

**CITY OF ORANGE TOWNSHIP
FINANCIAL STATEMENTS
AND
INDEPENDENT AUDITORS' REPORT
FOR THE SIX MONTHS ENDED
DECEMBER 31, 2011**

CITY OF ORANGE TOWNSHIP
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CITY OF ORANGE TOWNSHIP

PART I

ROSTER OF OFFICIALS, INDEPENDENT AUDITORS' REPORT, FINANCIAL
STATEMENTS AND SUPPLEMENTARY SCHEDULES

FOR THE SIX MONTHS ENDED DECEMBER 31, 2011

CITY OF ORANGE TOWNSHIP
ROSTER OF OFFICIALS
DECEMBER 31, 2011

MAYOR

Elridge Hawkins, Jr.

CITY COUNCIL

Tency A. Eason, President
Donna K. Williams, Vice President
Hassan Abdul-Rasheed
Rayfield Mortin
Edward B. Marable Jr.,
Elroy A. Corbitt
Linda Jones-Bell

CITY ADMINISTRATOR

John Mason

CHIEF FINANCIAL OFFICER

Joy Lascari

CITY CLERK

Dwight Mitchell

CITY ATTORNEY

Marvin T. Braker



INDEPENDENT AUDITORS' REPORT

The Honorable Mayor and Members
of the City Council
City of Orange Township
County of Essex
Orange, New Jersey 07050

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 December 31, 2011 and the related statements of operations and changes in fund balances for the six months then ended, and the related statements of revenues, expenditures and fund balances – regulatory basis for the six months ended December 31, 2011 as listed in the foregoing table of contents. These financial statements are the responsibility of the management of the City. Our responsibility is to express an opinion on these financial statements based upon our audits.

We conducted our audit in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States; and audit requirements as prescribed by the Division of Local Government Services, Department of Community Affairs, State of New Jersey. Those standards require that we plan and perform the audits to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes consideration of internal control over financial reporting as a basis for designing audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the City's internal control over financial reporting. An audit also includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements, assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe our audit provides a reasonable basis for our opinion.

These regulatory basis financial statements have been prepared in conformity with accounting practices prescribed by the Division of Local Government Services, Department of Community Affairs, State of New Jersey 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.

In our opinion, because of the City's policy to prepare its financial statements on the basis of accounting discussed in the third paragraph of this report, 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, 2011 or the results of its operations for the six months then ended.

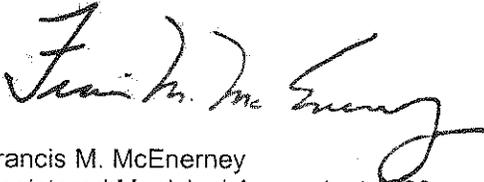
However, in our opinion, the regulatory basis financial statements referred to above present fairly, in all material respects, the financial position of the City, as of December 31, 2011 and the results of operations of such funds for the six months then ended, in accordance with accounting principles and practices prescribed by the Division of Local Government Services, Department of Community Affairs, State of New Jersey as described in Note 1 to the financial statements.

In accordance with *Government Auditing Standards*, we have also issued our report dated June 27, 2012 on our consideration of the City's internal control over financial reporting and our test 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 the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be considered in conjunction with this report in considering the results of our audit.

Our audit was conducted for the purpose of forming an opinion on the regulatory basis financial statements of the City of Orange Township taken as a whole. The accompanying supplementary schedules presented in the "Supplementary" sections, and the accompanying schedules of expenditures of federal and state awards are not required parts of the financial statements and are presented for purposes of additional analysis as required by New Jersey State Division of Local Government Services; U.S. Office of Management and Budget Circular A-133, *Audits of State, Local Government, and Nonprofit Organizations*, and New Jersey State Office of Management and Budget Circular Letter 04-04, *Single Audit Policy for Recipients of Federal Grants, State Grants and State Aid*. Such information has been subjected to the auditing procedures applied in the audit of the regulatory basis financial statements and, in our opinion, is fairly presented in all material respects in relation to the regulatory basis financial statements taken as a whole.

McEnerney, Brady & Company, LLC

McEnerney, Brady & Company, LLC
Certified Public Accountants



Francis M. McEnerney
Registered Municipal Accountant #539

Livingston, New Jersey
June 27, 2012

CITY OF ORANGE TOWNSHIP
CURRENT FUND

BALANCE SHEET
REGULATORY BASIS
DECEMBER 31, 2011

A
Sheet # 1

ASSETS AND DEFERRED CHARGES

	<u>Ref.</u>	
<u>CURRENT FUND</u>		
Cash - Checking Accounts	A-4	\$ 11,859,014.74
Cash - Cash Management Funds	A-7	969,139.99
Cash - Change Funds	A-8	560.00
		12,828,714.73
Due from State of New Jersey	A-10	48,263.50
Receivables and Other Assets with Full Reserves		
Delinquent Property Taxes	A-11	3,127,482.18
Tax Title Liens	A-12	1,211,609.66
Property Acquired for Taxes - Assessed Valuation	A-13	856,500.00
Sales Contract Receivable - Property Acquired for Taxes	A-14	80,601.00
Other Liens Receivable	A-15	384,770.27
Revenue Accounts Receivable	A-16	111,907.32
Other Accounts Receivable	A-17	85,269.67
Deposits Receivable	A-18	1,465.05
Interfunds Receivable	A-19	1,302,821.21
		7,162,426.36
Deferred Charges		
Overexpenditure of Budget Appropriation	A-20	233,120.03
Special Emergency Appropriation	A-21	2,027,163.95
		2,260,283.98
		22,299,688.57
<u>STATE AND FEDERAL GRANT FUND</u>		
Grants Receivable	A-22	9,363,139.06
		\$ 31,662,827.63

See accompanying notes to financial statements.

CITY OF ORANGE TOWNSHIP
CURRENT FUND

BALANCE SHEET
REGULATORY BASIS
DECEMBER 31, 2011

A
Sheet # 2

LIABILITIES, RESERVES AND FUND BALANCE

	<u>Ref.</u>	
Appropriation Reserves		
Encumbered	A-3	\$ 1,100,134.92
Unencumbered	A-3	954,956.77
Reserve for Revaluations	A-24	1,375.09
Accounts Payable	A-25	4,455,690.21
Tax Overpayments	A-26	420,970.61
Reserve for Tax Appeals	A-28	73,553.60
Interfunds Payable	A-29	1,847,856.83
Prepaid Taxes	A-32	104,531.38
Deposits on Sale of Property	A-33	3,110.00
County Taxes Payable	A-30	2,577.79
School Taxes Payable	A-31	2,588,161.27
		11,552,918.47
Reserve for Receivables		7,162,426.36
Fund Balance	A-1	3,584,343.74
		22,299,688.57

STATE AND FEDERAL GRANT FUND

Due to Current Fund	A-34	93,901.70
Unappropriated Reserves	A-35	922,483.71
Reserve for Grant Expenditures:		
Encumbered	A-36	7,098,733.33
Unencumbered	A-36	1,248,020.32
		9,363,139.06
		\$ 31,662,827.63

See accompanying notes to financial statements.

CITY OF ORANGE TOWNSHIP
CURRENT FUND

STATEMENTS OF OPERATIONS
AND CHANGES IN FUND BALANCE
REGULATORY BASIS
FOR THE SIX MONTHS ENDED DECEMBER 31, 2011

A-1

	<u>Ref.</u>	
<u>REVENUE AND OTHER INCOME:</u>		
Miscellaneous Anticipated Revenue	A-2a	\$ 10,537,992.30
Receipts from Delinquent Taxes	A-2c	2,250,425.34
Receipts from Current Taxes	A-2c	23,350,830.77
Non-Budget Revenues	A-2d	232,535.54
Other Credit to Income:		
Other Liens Receivable	A-15	1,995.26
Other Accounts Receivable Realized	A-17	115,264.95
Lapsed Balances of Appropriation Reserves	A-23	451,518.76
		<hr/>
TOTAL REVENUE AND OTHER INCOME		36,940,562.92
<u>EXPENDITURES:</u>		
Budgeted and Emergency Appropriations		
Operations:		
Salaries and Wages		10,975,973.40
Other Expenses		9,460,104.96
Municipal Debt Service		3,118,513.00
Deferred Charges		216,028.84
Statutory Expenditures		430,400.00
Type I School District Debt Service		1,648,074.00
	A-3	<hr/> 25,849,094.20
Refund of Prior Year Revenue	A-4	365,928.16
Interfund Charges - Net	A-19	129,785.05
County Taxes	A-30	3,940,027.68
Local District Taxes	A-31	5,150,053.00
		<hr/> 35,434,888.09
DEFICIT OF REVENUES UNDER EXPENDITURES		1,505,674.83
FUND BALANCE, JULY 1, 2011	A	<hr/> 2,078,668.91
Subtotal		3,584,343.74
<u>UTILIZED AS ANTICIPATED REVENUE</u>		
FUND BALANCE, DECEMBER 31, 2011	A	<hr/> <hr/> \$ 3,584,343.74

See accompanying notes to financial statements.

CITY OF ORANGE TOWNSHIP
CURRENT FUND

STATEMENT OF REVENUE
ANALYSIS OF MISCELLANEOUS REVENUE
REGULATORY BASIS
FOR THE SIX MONTHS ENDED DECEMBER 31, 2011

A-2a

	<u>Ref.</u>	<u>Budget</u>	<u>Realized</u>	<u>Excess or (Deficit)</u>
MISCELLANEOUS REVENUES:				
Licenses:				
Alcoholic Beverages	A-16	\$ 3,200.00	\$ 3,255.00	\$ 55.00
Other	A-2b	38,500.00	34,095.00	(4,405.00)
Fees and Permits:				
Uniform Construction Code Fees	A-16	60,500.00	368,596.68	308,096.68
Other	A-2b	120,500.00	146,850.30	26,350.30
Fines and Costs - Municipal Court	A-16	429,500.00	564,931.80	135,431.80
Interest and Costs on Taxes	A-6	300,000.00	233,568.39	(66,431.61)
Parking Meters	A-16	32,000.00	17,530.00	(14,470.00)
Right of Way - Fiber Optics Cable	A-16	500.00		(500.00)
Rent Leveling Fees	A-16	22,000.00	550.00	(21,450.00)
Interest on Investments and Deposits	A-16	1,000.00	66.21	(933.79)
Building Aid Allowance for School - State Aid	A-16	844,641.00	895,421.00	50,780.00
Payments in Lieu of Taxes:				
Transport of New Jersey	A-16	52,500.00	52,760.50	260.50
Our Lady of Mt. Carmel Senior Citizens	A-16	37,000.00	70,905.00	33,905.00
Millennium Homes - RPM	A-16	1,500.00	11,762.50	10,262.50
South Essex Urban Urban Renewal	A-16	31,500.00	34,579.50	3,079.50
Oakwood Towers	A-16	51,500.00	87,918.00	36,418.00
Salem Towers - High Street Associates	A-16	85,500.00	79,027.50	(6,472.50)
Orange Park Apartments Associates, Ltd.	A-16	63,500.00	74,869.00	11,369.00
The Berkeley	A-16	15,500.00	15,865.50	365.50
Lincoln Court	A-16	55,500.00	27,646.00	(27,854.00)
Project Live, Inc.	A-16	3,500.00		(3,500.00)
Consolidated Municipal Property Tax Relief	A-16	3,132,404.00	3,444,144.51	311,740.51
Energy Receipts Tax	A-16	900,386.00	2,595,531.16	1,695,145.16
Sale of SREC's	A-16	42,250.00	42,250.00	
State and Federal Revenue Offsets with Appropriations:				
Summer Food Program for Children	A-22	294,994.75	294,994.75	
County of Essex - Division on Aging	A-22	8,100.00	8,100.00	
Clean Community Grant - UR	A-22	37,258.00	37,258.00	
Urban Enterprise Zone	A-22	56,750.00	56,750.00	
N.J. Highway Pedestrian Safety	A-22	13,375.00	13,375.00	
FEMA Safer Hiring Grant	A-22	1,238,623.00	1,238,623.00	
Bullet Proof Vests 2011	A-22	12,103.00	12,103.00	
Recycling Tonnage Grant	A-22	9,237.00	9,237.00	
HIN 1 grant sh 159	A-22	65,428.00	65,428.00	
		<u>\$ 8,060,749.75</u>	<u>\$ 10,537,992.30</u>	<u>\$ 2,477,242.55</u>

See accompanying notes to financial statements.

CITY OF ORANGE TOWNSHIP
CURRENT FUND

STATEMENT OF REVENUE
REGULATORY BASIS
FOR THE SIX MONTHS ENDED DECEMBER 31, 2011

A-2b

Ref.

Other Licenses

City Clerk	\$	40.00
Inspection and Licensing		30,935.00
Health Department		<u>3,120.00</u>

A-2a, A-16

\$ 34,095.00

Other Fees and Permits

City Clerk	\$	1,266.30
Health Department		47,435.00
Public Works		7,062.50
Tax Assessor		30.00
Board of Adjustment		1,000.00
Planning Board		1,900.00
Police Department		3,896.50
Code Enforcement		63,075.00
Planning and Development		2,930.00
Unidentified		<u>18,255.00</u>

A-2a, A-16

\$ 146,850.30

See accompanying notes to financial statements.

CITY OF ORANGE TOWNSHIP
CURRENT FUND

STATEMENT OF REVENUE
ANALYSIS OF REALIZED TAX REVENUE
REGULATORY BASIS
FOR THE SIX MONTHS ENDED DECEMBER 31, 2011

A-2c

	<u>Ref.</u>		
Receipts from Delinquent Taxes			
Delinquent Tax Collections:			
TY 2011 Collections	A-11	\$ 2,196,083.10	
Tax Title Lien Collections	A-12	54,342.24	
	A-1,A-2	54,342.24	
			\$ 2,250,425.34
Allocation of Current Tax Collections			
Revenue from Collections:			
TY 2011 Collections	A-11	23,221,486.51	
FY 2010 Collections	A-32	43,187.41	
Due from State of New Jersey	A-10	86,156.85	
	A-1	86,156.85	
			23,350,830.77
Less: Allocated to:			
Essex County	A-30	3,940,027.68	
Local School District	A-31	5,150,053.00	
		5,150,053.00	
			9,090,080.68
			14,260,750.09
Plus: Appropriation Reserve for Uncollected Taxes	A-3		1,765,501.00
Amount of Municipal Support	A-2		\$ 16,026,251.09

See accompanying notes to financial statements.

CITY OF ORANGE TOWNSHIP
CURRENT FUND

STATEMENT OF REVENUE
ANALYSIS OF NONBUDGET REVENUE
REGULATORY BASIS
FOR THE SIX MONTHS ENDED DECEMBER 31, 2011

A-2d

Miscellaneous Revenue Not Anticipated		
Zoning Fees		\$ 2,536.73
New Community PILOT		26,716.50
Fire LEA Rebates		26,460.85
Cable Franchise Fee		1,000.00
307 Washington Street		38,881.04
Sale of Municipal Assets		8,770.00
Interlocal Services - BOE		16,375.50
Miscellaneous		<u>111,775.63</u>
	A-6	<u>232,516.25</u>
Interfund Receiveable	A-19	<u>19.29</u>
		<u>\$ 232,535.54</u>

See accompanying notes to financial statements.

