMIC INFORMATION

Year	Township Population* (a)	Essex County Per Capita Personal Income (b)	Township Personal Income (c)	Township Unemployment Rate (d)
2001	45,149	\$ 38,139	\$ 1,721,937,711	3.30%
2002	45,041	37,988	1,711,017,508	3.30
2003	44,769	38,980	1,745,095,620	2.70
2004	44,189	41,737	1,844,316,293	3.70
2005	43,541	43,649	1,900,521,109	4.00
2006	42,750	47,837	2,045,031,750	4.00
2007	42,524	50,146	2,132,408,504	3.50
2008	42,415	51,617 *	2,189,335,055	4.70
2009	42,561	51,617 *	2,196,871,137	7.90
2010	46,207	51,617 *	2,305,066,719	9.10

* Latest Essex County per capita personal income available (2008) was used for calculation purposes.

Sources:

- a Population information provided by the NJ Department of Labor and Workforce Development.
- b Per capita personal income by municipality estimated based upon the 2000 Census published by the US Bureau of Economic Analysis.
- c Personal income has been estimated based upon the municipal population and per capita personal income presented.
- d Unemployment data provided by the NJ Department of Labor and Workforce Department.

**TOWNSHIP OF WEST ORANGE
IN THE COUNTY OF ESSEX, NEW JERSEY**

Housing Characteristics - Housing Units

	<u>Township of West Orange</u>	<u>County of Essex</u>	<u>State of New Jersey</u>
Number of Units:			
Occupied	16,790	283,712	3,214,360
Vacant	822	29,242	339,202
Total	<u>17,612</u>	<u>312,954</u>	<u>3,553,562</u>

Source: New Jersey Department of Labor and Workforce Development
U.S. Census Bureau, 2010 Census Redirecting Data

	<u>Township of West Orange</u>	<u>County of Essex</u>	<u>State of New Jersey</u>
Median Value Owned – Single Family	\$209,200	\$208,400	\$170,800

Year Structure Built – Housing Units

1999 to March 2000	191	2,212	48,124
1995-1998	640	6,037	139,421
1990-1994	810	6,177	158,581
1980-1989	1,117	16,345	409,978
1970-1979	1,353	26,471	462,740
1960-1969	2,376	45,001	526,732
1940-1959	6,116	104,226	898,653
1939 to Earlier	4,222	94,542	666,046

Source: 2000 Census of Housing, U.S. Bureau of the Census

**TOWNSHIP OF WEST ORANGE
IN THE COUNTY OF ESSEX, NEW JERSEY**

DEBT STATEMENT AS OF DECEMBER 31, 2010
(Unaudited)

Gross Debt

School Debt:

Local School District:

Term Bonds Issued and Outstanding \$ 40,526,000.00

Municipal Debt:

General Improvements:

Serial Bonds Issued and Outstanding \$25,370,000.00

NJEPA Trust and Fund Loan 3,846,221.00

Bond Anticipation Notes Issued 20,515,944.00

Bond Anticipation Notes Authorized but Not Issued 10,081,938.00

59,814,103.00

Total Gross Debt

100,340,103.00

Statutory Deductions

School Debt:

Local School District

Minimum (4% of Average Equalized Valuations
\$268,757,098)

40,526,000.00

Statutory Net Debt

\$ 59,814,103.00

Average Equalized Valuation of Real Property for
2008-2010

\$ 6,718,927,441.00

Net Debt Percentage (Statutory Debt Limit - 3 1/2%)

.0887%

Remaining Statutory Borrowing Power

3 1/2% of Equalized Valuation Basis

\$ 220,803,714.00

Less: Statutory Net Debt

59,814,103.00

Remaining Borrowing Power December 31, 2010

\$ 160,989,611.00

Gross Debt is the total financial obligation of the Municipality and its Subdivisions. Statutory deductions determine the borrowing power and Statutory Net Debt under the laws of the State of New Jersey.

**TOWNSHIP OF WEST ORANGE
IN THE COUNTY OF ESSEX, NEW JERSEY**

**SUMMARY OF 2010 TOWNSHIP OF WEST ORANGE BUDGET
(ADOPTED)**

Revenues:

Surplus Anticipated	\$ 4,450,000.00
Miscellaneous Revenues	16,238,249.00
Delinquent Taxes	1,490,000.00
Amount to be Raised by Taxes for Support of Municipal Budget	<u>51,075,300.00</u>
	<u>\$73,253,549.00</u>

Appropriations:

Executive and Legislative	\$1,802,908.00
Administration and Finance	3,018,119.00
Planning and Development	626,451.00
Assessment of Taxes	247,942.00
Fire	9,416,238.00
Police	14,331,846.00
Public Works	5,265,520.00
Health and Welfare	4,968,919.00
Recreation	1,308,230.00
Uniform Construction Code	568,715.00
Unclassified	2,432,915.00
Contingent	7,500.00
Deferred Charges and Statutory Expenditures	1,072,000.00
Joint Outlet Sewer Maintenance	2,190,973.00
Maintenance of Free Public Library	2,361,844.00
LOSAP First Aid Pension	31,000.00
Contribution to Police and Firemen's Retirement System	4,333,287.00
Contribution to Public Employees Retirement System	731,365.00
Insurance	8,121,000.00
Tax Appeals	650,000.00
Interlocal Municipal Service Agreements	32,800.00
Public and Private Programs Offset by Revenues	840,175.00
Capital Improvements	100.00
Debt Service	4,948,000.00
Deferred Charges	22,200.00
Reserve for Uncollected Taxes	<u>3,923,502.00</u>
	<u>\$73,253,549.00</u>

SCHEDULE OF FUND BALANCES – CURRENT FUND

Year	Balance	Utilized in Budget
<u>Current Fund</u>	<u>December 31,</u>	<u>of Succeeding Year</u>
2010	**\$ 4,416,058.00	* \$ 3,400,000.00
2009	5,585,603.00	4,450,000.00
2008	4,223,907.00	3,100,000.00
2007	4,181,681.00	3,100,000.00
2006	3,033,350.00	2,450,000.00

* Introduced Budget

** Unaudited

**TOWNSHIP OF WEST ORANGE
IN THE COUNTY OF ESSEX, NEW JERSEY**

**UNDERLYING DEBT
DECEMBER 31, 2009**

*County of Essex Gross Debt December 31, 2009	<u>\$1,134,041,404</u>
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County of Essex Debt Includes
 Essex County Utilities Authority:
 Guaranteed Project Notes Under Deficiency Agreement
 Essex County Improvement Authority:
 Guaranteed of Bonds Pursuant to N.J.S.A. 40:37A-80
 Essex County College

Apportionment to Township of West Orange	<u>78,362,261</u>
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Basis of Debt Appointment: Ratio of Equalized Valuation: Township of West Orange – 2009	<u>6,770,225,217</u>
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Total Essex County – 2009	<u>97,911,850,661</u>
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Ratio of Township of West Orange	<u>6.91%</u>
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*Includes both the Essex County Improvement Authority Guarantee of Bonds and Bonds issued and Bond Authorized but Not Issued – Capital Projects for County Colleges.

Direct, overlapping and underlying debt issued and outstanding not available for December 31, 2010.

GROSS DEBT COMPARED WITH TRUE VALUE

	<u>Municipal Debt</u>	<u>Municipal Debt Including Apportioned Underlying Debt</u>
Gross Debt as of December 31, 2009	\$101,514,582	\$179,876,843
Aggregated Fair Value for 2009 – All Taxable Property – Assessed Valuation	\$1,544,288,600	
Amount Added for Equalization: Real Property Assessed at 22.81% of True Value	<u>5,225,937,617</u>	
Total – With Real Property at True Value	<u>\$6,770,225,217</u>	
Gross Debt as a Percentage of True Value	<u>1.50%</u>	<u>2.59%</u>

APPENDIX B

INDEPENDENT AUDITOR'S REPORT AND FINANCIAL STATEMENTS

TOWNSHIP OF WEST ORANGE

**FINANCIAL STATEMENTS AND
SUPPLEMENTARY SCHEDULES**

WITH

INDEPENDENT AUDITORS' REPORTS

YEAR ENDED DECEMBER 31, 2009



McENERNEY, BRADY & COMPANY, LLC



McENERNEY, BRADY & COMPANY, LLC

Certified Public Accountants * A Limited Liability Company

John L. Ezyske, CPA, RMA
Francis M. McEnerney, CPA, RMA
John F. Lauria, RMA

INDEPENDENT AUDITORS' REPORT

The Honorable Mayor and
Members of the Township Council
Township of West Orange
West Orange, New Jersey

We have audited the accompanying balance sheets of the individual funds (current, trust, general capital swimming pool utility, public assistance, general fixed asset group) of the Township of West Orange, New Jersey as of December 31, 2009 and the related statements of operations and changes in fund balances for the year then ended, and the related statements of revenues, expenditures and fund balances for the year ended December 31, 2009, as listed in the foregoing table of contents. These financial statements are the responsibility of the management of the Township of West Orange, New Jersey. Our responsibility is to express an opinion on these financial statements based upon our audits.

We conducted our audits in accordance with auditing standards generally accepted in the United States of America, and the audit requirements prescribed by the Division of Local Government Services, Department of Community Affairs, State of New Jersey (the "Division") and *Government Auditing Standard*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes consideration of internal control over financial reporting as a basis for designing 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 over financial reporting. Accordingly, we express no such opinion. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audits provide a reasonable basis for our opinions.

As described in Note A, these financial statements were prepared in conformity with the accounting principles prescribed by the Division, which is a comprehensive basis of accounting other than accounting principles generally accepted in the United States of America. The effects on the financial statements of the variances between the statutory basis of accounting and accounting principles generally accepted in the United States of America, although not presently determinable, are presumed to be material.

In our opinion, because the Township of West Orange's policy to prepare its financial statements on the basis of accounting discussed in the preceding paragraph, the financial statements referred to above do not present fairly, in conformity with accounting principles generally accepted in the United States of America, the financial position of the Township of West Orange, New Jersey, as of December 31, 2009, and the results of its operations for the year then ended.

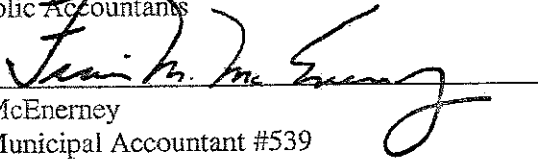
However, in our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of the individual funds enclosed of the Township of West Orange, New Jersey at December 31, 2009, and the results of its operations and changes in fund balances of such funds for the year then ended, and the revenues, expenditures and fund balances for the year ended December 31, 2009, on the basis of accounting described in Note A.

In accordance with *Government Auditing Standards*, we have also issued a report dated April 22, 2010 on our consideration of the Township of West Orange, New Jersey's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts and grants. 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* and should be considered in assessing the results of our audit.

Our audit was conducted for the purpose of forming an opinion on the financial statement that collectively comprises the Town of West Orange's basic financial statements. The accompanying financial information listed as Supplementary Data in the foregoing Table of Contents and the Schedule of Expenditures of Federal and State Awards are presented for purposes of additional analyses as required by U.S. Office of Management and Budget Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations* and New Jersey OMB Circular 04-04, which is also the responsibility of the management of the Township of West Orange, New Jersey, is presented for the purposes of additional analyses and is not a required part of the financial statements. Such information has been subjected to the auditing procedures applied in the audits of the financial statements and, in our opinion, is fairly stated, in all material respects, in relation to the financial statements taken as a whole, on the basis of accounting as described in Note A.

This report is intended for the information and use of the Township of West Orange's management, New Jersey Department of Community Affairs, Division of Local Government Services, and the United States Department of Housing and Urban Development should not be used for any other purposes. However, this report is a matter of public record and its distribution is not limited.

McEnerney, Brady & Company, LLC
Certified Public Accountants


Francis M. McEnerney
Registered Municipal Accountant #539

Livingston, New Jersey
April 22, 2010

**TOWNSHIP OF WEST ORANGE
CURRENT FUND
BALANCE SHEETS**

A

ASSETS

LIABILITIES, RESERVES AND FUND BALANCE

	Ref.	December 31,		Ref.	December 31,	
		2009	2008		2009	2008
CASH		\$ 4,844,807.13	\$ 6,030,688.07		\$ 2,088,088.11	\$ 2,590,978.73
INVESTMENTS		6,684,102.75	5,977,490.98	A-3, A-15	1,106,873.05	2,258,363.62
				A-16	3,633.74	4,883.84
	A-4	11,528,909.88	12,008,177.05	A-17	321,701.70	658,526.36
				A-20	103,898.73	94,503.13
				A-21	11,823.00	9,038.00
				A-22	674,452.39	594,547.46
				A-23	103,813.29	114,181.08
				A-10	1,464,630.05	1,439,247.71
				A-13	54,393.13	
					<u>5,943,307.19</u>	<u>7,784,269.93</u>
RECEIVABLES AND OTHER ASSETS WITH FULL RESERVES:						
Change Funds	A-6	450.00	450.00			
Delinquent Property Taxes	A-7	1,563,235.23	1,317,443.56			
Tax Title Liens	A-8	14,047.89	12,642.82			
Property Acquired for Taxes - Assessed Valuation	A-9	392,465.00	392,465.00			
Revenue Accounts Receivable	A-11	551,743.07	335,196.04	A	2,560,226.34	2,177,388.78
Sewer User Charges Receivable	A-12	38,285.15	35,566.81			
Due From Grant Fund	A-13	83,624.75	83,624.75			
		<u>2,560,226.34</u>	<u>2,177,388.78</u>			
		14,089,136.22	14,185,565.83			
STATE AND FEDERAL GRANTS RECEIVABLE						
State and Federal Grants Receivable	A-24	2,052,685.70	1,505,276.00	A-26	2,107,078.83	1,416,105.68
Due from Current Fund	A-25	54,393.13		A-27		5,545.57
				A-25		83,624.75
					<u>2,107,078.83</u>	<u>1,505,276.00</u>
		<u>2,107,078.83</u>	<u>1,505,276.00</u>			
		\$ 16,196,215.05	\$ 15,690,841.83		<u>\$ 16,196,215.05</u>	<u>\$ 15,690,841.83</u>

**TOWNSHIP OF WEST ORANGE
CURRENT FUND
STATEMENT OF OPERATIONS AND CHANGES IN FUND BALANCE**

A-1

		Years Ended December 31,	
	Ref.	2009	2008
REVENUE AND OTHER INCOME:			
Fund Balance Utilized	A-2	\$ 3,100,000.00	\$ 3,100,000.00
Miscellaneous Anticipated Revenue	A-2	15,823,348.70	15,421,098.90
Receipts from Delinquent Taxes	A-2	1,318,256.58	1,240,407.99
Receipts from Current Taxes	A-2, A-7	192,923,538.64	186,298,307.69
Non-Budget Revenues	A-2	381,974.76	277,658.67
Other Credit to Income:			
Interfund Decrease	A-13	83,624.75	
Grant Reserve Cancelled	A-26	52,961.33	
Cancellations			1,261.95
Appropriation Reserves Lapsed	A-15	1,886,973.65	623,123.71
Accounts Payable Cancelled	A-17	139,840.98	62,811.33
TOTAL REVENUE AND OTHER INCOME		215,710,519.39	207,024,670.24
EXPENDITURES:			
Budgeted and Emergency Appropriations	A-3	58,171,601.00	60,377,696.10
Capital Improvements	A-3	1,129,500.00	586,000.00
Municipal Debt Service	A-3	4,211,756.20	4,369,736.26
Statutory Expenditures and Deferred Charges	A-3	5,778,751.00	1,087,500.00
Prior Year Exemptions Disallowed	A-16	813.02	2,312.33
Prior Year Revenue Refund	A-4	31,521.64	24.98
Interfund Increase			83,624.75
Local District School Tax	A-19	113,919,088.00	109,906,821.50
County Taxes	A-20	27,797,525.02	27,313,457.05
Grant Receivable Cancelled	A-24	52,961.33	15.36
Open Space Trust	A-2, A-4	155,306.61	155,255.53
TOTAL EXPENDITURES		211,248,823.82	203,882,443.86
EXCESS OF REVENUE OVER EXPENDITURES		4,461,695.57	3,142,226.38
FUND BALANCE, BEGINNING OF YEAR	A	4,223,907.12	4,181,680.74
Subtotal		8,685,602.69	7,323,907.12
UTILIZED AS ANTICIPATED REVENUE	A-2	3,100,000.00	3,100,000.00
FUND BALANCE, END OF YEAR	A	\$ 5,585,602.69	\$ 4,223,907.12

