



CITY OF ORANGE TOWNSHIP
FINANCIAL STATEMENTS
WITH
INDEPENDENT AUDITORS' REPORT
AND
REPORT ON INTERNAL CONTROL AND COMPLIANCE
DECEMBER 31, 2013

CITY OF ORANGE TOWNSHIP
TABLE OF CONTENTS

	<u>Exhibit</u>	<u>Page</u>
<u>Part I</u>		
Roster of Officials		2
Independent Auditors' Report		3
<u>Financial Statements:</u>		
<u>Current Fund</u>		
Comparative Balance Sheets	A	5
Statements of Operations and Changes in Fund Balance	A-1	7
Statement of Revenue	A-2	8
Statement of Revenue Analysis of Miscellaneous Revenue	A-2a	9
Statement of Revenue	A-2b	10
Statement of Revenue Analysis of Realized Tax Revenue	A-2c	11
Statement of Revenue Analysis of Non-budget Revenue	A-2d	12
Statement of Expenditures	A-3	13
Statement of Expenditures	A-3a	20
<u>Trust Funds</u>		
Comparative Balance Sheets	B	21
<u>General Capital Fund</u>		
Comparative Balance Sheets	C	22
Statement of Fund Balance	C-1	23
<u>Water/Sewer Utility Fund</u>		
Comparative Balance Sheets	D	24
Statements of Operations and Changes in Fund Balance	D-1	26
Statement of Fund Balance – Utility Capital Fund	D-2	27
Statement of Revenue Analysis of Non-budget Revenue	D-3	28
Statement of Expenditures	D-4	29
Notes to Financial Statements		30

CITY OF ORANGE TOWNSHIP
TABLE OF CONTENTS

	<u>Exhibit</u>	<u>Page</u>
<u>Current Fund</u>		
Schedule of:		
Cash Receipts and Disbursements	A-4	50
Bank Reconciliation	A-5	51
Cash Receipts and Disbursements Collector	A-6	52
Investments	A-7	53
Change Funds	A-8	54
Petty Cash Funds	A-9	54
Due from State of New Jersey Per Chapter 129 P.L. 1976	A-10	55
Schedule of Taxes Receivable and Analysis of Property Tax Levy	A-11	56
Tax Title Liens	A-12	57
Schedule of Property Acquired for Taxes	A-13	57
Sales Contract Receivable	A-14	58
Other Liens Receivable	A-15	59
Schedule of Revenue Accounts Receivable	A-16	60
Other Accounts Receivable	A-17	61
Deposits Receivable	A-18	62
Interfunds Receivable	A-19	63
Deferred Charges	A-20	64
Deferred Charges N.J.S.A. 40A:4-55 Special Emergency	A-21	65
Grants Receivable	A-22	66
Appropriation Reserves	A-23	70
Accounts Payable	A-24	73
Tax Overpayments	A-25	74
Reserve Orange Reservoir	A-26	74
Due to State of New Jersey	A-27	75
Reserve for Revaluation	A-28	76
Interfunds Payable	A-29	77
County Taxes Payable	A-30	78
Prepaid School Taxes	A-31	78
Prepaid Taxes	A-32	79
Deposits on Sale of Property	A-33	79
Federal and State Grant Fund Due to Current Fund	A-34	80
Federal and State Grant Fund Schedule of Unappropriated Reserves	A-35	81
Federal and State Grant Fund Reserve for Grant Expenditures	A-36	82

CITY OF ORANGE TOWNSHIP
TABLE OF CONTENTS

	<u>Exhibit</u>	<u>Page</u>
<u>Part I - Continued</u>		
<u>Trust Funds</u>		
Schedule of:		
Cash Receipts & Disbursements - Treasurer	B-1	86
Cash – Treasurer Schedule of Disbursements	B-2	87
Bank Reconciliations	B-3	88
Essex County Community Development Block Grant Receivables	B-4	89
Accounts Receivable	B-5	90
Interfunds Receivable	B-6	91
Due to State of New Jersey	B-7	92
Reserve for Other Expenditures	B-8	93
Reserve for Other Deposits	B-9	94
Reserve for New Jersey Unemployment	B-10	95
Premium on Tax Sale	B-11	96
Interfunds Payable	B-12	97
Reserve for Rehabilitation Refunds Grant Trust Fund	B-13	98
Reserve for Animal Control Fund Expenditures	B-14	99
Reserve for Municipal Insurance Trust Fund Expenditures	B-15	100
Reserve for Essex County Community Development Block Grant	B-16	101
Reserve for Other Grant Fund Expenditures	B-17	102
Reserve for Salary Account	B-18	103
 <u>General Capital Fund</u>		
Schedule of Cash – Treasurer	C-2	104
Analysis of Cash	C-3	105
Grants Receivable	C-4	106
Loans Receivable	C-5	107
Schedule of Deferred Charges to Future Taxation Funded	C-6	108
Schedule of Deferred Charges to Future Taxation Unfunded	C-7	109
Schedule of Improvement Authorizations	C-8	110
Schedule of Capital Improvement Fund	C-9	111
Reserve for Debt Service	C-10	112
Reserve for Grants Receivable	C-11	112
Reserve for Capital Lease Program Essex County Improvement Authority	C-12	113
Reserve for Loan Proceeds	C-13	113
Demolition Bond Loan Payable	C-14	114
Interfunds Payable	C-15	115
N.J. Environmental Infrastructure Trust Loan Payable	C-16	116
Green Acres Trust Loan Payable – School	C-17	117
Green Acres Trust Loan Payable – General	C-18	118
School Refunding Bonds	C-19	119
General Refunding Bonds	C-20	120
Schedule of Bonds Anticipation Notes	C-21	121
Interfunds Receivable	C-22	122
Schedule of Bonds and Notes Authorize But Not Issued	C-23	123

**CITY OF ORANGE TOWNSHIP
TABLE OF CONTENTS**

	<u>Exhibit</u>	<u>Page</u>
<u>Part I - Continued</u>		
<u>Water/Sewer Utility Fund</u>		
Cash Receipts and Disbursements - Treasurer	D-5	124
Bank Reconciliations	D-6	125
Cash Receipts and Disbursements Water and Sewer Collections	D-7	126
Cash – Change Fund	D-8	126
Analysis of Capital Cash and Investments	D-9	127
Interfunds Receivable – Water Operating Fund	D-10	128
Interfunds Receivable – Water Capital Fund	D-10a	129
Consumer Accounts Receivable	D-11	130
Water and Sewer Lien Receivable	D-12	130
Deferred Charges – Overexpenditure of Budget Appropriations	D-13	131
Loans Receivable	D-14	131
Fixed Capital	D-15	132
Fixed Capital Authorized and Uncompleted	D-16	133
Appropriation Reserves	D-17	134
Due to United Water Company	D-18	135
Accrued Interest on Bonds	D-19	136
Water and Sewer Overpayments	D-20	137
Improvement Authorizations	D-21	138
Interfunds Payable – Water Operating Fund	D-22	139
Interfunds Payable – Water Capital Fund	D-22a	140
Reserve of Amortization	D-23	141
Deferred Reserve for Amortization	D-24	142
N.J. Environmental Infrastructure Trust Loan Payable	D-25	143
Serial Bonds	D-26	144
 <u>Part II</u>		
Report on Internal Control Over Financial Reporting on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance with Governmental Auditing Standards		146
Contracts and Agreements Required to be Advertised for N.J.S.A 40A:11-4		148
Schedule of Findings		150

Independent Auditors' Report

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

Report on the Financial Statements

We have audited the accompanying regulatory basis financial statements of the various funds of the City of Orange Township, County of Essex, New Jersey (the "City") as of and for the years ended December 31, 2013 and 2012, the statements of revenues, expenditures and changes in fund balances for the year ended December 31, 2013 and the related notes to the financial statements, which collectively comprise the City's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting practices prescribed by the Division of Local Government Services, Department of Community Affairs, State of New Jersey (the "Division"); this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express opinions on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller of the United States; and audit requirements as prescribed by the Division. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the regulatory basis financial statements are free of material misstatement.

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

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

Basis for Qualified Opinion

Management has prepared the financial statements in conformity with accounting practices prescribed by the Division, which 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. These practices differ in certain respects, which in some instances may be material, from accounting principles generally accepted in the United States of America applicable to local government units. The more significant of these practices are described in Note 1 to the financial statements.

Qualified Opinion

In our opinion, because of the City's policy to prepare its financial statements on the basis of accounting discussed above, 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 City as of December 31, 2013 or the results of its operations for the year then ended.

Unmodified Opinion

In our opinion, the regulatory basis financial statements referred to above present fairly, in all material respects, the respective financial position of the various funds of the City of Orange Township, Essex County, New Jersey, as of December 31, 2012, and the respective changes in financial position and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles and practices prescribed by the Division, as described in Note 1 to the financial statements.

Other Matters

Other Information

Our audit was conducted for the purpose of forming opinions on the regulatory basis financial statements that collectively comprise City's basic financial statements. The accompanying supplementary sections are presented for purposes of additional analysis and are not a required part of the basic financial statements.

The information included in the supplemental sections is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the supplemental section is fairly stated, in all material respects, in relation to the basic financial statements as a whole.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated August 29, 2014, on our consideration of the City's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the City's internal control over financial reporting and compliance.

McEnerney, Brady, Company, LLC

Livingston, New Jersey
August 29, 2014

Francis M. McEnerney

Francis M. McEnerney, CPA, RMA
Licensed Registered Municipal Accountant #539

CITY OF ORANGE TOWNSHIP
CURRENT FUND

A
Sheet # 1

COMPARATIVE BALANCE SHEETS
REGULATORY BASIS
DECEMBER 31, 2013 AND 2012

ASSETS AND DEFERRED CHARGES

<u>CURRENT FUND</u>	<u>Ref.</u>	<u>2013</u>	<u>2012</u>
Cash - Checking Accounts	A-4, A-5	\$ 9,349,329.55	\$ 5,115,977.57
Cash - Cash Management Funds	A-7		970,135.08
Cash - Change Funds	A-8	560.00	560.00
		<u>9,349,889.55</u>	<u>6,086,672.65</u>
 Due from State of New Jersey	 A-10	 <u>40,462.16</u>	 <u>49,013.50</u>
 Receivables and Other Assets with Full Reserves			
Delinquent Property Taxes	A-11	3,288,733.73	2,717,802.99
Tax Title Liens	A-12	1,719,584.49	1,652,394.80
Property Acquired for Taxes - Assessed Valuation	A-13	856,500.00	856,500.00
Sales Contract Receivable - Property			
Acquired for Taxes	A-14	80,601.00	80,601.00
Other Liens Receivable	A-15	377,776.29	346,598.32
Revenue Accounts Receivable	A-16	133,370.00	119,959.33
Other Accounts Receivable	A-17	195,989.55	137,039.61
Deposits Receivable	A-18	1,465.05	1,465.05
Interfunds Receivable	A-19	195,950.71	1,027,808.37
Prepaid School Taxes	A-31	322,705.00	
		<u>7,172,675.82</u>	<u>6,940,169.47</u>
 Deferred Charges			
Overexpenditures	A-20	16,585.50	543,026.02
Special Emergency Appropriation	A-21	1,735,398.37	1,621,731.16
		<u>1,751,983.87</u>	<u>2,164,757.18</u>
		 <u>18,315,011.40</u>	 <u>15,240,612.80</u>
 <u>STATE AND FEDERAL GRANT FUND</u>			
Grants Receivable	A-22	8,012,336.48	8,118,873.57
		<u>8,012,336.48</u>	<u>8,118,873.57</u>
		 <u>\$ 26,327,347.88</u>	 <u>\$ 23,359,486.37</u>

See accompanying notes to financial statements.

CITY OF ORANGE TOWNSHIP
CURRENT FUND

A
Sheet # 2

COMPARATIVE BALANCE SHEETS
REGULATORY BASIS
DECEMBER 31, 2013 AND 2012

	<u>Ref.</u>	<u>2013</u>	<u>2012</u>
<u>LIABILITIES, RESERVES AND FUND BALANCE</u>			
Appropriation Reserves			
Encumbered	A-3, A-23	\$ 869,267.87	\$ 908,996.67
Unencumbered	A-3, A-23	1,937,104.98	2,887,830.00
Accounts Payable	A-24	60,905.44	13,144.48
Tax Overpayments	A-25	310,704.85	501,420.15
TAN Note Payable	A-4	1,820,000.00	
Special Emergency Note Payable	A-4	1,216,300.00	
Reserve for Revaluations	A-28	118,114.09	1,375.09
Reserve for Orange Reservoir	A-26a	600,000.00	750,000.00
Interfunds Payable	A-29	153,621.54	944,434.34
Prepaid Taxes	A-32	143,593.34	96,072.60
Deposits on Sale of Property	A-33	3,110.00	3,110.00
County Taxes Payable	A-30	13,618.45	2,577.78
		<u>7,246,340.56</u>	<u>6,108,961.11</u>
Reserve for Receivables		7,172,675.82	6,940,169.47
Fund Balance	A-1	3,895,995.02	2,191,482.22
		<u>18,315,011.40</u>	<u>15,240,612.80</u>
<u>STATE AND FEDERAL GRANT FUND</u>			
Due to Current Fund	A-34	159,443.19	887,319.34
Unappropriated Reserves	A-35	470,770.04	316,247.64
Reserve for Grant Expenditures	A-36	7,382,123.25	6,915,306.59
		<u>8,012,336.48</u>	<u>8,118,873.57</u>
		<u>\$ 26,327,347.88</u>	<u>\$ 23,359,486.37</u>

See accompanying notes to financial statements.

CITY OF ORANGE TOWNSHIP
CURRENT FUND

A-1

STATEMENTS OF OPERATIONS
AND CHANGES IN FUND BALANCE
REGULATORY BASIS
FOR THE YEARS ENDED DECEMBER 31, 2013 AND 2012

	Ref.	2013	2012
REVENUE AND OTHER INCOME:			
Anticipated Fund Balance		\$	\$ 1,400,000.00
Miscellaneous Anticipated Revenue	A-2	18,483,677.75	17,176,287.18
Receipts from Delinquent Taxes	A-2c	2,905,470.40	3,140,885.18
Receipts from Current Taxes	A-2c	51,847,601.69	51,269,700.04
Non-Budget Revenues	A-2d	1,309,286.56	604,121.23
Other Credit to Income:			
Interfund Returned	A-19	831,857.66	77,507.48
Other Liens Receivable	A-15	15,712.19	61,965.18
Other Accounts Receivable Realized	A-17	70,765.36	46,473.95
Lapsed Balances of Appropriation Reserves	A-23	636,228.56	427,025.27
		76,100,600.17	74,203,965.51
TOTAL REVENUE AND OTHER INCOME			
EXPENDITURES:			
Budget Appropriations:			
Operations Within "CAPS"		40,692,577.32	39,030,248.94
Deferred Charges and Statutory Expenditures - Municipal		6,331,883.55	5,810,557.00
Operations Excluded from "CAPS"		5,500,796.97	4,172,359.64
Municipal Debt Service		2,549,045.79	3,854,068.81
Deferred Charges		405,432.79	405,432.79
Type I School District Debt Service		721,702.48	1,753,093.99
	A-3a	56,201,438.90	55,025,761.17
Overexpenditure of Grant Reserve	A-36	1,331.33	
Prepaid School Taxes	A-31	322,705.00	
Interfund Advance			526,652.97
Prior Year Refunds	A-4	26,602.97	804,230.00
Payment of Prior Year Costs			792,110.56
Overexpenditure of Appropriation Reserve	A-23	-	73,284.29
County Tax Appeals	A-25	775,393.45	277,067.06
County Taxes	A-30	7,047,258.22	6,890,704.00
Local District Taxes	A-31	10,557,043.00	10,350,043.00
		74,931,772.87	74,739,853.05
EXCESS (DEFICIT) OF REVENUES OVER (UNDER) EXPENDITURES		1,168,827.30	(535,887.54)
ADJUSTMENTS TO INCOME BEFORE FUND BALANCE:			
Expenditures Included Above Which By Statute Are			
Deferred Charges to Budget in Succeeding Year	A-20, A-21	535,685.50	543,026.02
STATUTORY EXCESS		1,704,512.80	7,138.48
FUND BALANCE, BEGINNING OF YEAR		2,191,482.22	3,584,343.74
Subtotal		3,895,995.02	3,591,482.22
UTILIZED AS ANTICIPATED REVENUE			1,400,000.00
FUND BALANCE, END OF YEAR		\$ 3,895,995.02	\$ 2,191,482.22

See accompanying notes to financial statements.

CITY OF ORANGE TOWNSHIP
CURRENT FUND

A-2a

STATEMENT OF REVENUE
ANALYSIS OF MISCELLANEOUS REVENUE
REGULATORY BASIS
FOR THE YEAR ENDED DECEMBER 31, 2013

		<u>Budget</u>		<u>Realized</u>	<u>Excess or (Deficit)</u>
MISCELLANEOUS REVENUES:					
Licenses:					
Alcoholic Beverages	A-16	\$ 61,000.00		\$ 60,910.00	\$ (90.00)
Other	A-2b	45,900.00		52,861.00	6,961.00
Fees and Permits:					
Uniform Construction Code Fees	A-16	140,000.00		140,000.00	
Other	A-2b	364,000.00		344,021.31	(19,978.69)
Fines and Costs - Other					
Fines and Costs - Municipal Court	A-16	915,000.00		952,610.74	37,610.74
Interest and Costs on Taxes	A-6	525,000.00		588,357.70	63,357.70
Parking Meters	A-16	109,000.00		54,518.00	(54,482.00)
Right of Way - Fiber Optics Cable	A-16	71,000.00		62,430.53	(8,569.47)
Rent Leveling Fees	A-16	35,000.00		52,420.00	17,420.00
Building Aid Allowance for School - State Aid	A-16	398,999.00		398,999.00	
Payments in Lieu of Taxes:					
Transport of New Jersey	A-16	105,000.00		105,521.00	521.00
Our Lady of Mt. Carmel Senior Citizens	A-16	98,000.00		128,059.50	30,059.50
Millennium Homes - RPM	A-16	23,000.00		24,616.97	1,616.97
South Essex Urban Renewal	A-16	74,000.00		73,856.00	(144.00)
Oakwood Towers	A-16	181,000.00		160,113.50	(20,886.50)
Salem Towers - High Street Associates	A-16	165,000.00		169,327.00	4,327.00
Orange Park Apartments Associates, Ltd.	A-16	170,000.00		161,370.00	(8,630.00)
The Berkeley	A-16	15,000.00		30,934.00	15,934.00
Lincoln Court	A-16	107,000.00		105,071.00	(1,929.00)
Project Live, Inc.	A-16	46,000.00		12,463.32	(33,536.68)
New Community Corporation	A-16	54,000.00		45,833.00	(8,167.00)
307 Washington Street	A-16	39,000.00		80,080.10	41,080.10
Central Village II	A-16	24,000.00		49,155.00	25,155.00
Grand Central Senior Housing	A-16	22,000.00		38,496.00	16,496.00
Energy Receipts Tax	A-16	5,553,481.00		5,494,795.11	(58,685.89)
Consolidated Municipal Property Tax Relief	A-16	2,819,316.00		2,819,316.00	
Cancelation of 2012 Appropriation Reserves	A-23	1,293,000.00		1,293,000.00	
Cancelations of Tax Sale Premiums over 5 years	A-19	144,100.00		144,100.00	
Cancelations of Excess Funds in Payroll Account	A-19	775,643.00		775,643.00	
Reserve for Orange Reservoir	A-26	150,000.00		150,000.00	
2013 Inspection Fees Formerly Realized in Trust	A-16	160,000.00		187,905.00	27,905.00
ILS Millburn Code Official	A-16	8,750.00		8,750.00	
State and Federal Revenue Offsets with					
Appropriations:					
Essex County . Visit Nurse Sen. Cit. PHN	A-22	16,200.00		16,200.00	
Essex County . Visit Nurse Sen. Cit. PHN -159	A-22	1,919.00		1,919.00	
Green Acres - Multi Parks #0717-10-018	A-22	320,391.00		320,391.00	
Green Acres - Multi Parks #0717-10-018 - 159	A-22	1,129,609.00		1,129,609.00	
Essex County Hurricane Sandy	A-22	321,917.96		321,917.96	
NJDOT Various Streets -2012	A-22	315,600.00		315,600.00	
NJDOT Various Streets -2013	A-22	310,800.00		310,800.00	
State NJ Clean Communities	A-22	43,062.00		43,062.00	
CDBG ADA Accessible Crosswalks -159	A-22	41,500.00		41,500.00	
CDBG Central Baseball Field - 159	A-22	47,900.00		47,900.00	
CDBG Colgate Park Reconstruction - 159	A-22	202,000.00		202,000.00	
CDBG Alden Street Park - 159	A-22	70,000.00		70,000.00	
State of NJ Recycling Tonnage Grant - 159	A-22	81,028.36		81,028.36	
Essex County Municipal Alliance	A-22	85,000.00		85,000.00	
Essex County CDBG Match - Multi Parks	A-22	370,391.00		370,391.00	
Sustainable Jersey Small Grant	A-22	2,000.00		2,000.00	
Summer Foods - 159	A-22	292,413.09		292,413.09	
Summer Food 2012 Addition	A-22	66,412.56		66,412.56	
		<u>\$ 18,410,332.97</u>		<u>\$ 18,483,677.75</u>	<u>\$ 73,344.78</u>

See accompanying notes to financial statements.

CITY OF ORANGE TOWNSHIP
CURRENT FUND

A-2b

STATEMENT OF REVENUE
REGULATORY BASIS
FOR THE YEAR ENDED DECEMBER 31, 2013

Ref.

Other Licenses

City Clerk	\$ 1,730.00	
Inspection and Licensing	45,815.00	
Health Department	5,316.00	
	<hr/>	
A-2a, A-16		<u>\$ 52,861.00</u>

Other Fees and Permits

City Clerk	\$ 4,494.36	
Health Department	136,510.00	
Tax Assessor	382.50	
Board of Adjustment	425.00	
Planning Board	4,115.00	
Police Department	9,825.50	
Code Enforcement	109,895.00	
Planning and Development	67,327.70	
Engineering	11,046.25	
	<hr/>	
A-2a, A-16		<u>\$ 344,021.31</u>

See accompanying notes to financial statements.

CITY OF ORANGE TOWNSHIP
CURRENT FUND

A-2c

STATEMENT OF REVENUE
ANALYSIS OF REALIZED TAX REVENUE
REGULATORY BASIS
FOR THE YEAR ENDED DECEMBER 31, 2013

	<u>Ref.</u>		
Receipts from Delinquent Taxes			
Delinquent Tax Collections:			
2013 Collections	A-11	\$ 2,443,294.59	
Tax Title Lien Collections	A-12	462,175.81	
	A-1,A-2	<u>2,905,470.40</u>	\$ 2,905,470.40
Allocation of Current Tax Collections			
Revenue from Collections:			
2013 Collections	A-11	51,751,529.09	
2012 Collections	A-32	96,072.60	
	A-1	<u>51,847,601.69</u>	51,847,601.69
Less: Allocated to:			
Essex County	A-30	7,047,258.22	
Local School District	A-31	10,557,043.00	
		<u>17,604,301.22</u>	<u>17,604,301.22</u>
			34,243,300.47
Plus: Appropriation Reserve for Uncollected Taxes	A-3		<u>3,494,994.41</u>
Amount of Municipal Support	A-2		<u>\$ 37,738,294.88</u>

See accompanying notes to financial statements.

CITY OF ORANGE TOWNSHIP
CURRENT FUND
STATEMENT OF EXPENDITURES
REGULATORY BASIS
FOR THE YEAR ENDED DECEMBER 31, 2013

	Budget	Budget After Modification	Paid or Charged	Expended		Reserved	Canceled	Over-Expenditures
				Encumbered	Committed			
OPERATIONS - WITHIN "CAPS":								
DEPARTMENT OF ADMINISTRATION								
Mayor's Office								
Salaries and Wages	\$ 166,300.00	\$ 166,300.00	\$ 166,300.00	\$ 1,057.00	\$ 2,624.37	\$		
Other Expenses	10,100.00	10,100.00	6,418.63					
Office of the Business Administrator								
Salaries and Wages	202,863.00	202,863.00	202,843.91	4,256.00	19.09			
Other Expenses	5,010.00	5,010.00	572.75		181.25			
Office of Administrative Services								
Salaries and Wages	159,128.00	159,128.00	159,128.00	20,143.20	3,820.53			
Other Expenses	205,100.00	205,100.00	181,136.27					
Office of Public Defender								
Salaries and Wages	44,000.00	44,000.00	44,000.00					
Other Expenses	1,000.00	1,000.00	1,000.00					
Insurance:								
Unemployment Compensation								
General Liability	446,000.00	446,000.00	365,147.63	50,241.00	30,611.37			
Workers Compensation	660,000.00	690,000.00	659,162.05	12,141.48	18,696.47			
Employee Group Health	7,808,597.00	7,808,597.00	7,681,828.18	55,833.06	70,935.76			
Municipal Insurance Fund	129,622.73	129,622.73	129,622.73		75,000.00			
Waived Health Benefits	75,000.00	75,000.00						
Municipal Alcohol Beverage Control Board								
Salaries and Wages	5,000.00	5,000.00	5,000.00					
Other Expenses	7,000.00	7,000.00	4,207.40	2,310.00	482.60			
	<u>9,924,720.73</u>	<u>9,954,720.73</u>	<u>9,606,367.55</u>	<u>145,981.74</u>	<u>202,371.44</u>			
DEPARTMENT OF LAW								
Office of the City Attorney								
Salaries and Wages	348,979.00	348,979.00	348,369.78	609.22				
Other Expenses	60,000.00	90,000.00	48,363.62	27,056.80	14,579.38			
	<u>438,979.00</u>	<u>438,979.00</u>	<u>396,733.60</u>	<u>27,056.80</u>	<u>15,188.60</u>			
CITY CLERK AND MUNICIPAL COUNCIL								
City Council								
Salaries and Wages	120,000.00	120,000.00	120,000.00	4,034.56	21,671.81			
Other Expenses	101,000.00	101,000.00	75,293.63					
City Clerk								
Salaries and Wages	264,600.00	264,600.00	281,185.50	639.58	509.86			16,585.50
Other Expenses	32,100.00	32,100.00	30,950.56	4,674.14	22,161.67			
	<u>517,700.00</u>	<u>517,700.00</u>	<u>507,429.69</u>	<u>4,674.14</u>	<u>22,161.67</u>			

CITY OF ORANGE TOWNSHIP
CURRENT FUND

STATEMENT OF EXPENDITURES
REGULATORY BASIS
FOR THE YEAR ENDED DECEMBER 31, 2013

	Budget	Budget After Modification	Paid or Charged	Expended		Reserved	Canceled	Over- Expenditures
				Encumbered	Expenditures			
OPERATIONS - WITHIN "CAPS" (Continued):								
DEPARTMENT OF PLANNING AND DEVELOPMENT								
Inspection and Licensing								
Salaries and Wages	\$ 323,569.00	\$ 323,569.00	\$ 323,569.00	\$	\$	\$ 1,048.18	\$	\$
Other Expenses	1,360.00	1,360.00	311.82					
Planning Division								
Salaries and Wages	295,894.00	295,894.00	293,824.00			2,070.00		
Other Expenses	12,950.00	12,950.00	6,711.97	4,159.67		2,078.36		
Zoning Board								
Salaries and Wages	5,000.00	5,000.00	5,000.00					
Other Expenses	7,450.00	7,450.00	3,736.99	1,250.00		2,463.01		
Planning Board								
Salaries and Wages	5,000.00	5,000.00	5,000.00					
Other Expenses	6,650.00	6,650.00	5,518.33	416.66		715.01		
Rent Levelling Board								
Salaries and Wages	10,000.00	10,000.00	10,000.00					
Other Expenses	7,610.00	7,610.00	4,193.48	833.34		2,583.18		
	<u>675,483.00</u>	<u>675,483.00</u>	<u>657,865.59</u>	<u>6,659.67</u>		<u>10,957.74</u>		
DEPARTMENT OF FINANCE								
Department of Finance								
Salaries and Wages	326,330.00	326,330.00	320,136.44			6,193.56		
Other Expenses	325,621.00	339,621.00	274,744.73	16,245.78		48,630.49		
Office of Tax Collector								
Salaries and Wages	208,500.00	208,500.00	206,544.05			1,955.95		
Other Expenses	21,110.00	21,110.00	20,177.54	100.00		832.46		
Tax Assessor								
Salaries and Wages	181,997.00	181,997.00	181,997.00					
Other Expenses	46,440.00	46,440.00	19,879.54					
Revaluation								
	<u>1,109,998.00</u>	<u>1,643,098.00</u>	<u>1,542,679.30</u>	<u>23,461.51</u>		<u>76,957.19</u>		
DEPARTMENT OF COMMUNITY SERVICES								
Administrative Division								
Salaries and Wages	217,875.00	217,875.00	217,875.00			1,361.85		
Other Expenses	9,205.00	9,205.00	7,843.15					
Health Division								
Salaries and Wages	363,880.00	363,880.00	358,386.94			5,493.06		
Other Expenses	48,709.00	48,709.00	17,542.25	17,477.87		13,688.88		
	<u>639,669.00</u>	<u>639,669.00</u>	<u>601,647.34</u>	<u>17,477.87</u>		<u>20,547.79</u>		