CITY OF ORANGE TOWNSHIP
CURRENT FUND

STATEMENT OF EXPENDITURES
REGULATORY BASIS

FOR THE SIX MONTHS ENDED DECEMBER 31, 2011

	Budget	Budget After Modification	Paid or Charged	Expended Encumbered	Reserved	Cancelled	Over-Expenditures
OPERATIONS - WITHIN "CAPS":							
DEPARTMENT OF ADMINISTRATION							
Mayor's Office	\$ 82,000.00	\$ 90,673.13	\$ 90,673.13	\$ 29.06	\$ 1,504.40	\$	\$
Salaries and Wages	3,600.00	3,600.00	2,065.94				
Other Expenses							
Office of the Business Administrator	111,100.00	106,542.84	106,542.84		111.00		
Salaries and Wages	1,000.00	1,000.00	888.00				
Other Expenses							
Office of Administrative Services	45,000.00	49,839.90	49,839.90	48,366.27	2,869.10		
Salaries and Wages	102,000.00	102,000.00	50,764.63				
Other Expenses	18,000.00	17,474.00	17,474.00				
Office of Public Defender	1,500.00	1,500.00			1,500.00		
Other Expenses							
Insurance							
Unemployment Compensation							
General Liability	159,000.00	159,105.25	155,439.25	1,832.00	1,834.00		
Workers Compensation	448,000.00	448,000.00	317,285.93	512.00	130,202.07		212,522.27
Employee Group Health	3,246,613.19	3,246,613.19	3,420,983.84	38,151.62			
Municipal Insurance Fund	205,000.00	205,000.00	205,000.00				
Municipal Alcohol Beverage Control Board	2,500.00	2,500.00	2,500.00				
Salaries and Wages	4,305.00	4,305.00	420.00	3,100.00	785.00		
Other Expenses	4,438,618.19	4,438,153.31	4,419,878.46	91,991.55	138,805.57		212,522.27
DEPARTMENT OF LAW							
Office of the City Attorney	179,000.00	179,085.89	179,085.89		12,748.72		
Salaries and Wages	38,000.00	33,000.00	9,402.27	10,849.01			
Other Expenses	217,000.00	212,085.89	185,488.16	10,849.01	12,748.72		
CITY CLERK AND MUNICIPAL COUNCIL							
City Council							
Salaries and Wages	57,500.00	57,500.00	57,499.78		0.22		
Other Expenses	107,250.00	107,250.00	9,694.08	523.09	97,032.83		
City Clerk							
Salaries and Wages	111,000.00	115,447.95	115,447.95				
Other Expenses	13,930.00	15,230.00	3,259.69	12,086.96			116.65
	289,680.00	295,427.95	185,901.50	12,610.05	97,033.05		116.65

CITY OF ORANGE TOWNSHIP
CURRENT FUND

STATEMENT OF EXPENDITURES
REGULATORY BASIS
FOR THE SIX MONTHS ENDED DECEMBER 31, 2011

	Budget	Budget After Modification	Paid or Charged	Expended	Reserved	Cancelled	Over-Expenditures
OPERATIONS - WITHIN "CAPS" (Continued):							
DEPARTMENT OF PLANNING AND DEVELOPMENT							
Inspection and Licensing	\$ 73,654.00	\$ 88,687.30	\$ 86,144.80	\$ 1,110.49	\$ 2,542.50	\$	\$
Salaries and Wages	26,260.00	26,260.00	19,401.02		5,748.49		
Other Expenses							
Planning Division	183,800.00	189,560.84	188,750.84	170.00	810.00		
Salaries and Wages	8,300.00	8,400.00	8,115.06		114.94		
Other Expenses							
Zoning Board	2,500.00	2,500.00	2,500.00	3,175.52	1,030.48		
Salaries and Wages	4,900.00	4,900.00	694.00				
Other Expenses							
Planning Board	2,500.00	2,500.00	2,500.00				
Salaries and Wages	4,850.00	4,850.00	2,065.48	351.00	2,413.52		
Other Expenses							
Rent Leveling Board							
Salaries and Wages	1,050.00	1,750.00	351.93	18.60	1,379.47		
Other Expenses	307,814.00	329,408.14	310,543.13	4,825.61	14,039.40		
DEPARTMENT OF FINANCE							
Department of Finance	146,500.00	134,939.32	134,939.32	26,816.87	625.05		
Salaries and Wages	51,750.00	46,203.61	18,761.69				
Other Expenses							
Office of Tax Collector	75,000.00	74,848.10	74,848.10	3,722.90	583.98		
Salaries and Wages	14,725.00	14,725.00	10,418.12				
Other Expenses							
Tax Assessor	49,000.00	53,197.00	53,197.00	12,669.99	953.76		
Salaries and Wages	24,900.00	24,900.00	11,256.25	43,229.76	2,162.79		
Other Expenses	361,875.00	348,813.03	303,420.48				
DEPARTMENT OF COMMUNITY SERVICES							
Administrative Division	125,000.00	124,377.58	114,217.58	4,513.92	10,160.00		
Salaries and Wages	6,550.00	6,550.00	1,561.81		474.27		
Other Expenses							
Health Division	160,000.00	165,099.49	165,099.49	6,387.54	1,027.11		
Salaries and Wages	10,987.50	11,187.50	3,772.85	10,901.46	11,661.38		
Other Expenses	302,537.50	307,214.57	284,651.73				

CITY OF ORANGE TOWNSHIP
CURRENT FUND

STATEMENT OF EXPENDITURES
REGULATORY BASIS
FOR THE SIX MONTHS ENDED DECEMBER 31, 2011

	Budget	Budget After Modification	Paid or Charged	Expended Encumbered	Reserved	Cancelled	Over- Expenditures
OPERATIONS - WITHIN "CAPS" (Continued):							
DEPARTMENT OF COMMUNITY SERVICES (Continued)							
Animal Control							
Salaries and Wages	\$ 25,000.00	\$ 24,033.78	\$ 24,033.78	\$ 25,850.00	\$ 6,537.50	\$	\$
Other Expenses	38,850.00	38,850.00	6,462.50				
Older Adults Services							
Salaries and Wages	5,100.00	8,039.10	8,039.10				
Other Expenses	57,050.00	57,050.00	39,985.81	16,480.00	984.19		
Cultural Affairs							
Salaries and Wages	37,000.00	36,736.29	36,736.29				
Other Expenses	7,600.00	9,300.00	2,146.80	3,806.65	3,346.55		
Recreation							
Salaries and Wages	286,758.00	242,172.00	228,565.25		13,606.75		
Other Expenses	35,000.00	35,000.00	14,399.29	18,653.47	1,947.24		
	<u>502,358.00</u>	<u>451,181.17</u>	<u>360,368.82</u>	<u>64,790.12</u>	<u>26,022.23</u>		
DEPARTMENT OF POLICE							
Administration/Patrol Division							
Salaries and Wages	5,384,000.00	5,213,176.53	5,213,176.53				
Other Expenses	130,400.00	130,400.00	46,906.33	79,993.40	3,500.27		
School Guards							
Salaries and Wages	185,000.00	188,598.50	188,598.50				
	<u>5,709,400.00</u>	<u>5,542,175.03</u>	<u>5,458,681.36</u>	<u>79,993.40</u>	<u>3,500.27</u>		
DEPARTMENT OF FIRE							
Administration Division							
Salaries and Wages	2,597,000.00	2,781,353.82	2,781,353.82				
Other Expenses	89,550.00	89,550.00	11,074.18	73,941.15	4,534.67		
Office of Emergency Management							
Salaries and Wages	1,850.00	1,850.00	1,850.00				
Other Expenses	800.00	800.00			800.00		
	<u>2,669,200.00</u>	<u>2,873,553.82</u>	<u>2,794,278.00</u>	<u>73,941.15</u>	<u>5,334.67</u>		

CITY OF ORANGE TOWNSHIP
CURRENT FUND

STATEMENT OF EXPENDITURES
REGULATORY BASIS
FOR THE SIX MONTHS ENDED DECEMBER 31, 2011

	Budget	Budget After Modification	Paid or Charged	Expended	Encumbered	Reserved	Cancelled	Over-Expenditures
OPERATIONS - WITHIN "CAPS" (Continued):								
DEPARTMENT OF PUBLIC WORKS								
Street Maintenance	\$ 383,000.00	\$ 324,487.86	\$ 324,487.86	\$ 30,570.54	\$ 3,421.34			\$
Salaries and Wages	63,500.00	63,500.00	28,506.12					
Other Expenses								
Maintenance of Parks	63,000.00	65,786.36	65,786.36					
Salaries and Wages	43,000.00	38,000.00	8,101.10	6,535.73	23,363.17			
Other Expenses								
Director's Office	178,000.00	176,231.59	176,231.59	7,740.14	9,127.58			
Salaries and Wages	21,750.00	21,750.00	4,882.28					
Other Expenses								
Equipment and Vehicle Management	292,000.00	292,600.00	231,080.94	60,492.22	1,026.84			
Salaries and Wages								
Other Expenses	22,000.00	22,000.00	21,865.44		134.56			
Building and Grounds	113,000.00	120,300.00	65,734.44	54,007.52	558.04			
Salaries and Wages								
Other Expenses	1,179,250.00	1,124,655.81	927,678.13	159,346.15	37,631.53			
MUNICIPAL COURT								
Salaries and Wages	281,000.00	270,075.35	270,075.35	4,983.15	13,827.20			
Other Expenses	40,700.00	40,700.00	21,889.65					
	321,700.00	310,775.35	291,965.00	4,983.15	13,827.20			
UNIFORM CONSTRUCTION CODE - APPROPRIATIONS								
OFFSET BY DEDICATED REVENUES IN J.A.C. 5.23-4.17)								
Planning and Economic Development(Uniform Construction Code:								
Inspections and Licensing								
Salaries and Wages	37,346.00	24,334.62	24,334.64					0.02
Other Expenses	1,025.00	1,025.00		1,025.00				
	38,371.00	25,359.62	24,334.64					0.02

CITY OF ORANGE TOWNSHIP
CURRENT FUND

STATEMENT OF EXPENDITURES
REGULATORY BASIS
FOR THE SIX MONTHS ENDED DECEMBER 31, 2011

	Budget	Budget After Modification	Paid or Charged	Expended	Cancelled	Over-Expenditures
				Encumbered	Reserved	
OPERATIONS - WITHIN "CAPS" (Continued):						
UNCLASSIFIED						
Utilities:						
Telephone	\$ 75,338.00	\$ 95,338.00	\$ 55,893.24	\$ 17,801.79	\$ 21,542.97	\$
Street Lighting	279,001.00	279,001.00	89,392.30	103,821.60	85,787.10	
Retirement/Termination Pay/Other Compensation						
Salaries and Wages	132,324.26	132,324.26	132,323.17	61,721.01	1.09	
Gas and Electric	243,595.00	243,595.00	122,964.35	348,669.86	58,909.64	
Refuse Removal	1,047,375.00	1,047,375.00	478,123.19		220,581.95	
Reserve for Tax Appeals	300,000.00	300,000.00	300,000.00	10,669.25		
Prior Year's Bills	17,036.00	17,036.00	6,376.75			
Contingent	10,000.00	10,000.00	176.98		9,823.02	
TOTAL UNCLASSIFIED	2,104,669.26	2,124,669.26	1,185,349.96	542,673.51	396,645.77	
TOTAL OPERATIONS WITHIN "CAP"	18,463,472.95	18,383,472.95	16,735,559.39	1,100,134.92	780,437.58	212,638.94
Detail						
Salaries and Wages	11,072,432.26	10,975,973.40	10,948,718.30	1,100,134.92	27,255.12	212,638.94
Other Expenses	7,391,040.69	7,407,499.55	5,786,821.09	1,100,134.92	733,182.46	212,638.94
TOTAL OPERATIONS WITHIN "CAP"	18,463,472.95	18,383,472.95	16,735,539.39	1,100,134.92	780,437.58	212,638.94
DEFERRED CHARGES						
Overexpenditure of Budget Appropriations	168,522.41	168,522.41	168,522.41			
Expenditures without Appropriation	47,506.43	47,506.43	47,506.43			
TOTAL DEFERRED CHARGES	216,028.84	216,028.84	216,028.84			
STATUTORY EXPENDITURES						
Public Employee Retirement System	430,400.00	430,400.00	335,880.81		94,519.19	
Social Security System (O.A.S.I.)						
Consolidated Police and Fire	430,400.00	430,400.00	335,880.81		94,519.19	
Police and Fire Retirement System						
TOTAL STATUTORY EXPENDITURES	860,800.00	860,800.00	671,761.62		189,038.38	
TOTAL GENERAL APPROPRIATIONS FOR MUNICIPAL PURPOSES WITHIN "CAPS"	19,109,901.79	19,029,901.79	17,287,449.04	1,100,134.92	864,956.77	212,638.94

CITY OF ORANGE TOWNSHIP
CURRENT FUND

STATEMENT OF EXPENDITURES
REGULATORY BASIS
FOR THE SIX MONTHS ENDED DECEMBER 31, 2011

	Budget	Budget After Modification	Paid or Charged	Expended		Cancelled	Over-Expenditures
				Encumbered	Reserved		
OPERATIONS - EXCLUDED FROM "CAPS"							
OTHER OPERATIONS							
Municipal Library							
Other Expenses							
Public Employee Retirement System							
Police and Fire Retirement System							
Interlocal Service Agreement							
Orange Board of Education - Extended School Day Program							
Judgements							
	\$ 267,873.20	\$ 347,873.20	\$ 347,873.20	\$	\$	\$	\$
	100,000.00	100,000.00			100,000.00		
	367,873.20	447,873.20	347,873.20		100,000.00		

STATE AND FEDERAL PROGRAMS OFFSET BY REVENUES

FEMA Safer Hiring Grant	1,238,623.00	1,238,623.00					
Clean Community Grant - IJR	37,258.00	37,258.00					
Summer Food Program for Children	294,994.75	294,994.75					
County of Essex - Division on Aging							
Bullet Proof Vests 2011	12,103.00	12,103.00					

CITY OF ORANGE TOWNSHIP
CURRENT FUND

STATEMENT OF EXPENDITURES
REGULATORY BASIS

FOR THE SIX MONTHS ENDED DECEMBER 31, 2011

	Budget	Budget After Modification	Paid or Charged	Expended Encumbered	Reserved	Cancelled	Over- Expenditures
Urban Enterprise Zone:							
Taste of Orange	16,750.00	16,750.00	16,750.00				
Signs and Banner	20,000.00	20,000.00	20,000.00				
Holiday 2011 ECON Initiative	20,000.00	20,000.00	20,000.00				
Essex County Division on Aging	8,100.00	8,100.00	8,100.00				
Recycling Tonnage Grant	9,237.00	9,237.00	9,237.00				
HINT Grant	65,428.00	65,428.00	65,428.00				
N.J. Highway Pedestrian Safety	13,375.00	13,375.00	13,375.00				
NJ Council on the Arts							
	<u>1,735,868.75</u>	<u>1,735,868.75</u>	<u>1,735,868.75</u>				
Total Operations	<u>2,103,741.95</u>	<u>2,183,741.95</u>	<u>2,063,741.95</u>		<u>100,000.00</u>		

CITY OF ORANGE TOWNSHIP
CURRENT FUND

STATEMENT OF EXPENDITURES
REGULATORY BASIS
FOR THE SIX MONTHS ENDED DECEMBER 31, 2011

A-3a

	<u>Ref.</u>	<u>Modified Budget</u>	<u>Paid or Charged</u>
Adopted Budget	A-2	\$ 27,745,731.74	\$
Reserve for Tax Appeals	A-28		300,000.00
Due to Municipal Insurance Fund	A-29		205,000.00
Cash Disbursed	A-4		21,549,744.46
Deferred Charges	A-20		216,028.24
Reserve for Grant Expenditures	A-36		1,735,868.75
Reserve for Uncollected Taxes	A-2d	(1,765,501.00)	1,765,501.00
Cancelled Debt Service	A-1	(131,136.54)	
	A-1, A-3	<u>\$ 25,849,094.20</u>	<u>\$ 25,772,142.45</u>

See accompanying notes to financial statements.

CITY OF ORANGE TOWNSHIP
TRUST FUND

BALANCE SHEET
REGULATORY BASIS
DECEMBER 31, 2011

B

ASSETS	Ref.	LIABILITIES, RESERVES AND FUND BALANCE	Ref.
ANIMAL CONTROL FUND:		ANIMAL CONTROL FUND:	
Cash	B-1	Reserve for Expenditures	B-16
		Due to State of New Jersey	B-8
	\$		
	7,147.60		\$
			7,123.00
			24.60
			<u>7,147.60</u>
GENERAL TRUST FUND:		GENERAL TRUST FUND:	
Cash	B-1	Accounts Payable	B-9
		Interfunds Payable	
	2,009,291.46	Reserve for:	
		Other Expenditures	B-10
	2,009,291.46	Other Deposits	B-11
Due from Municipal Court	B-4	New Jersey Unemployment Insurance	B-12
Other Accounts Receivable	B-6	Premium on Tax Sale	B-13
Interfunds Receivable	B-7		
			418,206.33
			1,159,010.52
			21,003.10
			1,179,352.26
			<u>2,802,121.34</u>
MUNICIPAL INSURANCE TRUST FUND		MUNICIPAL INSURANCE TRUST FUND	
Cash	B-1	Reserve for Municipal Insurance Trust	
Interfunds Receivable	B-7	Fund Expenditures	B-17
	234,004.48		439,695.48
			<u>439,695.48</u>
GRANT TRUST FUND		GRANT TRUST FUND	
Cash	B-1	Interfunds Payable	B-14
Essex County Community Development Block		Reserve for:	
Grants Receivable	B-5	Rehabilitation Grant Refunds	B-15
		Essex County Community Development Block	
		Grants Receivable	B-18
		Other Grant Fund Expenditures	B-19
			168,705.61
			1,659.05
			555,116.00
			110,414.05
			<u>835,894.71</u>
TOTAL ASSETS		TOTAL LIABILITIES AND RESERVES	
	\$		\$
	4,084,859.13		4,084,859.13
			<u>4,084,859.13</u>

See accompanying notes to financial statements.

CITY OF ORANGE TOWNSHIP
GENERAL CAPITAL FUND

BALANCE SHEET
REGULATORY BASIS
DECEMBER 31, 2011

C

<u>ASSETS</u>	<u>Ref.</u>	
Grants Receivable	C-4	\$ 1,273,823.26
Loans Receivable	C-5	1,253,757.70
Deferred Charges to Future Taxation:		
Funded	C-6	16,939,436.54
Unfunded	C-7	3,189,246.00
		\$ 22,656,263.50
<u>LIABILITIES AND FUND BALANCE</u>		
Cash Overdraft	C-2	\$ 48,517.03
General Refunding Bonds	C-21	11,919,180.55
School Serial Bonds	C-20	500,000.00
School Refunding Bonds	C-19	3,230,819.46
Green Acres Trust Loan Payable:		
General	C-18	217,064.17
School	C-17	90,095.29
N.J. Environmental Infrastructure Trust		
Loan Payable	C-16	922,277.07
Demolition Bond Loan Payable	C-15	60,000.00
Due to Current Fund	C-10	227,574.91
Improvement Authorizations:		
Funded	C-8	555,037.79
Unfunded	C-8	4,460,973.70
Capital Improvement Fund	C-9	60,779.61
Reserves for:		
Debt Service	C-11	4,225.00
Grants Receivable	C-12	17,750.00
Capital Lease Program	C-13	267,645.71
Loan Proceeds	C-14	61,176.74
Fund Balance	C-1	13,146.47
		\$ 22,656,263.50
Bonds and Notes Authorized But Not Issued	C-22	\$ 3,189,246.00

See accompanying notes to financial statements.