**TOWNSHIP OF WEST ORANGE
CURRENT FUND
STATEMENT OF REVENUES
YEAR ENDED DECEMBER 31, 2009**

A-2

	Ref.	Anticipated Budget	Realized	Excess or (Deficit)
FUND BALANCE ANTICIPATED	A-1	\$ 3,100,000.00	\$ 3,100,000.00	\$ -
MISCELLANEOUS REVENUES:				
Licenses:				
Alcoholic Beverages	A-11	71,500.00	71,827.12	327.12
Other	A-2	52,000.00	49,526.00	(2,474.00)
Fees and Permits:				
Uniform Construction Code Fees	A-11	562,973.00	643,809.92	80,836.92
Fees and Permits:	A-2	127,500.00	124,109.40	(3,390.60)
Fines and Costs - Municipal Court	A-11	675,000.00	662,554.86	(12,445.14)
Parking Meters	A-11	52,000.00	46,181.97	(5,818.03)
Interest and Costs on Taxes	A-11	352,000.00	374,947.32	22,947.32
Energy Receipts Tax	A-11	4,901,300.00	4,901,300.00	
Garden State Trust	A-11	104.00	104.00	
Consolidated Municipal Property				
Tax Relief Aid	A-11	781,622.00	781,622.00	
Watershed Moratorium Offset Aid	A-11	5,217.00	5,217.00	
Interest on Investments	A-11	200,000.00	197,015.32	(2,984.68)
Payments in Lieu of Taxes:				
Jewish Federation Plaza	A-11	14,000.00	107,700.25	93,700.25
Eagle Rock Senior Citizen Housing	A-11	73,000.00	75,009.00	2,009.00
West Orange Senior Citizen Housing	A-11	124,000.00	111,326.25	(12,673.75)
Woodland Valley	A-11	29,000.00	28,954.05	(45.95)
St. Barnabas	A-11	286,000.00	286,688.00	688.00
Sewer User Charges	A-12	3,607,500.00	3,665,877.91	58,377.91
General Capital Fund Surplus	A-11	204,000.00	204,000.00	
Cable TV Franchise Fees	A-11	186,000.00	237,953.60	51,953.60
Summer Playground Program	A-11	143,000.00	165,060.00	22,060.00
Ground Leases	A-11	347,000.00	368,194.41	21,194.41
Uniform Fire Safety Act	A-11	56,136.00	58,093.41	1,957.41
Reimbursement Reserve-Joint Maintenance-				
Outlet Sewer	A-23	114,000.00	114,000.00	
Supplemental Sewer Fees	A-11	100,000.00	69,000.00	(31,000.00)
Reimbursement Board of Education	A-11	4,800.00	4,576.23	(223.77)
Property Lease Payment-Board of Ed	A-11	148,400.00	148,400.00	
Borough of Roseland-Tax Assessor	A-11	28,500.00	29,583.31	1,083.31
Hotel Tax	A-11	419,000.00	334,837.30	(84,162.70)
Open Space Trust Fund-Debt Service	A-11	72,000.00	71,518.45	(481.55)
Medical Transport Billing Service	A-11	59,000.00	198,887.62	139,887.62
Reserve to Pay Debt Service	A-11	220,000.00	220,000.00	

**TOWNSHIP OF WEST ORANGE
CURRENT FUND
STATEMENT OF REVENUES
YEAR ENDED DECEMBER 31, 2009**

A-2

	Ref.	Anticipated <u>Budget</u>	<u>Realized</u>	Excess or <u>(Deficit)</u>
MISCELLANEOUS REVENUES (Continued):				
State Grants:				
Public Health and Priority Funding	A-24	21,140.00	21,140.00	
Essex County Office on Aging:	A-24	37,871.00	37,871.00	
Drunk Driving Enforcement Fund	A-24	9,499.00	9,499.00	
Transportation Trust Fund	A-24	729,500.00	729,500.00	
Essex County Office on Alcoholism, Drug Abuse and Addiction Services:				
West Orange Municipal Alliance	A-24	59,800.00	59,800.00	
Clean Communities	A-24	59,515.00	59,515.00	
Safe and Secure Communities	A-24	58,581.00	58,581.00	
Community Shuttle Grant	A-24	30,000.00	30,000.00	
Emergency Preparedness Grant	A-24	2,500.00	2,500.00	
Delinquency Prevention Grant	A-24	25,737.00	25,737.00	
Pedestrian Safety and Enforcement	A-24	18,000.00	18,000.00	
Cops in Shops	A-24	7,000.00	7,000.00	
NJ Dept. of Health-H1N1 Program	A-24	120,912.00	120,912.00	
Byrne Memorial Justice Assistance	A-24	54,419.00	54,419.00	
Essex County Open Space and Recreation	A-24	225,000.00	225,000.00	
Over the Limit-Under Arrest	A-24	6,000.00	6,000.00	
 TOTAL MISCELLANEOUS ANTICIPATED REVENUES	 A-1	 <u>15,482,026.00</u>	 <u>15,823,348.70</u>	 <u>341,322.70</u>
RECEIPTS FROM DELINQUENT TAXES	A-1,A-7	<u>1,285,000.00</u>	<u>1,318,256.58</u>	<u>33,256.58</u>
 AMOUNT TO BE RAISED BY TAXES FOR SUPPORT OF MUNICIPAL BUDGET	 A-2	 <u>52,361,570.00</u>	 <u>53,979,863.01</u>	 <u>1,618,293.01</u>
BUDGET TOTALS	A-3	<u>\$ 72,228,596.00</u>	<u>\$ 74,221,468.29</u>	<u>\$ 1,992,872.29</u>
 NON-BUDGET REVENUES	 A-1		 <u>381,974.76</u>	
			<u>\$ 74,603,443.05</u>	

TOWNSHIP OF WEST ORANGE
CURRENT FUND
STATEMENT OF REVENUES
YEAR ENDED DECEMBER 31, 2009

A-2

	Ref.	
ANALYSIS OF REALIZED REVENUES:		
Allocation of Current Tax Collection:		
Revenue from Collections	A-1, A-7	\$ 192,923,538.64
Allocated to - Municipal Open Space Tax	A-1, A-7	(155,306.61)
Allocated to - School and County Taxes	A-7	<u>(141,716,613.02)</u>
Balance for Support of Municipal Budget Appropriations		51,051,619.01
Add Appropriation Reserve for Uncollected Taxes	A-3	<u>2,928,244.00</u>
Amount for Support of Municipal Budget Appropriations	A-2	<u>\$ 53,979,863.01</u>
Licenses-Other:		
Clerk	A-11	\$ 21,855.00
Health	A-11	27,671.00
	A-2	<u>\$ 49,526.00</u>
Fees and Permits-Other:		
Health	A-11	\$ 28,325.00
Public Works	A-11	10,008.00
Planning Board	A-11	5,638.00
Zoning Board	A-11	9,975.00
Fire	A-11	30,431.00
Police	A-11	13,630.90
Tax Searches	A-11	1,251.50
Tree	A-11	1,400.00
Fence	A-11	3,500.00
Recycling Center	A-11	19,950.00
	A-2	<u>\$ 124,109.40</u>

TOWNSHIP OF WEST ORANGE
CURRENT FUND
STATEMENT OF EXPENDITURES
YEAR ENDED DECEMBER 31, 2009

	Budget	Budget After Modification	Paid or Charged	Expended		Unexpended Balance Cancelled
				Encumbered	Reserved	
EXECUTIVE AND LEGISLATIVE:						
Office of the Mayor:						
Salaries and Wages	\$ 75,518.00	\$ 75,518.00	\$ 75,518.00			
Other Expenses	3,000.00	3,000.00	2,706.34			293.66
Public Information Officer:						
Other Expenses	1,200.00	1,200.00	382.67			817.33
Township Council:						
Salaries and Wages	69,370.00	69,370.00	69,368.00			2.00
Advertising Expenses	6,750.00	6,750.00	4,630.56			2,119.44
Other Expenses	34,600.00	34,600.00	28,885.26	949.66		4,765.08
Alcoholic Beverage Control:						
Salaries and Wages	2,700.00	2,700.00	700.00			2,000.00
Other Expenses	250.00	250.00	201.00			49.00
Litigation:						
Other Expenses	180,000.00	180,000.00	157,421.87	5,935.80		16,642.33
Township Clerk:						
Salaries and Wages	264,195.00	214,195.00	205,561.50			8,633.50
Other Expenses	4,900.00	4,900.00	2,189.58			2,710.42
Elections:						
Salaries and Wages	12,500.00	12,500.00	5,360.11			7,139.89
Other Expenses	21,000.00	21,000.00	15,271.36			5,728.64
Township Attorney:						
Salaries and Wages	111,500.00	111,500.00	109,652.20			1,847.80
Human Relation Commission:						
Other Expenses	6,000.00	6,000.00	4,568.75	118.10		1,313.15

TOWNSHIP OF WEST ORANGE
CURRENT FUND
STATEMENT OF EXPENDITURES
YEAR ENDED DECEMBER 31, 2009

	Budget	Budget After Modification	Paid or Charged	Expended		Unexpended Balance Cancelled
				Encumbered	Reserved	
EXECUTIVE AND LEGISLATIVE:						
Planning Board:						
Salaries and Wages	5,250.00	5,250.00	5,249.40		0.60	
Other Expenses	27,100.00	27,100.00	8,981.88	17,977.36	140.76	
Zoning Board of Adjustments:						
Salaries and Wages	5,250.00	5,250.00	5,249.40		0.60	
Other Expenses	5,200.00	5,200.00	4,861.78	265.16	73.06	
Board of Appeals:						
Other Expenses	50.00	50.00	-		50.00	
Open Space, Recreation and Env. Commission						
Other Expenses	1,000.00	1,000.00	434.82	475.00	90.18	
Waste Management:						
Salaries and Wages	5,000.00	5,000.00	5,000.00			
Other Expenses	382,900.00	262,900.00	198,333.31		64,566.69	
Municipal Court						
Salaries and Wages	387,351.00	397,351.00	388,320.58		9,030.42	
Other Expenses	124,470.00	124,470.00	115,690.44	3,986.87	4,792.69	
Public Defender (P.L. 1997, C.256)						
Salaries and Wages	17,727.00	19,727.00	19,727.00			
Rent Leveling Board:						
Salaries and Wages	500.00	500.00	-		500.00	
Other Expenses	200.00	200.00	200.00			
TOTAL EXECUTIVE AND LEGISLATIVE	1,735,481.00	1,597,481.00	1,434,465.81	29,707.95	133,307.24	

TOWNSHIP OF WEST ORANGE
CURRENT FUND
STATEMENT OF EXPENDITURES
YEAR ENDED DECEMBER 31, 2009

	Budget	Budget After Modification	Paid or Charged	Expended		Unexpended Balance Cancelled
				Encumbered	Reserved	
ADMINISTRATION AND FINANCE:						
Business Administrator - Director:						
Salaries and Wages	271,003.00	271,003.00	262,901.84		8,101.16	
Other Expenses	141,300.00	141,300.00	105,631.58	19,135.35	16,533.07	
Administration of Township - Owned Property:						
Other Expenses	1,000.00	1,000.00	-		1,000.00	
Central Purchasing:						
Salaries and Wages	138,967.00	138,967.00	138,966.36		0.64	
Other Expenses	40,250.00	40,250.00	39,052.28	1,173.11	24.61	
Central Printing and Supplies:						
Salaries and Wages	71,547.00	71,547.00	71,546.80		0.20	
Other Expenses	13,800.00	13,800.00	6,908.30		6,891.70	
Central Telephone:						
Other Expenses	247,300.00	247,300.00	212,458.46	22,172.33	12,669.21	
Central Mailing:						
Other Expenses	68,750.00	68,750.00	63,310.85		5,439.15	
Central Insurance:						
Unemployment Compensation Insurance	100.00	100.00	100.00			
General Liability	770,000.00	770,000.00	770,000.00			
Workers Compensation	600,000.00	600,000.00	600,000.00			
Employee Group Health	8,035,000.00	7,485,000.00	7,226,281.27	160,000.00	98,718.73	
Township Physician:						
Salaries and Wages	23,892.00	23,892.00	23,892.00			
Other Expenses	3,365.00	3,365.00	1,288.96	611.00	1,465.04	
Collector's Office:						
Salaries and Wages	236,450.00	236,450.00	226,331.34		10,118.66	
Other Expenses	22,900.00	22,900.00	19,320.87	107.72	3,471.41	
Township Treasurer:						
Other Expenses	13,100.00	13,100.00	6,824.71	5,823.67	451.62	
Comptroller's Office:						
Salaries and Wages	381,352.00	381,352.00	378,867.43		2,484.57	
Other Expenses	44,825.00	44,825.00	38,881.20	5,538.86	404.94	
TOTAL ADMINISTRATION AND FINANCE	11,124,901.00	10,574,901.00	10,192,584.25	214,562.04	167,774.71	

TOWNSHIP OF WEST ORANGE
CURRENT FUND
STATEMENT OF EXPENDITURES
YEAR ENDED DECEMBER 31, 2009

	Budget	Budget After Modification	Paid or Charged	Expended Encumbered	Reserved	Unexpended Balance Cancelled
PLANNING AND DEVELOPMENT:						
Director of Planning and Development:						
Salaries and Wages	292,308.00	292,308.00	282,320.98		9,987.02	
Other Expenses	11,100.00	11,100.00	10,535.78	365.43	198.79	
Housing Code Enforcement:						
Salaries and Wages	250,678.00	250,678.00	250,176.16		501.84	
Other Expenses	8,475.00	8,475.00	8,047.50	425.06	2.44	
Downtown West Orange Alliance						
Salaries and Wages	40,809.00	40,809.00	40,809.00		347.33	
Other Expenses	6,500.00	6,500.00	5,162.27	990.40		
Arts Council						
Other Expenses	4,225.00	4,225.00	4,225.00			
Historical Preservation:						
Other Expenses	4,600.00	4,600.00	66.32	4,533.68		
TOTAL PLANNING AND DEVELOPMENT	618,695.00	618,695.00	601,343.01	6,314.57	11,037.42	
ASSESSMENT:						
Assessor's Office:						
Salaries and Wages	190,681.00	190,681.00	190,602.07		78.93	
Other Expenses	54,500.00	54,500.00	36,362.10	13,679.27	4,458.63	
TOTAL ASSESSMENT	245,181.00	245,181.00	226,964.17	13,679.27	4,537.56	
POLICE:						
Division of Police:						
Salaries and Wages	13,544,079.00	13,544,079.00	13,495,635.74		48,443.26	
Uniform Allowance	118,100.00	118,100.00	46,754.97	39,028.70	32,316.33	
Other Expenses	390,850.00	390,850.00	390,550.03		299.97	
TOTAL POLICE	14,053,029.00	14,053,029.00	13,932,940.74	39,028.70	81,059.56	
FIRE:						
Division of Fire:						
Salaries and Wages	9,207,487.00	9,157,487.00	9,037,145.36		120,341.64	
Other Expenses	159,990.00	159,990.00	127,781.28	22,003.97	10,204.75	
Emergency Management Service:						
Salaries and Wages	2,750.00	2,750.00	2,750.00		1,711.36	
Other Expenses	6,000.00	6,000.00	4,288.64			
Uniform Fire Safety Act:						
Salaries and Wages	24,309.00	24,309.00	24,309.00			
Other Expenses	31,827.00	31,827.00	12,451.34	2,708.39	16,667.27	
TOTAL FIRE	9,432,363.00	9,382,363.00	9,208,725.62	24,712.36	148,925.02	

See Notes to Financial Statements

TOWNSHIP OF WEST ORANGE
CURRENT FUND
STATEMENT OF EXPENDITURES
YEAR ENDED DECEMBER 31, 2009

	Expended				Unexpended	
	Budget	Budget After Modification	Paid or Charged	Encumbered	Reserved	Balance Cancelled
PUBLIC WORKS:						
Office of the Township Engineer:						
Salaries and Wages	539,467.00	546,967.00	543,588.11		3,378.89	
Other Expenses	8,000.00	8,000.00	2,023.02	801.42	5,175.56	
Public Buildings Operation and Maintenance:						
Other Expenses	290,050.00	290,050.00	231,374.67	30,616.72	28,058.61	
Shade Tree Care and Planting:						
Other Expenses	221,000.00	221,000.00	62,478.52	144,899.09	13,622.39	
Parking Facilities Maintenance and Repairs:						
Salaries and Wages	2,200.00	2,200.00	2,200.00		1,829.77	
Other Expenses	5,000.00	5,000.00	3,170.23			
Division of Public Works:						
Salaries and Wages	2,853,817.00	2,836,317.00	2,705,865.37		130,451.63	
Street Services, Cleaning and Drainage:						
Salt, Chloride and Plowing	250,000.00	310,000.00	166,326.65	48,973.41	94,699.94	
Other Expenses	64,000.00	64,000.00	49,082.36	6,184.41	8,733.23	
Street Repairs:						
Other Expenses	90,000.00	90,000.00	56,246.04	16,825.46	16,928.50	
Street Service and Traffic:						
Other Expenses	15,400.00	15,400.00	11,324.00		4,076.00	
Sanitation and General Service Force:						
Other Expenses	8,000.00	8,000.00	3,482.47		4,517.53	
Central Automotive:						
Other Expenses	520,000.00	520,000.00	396,491.16	27,750.01	95,758.83	
Sewage and Plumbing Stations:						
Other Expenses	69,000.00	69,000.00	53,406.94	5,872.30	9,720.76	
TOTAL PUBLIC WORKS	4,935,934.00	4,985,934.00	4,297,059.54	281,922.82	416,951.64	

TOWNSHIP OF WEST ORANGE
CURRENT FUND
STATEMENT OF EXPENDITURES
YEAR ENDED DECEMBER 31, 2009

	Budget	Budget After Modification	Paid or Charged	Expended	Reserved	Unexpended Balance Cancelled
				Encumbered		
HEALTH AND WELFARE:						
Dental Health and Child Health Clinic:						
Salaries and Wages	26,637.00	26,637.00	26,572.19			64.81
Other Expenses	4,148.00	4,148.00	3,724.85	423.15		
General Health Services:						
Salaries and Wages	669,955.00	669,955.00	665,596.58		4,358.42	
Other Expenses	24,427.00	24,427.00	20,284.29	4,142.71		
Senior Citizen Transportation Program:						
Salaries and Wages	241,992.00	241,992.00	220,550.65		21,441.35	
Other Expenses	1,150.00	1,150.00	497.91	651.59	0.50	
Aid to Health Care Facilities:						
N.J.S. 44:5-2 as Amended	1,500.00	1,500.00	750.00	750.00		
Division of Welfare						
Salaries and Wages	77,363.00	77,363.00	76,362.64		1,000.36	
Other Expenses	5,200.00	5,200.00	4,543.24	581.76	75.00	
Animal Control:						
Salaries and Wages	118,165.00	118,165.00	102,773.20		15,391.80	
Other Expenses	3,400.00	3,400.00	2,900.96	471.37	27.67	
Garbage and Trash Removal:						
Other Expenses	3,700,000.00	3,550,000.00	3,086,853.44	350,000.00	113,146.56	
Meals on Wheels:						
Contractual	3,860.00	3,860.00			3,860.00	
Podiatry Clinic:						
Salaries and Wages	10,000.00	10,000.00	5,049.15	2,950.85	2,000.00	
Other Expenses	4,500.00	4,500.00	3,546.52	932.79	20.69	
Senior Citizen Health Center:						
Salaries and Wages	317,447.00	317,447.00	303,604.33		13,842.67	
Other Expenses	7,150.00	7,150.00	5,067.82	2,020.43	61.75	
Health Day:						
Other Expenses	500.00	500.00	500.00			
Borough of Essex Falls - Health Services:						
Interlocal Contract:						
Salaries and Wages	8,993.00	8,993.00	8,993.00			
Child Health Clinic (Medicaid):						
Salaries and Wages	7,480.00	7,480.00	3,732.45	900.00	2,847.55	
Other Expenses	2,500.00	2,500.00	2,384.56	112.55	2.89	
Right to Know:						
Salaries and Wages	4,650.00	4,650.00	4,472.67		177.33	
Other Expenses	825.00	825.00	760.07	64.93		
TOTAL HEALTH AND WELFARE	5,241,842.00	5,091,842.00	4,549,520.52	364,002.13	178,319.35	

See Notes to Financial Statements.