CITY OF ORANGE TOWNSHIP
CURRENT FUND

STATEMENT OF EXPENDITURES
REGULATORY BASIS
FOR THE YEAR ENDED DECEMBER 31, 2013

	Budget	Budget After Modification	Expended		Reserved	Canceled	Over-Expenditures
			Paid or Charged	Encumbered			
OPERATIONS - WITHIN "CAPS" (Continued):							
DEPARTMENT OF COMMUNITY SERVICES (Continued)							
Animal Control							
Salaries and Wages	\$ 54,234.00	\$ 54,234.00	\$ 51,979.31	\$ 6,300.74	\$ 2,254.69	\$	\$
Other Expenses	84,275.00	84,275.00	66,653.56		11,320.70		
Older Adults Services							
Salaries and Wages	70,000.00	70,000.00	69,989.40		10.60		
Other Expenses	122,400.00	122,400.00	117,436.54	345.00	4,618.46		
Cultural Affairs							
Salaries and Wages	39,996.00	39,996.00	36,998.00		2,998.00		
Other Expenses	21,420.00	21,420.00	4,541.55	2,089.92	14,788.53		
Recreation							
Salaries and Wages	501,459.00	501,459.00	498,666.99		2,792.01		
Other Expenses	59,000.00	59,000.00	27,583.37	14,420.78	16,995.85		
	<u>952,784.00</u>	<u>952,784.00</u>	<u>873,848.72</u>	<u>23,156.44</u>	<u>55,778.84</u>		
DEPARTMENT OF POLICE							
Administration/Patrol Division							
Salaries and Wages	11,676,049.00	11,676,049.00	11,518,926.66	2,227.67	154,894.67		
Other Expenses	455,810.00	455,810.00	237,038.12	125,592.57	93,179.31		
School Guards							
Salaries and Wages	374,080.00	374,080.00	346,600.52		27,479.48		
	<u>12,505,939.00</u>	<u>12,505,939.00</u>	<u>12,102,565.30</u>	<u>127,820.24</u>	<u>275,553.46</u>		
DEPARTMENT OF FIRE							
Administration Division							
Salaries and Wages	5,732,740.00	5,732,740.00	5,702,612.40		30,127.60		
Other Expenses	717,485.00	717,485.00	504,989.60	176,651.43	35,843.97		
Office of Emergency Management							
Salaries and Wages							
Other Expenses							
	<u>6,450,225.00</u>	<u>6,450,225.00</u>	<u>6,207,602.00</u>	<u>176,651.43</u>	<u>65,971.57</u>		

CITY OF ORANGE TOWNSHIP
CURRENT FUND

STATEMENT OF EXPENDITURES
REGULATORY BASIS
FOR THE YEAR ENDED DECEMBER 31, 2013

	Budget	Budget After Modification	Expended		Reserved	Canceled	Over-Expenditures
			Paid or Charged	Encumbered			
OPERATIONS - WITHIN "CAPS" (Continued):							
DEPARTMENT OF PUBLIC WORKS							
Street Maintenance	\$ 860,510.00	\$ 860,510.00	\$ 860,509.65	\$ 24,207.18	\$ 0.35	\$	\$
Salaries and Wages	173,876.00	173,876.00	113,338.67		36,330.15		
Other Expenses	167,848.00	167,848.00	163,389.79		4,478.21		
Maintenance of Parks	70,300.00	70,300.00	48,952.43	500.00	20,847.57		
Salaries and Wages	233,057.00	233,057.00	233,057.00				
Other Expenses	77,102.00	77,102.00	66,100.63	3,116.95	8,884.42		
Director's Office	748,660.00	748,660.00	692,024.49	52,963.19	3,672.32		
Equipment and Vehicle Management	67,512.00	67,512.00	50,718.64		16,793.36		
Salaries and Wages	263,426.00	263,426.00	159,099.88	21,052.14	83,273.98		
Other Expenses	10,000.00	10,000.00	10,000.00				
Snow Removal	90,000.00	90,000.00	27,166.60	12,534.36	50,298.04		
Salaries and Wages	2,762,291.00	2,762,291.00	2,423,337.78	114,373.82	224,579.40		
Other Expenses							
MUNICIPAL COURT							
Salaries and Wages	550,974.00	550,974.00	550,974.00				
Other Expenses	92,172.00	92,172.00	51,509.68	5,413.35	35,248.97		
	643,146.00	643,146.00	602,483.68	5,413.35	35,248.97		
UNIFORM CONSTRUCTION CODE - APPROPRIATIONS							
OFFSET BY DEDICATED REVENUES (N.J.A.C.5:23-4.17)							
Planning and Economic Development/Uniform							
Construction Code:							
Inspections and Licensing							
Salaries and Wages	57,500.00	57,500.00	57,500.00				
	57,500.00	57,500.00	57,500.00				

CITY OF ORANGE TOWNSHIP
CURRENT FUND
STATEMENT OF EXPENDITURES
REGULATORY BASIS
FOR THE YEAR ENDED DECEMBER 31, 2013

	Budget	Budget After Modification	Expended		Reserved	Canceled	Over-Expenditures
			Paid or Charged	Encumbered			
OPERATIONS - WITHIN "CAPS" (Continued):							
UNCLASSIFIED							
Utilities:							
Telephone	\$ 160,000.00	\$ 160,000.00	\$ 158,873.96	\$ 737.88	\$ 388.16		\$
Street Lighting	600,000.00	600,000.00	466,579.29		133,420.71		
Gas and Electric	500,000.00	475,000.00	300,866.27		174,133.73		
Refuse Removal	2,152,172.00	2,130,357.09	1,628,944.15	182,151.39	319,261.55		
Salary Adjustments	9,100.00	9,100.00	9,093.05		6.95		
Extended School Day Program	50,000.00	50,000.00	29,900.00		20,100.00		
Contingent	10,000.00	10,000.00			10,000.00		
TOTAL UNCLASSIFIED	3,481,272.00	3,434,457.09	2,584,256.72	182,898.27	657,311.10		
TOTAL OPERATIONS WITHIN "CAP"	40,159,706.73	40,675,991.82	38,174,317.27	855,616.28	1,662,643.77		
Detail							
Salaries and Wages	23,644,874.00	23,644,874.00	23,401,061.98	2,227.67	258,169.85		16,585.50
Other Expenses	16,514,832.73	17,031,117.82	14,773,255.29	853,388.61	1,404,473.92		
	40,159,706.73	40,675,991.82	38,174,317.27	855,616.28	1,662,643.77		16,585.50
DEFERRED CHARGES							
Unemployment Insurance - Prior Year	259,500.00	259,500.00	259,500.00				
Overexpenditure of Budget Appropriations	543,026.02	543,026.02	543,026.02				
Prior Years Bills	50,000.00	50,000.00	46,107.63			3,892.47	
	852,526.02	852,526.02	848,633.55			3,892.47	
STATUTORY EXPENDITURES							
Public Employee Retirement System	613,000.00	613,000.00	612,266.64	733.36			
Social Security System (O.A.S.I.)	850,000.00	850,000.00	813,392.95		36,607.05		
Consolidated Police and Fire	36,500.00	36,500.00		12,918.23	23,581.77		
Police and Fire Retirement System	3,495,000.00	3,494,977.61	3,494,977.61		22.39		
Unemployment Insurance	280,000.00	280,000.00	280,000.00				
Judgments	200,000.00	200,000.00	52,500.00		147,500.00		
ILS Millburn Code Official	8,750.00	8,750.00	7,000.00		1,750.00		
	5,474,500.00	5,483,250.00	5,280,137.20	13,651.59	209,461.21		
TOTAL GENERAL APPROPRIATIONS FOR MUNICIPAL PURPOSES WITHIN "CAPS"	46,486,732.75	47,011,767.84	44,283,088.02	869,267.87	1,872,104.98	3,892.47	16,585.50

CITY OF ORANGE TOWNSHIP
CURRENT FUND

STATEMENT OF EXPENDITURES
REGULATORY BASIS
FOR THE YEAR ENDED DECEMBER 31, 2013

	Budget	Budget After Modification	Expended		Canceled	Over-Expenditures
			Paid or Charged	Encumbered		
OPERATIONS - EXCLUDED FROM "CAPS"						
OTHER OPERATIONS						
Municipal Library	\$ 703,000.00	\$ 703,000.00	\$ 703,000.00	\$	\$	\$
Library Portion of Health Benefits	129,582.00	129,582.00	129,582.00			
Employee Group Health	393,821.00	393,821.00	393,821.00			
Capital Improvement Fund	400,000.00	400,000.00	400,000.00			
Improvements to Properties/Demolition	135,000.00	135,000.00	70,000.00	65,000.00		
	<u>1,761,403.00</u>	<u>1,761,403.00</u>	<u>1,696,403.00</u>	<u>65,000.00</u>		
STATE AND FEDERAL PROGRAMS OFFSET BY REVENUES						
Essex County - Visit Nurse Sen. Ct. PHN	16,200.00	16,200.00	16,200.00			
Essex County - Visit Nurse Sen. Ct. PHN -159		1,919.00	1,919.00			
Green Acres - Multi Parks #0717-10-018	320,391.00	320,391.00	320,391.00			
Green Acres - Multi Parks #0717-10-018 - 159		1,129,609.00	1,129,609.00			
Essex County Hurricane Sandy -159		321,917.96	321,917.96			
NJDOT Various Streets - 2012	315,600.00	315,600.00	315,600.00			
NJDOT Various Streets - 2013	310,800.00	310,800.00	310,800.00			
Summer Foods						
Slate NJ Clean Communities	43,062.00	43,062.00	43,062.00			
CDBG ADA Accessible Crosswalks - 159		41,500.00	41,500.00			
CDBG Central Baseball Field - 159		47,900.00	47,900.00			
CDBG Colgate Park Reconstruction - 159		202,000.00	202,000.00			
CDBG Alden Street Park -159		70,000.00	70,000.00			
Slate of NJ Recycling Tonnage Grant - 159		81,028.36	81,028.36			
Essex County Municipal Alliance- Local Share	21,250.00	21,250.00	21,250.00			
Essex County Municipal Alliance	85,000.00	85,000.00	85,000.00			
Essex County CDBG Match - Multi Parks	370,391.00	370,391.00	370,391.00			
Sustainable Jersey Small Grant		2,000.00	2,000.00			
Summer Food - 159	66,412.56	66,412.56	292,413.09	66,412.56		
Summer Food 2012 Addition	1,549,105.56	3,739,393.97	3,739,393.97			
Total Operations	<u>3,310,509.56</u>	<u>5,500,796.97</u>	<u>5,435,796.97</u>	<u>65,000.00</u>		

See accompanying notes to financial statements.

CITY OF ORANGE TOWNSHIP
CURRENT FUND

A-3a

STATEMENT OF EXPENDITURES
REGULATORY BASIS
YEAR ENDED DECEMBER 31, 2013

	<u>Ref.</u>	<u>Modified Budget</u>	<u>Paid or Charged</u>
Adopted Budget	A-2	\$ 59,228,113.92	\$
Emergency Authorizations	A-28, A-21	519,100.00	519,100.00
Due to Municipal Insurance Fund	A-29		129,622.73
Cash Disbursed	A-4		48,079,740.36
Deferred Charges	A-20, A-21		543,026.20
Deferred Charges - Overexpenditures	A-20	16,585.50	
Deferred Charges - Special Emergency	A-21		405,432.79
Reserve for Grant Expenditures	A-36		3,718,143.97
Grant Match	A-19		
Reserve for Uncollected Taxes	A-3	(3,494,994.41)	3,494,994.41
Canceled	A-3	(67,366.11)	
	A-1, A-3	<u>\$ 56,201,438.90</u>	<u>\$ 56,890,060.46</u>

See accompanying notes to financial statements.

CITY OF ORANGE TOWNSHIP
TRUST FUND

COMPARATIVE BALANCE SHEETS
REGULATORY BASIS
DECEMBER 31, 2013 AND 2012

B

	<u>Ref.</u>	<u>2013</u>	<u>2012</u>
ASSETS			
ANIMAL CONTROL FUND:			
Cash	B-1	\$ 5,390.58	\$ 2,656.38
		<u>5,390.58</u>	<u>2,656.38</u>
GENERAL TRUST FUND:			
Cash	B-1	4,016,679.47	4,257,687.16
		<u>4,016,679.47</u>	<u>4,257,687.16</u>
Other Accounts Receivable	B-5	204,481.69	
Interfunds Receivable	B-6		39,639.91
		<u>4,221,161.16</u>	<u>4,297,327.07</u>
MUNICIPAL INSURANCE TRUST FUND			
Cash	B-1	119,522.82	416,911.34
Interfunds Receivable	B-6	129,622.73	
		<u>249,145.55</u>	<u>416,911.34</u>
GRANT TRUST FUND			
Cash	B-1	112,766.20	112,189.49
Essex County Community Development Block Grants Receivable	B-4	541,977.68	460,185.28
		<u>654,743.88</u>	<u>572,374.77</u>
TOTAL ASSETS		<u>5,130,441.17</u>	<u>5,289,269.56</u>
LIABILITIES, RESERVES AND FUND BALANCE			
ANIMAL CONTROL FUND:			
Reserve for Expenditures	B-14	5,280.78	2,592.78
Due to State of New Jersey	B-7	109.80	63.60
		<u>5,390.58</u>	<u>2,656.38</u>
GENERAL TRUST FUND:			
Interfunds Payable	B-12	35,971.59	140,489.03
Reserve for:			
Other Expenditures	B-8	490,998.69	493,415.98
Other Deposits	B-9	1,548,655.97	869,222.32
New Jersey Unemployment Insurance	B-10	239,132.21	21,003.10
Salary Account	B-18	366,150.44	1,718,544.38
Premium on Tax Sale	B-11	1,540,252.26	1,054,652.26
		<u>4,221,161.16</u>	<u>4,297,327.07</u>
MUNICIPAL INSURANCE TRUST FUND			
Reserve for Municipal Insurance Trust			
Fund Expenditures	B-15	249,145.55	416,911.34
		<u>249,145.55</u>	<u>416,911.34</u>
GRANT TRUST FUND			
Interfunds Payable	B-12	535.92	
Reserve for:			
Rehabilitation Grant Refunds	B-13	1,659.05	1,659.05
Essex County Community Development Block Grants Receivable	B-16	541,977.68	460,185.28
Other Grant Fund Expenditures	B-17	110,571.23	110,530.44
		<u>654,743.88</u>	<u>572,374.77</u>
TOTAL LIABILITIES AND RESERVES		<u>\$ 5,130,441.17</u>	<u>\$ 5,289,269.56</u>

CITY OF ORANGE TOWNSHIP
GENERAL CAPITAL FUND

C

COMPARATIVE BALANCE SHEETS
REGULATORY BASIS
DECEMBER 31, 2013 AND 2012

ASSETS	Ref.	2013	2012
Cash	C-2	\$ 633,160.88	\$ 76,816.78
Grants Receivable	C-4	669,581.24	1,273,823.26
Loans Receivable	C-5	9,824.89	848,556.96
Interfund Receivable	C-22	838,732.07	405,200.74
Deferred Charges to Future Taxation:			
Funded	C-6	9,226,991.95	12,083,083.37
Unfunded	C-7	3,189,246.00	3,189,246.00
		\$ 14,567,537.03	\$ 17,876,727.11
LIABILITIES AND FUND BALANCE			
General Refunding Bonds	C-20	6,840,080.00	8,926,028.00
School Refunding Bonds	C-19	1,559,920.00	2,163,972.00
Bond Anticipation Notes	C-21	1,045,000.00	1,045,000.00
Green Acres Trust Loan Payable:			
General	C-18	264,142.23	289,914.58
School	C-17	30,631.35	60,659.16
N.J. Environmental Infrastructure Trust Loan Payable	C-16	532,218.37	615,784.60
N.J. Economic Development Authority Loan Payable			
Demolition Bond Loan Payable	C-14		26,725.03
Interfunds Payable	C-15		300,000.00
Improvement Authorizations:			
Funded	C-8	542,697.75	437,076.79
Unfunded	C-8	2,933,608.86	3,592,328.48
Capital Improvement Fund	C-9	460,779.61	60,779.61
Reserves for:			
Debt Service	C-10	4,225.00	4,225.00
Grants Receivable	C-11	17,750.00	17,750.00
Capital Lease Program	C-12	262,160.65	262,160.65
Loan Proceeds	C-13	61,176.74	61,176.74
Fund Balance	C-1	13,146.47	13,146.47
		\$ 14,567,537.03	\$ 17,876,727.11
Bonds and Notes Authorized But Not Issued	C-23	\$ 2,144,246.00	\$ 3,189,246.00

See accompanying notes to financial statements.

CITY OF ORANGE TOWNSHIP
GENERAL CAPITAL FUND

C-1

STATEMENT OF FUND BALANCE
REGULATORY BASIS
YEAR ENDED DECEMBER 31, 2013

Ref.

Balance, December 31, 2013 and 2012	C	<u>\$ 13,146.47</u>
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See accompanying notes to financial statements.

CITY OF ORANGE TOWNSHIP
WATER AND SEWER UTILITY

COMPARATIVE BALANCE SHEETS
REGULATORY BASIS
DECEMBER 31, 2013 AND 2012

D
Sheet # 1

<u>Assets</u>	<u>Ref.</u>	<u>2013</u>	<u>2012</u>
Operating Fund:			
Cash - Checking	D-5	\$ 1,516,113.69	\$ 1,744,303.64
Petty Cash	D-8	150.00	150.00
		<u>1,516,263.69</u>	<u>1,744,453.64</u>
Receivables with Full Reserves:			
Consumer Accounts Receivable	D-11	2,014,234.51	2,040,119.44
Water Liens	D-12	14,225.18	31,760.28
		<u>2,028,459.69</u>	<u>2,071,879.72</u>
Interfund Receivable			
	D-10	23,998.80	906,938.81
		<u>23,998.80</u>	<u>906,938.81</u>
Deferred Charges:			
Overexpenditure of Appropriation	D-13		73,818.00
Total Operating Fund		<u>3,568,722.18</u>	<u>4,797,090.17</u>
Capital Fund:			
Cash - Checking	D-5,D-9	3,028,472.93	1,382,685.60
Loans Receivable	D-14	129,947.81	86,359.74
Interfund Receivable	D-10a	1,000,000.00	2,300,000.00
Fixed Capital	D-15	8,633,725.74	8,633,725.74
Fixed Capital Authorized and Uncompleted	D-16	39,288,583.60	39,288,583.60
Total Capital Fund		<u>52,080,730.08</u>	<u>51,691,354.68</u>
Total Assets		<u>\$ 55,649,452.26</u>	<u>\$ 56,488,444.85</u>

See accompanying notes to financial statements.

CITY OF ORANGE TOWNSHIP
WATER AND SEWER UTILITY

COMPARATIVE BALANCE SHEETS
REGULATORY BASIS
DECEMBER 31, 2013 AND 2012

D
Sheet # 2

<u>Liabilities, Reserves and Fund Balance</u>	<u>Ref.</u>	<u>2013</u>	<u>2012</u>
Operating Fund:			
Appropriation Reserves:			
Encumbered	D-4,D-17	\$	\$ 33,749.32
Unencumbered	D-4,D-17	205,528.22	426,081.57
Due to United Water Company	D-18	73,289.06	20,237.35
Accrued Interest on Bonds	D-19	162,135.29	165,646.96
Water and Sewer Overpayments	D-20	57,008.26	61,772.60
Interfunds Payable	D-22	1,000,000.00	2,002,144.38
		<u>1,497,960.83</u>	<u>2,709,632.18</u>
Reserve for Receivables		2,028,459.69	2,071,879.72
Fund Balance	D-1	42,301.66	15,578.27
		<u>3,568,722.18</u>	<u>4,797,090.17</u>
Capital Fund:			
Serial Bonds Payable	D-26	22,605,000.00	23,635,000.00
N.J. Environmental Trust Fund	D-25	6,193,580.39	6,532,191.38
Improvement Authorizations:			
Funded	D-21	4,783,449.81	3,150,923.34
Unfunded	D-21	10.30	1,676,692.70
Interfunds Payable	D-22a	838,732.07	405,200.74
Reserve for Amortization	D-23	11,103,447.95	10,764,836.96
Deferred Reserve for Amortization	D-24	6,520,000.00	5,490,000.00
Fund Balance	D-2	36,509.56	36,509.56
		<u>52,080,730.08</u>	<u>51,691,354.68</u>
Total Liabilities, Reserves and Fund Balances		<u>\$ 55,649,452.26</u>	<u>\$ 56,488,444.85</u>
Bonds and Notes Authorized but Not Issued		<u>\$ 1,500,281.00</u>	<u>\$ 1,500,281.00</u>

See accompanying notes to financial statements.

CITY OF ORANGE TOWNSHIP
WATER AND SEWER UTILITY

D-1

STATEMENTS OF OPERATIONS AND CHANGES IN FUND BALANCE
REGULATORY BASIS
YEAR ENDED DECEMBER 31, 2013 AND 2012

	Ref.	2013	2012
Revenue and Other Income:			
Fund Balance Utilized		\$	\$ 210,000.00
Water and Sewer Rents	D-3	7,617,427.49	7,810,787.22
Miscellaneous Revenues	D-3	11,414.92	
Non-budget Revenue	D-3	57,860.06	45,887.43
Other Credits to Income:			
Other Accounts Receivable	D-12	148,556.62	106,938.81
Unexpended Balance of Appropriation Reserves	D-17	13,534.63	3,077.38
		<u>7,848,793.72</u>	<u>8,176,690.84</u>
Expenditures:			
Budget Appropriations			
Operations	D-4	5,248,931.01	5,651,040.00
Debt Service	D-4	2,573,139.32	2,601,583.89
		<u>7,822,070.33</u>	<u>8,252,623.89</u>
Excess (Deficit) in Revenue		26,723.39	(75,933.05)
Adjustments to Income before Surplus			
Expenditures included above which are by Statute			
Deferred Charges to Budget of Succeeding Year			<u>73,818.00</u>
Statutory Excess (Deficit) to Surplus		26,723.39	(2,115.05)
Fund Balance, Beginning of Year	D	<u>15,578.27</u>	<u>827,693.32</u>
		42,301.66	825,578.27
Less: Amount to Current Fund			600,000.00
Less: Amount Utilized as Anticipated Revenue			<u>210,000.00</u>
Fund Balance, End of Year	D	<u>\$ 42,301.66</u>	<u>\$ 15,578.27</u>

See accompanying notes to financial statements.

CITY OF ORANGE TOWNSHIP
WATER AND SEWER UTILITY

STATEMENT OF FUND BALANCE - UTILITY CAPITAL FUND
REGULATORY BASIS
DECEMBER 31, 2013 AND 2012

	<u>Ref.</u>	
Balance, December 31, 2013 and 2012	D	<u>\$ 36,509.56</u>

See accompanying notes to financial statements.

CITY OF ORANGE TOWNSHIP
WATER AND SEWER UTILITY

D-3

STATEMENT OF REVENUE
ANALYSIS OF NON-BUDGET REVENUE
REGULATORY BASIS
YEAR ENDED DECEMBER 31, 2013

<u>Source</u>	<u>Ref.</u>	<u>Budget</u>	<u>Realized</u>	<u>Excess (Deficit)</u>
Fund Balance Anticipated	D-1	\$	\$	\$
Water and Sewer Rents	D-1, D-11	7,810,787.00	7,617,427.49	(193,359.51)
Miscellaneous Revenues	D-1, D-7	45,880.00	11,414.92	(34,465.08)
Non-budget Revenue	D-1, D-7		57,860.06	57,860.06
	D-4	<u>\$ 7,856,667.00</u>	<u>\$ 7,686,702.47</u>	<u>\$ (169,964.53)</u>

Analysis of Realized Revenues

<u>Ref.</u>	
<u>Miscellaneous</u>	
Collections	Above
	<u>\$ 11,414.92</u>
<u>Rents</u>	
Collections - Rents	D-11
	7,617,427.49
	<u>\$ 7,617,427.49</u>
<u>Non-budget Revenue</u>	
Tapping Fee	
Interest on Investments	
	\$ 57,082.38
	777.68
	<u>\$ 57,860.06</u>
	D-7

See accompanying notes to financial statements.

CITY OF ORANGE TOWNSHIP
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED DECEMBER 31, 2013

1. REPORTING ENTITY AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Reporting Entity

The City of Orange Township (the "City") was organized as a Mayor-Council Plan D municipality in accordance with the provisions of N.J.S.A. 40:69A-61 et seq. and amended by N.J.S.A. 40:69A-208.1. The City is governed by an elected Mayor and Council. The Council shall consist of seven members which are elected three at large and four from wards by voters of the municipality.

Each member of the Council carries a legislative vote.

GASB Statement No. 14 and 34 establishes certain standards for defining and reporting on the financial reporting entity. In accordance with these standards, the reporting entity should include the primary government and those component units which are fiscally accountable to the primary government.

Basic Financial Statements

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

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

The accounting policies of the City 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") which is an other comprehensive basis of accounting other than generally accepted accounting principles. Such principles and practices are designed primarily for determining compliance with legal provisions and budgetary restrictions and as a means of reporting on the stewardship of public officials with respect to public funds. Under this method of accounting, the City accounts for its financial transactions through the separate funds, which differ from the fund structure required by GAAP.

Basis of Accounting

The City uses funds, as required by the Division, to report on its financial position and the results of its operations. Fund accounting is designed to demonstrate legal compliance and to aid financial administration by segregating transactions related to certain City functions or activities. An account group, on the other hand, is designed to provide accountability for certain assets and liabilities that are not recorded in those funds.

The City has the following funds and account groups:

- Current Fund – This fund is used to account for resources and expenditures for governmental operations of a general nature, including Federal and State grants which are reflected in a segregated section of the Current Fund.
- Trust Funds – The records of receipts, disbursements and custodianship of monies in accordance with the purpose for which each account was created are maintained in Trust Funds. These include the General Trust Fund, Animal Control Trust Fund, Grant Trust Fund and Municipal Insurance Trust Fund.

- General Capital Fund – This fund is used to account for the receipt and disbursement of funds used for acquisition or improvement of general capital facilities, other than those acquired in the Current Fund, as well as the long-term debt accounts.
- Water and Sewer Utility Fund – This fund is used to account for the revenues and expenditures for the operation of the City's Water and Sewer Utility activities and the assets and liabilities relative to such activities. Acquisition or improvement of capital facilities for the Water and Sewer Utility, as well as the related long-term debt accounts, is accounted for in the capital section of the fund.
- Payroll Fund – This fund is used to account for the net salaries, payroll deductions and social security contributions of municipal and utility operations which are deposited into various bank accounts of the Payroll Fund. A Payroll Fund does not exist under GAAP.
- Capital Fixed Assets – These accounts reflect estimated valuations of land, buildings and certain movable fixed assets of the City.

Accounting Principles

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

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

Grant Revenues – Federal and State grants, entitlements or shared revenues received for purposes normally financed through the Current Fund are recognized when anticipated in the City 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.

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 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 \$1,500.00. The City also imposes a 6% year end penalty for a delinquency over \$10,000.00 as of December 31. The School levy is turned over to the Board of Education as expenditures are incurred, and the balance, if any, must be transferred as of June 30, of each fiscal year. County taxes are paid quarterly on February 15, May 15, August 15 and November 15, to the County by the City. When unpaid taxes or any municipal lien, or part thereof, on real property, remains in arrears on May 1 in the year following the calendar year levy when the same became in arrears, the collector of the municipality shall, subject to the provisions of the New Jersey Statutes, enforce the lien by placing the property on a tax sale. The City 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 Division, 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 subject to accrual, reduced by an allowance for doubtful accounts.

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 City and approved by the Division per N.J.S.A. 40A:4 et seq. The City is not required to adopt budgets for the following funds:

- General Capital Funds
- Trust Funds

The governing body shall introduce and approve the annual budget no later than February 10 of the year. The budget shall be adopted not later than April 20 and prior to adoption must be certified by the Division. The Director of the Division, with the approval of the Local Finance Board, may extend the introduction and approval and adoption dates of the municipal budget. The budget is prepared by fund, function, activity and line item (salary or other expense) and includes information on the previous year.

The legal level of control for appropriations is exercised at the individual line item level for all operating budgets adopted. 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 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.

Expenditures – Are recorded on the “budgetary” basis of accounting. Generally, expenditures are recorded when an amount is encumbered for goods or services through the issuance of a purchase order in conjunction with an encumbrance accounting system. Outstanding encumbrances at December 31st are reported as a cash liability in the financial statements. Unexpended or uncommitted appropriations, at December 31st 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, if measurable, except for unmatured interest on general long-term debt, which should be recognized when due.