CITY OF ORANGE TOWNSHIP
GENERAL CAPITAL FUND

STATEMENT OF FUND BALANCE
REGULATORY BASIS
DECEMBER 31, 2011

C-1

	<u>Ref.</u>	
Balance, July 1, 2011 and December 31, 2011	C	<u>\$ 13,146.47</u>

See accompanying notes to financial statements.

CITY OF ORANGE TOWNSHIP
WATER AND SEWER UTILITY

BALANCE SHEET
REGULATORY BASIS
DECEMBER 31, 2011

D
Sheet # 1

<u>ASSETS</u>	<u>Ref.</u>	
Operating Fund:		
Cash - Checking	D-5	\$ 1,916,431.77
Petty Cash	D-8	150.00
		<u>1,916,581.77</u>
Receivables with Full Reserves:		
Consumer Accounts Receivable	D-11	1,968,263.88
Water Liens	D-12	132,437.53
		<u>2,100,701.41</u>
Interfund Receivables	D-10	733,203.36
Due from United Water	D-17	47,282.29
		<u>4,797,768.83</u>
Total Operating Fund		
		<u>4,797,768.83</u>
Capital Fund:		
Cash - Checking	D-5, D-9	\$ 0.30
Loans Receivable	D-13	4,152,487.00
Interfund Receivable	D-10	936,659.58
Fixed Capital	D-14	8,633,725.74
Fixed Capital Authorized and not Completed	D-15	39,288,583.60
Total Capital Fund		<u>\$ 53,011,456.22</u>
Total Assets		
		<u>\$ 57,809,225.05</u>

See accompanying notes to financial statements.

CITY OF ORANGE TOWNSHIP
WATER AND SEWER UTILITY

BALANCE SHEET
REGULATORY BASIS
DECEMBER 31, 2011

D
Sheet # 2

<u>LIABILITIES, RESERVES AND FUND BALANCE</u>	<u>Ref.</u>	
Operating Fund:		
Appropriation Reserves:		
Encumbered	D-4, D-16	\$ 808,371.44
Accrued Interest on Bonds	D-18	121,468.40
Water and Sewer Overpayments	D-19	64,054.64
Interfunds Payable	D-21	875,479.62
		1,869,374.10
Reserve for Receivables		2,100,701.41
Fund Balance		827,693.32
	D-1	4,797,768.83
Capital Fund:		
Serial Bonds Payable	D-25	24,560,000.00
N.J. Environmental Trust Fund	D-24	6,858,849.21
Improvement Authorizations:		
Funded	D-20	3,150,923.34
Unfunded	D-20	2,668,791.62
Interfunds Payable	D-10	733,203.36
Reserve for Amortization	D-22	10,438,179.13
Deferred Reserve for Amortization	D-23	4,565,000.00
Fund Balance	D-2	36,509.56
		53,011,456.22
Total Liabilities, Reserves and Fund Balances		\$ 57,809,225.05
Bonds and Notes Authorized but Not Issued		\$ 1,500,281.00

See accompanying notes to financial statements.

CITY OF ORANGE TOWNSHIP
WATER AND SEWER UTILITY

STATEMENT OF OPERATIONS AND
CHANGES IN FUND BALANCE
REGULATORY BASIS
FOR THE SIX MONTHS ENDED DECEMBER 31, 2011

D-1

	<u>Ref.</u>	
Revenue and Other Income:		
Water and Sewer Rents	D-3	\$ 4,536,183.38
Nonbudget Revenue	D-3	118,232.25
Other Credits to Income:		
Unexpended Balance of Appropriation		
Reserves	D-16	70,414.55
		4,724,830.18
 Expenditures:		
Budget Appropriations		
Operations	D-4	3,195,090.00
Debt Service	D-4	931,410.00
		4,126,500.00
Excess in Revenue		598,330.18
Fund Balance, July 1, 2011	D	229,363.14
		827,693.32
Less: Amount Utilized as Anticipated Revenue	D-1	
Fund Balance, December 30, 2011	D	\$ 827,693.32

See accompanying notes to financial statements.

CITY OF ORANGE TOWNSHIP
WATER AND SEWER UTILITY

STATEMENT OF FUND BALANCE
REGULATORY BASIS
FOR THE SIX MONTHS ENDED DECEMBER 31, 2011

D-2

	<u>Ref.</u>	
Balance, July 1, 2011 and December 31, 2011	D	<u>\$ 36,509.56</u>

See accompanying notes to the financial statements.

CITY OF ORANGE TOWNSHIP

NOTES TO FINANCIAL STATEMENTS FOR THE SIX MONTHS ENDED DECEMBER 31, 2011

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.

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 August 1, November 1, February 1 and May 1. If unpaid on these dates, the amount due becomes delinquent and subject to interest at 8% per annum, or 18% on any delinquency amount in excess of \$1,500.00. 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 in 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 State of New Jersey, current and delinquent taxes are realized as revenue when collected. Since delinquent taxes and liens are fully reserved, no provision has been made to estimate that portion of the taxes receivable and tax title liens that are uncollectible. GAAP requires property tax revenues to be recognized in the accounting period when they become 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 State Division of Local Government Services per N.J.S.A. 40A:4 et seq. The City is not required to adopt budgets for the following funds:

- General Capital 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 of Local Government Services, Department of Community Affairs, State of New Jersey. The Director of the Division of Local Government Services, with the approval of the Local Finance Board, may extend the introduction and approval and adoption dates of the municipal budget. The budget is prepared by fund, function, activity and line item (salary or other expense) and includes information on the previous year. The legal level of control for appropriations is exercised at the individual line item level for all operating budgets adopted. Emergency appropriations, those made after the adoption of the budget and determination of the

tax rate, may be authorized by the governing body of the municipality. During the last two months of the 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 un-matured 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 and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Accordingly, actual results could differ from 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, 2011, the book value of the City's deposits was \$17,432,110.50 and bank balances of the City's cash and deposits amounted to \$18,761,543.65. 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 of Local Government Services. Effective January 1, 2012 tax bills will be mailed once a year on or about July 20th, since the City has changed to a calendar year.

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:

	TY Year <u>2011</u>	Year <u>2010</u>	Year <u>2009</u>	Year <u>2008</u>	Year <u>2007</u>
Tax Rate	<u>\$ 3.450</u>	<u>\$ 3.079</u>	<u>\$ 3.239</u>	<u>\$ 2.951</u>	<u>\$ 2.910</u>
Apportionment of Tax Rate:					
Municipal	\$ 2.266	\$ 1.936	\$ 2.150	\$ 1.903	\$ 1.970
County	0.465	0.441	0.434	0.414	0.370
County Open Space	0.017	0.017	0.017	0.017	0.010
School	<u>0.702</u>	<u>0.685</u>	<u>0.638</u>	<u>0.617</u>	<u>0.560</u>

Assessed Valuations:

<u>Calendar Year</u>	<u>Amount</u>
2011	\$ 1,573,660,083.00
2010	1,601,318,870.00
2009	1,601,607,470.00
2008	1,612,092,114.00
2007	1,617,154,414.00

Comparison of Tax Levies and Collections:

<u>Year</u>	<u>Tax Levy</u>	<u>Collections</u>	<u>Percentage of Collections</u>
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
2008	46,389,015.27	43,679,925.22	94.16
2007	46,371,187.02	43,475,089.47	93.75

Delinquent Taxes and Tax Title Liens:

<u>Year</u>	<u>Amount of Tax Title Liens</u>	<u>Amount of Delinquent Taxes</u>	<u>Total Delinquent</u>	<u>Percentage of Tax Levy</u>
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
2008	34,871.67	2,514,707.58	2,549,579.25	5.49
2007	37,555.29	2,340,760.24	2,378,315.53	5.47

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

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>
TY2011**	\$ 856,500.00
2011	856,500.00
2010	856,500.00
2009	856,500.00
2008	856,500.00
2007	856,500.00

Transition year budget July 1, 2011 to December 31, 2011.

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

5. WATER/SEWER CONSUMER ACCOUNTS RECEIVABLE

The City of Orange Township 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>
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
2008	7,036,242.94	7,264,393.79
2007	6,966,154.89	6,985,541.42

Collections include prior year billings.

6. FUND BALANCES APPROPRIATED

Schedule of Fund Balances Appropriated:

	<u>Year</u>	<u>Balance</u> <u>December</u>	<u>Utilized in Budgets</u> <u>Succeeding Year</u>
Current Year	TY2011**	\$ 3,584,343.74	\$ 1,300,000.00
	2011	2,078,668.91	
	2010	207,378.14	
	2009	2,305,220.05	2,144,139.00
	2008	3,022,957.62	2,611,716.00
Water/Sewer Utility Operating Fund:	TY2011**	827,693.32	
	2011	153,843.14	
	2010	425,528.87	400,000.00
	2009	492,098.09	141,000.00
	2008	1,092,098.09	600,000.00

** 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) Immediately, for employees hired on June 28, 2011 and not subject to Collective Negotiations Agreement ("CNA") that is in effect
- 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 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 these 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) 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 retires early and is under age 62 receives 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 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 imposes a maximum compensation limits for PERS pension contributions for those who become members after May 21, 2010. For 2011, 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 60 times 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 of 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. 2011 imposes a maximum compensation limit for officers who become members after May 21, 2011. For 2011, 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 of Orange Township 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 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 (3) years are as follows:

Year	PERS		PFRS		CPFPF
	Township	Employees	Township	Employees	Township
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 *
2009	370,412.64 *	390,980.41	1,746,855.00 *	1,284,732.54	69,478.02

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

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

9. DEFINED CONTRIBUTION RETIREMENT PROGRAM

Description of System

The Defined Contribution Retirement Program (the "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. This waiver 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.

10. POST RETIREMENT BENEFITS OTHER THAN PENSIONS

As of December 2011, the City contributes to the State Health Benefits Program (SHBP), a cost-sharing, multiple-employer defined benefit post-employment healthcare plan administered by the State of New Jersey Division of Pensions and Benefits. SHBP was established in 1961 under N.J.S.A. 52:14- 17.25 et seq., to

provide health benefits to State employees, retirees, and their dependents. Rules governing the operation and administration of the program are found in Title 17, Chapter 9 of the New Jersey Administrative Code. SHBP provides medical, prescription drugs, mental health/substance abuse, and Medicare Part B reimbursement to retirees and their covered dependents.

The SHBP was extended to employees, retirees and dependents of participating local public employers in 1964. Local employers must adopt a resolution to participate in the SHBP.

The State Health Benefits Commission is the executive body established by statute to be responsible for the operation of the SHBP. The State of New Jersey Division of Pensions and Benefits issues a publicly available financial report that includes financial statements and required supplementary information for 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 08625-0295 or by visiting their website at www.state.nj.us/treasury/pensions/gasb-43-sept2008.pdf.

The City, by contractual agreement, provides certain post-employment benefits to retired employees and their spouses and dependent children for health insurance and prescriptions.

For the employee to be eligible for such benefits the retiree in the Public Employees' Retirement System or the Police and Firemen's Retirement System must have twenty-five years or more of pension service credits.

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 premiums of participating retirees in the SHBP are billed to the City of Orange Township on a monthly basis.

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 2011</u>	<u>Fiscal Year 2011</u>	<u>Fiscal Year 2010</u>
<u>Bonds and Notes Issued</u>			
General Capital:			
Bonds	\$ 11,919,180.55	\$ 14,403,132.12	\$ 17,206,808.72
Loans	1,199,341.24	1,559,604.04	1,987,109.16
Water and Sewer Utility:			
Bonds	24,560,000.00	24,560,000.00	25,505,000.00
Loans	6,858,849.21	7,124,192.11	7,440,624.57
Total Issued	<u>44,537,371.00</u>	<u>47,646,928.27</u>	<u>52,139,542.45</u>
<u>Authorized but Not Issued</u>			
General:			
Bonds and Notes	3,189,246.00	3,189,246.00	3,189,246.00
Water and Sewer Utility:			
Bonds and Notes	1,500,281.00	1,500,281.00	1,500,281.00
	<u>4,689,527.00</u>	<u>4,689,527.00</u>	<u>4,689,527.00</u>
Total Debt	<u>\$ 49,226,898.00</u>	<u>\$ 52,336,455.27</u>	<u>\$ 56,829,069.45</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 .78% at December 31, 2011.

	<u>Gross Debt</u>	<u>Deductions</u>	<u>Net Debt</u>
Local School District	\$ 3,820,914.75	\$ 3,820,914.75	\$
Water and Sewer Utility Debt	32,919,130.21	32,919,130.21	
Other Bonds and Notes	<u>16,307,767.79</u>	<u>2,426,975.00</u>	<u>13,880,792.79</u>
	<u>\$ 53,047,812.75</u>	<u>\$39,167,019.96</u>	<u>\$13,880,792.79</u>

Net Debt, \$13,880,792.79 divided by Equalized Valuation Basis per N.J.S.A. 40:A2-2 as amended, \$1,782,504,100.67 equals 0.78%.

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

3 1/2% of Equalized Valuation Basis (Municipal)	\$ 62,387,643.52
Net Debt	<u>13,880,792.79</u>
Remaining Borrowing Capacity	<u>\$ 48,506,850.73</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	\$ 4,654,415.63
Deductions:	
Operating and Maintenance Cost	\$ 3,195,090.00
Debt Service per Water/Sewer Utility Operating Fund	<u>931,410.00</u>
	<u>4,126,500.00</u>
Excess in Revenue	<u>\$ 527,915.63</u>

There being an excess in revenue, all Water/Sewer Debt is deductible for Debt Statement Purposes.

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

As of December 31, 2011, the City's long-term debt is as follows:

General Obligation Bonds

\$4,865,000.00: 2003 Pension Refunding Bonds are due in annual installments of \$430,000.00 to \$535,000.00 through May 2016, interest at 4.52% *	\$ 2,405,000.00
\$1,511,471.34: 2006 Refunding Bonds, Series A due in annual installments of \$319,735.86 to \$328,751.85 through December 2012, interest at 4.00% to 5.00% *	328,751.85
\$3,139,246.63:2000 Refunding Bonds, Series C due in annual installments of \$656,519.71 to \$691,599.70 through December 2012, interest at 5.05% to 5.21%	691,599.70
\$3,655,000.00: 2007 Refunding Bonds due in annual installments of \$305,000.00 to \$365,000.00 through August 2019, interest at 3.90%	2,745,000.00
\$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 3.25% to 4.00%.	<u>5,748,829.00</u>
	<u>\$ 11,919,180.55</u>

Water Utility Bonds

\$30,000,000.00: 2003 Bonds due in annual installments of \$925,000.00 to \$2,400,000.00 through June 2027, interest at 4.00% to 5.00% *	<u>\$ 24,560,000.00</u>
* Qualified Bond Act (P.L. 1976, c.38)	<u>\$ 24,560,000.00</u>

Green Acres Trust Loans

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

Renovation of Ropes Playground

\$125,000.00 loan due in annual installments of \$3,900.14 to \$4,018.30 through June 2013, interest at 2%	\$ 11,935.99
--	--------------

Multi-Parks Project

\$250,000.00 loan due in annual installments of \$12,820.52 through February 2028, no interest	<u>205,128.18</u>
	<u>\$ 217,064.17</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

	Total	Year 1999	Year 2000
Trust Fund	\$ 525,000.00	\$ 130,000.00	\$ 395,000.00
Fund Share	<u>397,277.07</u>	<u>99,691.44</u>	<u>297,585.63</u>
	<u>\$ 922,277.07</u>	<u>\$ 229,691.44</u>	<u>\$ 692,585.63</u>

Water and Sewer Utility Debt

	December 31, 2011
Trust Fund	\$3,580,000.00
Fund Share	<u>3,278,849.21</u>
	<u>\$6,858,849.21</u>

Demolition Bond Loan Payable

Loan agreements were entered into by the City of Orange Township with the New Jersey Department of Community Affairs for the purpose of demolition of unsafe buildings at an interest rate of 4%. The annual principal payments December 31, 2011 is as follows:

<u>Year</u>	<u>Total Debt Service</u>	<u>Loan 2003</u>	
		<u>Principal</u>	<u>Interest</u>
2012	\$31,200.00	\$30,000.00	\$1,200.00
2013	<u>31,200.00</u>	<u>30,000.00</u>	<u>1,200.00</u>
	<u>\$62,400.00</u>	<u>\$ 60,000.00</u>	<u>\$ 2,400.00</u>

Bond Anticipation Notes

There were no Bond Anticipation Notes outstanding at December 31, 2011.