**TOWNSHIP OF WEST ORANGE
CURRENT FUND
STATEMENT OF EXPENDITURES
YEAR ENDED DECEMBER 31, 2009**

	Budget	Budget After Modification	Paid or Charged	Expended Encumbered	Reserved	Unexpended Balance Cancelled
RECREATION AND EDUCATION:						
Community Services - Recreational:						
Civic Contracts	77,750.00	77,750.00	75,380.00		2,370.00	
Parks and Playground:						
Salaries and Wages	855,614.00	863,114.00	852,057.54		11,056.46	
Other Expenses	217,085.00	217,085.00	183,481.76	21,036.68	12,566.56	
Program for Retired Citizens:						
Salaries and Wages	68,200.00	68,200.00	68,199.56		0.44	
Other Expenses	21,450.00	21,450.00	13,765.11	3,677.34	4,007.55	
Celebration of Public Events:						
Other Expenses	46,150.00	46,150.00	42,943.05	2,237.99	968.96	
TOTAL RECREATION AND EDUCATION	1,286,249.00	1,293,749.00	1,235,827.02	26,952.01	30,969.97	
UNIFORM CONSTRUCTION CODE:						
Construction Official:						
Salaries and Wages	419,628.00	419,628.00	388,113.08		31,514.92	
Other Expenses	143,345.00	143,345.00	90,699.90	51,980.39	684.71	
TOTAL UNIFORM CONSTRUCTION CODE	562,973.00	562,973.00	478,812.98	51,980.39	32,179.63	
UNCLASSIFIED						
New Jersey League of Municipalities:						
Membership Dues	3,250.00	3,250.00	2,925.00		325.00	
Challenge Grant Bus Shuttle	76,000.00	76,000.00	35,615.35	2,264.00	38,120.65	
Utilities:						
Gasoline	669,462.00	437,962.00	261,325.45	47,308.84	129,327.71	
Fuel Oil	2,500.00	2,500.00	1,053.72		1,446.28	
Electricity	528,050.00	528,050.00	465,752.51		62,297.49	
Street Lighting	570,000.00	570,000.00	129,299.02		440,700.98	
Fire Hydrant Service	625,680.00	625,680.00	521,391.09		104,288.91	
Water	27,800.00	27,800.00	22,001.55		5,798.45	
Compensated Absence Liability	5,000.00	1,055,000.00	1,055,000.00			
Medical Transport Billing Service	30,000.00	30,000.00	19,204.65	4,437.97	6,357.38	
TOTAL UNCLASSIFIED	2,537,742.00	3,356,242.00	2,513,568.34	54,010.81	788,662.85	
CONTINGENT						
	7,500.00	7,500.00			7,500.00	
TOTAL CONTINGENT	7,500.00	7,500.00	48,661,792.00	1,106,873.05	2,001,224.95	
DETAIL:						
Salaries and Wages	31,861,031.00	31,770,531.00	31,298,321.35	3,850.85	468,358.80	
Other Expenses (including Contingent)	19,920,859.00	19,999,359.00	17,363,470.65	1,103,022.20	1,532,666.15	

See Notes to Financial Statements

TOWNSHIP OF WEST ORANGE
CURRENT FUND
STATEMENT OF EXPENDITURES
YEAR ENDED DECEMBER 31, 2009

	Budget	Budget After Modification	Paid or Charged	Expended Encumbered	Reserved	Unexpended Balance Cancelled
DEFERRED CHARGES:						
STATUTORY EXPENDITURES - MUNICIPAL WITHIN "CAPS":						
Contributions to:						
Social Security System (O.A.S.I.)	1,025,000.00	1,037,000.00	1,027,429.23		9,570.77	
Consolidated Police and Firemen's Pension Fund	101,300.00	101,300.00	101,253.39		46.61	
Defined Contribution Retirement Plan	2,000.00	2,000.00	2,000.00			
Contribution to:						
Public Employees Retirement System	636,059.00	636,059.00	628,639.68		7,419.32	
Police and Fireman's Retirement System of N.J.	3,978,892.00	3,978,892.00	3,978,892.00			
TOTAL DEFERRED CHARGES AND STATUTORY EXPENDITURES	5,743,251.00	5,755,251.00	5,738,214.30		17,036.70	
TOTAL APPROPRIATIONS WITHIN "CAPS"	57,525,141.00	57,525,141.00	54,400,006.30	1,106,873.05	2,018,261.65	
OTHER OPERATIONS:						
Maintenance of Free Public Library	2,661,844.00	2,661,844.00	2,661,844.00			
Joint Sewer Outlet Maintenance	2,129,976.00	2,129,976.00	2,090,655.41		39,320.59	
School Board Elections:						
Salaries and Wages	4,000.00	4,000.00	3,687.55		312.45	
Other Expenses	800.00	800.00	606.58		193.42	
Borough of Roseland-Tax Assessor						
Salaries and Wages	15,767.00	15,767.00	15,767.00			
Tax Appeals Pending	650,000.00	650,000.00	650,000.00			
LOSAP-First Aid Pension Costs	40,000.00	40,000.00			40,000.00	
TOTAL OTHER OPERATIONS	5,502,387.00	5,502,387.00	5,422,560.54		79,826.46	

TOWNSHIP OF WEST ORANGE
CURRENT FUND
STATEMENT OF EXPENDITURES
YEAR ENDED DECEMBER 31, 2009

	Budget	Budget After Modification	Paid or Charged	Expended Encumbered	Reserved	Unexpended Balance Cancelled
PUBLIC AND PRIVATE PROGRAMS OFFSET BY REVENUE:						
Public Health Priority Funding:						
Department of Environmental Protection:						
Clean Communities Program:						
Title III Older American's Act	21,140.00	21,140.00	21,140.00			
Drunk Driving Enforcement Fund	59,515.00	59,515.00	59,515.00			
Pedestrian Safety Enforcement	37,871.00	37,871.00	37,871.00			
Property Acquisition-Parking Garage	5,545.00	9,499.00	18,000.00			
Cops in Shops	18,000.00	18,000.00	148,400.00			
West Orange Municipal Alliance Committee:	148,400.00	7,000.00	7,000.00			
Safe and Secure Communities	74,750.00	74,750.00	74,750.00			
Delinquency Prevention Grant	58,581.00	58,581.00	58,581.00			
Emergency Preparedness Grant	25,737.00	25,737.00	25,737.00			
Commuter Shuttle Grant	2,500.00	2,500.00	2,500.00			
Over the Limit-Under Arrest	30,000.00	30,000.00	30,000.00			
Essex County Open Space and Recreation		6,000.00	6,000.00			
NJ Dept of Health-H1N1 Program		225,000.00	225,000.00			
Byrne Memorial Justice Assistance		120,912.00	120,912.00			
		54,419.00	54,419.00			
TOTAL PUBLIC AND PRIVATE PROGRAMS OFFSET BY REVENUE	489,039.00	899,324.00	899,324.00			
TOTAL OPERATIONS EXCLUDED FROM "CAPS"	5,991,426.00	6,401,711.00	6,321,884.54		79,826.46	
CAPITAL IMPROVEMENTS:						
Capital Improvement Fund	400,000.00	400,000.00	400,000.00			
Transportation Trust Fund	250,000.00	250,000.00	250,000.00			
Undercliff Terrace	200,000.00	200,000.00	200,000.00			
Byrne Road		279,500.00	279,500.00			
Old Salem Road and Old Salem Place						
TOTAL CAPITAL IMPROVEMENTS	850,000.00	1,129,500.00	1,129,500.00			

TOWNSHIP OF WEST ORANGE
CURRENT FUND
STATEMENT OF EXPENDITURES
YEAR ENDED DECEMBER 31, 2009

	Budget	Budget After Modification	Paid or Charged	Expended Encumbered	Reserved	Unexpended Balance Cancelled
MUNICIPAL DEBT SERVICE:						
Payment of Bond Principal	2,245,000.00	2,245,000.00	2,245,000.00			
Payment of Bond Anticipation Notes	230,000.00	230,000.00	230,000.00			
NUJET Trust and Fund Loans						
Principal	198,000.00	198,000.00	197,564.68			435.32
Interest	80,000.00	80,000.00	73,114.16			6,885.84
Interest on Bonds	1,216,500.00	1,216,500.00	1,216,024.85			475.15
Interest on Notes	251,000.00	251,000.00	250,052.51			947.49
TOTAL MUNICIPAL DEBT SERVICE	4,220,500.00	4,220,500.00	4,211,756.20			8,743.80
DEFERRED CHARGES						
Deferred Charges to Future Taxation-Unfunded	23,500.00	23,500.00	23,500.00			
TOTAL DEFERRED CHARGES-MUNICIPAL- EXCLUDED FROM "CAPS"						
	23,500.00	23,500.00	23,500.00			
	11,085,426.00	11,775,211.00	11,686,640.74		79,826.46	8,743.80
	68,610,567.00	69,300,352.00	68,086,647.04	1,106,873.05	2,098,088.11	8,743.80
	2,928,244.00	2,928,244.00	2,928,244.00			
	\$ 71,538,811.00	\$ 72,228,596.00	\$ 69,014,891.04	\$ 1,106,873.05	\$ 2,098,088.11	\$ 8,743.80
REF			Below	A	A	

Original Budget
Added per N.J.S. 40A:4-87

\$ 71,538,811.00
689,783.00
\$ 72,228,596.00

A-2

Cash Disbursed
Reserve for Tax Appeals
Reserve for Grants
Reserve for Uncollected Taxes

\$ 63,956,223.04
650,000.00
1,480,424.00
2,928,244.00

\$ 69,014,891.04

See Notes to Financial Statements

**TOWNSHIP OF WEST ORANGE
TRUST FUND
BALANCE SHEETS**

B

ASSETS		December 31,		Ref.	LIABILITIES, RESERVES AND FUND BALANCE		
	2009	2008			2009	2008	
ANIMAL CONTROL FUND:							
Cash	B-3	\$ 66,339.76	\$ 47,738.38	B-12	\$ 5,358.00	\$ 3,129.00	
Due from State of New Jersey	B-10	1.20		B-10		4.20	
				B-15	60,982.96	44,605.18	
		<u>\$ 66,340.96</u>	<u>\$ 47,738.38</u>		<u>\$ 66,340.96</u>	<u>\$ 47,738.38</u>	
GENERAL TRUST FUND:							
Cash	B-3	8,126,841.71	6,765,192.28	B-13	8,126,841.71	6,765,192.28	
		<u>\$ 8,126,841.71</u>	<u>\$ 6,765,192.28</u>		<u>\$ 8,126,841.71</u>	<u>\$ 6,765,192.28</u>	
INSURANCE TRUST FUND:							
Cash	B-4	1,574,246.89	1,670,765.45	B-16	1,549,083.24	1,664,509.24	
Due from Payroll Agency	B-11	1,414.24	1,317.38	B-11	26,577.89	7,573.59	
		<u>\$ 1,575,661.13</u>	<u>\$ 1,672,082.83</u>		<u>\$ 1,575,661.13</u>	<u>\$ 1,672,082.83</u>	
FEDERAL GRANT TRUST FUND:							
Cash	B-5	188,000.46	145,838.93	B-17	830,000.00	1,156,000.00	
Grant Receivable	B-6	829,999.87	1,155,999.87	B-21	84,814.00		
				B-18	103,186.33	145,838.80	
		<u>\$ 1,018,000.33</u>	<u>\$ 1,301,838.80</u>		<u>\$ 1,018,000.33</u>	<u>\$ 1,301,838.80</u>	
OPEN SPACE TRUST FUND							
Cash	B-2	1,265,576.39	1,193,466.18	B-19	1,265,576.39	1,193,466.18	
		<u>\$ 1,265,576.39</u>	<u>\$ 1,193,466.18</u>		<u>\$ 1,265,576.39</u>	<u>\$ 1,193,466.18</u>	
SPECIAL IMPROVEMENT DISTRICT FUND							
SID Receivable	B-9	1,429.19	904.62	B-14	1,429.19	904.62	
		<u>\$ 1,429.19</u>	<u>\$ 904.62</u>		<u>\$ 1,429.19</u>	<u>\$ 904.62</u>	
ASSESSMENT TRUST FUND							
Cash	B-3	41,290.92		B-20	118,364.29		
Assessments Receivable	B-7	118,364.29		B-1	41,290.92		
		<u>\$ 159,655.21</u>			<u>\$ 159,655.21</u>		

Township of West Orange
Trust Fund
Statement of Fund Balance-Assessment Fund

B-1

	Ref.	
Balance, December 31, 2008	B	\$ -
Increased by:		
Cash Receipts	B-3	<u>41,290.92</u>
Balance, December 31, 2009	B	<u><u>\$ 41,290.92</u></u>

See Notes to Financial Statements

**TOWNSHIP OF WEST ORANGE
GENERAL CAPITAL FUND
BALANCE SHEETS**

ASSETS	Ref.	December 31,	
		2009	2008
Cash	C-2	\$ 3,732,402.70	\$ 420,428.94
Prospective Assessments Raised by Taxation	C-8	-	9,150.00
NJEPA Trust and Fund Loan Receivable	C-15	2,447,091.00	2,447,091.00
State Grants Receivable	C-14	3,198,270.04	1,334,936.70
		5,645,361.04	3,782,027.70
Deferred Charges to Future Taxation:			
Funded	C-6	31,322,098.25	33,764,662.93
Unfunded	C-7	29,426,483.69	18,665,234.68
		60,748,581.94	52,429,897.61
		<u>\$ 70,126,345.68</u>	<u>\$ 56,641,504.25</u>
LIABILITIES AND FUND BALANCE			
Serial Bonds	C-9	27,810,000.00	30,055,000.00
NJEPA Trust and Fund Loan-ORD#1823-02	C-4	678,993.83	723,473.72
NJEPA Trust and Fund Loan-ORD#2017-05	C-4	2,101,797.91	2,209,001.37
NJEPA Trust and Fund Loan-ORD#2050-05	C-4	731,306.51	777,187.84
Bond Anticipation Notes	C-10	16,921,356.00	8,037,899.00
Improvement Authorizations:			
Funded	C-11	2,787,496.21	2,602,856.83
Unfunded	C-11	12,788,905.13	8,342,487.11
Encumbered	C-11	3,164,394.66	1,837,765.32
Capital Improvement Fund	C-12	181,748.96	182,973.96
Loan Payable-Parking Garage	C-17	200,952.30	332,777.18
Reserve-Parking Garage	C-17	46,119.92	61,303.18
Reserve for Green Acres Receivable	C-14	103,270.02	103,270.02
Reserve-Board of Education	C-14	2,215,000.02	941,666.68
Reserve for Prospective Assessments	C-8		9,150.00
Reserve to Pay Debt Service	C-16	255,231.01	220,000.00
Fund Balance	C-1	139,773.20	204,692.04
		<u>\$ 70,126,345.68</u>	<u>\$ 56,641,504.25</u>
Bonds and Notes Authorized but Not Issued	C-13	\$ 12,505,127.69	\$ 10,627,335.68

**TOWNSHIP OF WEST ORANGE
GENERAL CAPITAL FUND
STATEMENT OF FUND BALANCE**

C-1

	<u>Ref.</u>		
Balance, December 31, 2008	C		\$ 204,692.04
Increased by:			
Premium on Sale of Bond Anticipation Notes	C-2	\$ 126,080.77	
Improvement Authorizations Cancelled	C-11	<u>13,000.39</u>	<u>139,081.16</u>
			343,773.20
Decreased by:			
Payment to Current Fund as Anticipated Revenue	C-2		<u>204,000.00</u>
Balance, December 31, 2009	C		<u><u>\$ 139,773.20</u></u>