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

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

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

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

Interfunds – Interfund receivables in the Current Fund are recorded with offsetting reserves which are created by charges to operations. Income is recognized in the year the receivables are liquidated. Interfund receivables in the other funds are not offset by reserves. GAAP does not require the establishment of an offsetting reserve.

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

General Capital Fixed Assets - General Capital Fixed Assets used in governmental operations are accounted for in the Capital Fixed Assets. Public domain (infrastructure) general capital fixed assets consisting of certain improvements other than buildings, such as roads, bridges, curbs and gutters, streets and sidewalks and drainage systems are not capitalized. Acquisitions of land, buildings, machinery, equipment and other capital assets are recorded on a perpetual capital fixed asset record. Vehicles, furniture, equipment and other items are reflected at replacement values at time of inventory preparation. Additions to the established capital fixed assets are valued at cost. The City has not maintained proper records to account for either the purchase or disposition for fixed assets.

Utilities – Capital acquisitions, including utility infrastructure costs of the Water and Sewer Utility are recorded at cost upon purchase or project completion in the Fixed Asset Account of the Utility. The Fixed Asset account is adjusted for dispositions or abandonments. Utility improvements that may have been constructed by developers are not recorded as additions to Fixed Capital. Fixed Capital of the Utilities are offset by accumulations in the Amortization Reserve Accounts. The accumulations represent costs of fixed assets purchased with budgeted funds or acquired by gift as well as grants, developers' contributions or liquidations of bonded debt and other liabilities incurred upon fixed asset acquisition.

The Fixed Capital Accounts reflected herein are recorded in the records of the City and do not necessarily reflect the true condition of such Fixed Capital. The records consist of a control account only. Detailed records are not maintained.

Inventories – An annual inventory of materials and supplies for the Water and Sewer Utility is required by regulation, to be prepared by City personnel for inclusion on the Water Sewer Utility Operating Fund's balance sheet. Annual changes in valuations, offset with a Reserve Account, are not considered as affecting results of operations. The costs of inventories of supplies for other funds are recorded as expenditures at the time individual items are purchased and are not inventoried nor included on their respective balance sheets.

Cash and Investments – Cash includes amounts in demand deposits as well as short-term investments with a maturity date within one year of the date acquired by the government. Investments are stated at cost and are limited by N.J.S.A. 40A:5-15.1 to bonds or obligations of, or guaranteed by, the Federal Government and bonds or other obligations of Federal or local its having a maturity date not more than twelve months from the date of purchase. GAAP requires that investments be reported at fair value.

Tax Appeal and Other Contingent Losses – Losses arising from tax appeals and other contingent losses are recognized at the time a decision is rendered by an administrative or judicial body and not when it is probable that a loss has been incurred and the amount of such loss can be reasonably estimated.

Use of Estimates – The preparation of financial statements in accordance with accounting principles and practices prescribed by the Division requires management of the City to make estimates and assumptions that affect the reported amounts of assets and liabilities, disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Accordingly, actual results could differ from those estimates.

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

2. CASH, CASH EQUIVALENTS AND INVESTMENTS

Deposits:

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.

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

In addition, by regulation of the Division, municipalities are allowed to deposit funds in Government Money Market Mutual Funds purchased through state registered brokers/dealers and banks.

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.

Bank balances are insured up to \$250,000 in the aggregate by the FDIC for each bank. At December 31, 2013, the book value of the City's deposits was \$18,781,436.12 and bank balances of the City's cash and deposits amounted to \$18,761,502.76. The City's deposits which are displayed on the combined balance sheet as "cash" are categorized as:

Category 1 – Insured or collateralized with securities held by the City's or its agent in the City's name.

Category 2 – Collateralized with securities held by the pledging financial institutions trust department or agent in the City's name.

Category 3 – Uncollateralized or collateralized with securities held by the pledging financial institution, or by its trust department or agent, but not in the City's name.

Investments:

New Jersey Statutes allow the City to purchase the following types of securities:

- Bonds or other obligations of the United States or obligations guaranteed by the United States.
- Government Money Market Mutual Funds.
- Any obligations that a federal agency or a federal instrumentality has issued, with security has a maturity date not greater than 397 days from the date of purchase, provided that such obligation bears a fixed rate of interest.
- Bonds or other obligations of the City or bonds or other obligations of school districts, which are a part of the City or school districts located within the City.
- Bonds or other obligations having a maturity date of not more than 397 days from the date of purchase that are approved by the New Jersey Department of Treasury, Division of Investments.
- Local Government investment pools.
- Agreements for the repurchase of fully collateralized securities, if transacted in accordance with N.J.S.A. 40A:5-15.1 (8a-8e).

3. TAXES RECEIVABLE AND TAX TITLE LIENS

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

Municipalities operating under a state fiscal year budget are required by statute to mail tax bills semiannually and are payable in four quarterly installments due February 1, May 1, August 1 and November 1. Tax bills for the February and May installment must be delivered by December 1 and the August and November bills must be delivered by June 14. The amounts to be billed for each period are determined through formulas developed by the Division. Effective January 1, 2012, tax bills will be mailed once a year on or about July 20th.

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

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

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

Comparative Schedule of Tax Rates:

	<u>Year 2013</u>	<u>Year 2012</u>	<u>Year 2011</u>	<u>Year 2010</u>	<u>Year 2009</u>
Tax Rate	<u>\$ 3.705</u>	<u>\$ 3.552</u>	<u>\$ 3.450</u>	<u>\$ 3.079</u>	<u>\$ 3.239</u>
Apportionment of Tax Rate:					
Municipal	\$ 2.539	\$ 2.385	\$ 2.266	\$ 1.936	\$ 2.150
County	0.451	0.431	0.465	0.441	0.434
County Open Space	0.015	0.015	0.017	0.017	0.017
School	<u>0.700</u>	<u>0.721</u>	<u>0.702</u>	<u>0.685</u>	<u>0.638</u>

Assessed Valuations:

<u>Calendar Year</u>	<u>Amount</u>
2013	\$ 1,509,210,806.00
2012	1,544,566,529.00
2011	1,573,660,083.00
2010	1,601,318,870.00
2009	1,601,607,470.00

Comparison of Tax Levies and Collections:

<u>Calendar Year</u>	<u>Tax Levy</u>	<u>Collections</u>	<u>Percentage of Collections</u>
2013	\$ 55,972,264.60	\$ 51,847,601.69	92.63 %
2012	54,896,947.74	51,269,700.04	93.39
TY2011 **	27,124,351.13	23,350,830.77	86.09
2011	54,386,319.59	51,168,749.03	94.08
2010	49,850,984.73	46,835,304.07	93.85
2009	49,028,162.70	45,703,512.30	93.21

Delinquent Taxes and Tax Title Liens:

<u>Calendar 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>
2013	\$ 1,719,584.49	\$ 3,288,733.73	\$ 5,008,318.22	8.93 %
2012	1,652,394.80	2,717,802.99	4,370,197.79	7.96
TY2011**	1,211,609.66	3,127,482.18	4,339,091.84	(A)
2011	439,861.44	2,733,174.12	3,173,035.56	5.83
2010	269,541.81	2,584,987.12	2,854,528.93	5.73
2009	53,626.08	3,057,020.81	3,110,646.89	6.34

(A) Percentage not calculated due to a half year tax levy.

** Transition Year Budget

4. PROPERTY ACQUIRED BY TAX TITLE LIEN LIQUIDATION

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

<u>Year</u>	<u>Amount</u>
2013	\$ 856,500.00
2012	856,500.00
TY2011**	856,500.00
2011	856,500.00
2010	856,500.00
2009	856,500.00

** Effective January 1, 2012, the City has converted to a calendar year.

5. WATER/SEWER CONSUMER ACCOUNTS RECEIVABLE

The City maintains a utility fund for the billing and collection of water and sewer rents. The City is divided into three sections for the purposes of billings which are done on a quarterly basis.

A comparison of Water and Sewer Utility billings and collections for the past five years is as follows:

<u>Year</u>	<u>Billing</u>	<u>Collection</u>
2013	\$ 7,722,564.08	\$ 7,617,427.49
2012	8,019,263.79	7,810,787.22
TY2011**	4,155,941.85	4,536,183.38
2011	7,983,970.00	8,011,296.00
2010	8,026,563.93	8,013,825.15
2009	7,207,212.36	6,637,039.62

Collections include prior year billings.

6. FUND BALANCES APPROPRIATED

Schedule of Fund Balances Appropriated:

	<u>Year</u>	<u>Balance December 31,</u>	<u>Utilized in Budgets Succeeding Year</u>
Current Year	2013	\$ 3,909,550.43	\$
	2012	2,191,482.22	1,400,000.00
	TY2011**	3,584,343.74	1,400,000.00
	2011	2,078,668.91	
	2010	207,378.14	
	2009	2,305,220.05	2,144,139.00
Water/Sewer Utility Operating Fund:	2013	42,301.66	
	2012	15,578.27	
	TY2011**	827,693.32	210,000.00
	2011	153,843.14	
	2010	425,528.87	400,000.00
	2009	492,098.09	141,000.00

** Transition Year Budget

7. HEALTH BENEFITS

P.L. 2011 Ch. 78 Section 39 established guidelines for implementing employee contributions to the cost of their health insurance coverage.

The benefit cost of coverage is the premium. For State Health Benefit Plan ("SHBP") employers, the cost of coverage is the cost of medical and prescription coverage. For non-SHBP employers, the law requires that the cost of coverage includes all health care benefits; medical, prescription, dental, vision etc.

The base salary of the employees determines the percent of premium cost that is contributed.

The contribution is phased in at 25% per year:

- a) For employees hired on June 28, 2011 and not subject to Collective Negotiations Agreement ("CNA") that is in effect, contributions are effective on date of hire.
- b) When a CNA that is in effect on June 28, 2011 expires or is in almost any way modified

Full contribution (Year 4) takes effect immediately for employees hired after June 28, 2011 who are not covered by a CNA or would be covered by a CNA that has expired.

When contributions begin, if the 1.5% of base salary calculation under Ch. 2 is greater than the standard contribution, that amount is paid until the new contribution percentage is greater.

8. PENSION PLANS

Description of Systems

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

Public Employees Retirement System

PERS was established January 1, 1955, under the provisions of N.J.S.A. 43:15A, to provide coverage, including postretirement health care, to substantially all full-time employees of the State or any County, Municipality, School district or public agency, provided the employee is not a member of another State-administered retirement system. Membership is mandatory for such employees and vesting occurs after 10 years of service and 25 years for health care coverage.

Tier 1 Members (members enrolled prior to July 1, 2007) are eligible for retirement at age 60 with an annual benefit generally determined to be 1/55th of the average annual compensation for the highest three fiscal years' compensation for each year of membership during years of creditable service. Early retirement is available to those under 60 with 25 or more years of credited service. Members who retire early and are under age 55 receive retirement benefits as calculated in the above mentioned formula, but at a reduced rate (1/4 of 1% for each month the member lacks of attaining age 55).

Tier 2 Members (members enrolled July 1, 2007 to November 2, 2008) are eligible for retirement at age 66 with an annual benefit generally determined to be 1/55th of the average annual compensation for the highest three fiscal years' compensation for each year of membership during years of creditable service. Early retirement is available to those under age 60 with 25 or more years of credited service. Members who retire early and are under age 60 receive retirement benefits as calculated in the above mentioned formula, but at a reduced rate (1/12th of 1% each month the member lacks attaining age 60, but over age 55 and 1/4 of 1% for each month the member lacks of attaining age 55).

Chapter 89, P.L. 2008, established a minimum base salary of \$7,700 per year to be eligible for enrollment in Tier 3 of the PERS (members enrolled on or after November 2, 2008 and prior to May 21, 2010) and are eligible for retirement at age 62 with an annual benefit generally determined to be 1/55th of the average annual compensation for the highest three fiscal years' compensation for each year of membership during years of creditable service.

Early retirement is available to those under age 62 with 25 or more years of credited service. Members who retire early and are under age 62 receive retirement benefits as calculated in the above mentioned formula, but at a reduced rate (1/12 of 1% for each month the member lacks of attaining age 62 but over age 55 and 1/4 of 1% for each month the member lacks of attaining age 55).

Chapter 1, P.L. 2010, requires a minimum of 32 hours per week to be eligible to enroll in Tier 4 of PERS (members enrolled after May 21, 2010) and are eligible for retirement at age 62 with an annual benefit generally determined to be 1/60th of the average annual compensation for the highest five fiscal years' compensation for each year of membership during years of creditable service. Early retirement is available to those under 62 with 25 of more years of credited service. Members who retire early and are under age 62, receive retirement benefits as calculated in the above mentioned formula, but at a reduced rate (1/12 of 1% for each month the member lacks of attaining age 62 but over age 55 and 1/4 of 1% for each month the member lacks of attaining age 55). Chapter 1, P.L. 2010 imposes maximum compensation limits for PERS pension contributions for those who become members after May 21, 2010. For 2012, that amount is \$106,800.00. Any members hired after May 21, 2010 whose annual maximum compensation will be reached in any year, become a participant of the Defined Contribution Retirement Program ("DCRP") with regard to the remaining compensation, unless the member irrevocably elects to waive participation in the DCRP. For the amount of compensation in excess of the maximum compensation, 5.5 % will be deducted as a contribution for the purposes of the DCRP. The City will be responsible for the DCRP's matching 3% contribution.

Tier 5 became effective as of June 28, 2011 and requires a minimum of 32 hours per week for local and school employees and 35 hours per week for state employees. Employees who do not work the minimum hours of work but earn over \$5,000.00 may participate in the Defined Contribution Retirement Plan. PERS salary limited to Social Security maximum wage, minimum age to retire is 65 and the annual retirement benefit equals years of service divided by the average of last five years salary. Additional requirements and limitations apply for early retirements and veteran retirements.

Police and Firemen's Retirement System

PFRS was established July 1, 1944 under the provisions of N.J.S.A. 43:16A, to provide coverage to substantially all full-time county and municipal police or firemen and State firemen appointed after June 30, 1944. Membership is mandatory for such employees. Members may opt for Service Retirement if over age 55 or Special Retirement at any age if they have a minimum of 25 years of service or 20 years of service if enrolled in the PFRS as of January 18, 2000. Retirement benefits vary depending on age and years of service. Chapter 1, P.L. 2010 imposes a maximum compensation limit for officers who become members after May 21, 2010. For 2012, that amount is \$106,800.00. Any member hired after May 21, 2010 whose annual maximum compensation is reached in any year will become a participant of the DCRP with regard to the remaining compensation, unless the member irrevocably elects to waive participation in the DCRP. For the amount of compensation in excess of the maximum compensation, 5.5% will be deducted as a contribution for the purposes of the DCRP. The City will be responsible for the DCRP's matching 3% contribution. Tier 5 requirements for PFRS enrollers after June 28, 2011 are the same as those under PERS.

Deferred Compensation Plan (Un-audited)

The City offers its employees a Deferred Compensation Plan (the "DC Plan") created in accordance with the provisions of N.J.S.A. 43:15B-1 et seq., and the Internal Revenue Code, Section 457. The DC Plan, available to all municipal employees, permits them to defer a portion of their salary until future years. The deferred compensation is not available to employees until termination, retirement, death, or unforeseeable emergency.

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

The "Small Business Job Protective Act of 1996" (the "Act") revised several provisions of Section 457 of the Internal Revenue Code. A provision of the Act required that all existing plans be modified to provide that the funds be held for the exclusive benefit of the participating employees and their beneficiaries.

Consolidated Police and Firemen's Pension Fund

The Consolidated Police and Firemen's Pension Fund (CPFPPF) is a defined benefit pension fund established in 1952 to replace, on an actuarial basis, 212 local police and firemen pension funds.

The CPFPPF membership is limited to policemen and firemen appointed prior to July 1, 1944. The liabilities of these funds were shared by two-thirds of the participating municipalities and one-third by the State. The CPFPPF Board of Trustees has the responsibility for the proper administration of the retirement system.

Contributions Required and Made

Contributions made by employees for PERS and PFRS are currently 6.5% and 10% of their base wages, respectively. Employer contributions are actuarially determined on an annual basis by the Division of Pensions. Contributions to the plan for the prior three years are as follows:

Year	PERS		PFRS		CPFPPF
	Township	Employees	Township	Employees	Township
2013	\$ 612,266.64	\$ 629,956.30	\$ 3,458,706.00	\$ 2,608,884.94	\$
2012	1,620,609.73	573,447.20	3,944,409.00	2,443,339.11	
TY2011		162,000.17	4,144,359.12	618,842.67	
2011	830,519.00	340,569.90	4,207,272.00	1,190,664.68	40,436.44 *
2010	383,377.00 *	Not Available	1,807,995.00 *	Not Available	44,161.48

* The City elected to defer 50% of the total pension contribution.

For PERS, participants the contribution rate will increase 1.0% over the next seven years beginning July 2012.

9. DEFINED CONTRIBUTION RETIREMENT PROGRAM

Description of System

The Defined Contribution Retirement Program (DCRP) was established on July 1, 2007 for certain public employees under the provisions of Chapter 92, P.L. 2007 and Chapter 103, P.L. 2007, The program provides eligible members, with a minimum base salary of \$1,500.00 or more, with a tax sheltered, defined contribution retirement benefit, in addition to life insurance and disability coverage. If the eligible elected or appointed official will earn less than \$5,000.00 annually, the official may choose to waive participation in the DCRP for that office or position and is irrevocable.

As of May 21, 2010, the municipal base salary required for eligibility in the DCRP was increased to \$5,000.00.

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

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

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

- All elected officials taking office on or after July 1, 2007, except that a person who is reelected to an elected office held prior to that date without a break in service, may remain in the Public Employees' Retirement System (PERS),
- A Governor appointee with the advice and consent of the Legislature or who serves at the pleasure of the Governor, only during that Governor's term of office.
- Other employees commencing service after July 1, 2007, pursuant to an appointment by an elected official or elected governing body, which include the statutory untenured chief administrative officer such as the Business Administrator, County Administrator or Municipal or County Manager, Department Heads, Legal Counsel, Municipal or County Engineer, Municipal Prosecutor and the Municipal Court Judge.

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

Contributions Required

10. POST RETIREMENT BENEFITS OTHER THAN PENSIONS

The City contributes to the State Health Benefits Program ("SHBP"), a cost-sharing, multiple-employer defined benefit post-employment health care plan administered by the Division of Pensions. The 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. The 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 are required to adopt a resolution to participate in the SHBP and in November 2005, the City authorized participation the SHBP's post-retirement benefits program through resolution number 148B, effective January 1, 2006. In 1989, the City agreed to provide medical insurance coverage for all police officers who retire from the City of Orange Police Department with 25 or more years of credited police service, or who are authorized a disability retirement. This medical coverage benefit shall be administered by the City at no cost to the retiree. Participation is mandatory for all officers and 2.10% of their annual base compensation is deducted for two years. Contributions to pay for the health premiums of participating retirees are billed to the City on a monthly basis.

Effective June 1, 1993, all other employees were offered a "window" to participate for 60 days. Participation was voluntary and 2.10% of their annual base compensation was deducted for two years. Employees hired after December 31, 2005, are not eligible for retiree's medical coverage. In 2007, another "window" was offered from May through August for any employee employed in 1993, and still active, to buy in at 2.10% for two years.

The State Health Benefits Commission is the executive body established by Statute to be responsible for the operation of the SHBP. The Division of Pension and Benefits issues a publicly available financial report that includes financial statements and required supplementary information of the 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 1994. Prior to 1994, medical benefits were funded on an actuarial basis.

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

11. MUNICIPAL DEBT

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

Summary of Municipal Debt (Excluding Current and Operating Debt and Type 1 School Debt)

	<u>Calendar Year 2013</u>	<u>Calendar Year 2012</u>	<u>Calendar Year 2011</u>
<u>Bonds and Notes Issued</u>			
General Capital:			
Bonds and Notes	\$ 9,445,000.00	\$ 9,971,028.00	\$ 11,919,180.55
Loans	826,991.95	993,083.37	1,199,341.24
Water and Sewer Utility:			
Bonds	22,605,000.00	23,635,000.00	24,560,000.00
Loans	6,193,580.39	6,532,191.38	6,858,849.21
Total Issued	<u>39,070,572.34</u>	<u>41,131,302.75</u>	<u>44,537,371.00</u>
<u>Authorized but Not Issued</u>			
General:			
Bonds and Notes	2,144,246.00	2,144,246.00	3,189,246.00
Water and Sewer Utility:			
Bonds and Notes	1,500,281.00	1,500,281.00	1,500,281.00
	<u>3,644,527.00</u>	<u>3,644,527.00</u>	<u>4,689,527.00</u>
Total Debt	<u>\$ 42,715,099.34</u>	<u>\$ 44,775,829.75</u>	<u>\$ 49,226,898.00</u>

Summary of Statutory Debt Condition – Annual Debt Statement

The summarized statement of debt condition which follows is prepared in accordance with the required method of setting up the Annual Debt Statement and indicates a statutory net debt of 1.284 % at December 31, 2013.

	<u>Gross Debt</u>	<u>Deductions</u>	<u>Net Debt</u>
Local School District	\$ 1,559,920.00	\$ 1,559,920.00	\$
Water and Sewer Utility Debt	30,348,861.39	30,348,861.39	
Other Bonds and Notes	14,337,626.25	1,541,975.00	12,795,651.65
	<u>\$ 46,246,407.64</u>	<u>\$ 33,450,756.39</u>	<u>\$ 12,795,651.65</u>

Net Debt, \$8,859,342.00 divided by Equalized Valuation Basis per N.J.S.A. 40:A2-2 as amended, \$1,566,397,793.00 equals .565%.

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

3 1/2% of Equalized Valuation Basis (Municipal)	\$ 54,823,922.78
Net Debt	<u>12,795,651.65</u>
Remaining Borrowing Capacity	<u>\$ 42,028,271.13</u>

School Debt Deductions

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

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

Surplus and Cash Receipts from Fees, Rents or Other Charges for Year and Fund Balance Anticipated		\$ 7,848,793.72
Deductions:		
Operating and Maintenance Cost	\$ 5,248,931.01	
Debt Service per Water/Sewer Utility	<u>2,573,139.32</u>	
		<u>7,822,070.33</u>
Excess in Revenue		<u>\$ 26,723.39</u>

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

As of December 31, 2013, the City's long-term debt is as follows:

General Obligation Bonds

\$4,865,000.00:, 2003 Pension Refunding Bonds, due in annual installments of \$480,000.00 to \$535,000.00 through May 2016, interest at 4.52% *	\$ 1,520,000.00
\$3,655,000.00:, 2007 Refunding Bonds, in annual installments of \$335,000.00 to \$365,000.00 through August 2019, interest at 3.90%	2,100,000.00
\$9,103,035.00:, 2009 Refunding Bonds Series A, due in annual installments of \$605,911.00 to \$1,334,095.00 through December 2017, interest at 4.00%.	<u>3,220,080.00</u>
	<u>\$ 6,840,080.00</u>

Water Utility Bonds

\$30,000,000.00: 2003 Bonds due in annual installments of \$1,020,000.00 to \$2,360,000.00 through June 2027, interest at 4.00% to 5.00% *	<u>\$ 22,605,000.00</u>
* Qualified Bond Act (P.L. 1976, c.38)	<u>\$ 22,605,000.00</u>

The City has entered into loan agreements with the State of New Jersey, Department of Environmental Protection, detailed as follows:

Renovation of Ropes Playground

Military Commons

\$91,579.00 loan, due in semi-annual installments of \$4,533.88 to \$5,263.68 through October 2021, interest at 2%	\$ 78,245.03
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Multi-Parks Project

\$250,000.00 loan, due in annual installments of \$12,820.52 through February 2028, no interest	<u>185,897.20</u>
	<u>\$ 264,142.23</u>

N.J Environmental Infrastructure Trust Loan Payable

Loan agreements were entered into by the City of Orange Township with the New Jersey Department of Environmental Protection for the purpose of improvements to the water and sewer, waste water and storm water systems, detailed as follows:

General Debt

	<u>Total</u>	<u>Year 2000</u>
Trust Fund	\$ 310,000.00	\$ 310,000.00
Fund Share	<u>222,218.37</u>	<u>222,218.37</u>
	<u>\$ 532,218.37</u>	<u>\$ 532,218.37</u>

Water and Sewer Utility Debt

	<u>Balance December 31, 2013</u>
Trust Fund	\$ 3,300,000.00
Fund Share	<u>2,893,580.39</u>
	<u>\$ 6,193,580.39</u>

Bond Anticipated Notes

	<u>Balance December 31, 2013</u>
General Capital Fund, Interest Rate 1.03% General Improvement	<u>\$ 1,045,000.00</u>

Bond and Notes Anticipated but Not Issued

	<u>Balance December 31, 2013</u>
General Capital Fund: General Improvements	<u>\$ 2,144,246.00</u>
Water and Sewer Capital Fund: General Improvements	<u>\$ 1,500,281.00</u>

City of Orange

Schedule of Annual Debt Service for Principal and Interest for Water and Sewer Utility Debt

Fiscal Year	Total Water and Sewer Utility	Bonds		New Jersey Environmental Infrastructure Trust Loan	
		Principal	Interest	Principal	Interest
2014	\$ 2,459,483.94	\$ 1,120,000.00	\$ 827,312.64	\$ 342,258.80	\$ 169,912.50
2015	2,519,466.24	1,105,000.00	898,292.50	353,761.24	162,412.50
2016	2,524,835.82	1,170,000.00	843,465.00	356,958.32	154,412.50
2017	2,539,625.02	1,240,000.00	785,452.50	368,010.02	146,162.50
2018	2,547,073.73	1,310,000.00	720,900.00	378,761.23	137,412.50
2019	2,556,774.46	1,390,000.00	649,400.00	389,211.96	128,162.50
2020	2,560,644.23	1,470,000.00	573,650.00	399,069.23	117,925.00
2021	2,568,027.99	1,560,000.00	493,275.00	408,302.99	106,450.00
2022	2,574,981.21	1,655,000.00	408,150.00	417,206.21	94,625.00
2023	2,630,633.77	1,750,000.00	364,400.00	433,783.77	82,450.00
2024	2,896,635.66	2,075,000.00	310,525.00	441,860.66	69,250.00
2025	2,892,513.09	2,150,000.00	227,400.00	458,363.09	56,750.00
2026	2,899,309.93	2,250,000.00	139,400.00	466,409.93	43,500.00
2027	2,919,111.14	2,360,000.00	47,200.00	482,161.14	29,750.00
2028	512,711.80			497,461.80	15,250.00
	<u>\$ 37,601,828.03</u>	<u>\$ 22,605,000.00</u>	<u>\$ 7,288,822.64</u>	<u>\$ 6,193,580.39</u>	<u>\$ 1,514,425.00</u>

The interest reflected above is on the cash basis for all funds.

City of Orange

General Debt

Fiscal Year	Total General Debt	General		Green Trust Loan **		New Jersey Environmental Infrastructure Trust Loan		School Serial Bonds		Green Trust - School	
		Principal	Interest	Principal	Interest	Principal	Interest	Principal	Interest	Principal	Interest
2014	\$ 2,551,630.79	\$ 2,159,095.00	\$ 268,559.20	\$ 21,933.62	\$ 1,519.55	\$ 82,005.92	\$ 18,517.50	\$ 630,905.00	\$ 62,396.80	\$ 30,631.35	\$ 460.23
2015	1,750,331.68	1,450,911.00	179,479.40	22,116.79	1,336.38	80,445.61	16,042.50	299,089.00	37,160.60		
2016	1,739,532.08	1,496,995.00	118,478.96	22,303.64	1,149.53	87,037.45	13,567.50	308,005.00	25,197.04		
2017	1,214,186.16	1,018,079.00	68,243.08	22,494.25	958.92	93,455.91	10,955.00	321,921.00	12,876.84		
2018	510,904.01	360,000.00	27,895.00	22,888.69	764.48	91,498.34	8,067.50				
2019	494,060.81	355,000.00	12,845.00	22,887.04	566.13	97,775.14	4,987.50				
2020	23,453.17			23,089.39	363.78						
2021	23,453.17			23,295.77	157.40						
2022	12,820.52			12,820.52							
2023	12,820.52			12,820.52							
2024	12,820.52			12,820.52							
2025	12,820.52			12,820.52							
2026	12,820.52			12,820.52							
2027	12,820.52			12,820.52							
2028	6,409.92			6,409.92							
	<u>\$ 8,390,884.91</u>	<u>\$ 6,840,080.00</u>	<u>\$ 675,490.64</u>	<u>\$ 264,142.23</u>	<u>\$ 6,816.17</u>	<u>\$ 532,218.37</u>	<u>\$ 72,137.50</u>	<u>\$ 1,559,920.00</u>	<u>\$ 137,631.28</u>	<u>\$ 30,631.35</u>	<u>\$ 460.23</u>

** The Multi-Parks Project Loan from Green Acres is Interest Free.

The interest reflected above is on the cash basis for all funds.