Bond and Notes Authorized but Not Issued

	Balance December 31, 2011
General Capital Fund:	
General Improvements	<u>\$3,189,246.00</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
2012	\$ 2,557,405.33	\$ 925,000.00	\$ 1,121,835.00	\$ 326,657.83	\$ 183,912.50
2013	2,576,650.99	980,000.00	1,080,877.50	338,610.99	177,162.50
2014	2,589,358.80	1,040,000.00	1,037,187.50	342,258.80	169,912.50
2015	2,610,602.49	1,105,000.00	989,428.75	353,761.24	162,412.50
2016	2,619,043.32	1,170,000.00	937,672.50	356,958.32	154,412.50
2017	2,637,017.52	1,240,000.00	882,845.00	368,010.02	146,162.50
2018	2,651,006.23	1,310,000.00	824,832.50	378,761.23	137,412.50
2019	2,667,654.46	1,390,000.00	760,280.00	389,211.96	128,162.50
2020	2,675,774.23	1,470,000.00	688,780.00	399,069.23	117,925.00
2021	2,687,982.99	1,560,000.00	613,030.00	408,302.99	106,650.00
2022	2,699,686.21	1,655,000.00	532,655.00	417,206.21	94,825.00
2023	2,713,763.77	1,750,000.00	447,530.00	433,783.77	82,450.00
2024	2,966,765.66	2,100,000.00	355,655.00	441,860.66	69,250.00
2025	2,956,863.09	2,180,000.00	261,750.00	458,363.09	56,750.00
2026	2,962,894.93	2,285,000.00	167,985.00	466,409.93	43,500.00
2027	2,971,911.14	2,400,000.00	60,000.00	482,161.14	29,750.00
2028	512,711.80			497,461.80	15,250.00
	<u>\$ 44,057,092.96</u>	<u>\$ 24,560,000.00</u>	<u>\$ 10,762,343.75</u>	<u>\$ 6,858,849.21</u>	<u>\$ 1,875,900.00</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		Demolition Bond Loan		Total and Sewer Utility	
		Principal	Interest	Principal	Interest	Principal	Interest	Principal	Interest	Principal	Interest
2012	3,864,406.66	2,093,152.55	484,819.10	20,738.21	189.33	306,492.47	27,805.00	30,000.00	1,200.00	2,557,405.33	1,305,747.50
2013	2,591,931.38	2,085,948.00	354,583.12	16,838.82	40.21	83,566.23	19,755.00	30,000.00	1,200.00	2,576,650.99	1,258,040.00
2014	2,539,760.64	2,159,095.00	268,559.20	12,820.52		82,005.92	17,280.00			2,569,358.80	1,207,100.00
2015	1,738,461.53	1,450,911.00	179,479.40	12,820.52		80,445.61	14,805.00			2,610,602.49	1,151,841.25
2016	1,727,661.93	1,496,895.00	118,478.96	12,820.52		87,037.45	12,330.00			2,619,043.32	1,092,085.00
2017	1,202,178.51	1,016,079.00	68,243.08	12,820.52		93,455.91	9,580.00			2,637,017.52	1,028,007.50
2018	498,758.86	360,000.00	27,885.00	12,820.52		91,488.34	6,555.00			2,651,006.23	962,245.00
2019	482,860.86	355,000.00	13,845.00	12,820.52		97,775.14	3,420.00			2,667,654.46	888,442.50
2020	12,820.52			12,820.52						2,675,774.23	806,705.00
2021	12,820.52			12,820.52						2,687,782.99	719,480.00
2022	12,820.52			12,820.52						2,699,486.21	627,280.00
2023	12,820.52			12,820.52						2,713,763.77	529,980.00
2024	12,820.52			12,820.52						2,966,765.66	424,905.00
2025	12,820.52			12,820.52						2,956,863.09	318,500.00
2026	12,820.52			12,820.52						2,962,894.93	211,485.00
2027	12,820.52			12,820.52						2,971,911.14	89,750.00
2028										512,711.80	15,250.00
	\$ 14,749,584.33	\$ 11,919,180.55	\$ 1,515,892.86	\$ 217,984.31	\$ 239.54	\$ 922,277.07	\$ 111,530.00	\$ 60,000.00	\$ 2,400.00	\$ 44,956,692.96	\$ 12,637,843.75

* Interest Fee

** 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 of Orange Township (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

\$5,675,000.00, 1997 Bonds due in annual installments of \$495,000.00 to \$500,000.00 through July 2012, interest at 4.90% to 5.00%	\$ 500,000.00
\$2,213,528.66, 2006 Refunding Bonds, Series A due in annual installments of \$45,264.14 to \$46,248.15 through December 2012, interest at 4.00% to 5.00%	46,248.16
\$520,000.00, 2006 Refunding Bonds, Series B due in annual installments of \$100,000.00 to \$110,000.00 through December 2012, interest at 3.35% to 3.70%	110,000.00
\$445,753.37, 2006 Refunding Bonds , series C due in annual installments of \$93,480.29 to \$98,400.30 through December 2012, interest at 5.05% to 5.21%	98,400.30
\$1,015,000.00, 2006 Refunding Bonds, Series D due in annual installments of \$215,000.00 to \$225,000.00 through December 2012, interest at 5.05% to 5.21%	225,000.00
\$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 3.25% to 4.00%	831,171.00
\$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 3.25% to 4.00%.	1,920,000.00
	<u>\$ 3,730,819.46</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 \$14,499.85 to \$15,391.87 through August 2014, interest at 2%	<u>\$ 90,095.29</u>
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City of Orange

School Debt - Type 1 School District

School Debt

Fiscal Year	Total	School Debt		School Bonds		School Serial Bonds Type 1		Green Acres Trust Loan - Bell Stadium	
		Principal	Interest	Principal	Interest	Principal	Interest	Principal	Interest
2012	1,754,749.44	1,066,847.45	131,810.40	500,000.00	25,000.00	29,436.14	1,655.45		
2013	721,702.48	604,052.00	86,558.88			30,027.81	1,063.79		
2014	724,393.39	630,905.00	62,396.80			30,631.36	460.23		
2015	336,249.60	299,089.00	37,160.60						
2016	333,202.04	308,005.00	25,197.04						
2017	334,797.84	321,921.00	12,876.84						
	\$ 4,205,094.79	\$ 3,230,819.45	\$ 356,000.56	\$ 500,000.00	\$ 25,000.00	\$ 90,095.31	\$ 3,179.47		

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

13. INTERFUND RECEIVABLES AND PAYABLES

As of December 31, 2011, 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	\$1,302,821.21	\$1,847,856.83
Federal and State Grant Fund		93,901.70
General Trust Fund	768,346.88	
Municipal Insurance Fund	205,691.00	
Grant Trust Fund		168,705.61
General Capital Fund		227,574.91
Water and Sewer Utility	733,203.36	875,479.62
Water and Sewer Capital	<u>936,659.58</u>	<u>733,203.36</u>
	<u>\$3,946,722.03</u>	<u>\$3,946,722.03</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, 2011, the following deferred charges are shown on the balance sheet of the Current Fund.

	<u>Balance December 31, 2011</u>	<u>Amount Raised in 2012 Transitional Budget</u>
Current Fund:		
Over Expenditure of Budget Appropriations	\$ 212,638.94	\$ 212,638.94
Expenditures of Reserve Appropriations	20,481.09	20,481.09
Special Emergency Appropriations	<u>2,027,163.95</u>	<u>405,432.79</u>
	<u>\$ 2,260,283.98</u>	<u>\$ 638,552.82</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, 2011 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, 2011.

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

	<u>Balance July 1, 2011</u>	<u>Increase</u>	<u>Decrease</u>	<u>Balance December 31, 2011</u>
General Liability	<u>\$ 378,053.33</u>	<u>\$ 608,856.61</u>	<u>\$ 547,214.46</u>	<u>\$ 439,695.48</u>

16. CONTINGENT LIABILITIES

The City of Orange Township 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 year ended June 30, 2010 and June 30, 2011.

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.

During the audit period, the City instituted a temporary layoff plan (furlough). Pursuant to the provisions of N.J.S.A. 11A:8-1 that for reasons of economy efficiency, a temporary layoff of all affected employees will occur. Between February 2011 and June 2011, a total of 12 furlough days had been implemented.

Tax Appeals

As of December 31, 2011, 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 several federal and state grant programs which are governed by various rules and regulations of the grantor agencies; therefore, to the extent that the City has not complied with the rules and regulations governing the grants, refunds of any money received may be required and the collectability of any related receivable at December 31, 2011, may be impaired. In the opinion of management, there are no significant contingent liabilities relating to compliance with the rules and regulations governing the respective grants; therefore, no provisions have been recorded in the accompanying regulatory basis financial statements for such contingencies.

Litigation

Local governments are required to disclose contingencies in accordance with standards relating to contingencies. The City has various lawsuits and claims arising from the conduct of its business. While these cases are in either discovery or early stages of discovery, the City believes, after consultation with legal counsel and considering the factors that gave rise to such litigation, that the overall results there from would not have a material adverse effect on the financial condition, results of operations and cash flows of the City.

17. SUBSEQUENT EVENT

The City has evaluated subsequent events occurring after December 31, 2011 through June 27, 2012, which is the date the financial statements were available to be issued. Based on this evaluation, management has determined that there was no significant subsequent event that requires disclosure.

CITY OF ORANGE TOWNSHIP
CURRENT FUND

CASH RECEIPTS AND DISBURSEMENTS
FOR THE SIX MONTHS ENDED DECEMBER 31, 2011

A-4

	<u>Ref.</u>	<u>Regular Fund</u>
Balance, July 1, 2011	A	<u>\$ 8,326,125.60</u>
Increased by Receipts:		
Transfers from Tax Collector	A-6	34,728,344.14
Due from State of New Jersey per Ch.129 P.L. 1976	A-10	85,656.85
Interfunds Receivable	A-19	2,356,847.97
Due from New Jersey	A-27	<u>3,675.00</u>
		<u>37,174,523.96</u>
Decreased by Disbursements:		
Budget Appropriations	A-3a	21,549,744.46
Interfunds Receivable	A-19	2,486,613.73
Appropriation Reserves	A-23	1,503,429.43
Interfunds Payable	A-29	1,232,817.42
County Taxes	A-30	3,937,449.89
Local School District Tax	A-31	2,561,891.73
Due from New Jersey	A-27	3,760.00
Refund of Prior Year Revenue	A-1	365,928.16
		<u>33,641,634.82</u>
Balance, December 31, 2011	A, A-5	<u>\$ 11,859,014.74</u>

See Independent Auditors' Report

CITY OF ORANGE TOWNSHIP
CURRENT FUND

BANK RECONCILIATION
FOR THE SIX MONTHS ENDED DECEMBER 31, 2011

A-5

Bank Reconciliation, December 31, 2011

Balance per bank Statements:

Bank of America, Orange, New Jersey

Account # 0801-00209 \$ 11,104,091.02

Account # 046128-6579 133,344.91

Account # 03812673088 144,451.36

Account # 3810-1335-3450 10,754.17

PNC Bank, Orange, New Jersey

Account # 80-2437-6922 264,135.32

11,656,776.78

Add: Deposits in Transit

370,484.00

12,027,260.78

Less: Outstanding Checks

168,246.04

\$ 11,859,014.74

Ref.

A

See Independent Auditors' Report

CITY OF ORANGE TOWNSHIP
CURRENT FUND

CASH RECEIPTS AND DISBURSEMENTS - COLLECTOR
FOR THE SIX MONTHS ENDED DECEMBER 31, 2011

A-6

	<u>Ref.</u>		
Increased by:			
Interest and Costs on Taxes	A-2a	\$ 233,568.39	
Miscellaneous Revenue Not Anticipated	A-2d	232,516.25	
Taxes Receivable	A-11	25,417,569.61	
Tax Title Liens	A-12	54,342.24	
Other Accounts Receivable	A-17	115,264.95	
Other Liens Receivable	A-15	1,995.26	
Revenue Accounts Receivable	A-16	8,568,555.16	
Prepaid Taxes	A-32	<u>104,532.28</u>	
			<u>\$ 34,728,344.14</u>
Decreased by:			
Turnovers to Treasurer	A-4		<u>\$ 34,728,344.14</u>

CITY OF ORANGE TOWNSHIP
CURRENT FUND

INVESTMENTS
FOR THE SIX MONTHS ENDED DECEMBER 31, 2011

A-7

	<u>Ref.</u>	
Balance, July 1, 2011 and December 31, 2011	A	<u>\$ 969,139.99</u>

See Independent Auditors' Report

CITY OF ORANGE TOWNSHIP
CURRENT FUND

CHANGE FUNDS
FOR THE SIX MONTHS ENDED DECEMBER 31, 2011

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 SIX MONTHS ENDED DECEMBER 31, 2011

A-9

	<u>Funds Established</u>	<u>Funds Returned</u>
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

CITY OF ORANGE TOWNSHIP
CURRENT FUND

DUE FROM STATE OF NEW JERSEY
PER CHAPTER 129 P.L. 1976
FOR THE SIX MONTHS ENDED DECEMBER 31, 2011

A-10

	<u>Ref.</u>		
Balance, July 1, 2011	A		\$ 47,763.50
Increased by:			
Deductions per Tax Billings			
Senior Citizens		\$ 42,906.85	
Veterans		42,750.00	
		<u>85,656.85</u>	
Allowed by Tax Collector:			
Veterans		<u>500.00</u>	
	A-2d, A-11		<u>86,156.85</u>
			<u>133,920.35</u>
Decreased by:			
Collections	A-4		<u>85,656.85</u>
Balance, December 31, 2011	A		<u><u>\$ 48,263.50</u></u>

See Independent Auditors' Report

CITY OF ORANGE TOWNSHIP
CURRENT FUND

SCHEDULE OF TAXES RECEIVABLE AND ANALYSIS OF PROPERTY TAX LEVY
FOR THE SIX MONTHS ENDED DECEMBER 31, 2011

A-11

Year	Balance, July 1, 2011	Levy	Collected 2011	2011 TY	Senior Citizens' and Veterans' Deductions	Tax Title Liens	Cancelled	Balance, December 31, 2011
2009	\$ 3,829.71			1,621.86				\$ 2,207.85
2010	43,518.21			30,976.72				12,541.49
2011	2,685,826.20	17,579.65		2,163,484.52		411,151.07	17,601.76	111,168.50
	2,733,174.12	17,579.65		2,196,083.10		411,151.07	17,601.76	125,917.84
2011 TY	\$ 2,733,174.12	\$ 27,124,351.13	43,187.41	23,221,486.51	86,156.85	361,001.93	410,954.09	3,001,564.34
		\$ 27,159,510.43	\$ 43,187.41	\$ 25,417,569.61	\$ 86,156.85	\$ 772,153.00	\$ 428,555.85	\$ 3,127,482.18

Reference

A

Below

A-32

A-2d, A-6

A-10

A-12

Reserve

A

ANALYSIS OF 2011 PROPERTY
TAX LEVY:

Ref.

General Purpose Tax:
General Property Tax
Business Personal Property Tax
Added Taxes

\$ 27,159,510.43

\$ 27,159,510.43

Above

Tax Levy:

Local District School Tax Levy
County Tax
County for Added Taxes

\$ 5,150,053.00
3,937,449.99
9,090,080.78

Local Tax for Municipal Purposes
Added Taxes

18,284,981.99
(215,552.34)
18,069,429.65

\$ 27,159,510.43

Above

CITY OF ORANGE TOWNSHIP
CURRENT FUND

TAX TITLE LIENS
FOR THE SIX MONTHS ENDED DECEMBER 31, 2011

A-12

	<u>Ref.</u>		
Balance, July 1, 2011	A		\$ 439,861.44
Increased by:			
Transfer from Taxes Receivable	A-11	\$ 772,153.00	
Interest and Costs on Taxes	Reserve	<u>53,937.46</u>	
			<u>826,090.46</u>
			1,265,951.90
Decreased by:			
Collections	A-2d, A-6	<u>54,342.24</u>	
			<u>54,342.24</u>
Balance, December 31, 2011	A		<u>\$ 1,211,609.66</u>

SCHEDULE OF PROPERTY ACQUIRED FOR TAXES
FOR THE SIX MONTHS ENDED DECEMBER 31, 2011

A-13

	<u>Ref.</u>		
Balance, July 1, 2011 and December 31, 2011	A		<u>\$ 856,500.00</u>

CITY OF ORANGE TOWNSHIP
CURRENT FUND

SALES CONTRACT RECEIVABLE
FOR THE SIX MONTHS ENDED DECEMBER 31, 2011

A-14

	<u>Ref.</u>	
Balance, July 1, 2011 and December 31, 2011	A	<u>\$ 80,601.00</u>

Analysis of Balance

	<u>Block</u>	<u>Lot</u>	
	29	A	\$ 4,001.00
	51	A	1,000.00
	101	A	10,600.00
	101	A	3,000.00
	111	A	1,000.00
	112	A	1,000.00
	114	26	60,000.00
			<u>\$ 80,601.00</u>

CITY OF ORANGE TOWNSHIP
CURRENT FUND

OTHER LIENS RECEIVABLE
FOR THE SIX MONTHS ENDED DECEMBER 31, 2011

A-15

	<u>Ref.</u>	<u>Other Liens Receivable</u>
Balance, July 1, 2011	A	\$ 200,148.02
Increased by:		
Transferred from Other Accounts Receivable	A-17	164,576.25
Interest and Costs	Reserve	<u>22,239.52</u>
		<u>386,963.79</u>
Decreased by:		
Collections	A-4, A-1, A-6	1,995.26
Cancelled	Reserve	<u>198.26</u>
Balance, December 31, 2011	A	<u><u>\$ 384,770.27</u></u>
Analysis:		
Property Maintenance		\$ 335,377.45
Year End Penalty		34,742.36
Tax Sale Costs		<u>14,650.46</u>
		<u><u>\$ 384,770.27</u></u>