**TOWNSHIP OF WEST ORANGE
SWIMMING POOL UTILITY FUND
BALANCE SHEETS
REGULATORY BASIS**

D

		December 31,	
ASSETS	Ref.	2009	2008
OPERATING FUND:			
Cash	D-4	\$ 283,003.68	\$ 304,425.87
		<u>283,003.68</u>	<u>304,425.87</u>
DEFERRED CHARGES:			
Emergency Authorizations			
NJS 40A: 4-46	D-3		10,000.00
Deficit in Operations	D-1	<u>15,993.00</u>	
		<u>298,996.68</u>	<u>314,425.87</u>
CAPITAL FUND:			
Fixed Capital	D-6	<u>523,433.15</u>	<u>523,433.15</u>
		<u>\$ 822,429.83</u>	<u>\$ 837,859.02</u>
LIABILITIES AND FUND BALANCES			
OPERATING FUND:			
Appropriation Reserves	D-3, D-7	\$ 19,760.10	\$ 17,199.29
Fund Balance	D-1	<u>279,236.58</u>	<u>297,226.58</u>
		<u>298,996.68</u>	<u>314,425.87</u>
CAPITAL FUND:			
Reserve for Amortization	D-8	<u>523,433.15</u>	<u>523,433.15</u>
		<u>\$ 822,429.83</u>	<u>\$ 837,859.02</u>

**TOWNSHIP OF WEST ORANGE
SWIMMING POOL UTILITY FUND
STATEMENT OF OPERATIONS AND CHANGES IN FUND BALANCE**

D-1

		Years Ended December 31,	
	Ref.	2009	2008
REVENUE AND OTHER INCOME:			
Fund Balance Utilized	D-2	\$ 17,990.00	\$ -
Membership Fees	D-2	179,625.00	200,140.00
Miscellaneous Revenue Anticipated	D-2	45,221.56	47,992.00
Prior Year Revenue			45.00
Other Credits to Income:			
Appropriation Reserves Lapsed	D-7	6,160.44	10,772.65
TOTAL REVENUE AND OTHER INCOME		248,997.00	258,949.65
EXPENDITURES:			
Budgeted Appropriations:			
Salaries and Wages	D-3	151,529.00	138,529.00
Other Expenses	D-3	91,860.00	81,860.00
Emergency Appropriations	D-3	10,000.00	
Statutory Expenditures	D-3	11,601.00	10,599.00
TOTAL EXPENDITURES	D-3	264,990.00	230,988.00
EXCESS OF REVENUE OVER EXPENDITURES			27,961.65
DEFICIT IN OPERATIONS	D	\$ 15,993.00	
FUND BALANCE, BEGINNING OF YEAR	D	297,226.58	269,264.93
		297,226.58	297,226.58
UTILIZED AS ANTICIPATED REVENUE	D-2	17,990.00	
FUND BALANCE, END OF YEAR	D	\$ 279,236.58	\$ 297,226.58

**TOWNSHIP OF WEST ORANGE
SWIMMING POOL UTILITY FUND
STATEMENT OF REVENUES
YEAR ENDED DECEMBER 31, 2009**

D-2

	Ref.	Anticipated Budget	Realized	Excess or (Deficit)
FUND BALANCE ANTICIPATED	D-1	\$ 17,990.00	\$ 17,990.00	\$ -
MEMBERSHIP FEES	D-1, D-4	200,000.00	179,625.00	(20,375.00)
MISCELLANEOUS	D-1, D-4	47,000.00	45,221.56	(1,778.44)
	D-3	<u>\$ 264,990.00</u>	<u>\$ 242,836.56</u>	<u>\$ (22,153.44)</u>
ANALYSIS OF MISCELLANEOUS REVENUES:				
Guest Fees			\$ 17,327.05	
Food Concession			9,751.51	
Swimming Pool Lessons and Courses			8,540.00	
Swim Team Fees			5,770.00	
Pool Parties			3,087.00	
Temporary Badge Fee			746.00	
			<u>\$ 45,221.56</u>	

TOWNSHIP OF WEST ORANGE
SWIMMING POOL UTILITY FUND
STATEMENT OF EXPENDITURES
YEAR ENDED DECEMBER 31, 2009

	Budget	Budget After Modification	Paid or Charged	Expended		Reserved
				Encumbered		
OPERATING:						
Salaries and Wages	\$ 151,529.00	\$ 151,529.00	\$ 148,283.46		\$ 3,245.54	
Other Expenses	91,860.00	91,860.00	75,594.11	834.77		15,431.12
EMERGENCY AUTHORIZATION	10,000.00	10,000.00	10,000.00			
STATUTORY EXPENDITURES:						
Social Security	11,600.00	11,600.00	11,351.33			248.67
Unemployment Insurance	1.00	1.00	1.00			
	<u>\$ 264,990.00</u>	<u>\$ 264,990.00</u>	<u>\$ 245,229.90</u>	<u>\$ 834.77</u>	<u>\$ 18,925.33</u>	

Reference D-1, D-2 D-1, D-2 Below D D

Emergency Authorization	D	\$ 10,000.00
Cash Disbursements	D-4	235,229.90
		<u>\$ 245,229.90</u>

**TOWNSHIP OF WEST ORANGE
PUBLIC ASSISTANCE FUND
BALANCE SHEETS**

E

ASSETS	Ref.	December 31,	
		2009	2008
Cash	E-5	\$ 1,553.99	\$ 1,553.99
		<u>\$ 1,553.99</u>	<u>\$ 1,553.99</u>
LIABILITIES AND RESERVES			
Fund Balance	E-1	\$ 1,553.99	\$ 1,553.99
		<u>\$ 1,553.99</u>	<u>\$ 1,553.99</u>

TOWNSHIP OF WEST ORANGE
PUBLIC ASSISTANCE FUND

E-1

STATEMENT OF OPERATIONS AND CHANGES IN FUND BALANCE - TRUST I

	Ref.	Years Ended December 31,	
		2009	2008
REVENUE AND OTHER INCOME:			
Due from Current Fund	E-7	\$ 400,000.00	\$ 350,000.00
TOTAL REVENUE AND OTHER INCOME		<u>400,000.00</u>	<u>350,000.00</u>
EXPENDITURES:			
Due to Current Fund	E-7	<u>400,000.00</u>	<u>350,000.00</u>
TOTAL EXPENDITURES		<u>400,000.00</u>	<u>350,000.00</u>
EXCESS (DEFICIT) OF REVENUE OVER EXPENDITURES			
FUND BALANCE, BEGINNING OF YEAR	E	<u>1,553.99</u>	<u>1,553.99</u>
FUND BALANCE, END OF YEAR	E	<u>\$ 1,553.99</u>	<u>\$ 1,553.99</u>

TOWNSHIP OF WEST ORANGE
PUBLIC ASSISTANCE FUND
STATEMENT OF OPERATIONS AND CHANGES IN FUND BALANCE - TRUST II

E-2

	Ref.	Years Ended December 31,	
		2009	2008
REVENUE AND OTHER INCOME:			
State Aid	E-3	\$ 262,673.42	\$ 306,686.98
Supplemental Security Income			
Reimbursements	E-3	44,892.78	7,338.00
TOTAL REVENUE AND OTHER INCOME	E-3	307,566.20	314,024.98
EXPENDITURES:			
Public Assistance	E-4	307,566.20	314,024.98
TOTAL EXPENDITURES		307,566.20	314,024.98
EXCESS OF REVENUE OVER			
EXPENDITURES			
FUND BALANCE, BEGINNING OF YEAR	E		
FUND BALANCE, END OF YEAR	E	\$ -	\$ -

TOWNSHIP OF WEST ORANGE

F

GENERAL FIXED ASSETS GROUP

BALANCE SHEETS

ASSETS	December 31,	
	2009	2008
Movable Fixed Assets:		
Office Equipment	\$ 2,480,682	\$ 2,451,171
Vehicles	10,776,850	10,815,016
Other Equipment	2,833,885	2,791,892
	<u>16,091,417</u>	<u>16,058,079</u>
Land	11,861,900	11,861,900
Building	17,471,253	17,471,253
	<u>29,333,153</u>	<u>29,333,153</u>
	<u>\$ 45,424,570</u>	<u>\$ 45,391,232</u>
FUND BALANCE		
Investment in General Fixed Assets	<u>\$ 45,424,570</u>	<u>\$ 45,391,232</u>

*TOWNSHIP OF WEST ORANGE
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED DECEMBER 31, 2009*

A. Summary of Significant Accounting Policies:

1. Description of Funds

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

The accounting policies of the Township of West Orange conform to the accounting principles and practices prescribed by the Division of Local Government Services, Department of Community Affairs, State of New Jersey (the "Division"). Such principles and practices are designed primarily for determining compliance with legal provisions and budgetary restrictions and as a means of reporting on the stewardship of public officials with respect to public funds. Under this method of accounting, the Township accounts for its financial activities through the following separate funds which differ from the fund structure required by generally accepted accounting principles:

Current Fund:

Resources and expenditures for governmental operations of a general nature, including Federal and State grants for operations.

Trust Fund:

Receipts, custodianship, and disbursement of monies in accordance with the purpose for which each reserve was created.

General Capital Fund:

Receipt and disbursement of funds used for acquisition of general capital facilities, other than those acquired in the Current Fund. General bonds and notes payable are recorded in this fund offset by deferred charges to future taxation.

Utilities Funds:

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

General Fixed Assets Account Group:

Estimated cost of general fixed assets acquired by the Township.

TOWNSHIP OF WEST ORANGE
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED DECEMBER 31, 2009

A. Summary of Significant Accounting Policies - Continued:

1. Description of Funds - Continued

Public Assistance Fund:

Receipts and disbursements of funds that provide assistance to certain residents of the Township pursuant to Title 44 of New Jersey Statutes.

2. Basis of Accounting

The accounting principles and practices prescribed for municipalities by the Division differ in certain respects from generally accepted accounting principles applicable to local government units. The more significant differences are as follows:

Property Taxes and Other Revenues:

Property taxes and other revenues are recognized on a cash basis. Receivables for property taxes and other items that are susceptible to accrual are recorded with offsetting reserves on the balance sheet of the Township's Current Fund. 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 Revenues and Expenditures:

Federal and State grants, entitlements or shared revenues received for purposes normally financed through the Current Fund are recognized when anticipated in the Township budget. GAAP requires such revenues to be recognized in the accounting period when they are earned and the expenditures to be recognized when the liability is incurred.

Expenditures:

Unexpended or uncommitted appropriations at December 31, are reported as expenditures through the establishment of appropriation reserves unless cancelled by the governing body. GAAP requires expenditures to be recognized in the accounting period in which the fund liability is incurred, except for un-matured interest on general long-term debt, which should be recognized when due.

Encumbrances:

Contractual orders at December 31, are reported as expenditures through the establishment of a reserve for encumbrances. Encumbrances do not constitute expenditures under GAAP.

Appropriation Reserves:

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

*TOWNSHIP OF WEST ORANGE
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED DECEMBER 31, 2009*

A. Summary of Significant Accounting Policies - Continued:

2. Basis of Accounting – Continued

Compensated Absences:

Expenditures relating to obligations for unused vested and accumulated vacation and sick pay are not recorded until paid. GAAP requires that the amount that would normally be liquidated with expendable available financial resources be recorded as an expenditure in the operating funds and the remaining obligations be recorded as a long term obligation.

Property Acquired for Taxes:

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

Fixed Assets:

Purchases by the Current and General Capital Funds are recorded as expenditures. A General Fixed Assets Account Group, required by GAAP and the Division of Local Government Services to account for the Township's general property and equipment, excluding infrastructure items, has been established and, accordingly, is presented in the financial statements.

Cash and Investments:

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

Inter-funds:

Inter-fund receivables in the Current Fund are recorded with offsetting reserves which are created by charges to operations. Income is recognized in the year the receivables are liquidated. GAAP does not require the establishment of an offsetting reserve.

Property Tax Revenues:

Real property taxes are assessed locally, based upon the assessed value of the property. The tax bill includes a levy for Municipal, County, and School purposes. Taxes are payable in four quarterly installments on August 1, November 1, February 1, and May 1. If unpaid on these dates, the amount due becomes delinquent and subject to interest at 8% per annum, or 18% on any delinquency amount in excess of \$1,500. The school levy is turned over to the Board of Education as expenditures are incurred, and the balance, if any, must be transferred as of June 30, of each fiscal year. County taxes are paid quarterly on February 15, May 15, August 15, and November 15, to the County by the Township. When unpaid taxes or any municipal lien, or part thereof, on real property, remains in arrears on November 1 in the year following the calendar year levy when the same became in arrears, the collector in the municipality shall (subject to the provisions of the New Jersey Statutes) enforce the lien by placing the property on a tax sale.

**TOWNSHIP OF WEST ORANGE
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED DECEMBER 31, 2009**

A. Summary of Significant Accounting Policies - Continued:

2. Basis of Accounting – Continued

Property Tax Revenues (Continued):

The Township institutes annual in rem tax foreclosure proceedings to enforce the tax collection or acquisition of the property. In accordance with the accounting principles prescribed by the State of New Jersey, current and delinquent taxes are realized as revenue when collected. Since delinquent taxes and liens are fully reserved, no provision has been made to estimate that portion of the taxes receivable and tax title liens that are uncollectible. GAAP requires property tax revenues to be recognized in the accounting period when they become susceptible to accrual, reduced by an allowance for doubtful accounts.

Miscellaneous Revenues:

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

Grant Revenues:

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

Budget and Budgetary Accounting:

An annual budget is required to be adopted and integrated into the accounting system to provide budgetary control over revenues and expenditures. Budget amounts presented in the accompanying financial statements represent amounts adopted by the Township and approved by the State Division of Local Government Services per N.J.S.A. 40A:4 et seq.

The Township is not required to adopt budgets for the following funds.

- General Capital Funds
- Trust Funds
- Public Assistance Funds

The governing body shall introduce and approve the annual budget not later than February 11th of the fiscal year. The budget shall be adopted not later than March 20th and prior to adoption must be certified by the Division of Local Government Services, Department of Community Affairs, State of New Jersey. The Director of the Division of Local Government Services, with the approval of the Local Finance Board, may extend the introduction and approval and adoption dates of the municipal budget. The budget is prepared by fund, function, activity and line item (salary or other expense) and includes information on the previous year.

TOWNSHIP OF WEST ORANGE
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED DECEMBER 31, 2009

A. Summary of Significant Accounting Policies - Continued:

2. Basis of Accounting – Continued

Budget and Budgetary Accounting (Continued):

The legal level of control for appropriations is exercised at the individual line item level for all operating budgets adopted. Emergency appropriations, those made after the adoption of the budget and determination of the tax rate, may be authorized by the governing body of the municipality. During the last two months of the fiscal year, the governing body may, by a 2/3 vote, amend the budget through line item transfers. Management has no authority to amend the budget without the approval of the Governing Body. Expenditures may not legally exceed budgeted appropriations at the line item level.

3. 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 presents the financial statements listed in the table of contents which are required by the Division and which differ from the financial statements required by GAAP. In addition, the Division requires the financial statements listed in the table of contents to be referenced to the supplementary schedules. This practice differs from GAAP.

4. Reporting Entity

GASB Statement 14 establishes criteria to be used to determine which component units should be included in the financial statements of the oversight entity. The Division requires the financial statements of the Township to be reported separately.

The financial statements of the Township 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 of the Township do not include the operations of the Library and Board of Education.

5. Use of Estimates

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reported period. Actual results could differ from those estimates.

*TOWNSHIP OF WEST ORANGE
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED DECEMBER 31, 2009*

B. Deposits and Investments:

1. Deposits/Concentration of Credit Risk

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), the Savings Association Insurance Fund (SAIF), or by any other agencies of the United States that insures deposits or the State of New Jersey Cash Management Fund.

New Jersey statutes require public depositories 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.

The Township's deposits are insured through either the Federal Deposit Insurance Corporation (FDIC) or New Jersey's Governmental Unit Deposit Protection Act. The New Jersey Governmental Unit Deposit Protection Act requires all banks doing business in the State of New Jersey to maintain additional collateral in the amount of 5% of the average public deposits and deposit these amounts with the Federal Reserve Bank for all deposits not covered by the FDIC.

2. Investments/Concentration of Credit Risk

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

- a. Bonds or other obligations of the United States or obligations guaranteed by the United States.
- b. Bonds of any Federal Intermediate Credit Bank, Federal Home Loan Bank, Federal National Mortgage Associates or of any United States Bank for Cooperatives which have a maturity date not greater than twelve months from the date of purchase.
- c. Bonds or other obligations of the Township or bonds or other obligations of school districts, which are a part of the Township or school districts located within the Township.
- d. Bonds or other obligations, having a maturity date of not more than twelve months from the date of purchase, that are approved by the New Jersey Department of Treasury, Division of Investments.
- e. Government Money Market Mutual Funds
- f. Local Government investment pools

The Township's investment activities are in accordance with New Jersey statutes. The investments are insured by SIPC up to \$500,000 of insurance.

