

CITY OF ORANGE TOWNSHIP

SUMMARY OF AUDIT REPORT FOR 2013
Synopsis of 2013 Audit Report as required by
N.J.S.A. 40A:5-7.

COMBINED COMPARATIVE BALANCE SHEET

<u>ASSETS AND DEFERRED CHARGES</u>	Balance <u>Dec. 31, 2013</u>	Balance <u>Dec. 31, 2012</u>
Cash and Investments	\$ 18,782,146.12	\$ 14,080,073.04
Taxes, Assessments, Liens and Utility Charges Receivable	7,036,777.81	6,875,035.57
Property Acquired for Taxes at Assessed Value	856,500.00	937,101.00
Accounts Receivable and Inventories	374,891.66	307,477.49
Grants and Loans Receivable	10,345,627.18	11,636,355.77
Interfunds Receivable	2,188,304.31	4,679,587.83
Fixed Capital Authorized and Uncompleted - Utility	39,288,583.60	39,288,583.60
Fixed Capital - Utility	8,633,725.74	8,633,725.74
Deferred Charges:		
Overexpenditures	16,585.50	616,844.02
Special Emergency Appropriation	1,735,398.37	1,621,731.16
To Future Taxation - Funded	9,226,991.95	12,083,083.37
To Future Taxation - Unfunded	3,189,246.00	3,189,246.00
	<u>\$ 101,674,778.24</u>	<u>\$ 103,948,844.59</u>
 <u>LIABILITIES, RESERVES AND FUND BALANCE</u>		
Bonds, Notes & Loans Payable	\$ 42,106,872.34	43,295,274.75
Improvement Authorizations	8,259,766.72	8,857,021.31
Other Cash Liabilities	18,307,298.70	19,115,422.75
Interfunds Payable	2,188,304.31	4,679,587.83
Amortization of Debt for Fixed Capital Acquired or Authorized	17,623,447.95	16,254,836.96
Reserve for Certain Assets Receivable	9,201,135.51	9,489,984.47
Fund Balance	<u>3,987,952.71</u>	<u>2,256,716.52</u>
	<u>\$ 101,674,778.24</u>	<u>\$ 103,948,844.59</u>
 Bonds and Notes Authorized but Not Issued	 <u>\$ 1,500,281.00</u>	 <u>\$ 3,644,527.00</u>

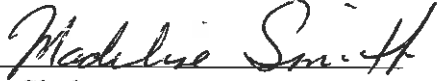
COMPARATIVE STATEMENT OF OPERATIONS AND CHANGE IN FUND BALANCE -
CURRENT FUND
 FOR THE YEAR ENDING DECEMBER, 31, 2013

	<u>2013</u>	<u>2012</u>
<u>Revenue and Other Income Realized</u>		
Fund Balance Utilized	\$ -	\$ 1,400,000.00
Collection of Delinquent Taxes and Tax Title Liens	2,905,470.40	3,140,885.18
Collection of Current Tax Levy	51,847,601.69	51,269,700.04
Miscellaneous - From Other Than Local Property Tax	19,792,964.31	17,176,287.18
Other Credits to Income	1,554,563.77	1,217,093.11
	<u>76,100,600.17</u>	<u>74,203,965.51</u>
<u>Expenditures</u>		
Budget Expenditures:		
Operations Within "CAPS"	40,692,577.32	39,030,248.94
Statutory Expenditures and Deferred Charges	6,331,883.55	5,810,557.00
Deferred Charges	405,432.79	405,432.79
Operations Excluded from "CAPS"	5,500,796.97	4,172,359.64
Debt Service	2,549,045.79	3,854,068.81
Type I School District Debt Service	721,702.48	1,753,093.99
	<u>56,201,438.90</u>	<u>55,025,761.17</u>
Refunds and Other	1,124,701.42	1,596,340.56
Local School District Tax	10,557,043.00	10,350,043.00
County Taxes	7,047,258.22	7,167,771.06
Overexpenditure of Grant Reserves	1,331.33	73,284.29
Interfund - Changes		526,652.97
	<u>74,931,772.87</u>	<u>74,739,853.05</u>
Excess in Revenue	1,168,827.30	(535,887.54)
Adjustment to Income before Fund Balance: Expenditures Included Above Which are by Statute Deferred Charges to Budget of Succeeding Year	<u>535,685.50</u>	<u>543,026.02</u>
Statutory Excess to Fund Balance	1,704,512.80	7,138.48
<u>Fund Balance</u>		
Balance Beginning of Year	<u>2,191,482.22</u>	<u>3,584,343.74</u>
	3,895,995.02	3,591,482.22
Less: Utilized as Anticipated Revenue	<u>-</u>	<u>1,400,000.00</u>
<u>Fund Balance</u> Balance December 31, 2012	<u>\$ 3,895,995.02</u>	<u>\$ 2,191,482.22</u>