CITY OF ORANGE TOWNSHIP
CURRENT FUND

SCHEDULE OF REVENUE ACCOUNTS RECEIVABLE
FOR THE SIX MONTHS ENDED DECEMBER 31, 2011

A-16

	<u>Ref.</u>	<u>Balance,</u> <u>July 1, 2011</u>	<u>Accrued</u> <u>in 2011</u>	<u>Collected</u> <u>by</u> <u>Treasurer</u>	<u>Balance,</u> <u>December 31, 2011</u>
Licenses:					
Alcoholic Beverages	A-2a	\$	\$ 3,255.00	\$ 3,255.00	\$
Other	A-2a		34,095.00	34,095.00	
Fees and Permits:					
Uniform Construction Code Fees			368,596.68	368,596.68	
Other	A-2a		150,525.30	146,850.30	
Fines and Costs - Municipal Court	A-2a	71,228.55	562,594.57	564,931.80	68,891.32
Parking Meters	A-2a		17,530.00	17,530.00	
Building in Aid Allowance for School - State Aid	A-2a		895,421.00	895,421.00	
Rent Leveling Fees			550.00	550.00	
Interest on Investments and Deposits	A-2a		66.21	66.21	
Interest on Costs and Taxes					
Payments in Lieu of Taxes:					
Transport of New Jersey	A-2a		52,760.50	52,760.50	
Our Lady of Mt. Carmel Senior Citizens	A-2a		70,905.00	70,905.00	
Millennium Homes - RPM	A-2a		11,762.50	11,762.50	
South Essex Urban Renewal	A-2a		34,579.50	34,579.50	
Oakwood Towers	A-2a		87,918.00	87,918.00	
Salem Towers - High Street Associates	A-2a		79,027.50	79,027.50	
Orange Park Apartments Associates, Ltd.	A-2a		74,869.00	74,869.00	
The Berkeley	A-2a		15,865.50	15,865.50	
Lincoln Court	A-2a		27,646.00	27,646.00	
Franchise Fee from Cablevision Gross Revenue	A-2a				
Collections per N.J.S.A. 48:5A-30	A-2a	43,016.00			43,016.00
Consolidated Municipal Property Tax Relief	A-2a		3,444,144.51	3,444,144.51	
Energy Receipts Tax	A-2a		2,595,531.16	2,595,531.16	
Sale of SREC's	A-2a		42,250.00	42,250.00	
		<u>\$ 114,244.55</u>	<u>\$ 8,569,892.93</u>	<u>\$ 8,568,555.16</u>	<u>\$ 111,907.32</u>
Ref.		A		A-6	A

CITY OF ORANGE TOWNSHIP
CURRENT FUND

OTHER ACCOUNTS RECEIVABLE
FOR THE SIX MONTHS ENDED DECEMBER 31, 2011

A-17

	<u>Ref.</u>		
Balance, July 1, 2011	A		\$ 264,530.59
Increased by:			
Billings:			
Property Maintenance		\$ 19,721.36	
Year End Penalties		24,444.55	
Cost of Sale		<u>57,930.13</u>	
	Reserve		<u>102,096.04</u>
			<u>366,626.63</u>
Decreased by:			
Cancelled	Reserve	1,515.76	
Transferred to Other Liens Receivable	A-15	164,576.25	
Cash Received	A-1, A-6	<u>115,264.95</u>	
			<u>281,356.96</u>
Balance, December 31, 2011	A		<u><u>\$ 85,269.67</u></u>
<u>Analysis of Balance</u>			
Court Restitution			\$ 14,000.00
Property Maintenance			31,733.08
Year End Penalty			29,486.98
Cost of Sales			<u>10,049.61</u>
			<u><u>\$ 85,269.67</u></u>

CITY OF ORANGE TOWNSHIP
CURRENT FUND

DEPOSITS RECEIVABLE
FOR THE SIX MONTHS ENDED DECEMBER 31, 2011

A-18

	<u>Ref.</u>	<u>Total</u>	<u>County Register Mortgages</u>	<u>Superior Court of New Jersey</u>
Balance, July 1, 2011 and December 31, 2011	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

INTERFUNDS RECEIVABLE
FOR THE SIX MONTHS ENDED DECEMBER 31, 2011

A-19

Ref.	Total	Federal and State Grant Fund	Animal Control Trust Fund	Grant Trust Fund	General Capital Fund	Water and Sewer Operating Fund	Payroll Fund
A	\$ 1,173,036.16	\$ 625,782.86	\$ 3,760.00	\$ 168,705.61	\$ 2,486.32	\$ 241,777.49	\$ 130,523.88
Increased by:							
Interfund Advances	2,486,613.73	1,665,752.48			250,000.00	570,861.25	
Miscellaneous Revenue not Anticipated	19.29				19.04	0.25	
	<u>2,486,633.02</u>	<u>1,665,752.48</u>			<u>250,000.00</u>	<u>570,861.50</u>	
	<u>3,659,669.18</u>	<u>2,291,535.34</u>	<u>3,760.00</u>	<u>168,705.61</u>	<u>252,486.32</u>	<u>812,638.99</u>	<u>130,523.88</u>
Decreased by:							
Interfund Returns	2,356,847.97	2,197,633.64	3,760.00		24,930.45		130,523.88
	<u>2,356,847.97</u>	<u>2,197,633.64</u>	<u>3,760.00</u>		<u>24,930.45</u>		<u>130,523.88</u>
A	\$ 1,302,821.21	\$ 93,901.70	\$	\$ 168,705.61	\$ 227,555.87	\$ 812,638.99	\$

Net Debit to Operations	
Balance, December 31, 2011	\$ 1,302,821.21
Balance, July 1, 2011	<u>1,173,036.16</u>
Net Debit	<u>\$ 129,785.05</u>

CITY OF ORANGE TOWNSHIP
CURRENT FUND

A-20

DEFERRED CHARGES
FOR THE SIX MONTHS ENDED DECEMBER 31, 2011

	<u>Balance,</u> <u>July 1, 2011</u>	<u>Raised In</u> <u>Budget</u>	<u>Current Year</u> <u>2011</u>	<u>Balance,</u> <u>December 31, 2011</u>
Overexpenditure of Budget Appropriations	\$ 168,672.97	\$ 168,672.97	\$ 212,638.94	\$ 212,638.94
Expenditures Without Budget Appropriations	47,355.87	47,355.87		
Overexpenditure of Appropriation Reserve	<u>216,028.84</u>	<u>216,028.84</u>	<u>20,481.09</u>	<u>20,481.09</u>
	<u>\$ 216,028.84</u>	<u>\$ 216,028.84</u>	<u>\$ 233,120.03</u>	<u>\$ 233,120.03</u>
<u>Ref.</u>	A	A-30	A-3, A-23	A

CITY OF ORANGE TOWNSHIP
CURRENT FUND

DEFERRED CHARGES
N.J.S.A.40A:4-55 SPECIAL EMERGENCY -REVALUATION PROGRAM
FOR THE SIX MONTHS ENDED DECEMBER 31,2011

A-21

<u>Date</u> <u>Authorized</u>	<u>Purpose</u>	Net Amount <u>Authorized</u>	1/5 Net Amount <u>Authorized</u>	Balance <u>July 1, 2011</u>	Balance <u>December 31, 2011</u>
	Accrued Vacation and Sick Time	\$ 2,027,163.95	\$ 405,432.79	\$ 2,027,163.95	\$ 2,027,163.95
				A	A

CITY OF ORANGE TOWNSHIP
CURRENT FUND

GRANTS RECEIVABLE
FOR THE SIX MONTHS ENDED DECEMBER 31, 2011

	Balance July 1, 2011	2011 Grants	Collections	Balance December 31, 2011
State Grants:				
New Jersey Transportation Trust Fund Authority Act:				
Fiscal Year 2001	\$ 14,744.09	\$	\$	\$ 14,744.09
Fiscal Year 2002	196,113.73			196,113.73
Fiscal Year 2003	58,651.19			58,651.19
Fiscal Year 2004	112,650.49			112,650.49
Fiscal Year 2005	55,148.47			55,148.47
Fiscal Year 2006	180,637.99			180,637.99
Fiscal Year 2007	14,155.62			14,155.62
Fiscal Year 2008 - Sterling Ave	72,360.63			72,360.63
Way Finding Signage	100,000.00			100,000.00
Various Streets	311,808.00			311,808.00
Summer Food Program for Children				
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	71,500.65			71,500.65
Transition Year 2012		294,994.75	147,111.70	147,883.05
Clean Communities Act:				
Calendar Year 2010	21,822.75			21,822.75
Fiscal Year 2011		37,258.00		37,258.00
Safe and secure Community Program:				
Fiscal Year 2008	90,000.00			90,000.00
Fiscal Year 2008			87,994.00	2,006.00
Urban Enterprise Zone Program:				
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
03-08 Litter Equipment	26,575.72			26,575.72
03-18 Administrative Expenses	84,348.37			84,348.37
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	8,077.98			8,077.98
04-142 Policing	539.79			539.79
05-19 Administration Expense	33,315.31			33,315.31
05-85 Litter Equipment	76,787.92			76,787.92
05-137 Integrated Marketing Plan - Phase II	52,856.07			52,856.07
05-156 Advertising Co-Op	27.50			27.50
06-21 Administration Expense	53,827.78			53,827.78
06-89 Police Vehicle Acquisition	3,618.96			3,618.96

CITY OF ORANGE TOWNSHIP
CURRENT FUND

GRANTS RECEIVABLE
FOR THE SIX MONTHS ENDED DECEMBER 31, 2011

	Balance July 1, 2011	2011 Grants	Collections	Balance December 31, 2011
State Grants:				
Urban Enterprise Zone Program:				
06-143 Main Street Streetscape	\$ 99,276.44	\$ -	12,733.33	\$ 86,543.11
06-144 Integrated Marketing Plan - Phase III	7,710.36	-	6,574.12	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
08-64 Downtown Main Street Feasibility Study- Phase I	7,900.00	-	7,900.00	-
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
09-134 Litter Collection - Phase VI	6,718.79	-	6,718.79	-
09-160 Smart Future Phase II	26,120.25	-	24,467.30	1,652.95
10-21 Administration Expense	112,172.59	-	112,172.33	0.26
UEZA Central Avenue Streetscape	664,739.31	-	539,613.78	125,125.53
03-09 Street Decorations	30,808.35	-	-	30,808.35
03-60 Advertising Initiative	27,282.27	-	13,083.00	14,199.27
UEZ Policing Phase XIII	33,389.31	-	33,389.31	-
Police Project Phase XIV	22,875.45	-	-	22,875.45
UEZA - ADM Administration FY11	-	16,750.00	16,750.00	-
UEZ - Taste of Orange	-	20,000.00	20,000.00	-
UEZ - Signs & Banners	-	20,000.00	20,000.00	-
UEZ - Holiday 2011 ECON Initiative	-	20,000.00	20,000.00	-
Transportation Enhancement - Train Station	-	-	-	-
Phase II- Fiscal Year 2002	200,000.00	-	-	200,000.00
Fiscal Year 2010	583,457.00	-	-	583,457.00
N.J. Department of Transportation Various Streets	231,497.75	-	-	231,497.75
Fiscal Year 2010	-	-	-	-
Statewide Livable Community Local Library Program:	-	-	-	-
Fiscal Year 2005	2.70	-	-	2.70
N.J. Department of Community Affairs - Neighborhood Stabilization Grant	-	-	-	-
Fiscal Year 2010	1,448,551.38	-	-	1,448,551.38
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	835.75	-	-	835.75
Fiscal Year 2005	-	-	-	-
Home Lead Intervention	216,896.80	-	-	216,896.80
Fiscal Year 2009	-	-	-	-
Highway Pedestrian Safety	1.13	-	-	1.13
Fiscal Year 2007	600.00	-	993.58	(393.58)
Fiscal Year 2009	-	13,375.00	6,334.00	7,041.00
Fiscal Year 2011	-	-	-	-
Smart Future Award	-	-	-	-
Fiscal Year 2007	35,000.00	-	35,000.00	-
State Health Services Grant - H1N1	28,008.00	-	21,249.65	6,758.35
Fiscal Year 2010	-	-	-	-
Fiscal Year 2009	-	-	-	-
H1N1 Health Grant Services	-	65,428.00	-	65,428.00

CITY OF ORANGE TOWNSHIP
CURRENT FUND

GRANTS RECEIVABLE
FOR THE SIX MONTHS ENDED DECEMBER 31, 2011

	Balance July 1, 2011	2011 Grants	Collections	Balance December 31, 2011
State Grants:				
Weed and Seed Community Collaborative Grant:				
Fiscal Year 2005	\$ 25,000.00	\$	\$	\$ 25,000.00
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	20,850.50			20,850.50
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	42,230.00			42,230.00
321 Scotland Road - Fiscal Year 2010	26,412.00			26,412.00
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				
Fiscal Year 2008	43,758.00			43,758.00
Fiscal Year 2010	104,620.85			104,620.85
Green Acres				
Multi-Parks #2	610,000.00			610,000.00
Bell Stadium Rehabilitation				
Fiscal Year 2009	500,000.00			500,000.00
N.J. State Health - Emergency Preparedness - LINCS				
Fiscal Year 2010	10.00			10.00
Recycling Tonnage Grant				
Fiscal Year 2011		9,237.00	9,237.00	
Body Armor				
Fiscal Year 2010				
Transition Year 2012				
Bullet Proof Vests - UR				
Brownfield Redevelopment Pilot:				
Fiscal Year 2001		12,103.00	8,850.33	3,252.67
Juvenile Accountability Incentive Block Grant				
JAIBG- 32-01	1,104.12			1,104.12
Fiscal Year 2007	4,796.26			4,796.26
Edward Byrne Memorial Justice Assistance Grant(JAG)				
Fiscal Year 2006	9,094.56			9,094.56
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				
Cops Hiring		1,238,623.00	61,467.26	1,177,155.74

CITY OF ORANGE TOWNSHIP
CURRENT FUND

GRANTS RECEIVABLE
FOR THE SIX MONTHS ENDED DECEMBER 31, 2011

	Balance July 1, 2011	2011 Grants	Collections	Balance December 31, 2011
Juvenile Accountability Grant				
Fiscal Year 2009	\$ 34,015.98	\$	\$	\$ 34,015.98
U.S. Department of Justice - COPS Hiring				
Fiscal Year 2010	636,591.97		328,283.03	308,308.94
County of Essex:				
Essex County Municipal Alliance Program:				
Calendar Year 2006	2,661.00			2,661.00
Calendar Year 2008	148.35			148.35
Calendar Year 2009	1,154.00			1,154.00
Calendar Year 2010	2,168.94			2,168.94
Calendar Year 2010	4,687.53		4,025.00	662.53
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	3,000.00			3,000.00
Calendar Year 2010				
Calendar Year 2011		8,100.00	8,100.00	
Homestead Security Grant Program				
Fiscal Year 2007	3,944.20			3,944.20
Board of Public Utility:				
Solar Energy Equipment Rebate - Police Roof				
Fiscal Year 2008	6,177.60		5,586.13	591.47
Rec Grant Fund				
	<u>\$ 9,164,903.95</u>	<u>\$ 1,735,868.75</u>	<u>\$ 1,537,633.64</u>	<u>\$ 9,363,139.06</u>
	A	A-2	A-34	A