TOWNSHIP OF WEST ORANGE
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED DECEMBER 31, 2009

B. Deposits and Investments – Continued:

2. Investments/Concentration of Credit Risk - Continued:

The Township's cash and investments were as follows at December 31, 2009:

<u>Type</u>	<u>Collateral</u>	<u>Bank Balance December 31, 2009</u>	<u>Carrying Amount December 31, 2009</u>	<u>Fund</u>
Deposits:				
Cash on	FDIC, State			
Deposit	Collateral Pool	\$ 5,321,413	\$ 4,844,807	Current
	FDIC, State			
	Collateral Pool	11,275,964	11,262,296	Trust
	FDIC, State			
	Collateral Pool	3,732,519	3,732,403	Capital
	FDIC, State			
	Collateral Pool	1,554	1,554	Public Assistance
	FDIC, State			
	Collateral Pool	283,096	283,004	Swimming Pool
Total Cash		<u>20,614,546</u>	<u>20,124,064</u>	
 <u>Investments (market value is equivalent to book value):</u>				
Money Market	State			
	Collateral Pool	<u>6,684,103</u>	<u>6,684,103</u>	Current
Total Investments		<u>6,684,103</u>	<u>6,684,103</u>	
Total Cash and Investments		<u>\$27,298,649</u>	<u>\$26,808,167</u>	

C. Outstanding Debt:

1. General Serial Bonds

The Local Bond Law governs the issuance of bonds and notes to finance capital expenditures. All bonds are retired in serial installments within the statutory period of usefulness of the capital expenditures. All bonds issued by the Township are general obligation bonds, backed by the full faith and credit of the Township.

2. Bond and Tax Anticipation Notes

Under the Local Bond Law, the Township may issue bond anticipation notes to temporarily finance capital projects. The notes are full faith and credit obligations of the Township. Bond anticipation notes must be paid off within ten years and five months or retired by the issuance of bonds.

TOWNSHIP OF WEST ORANGE
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED DECEMBER 31, 2009

C. Outstanding Debt - Continued:

Bond and Tax Anticipation Notes (Continued)

Under N.J.S. 40A:4-64 the Township may issue tax anticipation notes to temporarily finance current fund operations. Tax collections are pledged to the payment of such debt. The notes must be redeemed within one year.

At December 31, 2009 there were \$16,921,356 of bond anticipation notes outstanding consisting of notes in the amount of \$6,940,731 due on April 8, 2010 at 1.50% interest rate; notes in the amount of \$5,276,225 due on September 30, 2010 at 1.50%; and notes in the amount of \$4,704,400 due on October 26, 2010 at 1.00%.

3. *Deferred Charges to Future Taxation Funded and Unfunded*

Upon the authorization of capital projects, the Township established deferred charges for the cost of the capital projects to be raised by future taxation. Funded deferred charges relate to permanent debt issued, whereas unfunded deferred charges relate to temporary or non-funding of the authorized cost of capital projects. According to the New Jersey Statutes Annotated 40A:2-4, the Township may levy taxes on all taxable property within the local unit to repay the debt. Annually, the Township raises the debt requirements for the particular year in the current budget. As funds are raised, the deferred charges are reduced.

Township debt is summarized as follows:

	December 31,	
	2009	2008
Issued:		
General Obligation Bonds and Notes	\$12,505,128	\$10,627,336
Authorized But Not Issued:		
General Obligation Bonds and Notes	48,243,454	41,802,562
Total Authorized	<u>60,748,582</u>	<u>52,429,898</u>
 Total General Debt	 <u>\$60,748,582</u>	 <u>\$52,429,898</u>

TOWNSHIP OF WEST ORANGE
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED DECEMBER 31, 2009

C. Outstanding Debt – Continued

Principal and interest due on General Capital Bonds outstanding by issue is as follows:

	2002 NJEIT Issue			2009 and 2003 Issue			2004 Issue			2005 Issue			2005 NJEIT Issue			2006 NJEIT Issue			2008 Issue			Total
	Principal	Interest		Principal	Interest		Principal	Interest		Principal	Interest		Principal	Interest		Principal	Interest		Principal	Interest		Total
2010	43,856.79	18,287.50		645,000.00	107,553.76		793,000.00	436,162.50		700,000.00	265,043.76		45,137.67	8,900.00		400,000.00	316,812.50		300,000.00	316,812.50		3,842,753.60
2011	43,233.69	17,287.50		55,000.00	88,653.76		1,485,000.00	383,125.00		700,000.00	238,343.76		44,394.03	8,500.00		400,000.00	307,812.50		400,000.00	307,812.50		3,852,434.00
2012	50,726.08	16,287.50		70,000.00	85,466.26		1,460,000.00	311,500.00		800,000.00	212,293.76		43,464.45	8,000.00		400,000.00	298,812.50		400,000.00	298,812.50		3,919,549.67
2013	49,947.21	15,037.50		80,000.00	81,601.26		1,115,000.00	241,125.00		1,250,000.00	175,637.50		42,534.99	7,500.00		500,000.00	286,812.50		500,000.00	286,812.50		3,909,668.09
2014	49,129.39	13,725.00		95,000.00	77,051.26		1,110,000.00	191,500.00		1,275,000.00	129,871.87		41,505.31	7,000.00		500,000.00	272,812.50		500,000.00	272,812.50		3,924,871.39
2015	48,311.58	12,412.50		110,000.00	71,666.26		1,105,000.00	136,125.00		1,375,000.00	81,668.75		38,518.76	6,500.00		500,000.00	255,312.50		500,000.00	255,312.50		3,899,909.96
2016	58,648.19	11,162.50		130,000.00	63,257.51		1,100,000.00	81,000.00		1,450,000.00	28,287.50		33,118.76	6,000.00		500,000.00	237,812.50		500,000.00	237,812.50		3,966,431.99
2017	54,713.55	9,662.50		150,000.00	57,213.76		1,070,000.00	26,750.00		1,450,000.00			30,518.76	5,500.00		900,000.00	220,312.50		900,000.00	220,312.50		2,690,706.54
2018	53,778.91	8,162.50		170,000.00	48,988.76					133,269.60	27,018.76		38,072.95	5,100.00		925,000.00	188,812.50		925,000.00	188,812.50		1,574,103.93
2019	52,844.25	6,662.50		195,000.00	38,829.38					131,347.32	24,943.76		37,329.31	4,700.00		925,000.00	155,062.50		925,000.00	155,062.50		1,581,219.02
2020	60,023.09	5,162.50		220,000.00	27,075.00					137,655.77	21,968.76		36,585.65	4,300.00		1,000,000.00	130,000.00		1,000,000.00	130,000.00		1,632,272.77
2021	58,934.67	3,412.50		245,000.00	13,822.50					143,705.76	18,593.76		50,137.08	3,900.00		1,000,000.00	80,000.00		1,000,000.00	80,000.00		1,617,506.87
2022	57,844.43	1,662.50		55,000.00	5,272.50					141,444.25	15,093.76		48,987.34	3,281.25		1,000,000.00	40,000.00		1,000,000.00	40,000.00		1,588,586.03
2023				65,000.00	1,832.50					147,413.46	11,593.76		47,837.00	2,662.50								276,359.22
2024										153,241.34	7,875.00		46,631.80	2,025.00								209,793.14
2025										150,697.36	3,937.50		45,257.44	1,215.00								201,167.30
2026													44,072.44	637.50								44,709.94
Total	\$678,993.83	\$133,925.00		\$2,285,000.00	\$770,804.47		\$9,240,000	\$1,815,287.50		\$7,650,000.00	\$1,129,346.90		\$2,101,797.91	\$450,425.14		\$8,635,000.00	\$2,780,375.00		\$8,635,000.00	\$2,780,375.00		\$38,493,043.51

The summarized statement of debt condition which follows is prepared in accordance with the required method used in preparing the Annual Debt Statement and indicates a statutory net debt of 0.871% as compared to the statutory net debt limitation of 3.5%.

	Gross Debt	Deductions	Net Debt
Local School District Debt	\$ 40,766,000	\$40,766,000	\$ -
General Debt	60,748,582	468,000	60,280,582
	<u>\$101,514,582</u>	<u>\$41,234,000</u>	<u>\$60,280,582</u>

Net debt of \$60,280,582 divided by Equalized Valuation Basis per N.J.S. 40A:2-2, as amended \$6,919,879,936 equals 0.871%.

*TOWNSHIP OF WEST ORANGE
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED DECEMBER 31, 2009*

C. Outstanding Debt - Continued:

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

The Township's remaining borrowing power under N.J.S. 40A:2-6, as amended, at December 31, 2009, was as follows:

3.5% Equalized Valuation Basis	\$242,195,798
Net Debt	<u>60,280,582</u>
Remaining Borrowing Power	<u>\$181,915,216</u>

D. Pension Plans:

Substantially, all Township employees participate in the Public Employees' Retirement System ("PERS") and the Police and Firemen's Retirement System ("PFRS"). The Division of Pensions within the Treasury Department of the State of New Jersey is the administrator of the funds and charges municipalities annually for their respective contributions. The plans provide retirement and disability benefits, annual cost of living adjustments, and death benefits to plan members and beneficiaries. The plans are cost sharing multiple-employer defined benefit plans and as such do not maintain separate records for each municipality in the state and, therefore, the actuarial data for the Township is not available. The Division of Pensions issues publicly available financial reports for each of the plans that include financial statements and required supplementary information. The reports may be obtained by writing the State of New Jersey, Division of Pensions.

Covered employees are required by State statute to contribute a certain percentage of their salary to the plan. The current rate is 5.50% as of 7/1/08 (previously 5.0%) for PERS and 8.5% for PFRS of annual covered payroll. In addition, PERS and PFRS bill the Township annually at an actuarially determinable rate for its required contribution.

The contribution requirements of plan members and the Township are established and may be amended by the Board of Trustees of the respective plans. The Township's contribution to plans for the years ended December 31, 2009 and 2008 were \$4,614,951 and \$4,395,621, respectively.

E. Deferred Compensation Plan:

The Township offers its employees a deferred compensation plan created in accordance with Internal Revenue Code Section 457. The plan is administered by the Variable Annuity Life Insurance Company (VALIC). The plan, available to all Township employees, permits them to defer a portion of their salary until future years. The Township adopted necessary changes to the plan as required by the Economic Growth and Tax Reform Act of 2001 by resolution #9834-02.

*TOWNSHIP OF WEST ORANGE
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED DECEMBER 31, 2009*

E. Deferred Compensation Plan - Continued:

As a result of legislative changes, all amounts of compensation deferred, all property and rights purchased, and all income, property, or rights are (until paid or made available to the employee or other beneficiary) held in trust for the exclusive benefit of the participants and their beneficiaries, whereas, prior to these legislative changes, these amounts were solely the property rights of the Township subject only to the claims of the Township's general creditors. As a result, the deferred compensation investments are no longer reported in the Township financial statements.

A separate report on the plan is filed with the Division of Local Government Services and a copy with the Township Clerk's office.

F. Length of Service Award Program:

The Township established a Length of Service Award Program (LOSAP) in accordance with Internal Revenue Code Section 457 and P.L. 1977, C.388 of the statutes of New Jersey. The Plan is administered by the Variable Annuity Life Insurance Company (VALIC). The program was established to reward members of the West Orange Volunteer First Aid Squad for their services to the residents of the Township. The LOSAP provides for fixed annual contributions from the Township to a deferred income account for each volunteer that meets specific criteria.

A separate report on the plan is filed with the Division of Local Government Services and a copy with the Township Clerk's office.

G. Accrued Sick and Vacation Benefits:

The Township permits employees to accrue unused vacation and sick pay, which may be taken as time off or paid at a later date at an agreed upon rate. It is estimated that the current cost of such unpaid compensation would approximate \$10,273,706. The 2010 Township budget and the 2009 appropriation reserves include an appropriation for accrued benefits expected to be paid in 2010. The Township has a reserve balance set up in the Trust Fund of \$2,154,937 to pay for accrued sick and vacation pay.

H. Fund Balance Appropriated:

\$4,450,000 of the \$5,585,603 fund balance of the Current Fund at December 31, 2009 has been appropriated as an item of revenue in the 2010 introduced Township budget.

\$46,983 of the \$279,237 fund balance of the Swimming Pool Utility Fund at December 31, 2009 has been appropriated as an item of revenue in the 2010 introduced Swimming Pool Utility budget.

The 2010 budget has not been adopted as of the audit date.

TOWNSHIP OF WEST ORANGE
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED DECEMBER 31, 2009

I. Insurance/Contingencies:

The Township became a member of the Garden State Municipal Joint Insurance Fund (JIF) in November 2003.

Automobile

The Township is liable for the first \$1,000. Any claims in excess of \$1,000 on property per occurrence, per vehicle are covered by the Garden State Joint Insurance Fund to the sum of \$15,000,000. The vehicles are insured for replacement cost cash value. Claims are funded on a cash basis through budget appropriations. A separate fund is not maintained and there was no reserve established at December 31, 2009 for possible catastrophic claims.

General Liability

The Township claims are funded on a cash basis through budget appropriations. A separate fund is not maintained and there was no reserve established at December 31, 2009 for possible catastrophic claims.

The Municipal Insurance Trust Fund for the year 2009 is detailed as follows:

Balance: December 31, 2008		\$ 427,941.41
Increases:		
Budget	770,000.00	
Interest	<u>4,713.08</u>	<u>774,713.08</u>
		1,202,654.49
Decreases:		
Claims and Administrative Expenses		<u>(868,678.06)</u>
Balance: December 31, 2009		<u>\$ 333,976.43</u>

The insurance coverage through the Garden State Joint Insurance Fund is up to a limit of \$15,000,000 for primary coverage on automobile, general liability, public officials liability (includes directors and officers), law enforcement liability, employment practices liability (sexual harassment, wrongful termination, failure to promote). Buildings are covered at replacement cost (per property schedule given by management).

Workers' Compensation

The Township self-insures for Worker's Compensation. Claims for Workers' Compensation are funded on a cash basis through budget appropriation. There was no reserve established at December 31, 2009 for possible catastrophic claims.

The Township is liable for the first \$500,000. Any claims in excess of \$500,000 are covered for a specific limit to the sum of \$5,000,000 under the Township Excess Liability Policy.

Processing and payment of Workers' Compensation claims for 2009 were administered by CCMSI.

TOWNSHIP OF WEST ORANGE
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED DECEMBER 31, 2009

I. Insurance/Contingencies - Continued:

There has been no provision included in the financial statements for claims incurred but not reported as of December 31, 2009.

The Workers' Compensation Trust Fund for the year 2009 is detailed as follows:

Balance: December 31, 2008		\$ 516,796.04
Increases:		
Budget	700,000.00	
Other Receipts	<u>69,698.64</u>	<u>769,698.64</u>
		1,286,494.68
Decreases:		
Claims		<u>(737,753.18)</u>
Balance: December 31, 2009		<u>\$ 548,741.50</u>

Unemployment Insurance

The Township is on a direct reimbursement plan with the State of New Jersey for Unemployment Claims.

The Unemployment Insurance Trust Fund for the year 2009 is detailed as follows:

Balance: December 31, 2008		\$719,771.79
Increases:		
Budget	101.00	
Interest	5,737.52	
Payroll Deductions	<u>34,974.07</u>	<u>40,812.59</u>
		760,584.38
Decreases:		
Claims		<u>(94,219.07)</u>
Balance: December 31, 2009		<u>\$666,365.31</u>

The Township is self-insured for Workers' Compensation, Unemployment Insurance, and is involved in various pending claims. The Township does not believe these pending claims, individually or in the aggregate, would have a material adverse effect on its financial position or changes in net assets. However, the ultimate outcome of these uncertainties may not be determined at December 31, 2009 and, accordingly, no amounts have been accrued to provide any possible contingencies related to these claims.

TOWNSHIP OF WEST ORANGE
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED DECEMBER 31, 2009

I. Insurance/Contingencies - Continued:

Health Benefits

Township employees have the option of enrolling in the NJ State Health Benefits Plan or under several Health Maintenance Organizations.

Processing and payment of health benefit claims are administered by Blue Cross and Blue Shield of New Jersey.

Premiums for health benefits are funded on a cash basis through budget appropriations. There was no reserve established at December 31, 2009 for possible catastrophic claims.

J. Note Payable, Lease Receivable, and Related Party Transaction:

On May 2, 2001, the Township entered into an Installment Purchase Agreement, Series 2001, for the acquisition of certain real property in the Township. The acquisition price of \$1,100,000 is being amortized over eleven years at 5.85% per annum, payable quarterly. Unsecured title to the property has been passed to the Township. This agreement represents a general obligation of the Township, which the Township has pledged its full faith and credit for the payment of the principal of and the interest on the agreement.

The required future annual debt service is as follows:

Year	Principal	Interest	Total
2010	\$132,974	\$ 8,826	\$141,800
2011	67,977	1,489	69,466
Total	\$200,951	\$10,315	\$211,266

Subsequent to the execution of the Installment Purchase Agreement, the Township entered into an agreement with the West Orange Board of Education for the lease of said real property. The agreement guarantees minimum quarterly lease payments to the Township of \$73,070 for the period June 1, 2001 through March 1, 2006.

The Board of Education has the option to purchase the property. This option shall be deemed to have been exercised on the last day of the term if the Board had made all rent payments due and owing and fulfilled all other obligations in full and in a timely manner.