12. SCHOOL DEBT

The Board of Education of the City (the "BOE") is a Type I school district and the members of the BOE are appointed by the Mayor. A Board of School Estimate approves the school district tax levy after the final budget is determined by the BOE. The members of the Board of School Estimate include the Mayor, two members of the local school board and two members of the governing body. School debt, authorized by the Board of School Estimate, is obligation of the City and school debt service is raised as part of the school tax levy. School debt is reported on the balance sheet of the General Capital Fund and is detailed as follows:

Type I School Bonds

\$1,306,965.00, 2009 Refunding Bonds, Series A, due in annual installments of \$89,089.00 to \$190,905.00 through December 2017, interest at 4.00%	\$ 469,920.00
\$3,015,000.00, 2009 Refunding Bonds, Series B, due in annual installments of \$210,000.00 to \$440,000.00 through December 2017, interest at 4.00%.	<u>1,090,000.00</u>
	<u>\$ 1,559,920.00</u>

Green Acres Trust Loan

The City has entered into a loan agreement with the State of New Jersey, Department of Environmental Protection, detailed as follows:

Bell Stadium Reconstruction

\$500,000.00 loan, due in annual installments of \$15,088.60 to \$15,391.87 through August 2014, interest at 2%	<u>\$ 30,651.35</u>
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13. INTERFUND RECEIVABLES AND PAYABLES

As of December 31, 2013, interfund receivables and payables that resulted from various interfund transactions were as follows:

<u>Fund</u>	<u>Due From Other Funds</u>	<u>Due to Other Funds</u>
Current Fund	\$ 195,950.71	\$ 153,621.54
Federal and State Grant Fund		159,443.19
Municipal Insurance Trust	129,622.73	35,971.60
Grant Trust Fund		535.91
General Capital Fund	838,732.07	
Water and Sewer Utility	23,998.80	1,000,000.00
Water and Sewer Capital	<u>1,000,000.00</u>	<u>838,732.07</u>
	<u>\$ 2,188,304.31</u>	<u>\$ 2,188,304.31</u>

14. DEFERRED CHARGES TO BE RAISED IN SUCCEEDING BUDGETS

Certain expenditures are required to be deferred to budgets of succeeding years. At December 31, 2013, the following deferred charges are shown on the balance sheet of the Current Fund.

	Balance December 31, 2013	Amount Raised in 2014 Budget
<u>Current Fund:</u>		
Overexpenditure of Budget Appropriations	\$ 16,585.50	\$ 16,585.50
Overexpenditure of Appropriations Reserve	13,555.41	
Special Emergency Appropriations	1,216,298.37	405,432.79
Special Emergency – Revaluation	<u>519,100.00</u>	<u>103,820.00</u>
	<u>\$ 1,765,539.28</u>	<u>\$ 525,838.29</u>

15. RISK MANAGEMENT

The City is self-insured with respect to workers' compensation and general liability. A description of these funds is detailed as follows:

Claims for workers' compensation are funded on a cash basis through budget appropriations. There is no reserve established at December 31, 2013 for possible catastrophic claims.

Processing and payment of workers' compensation claims are administered by Inservco Insurance Services.

General Liability:

A Municipal Insurance Fund Commission was established by Ordinance #14-87 adopted on February 17, 1987. The fund is to be used for the following purposes:

1. To self-insure against loss or damage caused to any property, motor vehicles, equipment or apparatus owned by the City or owned by or under the control of any City department, board, agency, or commission, where no insurance coverage is in effect.
2. To self-insure against liability resulting from the use or operation of motor vehicles, equipment or apparatus owned by or controlled by the City or any City department, board, agency, or commission, where no insurance coverage is in effect.
3. To self-insure against liability for the City's negligence or that of its officers, employees and servants, whether full or part-time, who are acting within the scope of their authority - but not including an independent contractor - within the limitations of the New Jersey Tort Claims Act, where no insurance coverage is in effect (N.J.S.A. 59:1-1 et seq.).

There has been no provisions included in the financial statements for claims incurred but not reported as of December 31, 2013.

A summary of activity for these funds is detailed as follows:

	Balance December 31, 2012	Increase	Decrease	Balance December 31, 2013
General Liability	<u>\$ 416,911.34</u>	<u>\$ 129,794.89</u>	<u>\$ 297,560.68</u>	<u>\$ 249,145.55</u>

16. CONTINGENT LIABILITIES

The City permits its employees to accumulate unused vacation, sick and other days, which may be taken as compensatory time off or paid at a later date. The City's policy is summarized as follows:

Vacation

All accumulated vacation days up to 2 years and all unused vacation days normally granted the employee for the calendar year shall be paid.

Sick Time

Employees receive payment for an accumulated sick time up to 120 days and 20% of accumulated time thereafter.

Compensatory Time

Any time owed to the employee, including accrued overtime, shall be paid.

Personal Days

Unused personal days are granted on a pro-rated basis in the year of retirement.

City employees who resign or are terminated are entitled to the same vacation days benefits as a retired employee.

It was estimated for the year ending June 30, 2009, that the sum of \$7,150,631.21, computed internally at 2009 salary rates, would be payable to officials and employees of the City as of June 30, 2009 for accumulated vacation, sick and compensatory time and personal days. This amount was not verified by audit. There was no calculation of this amount performed for the years ended June 30, 2010, June 30, 2011, Transition Years 2011, 2012 and December 31, 2013.

Benefits paid in any future years will be charged to that year's budget.

Provisions for the above are not reflected in the financial statements of the City.

Tax Appeals

As of December 31, 2013, there were tax appeals pending before the New Jersey Tax Court. Amounts of tax claims being contested were undeterminable.

Judgments favorable to the taxpayers generally extend to two years following the year judged and would also subject the City to a liability for statutory interest based upon the amount of taxes refunded from the date of payment to the date of refund (RS. 54:3~ 27.2).

Federal and State Awards

The City participates in a number of federal and state programs that are fully or partially funded by grants received from other governmental units. Expenditures financed by grants are subject to audit by the appropriate granting agency. If expenditures are disallowed due to noncompliance with grant program regulations, the City may be required to reimburse the granting agency.

Litigation

The City is involved in several claims and lawsuits incidental to its operations. In the opinion of the administration and legal counsel, the ultimate resolution of these matters will not have a material adverse effect on the financial position of the City.

17. SUBSEQUENT EVENTS

The City has evaluated subsequent events occurring after December 31, 2013 through August 29, 2014, which is the date the financial statements were available to be issued. Based on this evaluation, management has determined that the following significant subsequent event requires disclosure.

On April 10, 2014 the City issued \$7,815,000 of Water-Sewer Utility Refunding bonds. This issue is dated April 24, 2014 and provided a net present value benefit of \$540,217.75.

CITY OF ORANGE TOWNSHIP
CURRENT FUND

A-4

CASH RECEIPTS AND DISBURSEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2013

	<u>Ref.</u>	<u>Regular Fund</u>
Balance, December 31, 2012	A	<u>\$ 5,115,977.57</u>
Increased by Receipts:		
Transfers from Tax Collector	A-6	67,815,139.69
Due from State of New Jersey per Ch.129 P.L. 1976	A-10	76,198.66
Proceeds from Sale of TANS	A	1,820,000.00
Proceeds for Special Emergency Note	A	1,216,300.00
Interfunds Receivable	A-19	8,649,527.18
Transfer from Cash Management Account	A-7	970,215.92
Interfunds Payable	A-29	<u>4,673,595.75</u>
		<u>85,220,977.20</u>
Decreased by Disbursements:		
Budget Appropriations	A-3a	48,079,740.36
Prior Year Refunds	A-1	13,047.56
Interfunds Receivable	A-19	6,411,318.40
Appropriation Reserves	A-23	1,832,282.68
Tax Overpayments	A-25	729,913.34
Due to State of New Jersey	A-27	7,855.00
Accounts Payable	A-24	1,109.88
Interfunds Payable	A-29	5,594,031.28
County Taxes	A-30	7,036,217.55
Local School District Tax	A-31	10,879,748.00
Reserve for Revaluation	A-28	<u>402,361.00</u>
		<u>80,987,625.05</u>
Balance, December 31, 2013	A, A-5	<u><u>\$ 9,349,329.55</u></u>

See Independent Auditors' Report

CITY OF ORANGE TOWNSHIP
CURRENT FUND

A-6

CASH RECEIPTS AND DISBURSEMENTS - COLLECTOR
FOR THE YEAR ENDED DECEMBER 31, 2013

	<u>Ref.</u>		
Increased by:			
Interest and Costs on Taxes	A-2a	\$ 588,357.70	
Miscellaneous Revenue Not Anticipated	A-2d	821,266.27	
Taxes Receivable	A-11	53,890,980.95	
Tax Title Liens	A-12	462,175.81	
Other Accounts Receivable	A-17	70,765.36	
Other Liens Receivable	A-15	15,712.19	
Revenue Accounts Receivable	A-16	11,814,433.08	
Due to State of N.J	A-27	7,855.00	
Prepaid Taxes	A-32	<u>143,593.33</u>	
			<u>\$ 67,815,139.69</u>
Decreased by:			
Turnovers to Treasurer	A-4		<u>\$ 67,815,139.69</u>

See Independent Auditors' Report

CITY OF ORANGE TOWNSHIP
CURRENT FUND

A-7

INVESTMENTS
FOR THE YEAR ENDED DECEMBER 31, 2013

	<u>Ref.</u>	
Balance, December 31, 2012	A	\$ 970,135.08
Increase by:		
Cash Savings	A-2d	<u>80.84</u>
		970,215.92
Decrease by:		
Transfer to Cash Operating Account	A-4	<u>970,215.92</u>
Balance, December 31, 2013	A	<u><u>\$</u></u>

See Independent Auditors' Report

CITY OF ORANGE TOWNSHIP
CURRENT FUND

CHANGE FUNDS
DECEMBER 31, 2013

A-8

Tax Office	\$	150.00
Municipal Court		400.00
Police Department		10.00
		10.00
	\$	560.00

Ref.

A

PETTY CASH FUNDS
FOR THE YEAR ENDED DECEMBER 31, 2013

A-9

	Funds Established	Funds Returned
Public Works Department	\$ 200.00	\$ 200.00
Planning and Development	200.00	200.00
Police Department	200.00	200.00
Clerk's Office	200.00	200.00
Mayor's Office	200.00	200.00
Administration of Community Services	200.00	200.00
	\$ 1,200.00	\$ 1,200.00

Ref.

Contra

Contra

See Independent Auditors' Report

CITY OF ORANGE TOWNSHIP
CURRENT FUND

DUE FROM STATE OF NEW JERSEY
PER CHAPTER 129 P.L. 1976
FOR THE YEAR ENDED DECEMBER 31, 2013

A-10

	<u>Ref.</u>	
Balance, December 31, 2012	A	\$ 49,013.50
Increased by:		
Deductions per Tax Billings		
Senior Citizens		\$ 33,698.66
Veterans		42,500.00
		76,198.66
Allowed by Tax Collector:		
Senior Citizens		500.00
Veterans		250.00
		750.00
		76,948.66
		125,962.16
Less: Disallowed by Tax Collector		
Senior Citizens		9,301.34
Veterans		
		9,301.34
Decreased by: Collections		
Senior Citizens		33,698.66
Veterans		42,500.00
	A-4	76,198.66
		85,500.00
Balance, December 31, 2013	A	\$ 40,462.16

ANALYSIS OF 2013 REVENUE

Senior Citizens and Veterans Deductions Per Abstract		\$ 76,198.66
Senior Citizens and Veterans Deductions Allowed by Tax Collector		750.00
		76,948.66
Senior Citizens Deductions Disallowed by Tax Collector		9,301.34
	A-11	\$ 67,647.32

See Independent Auditors' Report

CITY OF ORANGE TOWNSHIP
CURRENT FUND

SCHEDULE OF TAXES RECEIVABLE AND ANALYSIS OF PROPERTY TAX LEVY
FOR THE YEAR ENDED DECEMBER 31, 2013

A-11

Year	Balance, December 31, 2012		Levy	Collected		Seniors Veterans	Overpayments Applied	Tax Title Liens	Canceled	Balance, December 31, 2013
	2012	2013		2012	2013					
2008	\$ 394.63		\$	\$						394.63
2009	5,692.05			0.37						5,691.68
2010	53,619.39		772.93	4,802.21			367.03	4,898.43		44,324.65
2011	142,672.70		255.00	24,422.57			29,786.98	6,316.82		82,401.33
2012	2,515,424.22			2,289,460.02			94,455.41	(16.18)		98,153.93
	2,717,802.99		1,027.93	2,318,685.17			124,609.42	11,199.07		230,966.22
2013	\$ 2,717,802.99		55,972,264.60	51,572,295.78		67,647.32	111,585.99	570,611.39		3,057,767.51
			\$ 55,973,292.53	\$ 53,890,980.95		\$ 67,647.32	\$ 236,195.41	\$ 581,810.46		\$ 3,288,733.73
	Ref. A		Below	A-6		A-11	A-25	A-12		A
			A-32					Reserve		

ANALYSIS OF 2013 PROPERTY TAX LEVY:

Tax Yield:		
General Property Tax	\$ 55,863,957.31	
Added Taxes	108,307.29	\$ 55,972,264.60
Tax Levy:		
Local District School Tax Levy	A-31 \$ 10,557,043.00	
Local School Tax in Municipal Budget	A-2 \$ 322,705.00	
County Tax	A-30 7,033,639.73	
County for Added Taxes	A-30 13,618.49	17,927,006.22
Local Tax for Municipal Purposes	A-2 37,995,075.95	
Added Taxes	50,182.43	38,045,258.38
	Above	\$ 55,972,264.60

CITY OF ORANGE TOWNSHIP
CURRENT FUND

TAX TITLE LIENS
FOR THE YEAR ENDED DECEMBER 31, 2013

A-12

	<u>Ref.</u>		
Balance, December 31, 2012	A		\$ 1,652,394.80
Increased by:			
Transfer from Taxes Receivable	A-11	\$ 529,655.05	
Interest and Costs on Taxes	Reserve	<u>6,420.30</u>	
			<u>536,075.35</u>
Decreased by:			2,188,470.15
Canceled	Reserve	6,709.85	
Collections	A-6	<u>462,175.81</u>	
			<u>468,885.66</u>
Balance, December 31, 2013	A		<u><u>\$ 1,719,584.49</u></u>

SCHEDULE OF PROPERTY ACQUIRED FOR TAXES
DECEMBER 31, 2013

A-13

	<u>Ref.</u>		
Balance, December 31, 2013 and 2012	A		<u><u>\$ 856,500.00</u></u>

See Independent Auditors' Report

CITY OF ORANGE TOWNSHIP
CURRENT FUND

A-14

SALES CONTRACT RECEIVABLE
FOR THE YEAR ENDED DECEMBER 31, 2013

	<u>Ref.</u>	
Balance, December 31, 2013 and 2012	A	<u>\$ 80,601.00</u>
 <u>Analysis of Balance</u>		
	<u>Block</u>	<u>Lot</u>
	29	A
	51	A
	101	A
	101	A
	111	A
	112	A
	114	26
		\$ 4,001.00
		1,000.00
		10,600.00
		3,000.00
		1,000.00
		1,000.00
		<u>60,000.00</u>
		<u>\$ 80,601.00</u>

See Independent Auditors' Report

CITY OF ORANGE TOWNSHIP
CURRENT FUND

A-15

OTHER LIENS RECEIVABLE
FOR THE YEAR ENDED DECEMBER 31, 2013

	<u>Ref.</u>	<u>Other Liens Receivable</u>
Balance, December 31, 2012	A	\$ 346,598.32
Increased by:		
Transferred from Other Accounts Receivable	A-17	47,682.91
Interest and Costs	Reserve	
		394,281.23
Decreased by:		
Collections	A-1, A-6	15,712.19
Canceled	Reserve	792.75
		16,504.94
Balance, December 31, 2013	A	\$ 377,776.29
Analysis:		
Property Maintenance		\$ 315,894.03
Year End Penalty		53,094.76
Tax Sale Costs		8,787.50
		\$ 377,776.29

CITY OF ORANGE TOWNSHIP
CURRENT FUND

A-16

SCHEDULE OF REVENUE ACCOUNTS RECEIVABLE
FOR THE YEAR ENDED DECEMBER 31, 2013

	<u>Ref.</u>	<u>Balance,</u> <u>December 31, 2012</u>	<u>Accrued</u> <u>2013</u>	<u>Collected</u> <u>by</u> <u>Treasurer</u>	<u>Balance,</u> <u>December 31, 2013</u>
Licenses:					
Alcoholic Beverages	A-2a	\$	\$ 60,910.00	\$ 60,910.00	\$
Other	A-2b		52,861.00	52,861.00	
Fees and Permits:					
Uniform Construction Code Fees	A-2a		140,000.00	140,000.00	
Other	A-2b		344,021.31	344,021.31	
Fines and Costs - Municipal Court	A-2a	71,943.33	939,200.07	952,610.74	85,354.00
Parking Meters	A-2a		54,518.00	54,518.00	
Right of Way - Fiber Optics Cable	A-2a		62,430.53	62,430.53	
Rent Leveling Fees	A-2a		52,420.00	52,420.00	
Building Aid Allowance for School - State Aid	A-2a		398,999.00	398,999.00	
Payments in Lieu of Taxes:					
Transport of New Jersey	A-2a		105,521.00	105,521.00	
Our Lady of Mt. Carmel Senior Citizens	A-2a		128,059.50	128,059.50	
Millennium Homes - RPM	A-2a		24,616.97	24,616.97	
South Essex Urban Renewal	A-2a		73,856.00	73,856.00	
Oakwood Towers	A-2a		160,113.50	160,113.50	
Salem Towers - High Street Associates	A-2a		169,327.00	169,327.00	
Orange Park Apartments Associates, Ltd.	A-2a	48,016.00	161,370.00	161,370.00	48,016.00
The Berkeley	A-2a		30,934.00	30,934.00	
Lincoln Court	A-2a		105,071.00	105,071.00	
Project Live, Inc.	A-2a		12,463.32	12,463.32	
New Community Corporation	A-2a		45,833.00	45,833.00	
307 Washington Street	A-2a		80,080.10	80,080.10	
ILS Millburn Code Official	A-2a		8,750.00	8,750.00	
Central Village II	A-29		49,155.00	49,155.00	
Grand Central Senior Housing	A-29		38,496.00	38,496.00	
2013 Inspection Fees Formaly Realized in Trust	A-2a		187,905.00	187,905.00	
Consolidated Municipal Property Tax Relief	A-2a		5,494,795.11	5,494,795.11	
Energy Receipts Tax	A-2a		2,819,316.00	2,819,316.00	
		<u>\$ 119,959.33</u>	<u>\$ 11,801,022.41</u>	<u>\$ 11,814,433.08</u>	<u>\$ 133,370.00</u>
		A		A-6	A

CITY OF ORANGE TOWNSHIP
CURRENT FUND

A-17

OTHER ACCOUNTS RECEIVABLE
FOR THE YEAR ENDED DECEMBER 31, 2013

	<u>Ref.</u>		
Balance, December 31, 2012	A		\$ 137,039.61
Increased by:			
Billings:			
Property Maintenance		\$ 80,432.23	
Year End Penalties		77,930.19	
Cost of Sale		18,701.74	
Redemption Fees		<u>1,731.23</u>	
	Reserve		<u>178,795.39</u>
			315,835.00
Decreased by:			
Canceled	Reserve	1,397.18	
Transferred to Other Liens Receivable	A-15	47,682.91	
Cash Received	A-1, A-6	<u>70,765.36</u>	
			<u>119,845.45</u>
Balance, December 31, 2013	A		<u>\$ 195,989.55</u>
<u>Analysis of Balance</u>			
Court Restitution			\$ 14,000.00
Property Maintenance			71,433.38
Year End Penalty			76,733.90
Cost of Sales			285.00
Redemption Fees			<u>33,537.27</u>
			<u>\$ 195,989.55</u>

See Independent Auditors' Report

CITY OF ORANGE TOWNSHIP
CURRENT FUND

DEPOSITS RECEIVABLE
FOR THE YEAR ENDED DECEMBER 31, 2013

A-18

	<u>Ref.</u>	<u>Total</u>	<u>County Register Mortgages</u>	<u>Superior Court of New Jersey</u>
Balance, December 31, 2013 and 2012	A	<u>\$ 1,465.05</u>	<u>\$ 1,218.55</u>	<u>\$ 246.50</u>

See Independent Auditors' Report

CITY OF ORANGE TOWNSHIP
CURRENT FUND

A-19

INTERFUNDS RECEIVABLE
FOR THE YEAR ENDED DECEMBER 31, 2013

Ref.	Total	Federal and State Grant Fund	General Trust Fund	Grant Trust Fund	General Capital Fund	Water and Sewer Operating Fund	Payroll Fund
Balance, December 31, 2012	\$ 1,027,808.37	\$ 887,319.34	\$ 140,489.03	\$	\$	\$	\$
Increased by:							
Interfund Advances	6,411,318.40	2,422,469.19	1,901,639.09	56,094.52	1,995,144.00		35,971.60
Miscellaneous Revenues Not Anticipated	487,939.45	487,939.45					
Miscellaneous Revenue Anticipated	919,743.00		144,100.00				
	<u>7,819,000.85</u>	<u>2,910,408.64</u>	<u>2,045,739.09</u>	<u>56,094.52</u>	<u>1,995,144.00</u>		<u>775,643.00</u>
	<u>8,846,809.22</u>	<u>3,797,727.98</u>	<u>2,186,228.12</u>	<u>56,094.52</u>	<u>1,995,144.00</u>		<u>811,614.60</u>
Decreased by:							
Interfund Returns	8,649,527.18	3,636,953.46	2,186,228.12	55,558.60	1,995,144.00		775,643.00
Overexpenditure of Grant Reserves	1,331.33	1,331.33					
	<u>8,650,858.51</u>	<u>3,638,284.79</u>	<u>2,186,228.12</u>	<u>55,558.60</u>	<u>1,995,144.00</u>		<u>775,643.00</u>
Balance, December 31, 2013	\$ 195,950.71	\$ 159,443.19	\$	\$ 535.92	\$	\$	\$ 35,971.60
Beginning Balance	\$ 1,027,808.37						
Ending Balance	<u>(195,950.71)</u>						
	\$ 831,857.66						

CITY OF ORANGE TOWNSHIP
CURRENT FUND

A-20

DEFERRED CHARGES
FOR THE YEAR ENDED DECEMBER 31, 2013

	<u>Balance,</u> <u>December 31, 2012</u>	<u>Raised In</u> <u>Budget</u>	<u>Current Year</u> <u>2013</u>	<u>Balance,</u> <u>December 31, 2013</u>
Overexpenditure of Budget Appropriations	\$ 543,026.20	\$ 543,026.20	\$ 16,585.50	\$ 16,585.50
	<u>\$ 543,026.20</u>	<u>\$ 543,026.20</u>	<u>\$ 16,585.50</u>	<u>\$ 16,585.50</u>
<u>Ref.</u>	A	A-3a	A-1, A-3, A-23	A

CITY OF ORANGE TOWNSHIP
CURRENT FUND

A-21

DEFERRED CHARGES
N.J.S.A.40A:4-55 SPECIAL EMERGENCY
FOR
THE YEAR ENDED DECEMBER 31, 2013

<u>Purpose</u>	<u>Net Amount</u>	^{1/5} <u>Net Amount</u>	<u>Balance</u>	<u>Reduced</u>	<u>Balance</u>
	<u>Authorized</u>	<u>Authorized</u>	<u>December 31, 2012</u>	<u>in 2013</u>	<u>December 31, 2013</u>
Revaluation	\$ 2,027,163.95	\$ 405,432.79	\$ 1,621,731.16	\$ 519,100.00	\$ 519,100.00
Accrued Vacation and Sick Time	\$ 2,027,163.95	\$ 405,432.79	\$ 1,621,731.16	405,432.79	1,216,298.37
	<u>\$ 2,027,163.95</u>	<u>\$ 405,432.79</u>	<u>\$ 1,621,731.16</u>	<u>\$ 113,667.21</u>	<u>\$ 1,735,398.37</u>
			A	A-1, A3a, A-28,	A

CITY OF ORANGE TOWNSHIP
CURRENT FUND

GRANTS RECEIVABLE
YEAR ENDED DECEMBER 31, 2013

	Balance December 31, 2012	2013 Grants	Chapter 159	Collections	Cancellations	Balance December 31, 2013
State Grants:						
New Jersey Transportation Trust Fund Authority Act:						
Year 2001	\$ 14,744.09	\$	\$	\$	\$	\$ 14,744.09
Year 2002	196,113.73					196,113.73
Year 2003	58,651.19					58,651.19
Year 2004	112,650.49					112,650.49
Year 2005	55,148.47					55,148.47
Year 2006	180,637.99					180,637.99
Year 2007	14,155.62					14,155.62
Year 2008 - Sterling Ave	72,360.63					72,360.63
Year 2010	231,497.75					231,497.75
TY 2011 Phase II Way Finding Signage	100,000.00					100,000.00
Way Finding Signage PH II Calendar 2012	20,524.75					20,524.75
FY 2011 Various Streets	218,676.59			91,744.62		126,931.97
NJDOT Various Streets 2012		315,600.00		164,270.55		151,329.45
NJDOT Various Streets 2013		310,800.00				310,800.00
Public Health Priority Funding/State Health Services Grant						
Public Health FY 2010						
Summer Food Program for Children	3,000.00					3,000.00
Calendar Year 2006	206,510.47					206,510.47
Calendar Year 2008	74,604.79					74,604.79
Calendar Year 2009	141,104.51					141,104.51
Calendar Year 2010	148,794.62					148,794.62
Calendar Year 2011	71,500.85					71,500.85
Transition Year 2012	147,883.05					147,883.05
Calendar Year 2012	228,582.19					228,582.19
Calendar Year 2013 - Addition		66,412.56	292,413.09	162,324.25		130,088.84
Clean Communities Act:						
Calendar Year 2010	21,822.75					21,822.75
Transition Year 2011	0.03					0.03
Calendar Year 2013		43,062.00		43,062.31		(0.31)
Safe and Secure Community Program:						
Fiscal Year 2008	2,006.00					2,006.00
Urban Enterprise Zone Program:						
03-08 Litter Equipment	26,575.72					26,575.72
03-09 Street Decorations	30,808.35					30,808.35
03-18 Administrative Expenses	84,348.37					84,348.37
30-60 Advertising Initiative	14,199.27					14,199.27
03-129 William Street Parking Rehabilitation	44,947.52					44,947.52
03-130 Main Street Resurfacing	157,149.06					157,149.06
03-129 Administration	75,648.12					75,648.12
04-22 Police Vehicles	3,423.15					3,423.15
04-26 Street Decorations	3,234.00					3,234.00
04-38 Litter Collection Equipment	10,509.24					10,509.24
04-104 Roadway Improvement Design and Construction Administration						
04-142 Policing	8,077.98					8,077.98
05-19 Administration Expense	539.79					539.79
05-85 Litter Equipment	33,315.31					33,315.31
05-137 Integrated Marketing Plan - Phase II	76,787.92					76,787.92
05-156 Advertising Co-Op	52,856.07					52,856.07
06-21 Administration Expense	27.50					27.50
06-89 Police Vehicle Acquisition	53,827.78					53,827.78
	3,618.96					3,618.96

CITY OF ORANGE TOWNSHIP
CURRENT FUND

GRANTS RECEIVABLE
YEAR ENDED DECEMBER 31, 2013

	Balance December 31, 2012	2013 Grants	Chapter 159	Collections	Cancellations	Balance December 31, 2013
State Grants:						
Urban Enterprise Zone Program:						
06-143 Main Street Streetscape	\$ 86,543.11	\$	\$	\$	\$	\$ 86,543.11
06-144 Integrated Marketing Plan - Phase III	1,136.24					1,136.24
07-21 Administration Expense	151,790.65					151,790.65
08-21 Administration Expense	106,072.44					106,072.44
08-63 Smart Future 2007 - Phase I	80.00					80.00
08-137 Litter Collection Services - Phase V	63,690.44					63,690.44
08-189 Policing - Phase XI	0.01					0.01
08-190 Orange Main Street Year 1	72,204.52					72,204.52
08-160 Smart Future Phase II	1,652.95					1,652.95
10-21 Administration Expense	0.26					0.26
UEZA Central Avenue Streetscape	125,125.53					125,125.53
UEZA - ADM Administration FY11	22,875.45					22,875.45
97-21 Fire Department Communication Equipment	3,366.62					3,366.62
99-18 Trash Receptacles	6,569.24					6,569.24
99-19 Anti - Graffiti Project	18,000.00					18,000.00
Transportation Enhancement - Train Station						
Phase II - Fiscal Year 2002	200,000.00					200,000.00
Fiscal Year 2010	583,457.00					583,457.00
Statewide Livable Community Local Library Program:						
Fiscal Year 2005	2.70					2.70
N.J. Department of Community Affairs - Neighborhood Stabilization Grant				150,000.00		
Fiscal Year 2010	150,000.00					
Recreation for People with Disabilities:						
Fiscal Year 2005	9,100.00					9,100.00
Fiscal Year 2008	963.80					963.80
Americans with Disabilities Act Renovations						
Fiscal Year 2005	835.75					835.75
Home Lead Intervention						
Fiscal Year 2009	216,896.80					216,896.80
Highway Pedestrian Safety						
Fiscal Year 2007	1.13					1.13
Fiscal Year 2009	(393.58)					(393.58)
Fiscal Year 2011	7,041.00					7,041.00
State Health Services Grant - H1N1						
Fiscal Year 2010	6,758.35					6,758.35
Fiscal Year 2009	65,428.00					65,428.00
H1N1 Health Grant Services						
NJHOA H1N1 Corrective Services	22,500.00					22,500.00
NJHOA H1N1 Corrective Services	10,000.00					10,000.00