CITY OF ORANGE TOWNSHIP
CURRENT FUND

APPROPRIATION RESERVES
FOR THE SIX MONTHS ENDED DECEMBER 31, 2011

	Balance, July 1, 2011	Balance, After Transfer	Paid or Charged	Lapsed	Overexpenditures
DEPARTMENT OF ADMINISTRATION					
Mayor's Office					
Salaries and Wages	\$ 4,238.84	\$ 4,238.84		\$ 4,238.84	\$
Other Expenses	2,820.52	2,820.52	263.68	2,556.84	
Office of Business Administrator					
Other Expenses	1,500.00	1,500.00		1,500.00	
Office of Administrative Services					
Salaries and Wages	22,235.56	35.56		35.56	
Other Expenses	44,511.98	26,011.98	19,332.63	6,678.35	
Office of Public Defender					
Other Expenses	1,975.00	1,975.00	500.00	1,475.00	
Insurances					
General Liability	23,727.78	23,727.78	15,792.64	7,935.14	
Workers Compensation	175,630.36	175,630.36	174,864.62	945.74	
Employee Group Health	45,713.31	45,713.31	45,713.31		
Municipal Insurance Fund	400,000.00	400,000.00	400,000.00		
Unemployment Compensation Insurance					
Municipal Alcohol Beverage Control					
Salaries and Wages	2,147.40	2,147.40	2,331.26	426.14	
Other Expenses	724,700.75	684,610.75	658,818.14	25,792.61	
DEPARTMENT OF LAW					
Salaries and Wages	2,730.13	2,730.13		2,730.13	
Other Expenses	37,918.30	42,618.30	42,294.86	323.34	
	40,648.43	45,348.43	42,294.96	3,053.47	
CITY CLERK AND MUNICIPAL COUNCIL					
City Council					
Salaries and Wages	5,868.57	5,868.57		5,868.57	
Other Expenses	21,765.29	21,765.29	20,977.00	788.29	
City Clerk					
Salaries and Wages	980.80	980.80		980.80	
Other Expenses	22,739.97	22,739.97	11,127.89	11,612.08	
	51,354.63	51,354.63	32,104.89	19,249.74	
DEPARTMENT OF PLANNING AND DEVELOPMENT					
Inspection and Licensing/DCCC					
Salaries and Wages	24,277.50	77.50		77.50	
Other Expenses	825.41	825.41		825.41	
Planning Division					
Salaries and Wages	4,402.73	4,402.73		4,402.73	
Other Expenses	2,666.92	2,666.92	840.00	1,816.92	
Zoning Board					
Salaries and Wages	1,173.58	2,783.58			
Other Expenses					
Planning Board					
Other Expenses	10,227.87	10,227.87	2,500.00	7,727.87	
Rent Leveling Board					
Salaries and Wages	11.39	11.39		11.39	
Other Expenses	3,623.34	3,623.34	333.33	3,290.01	
	47,198.74	24,608.74	6,456.91	18,151.83	
DEPARTMENT OF FINANCE					
Department of Finance					
Salaries and Wages	497.70	497.70		497.70	8,939.00
Other Expenses	66.15	66.15	9,005.15		
Tax Assessor					
Salaries and Wages	2,892.72	2,892.72		2,892.72	
Other Expenses	1,563.89	47,163.89	16,292.79	30,871.10	
Office of Tax Collector					
Salaries and Wages	16,815.43	15.43		15.43	
Other Expenses	7,427.94	8,577.94	6,315.59	2,262.35	
	29,263.85	59,213.83	31,613.53	36,539.30	8,939.00

CITY OF ORANGE TOWNSHIP
CURRENT FUND

APPROPRIATION RESERVES
FOR THE SIX MONTHS ENDED DECEMBER 31, 2011

	Balance, July 1, 2011	After Transfer	Paid or Chartered	Leased	Overexpenditures
DEPARTMENT OF COMMUNITY SERVICES					
Administration Division					
Salaries and Wages	\$ 8,515.54	\$ 8,515.54	\$ 2,860.90	\$ 8,515.54	\$ 11,542.09
Other Expenses	11,318.81	(8,681.19)			
Health Division					
Salaries and Wages	6,493.59	6,493.59	5,949.67	6,493.59	
Other Expenses	10,753.22	10,753.22		4,803.55	
Animal Control					
Salaries and Wages	2,114.33	2,114.33	4,825.00	2,114.33	
Other Expenses	10,225.00	12,925.00		8,100.00	
Older Adult Services					
Salaries and Wages	18,241.92	18,241.92	17,494.00	20,000.00	
Other Expenses				747.92	
Cultural Affairs					
Salaries and Wages	4.02	4.02		4.02	
Other Expenses	5,380.32	5,380.32	2,940.30	2,450.02	
Recreation					
Salaries and Wages	59,339.72	39.72		39.72	
Other Expenses	22,894.37	22,894.37	20,327.20	2,567.17	
	155,390.84	98,790.84	54,397.07	55,935.86	11,542.09
DEPARTMENT OF POLICE					
Administrative Division					
Salaries and Wages	89,846.33	31,376.33	78,978.36	31,376.33	
Other Expenses	81,333.52	81,333.52		2,355.16	
School Guards					
Salaries and Wages	629.31	629.31	78,978.36	34,360.80	
	171,809.16	113,339.16			
DEPARTMENT OF FIRE					
Administrative Division					
Salaries and Wages	7,577.39	7,577.39	100,705.15	7,577.39	
Other Expenses	101,410.23	101,410.23		705.08	
Office of Emergency Management					
Other Expenses	1,369.44	1,369.44		1,369.44	
Ambulance Services					
Other Expenses	110,357.06	110,357.06	100,705.15	9,651.91	
DEPARTMENT OF PUBLIC WORKS					
Street Maintenance					
Salaries and Wages	75,727.94	727.94	65,597.98	727.94	
Other Expenses	44,598.31	65,598.31		0.33	
Maintenance of Parks					
Salaries and Wages	1,900.61	1,900.61	16,887.19	1,900.61	
Other Expenses	41,146.07	28,146.07		11,256.88	
Director's Office					
Salaries and Wages	3,204.67	3,204.67	3,889.34	3,204.67	
Other Expenses	21,056.30	21,056.30		17,166.96	
Equipment and Vehicle Maintenance					
Salaries and Wages	1,287.22	1,287.22	64,211.37	1,287.22	
Other Expenses	62,488.93	110,888.93		46,777.56	
Snow Removal					
Salaries and Wages	10,000.00	10,000.00	3,286.00	10,000.00	
Other Expenses	3,405.18	3,405.18		119.18	
Buildings and Grounds					
Salaries and Wages	6,304.17	6,304.17	43,120.83	6,304.17	
Other Expenses	68,665.10	68,665.10		25,544.27	
	339,784.50	321,284.50	196,992.71	124,291.79	
MUNICIPAL COURT					
Salaries and Wages	12,937.75	12,937.75	16,903.44	12,937.75	
Other Expenses	19,761.35	19,761.35	16,903.44	2,857.91	
	32,699.10	32,699.10		15,795.66	

CITY OF ORANGE TOWNSHIP
CURRENT FUND

RESERVE FOR REVALUATION
FOR THE SIX MONTHS ENDED DECEMBER 31, 2011

A-24

	<u>Ref.</u>	
Balance, July 1, 2011 and December 31, 2011	A	\$ <u>1,375.09</u>

ACCOUNTS PAYABLE
FOR THE SIX MONTHS ENDED DECEMBER 31, 2011

A-25

	<u>Ref.</u>	
Balance, July 1, 2011	A	\$ 77,440.31
Increased by:		
Transfer from Appropriation Reserves	A-23	<u>4,378,249.90</u>
Balance, December 31, 2011	A	\$ <u>4,455,690.21</u>

CITY OF ORANGE TOWNSHIP
CURRENT FUND

TAX OVERPAYMENTS
FOR THE SIX MONTHS ENDED DECEMBER 31, 2011

A-26

	<u>Ref.</u>	
Balance, July 1, 2011	A	\$ 147,662.36
Increased by:		
Reserve for Tax Appeals	A-28	<u>273,308.25</u>
Balance, December 31, 2011	A	<u>\$ 420,970.61</u>

See Independent Auditors' Report

CITY OF ORANGE TOWNSHIP
CURRENT FUND

DUE TO STATE OF NEW JERSEY
FOR THE SIX MONTHS ENDED DECEMBER 31, 2011

A-27

	<u>Ref.</u>	<u>Total</u>	<u>Marriage License Fees</u>	<u>Burial Permits</u>	<u>Due to Code Fees</u>
Balance , July 1, 2011	A	\$ 85.00	\$ 25.00	\$ 60.00	\$
Increased By:					
Cash Receipts	A-4	<u>3,675.00</u>	<u>3,650.00</u>	<u>25.00</u>	<u> </u>
		3,760.00	3,675.00	85.00	
Decreased By:					
Cash Disbursements	A-4	<u>3,760.00</u>	<u>3,675.00</u>	<u>85.00</u>	<u> </u>
		3,760.00	3,675.00	85.00	
Balance, December 31, 2011		<u>\$</u>	<u>\$</u>	<u>\$</u>	<u>\$</u>

CITY OF ORANGE TOWNSHIP
CURRENT FUND

RESERVE FOR TAX APPEALS
FOR THE SIX MONTHS ENDED DECEMBER 31, 2011

A-28

	<u>Ref.</u>	
Balance, July 1, 2011	A	\$ 46,861.85
Increased by:		
Appropriations	A-3a	<u>300,000.00</u>
		346,861.85
Decreased by:		
Transferred to Tax Overpayments	A-26	<u>273,308.25</u>
Balance, December 31, 2011	A	<u>\$ 73,553.60</u>

See Independent Auditors' Report

CITY OF ORANGE TOWNSHIP
CURRENT FUND

INTERFUNDS PAYABLE
FOR THE SIX MONTHS ENDED DECEMBER 31, 2011

A-29

	<u>Ref.</u>	<u>Total</u>	<u>General Trust Fund</u>	<u>Water Capital Fund</u>	<u>Insurance Fund</u>
Balance, July 1, 2011	A	\$ 2,875,674.25	\$ 1,027,751.25	\$ 1,847,232.00	\$ 691.00
Increased by:					
Budget Appropriations	A-3a	205,000.00			205,000.00
Decreased by:					
Settlements	A-4	<u>1,232,817.42</u>	<u>322,245.00</u>	<u>910,572.42</u>	
Balance, December 31, 2011	A	<u>\$ 1,847,856.83</u>	<u>\$ 705,506.25</u>	<u>\$ 936,659.58</u>	<u>\$ 205,691.00</u>

CITY OF ORANGE TOWNSHIP
CURRENT FUND

COUNTY TAXES PAYABLE
FOR THE SIX MONTHS ENDED DECEMBER 31, 2011

A-30

Ref.

Increased by:		
TY 2011 Tax Levy		\$ 3,937,449.89
Added and Omitted		<u>2,577.79</u>
	A-1, A-2c, A-11	<u>3,940,027.68</u>
Decreased by:		
Disbursements	A-4	<u>3,937,449.89</u>
Balance, December 31, 2011	A	<u><u>\$ 2,577.79</u></u>

LOCAL SCHOOL DISTRICT TAX PAYABLE
FOR THE SIX MONTHS ENDED DECEMBER 31, 2011

A-31

Ref.

Increased by:		
School Tax Levy	A-1, A-2c, A-11	\$ 5,150,053.00
Decreased by:		
Disbursements	A-4	<u>2,561,891.73</u>
Balance, December 31, 2011	A	<u><u>\$ 2,588,161.27</u></u>

CITY OF ORANGE TOWNSHIP
CURRENT FUND

PREPAID TAXES
FOR THE SIX MONTHS ENDED DECEMBER 31, 2011

A-32

	<u>Ref.</u>	
Balance, July 1, 2011	A	\$ 43,187.41
Increased by:		
Collections	A-6	104,532.28
		<u>147,719.69</u>
Decreased by:		
Applied to 2011 Taxes Receivable	A-2c,11	<u>43,187.41</u>
Balance, December 31, 2011	A	<u>\$ 104,532.28</u>

DEPOSITS ON SALE OF PROPERTY
FOR THE SIX MONTHS ENDED DECEMBER 31, 2011

A-33

	<u>Ref.</u>	
Balance, July 1, 2011 and December 31, 2011	A	<u>\$ 3,110.00</u>

CITY OF ORANGE TOWNSHIP
CURRENT FUND

FEDERAL AND STATE GRANT FUND
DUE TO CURRENT FUND
FOR THE SIX MONTHS ENDED DECEMBER 31, 2011

A-34

	<u>Ref.</u>	
Balance , July 1, 2011	A	\$ 625,782.86
Increased by:		
Advances	A-36	1,665,752.48
		<u>2,291,535.34</u>
Decreased by:		
Settlements	A-22	1,537,633.64
Unappropriated Reserve collections	A-35	660,000.00
		<u>2,197,633.64</u>
Balance, December 31, 2011	A	<u>\$ 93,901.70</u>

See Independent Auditors' Report

CITY OF ORANGE TOWNSHIP
CURRENT FUND

FEDERAL AND STATE GRANT FUND
SCHEDULE OF UNAPPROPRIATED RESERVES
FOR THE SIX MONTHS ENDED DECEMBER 31, 2011

A-35

<u>Program</u>	<u>Balance</u> <u>July 1, 2011</u>	<u>Increase</u>	<u>Collections</u>	<u>Balance</u> <u>December 31, 2011</u>
<u>State and Federal Grant Fund:</u>				
Clean Community Grant 2011	\$ 37,257.97	\$	\$	\$ 37,257.97
Pedestrian Safety	13,375.00			13,375.00
UEZ - Admin 2012			150,000.00	150,000.00
UEZ - Final Projects			500,000.00	500,000.00
UEZ - Signs & Banners			10,000.00	10,000.00
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
Body Armor	129.00			129.00
	<u>\$ 262,483.71</u>	<u>\$</u>	<u>\$ 660,000.00</u>	<u>\$ 922,483.71</u>
<u>Ref</u>	<u>A</u>		<u>A-4</u>	<u>A</u>

See Independent Auditors' Report

CITY OF ORANGE TOWNSHIP
CURRENT FUND

FEDERAL AND STATE GRANT FUND
RESERVE FOR GRANT EXPENDITURES
FOR THE SIX MONTHS ENDED DECEMBER 31, 2011

	Balance July 1, 2011		2011 Grants Budgeted		Balance December 31, 2011	
	Encumbered	Unencumbered	Expenditures	Encumbered	Unencumbered	
Slate Grants:						
New Jersey Transportation Trust Fund Authority Act:						
Fiscal Year 2001	\$ 14,800.00	\$ 185.75	\$	\$	\$ 185.75	
Fiscal Year 2002		163,232.49		14,800.00	\$	
Fiscal Year 2003		17,988.69			163,232.49	
Fiscal Year 2004		17,872.75		70,346.75	17,988.69	
Fiscal Year 2005		27,064.24		27,064.24	17,872.75	
Fiscal Year 2006					2,797.37	
Fiscal Year 2007					167,020.74	
Fiscal Year 2008 - Sterling Avenue Way Finding Signage					7,528.12	
Thomas Blvd.					70,930.63	
Public Health Priority Funding:						
Calendar Year 2010					296,108.00	
Emergency Response/HTN1						
H1N1 Grant					5,073.42	
Summer Food Program for Children						
Calendar Year 2006					65,428.00	
Calendar Year 2007					173,411.81	
Calendar Year 2008					45,488.13	
Calendar Year 2009					96,151.29	
Calendar Year 2010					52,008.38	
Calendar Year 2011					52,640.10	
Clean Communities Act:						
Calendar Year 2008					65,955.90	
Calendar Year 2009					127,679.33	
Calendar Year 2010					65,955.90	
Calendar Year 2011					2,391.24	
Clean Communities Act:						
Calendar Year 2008					0.00	
Calendar Year 2009					6,737.82	
Calendar Year 2010 -BPU						
Fiscal Year 2010					4,486.81	
Fiscal Year 2011						
Urban Enterprise Zone Program:						
97-21 Fire Department Communication Equipment					37,258.00	
99-18 Trash Receptacles					163.52	
99-19 Anti - Graffiti Project					3,864.05	
03-88 Litter Equipment					17,264.89	
03-18 Administrative Expenses					37,919.40	
03-128 Marketing Plan					20,864.18	
03-129 William Street Parking Rehabilitation					14,566.50	
03-130 Main Street Resurfacing					44,947.51	
03-129 Administration					157,149.06	
04-22 Police Vehicles					14,780.53	
04-26 Street Decorations					4,610.19	
04-38 Litter Collection Equipment					503.50	
04-104 Roadway Improvement Design and Construction Administration					10,509.24	
05-19 Administration Expense					8,077.98	
05-85 Litter Equipment					709.20	
05-137 Integrated Marketing Plan - Phase II					20,055.92	
05-156 Advertising Co-Op					11,402.07	
05-21 Administration Expense					27.50	
					24,522.96	

CITY OF ORANGE TOWNSHIP
CURRENT FUND

FEDERAL AND STATE GRANT FUND
RESERVE FOR GRANT EXPENDITURES
FOR THE SIX MONTHS ENDED DECEMBER 31, 2011

	Balance July 1, 2011		2011 Grants		Balance December 31, 2011	
	Encumbered	Unencumbered	Budgeted	Expenditures	Encumbered	Unencumbered
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
07-21 Administration Expense						
07-128 Policing, Phase IX		45,907.28				45,907.28
07-178 Integrated Marketing Plan - Phase IV		59,914.00				59,914.00
08-21 Administration Expense						
08-63 Smart Future 2007 - Phase I		51,378.89				51,378.89
08-64 Downtown Main Street Feasibility Study- Phase I		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
09-160 Smart Future Phase II			18,572.09			0.00
10-21 Administration Expense	18,572.09					
UEZA Central Avenue Streetscape	183,713.55		151,440.10		44,473.45	91,949.08
03-09 Street Decorations	25,208.00				25,208.00	5,100.35
Advertising Initiative		22,420.27		8,221.00	9,407.00	4,792.27
UEZ Policing Phase XIV		183,976.00				183,976.00
UEZA - ADM Administration FY11		22,875.47				22,875.47
UEZ - Taste of Orange			16,750.00		14,607.83	176.89
UEZ - Signs & Banners			20,000.00		10,239.87	9,760.13
UEZ - Holiday 2011 ECON Initiative			20,000.00		10,630.05	9,369.95
Alcohol Education Rehabilitation Enforcement Fund:						
Fiscal Year 2010		2,529.61				2,529.61
Drunk Driving Enforcement Fund						
Fiscal Year 2010		1,438.70				1,438.70
Transportation Enhancement - Train Station Phase II- Fiscal Year 2002						
Fiscal Year 2010	47,325.00			27,625.00	19,700.00	200,000.00
N.J. Department of Transportation Various Streets Stabilization Grant						
Fiscal Year 2010	417,134.31			388,758.27	48,376.04	104,402.33
N.J. Department of Community Affairs - Neighborhood Stabilization Grant						
Fiscal Year 2010		1,448,551.38		162,554.27		1,285,997.11
Solar Energy Project Calendar Year 2005						
Recreation for People with Disabilities:		3.50		3.50		
Fiscal Year 2005						
Fiscal Year 2006		5,144.00				5,144.00
Fiscal Year 2008		30.18				30.18
Recreation Opts for Individuals w/ Disabilities		327.53				327.53
Fiscal Year 2005	1,040.00				1,040.00	
State Health Services Grant						
Fiscal Year 2010	375.59				375.59	
State Health Services Grant Supple -(H1N1)						
Fiscal Year 2010		14,804.88				14,804.88
Fiscal Year 2011		6,326.43				6,326.43