On November 7, 2002, the Township of West Orange entered into a program, New Jersey Environmental Trust 2002A, for Capital Acquisitions of the Joint Meeting of Essex and Union Counties, of which it is a member. The Trust Loan of \$385,000.00 is being amortized over 20 years at 4.00-5.25% per annum, payable semiannually. The Fund Loan of \$338,473.72 is being amortized over 20 years, and is an interest free loan. This agreement represents a general obligation of the Township, which the Township has pledged its full faith and credit for the payment of the principal of and interest on the agreement.

TOWNSHIP OF WEST ORANGE
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED DECEMBER 31, 2009

J. Note Payable, Lease Receivable, and Related Party Transaction - Continued:

The required future annual debt service is as follows:

Year	Fund Loan Principal	Trust Loan Principal	Trust Loan Interest	Total
2010	23,856.79	20,000.00	18,287.50	62,144.29
2011	23,233.69	20,000.00	17,287.50	60,521.19
2012	25,726.08	25,000.00	16,287.50	67,013.58
2013	24,947.21	25,000.00	15,037.50	64,984.71
2014	24,129.39	25,000.00	13,725.00	62,854.39
2015	23,311.58	25,000.00	12,412.50	60,724.08
2016	25,648.19	30,000.00	11,162.50	66,810.69
2017	24,713.55	30,000.00	9,662.50	64,376.05
2018	23,778.91	30,000.00	8,162.50	61,941.41
2019	22,844.25	30,000.00	6,662.50	59,506.75
2020	25,025.09	35,000.00	5,162.50	65,187.59
2021	23,934.67	35,000.00	3,412.50	62,347.17
2022	22,844.43	35,000.00	1,662.50	59,506.93
Total	\$313,993.83	\$365,000.00	\$138,925.00	\$817,918.83

On October 25, 2005, the Township entered into a program, New Jersey Environmental Trust 2005, for Storm Drainage Improvements. The Trust Loan Series 2005A of \$1,145,000.00 is being amortized over 20 years at 4.00-5.00% per annum, payable semiannually. The Fund Loan of \$1,064,001.37 is being amortized over 20 years, interest free. This agreement represents a general obligation of the Township, which the Township has pledged its full faith and credit for the payment of the principal and interest.

Year	Fund Loan Principal	Trust Loan Principal	Trust Loan Interest	Total
2010	63,980.36	50,000.00	49,018.76	162,999.12
2011	62,365.00	50,000.00	46,518.76	158,883.76
2012	63,980.36	55,000.00	44,018.76	162,999.12
2013	62,203.47	55,000.00	41,268.76	158,472.23
2014	63,657.30	60,000.00	38,518.76	162,176.06
2015	61,718.86	60,000.00	35,518.76	157,237.62
2016	63,398.84	65,000.00	33,118.76	161,517.60
2017	61,718.86	65,000.00	30,518.76	157,237.62
2018	63,269.60	70,000.00	27,918.76	161,188.36
2019	61,347.32	70,000.00	24,943.76	156,291.08
2020	62,655.77	75,000.00	21,968.76	159,624.53
2021	63,705.76	80,000.00	18,593.76	162,299.52
2022	61,444.25	80,000.00	15,093.76	156,538.01
2023	62,413.46	85,000.00	11,593.76	159,007.22
2024	63,241.34	90,000.00	7,875.00	161,116.34
2025	60,697.36	90,000.00	3,937.50	154,634.86
Total	\$1,001,797.91	\$1,100,000.00	\$450,425.14	\$2,552,223.05

TOWNSHIP OF WEST ORANGE
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED DECEMBER 31, 2009

J. Note Payable, Lease Receivable & Related Party Transaction - Continued:

On October 24, 2006, the Township entered into a program, New Jersey Environmental Trust, 2006 for Capital Acquisitions of the Joint Meeting of Essex and Union Counties, of which it is a member. The Trust Loan of \$210,000.00 is being amortized over twenty (20) years at 4.00-5.00% per annum, payable semi-annually. The Fund Loan of \$567,187.84 is being amortized over twenty (20) years, interest free. This agreement represents a general obligation of the Township, which the Township has pledged its full faith and credit for the payment of the principal and interest.

Year	Fund Loan Principal	Trust Loan Principal	Trust Loan Interest	Total
2010	35,137.67	10,000.00	8,900.00	54,037.67
2011	34,394.03	10,000.00	8,500.00	52,894.03
2012	33,464.45	10,000.00	8,000.00	51,464.45
2013	32,534.89	10,000.00	7,500.00	50,034.89
2014	31,605.31	10,000.00	7,000.00	48,605.31
2015	30,675.75	10,000.00	6,500.00	47,175.75
2016	29,746.19	10,000.00	6,000.00	45,746.19
2017	28,816.61	10,000.00	5,500.00	44,316.61
2018	28,072.95	10,000.00	5,100.00	43,172.95
2019	27,329.31	10,000.00	4,700.00	42,029.31
2020	26,585.65	10,000.00	4,300.00	40,885.65
2021	35,137.68	15,000.00	3,900.00	54,037.68
2022	33,987.34	15,000.00	3,281.25	52,268.59
2023	32,837.00	15,000.00	2,662.50	50,499.50
2024	31,651.80	15,000.00	2,025.00	48,676.80
2025	30,257.44	15,000.00	1,275.00	46,532.44
2026	29,072.44	15,000.00	637.50	44,709.94
Total	<u>\$531,306.51</u>	<u>\$200,000.00</u>	<u>\$85,781.25</u>	<u>\$817,087.76</u>

K. Post Retirement Benefits

The Township of West Orange contributes to the New Jersey Health Benefits Program (SHBP), a cost sharing multiple-employer defined benefit post-employment healthcare plan administered by the State of New Jersey Division of Pensions and Benefits. SHBP was established in 1961 under N.J.S.A. 52:14-17.25 et seq., to provide health benefits to State employees, retirees, and their dependents. Rules governing the operation and administration of the program are found in Title 17, Chapter 9 of the New Jersey Administrative Code. SHBP provides medical, prescription drugs, mental health/substance abuse, and Medicare Part B reimbursement to retirees and their covered dependents.

The SHBP was extended to employees, retirees, and dependents of participating local public employees in 1964. Local employers must adopt a resolution to participate in the SHBP. In 1998 (April 5th), the Township of West Orange authorized participation in the SHBP's post-retirement benefits program through resolution number 5964-88 effective January 1, 1989.

TOWNSHIP OF WEST ORANGE
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED DECEMBER 31, 2009

K. Post Retirement Benefits -- Continued:

Chapter 384 of Public Laws of 1987 and Chapter 6 of Public Laws 1990 require funding of post-retirement medical benefits for those participants after accumulating 25 years of credited service or on a disability retirement.

The State Health Benefits Commission is the executive body established by statute to be responsible for the operation of the SHBP. The State of New Jersey Division of Pension and Benefits issues a publicly available financial report that includes financial statements and required supplementary information of SHBP. That report may be obtained by writing to: State of New Jersey Division of Pensions and Benefits, P.O. Box 295, Trenton, NJ 08625-09295 or by visiting their website at www.state.nj.us/treasury/pensions/gasb-43-sept2008.pdf.

Funding Policy: Participating employers are contractually required to contribute based on the amount of premiums attributable to their retirees. Post-retirement medical benefits under the plan have been funded on a pay-as-you-go basis since 1989.

Contributions to pay for the health premiums of participating retirees in the SHBP are billed to the Township of West Orange on a monthly basis. The Township assumes cost through taxation.

The Township of West Orange contributions to SHBP for the years ended December 31, 2007, 2008 and 2009 are as follows:

Year	SHBP	Medicare Reimbursements	Number of Participants
2007	\$2,995,880	\$270,591	268
2008	2,742,151	297,812	271
2009	2,790,105	297,587	271

APPENDIX C

FORM OF CONTINUING DISCLOSURE CERTIFICATE

CONTINUING DISCLOSURE CERTIFICATE

THIS CONTINUING DISCLOSURE CERTIFICATE is made as of May __, 2011 by the Township of West Orange, New Jersey, a political subdivision duly organized under the laws of the State of New Jersey (the "Issuer").

WITNESSETH:

WHEREAS, the Issuer is issuing its General Obligation Bonds, Series 2011 dated May 1, 2011 in the aggregate principal amount of \$11,505,000 (the "Bonds") on the date hereof; and

WHEREAS, the Bonds are being issued pursuant to bond ordinances adopted by the Issuer and a certificate signed by the Issuer on April __, 2011; and

WHEREAS, the Securities and Exchange Commission (the "SEC") pursuant to the Securities Exchange Act of 1934, as amended and supplemented (codified on the date hereof at 15 U.S.C. 77 et seq.) (the "Securities Exchange Act") has adopted amendments to its Rule 15c2-12 (codified at 17 C.F.R. § 240.15c2-12) ("Rule 15c2-12") effective July 3, 1995 which generally prohibit a broker, dealer, or municipal securities dealer from purchasing or selling municipal securities, such as the Bonds, unless such broker, dealer or municipal securities dealer has reasonably determined that an issuer of municipal securities or an obligated person has undertaken in a written agreement or contract for the benefit of holders of such securities to provide certain annual financial information and event notices to the Municipal Securities Rulemaking Board; and

WHEREAS, the Issuer represented in its Notice of Sale dated April 7, 2011 (the "Notice of Sale") that it would deliver on the closing date for the Bonds a "Continuing Disclosure Certificate" pursuant to which the Issuer will agree to provide certain financial and operating data, and timely notice of certain material events required to be disclosed on a continual basis pursuant to Rule 15c2-12; and

WHEREAS, on April __, 2011, the Issuer accepted the bid of _____, on behalf of itself and each of the original underwriters for the Bonds (the "Participating Underwriter") for the purchase of the Bonds; and

WHEREAS, the execution and delivery of this Certificate has been duly authorized by the Issuer and all conditions, acts and things necessary and required to exist, to have happened, or to have been performed precedent to and in the execution and delivery of this Certificate, do exist, have happened and have been performed in regular form, time and manner; and

WHEREAS, the Issuer is executing this Certificate for the benefit of the Holders of the Bonds.

NOW, THEREFORE, for and in consideration of the premises and of the mutual representations, covenants and agreements herein set forth, the Issuer, its successors and assigns, do mutually promise, covenant and agree as follows:

ARTICLE I

DEFINITIONS

Section 1.1 Terms Defined in Recitals. The following terms shall have the meanings set forth in the recitals hereto:

Bonds	Participating Underwriter
Issuer	Rule 15c2-12
Notice of Sale	SEC
	Securities and Exchange Act

Section 1.2 Additional Definitions. The following additional terms shall have the meanings specified below:

“Annual Report” means Financial Statements and Operating Data provided at least annually.

“Bondholder” or “holder” or any similar term, when used with reference to a Bond or Bonds, means any person who shall be the registered owner of any outstanding Bond, including holders of beneficial interests in the Bonds.

“Business Day” means any day other than (a) a Saturday or Sunday, (b) a day on which commercial banks in New York, New York or in the State of New Jersey are authorized or required by law to close or (c) a day on which the New York Stock Exchange is closed.

“Disclosure Event” means any event described in subsection 2.1(d) of this Certificate.

“Disclosure Event Notice” means the notice to the MSRB as provided in subsection 2.4(a).

“Disclosure Representative” means the Chief Financial Officer of the Issuer or his or her designee, or such other officer or employee as the Issuer shall designate from time to time.

“Dissemination Agent” means an entity acting in such capacity under this Certificate or any other successor entity designated in writing by the Issuer and which has filed a written acceptance of such designation.

“Final Official Statement” means the final Official Statement of the Issuer dated April __, 2011 pertaining to the Bonds.

“Financial Statements” means the audited financial statements of the Issuer for each Fiscal Year and includes balance sheets, statements of changes in fund balances and statements of current funds, revenues, expenditures and other charges or statements which convey similar information.

“Fiscal Year” means the fiscal year of the Issuer. As of the date of this Certificate, the Fiscal Year of the Issuer begins on January 1 and closes on December 31 of each calendar year.

“GAAS” means generally accepted auditing standards as in effect from time to time, consistently applied.

“MSRB” means the Municipal Securities Rulemaking Board or any other entity designated or authorized by the Securities and Exchange Commission to receive reports pursuant to the Rule. Until otherwise designated by the MSRB or the Securities and Exchange Commission, filings with the MSRB are to be made through the Electronic Municipal Market Access (EMMA) website of the MSRB, currently located at <http://emma.msrb.org>.

“Operating Data” means the financial and statistical information of the Issuer of the type included in the Final Official Statement contained in Appendix A under the headings “Schedule of Fund Balances-Current Fund”, “Debt Statement”, “Underlying Debt”, “Gross Debt Compared With True Value”, “Assessed Valuation And Tax Rates”, “Comparison of Components of Tax Rate”, “Schedule of Tax Levies and Collection Currently”, “Schedule of Delinquent Taxes and Tax Title Liens” and “Largest Taxpayers”.

“State” means the State of New Jersey.

Section 1.3 Interpretation. Words of masculine gender include correlative words of the feminine and neuter genders. Unless the context shall otherwise indicate, words importing the singular include the plural and vice versa, and words importing persons include corporations, associations, partnerships (including limited partnerships), trusts, firms and other legal entities, including public bodies, as well as natural persons. Articles and Sections referred to by number mean the corresponding Articles and Sections of this Certificate. The terms “hereby”, “hereof”, “hereto”, “herein”, “hereunder” and any similar terms as used in this Certificate, refer to this Certificate as a whole unless otherwise expressly stated.

As the context shall require, the disjunctive term “or” shall be interpreted conjunctively as required to insure that the Issuer performs any obligations, mentioned in the passage in which such term appears.

The headings of this Certificate are for convenience only and shall not defined or limit the provisions hereof.

ARTICLE II

CONTINUING DISCLOSURE COVENANTS AND REPRESENTATIONS

Section 2.1 Continuing Disclosure Covenants of the Issuer. The Issuer agrees that it will provide, or shall cause the Dissemination Agent to provide:

- (a) Not later than nine months after the end of each Fiscal Year, commencing with the Fiscal Year of the Issuer ending December 31, 2010, an Annual Report to the MSRB;
- (b) Not later than fifteen (15) days prior to the date of each year specified in subsection 2.1(a), a copy of the Annual Report to the Dissemination Agent, if the Issuer has appointed or engaged a Dissemination Agent;
- (c) If audited Financial Statements are not submitted as part of the filing as set forth in subsection 2.1(a), the Issuer will submit unaudited financial statements with such filing, and will subsequently submit audited Financial Statements when and if available, to the MSRB;
- (d) In a timely manner not in excess of ten business days following the occurrence of any of the Disclosure Events (hereinafter defined), to the MSRB, notice of any of the following events with respect to the Bonds (each, a "Disclosure Event");
 - (i) principal and interest delinquencies;
 - (ii) non-payment related defaults, if material;
 - (iii) unscheduled draws on debt service reserves reflecting financial difficulties;
 - (iv) unscheduled draws on credit enhancements reflecting financial difficulties;
 - (v) substitution of credit or liquidity providers, or their failure to perform;
 - (vi) adverse tax opinions, the issuance by the Internal Revenue Service of proposed or final determinations of taxability, Notices of Proposed Issue (IRS Form 5701-TEB) or other material notices of determinations with respect to the tax status of the Bonds, or other material events affecting the tax status of the Bonds;
 - (vii) modifications to rights of Bondholders; if material;
 - (viii) Bond calls, if material, and tender offers;
 - (ix) defeasances;
 - (x) release, substitution, or sale of property securing repayment of the Bonds, if material;

- (xi) rating changes;
- (xii) bankruptcy, insolvency, receivership or similar event of the Authority;
- (xiii) the consummation of a merger, consolidation, or acquisition involving the Authority or the sale of all or substantially all of the assets of the Authority, other than in the ordinary course of business, the entry into a definitive agreement to undertake such an action or the termination of a definitive agreement relating to any such actions, other than pursuant to its terms, if material; and
- (xiv) appointment of a successor or additional trustee or the change of name of a trustee, if material.

(e) In a timely manner, to the MSRB, notice of a failure by the Issuer to provide the Annual Report within the period described in subsection 2.1(a) hereof.

Section 2.2 Continuing Disclosure Representations. The Issuer represents and warrants that:

(a) Financial Statements shall be prepared according to principles prescribed by the Division of Local Government Services in the Department of Community Affairs of the State of New Jersey pursuant to chapter 5 of Title 40A of the New Jersey Statutes as in effect from time to time.

(b) Financial Statements prepared annually shall be audited in accordance with GAAS.

Section 2.3 Form of Annual Report.

(a) The Annual Report may be submitted as a single document or as separate documents comprising a package.

(b) Any or all of the items which must be included in the Annual Report may be incorporated by reference from other documents, including official statements of the Issuer or related public entities which have been submitted to MSRB or filed with the SEC. If the document incorporated by reference is a final official statement, it must be available from the MSRB. The Issuer shall clearly identify each such other document so incorporated by reference.

(c) The audited Financial Statements of the Issuer, if any, may be submitted separately from the balance of the Annual Report.

Section 2.4 Responsibilities, Duties, Immunities and Liabilities of the Dissemination Agent.

If the Issuer or the Dissemination Agent (if one has been appointed or engaged by the Issuer) has determined it necessary to report the occurrence of a Disclosure Event, the Issuer or Dissemination Agent (if one has been appointed or engaged by the Issuer) shall file a notice of such occurrence with the MSRB (the "Disclosure Event Notice") in the form provided by the Issuer.