CITY OF ORANGE TOWNSHIP
CURRENT FUND

GRANTS RECEIVABLE
YEAR ENDED DECEMBER 31, 2013

	Balance December 31, 2012	2013 Grants	Chapter 159	Collections	Cancellations	Balance December 31, 2013
	\$	\$	\$	\$	\$	\$
State Grants:						
Weed and Seed Community Collaborative Grant:						
Fiscal Year 2005	25,000.00					25,000.00
N.J. Office of Technologies						
911 Equipment : Cops	450,000.00			450,000.00		
Hazardous Discharge Site Remediation Fund:						
534 Mitchell Street - Fiscal Year 2008	400.00					400.00
540 Mitchell Street - Fiscal Year 2008	400.00					400.00
534 Mitchell Street - Fiscal Year 2009	1,818.50					1,818.50
540 Mitchell Street - Fiscal Year 2009	1,869.25					1,869.25
507 Mitchell Street - Fiscal Year 2010	26,412.00					26,412.00
546 Mitchell Street - Fiscal Year 2010	26,412.00					26,412.00
481 New England Terrace - Fiscal Year 2010	39,460.20					39,460.20
321 Scolland Road - Fiscal Year 2010	19,412.00					19,412.00
490 Central Avenue - Fiscal Year 2010	42,230.00					42,230.00
Special Improvement District Challenge Grant:						
Fiscal Year 2008	5,000.00					5,000.00
N.J. Historic Trust - City Hall Preservation Plan	43,758.00					43,758.00
Fiscal Year 2008	104,620.85					104,620.85
Fiscal Year 2010	610,000.00			428,446.87		181,553.13
Green Acres						
Multi-Parks #2						
Bell Stadium Rehabilitation						
Fiscal Year 2009						
Green Acres Multi Parks #0717-10-018	50,000.00	320,391.00	1,129,609.00	535.92		369,855.08
Green Acres Multi Parks #0717-10-018						1,129,609.00
Green Acres Multi Parks #0717-10-018-159						
N.J. State Health - Emergency Preparedness - LINCS						
Fiscal Year 2010	10.00					10.00
NJ State Recycling Tonnage Grant						
Body Armor	(931.64)		81,028.36	81,028.36		(931.64)
Bullet Proof Vests - UR	3,252.67					3,252.67
Brownfield Redevelopment Pilot:						
Fiscal Year 2001	1,104.12					1,104.12
Juvenile Accountability Incentive Block Grant						
JAIBG- 32-01						
Fiscal Year 2007	4,796.26					4,796.26
Fiscal Year 2009	34,015.98					34,015.98
Edward Byrne Memorial Justice Assistance						
Grant (JAG)	9,094.56					9,094.56
Fiscal Year 2006	238,828.00			238,828.00		
Calendar Year 2012						
US Department of Homeland Security						
Assistance to Firefighters						
Fiscal Year 2005	17,518.00					17,518.00
Fiscal Year 2010						
COPS in Shops:						
Fiscal Year 2005	9,061.00					9,061.00
Fiscal Year 2006	7,000.00					7,000.00
FEMA SAFER Hiring Grant						
2011 Cops Hiring	910,425.74			910,425.74		

CITY OF ORANGE TOWNSHIP
CURRENT FUND

GRANTS RECEIVABLE
YEAR ENDED DECEMBER 31, 2013

	Balance December 31, 2012	2013 Grants	Chapter 159	Collections	Cancellations	Balance December 31, 2013
	\$ 0.20	\$	\$	\$	\$	\$ 0.20
U.S. Department of Justice - COPS Hiring Fiscal Year 2010	2,661.00					2,661.00
U.S. Department of Justice - COPS Technology County of Essex:	148.35					148.35
Essex County Municipal Alliance Program:	1,154.00					1,154.00
Calendar Year 2006	2,168.94					2,168.94
Calendar Year 2009	662.53					662.53
Calendar Year 2010	77,192.96			37,698.41		39,494.55
Calendar Year 2012	12,116.55					12,116.55
Calendar Year 2013		85,000.00				85,000.00
Essex County CDBG Match - Multi Parks		370,391.00		159,748.66		210,642.34
Essex County CDBG Match - Multi Parks Open Space Trust Fund:						
Calendar Year 2009	225,000.00			225,000.00		
Division on Aging:						
Senior Citizen's Public Health Nurse						
Calendar Year 2009						
Calendar Year 2010						
Calendar Year 2011						
Calendar Year 2012 (Visiting Nurses)	4,000.00			4,050.00		(50.00)
Calendar Year 2013 (Visiting Nurses)		16,200.00	1,919.00	8,050.00		8,150.00
Calendar Year 2013 (Visiting Nurses)						1,919.00
Essex County - Hurricane Sandy	175,703.00			168,183.44		7,519.56
Essex County - Hurricane Sandy Hon Fiscal Year 2007	3,944.20		321,917.96	137,893.93		184,034.03
Board of Public Utility:						
Solar Energy Equipment Rebate - Police Roof Fiscal Year 2008	591.47					3,944.20
	\$ 8,118,873.57	\$ 1,527,856.56	\$ 1,826,887.41	\$ 3,461,281.06	\$	\$ 8,012,336.48

REF: A A-2a A-36 A-34 A

CITY OF ORANGE TOWNSHIP
CURRENT FUND

APPROPRIATION RESERVES
FOR THE YEAR ENDED DECEMBER 31, 2013

	Balance, December 31, 2012	Balance, After Transfer	Paid or Charged	Lapsed	Overexpenditures
DEPARTMENT OF ADMINISTRATION					
Mayor's Office					
Salaries and Wages	\$ 1,658.14	\$ 8,658.14	\$ 1,691.87	\$ 6,966.27	\$
Other Expenses					
Office of Business Administrator					
Salaries and Wages					
Other Expenses	692.24	692.24	150.00	542.24	
Office of Administrative Services					
Salaries and Wages	22,597.00	22,597.00	22,597.00		
Other Expenses	106,246.34	106,246.34	74,294.03	31,952.31	
Office of Public Defender					
Salaries and Wages					
Other Expenses	3,000.00	3,000.00	3,000.00		
Insurances					
General Liability	62,894.20	62,894.20	56,067.75	6,826.45	
Workers Compensation	148,778.61	148,778.61	53,050.64	95,727.97	
Employee Group Health	94,670.46	124,670.46	124,292.38	378.08	
Municipal Insurance Fund	400,000.00	400,000.00	200,000.00	200,000.00	
Waived Health Benefits					
Municipal Alcohol Beverage Control					
Salaries and Wages					
Other Expenses	4,668.44	4,668.44	2,380.00	2,288.44	
	<u>845,205.43</u>	<u>882,205.43</u>	<u>537,523.67</u>	<u>344,681.76</u>	
DEPARTMENT OF LAW					
Salaries and Wages					
Other Expenses	19,661.43	23,661.43	23,661.43		
	<u>19,661.43</u>	<u>23,661.43</u>	<u>23,661.43</u>		
CITY CLERK AND MUNICIPAL COUNCIL					
City Council					
Salaries and Wages	3,709.77	3,709.77	3,709.77		
Other Expenses	26,996.13	26,996.13	4,375.86	22,620.27	
City Clerk					
Salaries and Wages	4,609.62	4,609.62	4,609.62		
Other Expenses	19,514.01	19,514.01	8,319.48	11,194.53	
	<u>54,829.53</u>	<u>54,829.53</u>	<u>21,014.73</u>	<u>33,814.80</u>	
DEPARTMENT OF PLANNING AND DEVELOPMENT					
Inspection and Licensing/UCC					
Salaries and Wages					
Other Expenses	7,861.05	7,861.05	133.04	7,728.01	
Planning Division					
Salaries and Wages					
Other Expenses	5,714.92	5,714.92	827.63	4,887.29	
Zoning Board					
Salaries and Wages					
Other Expenses	3,164.19	3,164.19	2,470.94	693.25	
Planning Board					
Salaries and Wages					
Other Expenses	3,065.34	3,065.34	1,694.30	1,371.04	
Rent Leveling Board					
Salaries and Wages					
Other Expenses	1,497.17	1,497.17	416.66	1,080.51	
	<u>21,302.67</u>	<u>21,302.67</u>	<u>5,542.57</u>	<u>15,760.10</u>	
DEPARTMENT OF FINANCE					
Department of Finance					
Salaries and Wages					
Other Expenses	1,151.35	1,151.35	1,151.35		
Office of Tax Collector					
Salaries and Wages	42,003.83	42,003.83	42,003.83		
Other Expenses	277.32	277.32	269.00	8.32	
Office of Tax Assessor					
Salaries and Wages	14,241.32	14,241.32	14,241.32		
Other Expenses	24,304.72	24,304.72	9,519.02	14,785.70	
	<u>81,978.54</u>	<u>81,978.54</u>	<u>67,184.52</u>	<u>14,794.02</u>	

CITY OF ORANGE TOWNSHIP
CURRENT FUND

APPROPRIATION RESERVES
FOR THE YEAR ENDED DECEMBER 31, 2013

	Balance, December 31, 2012	After Transfer	Paid or Charged	Lapsed	Overexpenditures
DEPARTMENT OF COMMUNITY SERVICES					
Administration Division					
Salaries and Wages	\$ 3,077.46	\$ 3,077.46	\$ 830.47	\$ 2,246.99	\$
Other Expenses					
Health Division					
Salaries and Wages					
Other Expenses	17,790.79	17,790.79	6,729.03	11,061.76	
Animal Control					
Salaries and Wages	974.89	974.89	974.89		
Other Expenses	10,760.93	10,760.93	8,218.74	2,542.19	
Older Adult Services					
Salaries and Wages	1,460.00	1,460.00	1,460.00		
Other Expenses	13,419.36	13,419.36	12,275.00	1,144.36	
Cultural Affairs					
Salaries and Wages	6,950.30	6,950.30	6,950.30		
Other Expenses	3,440.09	7,440.09	2,439.15	5,000.94	
Recreation					
Salaries and Wages					
Other Expenses	13,713.05	13,713.05	6,349.02	7,364.03	
	<u>71,586.87</u>	<u>75,586.87</u>	<u>46,226.60</u>	<u>29,360.27</u>	
DEPARTMENT OF POLICE					
Administrative Division					
Salaries and Wages	482,769.98	482,769.98	482,769.98		
Other Expenses	105,459.90	105,459.90	102,142.84	3,317.06	
School Guards					
Salaries and Wages					
	<u>588,229.88</u>	<u>588,229.88</u>	<u>584,912.82</u>	<u>3,317.06</u>	
DEPARTMENT OF FIRE					
Administrative Division					
Salaries and Wages	181,907.40	181,907.40	181,907.40		
Other Expenses	135,140.05	135,140.05	119,891.35	15,248.70	
Office of Emergency Management					
Salaries and Wages	1,261.97	1,261.97	1,261.97		
Other Expenses	1,282.00	1,282.00		1,282.00	
Ambulance Services					
Other Expenses					
	<u>319,591.42</u>	<u>319,591.42</u>	<u>303,060.72</u>	<u>16,530.70</u>	
DEPARTMENT OF PUBLIC WORKS					
Street Maintenance					
Salaries and Wages	66,026.86	66,026.86	66,026.86		
Other Expenses	43,173.47	43,173.47	25,182.03	17,991.44	
Maintenance of Parks					
Salaries and Wages	2,054.44	2,054.44	2,054.44		
Other Expenses	23,292.16	23,292.16	13,357.79	9,934.37	
Director's Office					
Salaries and Wages	55,484.51	55,484.51	55,484.51		
Other Expenses	11,982.05	23,982.05	22,295.28	1,686.77	
Equipment and Vehicle Maintenance					
Other Expenses	95,309.95	135,309.95	132,067.11	3,242.84	
Buildings and Grounds					
Salaries and Wages					
Other Expenses	64,004.84	68,004.84	65,850.16	2,154.68	
Snow Removal					
Other Expenses	22,588.67	22,588.67	22,588.67		
	<u>383,916.95</u>	<u>439,916.95</u>	<u>404,906.85</u>	<u>35,010.10</u>	
MUNICIPAL COURT					
Salaries and Wages	23,445.52	23,445.52	23,445.52		
Other Expenses	27,294.72	27,294.72	16,746.74	10,547.98	
	<u>50,740.24</u>	<u>50,740.24</u>	<u>40,192.26</u>	<u>10,547.98</u>	

CITY OF ORANGE TOWNSHIP
CURRENT FUND

APPROPRIATION RESERVES
FOR THE YEAR ENDED DECEMBER 31, 2013

	Balance, December 31, 2012	After Transfer	Paid or Charged	Lapsed	Overexpenditures
UNIFORM CONSTRUCTION CODE - APPROPRIATIONS OFFSET BY DEDICATED REVENUES (N.J.A.C.5:23-4.17) Planning and Economic Development /Uniform Construction Code: Inspections and Licensing Other Expenses	\$	\$	\$	\$	\$
UNCLASSIFIED					
Utilities					
Telephone	32,556.24	32,556.24	25,329.56	7,226.68	
Street Lighting	317,799.76	216,799.76	216,799.76		
Future Negotiated Salary Increases	70,000.00	70,000.00	70,000.00		
Gas and Electric	156,526.42	156,526.42	139,070.32	17,456.10	
Refuse Removal	669,723.51	669,723.51	604,768.97	64,954.54	
Prior Year Bills					
	<u>1,246,605.93</u>	<u>1,145,605.93</u>	<u>1,055,968.61</u>	<u>89,637.32</u>	
OTHER OPERATIONS					
Orange Board of education - Extended School Judgments					
CONTINGENT	<u>6,465.24</u>	<u>6,465.24</u>		<u>6,465.24</u>	
DEFERRED CHARGES					
Overexpenditure of Budget Appropriations Expenditures without Appropriation Prior Year Bills					
STATUTORY EXPENDITURES					
Contributions to :					
Social Security System	744.27	744.27	744.27		
Public Employee Retirement System	55,307.27	55,307.27	55,307.27		
Consolidated Police & Fire	30,000.00	30,000.00	14,351.79	15,648.21	
Defined Contribution Plan	2,661.00	2,661.00		2,661.00	
Improvements to Oakwood Avenue	18,000.00	18,000.00		18,000.00	
	<u>106,712.54</u>	<u>106,712.54</u>	<u>70,403.33</u>	<u>36,309.21</u>	
	<u>\$ 3,796,826.67</u>	<u>\$ 3,796,826.67</u>	<u>\$ 3,160,598.11</u>	<u>\$ 636,228.56</u>	<u>\$</u>

Ref.	A				A-1	A-20
		Anticipated Revenue	A-2a	\$ 1,293,000.00		
		Cash Disbursed	A-4	1,818,727.27		
		Accounts Payable	A-24	48,870.84		
				<u>\$ 3,160,598.11</u>		

CITY OF ORANGE TOWNSHIP
CURRENT FUND

A-24

ACCOUNTS PAYABLE
YEAR ENDED DECEMBER 31, 2013

	Ref.	
Balance, December 31, 2012	A	\$ 13,144.48
Increased by:		
Transfer from Appropriation Reserves	A-23	<u>48,870.84</u>
		62,015.32
Increased by:		
Disbursements	A-4	<u>1,109.88</u>
Balance, December 31, 2013	A	<u><u>\$ 60,905.44</u></u>

See Independent Auditors' Report

CITY OF ORANGE TOWNSHIP
CURRENT FUND

TAX OVERPAYMENTS
FOR THE YEAR ENDED DECEMBER 31, 2013

A-25

	<u>Ref.</u>		
Balance, December 31, 2012	A		\$ 501,420.15
Increased by:			
County and State Board Adjustments	A-1	\$ 775,393.45	<u>775,393.45</u>
			1,276,813.60
Decreased by:			
Cash Disbursements	A-4	729,913.34	
Applied to Taxes Receivable	A-11	<u>236,195.41</u>	
			<u>966,108.75</u>
Balance, December 31, 2013	A		<u>\$ 310,704.85</u>

RESERVE ORANGE RESERVOIR
YEAR ENDED DECEMBER 31, 2013

A-26

	Ref.		
Balance, December 31, 2012	A		\$ 750,000.00
Increased by:			
Collections			<u>750,000.00</u>
Decreased by:			
Recognition as Revenue	A-2a		<u>150,000.00</u>
Balance, December 31, 2013	A		<u>\$ 600,000.00</u>

See Independent Auditors' Report

CITY OF ORANGE TOWNSHIP
CURRENT FUND

DUE TO STATE OF NEW JERSEY
FOR THE YEAR ENDED DECEMBER 31, 2013

A-27

	<u>Ref.</u>	<u>Total</u>	<u>Marriage License Fees</u>	<u>Burial Permits</u>
Balance, December 31, 2012	A			
Increased by:				
Collections	A-6	\$ 7,855.00	\$ 7,615.00	\$ 240.00
		<u>7,855.00</u>	<u>7,615.00</u>	<u>240.00</u>
Decreased By:				
Cash Disbursements	A-4	<u>7,855.00</u>	<u>7,615.00</u>	<u>240.00</u>
Balance, December 31, 2013	A	<u>\$</u>	<u>\$</u>	<u>\$</u>

CITY OF ORANGE TOWNSHIP
CURRENT FUND

A-28

RESERVE FOR REVALUATION
FOR THE YEAR ENDED DECEMBER 31, 2013

	<u>Ref.</u>		
Balance, December 31, 2012	A	\$	1,375.09
Increased by:			
Deferred Charge	A-3	<u>\$ 519,100.00</u>	
			<u>519,100.00</u>
			520,475.09
Decreased by:			
Cash Disbursements	A-4		<u>402,361.00</u>
Balance, December 31, 2013	A	<u>\$</u>	<u>118,114.09</u>

See Independent Auditors' Report

CITY OF ORANGE TOWNSHIP
CURRENT FUND

A-29

INTERFUNDS PAYABLE
FOR THE YEAR ENDED DECEMBER 31, 2013

	<u>Ref.</u>	<u>Total</u>	<u>Water Capital</u> <u>Fund</u>	<u>Insurance</u> <u>Fund</u>	<u>Water Operating</u> <u>Fund</u>	<u>Payroll</u> <u>Fund</u>
Balance, December 31, 2012	A	\$ 944,434.34	\$	\$	\$ 906,938.81	\$ 37,495.53
Increased by:						
Appropriations	A-3	129,622.73		129,622.73		
Advances	A-4	4,673,595.75	1,995,144.00	130,000.00	2,249,934.67	298,517.08
		<u>4,803,218.48</u>	<u>1,995,144.00</u>	<u>259,622.73</u>	<u>2,249,934.67</u>	<u>298,517.08</u>
Decreased by:						
Settlements	A-4	<u>5,594,031.28</u>	<u>1,995,144.00</u>	<u>130,000.00</u>	<u>3,132,874.67</u>	<u>336,012.61</u>
Balance, December 31, 2013	A	<u>\$ 153,621.54</u>	<u>\$</u>	<u>\$ 129,622.73</u>	<u>\$ 23,998.81</u>	<u>\$</u>

CITY OF ORANGE TOWNSHIP
CURRENT FUND

COUNTY TAXES PAYABLE
FOR THE YEAR ENDED DECEMBER 31, 2013

A-30

	<u>Ref.</u>	
Balance, December 31, 2012	A	\$ 2,577.78
Increased by:		
2013 Tax Levy		7,033,639.73
Added and Omitted		<u>13,618.49</u>
	A-1, A-2c, A-11	<u>7,047,258.22</u>
Decreased by:		
Disbursements	A-4	<u>7,036,217.55</u>
Balance, December 31, 2013	A	<u><u>\$ 13,618.45</u></u>

PREPAID SCHOOL TAXES
FOR THE YEAR ENDED DECEMBER 31, 2013

A-31

	<u>Ref.</u>	
Balance, December 31, 2012	A	\$
Increased by:		
School Tax Levy	A-1, A-2c, A-11	<u>10,557,043.00</u>
		10,557,043.00
Decreased by:		
Disbursements	A-4	<u>10,879,748.00</u>
		<u>10,879,748.00</u>
Balance, December 31, 2013	A	<u><u>\$ (322,705.00)</u></u>

See Independent Auditors' Report

CITY OF ORANGE TOWNSHIP
CURRENT FUND

A-32

PREPAID TAXES
FOR THE YEAR ENDED DECEMBER 31, 2013

	<u>Ref.</u>	
Balance, December 31, 2012	A	\$ 96,072.60
Increased by:		
Collections	A-6	<u>143,593.33</u>
		239,665.93
Decreased by:		
Applied to 2012 Taxes Receivable	A-2c, A-11	<u>96,072.60</u>
Balance, December 31, 2013	A	<u><u>\$ 143,593.33</u></u>

DEPOSITS ON SALE OF PROPERTY
YEAR ENDED DECEMBER 31, 2013

A-33

	<u>Ref.</u>	
Balance, December 31, 2013 and 2012	A	<u><u>\$ 3,110.00</u></u>

See Independent Auditors' Report

CITY OF ORANGE TOWNSHIP
CURRENT FUND

A-34

FEDERAL AND STATE GRANT FUND
DUE TO CURRENT FUND
FOR THE YEAR ENDED DECEMBER 31, 2013

	<u>Ref.</u>		
Balance, December 31, 2012	A		\$ 887,319.34
Increased by:			
Advances	A-36		<u>2,910,508.64</u>
			3,797,827.98
Decreased by:			
Grant Match	A-36	\$ 21,250.00	
Settlements	A-22	3,461,281.06	
Overexpended grant	A-36	1,331.33	
Unappropriated Reserve Collections	A-35	<u>154,522.40</u>	
			<u>3,638,384.79</u>
Balance, December 31, 2013	A		<u><u>\$ 159,443.19</u></u>

See Independent Auditors' Report

CITY OF ORANGE TOWNSHIP
CURRENT FUND

A-35

FEDERAL AND STATE GRANT FUND
SCHEDULE OF UNAPPROPRIATED RESERVES
FOR THE YEAR ENDED DECEMBER 31, 2013

<u>Program</u>	<u>Balance</u> <u>December 31, 2012</u>	<u>Applied to Approp.</u>	<u>Collections</u>	<u>Balance</u> <u>December 31, 2013</u>
<u>State and Federal Grant Fund:</u>				
Sustainable Jersey Small Grant	\$	\$	\$ 2,000.00	\$ 2,000.00
Open Space Trust Fund			94,833.75	94,833.75
Summer food			57,688.65	57,688.65
UEZ - Signs & Banners				
Click It or Ticket	4,000.00			4,000.00
Bulletproof Vests	12,103.00			12,103.00
Weed and Seed Grant	35,776.54			35,776.54
Program Income:				
Harding Township	3,099.13			3,099.13
Mountain Lakes	2,814.71			2,814.71
Mendham Township	1,245.75			1,245.75
Hanover Township	631.60			631.60
South Orange Village Township	50.09			50.09
Urban Enterprise Zone - Parking Lot	139.65			139.65
UEZ Meter Money	10,754.17			10,754.17
UEZ Admin Expenses	44,110.15			44,110.15
Division on Aging	8,449.00			8,449.00
Division on Aging 2010	8,100.00			8,100.00
State Health Services Grant	39,258.00			39,258.00
Clean Communities	41,189.95			41,189.95
Roadway Improvements	104,396.90			104,396.90
Municipal Alliance				
Body Armor	129.00			129.00
	<u>\$ 316,247.64</u>	<u>\$</u>	<u>\$ 154,522.40</u>	<u>\$ 470,770.04</u>
<u>Ref.</u>	A	A-22	A-34	A

CITY OF ORANGE TOWNSHIP
CURRENT FUND
FEDERAL AND STATE GRANT FUND
RESERVE FOR GRANT EXPENDITURES
FOR THE YEAR ENDED DECEMBER 31, 2013

	December 31, 2012		2013 Grants		December 31, 2013	
	Reserved	Budgeted	Chapter 159	Adjustments	Encumbered	Reserved
State Grants:						
New Jersey Transportation Trust Fund Authority Act:						
Fiscal Year 2001 - Main & Cleveland	\$ 185.75	\$	\$	\$	\$	\$ 185.75
Fiscal Year 2002	83,198.74					83,198.74
Fiscal Year 2003	17,398.69					17,398.69
Fiscal Year 2004	88,219.50					88,219.50
Fiscal Year 2005	29,861.61					29,861.61
Fiscal Year 2006 - Thomas Blvd.	167,020.74					167,020.74
Fiscal Year 2007	7,528.12					7,528.12
Fiscal Year 2008 - Sterling Avenue	70,930.63					70,930.63
Fiscal Year 2010 - Various Streets	113,310.87					113,310.87
Fiscal Year 2011 - Way Signage	20,834.05					20,834.05
Calendar Year 2011 Phase II - Way Signage	167,892.65					167,892.65
Fiscal Year 2011 - Various Streets	31,221.95					31,221.95
NJDOT Various Streets 2012		315,600.00			4,367.19	315,600.00
NJDOT Various Streets 2013		310,800.00			3,453.73	310,800.00
Public Health Priority Funding/State Health Services Grant					36,505.00	36,505.00
Public Health FY 2010	5,073.42				15,688.35	205,111.65
Summer Food Program for Children						5,073.42
Calendar Year 2006	125,897.83					125,897.83
Calendar Year 2007	47,513.98					47,513.98
Calendar Year 2008	97,496.51					97,496.51
Calendar Year 2009	148,791.39					148,791.39
Calendar Year 2010	193,635.23					193,635.23
Calendar Year 2011	112,728.61					112,728.61
Calendar Year 2012	163,437.16					163,437.16
Calendar Year 2013	290,732.09					290,732.09
Clean Communities Act		66,412.56	292,413.09		23,086.73	334,057.92
Calendar Year 2008	3,432.33				182,218.10	110,194.99
Calendar Year 2009	3,305.49					3,305.49
Fiscal Year 2010	856.71					856.71
Fiscal Year 2011	26,495.28					26,495.28
Fiscal Year 2010	36,677.47					36,677.47
Calendar Year 2013		43,062.00			3,164.32	43,062.00
Urban Enterprise Zone Program:					36,459.37	36,459.37
03-08 Litter Equipment	37,919.40				33,731.27	37,919.40
03-09 Street Decorations	30,306.35					30,306.35
03-18 Administrative Expenses	20,864.18					20,864.18
03-60 Advertising Incentive	3,663.27					3,663.27
03-128 Marketing Plan	14,586.50					14,586.50
03-129 William Street Parking Rehabilitation	44,947.51					44,947.51
03-130 Main Street Resurfacing	157,149.06					157,149.06
03-129 Administration	14,780.53					14,780.53
04-22 Police Vehicles	4,610.19					4,610.19
04-26 Street Decorations	503.50					503.50
04-38 Litter Collection Equipment	10,509.24					10,509.24
04-104 Roadway Improvements	8,077.98					8,077.98
05-19 Administration Expense	17,206.20					17,206.20
05-19 Administration Expense	20,055.92					20,055.92
05-137 Integrated Marketing Plan - Phase II	11,402.07					11,402.07
05-156 Advertising Co-Op	27.50					27.50
06-21 Administration Expense	24,522.96					24,522.96
	2,474,834.16	735,674.56	292,413.09		338,674.06	3,164,447.75