CITY OF ORANGE TOWNSHIP
CURRENT FUND

FEDERAL AND STATE GRANT FUND
RESERVE FOR GRANT EXPENDITURES
FOR THE SIX MONTHS ENDED DECEMBER 31, 2011

	Balance July 1, 2011		2011 Grants		Balance December 31, 2011	
	Encumbered	Unencumbered	Budgeted	Expended	Encumbered	Unencumbered
State Grants:						
Recycling Tonnage Grant						
Fiscal Year 2009	\$	\$ 9,021.01	\$	\$	\$	\$ 9,021.01
Fiscal Year 2010		3,326.52				3,326.52
Fiscal Year 2011		14,025.17				14,025.17
Fiscal Year 2			9,237.00			9,237.00
Home Lead Intervention:						
Fiscal Year 2005	13,095.00	205,105.00			13,095.00	205,105.00
Lead Identification and Field Testing Grant						
Fiscal Year 2009	158.20	23.43			158.20	23.43
Body Armor Fund:						
Fiscal Year 2006		0.08				0.08
Fiscal Year 2008						
Fiscal Year 2009		589.13		589.13		0.00
Fiscal Year 2010		8,515.28		8,328.87		186.41
Fiscal Year 2011						
Transition Year 2012						
Highway Pedestrian Safety:						
Fiscal Year 2007		1.13				1.13
Fiscal Year 2011			13,375.00	13,000.00		375.00
Weed and Seed Community Collaborative Grant:						
Fiscal Year 2005	15,000.00				15,000.00	
New Jersey Office of Technology: Enhanced 911 Equipment:						
Fiscal Year 2007	1.00	109.25			1.00	109.25
Hazardous Discharge Site Remediation Fund:						
534 Mitchell Street - Fiscal Year 2009	15,126.50	4,715.17			15,126.50	4,715.17
540 Mitchell Street - Fiscal Year 2009	1,774.84	5,076.79				5,076.79
507 Mitchell Street - Fiscal Year 2010	26,412.00			1,774.84	26,412.00	
546 Mitchell Street - Fiscal Year 2010	26,412.00				26,412.00	
481 New England Terrace - Fiscal Year 2010	42,230.00				42,230.00	
321 Scotland Road - Fiscal Year 2010	26,412.00				26,412.00	
490 Central Avenue - Fiscal Year 2010	42,230.00				42,230.00	
Special Improvement District Challenge Grant:						
Fiscal Year 2008	4,500.00	1,991.46		1,491.46	4,500.00	500.00
Office of Emerging Telecommunications: Public Safety Answering Points 911:						
Fiscal Year 2008		30,673.08				30,673.08
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
Fiscal Year 2009						
Drunk Driving Enforcement Fund:						
Green Acres						
Bell Stadium Rehabilitation						
Fiscal Year 2009	13,673.56	27,171.78			13,673.56	27,171.78
Multi Parks #2						
Multi Parks #0717-10-018 phase II						
N.J. State Health - Emergency Preparedness - LINCS						
Fiscal Year 2010	167,617.76	427,350.00		104,046.65	463,571.12	27,349.99
Fiscal Year 2010		10.00				10.00

CITY OF ORANGE TOWNSHIP
CURRENT FUND

FEDERAL AND STATE GRANT FUND
RESERVE FOR GRANT EXPENDITURES
FOR THE SIX MONTHS ENDED DECEMBER 31, 2011

	Balance July 1, 2011		2011 Grants		Balance December 31, 2011	
	Encumbered	Unencumbered	Budgeted	Expenditures	Encumbered	Unencumbered
Federal Grants:						
Brownfield Redevelopment Pilot:						
Fiscal Year 2001	\$ 1,660.60	\$ 948.56	\$	\$	\$ 1,660.60	\$ 948.56
Juvenile Accountability Incentive Block Grant						
JAIBG- 32-01		17,011.00				17,011.00
Bulletproof Vests	424.02				424.02	
Fiscal Year 2007						
Fiscal Year 2008	160.93	0.03			160.93	0.03
Fiscal Year 2010			12,103.00			12,103.00
Fiscal Year 2011 UR						
Storm Water Management Plan:						
Fiscal Year 2007		10,309.00				10,309.00
Fiscal Year 2009		5,155.00				5,155.00
Edward Byrne Memorial Justice Assistance Grant(JAG)		9,094.56				9,094.56
Fiscal Year 2006						
U.S. Department of Homeland Security Assistance to Firefighters		200.55				200.55
Fiscal Year 2005						
COPS in Shops:		7,000.00				7,000.00
Fiscal Year 2006						
FEMA Wellness Program:		12,184.00				12,184.00
Fiscal year 2006						
FEMA SAFER Hiring Grant		37.94				37.94
Fiscal Year 2009			1,236,623.00	51,817.17		1,185,805.83
Juvenile Accountability Grant						37.94
U.S. Department of Justice - COPS Hiring		361,587.53				361,587.53
Fiscal Year 2010	440,884.28			328,263.03		494,166.78
COPS technology						
County of Essex:						
Essex County Municipal Alliance Program:						
Calendar Year 2007	4,691.00				4,691.00	
Calendar Year 2008		445.94				445.94
Calendar Year 2009	832.66	346.57			832.66	346.57
Calendar Year 2010	835.24	385.39		77.00	835.24	308.39
Calendar Year 2011	1,500.74	5,663.16		5,782.64	1,364.78	16.48
YEAR 2011						
Open Space Trust Fund:						
Calendar Year 2009	191,440.00			191,440.00		
Calendar Year 2010						
Calendar Year 2011		294.00				294.00
Summer Concert Series:						
Calendar Year 2007		25.00				25.00
Division on Aging		(8,100.00)	8,100.00			
Senior Citizen's Public Health Nurse						
Fiscal Year 2010						
Fiscal Year 2011						
Year 2011		3,844.20				3,844.20
Homestead Security Grant Program						
Fiscal Year 2007						
Other:						
Regional Contribution Agreement:						
Harding Township	36,200.00			20,000.00	16,200.00	
Program Income		22,707.02				22,707.02
	\$ 2,100,349.38	\$ 6,176,288.00	\$ 1,726,868.75	\$ 1,665,752.48	\$ 1,248,020.32	\$ 7,098,733.33
	A	A	A-3a	A-34	A	A

CITY OF ORANGE TOWNSHIP
TRUST FUND

CASH RECEIPTS AND DISBURSEMENTS - TREASURER
FOR THE SIX MONTHS ENDED DECEMBER 31, 2011

B-1

	<u>Ref.</u>	<u>Animal Control Fund</u>	<u>General Trust Fund</u>	<u>Municipal Insurance Trust Fund</u>	<u>Grant Trust Fund</u>
Balance, July 1, 2011	B	\$ 10,358.80	\$ 1,824,715.98	\$ 377,362.33	\$ 285,018.03
Increased by:					
Due from Municipal Court	B-4		13,394.50		
Essex County Community Development Development Block Grant Receivable	B-5				188,046.25
Interfunds Receivable	B-7		322,245.00		
Due to State of New Jersey	B-8	119.40			
Reserve for Other Expenditures	B-10		58,785.23		
Reserve for Other Deposits	B-11		1,762,876.03		
Premium on Tax Sale	B-13		461,000.00		
State Unemployment Insurance	B-12		4,763.03		
Reserve for Rehabilitation Refunds	B-15				71.70
Reserve for Animal Control Trust Fund Expenditures:					
License Fees	B-16		583.60		
Reserve for Municipal Insurance Trust Fund Expenditures	B-17			403,856.61	
		<u>703.00</u>	<u>2,623,063.79</u>	<u>403,856.61</u>	<u>188,117.95</u>
		11,061.80	4,447,779.77	781,218.94	473,135.98
Decreased by:					
Disbursements per Schedule	B-2	3,914.20	2,438,488.31	547,214.46	192,357.27
Balance, December 31, 2011	B	\$ 7,147.60	\$ 2,009,291.46	\$ 234,004.48	\$ 280,778.71

CITY OF ORANGE TOWNSHIP
TRUST FUND

CASH - TREASURER
SCHEDULE OF DISBURSEMENTS
FOR THE SIX MONTHS ENDED DECEMBER 31, 2011

B-2

	<u>Ref.</u>	<u>Animal Control Fund</u>	<u>General Trust Fund</u>	<u>Municipal Insurance Trust Fund</u>	<u>Grant Trust Fund</u>
Interfund Receivable	B-7	\$	62,840.63	\$	\$
Due to State of New Jersey	B-8	154.20			
Reserve for Other Expenditures	B-10		26,997.50		
Reserve for Other Deposits	B-11		2,146,550.18		
Premium on Tax Sale	B-13		202,100.00		
Interfunds Payable	B-14	3,760.00			
Reserve for Municipal Insurance Trust Fund Expenditures	B-17			547,214.46	
Reserve for Essex County Community Development Block Grant	B-18				192,357.27
	B-1	<u>\$ 3,914.20</u>	<u>\$ 2,438,488.31</u>	<u>\$ 547,214.46</u>	<u>\$ 192,357.27</u>

CITY OF ORANGE TOWNSHIP
TRUST FUND

BANK RECONCILIATION
FOR THE SIX MONTHS ENDED DECEMBER 31, 2011

B-3

<u>Bank Reconciliation December 31, 2011</u>	<u>Animal Control Fund</u>	<u>General Trust Fund</u>	<u>Municipal Insurance Trust Fund</u>	<u>Grant Trust Fund</u>
Balance per Bank Statements				
Bank of America, Orange , N.J.				
Animal Control Trust Fund - Account	\$ 7,147.60	\$	\$	\$
Local Law Enforcement Trust - Account		42,147.42		
Other Trust Fund - Account		2,225,623.67		
Other Trust Fund - Account		211,101.17		
PNC Bank, Orange , N.J.				
Municipal Insurance Fund Account				
Municipal Insurance Fund Account			634,004.48	
Essex County Community Development Block Grant Fund - Account				176,110.63
Supplemental Balanced Housing - Account				101,958.27
Urban Development Action Grant - Account				2,709.81
	<u>7,147.60</u>	<u>2,478,872.26</u>	<u>634,004.48</u>	<u>280,778.71</u>
Plus: Deposits -In- Transit		1,650.00		
	<u>7,147.60</u>	<u>2,480,522.26</u>	<u>634,004.48</u>	<u>280,778.71</u>
Less: Outstanding Checks		471,230.80	400,000.00	
	<u>\$ 7,147.60</u>	<u>\$ 2,009,291.46</u>	<u>\$ 234,004.48</u>	<u>\$ 280,778.71</u>

CITY OF ORANGE TOWNSHIP
TRUST FUND

DUE FROM MUNICIPAL COURT
FOR THE SIX MONTHS ENDED DECEMBER 31, 2011

B-4

	<u>Ref.</u>		
Balance, July 1, 2011	B		\$ 1,515.00
Increased by:			
Parking Offenses Adjudication Act Fees		10,528.00	
Collection Fees		<u>2,866.50</u>	
	B-10		<u>13,394.50</u>
			14,909.50
Decreased by:			
Collections	B-1		<u>13,394.50</u>
Balance, December 31, 2011	B		<u>\$ 1,515.00</u>

See Independent Auditors' Report

CITY OF ORANGE TOWNSHIP
TRUST FUND

ESSEX COUNTY COMMUNITY DEVELOPMENT BLOCK GRANT RECEIVABLES
FOR THE SIX MONTHS ENDED DECEMBER 31, 2011

B-5

Program Year	Program	Balance, July 1, 2011	TY 2011 Grants	Collections	Balance, December 31, 2011
2009-2010	Orange Library Elevator	\$ 48,046.25	\$	\$ 48,046.25	\$
2010-2011	YMCA Roof Replacement	140,000.00		140,000.00	35,000.00
	Public Library Boiler Conversion	35,000.00		140,000.00	35,000.00
		175,000.00			
TY 2011	Roadway Reconstruction - Center Street		447,116.00		447,116.00
	Helping Hands & Ear 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
			520,116.00		520,116.00
		\$ 223,046.25	\$ 520,116.00	\$ 188,046.25	\$ 555,116.00
	Ref.	B	B-18	B-1	B

CITY OF ORANGE TOWNSHIP
TRUST FUND

ACCOUNTS RECEIVABLE
FOR THE SIX MONTHS ENDED DECEMBER 31, 2011

B-6

	<u>Ref.</u>	
Balance, July 1, 2011	B	\$ <u>22,968.00</u>
Balance, December 31, 2011	B	\$ <u><u>22,968.00</u></u>

See Independent Auditors' Report

CITY OF ORANGE TOWNSHIP
TRUST FUND

INTERFUNDS RECEIVABLE
FOR THE SIX MONTHS ENDED DECEMBER 31, 2011

B-7

	<u>Ref.</u>	<u>Total</u> <u>General Trust Fund</u>	<u>General Trust Fund</u> <u>Current</u> <u>Fund</u>	<u>Water</u> <u>Operating Fund</u>	<u>Municipal</u> <u>Insurance</u> <u>Current</u> <u>Fund</u>
Balance, July 1, 2011	B	\$ 1,027,751.25	\$ 1,027,751.25	\$	\$ 691.00
Increased by:					
Interfund Advances	B-2	62,840.63		62,840.63	
Budget Appropriation	B-17	<u>62,840.63</u>		<u>62,840.63</u>	<u>205,000.00</u>
					<u>205,000.00</u>
Decreased by :					
Interfund Returns	B-1	<u>322,245.00</u>	322,245.00		
Balance, December 31, 2011	B	\$ <u>768,346.88</u>	\$ <u>705,506.25</u>	\$ <u>62,840.63</u>	\$ <u>205,691.00</u>

CITY OF ORANGE TOWNSHIP
TRUST FUND

DUE TO STATE OF NEW JERSEY
FOR THE SIX MONTHS ENDED DECEMBER 31, 2011

B-8

	<u>Ref.</u>	
Balance, July 1, 2011	B	\$ 59.40
Increased by:		
State Registration Fees		\$ 37.00
Pilot Clinic Fund Fees		7.40
Population Control Fees		<u>75.00</u>
	B-1	<u>119.40</u>
		178.80
Decreased by:		
Settlements	B-2	<u>154.20</u>
Balance, December 31, 2011	B	<u><u>\$ 24.60</u></u>

See Independent Auditors' Report

CITY OF ORANGE TOWNSHIP
TRUST FUND

ACCOUNTS PAYABLE
FOR THE SIX MONTHS ENDED DECEMBER 31, 2011

B-9

	<u>Ref.</u>	
Balance, July 1, 2011	B	<u>\$ 24,549.13</u>
Balance, December 31, 2011	B	<u>\$ 24,549.13</u>

See Independent Auditors' Report

CITY OF ORANGE TOWNSHIP
TRUST FUND

RESERVE FOR OTHER EXPENDITURES
FOR THE SIX MONTHS ENDED DECEMBER 31, 2011

B-10

	<u>Balance,</u> <u>July 1, 2011</u>	<u>Increases</u>	<u>Decreases</u>	<u>Balance,</u> <u>December 31, 2011</u>
Municipal Court Parking Offenses	\$ 197,158.58	\$ 10,528.00		\$ 207,686.58
Adjudication Act	14,448.50	2,866.50		17,315.00
Public Defender Fees	76,186.22	35,280.00		111,466.22
Fire Code Dedicated Penalties				
Recreation Programs				
Recreation Trips	67,543.61	20,448.23	25,714.50	62,277.34
Atlantic City	1,673.50			1,673.50
High Class Theatre	251.86			251.86
Concert Under the Stars	752.65	1,600.00	1,227.00	1,125.65
Little League	98.10		56.00	42.10
Recreation Youth Games	10,835.66			10,835.66
Older Adults Donations	475.42	657.00		1,132.42
Health Food Beverage Fee	3,600.00	800.00		4,400.00
	<u>\$ 373,024.10</u>	<u>\$ 72,179.73</u>	<u>\$ 26,997.50</u>	<u>\$ 418,206.33</u>

<u>Ref.</u>	B	Below	B-2	B
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Ref.