Section 2.5 Appointment, Removal and Resignation of the Dissemination Agent.

(a) The Issuer may, from time to time, appoint or engage a Dissemination Agent to assist it in carry out its obligations under this Certificate, and may discharge any such Dissemination Agent, with or without appointing a successor Dissemination Agent. If at any time there is not any other designated Dissemination Agent, the Issuer shall be the Dissemination Agent.

(b) The Dissemination Agent shall have only such duties as are specifically set forth in this Certificate, and the Issuer agrees to indemnify and save the Dissemination Agent, its officers, directors, employees and agents harmless against any loss, expense and liability which it may incur arising out of or in the exercise or performance of its powers and duties hereunder, including the costs and expenses (including attorneys fees) of defending against any claim of liability, but excluding liabilities due to the Dissemination Agent's negligence or willful misconduct. The obligations of the Issuer under this subsection shall survive resignation or removal of the Dissemination Agent and payment of the Bonds.

(c) The Dissemination Agent, or any successor thereto, may at any time resign and be discharged of its duties and obligations hereunder by giving not less than thirty (30) days written notice to the Issuer. Such resignation shall take effect on the date specified in such notice.

ARTICLE III

DISCLOSURE DEFAULT AND REMEDIES

Section 3.1 Disclosure Default. The occurrence and continuation of a failure or refusal by the Issuer to observe, perform or comply with any covenant, condition or agreement on its part to be observed or performed in this Certificate and such failure or refusal shall remain uncured for a period of thirty (30) days shall constitute a Disclosure Default hereunder.

Section 3.2 Remedies on Default.

(a) Any Bondholder, for the equal benefit and protection of all Bondholders similarly situated, may take whatever action at law or in equity against the Issuer and of the officers, agents and employees of the Issuer which is necessary or desirable to enforce the specific performance and observance of any obligation, agreement or covenant of the Issuer under this Certificate and may compel the Issuer or any such officers, agents, or employees, except of the Dissemination Agent, to perform and carry out their duties under this Certificate; provided, that no person or entity shall be entitled to recover monetary damages hereunder under any circumstances.

(b) In case any Bondholder shall have proceeded to enforce its rights under this Certificate and such proceedings shall have been discontinued or abandoned for any reason or shall have been determined adversely to any Bondholder, then and in every such case the Issuer and any Bondholder shall be restored respectively to their several positions and rights hereunder, and all rights, remedies and powers of the Issuer and any Bondholder shall continue as though no such proceeding had been taken.

(c) A default under this Certificate shall not be deemed a default under the Bonds, and the sole remedy under this Certificate in the event of any failure or refusal by the Issuer to comply with this Certificate shall be as set forth in subsection 3.2(a) of this Certificate.

ARTICLE IV

MISCELLANEOUS

Section 4.1 Purposes of the Continuing Disclosure Certificate. This Certificate is being executed and delivered by the Issuer for the benefit of the Bondholders and in order to assist the Participating Underwriters in complying with clause (b)(5) of Rule 15c2-12.

Section 4.2 Additional Information. Nothing in this Certificate shall be deemed to prevent the Issuer from (a) disseminating any other information, using the means of dissemination set forth in this Certificate or any other means of communication, or (b) including any other information in any Annual Report or any Disclosure Event Notice, in addition to that which is required by this Certificate. If the Issuer chooses to include information in any Annual Report or any Disclosure Event Notice in addition to that which is specifically required by this Certificate, the Issuer shall have no obligation under this Certificate, the Issuer shall have no obligation under this Certificate to update such information or include it in any future Annual Report or any future Disclosure Event Notice.

Section 4.3 Notices. All notices required to be given or authorized shall be in writing and shall be sent by registered or certified mail to the Issuer, 66 Main Street, West Orange, New Jersey 07052, Attention: Edward J. Coleman.

Section 4.4 Severability. If any provision of this Certificate shall be held or deemed to be or shall, in fact, be illegal, inoperative or unenforceable, the same shall not affect any other provision or provisions herein contained or render the same invalid, inoperative or unenforceable to any extent whatever.

Section 4.5 Amendments, Changes and Modifications.

(a) Without the consent of any Bondholders, the Issuer at any time and from time to time may enter into any amendments or modifications to this Certificate for any of the following purposes:

- (i) to add to covenants and agreements of the Issuer hereunder for the benefit of the Bondholders, or to surrender any right or power conferred upon the Issuer by this Certificate;
- (ii) to modify the contents, presentation and format of the Annual Report from time to time to conform to changes in accounting or disclosure principles or practices and legal requirements followed by or applicable to the Issuer or to reflect changes in the identity, nature or status of the Issuer or in the business, structure or operations of the Issuer or any mergers, consolidations, acquisitions or dispositions made by or affecting the Issuer; provided that any such modification shall comply with the requirements of Rule 15c2-12 as then in effect at the time of such modification; or

- (iii) to cure any ambiguity, to correct or supplement any provision hereof which may be inconsistent with any other provision hereof, or to include any other provisions with respect to matters or questions arising under this Certificate which, in each case, comply with Rule 15c2-12 as then in effect at the time of such modification.

provided, that prior to approving any such amendment or modification, the Issuer determines that such amendment or modifications does not adversely affect the interests of the Holders of the Bonds in any material respect.

(b) Upon entering into any amendment or modification required or permitted by this Certificate, the Issuer shall deliver, or cause the dissemination Agent to deliver, to the MSRB written notice of any such amendment or modification.

(c) The Issuer shall be entitled to rely exclusively upon an opinion of counsel nationally recognized as expert in federal securities law acceptable to the Issuer to the effect that such amendments or modifications comply with the conditions and provisions of this Section 4.5.

Section 4.6 Amendments Required by Rule 15c2-12. The Issuer recognizes that the provisions of this Certificate are intended to enable the participating Underwriters to comply with Rule 15c2-12. If, as a result of a change in Rule 15c2-12 or in the interpretation thereof, a change in this Certificate shall be permitted or necessary to assure continued compliance with Rule 15c2-12 and upon delivery by any Participating Underwriter of an opinion of counsel nationally recognized as expert in federal securities law acceptable to the Issuer to the effect that such amendment shall be permitted or necessary to assure continued compliance by the Participating Underwriter with Rule 15c2-12 as so amended or interpreted, then the Issuer shall amend this Certificate to comply with and be bound by any such amendment to this Certificate to the extent necessary or desirable to assure compliance with the provisions of Rule 15c2-12 and provide the written notice of such amendment as required by subsection 4.5(b) hereof.

Section 4.7 Governing Law. This Certificate shall be governed exclusively by and construed in accordance with the applicable laws of the State of New Jersey.

Section 4.8 Termination of Issuer's Continuing Disclosure Obligations. The continuing obligation of the Issuer under Section 2.1 hereof to provide the Annual Report and any Disclosure Event Notice and to comply with the other requirements of said Section shall terminate if and when either (a) the Bonds are no longer outstanding or (b) the Issuer no longer remains an "obligated person" (as defined in Rule 15c2-12(f)(10) with respect to the Bonds in either event, only after the Issuer delivers, or causes the Dissemination Agent to deliver, to the MSRB written notice to such effect. This Certificate shall be in full force and effect from the date hereof and shall continue in effect so long as any Bonds are Outstanding.

Section 4.9 Binding Effect. This Certificate shall inure to the benefit of and shall be binding upon the Issuer and its successors and assigns.

IN WITNESS WHEREOF, THE TOWNSHIP OF WEST ORANGE, NEW JERSEY has caused this Certificate to be executed in its name and its corporate seal to be hereunto affixed, all as of the date first above written.

[SEAL]

TOWNSHIP OF WEST ORANGE, NEW JERSEY

By: _____
Edward J. Coleman, Chief Financial Officer

APPENDIX D

NOTICE OF SALE

TOWNSHIP OF WEST ORANGE,
IN THE COUNTY OF ESSEX,
NEW JERSEY

NOTICE OF SALE OF
\$11,505,000
GENERAL OBLIGATION BONDS, SERIES 2011
CONSISTING OF
\$11,275,000 GENERAL IMPROVEMENT BONDS, SERIES 2011
AND
\$230,000 TAX APPEAL REFUNDING BONDS, SERIES 2011

(BOOK-ENTRY BONDS) (CALLABLE)

ELECTRONIC PROPOSALS (the "Proposals"), via BiDCOMP/PARITY Competitive Bidding System ("PARITY") only, will be received by the Chief Financial Officer of the Township of West Orange in the County of Essex, New Jersey (the "Township"), on April 19, 2011 until 11:00 a.m., New York City time, at which time they will be announced, for the purchase of all, but not less than all, of the Township's General Obligation Bonds, Series 2011 (the "Bonds"). Bidders are required to submit their Proposal for the purchase of the Bonds in accordance with the terms of the Notice of Sale.

Principal Amortization

Principal of the Bonds will be paid annually, subject to prior optional redemption, on the first day of May in the following years and in the following aggregate amounts:

\$11,275,000 General Improvement Bonds, Series 2011, maturing in the principal amount of \$425,000 in the year 2012; \$500,000 in the year 2013; \$550,000 in the year 2014; \$750,000 in the year 2015; \$800,000 in each of the years 2016 to 2021, inclusive; and \$850,000 in each of the years 2022 to 2026, inclusive.

\$230,000 Tax Appeal Refunding Bonds, Series 2011, maturing in the principal amount of \$230,000 in the year 2012.

The combined maturity schedule for the Bonds is as follows:

<u>Year</u>	<u>Principal Amount</u>	<u>Year</u>	<u>Principal Amount</u>
2012	\$655,000	2020	\$800,000
2013	500,000	2021	800,000
2014	550,000	2022	850,000
2015	750,000	2023	850,000

<u>Year</u>	<u>Principal Amount</u>	<u>Year</u>	<u>Principal Amount</u>
2016	800,000	2024	850,000
2017	800,000	2025	850,000
2018	800,000	2026	850,000
2019	800,000		

Interest Payment Dates

The Bonds will be dated the date of delivery (which is expected to be May 2, 2011) and will bear interest at the rate per annum specified by the successful bidder therefor in accordance herewith, payable on November 1, 2011 and semi-annually thereafter on the first day of May and November in each year until maturity or prior redemption.

Optional Redemption Provisions

The Bonds maturing on or prior to May 1, 2021 shall not be subject to redemption prior to their respective maturity dates. The Bonds maturing on or after May 1, 2022 shall be subject to redemption prior to their respective maturity dates, on or after May 1, 2021 at the option of the Township, either in whole or in part at any time in any order of maturity at one hundred percent (100%) of the principal amount of the Bonds being redeemed (the "Redemption Price"), plus in each case accrued interest thereon to the date fixed for redemption.

Notice of Redemption shall be given by publishing such notice once a week for two (2) successive weeks in a newspaper of general circulation that carries financial news, is printed in the English language and is customarily published on each business day in the State of New York, the first of such publications to be at least thirty (30) but not more than sixty (60) days before the date fixed for redemption. A Notice of Redemption shall also be mailed by first class mail in a sealed envelope with postage prepaid to the registered owners of such Bonds at their respective addresses as they last appear on the registration books kept for that purpose by the Township. However, so long as DTC (or any successor thereto) acts as Securities Depository for the Bonds, Notices of Redemption shall be sent to such depository and shall not be sent to the beneficial owners of the Bonds, nor shall the notice be published as provided herein. Any failure of such depository to advise any of its participants or any failure of any participant to notify any beneficial owner of any Notice of Redemption shall not affect the validity of the redemption proceedings. If the Township determines to redeem a portion of the Bonds of a maturity, such Bonds shall be selected by the Township by lot. If Notice of Redemption has been given as described herein, the Bonds, or the portion thereof called for redemption, shall be due and payable on the date fixed for redemption at the Redemption Price, together with accrued interest to the date fixed for redemption. Payment shall be made upon surrender of the Bonds redeemed.

Book-Entry-Only System

As long as DTC or its nominee, Cede & Co., is the registered owner of the Bonds, payments of the principal of and interest on the Bonds will be made directly to Cede & Co., as nominee of DTC, which will credit payments of principal of and interest on the Bonds to the DTC participants as listed in the records of DTC as of each next preceding April 15 and October 15, respectively (the "Record Dates" for payment of interest on the Bonds), which participants will in turn credit such payments to the beneficial owners of the Bonds.

All bidders of the Bonds must be participants of The Depository Trust Company, New York, New York ("DTC") or affiliated with its participants. The Bonds will be issued in fully registered form, and when issued will be registered in the name of and held by Cede & Co., as the registered owner thereof and nominee for DTC, an automated depository for securities and clearinghouse for securities transactions.

Individual purchases of beneficial ownership interests in the Bonds will be made in book-entry form (without certificates) in the denomination of \$5,000 each or any integral multiple thereof. It shall be the obligation of the successful bidder to furnish to DTC an underwriter's questionnaire and the denomination of the Bonds not less than seventy-two (72) hours prior to the delivery of the Bonds.

In the event that either DTC determines not to continue to act as securities depository for the Bonds or the Township determines that the beneficial owners of the Bonds be able to obtain bond certificates, the Township will appoint a paying agent and will issue and deliver replacement Bonds in the form of fully registered certificates.

Electronic Bidding Procedures

Bids may be submitted electronically via PARITY in accordance with this Notice of Sale, until 11:00 a.m., New York City time, on April 19, 2011, but no bid will be received after the time for receiving bids specified above. To the extent any instructions or directions set forth in PARITY conflict with this Notice of Sale, the terms of this Notice of Sale shall control. For further information about PARITY, potential bidders may contact PARITY at (212) 849-5021. In the event that a bid for the Bonds is submitted via PARITY, the bidder further agrees that:

1. The Township may regard the electronic transmission of the bid through PARITY (including information about the purchase price of the Bonds, the interest rate or rates to be borne by the various maturities of the Bonds, the initial public offering price of each maturity and any other information included in such transmission) as though the same information were submitted directly to the Township and executed by a duly authorized signatory of the bidder. If a bid submitted electronically by PARITY is accepted by the Township, the terms of the Proposal for Bonds and this Notice of Sale and the information that is electronically transmitted through PARITY shall form a contract, and the successful bidder shall be bound by the terms of such contract.

2. PARITY is not an agent of the Township, and the Township shall have no liability whatsoever based on any bidder's use of PARITY, including but not limited to any failure by PARITY to correctly or timely transmit information provided by the Township or information provided by the bidder.

3. The Township may choose to discontinue use of electronic bidding via PARITY by issuing a notification to such effect via TM3 News Services, or by other available means, no later than 3:00 p.m. (New York City Time) on the last business date prior to the bid date set forth above.

4. Once the bids are communicated electronically via PARITY to the Township as described above, each bid will constitute a Proposal for Bonds and shall be deemed to be an irrevocable offer to purchase the Bonds on the terms provided in this Notice of Sale. For purposes of submitting all Proposal for Bonds, whether by hand delivery or electronically via Parity, the time as maintained on PARITY shall constitute the official time.

5. Each bidder choosing to bid electronically shall be solely responsible to make necessary arrangements to access PARITY for purposes of submitting its bid in a timely manner and in compliance with the requirements of this Notice of Sale. Neither the Township nor Parity shall have any duty or obligation to undertake such registration to bid for any prospective bidder or to provide or assure access to any qualified prospective bidder, and neither the Township nor Parity shall be responsible for the proper operation of, or have any liability for any delays or interruptions of, or any damages caused by PARITY. The Township is using PARITY as a communication mechanism, and not as the Township's agent, to conduct the electronic bidding for the Bonds. By using PARITY, each bidder agrees to hold the Township harmless for any harm or damages caused to such bidder in connection with its use of PARITY for bidding on the Bonds.

Bid Specifications

Each Proposal submitted must name the rate or rates of interest per annum to be borne by the Bonds bid for and the rate or rates named must be multiples of one-eighth or one-twentieth of one per centum. Not more than one rate may be named for Bonds of the same maturity. There is no limitation on the rates that may be named. If more than one rate of interest is named, no interest rate named for any maturity may be less than the interest rate named for any prior maturity, and the difference between the highest and lowest rates of interest named in the Proposal shall not exceed three percent (3%). Each Proposal submitted must be for all of the Bonds and the purchase price specified in the proposal must be not less than 100% of the aggregate par value of the Bonds or for more than 101% of the aggregate par value of the Bonds.

Award, Delivery And Payment

The Bonds will be awarded to the bidder on whose bid the total loan may be made at the lowest net interest cost. Such net interest cost shall be computed, as to each bid, by adding to the total principal amount of Bonds the total interest cost to maturity in accordance with such bid and by deduction therefrom of the amount of premium, if any, bid, which premium shall not exceed

one percent (1%) of par value of the aggregate principal amount of the Bonds. No Proposal shall be considered that offers to pay an amount less than the principal amount of Bonds offered for sale or under which the total loan is made at an interest cost higher than the lowest net interest cost to the Township under any legally acceptable proposal. If two or more such bidders offer to pay the lowest net interest cost, then the Bonds will be sold to one of such bidders selected by lot from among all such bidders. The bidder to which the Bonds are awarded (in the manner specified above) is herein referred to as the "Successful Bidder."

It is expected that delivery of the Bonds to DTC and payment for the Bonds will take place on or about, May 2, 2011 at the offices of Gibbons P.C., bond counsel to the Township ("Bond Counsel"), in Newark, New Jersey or at such other place as may be agreed upon with the Successful Bidder. The Bonds will be delivered to DTC in single denominations for each maturity of each type of bond. PAYMENT FOR THE BONDS AT THE TIME OF ORIGINAL ISSUANCE AND DELIVERY SHALL BE IN IMMEDIATELY AVAILABLE FUNDS.