CITY OF ORANGE TOWNSHIP
CURRENT FUND

FEDERAL AND STATE GRANT FUND
RESERVE FOR GRANT EXPENDITURES
FOR THE YEAR ENDED DECEMBER 31, 2013

	2013 Grants			Encumbrances	Balance December 31, 2013 Reserved
	Budgeted	Chapter 159	Adjustments		
State Grants:					
Urban Enterprise Zone Program:					
06-143 Main Street Streetscape	\$ 4,523.70			\$	4,523.70
06-143 Main Street Streetscape - Supple.	76,025.44				76,025.44
06-144 Integrated Marketing Plan - Phase III	23,251.00				23,251.00
07-129 Policing, Phase IX	45,907.28				45,907.28
07-178 Integrated Marketing Plan - Phase IV	59,914.00				59,914.00
08-63 Smart Future 2007 - Phase I	51,378.89				51,378.89
08-64 Downtown Main Street Feasibility Study- Phase 1	80.00				80.00
08-94 Street Decorations - Phase II	7,900.00				7,900.00
08-189 Policing - Phase XI	63,690.45				63,690.45
09-21 Administration Expense	42,073.55				42,073.55
09-144 CCTV Surveillance	26,000.28				26,000.28
UEZA Central Avenue Streetscape	124,222.53				124,222.53
UEZ - Holiday 2011 ECON Initiative					
UEZ - Signs & Banners	5,937.13				5,937.13
UEZ - Taste of Orange	176.89				176.89
UEZ Admin 2012	0.02				0.02
UEZ FINAL PROJECTS	417,358.07				417,358.07
UEZ Policing Phase XIV	183,976.00				183,976.00
UEZA - ADM Administration FY11	22,875.47				22,875.47
97-21 Fire Department Communication Equipment	163.52				163.52
99-18 Trash Receipts	3,864.05				3,864.05
99-19 Anti - Graffiti Project	17,264.69				17,264.69
Alcohol Education Rehabilitation Enforcement Fund:					
Drunk Driving Enforcement Fund	2,799.43				2,799.43
Fiscal Year 2010	1,438.70				1,438.70
Fiscal Year 2011					
Transportation Enhancement - Train Station					
Phase II: Fiscal Year 2002	200,000.00				200,000.00
Fiscal Year 2010	529,342.00				529,342.00
N.J. Department of Community Affairs - Neighborhood Stabilization Grant					
Fiscal Year 2010					
Recreation for People with Disabilities:					
Fiscal Year 2005	5,144.00				5,144.00
Fiscal Year 2006	30.18				30.18
Fiscal Year 2008	287.53				287.53
Fiscal Year 201	6,126.70				6,126.70
Home Lead Intervention:					
Fiscal Year 2005	218,200.00				218,200.00
Office of Emerging Telecommunications:					
Public Safety Answering Points 911:					
Fiscal Year 2008	30,673.08				30,673.08
Lead Identification and Field Testing Grant					
Fiscal Year 2009	181.63				181.63
Highway Pedestrian Safety:					
Fiscal Year 2007	1.13				1.13
Fiscal Year 2011	375.00				375.00
Highway Pedestrian Safety:					
State Health Services Grant	13,375.00				13,375.00
Fiscal Year 2010	15,180.47				15,180.47
H1N1 Grant	65,428.00				65,428.00
PHER / H1N1 2011	19,604.00				19,604.00
NJHOA PHER/H1N1 Corrective Actions	10,000.00				10,000.00
Fiscal Year 2010	6,326.43				6,326.43
	2,301,066.24		228,104.16		2,072,962.08

CITY OF ORANGE TOWNSHIP
CURRENT FUND

FEDERAL AND STATE GRANT FUND
RESERVE FOR GRANT EXPENDITURES
FOR THE YEAR ENDED DECEMBER 31, 2013

	2013 Grants				Balance December 31, 2013 Reserved
	Budgeted	Chapter 159	Adjustments	Expenditures	
Balance December 31, 2012 Reserved	\$ 15,000.00	\$	\$	\$	\$ 15,000.00
Weed and Seed Community Collaborative Grant: Fiscal Year 2005					
New Jersey Office of Technology: Enhanced 911 Equipment: Fiscal Year 2007	110.25				110.25
911 Equipment COPS T	168,811.68				11,892.66
Hazardous Discharge Site Remediation Fund: 534 Mitchell Street - Fiscal Year 2009	4,715.17			156,919.02	2,215.17
540 Mitchell Street - Fiscal Year 2009	5,076.79			2,500.00	4,478.35
535 Mitchell Street - Fiscal Year 2009	3,350.99			588.44	3,350.99
507 Mitchell Street - Fiscal Year 2010	25,911.50				25,911.50
546 Mitchell Street - Fiscal Year 2010	26,412.00				26,412.00
481 New England Terrace - Fiscal Year 2010	42,230.00			2,690.44	39,539.56
321 Scotland Road - Fiscal Year 2010	25,911.50				25,911.50
490 Central Avenue - Fiscal Year 2010	42,230.00			3,298.22	38,931.78
Special Improvement District Challenge Grant: Fiscal Year 2008	5,000.00				5,000.00
N.J. Historic Trust - City Hall Preservation Plan Fiscal Year 2008	43,758.00				43,758.00
Fiscal Year 2010	96,742.00				96,742.00
Green Acres Bell Stadium Rehabilitation Multi Pkts Improvement #0717-10-018	32,171.78				32,171.78
Green Acres Multi Parks Emergency Prep - LINGS FY 2010	131,840.03			124,403.39	7,436.64
Green Acres Multi Parks #0717-10-018	10.00				10.00
Green Acres Multi Parks #0717-10-018-159		1,129,609.00		352,197.58	777,411.42
Recycling Tonnage Grant Fiscal Year 2010		320,391.00		94,556.19	225,834.81
Fiscal Year 2010					
Fiscal Year 2011	438.52				438.52
Fiscal Year 2012	1,473.64			634.50	839.14
Fiscal Year 2013	1,637.00				1,637.00
Body Armor Fund: Fiscal Year 2006		81,028.36			13,698.27
Fiscal Year 2011	0.08				0.08
Transition Year 2012	186.41				186.41
	8,213.33				8,213.33
	684,926.34	1,210,637.36		737,797.78	1,488,159.52

CITY OF ORANGE TOWNSHIP
TRUST FUND

B-1

CASH RECEIPTS AND DISBURSEMENTS - TREASURER
YEAR ENDED DECEMBER 31, 2013

Ref.	Animal Control Fund	General Trust Fund	Municipal Insurance Trust Fund	Grant Trust Fund
Balance, December 31, 2012	\$ 2,656.38	\$ 4,257,687.16	\$ 416,911.34	\$ 112,189.49
Increased by:				
Essex County Community Development Development Block Grant Receivable				279,607.60
Interfunds Receivable		1,603,928.79	130,000.00	
Due to State of New Jersey	876.00			
Reserve for Other Expenditures		95,544.06		
Reserve for Other Deposits		3,779,528.36		
Reserve for NJ Unemployment		539,500.00		
Premium on Tax Sale		629,700.00		
Interfunds Payable		2,227,880.74		56,094.52
Reserve for Other Grant Fund Expenditures				40.79
Reserve for Animal Control Trust Fund Expenditures:				
License Fees	4,342.40			
Reserve for Payroll Deductions Payable		47,213,169.05		
Reserve for Municipal Insurance Trust Fund Expenditures			172.16	
	<u>5,218.40</u>	<u>56,089,251.00</u>	<u>130,172.16</u>	<u>335,742.91</u>
	<u>7,874.78</u>	<u>60,346,938.16</u>	<u>547,083.50</u>	<u>447,932.40</u>
Decreased by:				
Disbursements	2,484.20	56,330,258.69	427,560.68	335,166.20
Balance, December 31, 2013	<u>\$ 5,390.58</u>	<u>\$ 4,016,679.47</u>	<u>\$ 119,522.82</u>	<u>\$ 112,766.20</u>

CITY OF ORANGE TOWNSHIP
TRUST FUND

B-2

CASH - TREASURER
SCHEDULE OF DISBURSEMENTS
YEAR ENDED DECEMBER 31, 2013

	Ref.	Animal Control Fund	General Trust Fund	Municipal Insurance Trust Fund	Grant Trust Fund
Interfund Receivable	B-6	\$	1,553,023.63	\$	\$
Due to State of New Jersey	B-7	829.80			
Reserve for Other Expenditures	B-8		97,961.35		
Reserve for Other Deposits	B-9		3,304,576.40		
Reserve for Unemployment	B-10		321,370.89		
Reserve for Expenditures	B-14	1,654.40			
Premium on Tax Sale	B-11		144,100.00		
Interfunds Payable	B-12		2,332,398.18		55,558.60
Reserve for Municipal Insurance Trust Fund Expenditures	B-15			297,560.68	
Reserve for Essex County Community Development Block Grant	B-16				279,607.60
Reserve for Payroll Fund	B-18		48,576,828.24		
	B-1	<u>\$ 2,484.20</u>	<u>\$ 56,330,258.69</u>	<u>\$ 427,560.68</u>	<u>\$ 335,166.20</u>

CITY OF ORANGE TOWNSHIP
TRUST FUND

B-3

BANK RECONCILIATIONS
YEAR ENDED DECEMBER 31, 2013

<u>Bank Reconciliation December 31, 2013</u>	<u>Animal Control Fund</u>	<u>General Trust Fund</u>	<u>Municipal Insurance Trust Fund</u>	<u>Grant Trust Fund</u>
<u>Balance per Bank Statements</u>				
Bank of America, Orange, N.J.				
Animal Control Trust Fund Account	\$ 5,390.58	\$	\$	\$
Local Law Enforcement Trust Fund Account		10,708.00		
Other Trust Fund Account		3,739,150.86		
Other Trust Fund Account		310,853.30		
Salary Account		443,310.57		
PNC Bank, Orange, N.J.				
Municipal Insurance Fund Account			119,522.82	
Essex County Community Development Block Grant Fund Account				51,671.03
Supplemental Balanced Housing Account				58,587.13
Urban Development Action Grant Account				2,713.58
	<u>5,390.58</u>	<u>4,504,022.73</u>	<u>119,522.82</u>	<u>112,971.74</u>
Plus: Deposits In Transit		17,139.53		
	<u>5,390.58</u>	<u>4,521,162.26</u>	<u>119,522.82</u>	<u>112,971.74</u>
Less: Outstanding Checks		504,482.39		205.54
	<u>\$ 5,390.58</u>	<u>\$ 4,016,679.87</u>	<u>\$ 119,522.82</u>	<u>\$ 112,766.20</u>
<u>Ref.</u>	B-1	B-1	B-1	B-1

CITY OF ORANGE TOWNSHIP
TRUST FUND

ESSEX COUNTY COMMUNITY DEVELOPMENT BLOCK GRANT RECEIVABLES
YEAR ENDED DECEMBER 31, 2013

B-4

Program Year	Program	Balance, December 31, 2012	Grants	Collections	Balance, December 31, 2013
2010-2011	Public Library Boiler Conversion	\$ 35,000.00	\$	\$	\$ 35,000.00
		<u>35,000.00</u>			<u>35,000.00</u>
TY 2011	Roadway Reconstruction - Center Street	352,185.28		279,607.60	72,577.68
	Helping Hands Food Pantry & Social Services	25,000.00			25,000.00
	Main Street Counseling Ctr. School Based Mental Health Service	18,000.00			18,000.00
	Valley Arts Inc. - Youth Artist Program	10,000.00			10,000.00
	Interfaith Hospitality Network - Home for Good	20,000.00			20,000.00
	Multi Parks Improvements	361,400.00	361,400.00		361,400.00
		<u>425,185.28</u>	<u>361,400.00</u>	<u>279,607.60</u>	<u>506,977.68</u>
		\$ 460,185.28	\$ 361,400.00	\$ 279,607.60	\$ 541,977.68
		<u><u>460,185.28</u></u>	<u><u>361,400.00</u></u>	<u><u>279,607.60</u></u>	<u><u>541,977.68</u></u>
		B	B-16	B-1	B
		<u>Ref</u>			

CITY OF ORANGE TOWNSHIP
TRUST FUND

B-5

ACCOUNTS RECEIVABLE
YEAR ENDED DECEMBER 31, 2013

	<u>Ref.</u>	
Balance, December 31, 2012	B	\$
Increased by:		
Receivables from Outside Employment of Off - Duty Police Officers	B-9	<u>204,481.69</u>
Balance, December 31, 2013	B	<u>\$ 204,481.69</u>

See Independent Auditors' Report

CITY OF ORANGE TOWNSHIP
TRUST FUND

INTERFUNDS RECEIVABLE
YEAR ENDED DECEMBER 31, 2013

B-6

Ref.	Balance, December 31, 2012	General Trust Fund			Water Operating Fund	Municipal Insurance Current Fund
		Total General Trust Fund	Current Fund	Salary Account		
B	\$ 39,639.91	\$	\$ 37,495.53	\$ 2,144.38	\$	
Increased by:						
B-2	Interfund Advances	1,553,023.63		1,553,023.63		130,000.00
B-15, B-18	Interfund Current Fund	11,265.25			11,265.25	129,622.73
		<u>1,564,288.88</u>		<u>1,553,023.63</u>	<u>11,265.25</u>	<u>259,622.73</u>
Decreased by :						
B-1	Interfund Returns	1,603,928.79		1,590,519.16	13,409.63	130,000.00
		<u>1,603,928.79</u>		<u>1,590,519.16</u>	<u>13,409.63</u>	<u>130,000.00</u>
B	Balance, December 31, 2013	\$	\$	\$	\$	\$ 129,622.73

CITY OF ORANGE TOWNSHIP
TRUST FUND

DUE TO STATE OF NEW JERSEY
YEAR ENDED DECEMBER 31, 2013

B-7

	<u>Ref.</u>	
Balance, December 31, 2012	B	\$ 63.60
Increased by:		
State Registration Fees	B-1	<u>876.00</u>
		939.60
Decreased by:		
Payment to the State	B-2	<u>829.80</u>
Balance, December 31, 2013	B	<u><u>\$ 109.80</u></u>

See Independent Auditors' Report

CITY OF ORANGE TOWNSHIP
TRUST FUND

B-8

RESERVE FOR OTHER EXPENDITURES
YEAR ENDED DECEMBER 31, 2013

	<u>Balance,</u> <u>December 31, 2012</u>	<u>Increases</u>	<u>Decreases</u>	<u>Balance,</u> <u>December 31, 2013</u>	
Municipal Court Parking Offenses					
Adjudication Act	\$ 220,775.08	\$ 13,999.00	\$ 10,627.50	\$ 224,146.58	
Public Defender Fees	21,244.50	5,489.50		26,734.00	
Fire Code Dedicated Penalties	161,124.67	45,237.00	28,868.69	177,492.98	
Recreation Programs					
Recreation Trips	79,664.54	30,519.56	57,664.66	52,519.44	
Atlantic City	1,402.00	299.00		1,701.00	
High Class Theatre	251.86			251.86	
Concert Under the Stars	800.50		800.50	0.00	
Little League	42.10			42.10	
Recreation Youth Games	6,663.31			6,663.31	
Older Adults Donations	1,447.42			1,447.42	
Health Food Beverage Fee					
	<u>\$ 493,415.98</u>	<u>\$ 95,544.06</u>	<u>\$ 97,961.35</u>	<u>\$ 490,998.69</u>	
<u>Ref.</u>	B	B-1	B-2	B	

CITY OF ORANGE TOWNSHIP
TRUST FUND

B-9

RESERVE FOR OTHER DEPOSITS
YEAR ENDED DECEMBER 31, 2013

	<u>Balance,</u> <u>December 31, 2012</u>	<u>Increases</u>	<u>Decreases</u>	<u>Balance,</u> <u>December 31, 2013</u>
	\$	\$		\$
Gifts & Donations		1,000.00		1,000.00
Street Opening Deposits	33,716.00	15,227.00	8,267.00	40,676.00
Planning Board Escrow Deposits	61,016.51	40,937.45	41,387.45	60,566.51
Zoning Board Escrow Deposits	49,348.25	2,875.00	11,069.17	41,154.08
Planning Division Escrow Deposits	55,798.21	97,558.86	104,263.90	49,093.17
Fire LEA Rebates	33,864.31	27,034.09	8,182.95	52,715.45
Third Party Building Fees	50,966.60	340.00	35,154.20	16,152.40
Elevator Inspection Fees	13,727.92	47,574.00	35,245.00	26,056.92
Plumbing Inspection Fees	39,986.00	147.00	12,191.40	27,941.60
Electrical Inspection Fees	57,135.50	148.00	5,917.60	51,365.90
Special Law Enforcement Fund	22,794.50	2,822.00	10,497.50	15,119.00
Outside Employment of Off - Duty Police Officers	(48,407.49)	653,160.25	604,752.76	
Federal Forfeited Property	11,175.90		5,000.00	6,175.90
Third Party Tax Redemptions	408,238.77	2,741,048.40	2,080,416.47	1,068,870.70
Rent on City Owned Property	76,368.00			76,368.00
Fishing Permits	1,030.00	60.00		1,090.00
City Construction Code Fees	1,528.34	332,284.00	328,007.00	5,805.34
DCA Fees	935.00	21,794.00	14,224.00	8,505.00
Food Handler Certificate				
Flu Reimbursements				
	<u>\$ 869,222.32</u>	<u>\$ 3,984,010.05</u>	<u>\$ 3,304,576.40</u>	<u>\$ 1,548,655.97</u>

Ref. B B-2 B

Cash	B-1 \$ 3,779,528.36
Receivables	B-5 204,481.69
	<u>\$ 3,984,010.05</u>

CITY OF ORANGE TOWNSHIP
TRUST FUND

RESERVE FOR NEW JERSEY UNEMPLOYMENT
YEAR ENDED DECEMBER 31, 2013

B-10

	<u>Ref.</u>	
Balance, December 31, 2012	B	\$ 21,003.10
Increased by:		
Cash Receipts	B-1	<u>539,500.00</u>
		560,503.10
Decreased by:		
Cash Disbursements	B-2	<u>321,370.89</u>
Balance, December 31, 2013	B	<u><u>\$ 239,132.21</u></u>

See Independent Auditors' Report

CITY OF ORANGE TOWNSHIP
TRUST FUND

B-11

PREMIUM ON TAX SALE
YEAR ENDED DECEMBER 31, 2013

	<u>Ref.</u>	
Balance, December 31, 2012	B	\$ 1,054,652.26
Increased by:		
Collections	B-1	<u>629,700.00</u>
		1,684,352.26
Decreased by:		
Anticipated Revenue	B-2	<u>144,100.00</u>
Balance, December 31, 2013	B	<u><u>\$ 1,540,252.26</u></u>

See Independent Auditors' Report

CITY OF ORANGE TOWNSHIP
TRUST FUND

INTERFUNDS PAYABLE
YEAR ENDED DECEMBER 31, 2013

B-12

		<u>General Trust Fund</u>		<u>Grant Trust Fund</u>	
	<u>Ref.</u>		<u>Current Fund</u>	<u>Law Enforcement Fund</u>	<u>Current Fund</u>
Balance, December 31, 2012	B	\$ 140,489.03	\$ 140,489.03	\$	\$
Increased by:					
Interfunds	B-2		144,100.00		
Advances	B-1	<u>2,227,880.74</u>	<u>2,227,880.74</u>		<u>56,094.52</u>
		<u>2,368,369.77</u>	<u>2,512,469.77</u>		<u>56,094.52</u>
Decreased by:					
Anticipated Revenue	B-11		144,100.00		
Settlements	B-2	<u>2,332,398.18</u>	<u>2,332,398.18</u>		<u>55,558.60</u>
Balance, December 31, 2013	B	<u>\$ 35,971.59</u>	<u>\$ 35,971.59</u>		<u>\$ 535.92</u>

CITY OF ORANGE TOWNSHIP
TRUST FUND

RESERVE FOR REHABILITATION REFUNDS
GRANT TRUST FUND
YEAR ENDED DECEMBER 31, 2013

B-13

	<u>Ref.</u>	
Balance, December 31, 2013 and 2012	B	<u>\$ 1,659.05</u>

See Independent Auditors' Report

CITY OF ORANGE TOWNSHIP
TRUST FUND

RESERVE FOR ANIMAL CONTROL FUND EXPENDITURES
YEAR ENDED DECEMBER 31, 2013

B-14

	<u>Ref.</u>		
Balance, December 31, 2012	B		\$ 2,592.78
Increased by:			
Collections:			
Dog and Cat License Fees		<u>\$ 4,342.40</u>	
	B-1		<u>4,342.40</u>
			<u>6,935.18</u>
Decreased by:			
Payments to Vendors	B-2		<u>1,654.40</u>
Balance, December 31, 2013	B		<u><u>\$ 5,280.78</u></u>

See Independent Auditors' Report

CITY OF ORANGE TOWNSHIP
TRUST FUND

RESERVE FOR MUNICIPAL INSURANCE
TRUST FUND EXPENDITURES
YEAR ENDED DECEMBER 31, 2013

B-15

	<u>Ref.</u>	
Balance, December 31, 2012	B	\$ 416,911.34
Increased by:		
Appropriated from Current Fund	B-6	129,622.73
Cash Receipts	B-1	172.16
		<hr/> 546,706.23
Decreased by:		
Administrative Expenses	B-2	297,560.68
		<hr/> 297,560.68
Balance, December 31, 2013	B	<u>\$ 249,145.55</u>

See Independent Auditors' Report

CITY OF ORANGE TOWNSHIP
TRUST FUND

RESERVE FOR ESSEX COUNTY COMMUNITY DEVELOPMENT BLOCK GRANT
YEAR ENDED DECEMBER 31, 2013

B-16

<u>Program Year</u>	<u>Program</u>	<u>Balance,</u> <u>December 31, 2012</u>	<u>Grants</u>	<u>Expended</u>	<u>Balance,</u> <u>December 31, 2013</u>
2010-2011	Public Library Boiler Conversion	\$ 35,000.00	\$	\$	\$ 35,000.00
		<u>35,000.00</u>			<u>35,000.00</u>
TY 2011	Roadway Reconstruction - Center Street	352,185.28		279,607.60	72,577.68
	Helping Hands Food Pantry & Social Services	25,000.00			25,000.00
	Main Street Counseling Ctr. School Based Mental Health Service	18,000.00			18,000.00
	Valley Arts Inc. - Youth Artist Program	10,000.00			10,000.00
	Interfaith Hospitality Network - Home for Good	20,000.00			20,000.00
	Central Park Baseball Field		47,900.00		47,900.00
	ADA Accessible Crosswalk		41,500.00		41,500.00
	Colgate Park Reconstruction		202,000.00		202,000.00
	Alden Street Park Irrigation System		70,000.00		70,000.00
		<u>425,185.28</u>	<u>361,400.00</u>	<u>279,607.60</u>	<u>506,977.68</u>
		\$ 460,185.28	\$ 361,400.00	\$ 279,607.60	\$ 541,977.68
		<u><u>460,185.28</u></u>	<u><u>361,400.00</u></u>	<u><u>279,607.60</u></u>	<u><u>541,977.68</u></u>
	<u>Ref</u>	<u>B</u>	<u>B-4</u>	<u>B-2</u>	<u>B</u>

CITY OF ORANGE TOWNSHIP
TRUST FUND

RESERVE FOR OTHER GRANT FUND EXPENDITURES
YEAR ENDED DECEMBER 31, 2013

B-17

<u>Program</u> <u>Year</u>	<u>Program</u>	<u>Balance,</u> <u>December 31, 2012</u>	<u>Increase</u> <u>Interest</u> <u>Income</u>	<u>Balance,</u> <u>December 31, 2013</u>
	Urban Development Action Grant:			
	Program Income	\$ 53,646.92	\$	\$ 53,646.92
	Balanced Housing Project:			
1990	Supplemental Balanced Housing	36,440.52	40.79	36,481.31
1998	Garcia Homes	19,500.00		19,500.00
2000	East Ward Operation Neighborhood	943.00		943.00
		<u>56,883.52</u>	<u>40.79</u>	<u>56,924.31</u>
		\$ <u>110,530.44</u>	\$ <u>40.79</u>	\$ <u>110,571.23</u>
	<u>Ref.</u>	B	B-1	B

CITY OF ORANGE TOWNSHIP
TRUST FUND

RESERVE FOR SALARY ACCOUNT
YEAR ENDED DECEMBER 31, 2013

B-18

	<u>Ref.</u>		
Balance, December 31, 2012	B		\$ 1,718,544.38
Increased by:			
Cash Receipts	B-1	\$ 47,213,169.05	
Due from Current Fund	B-6	<u>11,265.25</u>	
			<u>47,224,434.30</u>
			48,942,978.68
Decreased by:			
Transferred to Current Fund for Anticipated			
Revenue	B-2	775,643.00	
Administrative Expenses	B-2	<u>47,801,185.24</u>	
			<u>48,576,828.24</u>
Balance, December 31, 2013	B		<u><u>\$ 366,150.44</u></u>

CITY OF ORANGE TOWNSHIP
GENERAL CAPITAL FUND

SCHEDULE OF CASH - TREASURER
FOR THE YEAR ENDED DECEMBER 31, 2013

C-2

	<u>Ref.</u>		
Balance, December 31, 2012	C		\$ 76,816.78
Increased by Receipts:			
Grants Receivable	C-4	\$ 313,242.02	
Capital Improvement Fund	C-9	400,000.00	
Bond Anticipation Notes	C-21	1,045,000.00	
Interfunds Receivable	C-22	<u>697,670.44</u>	
			<u>2,455,912.46</u>
			<u>2,532,729.24</u>
Decreased by Disbursements:			
Improvement Authorizations	C-8	553,098.66	
Interfunds Receivable	C-22	1,469.70	
Bond Anticipation Notes	C-21	1,045,000.00	
Interfunds Payable	C-15	<u>300,000.00</u>	
			<u>1,899,568.36</u>
Balance, December 31, 2013	C		<u><u>\$ 633,160.88</u></u>

See Independent Auditors' Report

CITY OF ORANGE TOWNSHIP
 GENERAL CAPITAL FUND

ANAYSIS OF CASH
FOR THE YEAR ENDED DECEMBER 31, 2013

C-3

Fund Balance	\$	13,146.47
Capital Improvement Fund		460,779.61
Ordinance 8-02		4,259.33
Ordinance 5-05		(104,080.35)
Ordinance 28-05		219,006.07
Ordinance 41-05		596.57
Improvement Authorizations - Funded		542,697.75
Interfunds Receivable		(838,732.07)
Loan Receivable		(9,824.89)
Debt Service Reserve		4,225.00
Grants Receivable		17,750.00
Capital Lease Reserve		262,160.65
Loan Proceeds		61,176.74
		<hr/>
	\$	<u>633,160.88</u>

Ref.

C

See Independent Auditors' Report

CITY OF ORANGE TOWNSHIP
 GENERAL CAPITAL FUND

C-4

GRANTS RECEIVABLE
FOR THE YEAR ENDED DECEMBER 31, 2013

Program	ORD#	Balance December 31, 2012	Collections	Balance December 31, 2013
Green Trust Loan	#28-05	\$ 1,245,000.00	\$ 575,418.76	\$ 669,581.24
Green Trust Loan	#41-05	28,823.26	28,823.26	
		<u>\$ 1,273,823.26</u>	<u>\$ 604,242.02</u>	<u>\$ 669,581.24</u>
	<u>Ref.</u>	C		C
	C-2	Cash	\$ 313,242.02	
	C-22	Interfund Payable	291,000.00	
			<u>\$ 604,242.02</u>	

See Independent Auditors' Report

CITY OF ORANGE TOWNSHIP
 GENERAL CAPITAL FUND

C-5

LOANS RECEIVABLE
FOR THE YEAR ENDED DECEMBER 31, 2013

	<u>Ref.</u>	
Balance, December 31, 2012	C	\$ 848,556.96
Increased by:		
Interfund Receivable	C-22	405,200.74
		<u>1,253,757.70</u>
Decreased by:		
Interfund Receivable	C-22	1,243,932.81
		<u>1,243,932.81</u>
Balance, December 31, 2013	C	<u>\$ 9,824.89</u>
 <u>Analysis of Balance</u>		
Demolition Bond Loan:		
Ordinance # 13-02		<u>\$ 9,824.89</u>
		<u>\$ 9,824.89</u>

See Independent Auditors' Report

CITY OF ORANGE TOWNSHIP
GENERAL CAPITAL FUND

C-6

SCHEDULE OF DEFERRED CHARGES TO FUTURE TAXATION FUNDED
FOR THE YEAR ENDED DECEMBER 31, 2013

	<u>Ref.</u>		
Balance, December 31, 2012	C		\$ 12,083,083.37
Decreased by:			
<u>2013 Budget Appropriations to Pay Debt:</u>			
Demolition Bond Debt	C-14	\$ 26,725.03	
N.J. Environmental Infrastructure Trust Loan Payable	C-16	83,566.23	
Green Acres Loan:			
School	C-17	30,027.81	
General	C-18	25,772.35	
School Refunding Bonds	C-19	604,052.00	
General Refunding Bonds	C-20	<u>2,085,948.00</u>	
			<u>2,856,091.42</u>
Balance, December 31, 2013	C		<u><u>\$ 9,226,991.95</u></u>

See Independent Auditors' Report

CITY OF ORANGE TOWNSHIP
GENERAL CAPITAL FUND

SCHEDULE OF DEFERRED CHARGES TO FUTURE TAXATION UNFUNDED
FOR THE YEAR ENDED DECEMBER 31, 2013

C-7

Ordinance Number	Improvement Description	Analysis of Balance				Unfunded Improvement Authorizations
		Balance, December 31, 2012 and December 31, 2013	Financed by Bond Anticipation Notes	Expenditures		
10-98	Improvements to Water, Waste Water and Storm Water Systems	\$ 819,246.00	\$	\$	\$	819,246.00
8-02	Renovation of 593 Lincoln Avenue	500,000.00	500,000.00			
05-05	Redevelopment within the City of Orange	1,425,000.00	100,000.00	104,080.35		1,220,919.65
28-05	Acquisition of Property	355,000.00	355,000.00			
41-05	Multi - Parks Projects	90,000.00	90,000.00			
		<u>\$ 3,189,246.00</u>	<u>\$ 1,045,000.00</u>	<u>\$ 104,080.35</u>	<u>\$</u>	<u>2,040,165.65</u>

Ref.