COMPARATIVE STATEMENT OF OPERATIONS AND CHANGE IN FUND BALANCE -
WATER AND SEWER UTILITY OPERATING FUND
 FOR THE YEAR ENDING DECEMBER, 31, 2013

	2013	2012
<u>Revenue and Other Income Realized</u>		
Fund Balance Utilized	\$ -	\$ 210,000.00
Collection of Water And Sewer Rents	7,617,427.49	7,810,787.22
Miscellaneous - From Other Than Water And Sewer Rents	<u>231,366.23</u>	<u>155,903.62</u>
Total Income	<u>7,848,793.72</u>	<u>8,176,690.84</u>
<u>Expenditures</u>		
Budget Expenditures:		
Operations	5,248,931.01	5,651,040.00
Debt Service	<u>2,573,139.32</u>	<u>2,601,583.89</u>
Capital Improvements	7,822,070.33	8,252,623.89
Accounts Receivable Cancelled	<u>7,822,070.33</u>	<u>8,252,623.89</u>
Deficit in Operations		
Excess in Revenue	26,723.39	(75,933.05)
Adjustment to Income before Fund Balance: Expenditures Included Above Which are by Statute Deferred Charges to Budget of Succeeding Year		<u>73,818.00</u>
Statutory Excess to Fund Balance	26,723.39	(2,115.05)
<u>Fund Balance</u>		
Balance Beginning of Year	<u>15,578.27</u>	<u>827,693.32</u>
	42,301.66	825,578.27
Decreased by:		
Amount Utilized as Current Fund Revenue	-	600,000.00
Amount Utilized as Anticipated Revenue	<u>-</u>	<u>210,000.00</u>
	-	<u>810,000.00</u>
Balance End of Year	<u>\$ 42,301.66</u>	<u>\$ 15,578.27</u>

The above summary or synopsis was prepared from the report of audit of the City of Orange Township, County of Essex for the year ended December 31, 2013. This report of audit, submitted by McEnerney, Brady & Company, LLC, Registered Municipal Accountant, is on file at the City Clerk's office and may be inspected by any interested person.


Deputy City Clerk

RECOMMENDATIONS

1. Accumulated vacation, sick, compensatory, and personal days should be tracked and quantified.
2. *Pension payments on behalf of City employees should be made timely.
3. Adjusting entries between various appropriation accounts should be recorded timely.
4. *There should be more effective controls over parking meter revenues.
5. *Federal and State Grant Receivables and unexpended reserves should be reviewed and adjusted.
6. *The tax collector should implement month end closing procedures for tax overpayments and tax levy amounts.
7. *The City should implement reconciliation procedures for third party lien redemption and tax refunds.
8. *All recreation department revenues of the City's recreation department should be recorded and reconciled with the records of the finance department.
9. *The City should implement procedures to ensure that all municipal court personnel are adequately and appropriately bonded.
10. *The City should review current policies and procedures with respect to statutory requirements as well as implement procedures in order to ensure that all funds are deposited within 48 hours.
11. *The municipal court bail account should be reviewed and procedures implemented to ensure proper recording and accountability.
12. Reconciliations should be preformed in the Construction Code Department to those amounts recorded in the Finance Department.
13. *The City should use and maintain approved salary guides to ensure proper salary rates are used for all municipal employee payroll calculations.
14. *The City should review its process of awarding contacts and maintain compliance with the purchasing laws of the State of New Jersey.
15. *Receipts for the services of off duty police personnel should be received, by the City, prior to the services being rendered.
16. Various payroll deductions, including 401K, dues, insurance, and garnishments need to be remitted to the appropriate agencies on a timely basis.