Change of Bid Date and Closing Date

The Township reserves the right to postpone, from time to time, the date established for the receipt of bids and will undertake to notify registered prospective bidders via notification published on Thomson Municipal Market Monitor ("TM3") (www.tm3.com). Prospective bidders may request notification by facsimile transmission of any such changes in the date or time for the receipt of bids by so advising, and furnishing their telecopier numbers to the Chief Financial Officer of the Township at (973) 325-4070 by 12:00 Noon, New York City time, on the day prior to the announced date for receipt of bids. In addition, the Township reserves the right to make changes to this Notice of Sale. Such changes will be announced on the TM3.

A postponement of the bid date will be announced via TM3 not later than 11:00 a.m., New York City time, on the last business day prior to any announced date for receipt of bids, and an alternative sale date and time will be announced via TM3 by Noon, New York City time, not less than forty-eight (48) hours prior to such alternative date for receipt of bids.

On any such alternative date and time for receipt of bids, the Township will accept electronic bids for the purchase of the Bonds, such bids to conform in all respects to the provisions of this Notice of Sale, except for the changes in the date and time for receipt of bids and any other changes announced via TM3 at the time the date and time for receipt of bids are announced.

Right To Reject Bids; Waive Irregularities

The right is reserved to reject all bids, and any bid not complying with the terms of this Notice of Sale will be rejected. The Township reserves the right to reject any or all Proposals and so far as permitted by law, to waive any irregularity or informality in any or all Proposals.

Good Faith Deposit

A good faith deposit (the "Deposit"), in the form of either (i) a financial surety bond (the "Financial Surety Bond"), or (ii) an electronic transfer of immediately available federal funds in accordance with the wiring instructions contained in the immediately succeeding paragraph, in the amount of \$230,100 is required for each bid for the Bonds to be considered. The Financial Surety Bond must be from an insurance company licensed to issue such a bond in the State of New Jersey and approved by the Director of the Division of Local Government Services of New Jersey (the "Director"). At present, the Director has approved the use of Sure-Bid, a division of Financial Security Assurance Inc. Use of any other Financial Surety Bond must be approved by the Director prior to the bid and will not be accepted by the Township unless evidence of such approval is provided prior to the bid. The Financial Surety Bond must be submitted to the Township prior to 10:30 a.m. New York City time on the date for receipt of bids, and must be in the form and substance acceptable to the Township. A Financial Surety Bond must identify the bidder whose Deposit is guaranteed by such Financial Surety Bond. The Successful Bidder for the Bonds who utilized a Financial Surety Bond is required to submit its Deposit to the Township in the form of a wire transfer not later than 1:00 p.m. New York City time on the next business day following the award. If such Deposits are not received by that time, the Financial Surety Bond may be drawn by the Township to satisfy the Deposit requirement.

A bidder providing the Deposit via electronic transfer of funds shall transmit such funds to the following:

PNC Bank, N.A.
ABA No.: 031207607
Account No.: 8101455086
Account Name: Township of West Orange General Account
Contact: Edward J. Coleman, Chief Financial Officer
Phone: (973) 325-4070

If an electronic transfer of funds is used, such funds must be received in the account identified immediately above no later than 10:30 a.m. New York City time on the date for receipt of bids, and must be accompanied by detailed wiring instructions for the return thereof in the event that such bidder is not the Successful Bidder. Please note that the contact information provided immediately above should be used by bidders for the purposes of confirming receipt of electronic transfer of funds and the transmittal of instructions for the return of such electronic transfers of funds in the event such bidder is not the Successful Bidder. Electronic transfers of funds of unsuccessful bidders for the Bonds will be returned upon award of the Bonds. It is the intent of the Township that electronic transfers of funds will be returned via wire transfer to the unsuccessful bidders not later than 5:00 p.m. on the date for receipt of bids, provided that wiring instructions have been provided by such unsuccessful bidder at the time of transmission of the Deposit to the Township. The Township shall not bear any liability for any delay that may occur in the return of an electronic transfer of the Deposit to an unsuccessful bidder. Interest earned on the Deposit will be credited to the Township and will not be available to the Successful Bidder for the Bonds.

The Deposit of the Successful Bidder will be collected and the proceeds thereof retained by the Township to be applied in partial payment for the Bonds and no interest will be allowed or paid upon the amount thereof, but in the event the Successful Bidder shall fail to comply with the terms of its respective bid, the proceeds thereof will be retained as and for full liquidated damages. Award of the Bonds to the Successful Bidder or rejection of all bids is expected to be made within five hours after opening of the bids, but such Successful Bidder may not withdraw its Proposal for Bonds until after 5:00 p.m. of the day of such bid-opening and then only if such award has not been made prior to the withdrawal.

Bond Insurance

If the Bonds qualify for issuance of any policy of municipal bond insurance, any purchase of such policy shall be at the sole option and expense of the Successful Bidder. If the Bonds are to be insured, the Successful Bidder shall pay the premium therefor prior to the delivery of the Bonds. Any failure of the Bonds to be so insured or of any such policy of insurance to be issued shall not in any way relieve the Successful Bidder of its contractual obligations arising from the acceptance of its Proposal for Bonds for the purchase of the Bonds.

CUSIP Numbers

It is anticipated that CUSIP identification numbers will be printed on the Bonds, but neither the failure to print such number on any Bond nor any error with respect thereto shall constitute cause for the failure or refusal of the Successful Bidder to accept delivery of and pay for the Bonds. The CUSIP Service Bureau charges for the assignment of CUSIP numbers on the Bonds shall be the responsibility of and shall be paid for by the Successful Bidder.

Undertakings of the Successful Bidder

THE SUCCESSFUL BIDDER SHALL MAKE A BONA FIDE PUBLIC OFFERING OF THE BONDS AT THEIR RESPECTIVE INITIAL REOFFERING PRICES AND SHALL PROVIDE THE RELATED CERTIFICATION DESCRIBED BELOW.

The successful bidder shall within thirty (30) minutes after being notified of the award of the Bonds, advise the Township in writing (via facsimile transmission) of the initial reoffering prices to the public of each maturity of the Bonds (the "Initial Reoffering Prices"). The successful bidder must, by facsimile transmission or delivery received by the Township within twenty-four (24) hours after notification of the award, furnish the following information to the Township to complete the Official Statement in final form, as described below:

- A. Selling compensation (aggregate total anticipated compensation to the underwriters expressed in dollars, based on the expectation that all the Bonds are sold at the prices or yields at which the successful bidder advised the Township that the Bonds were initially offered to the public).
- B. The identity of the underwriters if the successful bidder is part of a group or syndicate.

- C. Any other material information that the Township determines is necessary to complete the Official Statement in final form.

After the award of the bonds, the Township will prepare copies of the final Official Statement and will include therein such additional information concerning the reoffering of the bonds as the successful bidder may reasonably request. The successful bidder will be responsible to the Township in all aspects for the accuracy and completeness of information provided by such successful bidder with respect to such reoffering.

SIMULTANEOUSLY WITH OR BEFORE DELIVERY OF THE BONDS, THE SUCCESSFUL BIDDER SHALL FURNISH TO THE TOWNSHIP A CERTIFICATE ACCEPTABLE TO BOND COUNSEL TO THE EFFECT THAT (I) THE SUCCESSFUL BIDDER HAVE MADE A BONA FIDE PUBLIC OFFERING OF BONDS AT THE INITIAL REOFFERING PRICES, (II) AS OF THE DATE OF THE SALE OF THE BONDS, THE SUCCESSFUL BIDDER REASONABLY EXPECTED TO SELL A SUBSTANTIAL AMOUNT OF THE BONDS TO THE PUBLIC (EXCLUDING BOND HOUSES, BROKERS AND OTHER INTERMEDIARIES) AT THEIR RESPECTIVE INITIAL REOFFERING PRICES, AND (III) SUBSTANTIAL AMOUNTS OF THE BONDS WERE SOLD TO THE PUBLIC (EXCLUDING BOND HOUSES, BROKERS AND OTHER INTERMEDIARIES) AT THEIR RESPECTIVE INITIAL REOFFERING PRICES. Bond counsel advises that (i) such certificate must be made on the best knowledge, information and belief of the successful bidder, (ii) the sale to the public of 10% or more in par amount of the bonds of each maturity at the initial reoffering prices would be sufficient to certify as to the sale of a substantial amount of the bonds, and (iii) reliance on other facts as a basis for such certification would require evaluation by bond counsel to assure compliance with the statutory requirement to avoid the establishment of an artificial price for the Bonds.

Legal Opinions

The obligations hereunder to pay for and to accept delivery of the Bonds shall be conditioned on the availability and the delivery at the time of delivery of the Bonds of the approving opinion of the law firm of Gibbons P.C., Newark, New Jersey, bond counsel to the Township, which will be furnished without cost to the Successful Bidder, substantially in the form set forth in the Official Statement distributed in preliminary form in connection with the sale of the Bonds. Such opinion shall state to the effect that the Bonds are valid and legally binding obligations of the Township, and that all the taxable property therein will be subject to the levy of ad valorem taxes, without limitation as to rate or amount, to pay the principal of the Bonds and the interest thereon; and will also state that under existing law, interest on the Bonds is excluded from gross income for purposes of Federal income taxation. The obligations hereunder to pay for and to accept delivery of the Bonds shall be further conditioned on the availability and delivery to the Successful Bidder, at the time of delivery of the Bonds, of (i) certificates from the Township Chief Financial Officer in form satisfactory to Bond Counsel evidencing the proper execution and delivery of the Bonds, the receipt of payment therefor and the fact the Bonds will not be arbitrage obligations within the meaning of the Code; (ii) a

certificate from the Township Attorney, in form and tenor satisfactory to Bond Counsel and dated as of the date of such delivery, to the effect that there is no litigation pending or (to the knowledge of the signer or signers thereof) threatened affecting the validity of the Bonds; and (iii) a certificate from the Township Chief Financial Officer, in form and tenor satisfactory to Bond Counsel and dated as of the date of such delivery, to the effect that to the best of his knowledge of such and belief, and after reasonable investigation: (1) neither the Official Statement relating to the Bonds nor any amendment, or supplement thereto contains any untrue statement of a material fact or omits to state any material fact necessary to make the statements therein, in the light of the circumstances in which they were made, not misleading; (2) since the date of the Official Statement (or the date of the most recent amendment or supplement thereto) no event has occurred which would make the statements therein untrue or, in the light of the circumstances in which they were made, misleading, and (3) there has not been any material adverse change in the operation or financial affairs of the Township since the date of such Official Statement.

Concerning The Preliminary Official Statement

The Township has issued an Official Statement with respect to the sale of the Bonds in preliminary form (the "Preliminary Official Statement") which the Township has deemed final as of its date for purposes of paragraph (b)(1) of Rule 15c2-12 under the Securities Exchange Act of 1934 ("Rule 15c2-12"), except for certain omissions permitted thereunder and except for changes permitted by other applicable law.

The Preliminary Official Statement may be accessed via the Internet at www.i-dealprospectus.com. A printed version is also available upon request made to the Chief Financial Officer of the Township at the Municipal Building, 66 Main Street, West Orange, New Jersey 07052 (telephone (973) 325-4070).

Official Statement

The Township agrees to provide the successful bidder with up to two hundred (200) copies of the final Official Statement adopted by the Township in relation to the sale by the Township of the Bonds within the period of time allowed under Rule 15c2-12, at the sole cost and expense of the Township, with any additional copies which the successful bidder shall reasonably request to be provided at the sole cost and expense of the successful bidder.

Continuing Disclosure

In order to assist the successful bidder in complying with Rule 15c2-12, the Township agrees to deliver on the Closing Date a Continuing Disclosure Certificate to be dated as of the Closing Date pursuant to which the Township shall agree to provide at the times and to the information repositories and other persons described in Rule 15c2-12 the financial or operating data required to be disclosed on a continuing basis pursuant to Rule 15c2-12.

Edward J. Coleman

Chief Financial Officer

Dated: April 7, 2011

APPENDIX E

PROPOSED FORM OF BOND COUNSEL OPINION

[FORM OF OPINION OF GIBBONS P.C.]

May __, 2011

Township of West Orange
66 Main Street
West Orange, New Jersey 07052

Dear Mayor and Council Members:

We have examined certified copies of the proceedings of the Council of the Township of West Orange, in the County of Essex, State of New Jersey (the "Township"), including ordinances, affidavits and certificates delivered by officials of the Township, and other proofs submitted to us relative to the issuance and sale by the Township of its \$11,505,000 General Obligation Bonds, Series 2011, consisting of \$11,275,000 aggregate principal amount of General Improvement Bonds (the "2011A Bonds") and \$230,000 aggregate principal amount of Tax Appeal Refunding Bonds (the "2011B Bonds," and together with the 2011A Bonds, the "Bonds"), dated the date of delivery.

The Bonds are issued pursuant to the Local Bond Law, constituting Chapter 2 of Title 40A of the New Jersey Statutes (the "Local Bond Law"), a resolution of the Township adopted March 29, 2011 (the "Resolution") and various bond ordinances of the Township, in all respects duly adopted by the Council of the Township (the "Bond Ordinances").

Each of the Bonds is dated the date of delivery, bears interest at the interest rate set forth on the cover page of the Official Statement relating to the Bonds and matures on the dates and in the principal amounts as set forth below:

<u>Date</u>	<u>Series 2011A</u>	<u>Series 2011B</u>	<u>Combined</u>
May 1, 2012	\$425,000	\$230,000	\$655,000
May 1, 2013	500,000	-	500,000
May 1, 2014	550,000	-	550,000
May 1, 2015	750,000	-	750,000
May 1, 2016	800,000	-	800,000
May 1, 2017	800,000	-	800,000
May 1, 2018	800,000	-	800,000
May 1, 2019	800,000	-	800,000
May 1, 2020	800,000	-	800,000
May 1, 2021	800,000	-	800,000
May 1, 2022	850,000	-	850,000
May 1, 2023	850,000	-	850,000
May 1, 2024	850,000	-	850,000
May 1, 2025	850,000	-	850,000
May 1, 2026	850,000	-	850,000

The Bonds are subject to redemption prior to maturity.

We have examined the Local Bond Law and such other laws and originals (or copies certified or otherwise identified to our satisfaction) of such instruments, certificates and documents as we deem necessary to render the opinions set forth herein. In such examination, we have assumed the genuineness of all signatures, the authenticity of all documents submitted to us as originals and the conformity to the original documents of all documents submitted to us as copies.

Based upon the foregoing and subject to the qualifications set forth herein, we are of the opinion that:

1. The aforementioned proceedings and proofs show lawful authority for the issuance and sale of the Bonds pursuant to the Local Bond Law, and other applicable provisions of law, and that the Bonds have been duly authorized, executed and delivered and are a valid and legally binding obligation of the Township.
2. The Township has the power and is obligated to levy ad valorem taxes upon all the taxable property within the Township for the payment of the principal of and interest on the Bonds, without limitation as to rate or amount.
3. Under existing law, interest on the Bonds is excluded from the gross income of the owners of the Bonds for federal income tax purposes pursuant to Section 103 of the Internal Revenue Code of 1986, as amended (the "Code") and interest on the Bonds is not an item of tax preference under Section 57 of the Code for purposes of computing alternative minimum tax.
4. Under existing law, interest on the Bonds and net gains from the sale of the Bonds are exempt from the tax imposed by the New Jersey Gross Income Tax Act.

With respect to our Federal income tax opinion, we note that the Code imposes certain requirements that must be met on a continuing basis subsequent to the issuance of the Bonds in order for interest on the Bonds to be excluded from gross income for Federal income tax purposes under Section 103 of the Code. The Township has covenanted to comply with the provisions of the Code applicable to the Bonds and has covenanted not to take any action or permit any action to be taken which would cause the interest on the Bonds to lose the exclusion from gross income for Federal income tax purposes under Section 103 of the Code or cause interest on the Bonds to be treated as an item of tax preference under Section 57 of the Code. We have assumed continuing compliance by the Township with the above covenants in rendering our opinion with respect to the exclusion of interest on the Bonds from gross income for Federal income tax purposes and with respect to interest on the Bonds not constituting an item of tax preference.

Attention is called to the fact that we have not been requested to examine and have not examined any documents or information relating to the Township other than the certified copies of the proceedings and proofs hereinabove referred to, and no opinion is expressed as to any financial or other information, or the adequacy thereof, which has been or may be supplied to any purchaser of said Bonds.

Our opinion concerning the enforceability of the Bonds is subject to federal and state laws regarding bankruptcy, insolvency, reorganization, moratorium and other similar laws affecting creditors' rights and remedies generally (including, without limitation, laws relating to fraudulent conveyance, and by general principles of law and equity (regardless of whether enforcement is considered or sought in proceedings at law or in equity) and by limitation on remedial rights under applicable law). Their enforcement may also be subject to the exercise of judicial discretion in appropriate cases.

The opinions stated herein are based upon current authorities, and there can be no assurance that future legislative or administrative changes or court decisions will not affect said opinions. We undertake no obligation to inform you of any matter occurring after the date of this letter which affects in any way the opinion given herein.

Except as stated above, we express no opinion as to any Federal or state tax consequences with respect to the Bonds.

Very truly yours,

GIBBONS P.C.