C

C-22

C-3

C-8

CITY OF ORANGE TOWNSHIP
GENERAL CAPITAL FUND

C-9

SCHEDULE OF CAPITAL IMPROVEMENT FUND
FOR THE YEAR ENDED DECEMBER 31, 2013

	<u>Ref.</u>	
Balance, December 31, 2012	C	\$ 60,779.61
Increased:		
Budget Appropriation	C-2	<u>400,000.00</u>
Balance, December 31, 2013	C	<u>\$ 460,779.61</u>

See Independent Auditors' Report

CITY OF ORANGE TOWNSHIP
GENERAL CAPITAL FUND

RESERVE FOR DEBT SERVICE
FOR THE YEAR ENDED DECEMBER 31, 2013

C-10

	<u>Ref.</u>	
Balance, December 31, 2013 and 2012	C	\$ <u>4,225.00</u>

C-11

RESERVE FOR GRANTS RECEIVABLE
YEAR ENDED DECEMBER 31, 2013

	<u>Ref.</u>	
Balance, December 31, 2013 and 2012		\$ <u>17,750.00</u>
<u>Program</u>		
New Jersey Department of Environment Protection:		
Green Acres Program: Ordinance #28-05	C	\$ <u>17,750.00</u>

See Independent Auditors' Report

CITY OF ORANGE TOWNSHIP
GENERAL CAPITAL FUND

C-12

RESERVE FOR CAPITAL LEASE PROGRAM
ESSEX COUNTY IMPROVEMENT AUTHORITY
YEAR ENDED DECEMBER 31, 2013

	<u>Ref.</u>	<u>Total</u>	<u>1993 Series</u>	<u>1994 Series</u>
Balance, December 31, 2013 and 2012	C	<u>\$ 262,160.65</u>	<u>\$ 2,591.30</u>	<u>\$ 259,569.35</u>
Balance, December 31, 2013 and 2012	C	<u>\$ 262,160.65</u>	<u>\$ 2,591.30</u>	<u>\$ 259,569.35</u>

RESERVE FOR LOAN PROCEEDS
YEAR ENDED DECEMBER 31, 2013

C-13

	<u>Ref.</u>	
Balance, December 31, 2013 and 2012	C	<u>\$ 61,176.74</u>
 <u>Analysis of Balance</u>		
Green Acres Loan Program: Ordinance # 41-05		<u>\$ 61,176.74</u>

CITY OF ORANGE TOWNSHIP
GENERAL CAPITAL FUND

DEMOLITION BOND LOAN PAYABLE
YEAR ENDED DECEMBER 31, 2013

Ordinance Number	Improvement Description	Ordinance Number	Amount of Original Issue	Maturities of Loan Outstanding		Interest Rate	Balance December 31, 2012	Decreased	Balance December 31, 2013
				Date	Amount				
13-02	Demolition of Unsafe Buildings and Structures	13-02	\$ 300,000.00			4.00%	\$ 26,725.03	\$ 26,725.03	\$
							<u>\$ 26,725.03</u>	<u>\$ 26,725.03</u>	<u>\$</u>

Ref. C C-6 C

CITY OF ORANGE TOWNSHIP
 GENERAL CAPITAL FUND

C-15

INTERFUNDS PAYABLE
YEAR ENDED DECEMBER 31, 2013

	<u>Ref.</u>	<u>Total</u>	<u>Current Fund</u>	<u>Water Capital</u>
Balance, December 31, 2012	C	\$ 300,000.00	\$	\$ 300,000.00
Decreased by: Expenditures	C-2	<u>300,000.00</u>	<u></u>	<u>300,000.00</u>
Balance, December 31, 2013	C	<u>\$</u>	<u>\$</u>	<u>\$</u>

See Independent Auditors' Report

N.J. ENVIRONMENTAL INFRASTRUCTURE TRUST LOAN PAYABLE
YEAR ENDED DECEMBER 31, 2013

Purpose	Date of Issue	Amount of Original Issue	Maturities of Bonds Outstanding, December 31, 2013		Interest Rate	Balance December 31, 2012	Decreased	Balance December 31, 2013
			Date	Amount				
Trust Share	11/4/1999	\$ 725,000.00	8/1/2014	\$ 45,000.00	5.50%			
			8/1/2015	45,000.00	5.50%			
			8/1/2016	50,000.00	5.50%			
			8/1/2017	55,000.00	5.50%			
			8/1/2018	55,000.00	5.50%			
			8/1/2019	60,000.00	5.70%	\$ 355,000.00	\$ 45,000.00	\$ 310,000.00
Fund Share	11/4/1999	\$ 722,686.00	2/1/2014	4,318.33				
			8/1/2014	32,687.59				
			2/1/2015	3,538.18				
			8/1/2015	31,907.43				
			2/1/2016	2,758.03				
			8/1/2016	34,279.42				
			2/1/2017	1,891.19				
			8/1/2017	36,564.72				
			2/1/2018	937.67				
			8/1/2018	35,560.67				
			8/1/2019	37,775.14				
						260,784.60	38,566.23	222,218.37
						\$ 615,784.60	\$ 83,566.23	\$ 532,218.37

Ref.

C

C-6

C

CITY OF ORANGE TOWNSHIP
GENERAL CAPITAL FUND

GREEN ACRES TRUST LOAN PAYABLE - SCHOOL
YEAR ENDED DECEMBER 31, 2013

Improvement Description	Ordinance Number	Amount of Original Issue	Maturities of Loan Outstanding		Interest Rate	Balance December 31, 2012	Decreased	Balance December 31, 2013
			Date	Amount				
School Loan:								
Bell Stadium Reconstruction	14-97	\$ 500,000.00	2/23/2014	\$ 15,239.48	2.00%	\$ 60,659.16	\$ 30,027.81	\$ 30,631.35
			8/23/2014	15,391.87				
						<u>\$ 60,659.16</u>	<u>\$ 30,027.81</u>	<u>\$ 30,631.35</u>
					<u>Ref.</u>	C	C-6	C

CITY OF ORANGE TOWNSHIP
 GENERAL CAPITAL FUND
 GREEN ACRES TRUST LOAN PAYABLE - GENERAL
 YEAR ENDED DECEMBER 31, 2013

Purpose	Ordinance Number	Amount of Original Issue	Maturities of Bonds Outstanding		Interest Rate	Balance December 31, 2012	Increased	Decreased	Balance December 31, 2013
			Date	Amount					
Renovations of Ropes Playground	18-92	\$ 125,000.00				\$ 4,018.30	\$	\$ 4,018.30	\$
Military Commons		91,579.10	4/25/2014	\$ 4,533.88	2.00%				
			10/25/2014	4,579.22	2.00%				
			4/25/2015	4,625.01	2.00%				
			10/25/2015	4,671.26	2.00%				
			4/25/2016	4,717.97	2.00%				
			10/25/2016	4,765.15	2.00%				
			4/25/2017	4,812.80	2.00%				
			10/25/2017	4,860.93	2.00%				
			4/25/2018	4,909.54	2.00%				
			10/25/2018	4,958.63	2.00%				
			4/25/2019	5,008.22	2.00%				
			10/25/2019	5,058.30	2.00%				
			4/25/2020	5,108.89	2.00%				
			10/25/2020	5,159.98	2.00%				
			4/25/2021	5,211.57	2.00%	87,178.56			
			10/25/2021	5,263.68	2.00%			8,933.53	78,245.03
Multi- Parks Project	30-03	250,000.00	2/19/2014	6,410.26	*				
			8/19/2014	6,410.26	*				
			2/19/2015	6,410.26	*				
			8/19/2015	6,410.26	*				
			2/19/2016	6,410.26	*				
			8/19/2016	6,410.26	*				
			2/19/2017	6,410.26	*				
			8/19/2017	6,410.26	*				
			2/19/2018	6,410.26	*				
			8/19/2018	6,410.26	*				
			2/19/2019	6,410.26	*				
			8/19/2019	6,410.26	*				
			2/19/2020	6,410.26	*				
			8/19/2020	6,410.26	*				
			2/19/2021	6,410.26	*				
			8/19/2021	6,410.26	*				
			2/19/2022	6,410.26	*				
			8/19/2022	6,410.26	*				
			2/19/2023	6,410.26	*				
			8/19/2023	6,410.26	*				
			2/19/2024	6,410.26	*				
			8/19/2024	6,410.26	*				
			2/19/2025	6,410.26	*				
			8/19/2025	6,410.26	*				
			2/19/2026	6,410.26	*				
			8/19/2026	6,410.26	*				
			2/19/2027	6,410.26	*				
			8/19/2027	6,410.26	*				
			2/19/2028	6,409.92	*	198,717.72		12,850.52	185,867.20
						\$ 289,914.58	\$	\$ 25,772.35	\$ 264,142.23
									C
									C-6

* Interest free

CITY OF ORANGE TOWNSHIP
GENERAL CAPITAL FUND

C-19

SCHOOL REFUNDING BONDS
YEAR ENDED DECEMBER 31, 2013

Purpose	Date of Issue	Amount of Original Issue	Maturities of Bonds Outstanding, December 31, 2013		Interest Rate	Balance December 31, 2012	Decreased	Balance December 31, 2013
			Date	Amount				
School Refunding Bonds Series 2008A:	8/27/2008	\$ 1,309,965.00	12/1/2014	\$ 190,905.00	4.00%			
			12/1/2015	89,089.00	4.00%			
			12/1/2016	93,005.00	4.00%			
			12/1/2017	96,921.00	4.00%	\$ 653,972.00	\$ 184,052.00	\$ 469,920.00
School Refunding Bonds Series 2008B:	8/27/2008	3,015,000.00	12/1/2014	440,000.00	4.00%			
			12/1/2015	210,000.00	4.00%			
			12/1/2016	215,000.00	4.00%			
			12/1/2017	225,000.00	4.00%	1,510,000.00	420,000.00	1,090,000.00
					<u>\$ 2,163,972.00</u>	<u>\$ 604,052.00</u>	<u>\$ 1,559,920.00</u>	
				<u>Ref.</u>	C	C-6	C	

CITY OF ORANGE TOWNSHIP
GENERAL CAPITAL FUND

C-20

GENERAL REFUNDING BONDS
YEAR ENDED DECEMBER 31, 2013

Purpose	Date of Issue	Amount of Original Issue	Maturities of Bonds Outstanding, December 31, 2013			Interest Rate	Balance December 31, 2012	Decreased	Balance December 31, 2013
			Date	Amount	Decreased				
Pension Refunding Bonds Qualified Bond Act (P.L. 1976.C.38)	5/1/2003	\$ 4,865,000.00	5/1/2014	\$ 480,000.00					
			5/1/2015	505,000.00					
			5/1/2016	535,000.00	4.52%	\$ 1,975,000.00	\$ 455,000.00	\$ 1,520,000.00	
General Refunding Bonds Qualified Bond Act (P.L. 1976.C.38)	4/25/2007	3,655,000.00	8/1/2014	345,000.00					
			8/1/2015	340,000.00					
			8/1/2016	335,000.00					
			8/1/2017	365,000.00					
			8/1/2018	360,000.00					
			8/1/2019	355,000.00	3.90%	2,445,000.00	345,000.00	2,100,000.00	
General Refunding Bonds Series 2008A Qualified Bond Act (P.L. 1976.C.38)	8/27/2008	9,103,035.00	12/1/2014	1,334,095.00	4.00%				
			12/1/2015	605,911.00	4.00%				
			12/1/2016	626,995.00	4.00%				
			12/1/2017	653,079.00	4.00%	4,506,028.00	1,285,948.00	3,220,080.00	
						<u>\$ 8,926,028.00</u>	<u>\$ 2,085,948.00</u>	<u>\$ 6,840,080.00</u>	

Ref. C C-6 C

CITY OF ORANGE TOWNSHIP
GENERAL CAPITAL FUND

C-21

SCHEDULE OF BOND ANTICIPATION NOTES
YEAR ENDED DECEMBER 31, 2013

Ordinance Number	Improvement Description	Date of Issue of Original Note	Date of Issue	Date of Maturity	Interest Rate	Balance December 31, 2012	Increased	Decreased	Balance December 31, 2013
08-02	Renovation of 593 Lincoln Ave.	12/21/12	12/19/13	12/18/14	1.03%	\$ 500,000.00	\$ 500,000.00	\$ 500,000.00	\$ 500,000.00
05-05	Redevelopment within the City of Orange	12/21/12	12/19/13	12/18/14	1.03%	100,000.00	100,000.00	100,000.00	100,000.00
28-05	Acquisition of Property	12/21/12	12/19/13	12/18/14	1.03%	355,000.00	355,000.00	355,000.00	355,000.00
41-05	Multi-Parks Projects	12/21/12	12/19/13	12/18/14	1.03%	90,000.00	90,000.00	90,000.00	90,000.00
						<u>\$ 1,045,000.00</u>	<u>\$ 1,045,000.00</u>	<u>\$ 1,045,000.00</u>	<u>\$ 1,045,000.00</u>
					Ref. C		C-2	C-2	C

CITY OF ORANGE TOWNSHIP
 GENERAL CAPITAL FUND

C-22

INTERFUNDS RECEIVABLE
YEAR ENDED DECEMBER 31, 2013

	<u>Ref.</u>	<u>Total</u>	<u>Water Capital Utility Fund</u>	<u>Current Fund</u>
Balance, December 31, 2012	C	\$ 405,200.74	\$ 405,200.74	\$
Increased By:				
Loans Receivable	C-4, C-5	1,534,932.81	1,243,932.81	291,000.00
Disbursements	C-2	1,469.70		1,469.70
		<u>1,941,603.25</u>	<u>1,649,133.55</u>	<u>292,469.70</u>
Decreased by:				
Loan Receivable	C-5	405,200.74	405,200.74	
Settlements	C-2	697,670.44	405,200.74	292,469.70
		<u>1,102,871.18</u>	<u>810,401.48</u>	<u>292,469.70</u>
Balance, December 31, 2013	C	<u>\$ 838,732.07</u>	<u>\$ 838,732.07</u>	<u>\$</u>

See Independent Auditors' Report

CITY OF ORANGE TOWNSHIP
GENERAL CAPITAL FUND

C-23

SCHEDULE OF BONDS AND NOTES AUTHORIZED BUT NOT ISSUED
YEAR ENDED DECEMBER 31, 2013

Ordinance Number	Improvement Description	Balance, December 31, 2013	Balance, December 31, 2012
41-05	Multi Parks Projects	\$	\$ 90,000.00
8-02	Renovations of 593 Lincoln Avenue		500,000.00
28-05	Acquisitions of Property		355,000.00
10-98	Improvements to Water, Waste Water and Storm Water Systems	819,246.00	819,246.00
05-05	Redevelopment within the City of Orange	1,325,000.00	1,425,000.00
		<u>\$ 2,144,246.00</u>	<u>\$ 3,189,246.00</u>
	<u>Ref.</u>	C	C

See Independent Auditors' Report

CITY OF ORANGE TOWNSHIP
WATER AND SEWER UTILITY

CASH RECEIPTS AND DISBURSEMENTS - TREASURER
YEAR ENDED DECEMBER 31, 2013

D-5

	Ref.	<u>Operating</u>	<u>Capital</u>
Balance, December 31, 2012	D	\$ 1,744,303.64	\$ 1,382,685.60
Increased By:			
Loan Receivable	D-14		795,144.00
Collector	D-7	7,888,310.80	
Interfunds Receivable	D-10, D-10a	1,966,918.63	3,095,144.00
Interfunds Payable	D-22	311,265.25	
		<u>10,166,494.68</u>	<u>3,890,288.00</u>
		<u>11,910,798.32</u>	<u>5,272,973.60</u>
Decreased By:			
Budget Appropriation	D-4	6,288,195.78	
Interfunds Receivable	D-10, D-10a	1,083,978.62	2,095,144.00
Appropriation Reserves	D-17	446,296.26	
Accrued Interest on Bonds	D-19	1,258,040.00	
Improvement Authorizations	D-21		44,155.93
Overpayments Refunded	D-20	4,764.34	
Interfunds Payable	D-22, D-22a	1,313,409.63	105,200.74
		<u>10,394,684.63</u>	<u>2,244,500.67</u>
Balance, December 31, 2013	D	<u>\$ 1,516,113.69</u>	<u>\$ 3,028,472.93</u>

See Independent Auditors' Report

CITY OF ORANGE TOWNSHIP
 WATER AND SEWER UTILITY

D-6

BANK RECONCILIATIONS
DECEMBER 31, 2013

	<u>Operating</u>	<u>Capital</u>
<u>Bank Reconciliation</u>		
Balance per Bank Statements		
Bank of America, Orange, N.J.		
Account	\$ 741,272.17	\$
Account	78,497.00	1,238,529.37
PNC Bank, Orange, N.J.		
Account	1,828,474.32	
	<u>2,648,243.49</u>	<u>1,238,529.37</u>
Add: Deposit in Transit	1,582,811.14	1,895,144.00
Less: Outstanding Checks	<u>2,714,941.24</u>	<u>105,200.44</u>
	<u>\$ 1,516,113.39</u>	<u>\$ 3,028,472.93</u>
<u>Ref.</u>	D-5	D-5

See Independent Auditors' Report

CITY OF ORANGE TOWNSHIP
 WATER AND SEWER UTILITY

CASH RECEIPTS AND DISBURSEMENTS
 WATER AND SEWER COLLECTIONS
YEAR ENDED DECEMBER 31, 2013

D-7

	<u>Ref.</u>	
Increased by:		
Non-budget Revenue	D-3	\$ 57,860.06
Miscellaneous Revenue	D-3	11,414.92
Consumer Accounts Receivable	D-11	7,617,427.49
Water Sewer Lien	D-12	148,556.62
Due to United Water Company	D-18	<u>53,051.71</u>
		7,888,310.80
Decreased by:		
Remittances to Treasurer	D-5	<u>7,888,310.80</u>

CASH - CHANGE FUND
DECEMBER 31, 2013

\$

D-8

Balance, December 31, 2013 and 2012	D	\$ <u> 150.00</u>
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CITY OF ORANGE TOWNSHIP
WATER AND SEWER UTILITY

ANALYSIS OF CAPITAL CASH AND INVESTMENTS
YEAR ENDED DECEMBER 31, 2013

Ordinance Number	Balance December 31, 2012	Receipts	Disbursements	Disbursements		Balance December 31, 2013
				Other		
22-02	\$ 3,150,923.34	\$	\$ 11,500.00	\$	\$	\$ 3,139,423.34
8-08	176,411.70		32,655.93			143,755.77
	(86,359.74)	795,144.00		2,095,144.00		708,784.26
	(300,000.00)	2,095,144.00		300,000.00		
	405,200.74			405,200.74		
	(2,000,000.00)	1,000,000.00				(1,000,000.00)
	36,509.56					36,509.56
	\$ 1,382,685.60	\$ 3,890,288.00	\$ 44,155.93	\$ 2,800,344.74	\$	\$ 3,028,472.93

Ref.

D

D

CITY OF ORANGE TOWNSHIP
 WATER AND SEWER UTILITY

D-10

INTERFUNDS RECEIVABLE - WATER OPERATING FUND
YEAR ENDED DECEMBER 31, 2013

	Ref.	Total	Water Operating Fund	
			Due from Water Capital Fund	Due from Current Fund
Balance, December 31, 2012	D	\$ 906,938.81	\$	\$ 906,938.81
Increases:				
Disbursements	D-5	1,083,978.62		1,083,978.62
		1,990,917.43		1,990,917.43
Decreases:				
Receipts	D-5	1,966,918.63		1,966,918.63
Balance, December 31, 2013	D	\$ 23,998.80	\$	\$ 23,998.80

See Independent Auditors' Report

CITY OF ORANGE TOWNSHIP
 WATER AND SEWER UTILITY

D-10a

INTERFUNDS RECEIVABLE - WATER CAPITAL FUND
YEAR ENDED DECEMBER 31, 2013

	Ref.	Total	Water Capital Fund		
			Due from General Capital Fund	Due from Water Operating Fund	Due from Current Fund
Balance, December 31, 2012	D	\$ 2,300,000.00	\$ 300,000.00	\$ 2,000,000.00	\$
Increases:					
Disbursements	D-5	2,095,144.00		100,000.00	1,995,144.00
		<u>4,395,144.00</u>		<u>100,000.00</u>	<u>1,995,144.00</u>
Decreases:					
Interfund Payable	D-22a	300,000.00	300,000.00		
Receipts	D-5	3,095,144.00		1,100,000.00	1,995,144.00
		<u>3,095,144.00</u>		<u>1,100,000.00</u>	<u>1,995,144.00</u>
Balance, December 31, 2013	D	<u>\$ 1,000,000.00</u>	<u>\$</u>	<u>\$ 1,000,000.00</u>	<u>\$</u>

See Independent Auditors' Report

CITY OF ORANGE TOWNSHIP
WATER AND SEWER UTILITY

CONSUMER ACCOUNTS RECEIVABLE
YEAR ENDED DECEMBER 31, 2013

D-11

	<u>Ref.</u>		
Balance, December 31, 2012	D		\$ 2,040,119.44
Increased by:			
Water and Sewer Billings	Reserve		<u>7,722,564.08</u>
			9,762,683.52
Decreased by:			
Collections	D-3, D-7	\$ 7,617,427.49	
Transfer to Water Liens	D-12	<u>131,021.52</u>	
			<u>7,748,449.01</u>
Balance, December 31, 2013	D		<u><u>\$ 2,014,234.51</u></u>

WATER AND SEWER LIEN RECEIVABLE
YEAR ENDED DECEMBER 31, 2013

D-12

	<u>Ref.</u>		
Balance, December 31, 2012	D		\$ 31,760.28
Increased by:			
Transfers In	D-11	<u>\$ 131,021.52</u>	
			<u>131,021.52</u>
Decreased by:			
Collections	D-3, D-7		<u>162,781.80</u>
			<u>148,556.62</u>
Balance, December 31, 2013	D		<u><u>\$ 14,225.18</u></u>

See Independent Auditors' Report

CITY OF ORANGE TOWNSHIP
WATER AND SEWER UTILITY

DEFERRED CHARGES - OVEREXPENDITURE OF BUDGET APPROPRIATIONS
YEAR ENDED DECEMBER 31, 2013

D-13

	<u>Ref.</u>	
Balance, December 31, 2012	D	\$ 73,818.00
Decreased by		
Charged to Budget Appropriation	D-4	<u>73,818.00</u>
Balance, December 31, 2013	D	<u><u>\$</u></u>

LOANS RECEIVABLE
YEAR ENDED DECEMBER 31, 2013

D-14

	<u>Ref.</u>	
Balance, December 31, 2012	D	\$ 86,359.74
Increased by:		
Loan Approval		
Interfunds Payable	D-22a	<u>1,243,932.81</u>
		1,243,932.81
Decreased by:		
Interfund Payable	D-22a	405,200.74
Collections	D-5	<u>795,144.00</u>
		<u>1,200,344.74</u>
Balance, December 31, 2013	D	<u><u>\$ 129,947.81</u></u>
<u>Analysis of Balance</u>		
N.J. Environmental Infrastructure Trust Loan		<u><u>\$ 129,947.81</u></u>

See Independent Auditors' Report

CITY OF ORANGE TOWNSHIP
WATER AND SEWER UTILITY

FIXED CAPITAL
DECEMBER 31, 2013 AND 2012

D-15

	<u>2013</u>	<u>2012</u>
Water Plant	\$ 2,977,684.92	\$ 2,977,684.92
Filtration Plant	138,812.11	138,812.11
Computer System	100,000.00	100,000.00
New Pumping Plant	10,283.17	10,283.17
Alterations in Pumping Plant	106,581.94	106,581.94
Retainer Wall Construction	2,517.70	2,517.70
Water Meters	459,899.65	459,899.65
Right of Way	830.50	830.50
Truck Elevation	13,583.51	13,583.51
Construction of Well House #6 and Underground Service for Well #3	73,102.66	73,102.66
Improvements to Water Supply System	<u>4,750,429.58</u>	<u>4,750,429.58</u>
	<u>\$ 8,633,725.74</u>	<u>\$ 8,633,725.74</u>
<u>Ref.</u>	D	D

CITY OF ORANGE TOWNSHIP
WATER AND SEWER UTILITY

FIXED CAPITAL AUTHORIZED AND UNCOMPLETED
DECEMBER 31, 2013 AND 2012

D-16

Ordinance Number	Ordinance Date	Amount	2013		2012	
19-83	Improvement to Walls	7/5/1983	\$ 75,000.00	\$ 75,000.00	\$ 75,000.00	75,000.00
22-85	Renovations of Water Filter Plant and Pumping Station	6/18/1985	75,000.00	75,000.00	75,000.00	75,000.00
8-01	Reprocurement of the Operation of the City Water, Storm Water and Waste Water System	5/1/2001	138,583.60	138,583.60	138,583.60	138,583.60
22-02	Reacquisition of Water and Sewer Franchises and Improvement to Water and Sewer System	6/1/2003	30,000,000.00	30,000,000.00	30,000,000.00	30,000,000.00
8-08	Construction of and Improvements to the City's Mountain Wells, the Chestnut Street Treatment Facilities and High Pump Station.	6/4/2008	9,000,000.00	9,000,000.00	9,000,000.00	9,000,000.00
			<u>\$ 39,288,583.60</u>	<u>\$ 39,288,583.60</u>	<u>\$ 39,288,583.60</u>	

Ref.

D

D

CITY OF ORANGE TOWNSHIP
WATER AND SEWER UTILITY

APPROPRIATION RESERVES
DECEMBER 31, 2013

D-17

	<u>Balance</u>			
	<u>December 31, 2012</u>			
	<u>Encumbered</u>	<u>Unencumbered</u>	<u>Paid or Charged</u>	<u>Unexpended</u>
<u>Operating</u>				<u>Balance</u>
<u>Other Expenses</u>	\$ 33,749.32	\$ 426,081.57	\$ 446,296.26	\$ 13,534.63
<u>Ref.</u>	D	D	D-5	D-1

CITY OF ORANGE TOWNSHIP
WATER AND SEWER UTILITY

DUE TO UNITED WATER COMPANY
YEAR ENDED DECEMBER 31, 2013

D-18

	<u>Ref.</u>	
Balance, December 31, 2012	D	\$ 20,237.35
Increased:		
Collections	D-7	<u>53,051.71</u>
Balance, December 31, 2013	D	<u>\$ 73,289.06</u>

See Independent Auditors' Report

CITY OF ORANGE TOWNSHIP
WATER AND SEWER UTILITY

D-19

ACCRUED INTEREST ON BONDS
YEAR ENDED DECEMBER 31, 2013

	<u>Ref.</u>	
Balance, December 31, 2012	D	\$ 165,646.96
Increased by:		
Budget Appropriations	D-4	1,254,528.33
		<u>1,420,175.29</u>
Decreased by:		
Payments	D-5	1,258,040.00
Balance, December 31, 2013	D	<u>\$ 162,135.29</u>

Analysis of Balance

Bonds		Interest	Accrued		Period	Amount
Outstanding	December 31, 2013		Rate	From		
	\$ 1,120,000.00	4.35%	12/1/2013	12/31/2013	1 month	\$ 4,060.00
	4,825,000.00	4.55%	12/1/2013	12/31/2013	1 month	18,294.79
	8,925,000.00	5.00%	12/1/2013	12/31/2013	1 month	38,890.00
	<u>7,735,000.00</u>	4.20%	12/1/2013	12/31/2013	1 month	<u>27,072.50</u>
	<u>\$ 22,605,000.00</u>					<u>\$ 88,317.29</u>
NJ Environmental		Interest	Accrued		Period	Amount
Outstanding	December 31, 2013		Rate	From		
	\$ 835,000.00	5.00%	8/1/2013	12/31/2013	5 months	\$ 17,395.83
	195,000.00	5.25%	8/1/2013	12/31/2013	5 months	4,265.63
	<u>2,270,000.00</u>	5.50%	8/1/2013	12/31/2013	5 months	<u>52,956.54</u>
	<u>\$ 3,300,000.00</u>					<u>\$ 74,618.00</u>
						<u>\$ 162,935.29</u>

CITY OF ORANGE TOWNSHIP
WATER AND SEWER UTILITY

WATER AND SEWER OVERPAYMENTS
YEAR ENDED DECEMBER 31, 2013

D-20

	<u>Ref.</u>	
Balance, December 31, 2012	D	\$ 61,772.60
Decreased by:		
Disbursements	D-5	<u>4,764.34</u>
Balance, December 31, 2013	D	<u>\$ 57,008.26</u>

See Independent Auditors' Report

CITY OF ORANGE TOWNSHIP
WATER AND SEWER UTILITY

IMPROVEMENT AUTHORIZATIONS
YEAR ENDED DECEMBER 31, 2013

D-21

Number	Ordinance Date	Amount	December 31, 2012		Adjustments	Paid or Charged	December 31, 2013	
			Funded	Unfunded			Funded	Unfunded
22-02	6/1/2003	\$ 30,000,000.00	\$ 3,150,923.34	\$	\$ 1,644,026.47	\$ 11,500.00	\$ 4,783,449.81	\$
8-08	6/4/2008	9,000,000.00		1,676,692.70	(1,644,026.47)	32,655.93		10.30
			\$ 3,150,923.34	\$ 1,676,692.70	\$	\$ 44,155.93	\$ 4,783,449.81	\$ 10.30
		Ref.	D	D		D-5	D	D

Reacquisition of Water and Sewer Franchises and
Improvement to Water and Sewer System

Construction of and Improvements to the City's Mountain
Wells, the Chestnut Street Treatment Facilities and
High Pump Station.

CITY OF ORANGE TOWNSHIP
 WATER AND SEWER UTILITY

INTERFUNDS PAYABLE - WATER OPERATING FUND
YEAR ENDED DECEMBER 31, 2013

D-22

	Ref.	Totals	Water Operating Fund		
			Due to General Trust Fund	Due to Water Capital Fund	Due to CDBG
Balance, December 31, 2012	D	\$ 2,002,144.38	\$ 2,144.38	\$ 2,000,000.00	\$
Increased by:					
Receipts	D-5	<u>311,265.25</u>	<u>11,265.25</u>	<u>100,000.00</u>	<u>200,000.00</u>
		<u>311,265.25</u>	<u>11,265.25</u>	<u>100,000.00</u>	<u>200,000.00</u>
Decreased by:					
Settlements	D-5	<u>1,313,409.63</u>	<u>13,409.63</u>	<u>1,100,000.00</u>	<u>200,000.00</u>
		<u>1,313,409.63</u>	<u>13,409.63</u>	<u>1,100,000.00</u>	<u>200,000.00</u>
Balance, December 31, 2013	D	<u>\$ 1,000,000.00</u>	<u>\$</u>	<u>\$ 1,000,000.00</u>	<u>\$</u>

CITY OF ORANGE TOWNSHIP
WATER AND SEWER UTILITY

INTERFUNDS PAYABLE - WATER CAPITAL FUND
YEAR ENDED DECEMBER 31, 2013

D-22a

	<u>Ref.</u>	<u>Totals</u>	<u>Water Capital Fund</u>	
			<u>Due to General Capital Fund</u>	<u>Due to Water Operating Fund</u>
Balance, December 31, 2012	D	\$ 405,200.74	\$ 405,200.74	\$
Increased by:				
Loan Receivable	D-14	<u>1,243,932.81</u>	<u>1,243,932.81</u>	<u> </u>
		<u>1,649,133.55</u>	<u>1,649,133.55</u>	<u> </u>
Decreased by:				
Interfund Receivable	D-10a	300,000.00	300,000.00	
Loan Receivable	D-14	405,200.74	405,200.74	
Settlements	D-5	<u>105,200.74</u>	<u>105,200.74</u>	<u> </u>
		<u>810,401.48</u>	<u>810,401.48</u>	<u> </u>
Balance, December 31, 2013	D	<u>\$ 838,732.07</u>	<u>\$ 838,732.07</u>	<u>\$</u>

CITY OF ORANGE TOWNSHIP
WATER AND SEWER UTILITY

RESERVE FOR AMORTIZATION
YEAR ENDED DECEMBER 31, 2013

D-23

	<u>Ref.</u>	
Balance, December 31, 2012	D	\$ 10,764,836.96
Increased by: New Jersey Environmental Infrastructure Trust Loan Payable	D-25	<u>338,610.99</u>
Balance, December 31, 2013	D	<u>\$ 11,103,447.95</u>

See Independent Auditors' Report

CITY OF ORANGE TOWNSHIP
WATER AND SEWER UTILITY

D-24

DEFERRED RESERVE FOR AMORTIZATION
YEAR ENDED DECEMBER 31, 2013

<u>Ordinance Number</u>	<u>Date</u>	<u>Balance December 31, 2012</u>	<u>Bonds Paid from Operating Budget</u>	<u>Balance December 31, 2013</u>	
22-02	6/1/2003	\$ 5,490,000.00	\$ 1,030,000.00	\$ 6,520,000.00	D
	<u>Ref.</u>	D	D-26		D

CITY OF ORANGE TOWNSHIP
WATER AND SEWER UTILITY

N.J. ENVIRONMENTAL INFRASTRUCTURE TRUST LOAN PAYABLE
YEAR ENDED DECEMBER 31, 2013

Purpose	Date of Issue	Amount Of Original Issue	Maturities of Bonds Outstanding		Interest Rate	Decrease	Balance December 31, 2013
			Date	Amount			
Trust Share	11/6/2008	\$ 3,835,000.00	8/1/2014	\$ 150,000.00	5.00%		
			8/1/2015	160,000.00	5.00%		
			8/1/2016	165,000.00	5.00%		
			8/1/2017	175,000.00	5.00%		
			8/1/2018	165,000.00	5.00%		
			8/1/2019	195,000.00	5.25%		
			8/1/2020	205,000.00	5.50%		
			8/1/2021	215,000.00	5.50%		
			8/1/2022	225,000.00	5.50%		
			8/1/2023	240,000.00	5.50%		
			8/1/2024	250,000.00	5.00%		
			8/1/2025	265,000.00	5.00%		
			8/1/2026	275,000.00	5.00%		
			8/1/2027	290,000.00	5.00%		
			8/1/2028	305,000.00	5.00%	\$ 145,000.00	\$ 3,300,000.00
						\$ 3,445,000.00	\$ 3,300,000.00
Fund Share	11/6/2008	\$ 3,664,719.00	2/1/2014	\$ 51,056.42	*		
			8/1/2014	141,202.36	*		
			2/1/2015	48,802.77	*		
			8/1/2015	144,958.47	*		
			2/1/2016	46,398.88	*		
			8/1/2016	145,559.44	*		
			2/1/2017	43,919.86	*		
			8/1/2017	149,090.16	*		
			2/1/2018	41,290.60	*		
			8/1/2018	152,470.63	*		
			2/1/2019	38,511.10	*		
			8/1/2019	155,700.86	*		
			2/1/2020	35,434.87	*		
			8/1/2020	158,634.36	*		
			2/1/2021	32,046.89	*		
			8/1/2021	161,256.10	*		
			2/1/2022	28,493.63	*		
			8/1/2022	163,712.58	*		
			2/1/2023	24,775.11	*		
			8/1/2023	169,008.66	*		
			2/1/2024	20,808.69	*		
			8/1/2024	171,051.97	*		
			2/1/2025	17,052.61	*		
			8/1/2025	176,310.48	*		
			2/1/2026	13,071.16	*		
			8/1/2026	178,338.77	*		
			2/1/2027	8,939.47	*		
			8/1/2027	183,221.67	*		
			2/1/2028	4,582.41	*		
			8/1/2028	187,879.39	*	193,610.99	2,893,580.39
						\$ 338,610.99	\$ 6,193,580.39

Ref.

D

D

* Interest Free

See Independent Auditors' Report

**CITY OF ORANGE TOWNSHIP
ESSEX COUNTY, NEW JERSEY**

PART II

**REPORT ON INTERNAL CONTROL AND
LETTER OF COMMENTS AND RECOMMENDATIONS
YEAR ENDED DECEMBER 31, 2013**

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

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

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the regulatory basis financial statements of the various funds of the City of Orange Township, County of Essex, New Jersey's (the "City"), as of and for the year ended December 31, 2013, and the related notes to the financial statements, which collectively comprise City's regulatory basic financial statements, and have issued our report thereon dated August 29, 2014.

Internal Control Over Financial Reporting

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

Our consideration of internal control was for the limited purpose described in the preceding paragraph and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies and therefore, material weaknesses or significant deficiencies may exist that were not identified. However, as described in the accompanying schedule of findings and recommendations, we identified certain deficiencies in internal control that we consider to be material weaknesses and significant deficiencies.

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. A *material weakness* is a deficiency, or a combination of deficiencies, in internal control such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected on a timely basis. We consider the deficiencies described in the accompanying schedule of findings to be material weaknesses (2013-2, 2013-4, 2013-6, 2013-8, 2013-10, 2013-13, 2013-14, 2013-16, 2013-17, 2013-18 and 2013-20).

A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance. We consider the deficiencies described in the accompany schedule of findings to be significant deficiencies (2013-3, 2013-7, 2013-9, 2013-11, 2013-19 and 2013-21).

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the City's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards* and which are described in the accompanying schedule of findings and recommendations as items 2013-1, 2013-2, 2013-3, 2013-8, 2013-12, 2013-13, 2013-14, 2013-15, 2013-17, 2013-19 and 2013-20.

City of Orange Township's Response to Findings

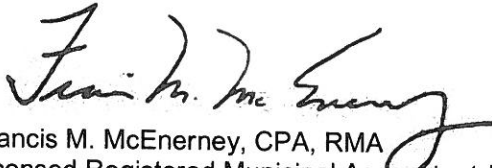
City of Orange Township's response to the findings identified in our audit is described in the accompanying schedule of findings and recommendation. The City's response was not subjected to the auditing procedures applied in the audit of the financial statements and, accordingly, we express no opinion on it.

Purpose of this Report

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



Livingston, New Jersey
August 29, 2014



Francis M. McEnerney, CPA, RMA
Licensed Registered Municipal Accountant #539

Contracts and Agreements Required to be Advertised for N.J.S.A. 40A:11-4

N.J.S.A.40A: 11-4 states "Every contract or agreement, for the performance of any work or the furnishing or hiring of any materials or supplies, the cost or the contract price whereof is to be paid with or out of public funds not included within the terms of Section 3 of this act, shall be made or awarded only after public advertising for bids and bidding therefore, except as is provided otherwise in this act or specifically by any other law. No work, materials or supplies shall be undertaken, acquired or furnished for a sum exceeding in the aggregate \$36,000, except by contract or agreement."

The Governing Body of the Municipality has the responsibility of determining whether the expenditures in any category will exceed \$36,000 within the fiscal year.

The minutes indicate that resolutions were adopted and advertised, authorizing the awarding of contracts or agreements for "Professional Services" per N.J.S.A. 40A:11-5.

Our examination of expenditures did not reveal any payments for contracts or agreements in excess of \$36,000 "for the performance of any work, or the furnishing or hiring of any materials or supplies," other than those where bids had been previously sought by public advertisement or where a resolution had been previously adopted under the provisions of N.J.S.A. 40A: 11-6.

Pension Eligibility

The State of New Jersey enacted legislation under Ch. 92 P.L. 2007 and codified under N.J.S.A. 43:15A-7.2 and 43:15c-2b(4). The law establishes that individuals performing professional services 1) under a contract awarded pursuant to N.J.S.A 40A:11.5 and 1 or 2 under an independent contract as determined in accordance with rules and policy of the IRS are eligible for membership in the State's Pension System - PERS. There were no "grandfathering" provisions under N.J.S.A. 43:15A-7.2. The municipalities were required to remove them from the pension roles.

It appears there are no individuals who are enrolled in PERS who do not meet the requirements under the statutes.

Collection of Interest of Delinquent Taxes, Assessments and Sewer Charges

The statute provides the method for authorizing interest and the maximum rate to be charged for the non-payment of taxes or water sewer fees on or before the date when they would become delinquent.

The Governing Body on January 1, 2013 adopted the following resolution authorizing interest to be charged on delinquent taxes and sewer accounts:

BE IT FURTHER RESOLVED, that the interest charged on 2013 delinquencies on Tax and/or Sewer by the Tax Collector shall be 8% per annum on the first \$1,500 and 18% on any amount in excess of \$1,500 per N.J.S.A. 54:5-6.

BE IT FURTHER RESOLVED, that no interest shall be charged if payment of any installment is made within TEN (10) calendar days of the due date. If the tenth day falls on a Saturday, Sunday or legal holiday, then the grace period shall be extended to the next business day; and

BE IT FURTHER RESOLVED, that the Collector is authorized to transfer amounts of \$5 or less to surplus per N.J.S.A.-C40A:5-17.1.

BE IT FURTHER RESOLVED, that the fee charged for checks returned due to insufficient funds or any other reasons shall be \$25.00, and shall be charged when collecting return check amounts.

BE IT FURTHER RESOLVED, that the fee charged for providing a duplicate bill shall be \$5.00

It appears from an examination of the Collector's record that interest was collected in accordance with the foregoing resolution except as previously noted,

Delinquent Taxes and Tax Title Liens

The last tax sale was held on October 7, 2013. Amounts not included in this sale were for amounts in litigation. There were 211 liens during 2013.

**City of Orange Township
Schedule of Findings
December 31, 2013**

Finding No. 2013-1

Annual Budget

Comment

During the course of our engagement, it was noted that the calculation to determine accumulated vacation, sick, compensatory time and personal days was not available for review. The effect was we were unable to corroborate the proper liabilities related to accrued vacation, sick, etc., and salary expense, as well as the potential of the City not being in compliance with statutory and/or regulatory requirements. In addition, the lack of internal controls over this function could result in expenditures not anticipated by the City.

Recommendation

The City should implement reconciliation procedures in order to ensure that activity is being properly recorded, classified and reconciled.

Management's Response

The City will implement policies and procedures to ensure that activity is being properly recorded, classified and reconciled.

The City purchased a time and attendance software system that will be implemented in the fall of 2014. This system requires the City to provide beginning balances for accumulated, sick, compensating and personal days.

Finding No. 2013-2

Annual Budget

Comment

During the course of our engagement, it was noted that the Public Employees and Police and Fire pension employee contributions were not disbursed to the State of NJ on a quarterly basis instead of a timely basis. The effect is the potential of the City not being in compliance with statutory and/or regulatory requirements. In addition, the lack of internal controls over this function could result in expenditures not anticipated by the City.

Recommendation

The City should implement reconciliation procedures in order to ensure that activity is being properly recorded, classified and reconciled.

Management's Response

The City has implemented reconciliation procedures in order to ensure that activity is being properly recorded, classified and reconciled.

Finding No. 2013-3

Annual Budget

Comment

During the course of our audit, it was noted that adjusting journal entries at year end were prepared and posted. These entries were made to those appropriation accounts that were overexpended. The City provided backup documentation to support those entries, however, we have not corroborated the validity of the supporting documentation.

Recommendation

The City should monitor budget appropriations and their corresponding expenditures on a timely basis.

Management's Response

The City will review current policies and procedures with respect to statutory requirements and implement procedures in order to ensure that all statutorily required approvals are obtained prior to petty cash accounts.

**City of Orange Township
Schedule of Findings
December 31, 2013**

Finding No. 2013-4

Current Fund – Parking Meter Revenue

Comment

During the course of our engagement, it was noted that the only documentation available relating to Current Fund-Parking Meter Revenue was the deposits reflected in the monthly bank statements and the respective duplicate deposit slips. The effect is that there is a potential for loss of meter revenue due to misappropriation or loss, resulting in the understatement of cash and revenue. It was also noted that there are no controls or oversight over this function.

Recommendation

The City should implement policies and procedures in order to ensure that activity is being properly recorded, classified and reconciled relating to parking meter revenue, as well as the oversight and accountability of internal controls.

Management's Response

The City will implement policies and procedures in order to ensure that activity is being properly recorded, classified and reconciled relating to parking meter revenue, as well as the oversight and accountability of internal controls.

Finding No. 2013-5

Federal and State Grant Funds

Comment

During the course of our engagement, it was noted that various Federal and State grant receivables and unexpended grant programs, have not been realized or fully expended. It was also noted that various Federal and State grant unappropriated reserve balances from prior years' have not been utilized in annual budgets. The effect is that funds available to offset the amounts to be raised in the subsequent budgets are not being utilized.

Recommendation

The City should implement policies and procedures to 1) determine if these funds could be used as revenues with offsetting expenditures in subsequent years' budgets and 2) properly account for grant expenditures and reimbursed amounts.

Management's Response

The City will review all unexpended grant programs to ensure all grants are realized and expended. In addition, Chapter 159 resolutions will be prepared to recognize unappropriated balances into the current year budget.

Finding No. 2013-6

Federal and State Grant Funds

Comment

During the course of our engagement, it was noted that there remain a significant amount of outstanding receivables and grant reserve balances. These balances need to be reviewed and should either be researched for collection, expended or cancelled. If receivable cancellations exceed reserve balances, they must be raised in future year's budgets.

Recommendation

The City should implement policies and procedures to 1) determine if these funds could be used as revenues with offsetting expenditures in subsequent years' budgets and 2) properly account for grant expenditures and reimbursed amounts.

Management's Response

The City will review all unexpended grant programs to ensure all grants are realized and expended.

**City of Orange Township
Schedule of Findings
December 31, 2013**

Finding No. 2013-7

Tax Collector

Comment

During the course of our engagement, it was noted that the Tax Collector's tax overpayments were not in agreement to other reports and/or subsidiary ledgers.

Recommendation

The City should implement month end closing procedures in order to ensure that activity is being properly recorded, classified and reconciled.

Management's Response

The City will implement procedures to ensure that subsidiary ledgers and other reports relating to tax overpayments and reserves for tax appeals are properly reconciled to control accounts.

Finding No. 2013-8

Tax Collector

Comment

During the course of our engagement, it was noted that the Tax Collector's tax levy was not proven. The amounts billed did not agree with the County approved tax duplicates. The effect is that tax overpayments might be improperly recorded and the delinquent accounts are not accurate, and the financial statements not being accurate and complete.

Recommendation

The City should implement month end closing procedures in order to ensure that activity is being properly recorded, classified and reconciled.

Management's Response

The City will implement procedures to ensure that the final tax bills are correctly reconciled and in agreement with the Certification and Tax Duplicate from the Essex County Board of Taxation.

Finding No. 2013-9

Tax Collector

Comment

During the course of our engagement, it was noted that the detail listing of the Tax Collector's Special Account (third-party lien redemptions) in the General Trust Fund was not being maintained on a current basis. The effect is that additional interest could be required to be paid by the City due to refunds not made in a timely manner to lien holders.

Recommendation

The City should implement reconciliation procedures in order to ensure that activity is being properly recorded, classified and reconciled.

Management's Response

The City will implement procedures to ensure that the detail listing of Third Party Lien Redemptions is current.

**City of Orange Township
Schedule of Findings
December 31, 2013**

Finding No. 2013-10

Tax Collector

Comment

During the course of our engagement, it was noted that refunds per tax collectors records were not in agreement with the tax refunds booked in the finance department.

Recommendation

The City should implement reconciliation procedures in order to ensure that activity is being properly recorded, classified and reconciled.

Management's Response

The City will implement procedures to reconcile these items.

Finding No. 2013-11

Recreation Department

Comment

During the course of our engagement, it was noted that there were numerous recreational activities that included fees not approved by City Council Ordinance. The effect is that the City is not in compliance with statutory requirements with respect to fees charged and collected by the Recreation Department.

It was also noted that during 2013, all receipts were not posted to the Recreation Department's RECPRO system prior to being turned over to the Finance Cashier for deposit. The amount of receipts recorded by the department does not agree to the amount of receipts received and posted by the Finance Department. In addition, it was noted that a list of individuals using the Recreation Department's facilities was not made available for inspection. The effect is that the Recreation Department is not able to determine if all applicable fees charged have been collected and a reconciliation of amounts that should be collected were actually collected, which could result in understating cash, revenue and fund balances.

Recommendation

The City should review current policies and procedures with respect to statutory requirements, as well as implement procedures in order to ensure that all statutorily required approvals are obtained prior to charging and collection of fees, that adequate controls are in place and operating effectively in order to appropriately account for assets (cash) of the City and maintain adequate records and documentation, including reconciliations, which will enable the City to monitor and safeguard assets and the services provided.

Management's Response

The City will implement procedures to ensure that required approvals from the governing body, by way of an amendment to the fee ordinance, to all fees being collected from participants in its programs. In addition, a new receipt procedure has been implemented to ensure that the Recreation Department records are reconciled to reports generated from RECPRO and amounts turned over to the Finance Department.

**City of Orange Township
Schedule of Findings
December 31, 2013**

Finding No. 2013-12

Municipal Court

Comment

During the course of our engagement, it was noted that surety bonds for two (2) new employees were not available for inspection. The effect of this is that there is inadequate control over the bonding function from the Municipal Court and the review function over compliance. This could also give rise to potential liability to the City.

Recommendation

The City should review current policies and procedures with respect to statutory requirements, as well as implement procedures in order to ensure that all Municipal Court personnel are adequately and appropriately bonded.

Management's Response

The City will review existing surety bonds and implement revisions as deemed necessary to comply with statutory requirements.

Finding No. 2013-13

Municipal Court – Fines and Cost Accounts

Comment

During the course of our engagement, it was noted that monthly cash proof reconciliations were not prepared. Monthly bank statements were reconciled properly to amount of receipts received during that same month and disbursed during the subsequent month. Adjustments were made to a designated bank reconciling item in order to reconcile the bank balance to the receipts received during that same month.

It was noted that during 2013, the amount of receipts recorded by the department does not agree to the amount of receipts received and posted by the Finance Department. The effect is that the Finance Department is not able to perform a reconciliation of amounts and determine that the amounts that should be collected were actually collected and may not be collecting and accounting for the proper amounts received for fees, as well as the potential to understate cash and revenue.

Recommendation

The City should implement reconciliation procedures in order to ensure that activity is being properly recorded, classified and reconciled.

Management's Response

The Municipal Court performs this reconciliation. The Finance Department will review policies and procedures implemented by the Municipal Court personnel for recording receipts and disbursements and for performing bank reconciliations, as well as reconcile amounts turned over to the Finance Department.

**City of Orange Township
Schedule of Findings
December 31, 2013**

Finding No. 2013-14

Municipal Court – Bail Account

Comment

During the course of our engagement, it was noted that no monthly cash proofs were prepared. Monthly bank statements were reconciled to the cash bail on account analysis balance of same month. Adjustments were made to a designated bank reconciling item in order to reconcile the bank balance to the analysis of the cash bail on account balance. It was also noted that adjustments to cash receipts are not entered into the ATS/ACS system. Hand written adjustments are made onto the printed daily ATS/ACS cash reports. The cash amounts entered into the ATS/ACS system affects the analysis of the cash bail on account balance. The effect is that the cash on deposit will not reflect the amount shown on the cash bail on account analysis and cash and revenue

Recommendation

The City should review current policies and procedures with respect to statutory requirements, as well as implement procedures in order to ensure that all Municipal Court personnel are adequately and appropriately bonded.

Management's Response

The City will review current policies and procedures with respect to statutory requirements, as well as implement procedures in order to ensure that all Municipal Court personnel are adequately and appropriately bonded.

Finding No. 2013-15

Recreation Department, Tax Collector and Municipal Court Department

Comment

During the course of our engagement, it was noted that cash collected by the Recreation Department, Tax Collector and Municipal Court Departments contribution code were not deposited within 48 hours of receipt. The effect was to understate the respective Department's cash and to understate revenue. In addition, the requirement to remit funds within 48 hours is a statutory requirement, of which the City is non-compliant with N.J.S.A. 40A:5-15.

Recommendation

The City should review current policies and procedures with respect to statutory requirements, as well as implement procedures in order to ensure that all required funds are deposited on a timely basis.

Management's Response

The City will review current policies and procedures with respect to statutory requirements, as well as implement procedures in order to ensure that all required funds are deposited on a timely basis.

**City of Orange Township
Schedule of Findings
December 31, 2013**

Finding No. 2013-16

Construction Code Department

Comment

It was noted that during 2013, there were no amounts on receipts recorded by the Construction Code Department and posted by the Finance Department. Therefore, the amounts could not be reconciled. The effect is that the Finance Department is not able to perform a reconciliation of amounts and determine that the amounts that should be collected were actually collected. Additionally, there are missing construction code trust receipts due to a change in the chart of accounts.

Recommendation

The City should review current policies and procedures with respect to statutory requirements, as well as implement procedures in order to ensure that all permits issued are properly maintained and documentation reviewed for accuracy and completeness. Reconciliations should be performed to ensure that all fees collected are properly accounted for, as well as proper recording in the general ledger.

Management's Response

The City had implemented receipt procedures in the latter part of 2012 that ensure accurate accounting and reconciliation of all fees collected by the Construction Code Department and turned over to the Finance Department. In addition, supporting documentation for transactions will be required to accompany reconciliations.

Finding No. 2013-17

Construction Code Department

Comment

It was also noted that New Jersey Department of Community Affairs fees collected were not properly disbursed to the State of New Jersey. Amounts from the prior year are still due to the state. The effect is that City not in compliance with statutory requirements with respect to the disbursement of State of New Jersey DCA fees collected.

It was noted that during 2013, the amount of receipts recorded by the Construction Code Department does not agree to the amount of receipts received and posted by the Finance Department. The effect is that the Finance Department is not able to perform a reconciliation of amounts and determine that the amounts that should be collected were actually collected.

Recommendation

The City should review current policies and procedures with respect to statutory requirements, as well as implement procedures in order to ensure that all permits issued are properly maintained and documentation reviewed for accuracy and completeness. Reconciliations should be performed to ensure that all fees collected are properly accounted for, as well as proper recording in the general ledger.

Management's Response

The City had implemented receipt procedures in the latter part of 2013 that ensure accurate accounting and reconciliation of all fees collected by the Construction Code Department and turned over to the Finance Department. In addition, supporting documentation for transactions will be required to accompany reconciliations.

**City of Orange Township
Schedule of Findings
December 31, 2013**

Finding No. 2013-18

Payroll Audit

Comment

During our course of engagement, it was noted that excel spreadsheets were provided for the calculation of year 2013 salaries. However, some of the salary guides used to compiled these spreadsheets were not available for review, (i.e. Various Executive Orders; Orange Policemen's Benevolent Association, Local No. 89 Agreement from January 1, 1997 to December 31, 2001; and Orange Superior Officers Association Agreement from January 1, 2000 to December 31, 2003). The effect is that proper payment to positions approved by salary guides could not be verified.

Recommendation

The City should use and maintain an approved salary guide to ensure proper salary rates are used for all municipal employee payroll calculations.

Management's Response

The City will use and maintain an approved salary guide to ensure proper salary rates are used for all municipal employee payroll calculations.

Finding No. 2013-19

Voucher Testing – Various Funds

Comment

During the course of our engagement, the following items were noted during the compliance testing of purchase orders from various funds:

- 1) The Business Registration Certificates for several vendors were not kept properly and available for audit review.
- 2) A number of vouchers were prepared after the goods or services were already rendered resulting in confirming purchase orders.
- 3) No quote was obtained by the Department of Public Works for a necessary repair. There was also no resolution declaring the emergency.
- 4) One contract was higher than the dollar amount of the resolution awarding the bid. There was no information available to show evaluation of the vendors who bid this contract.
- 5) Certain vouchers selected for audit were not available for review.
- 6) Certain vouchers did not have claimant's certification.

The effect is that:

- 1) The City is not in compliance with the State of New Jersey Division of Local Government regulations.
- 2) The encumbrance system is not being properly utilized.

Recommendation

The City should implement month end closing procedures in order to ensure that activity is being properly recorded, classified and reconciled.

Management's Response

The City will implement month end closing procedures in order to ensure that activity is being properly recorded, classified and reconciled, as well as ensure compliance with the encumbrance system and prevent noncompliance with contract bid laws.

**City of Orange Township
Schedule of Findings
December 31, 2013**

Finding No. 2013-20

Outside Employment of Off-Duty Police Officers

Comment

During the course of our engagement, it was noted that there were several instances that services of off-duty police personnel were rendered without the required funds being paid prior to the services being rendered, as required by Ordinance #10-2002. The effect is that the City is not in compliance with statutory requirements with respect to the funding and use of off-duty police personnel. As of December 31, 2013, the Trust Other Fund Reserve for Outside Employment of Off-Duty Police Officers had a negative balance of (\$204,461.69).

Recommendation

The City should review current policies and procedures with respect to statutory requirements, as well as implement procedures in order to ensure that all statutorily required deposits from requesting persons or entities are received prior to approval of requests and/or rendering services.

Management's Response

The City will review current policies and procedures with respect to statutory requirements and implement procedures in order to ensure that all statutorily required deposits from requesting persons or entities are received prior to approval of requests and/or rendering services.

Finding No. 2013-21

Current Fund and Payroll Fund

Comment

During the course of our engagement, it was noted that various payroll deductions, including 401k, dues, insurance and garnishments, are not being transferred to the appropriate agency on a timely basis. The effect of these delays is funds are not being charged to various agencies in the name of the employees who have had deductions withheld from their earnings.

Recommendation

The City should implement procedures so that required transfer reports are filed on a timely basis and that withheld payroll deductions are transferred to the appropriate agency.

Management's Response

The City will implement procedures in order to ensure that required reports are filed on a timely basis and associated agencies properly receive funds withheld from employees.

RECOMMENDATIONS

1. *General ledgers and subsidiary ledgers should be agreed to each other on a monthly basis.
2. Old improvement authorizations should be reviewed and possibly written-off with associated grants receivable.
3. Old outstanding checks in the Municipal Court should be reviewed and written-off, if appropriate.
4. *All revenues collected by Clerk's Office and Vital Statistics Department should be properly recorded and reconciled on a monthly basis to amounts recorded by the finance department. All deposits should be made within 48 hours.

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

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

McEnerney, Brady, Company, LLC

Livingston, New Jersey
August 29, 2014

Francis M. McEnerney

Francis M. McEnerney, CPA, RMA
Registered Municipal Accountant #539