Collections	\$ 58,785.23
Due from Municipal Court	<u>13,394.50</u>
Above	<u>\$ 72,179.73</u>

CITY OF ORANGE TOWNSHIP
TRUST FUND

RESERVE FOR OTHER DEPOSITS
FOR THE SIX MONTHS ENDED DECEMBER 31, 2011

B-11

	Balance, July 1, 2011	Increases	Decreases	Balance, December 31, 2011
Escrow Deposits	\$ 1,000.00			\$ 1,000.00
Street Opening Deposits	26,344.00	2,267.00	663.00	27,948.00
Planning Board Escrow Deposits	40,540.34	12,102.51	16,217.10	36,425.75
Zoning Board Escrow Deposits	36,655.84	482.18		37,138.02
Planning Division Escrow Deposits	69,015.16	35,000.00	26,515.00	77,500.16
Fire LEA Rebates	28,145.50	3,671.00	2,631.50	29,185.00
Third Party Building Fees	351,375.80	240,330.00	316,597.40	275,108.40
Elevator Inspection Fees	25,165.80	9,326.00	12,788.00	21,703.80
Plumbing Inspection Fees	176,340.00	26,323.00	121,369.60	81,293.40
Electrical Inspection Fees	66,403.10	13,802.00	470.60	79,734.50
Special Law Enforcement Fund	56,233.31	524.62	16,354.58	40,403.35
Outside Employment of Off - Duty Police Officers	91,265.97	219,268.97	191,399.83	119,135.11
Federal Forfeited Property	17,899.86		550.00	17,349.86
Third Party Tax Redemptions	142,470.87	985,240.75	977,716.91	149,994.71
Rent on City Owned Property	101,200.00	78,500.00	75,968.00	103,732.00
Fishing Permits	800.00	60.00		860.00
City Construction Code Fees	305,043.00	113,893.00	382,847.66	36,088.34
DCA Fees	3,165.00	22,035.00	4,461.00	20,739.00
Food Handler Certificate	1,930.47			1,930.47
Flu Reimbursements	1,690.65	50.00		1,740.65
	<u>\$ 1,542,684.67</u>	<u>\$ 1,762,876.03</u>	<u>\$ 2,146,550.18</u>	<u>\$ 1,159,010.52</u>

Ref.

B

B-1

B-2

B

CITY OF ORANGE TOWNSHIP
TRUST FUND

RESERVE FOR NEW JERSEY UNEMPLOYMENT
FOR THE SIX MONTHS ENDED DECEMBER 31, 2011

B-12

	<u>Ref.</u>	
Balance, July 1, 2011	B	\$ 16,240.07
Increased by:		
Cash Receipts	B-1	<u>4,763.03</u>
Balance, December 31, 2011	B	<u>\$ 21,003.10</u>

See Independent Auditors' Report

CITY OF ORANGE TOWNSHIP
TRUST FUND

PREMIUM ON TAX SALE
FOR THE SIX MONTHS ENDED DECEMBER 31, 2011

B-13

	<u>Ref.</u>	
Balance, July 1, 2011	B	\$ 920,452.26
Increased by:		
Collections	B-1	<u>461,000.00</u>
		1,381,452.26
Decreased by:		
Refunds	B-2	<u>202,100.00</u>
Balance, December 31, 2011	B	<u>\$ 1,179,352.26</u>

See Independent Auditors' Report

CITY OF ORANGE TOWNSHIP
TRUST FUND

INTERFUNDS PAYABLE
FOR THE SIX MONTHS ENDED DECEMBER 31, 2011

B-14

	<u>Ref.</u>	<u>Animal Control Current Fund</u>	<u>Grant Trust Fund Current Fund</u>
Balance, July 1, 2011	B	\$ 3,760.00	\$ 168,705.61
Decreased by: Settlements	B-2	<u>3,760.00</u>	<u> </u>
Balance, December 31, 2011	B	<u><u>\$</u></u>	<u><u>\$ 168,705.61</u></u>

CITY OF ORANGE TOWNSHIP
TRUST FUND

RESERVE FOR REHABILITATION REFUNDS
GRANT TRUST FUND
FOR THE SIX MONTHS ENDED DECEMBER 31, 2011

B-15

	<u>Ref.</u>	
Balance, July 1, 2011	B	\$ 1,587.35
Increased:		
Collections	B-1	<u>71.70</u>
Balance, December 31, 2011	B	<u>\$ 1,659.05</u>

See Independent Auditors' Report

CITY OF ORANGE TOWNSHIP
TRUST FUND

RESERVE FOR ANIMAL CONTROL FUND EXPENDITURES
FOR THE SIX MONTHS ENDED DECEMBER 31, 2011

B-16

	<u>Ref.</u>		
Balance, July 1, 2011	B		\$ 6,539.40
Increased by:			
Collections:			
Dog License Fees		\$ 404.60	
Cat License Fees		179.00	
	B-1	583.60	583.60
Balance, December 31, 2011	B		\$ 7,123.00

See Independent Auditors' Report

CITY OF ORANGE TOWNSHIP
TRUST FUND

RESERVE FOR MUNICIPAL INSURANCE
TRUST FUND EXPENDITURES
FOR THE SIX MONTHS ENDED DECEMBER 31, 2011

B-17

	<u>Ref.</u>		
Balance, July 1, 2011	B		\$ 378,053.33
Increased by:			
Cash Receipts	B-1	\$ 403,856.61	
Budget Appropriations	B-7	<u>205,000.00</u>	
			<u>608,856.61</u>
			986,909.94
Decreased by:			
Administrative Expenses	B-2		<u>547,214.46</u>
Balance, December 31, 2011	B		<u><u>\$ 439,695.48</u></u>

See Independent Auditors' Report

CITY OF ORANGE TOWNSHIP
TRUST FUND

RESERVE FOR ESSEX COUNTY COMMUNITY DEVELOPMENT BLOCK GRANT
FOR THE SIX MONTHS ENDED DECEMBER 31, 2011

B-18

Program Year	Program	Balance, July 1, 2011	TY 2011 Grants	Expended	Balance, December 31, 2011
2009-2010	Orange Library Elevator	\$ 48,046.25	\$	\$ 48,046.25	\$
		<u>48,046.25</u>		<u>48,046.25</u>	
2010-2011	YMCA Roof Replacement	140,000.00		140,000.00	
	Reconstruction of Various Streets	4,311.02		4,311.02	
	Youth Recreation Van				
	Central Avenue Streets	35,000.00			35,000.00
	Public Library Boiler Conversion	<u>179,311.02</u>		<u>144,311.02</u>	<u>35,000.00</u>
TY 2011	Roadway Reconstruction - Center Street		447,116.00		447,116.00
	Helping Hands & Ear 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
			<u>520,116.00</u>		<u>520,116.00</u>
		\$ 227,357.27	\$ 520,116.00	\$ 192,357.27	\$ 555,116.00
		<u>B</u>		<u>B-2</u>	<u>B</u>

CITY OF ORANGE TOWNSHIP
TRUST FUND

RESERVE FOR OTHER GRANT FUND EXPENDITURES
FOR THE SIX MONTHS ENDED DECEMBER 31, 2011

B-19

<u>Program Year</u>	<u>Program</u>	<u>Balance,</u> <u>December 31, 2011</u>
	Urban Development Action Grant:	
	Program Income	\$ 53,646.92
	Balanced Housing Project:	
1990	Supplemental Balanced Housing	36,324.13
1998	Garcia Homes	19,500.00
2000	East Ward Operaton Neighborhood	943.00
		\$ 110,414.05
	<u>Ref.</u>	B

CITY OF ORANGE TOWNSHIP
GENERAL CAPITAL FUND

SCHEDULE OF CASH - TREASURER
FOR THE SIX MONTHS ENDED DECEMBER 31, 2011

C-2

	<u>Ref.</u>		
Balance, July 1, 2011	C		\$ 20,329.10
Increased by Receipts:			
Interfunds Payable	C-10	250,019.04	250,019.04
			270,348.14
Decreased by Disbursements:			
Improvement Authorizations	C-8	255,849.72	
Interfunds Payable	C-10	24,930.45	
Reserve For Capital Lease Program	C-13	38,085.00	
			318,865.17
Balance, December 31, 2011 (Overdraft)	C		\$ (48,517.03)

See Independent Auditors' Report

CITY OF ORANGE TOWNSHIP
GENERAL CAPITAL FUND

ANALYSIS OF CASH
FOR THE SIX MONTHS ENDED DECEMBER 31, 2011

C-3

Ordinance Number	Description	Balance July 1, 2011	Receipts	Disbursements		Balance December 31, 2011
				Improvement Authorizations	Other	
	<u>Improvement Authorization</u>					
39-87	Renovations to City Hall	\$ 345.00	\$	\$		\$ 345.00
26-97	Construction of Police Headquarters and Municipal Headquarters	196,381.52				196,381.52
10-98	Improvements to Water, Waste Water and Storm Water Systems	421,695.15		255,849.72		165,845.43
2-00	Removal and Replacement of Underground Petroleum Storage Tanks	333,206.27				333,206.27
8-02	Renovation of 593 Lincoln Avenue	(495,740.67)				(495,740.67)
16-03	General Facilities Improvements	8,562.00				8,562.00
11-04	General Facilities Improvements	16,543.00				16,543.00
05-05	Redevelopment within the City of Orange	(99,680.35)				(99,680.35)
28-05	Acquisition of Property	(690,300.98)				(690,300.98)
41-05	Multi - Parks Projects	(118,226.69)				(118,226.69)
	<u>Other Accounts</u>					
	Current Fund Interfund	2,486.32	250,019.04		24,930.45	227,574.91
	Capital Improvement Fund	60,779.61				60,779.61
	Reserve for Debt Service	4,225.00				4,225.00
	Reserve For Capital Lease Program	305,730.71			38,085.00	267,645.71
	Reserve For Loan Proceeds	61,176.74				61,176.74
	Fund Balance	13,146.47				13,146.47
		<u>\$ 20,329.10</u>	<u>\$ 250,019.04</u>	<u>\$ 255,849.72</u>	<u>\$ 63,015.45</u>	<u>\$ (48,517.03)</u>

Ref.

C

C-2

C-3, C-8

C-2

C

CITY OF ORANGE TOWNSHIP
GENERAL CAPITAL FUND

GRANTS RECEIVABLE
FOR THE SIX MONTHS ENDED DECEMBER 31, 2011

C-4

<u>Program</u>	<u>Ord. No.</u>	<u>Balance</u> <u>December 31, 2011</u>
Green Trust Loan	28-05	\$ 1,245,000.00
Green Trust Loan	41-05	<u>28,823.26</u>
		<u>\$ 1,273,823.26</u>

Ref.

C

CITY OF ORANGE TOWNSHIP
GENERAL CAPITAL FUND

LOANS RECEIVABLE
FOR THE SIX MONTHS ENDED DECEMBER 31, 2011

C-5

	<u>Ref.</u>	
Balance, July 1, 2011 and December 31, 2011	C	<u>\$ 1,253,757.70</u>
<u>Analysis of Balance</u>		
N.J. Environmental Infrastructure Trust Loan:		
Ordinance # 10-98		\$ 1,243,932.81
Demolition Bond Loan:		
Ordinance # 13-02		<u>9,824.89</u>
		<u>\$ 1,253,757.70</u>

See Independent Auditors' Report

CITY OF ORANGE TOWNSHIP
GENERAL CAPITAL FUND

SCHEDULE OF DEFERRED CHARGES TO FUTURE TAXATION FUNDED C-6
FOR THE SIX MONTHS ENDED DECEMBER 31, 2011

	<u>Ref.</u>		
Balance, July 1, 2011	C		\$21,319,199.19
Decreased by:			
<u>2011 Budget Appropriations to Pay Debt:</u>			
Demolition Bond Debt	C-15	\$ 50,900.00	
N.J. Environmental Infrastructure Trust Loan Payable	C-16	292,642.14	
Green Acres Loan:			
School	C-17	14,499.85	
General	C-18	16,720.66	
School Refunding Bonds	C-19	1,026,048.43	
School Serial Bonds	C-20	495,000.00	
General Refunding Bonds	C-21	2,483,951.57	
		4,379,762.65	
Balance, December 31, 2011	C		\$16,939,436.54

See Independent Auditors' Report

CITY OF ORANGE TOWNSHIP
GENERAL CAPITAL FUND

SCHEDULE OF DEFERRED CHARGES TO FUTURE TAXATION UNFUNDED
FOR THE SIX MONTHS ENDED DECEMBER 31, 2011

C-7

<u>Ord No.</u>	<u>Improvement Description</u>	Balance, July 1, 2011	\$	Balance, December 31, 2011	\$	Analysis of Balance	
						Unfinanced Expenditures	Unfunded Improvement Authorizations
10-98	Improvements to Water, Waste Water and Storm Water Systems	819,246.00	\$	819,246.00	\$		819,246.00
8-02	Renovation of 593 Lincoln Avenue	500,000.00		500,000.00		495,740.67	4,259.33
05-05	Redevelopment within the City of Orange	1,425,000.00		1,425,000.00		99,680.35	1,325,319.65
28-05	Acquisition of Property	355,000.00		355,000.00		355,000.00	
41-05	Multi - Parks Projects	90,000.00		90,000.00		90,000.00	
		<u>\$ 3,189,246.00</u>	\$	<u>3,189,246.00</u>	\$	<u>1,040,421.02</u>	<u>2,148,824.98</u>

Ref. C C

CITY OF ORANGE TOWNSHIP
GENERAL CAPITAL FUND

SCHEDULE OF IMPROVEMENT AUTHORIZATIONS
FOR THE SIX MONTHS ENDED DECEMBER 31, 2011

C-8

Improvement Description	Date	Ordinance Number	Amount	Balance July 1, 2011		Paid or Charged	Balance December 31, 2011	
				Funded	Unfunded		Funded	Unfunded
Renovations of City Hall	9-01-87	39-87	\$ 300,000.00	\$ 345.00	\$	\$ 345.00	\$	
Construction of Police Headquarters and Municipal Headquarters	9-04-97	26-97	5,500,000.00	196,381.52		196,381.52		
Improvements to Water, Waste Water and Storm Water Systems	8-05-98	10-98	4,915,000.00	2,484,873.96	255,849.72		2,229,024.24	
Removal and Replacement of Underground Petroleum Storage Tanks	2-01-00	2-00	669,950.00	333,206.27		333,206.27		
Acquisition of Trucks - Public Works	12-04-00	24-00	250,000.00					
Renovation of 593 Lincoln Avenue	6-18-02	8-02	500,000.00	4,259.33			4,259.33	
Demolition of Unsafe Buildings and Structures	9-03-02	13-02	300,000.00	9,824.89			9,824.89	
General Facilities Improvements	7-01-03	16-03	251,813.49	8,562.00		8,562.00		
General Facilities Improvements	5-04-04	11-04	190,503.14	16,543.00		16,543.00		
Redevelopment Within the City of Orange Township	4-05-05	5-05	1,425,000.00	1,325,319.65			1,325,319.65	
Acquisition of Property	10-04-05	28-05	1,600,000.00	891,949.02			891,949.02	
Multi-Park Projects	4-05-05	41-05	180,000.00	596.57			596.57	
				\$ 555,037.79	\$ 255,849.72	\$ 555,037.79	\$ 4,460,973.70	

Ref.

C

C

C-2

C

C

CITY OF ORANGE TOWNSHIP
GENERAL CAPITAL FUND

SCHEDULE OF CAPITAL IMPROVEMENT FUND
FOR THE SIX MONTHS ENDED DECEMBER 31, 2011

C-9

	<u>Ref.</u>	
Balance, July 1, 2011 and December 31, 2011	C	<u>\$ 60,779.61</u>

INTERFUNDS PAYABLE
DUE CURRENT FUND
FOR THE SIX MONTHS ENDED DECEMBER 31, 2011

C-10

	<u>Ref.</u>	
Balance, July 1, 2011	C	\$ 2,486.32
Increased by:		
Cash Receipts	C-2	<u>250,019.04</u>
		252,505.36
Decreased by:		
Cash Disbursements	C-2	<u>24,930.45</u>
Balance, December 31, 2011	C	<u>\$ 227,574.91</u>

See Independent Auditors' Report

CITY OF ORANGE TOWNSHIP
GENERAL CAPITAL FUND

RESERVE FOR DEBT SERVICE
FOR THE SIX MONTHS ENDED DECEMBER 31, 2011

C-11

Ref.

Balance, July 1, 2011 and December 31, 2011

C

\$ 4,225.00

RESERVE FOR GRANTS RECEIVABLE
FOR THE SIX MONTHS ENDED DECEMBER 31, 2011

C-12

Program

New Jersey Department of Environmental
Protection:

Green Acres Program:
Ordinance #28-05

\$ 17,750.00

Ref.

C

CITY OF ORANGE TOWNSHIP
GENERAL CAPITAL FUND

RESERVE FOR CAPITAL LEASE PROGRAM
ESSEX COUNTY IMPROVEMENT AUTHORITY
FOR THE SIX MONTHS ENDED DECEMBER 31, 2011

C-13

	<u>Ref.</u>	<u>Total</u>	<u>1993 Series</u>	<u>1994 Series</u>
Balance, July 1, 2011	C	\$ 305,730.71	\$ 2,591.30	\$ 303,139.41
Decreased by:				
Expenditures	C-2	38,085.00		38,085.00
Balance, December 31, 2011	C	\$ 267,645.71	\$ 2,591.30	\$ 265,054.41

RESERVE FOR LOAN PROCEEDS
FOR THE SIX MONTHS ENDED DECEMBER 31, 2011

C-14

	<u>Ref.</u>			
Balance, July 1, 2011 and December 31, 2011	C			\$ 61,176.74
<u>Analysis of Balance</u>				
Green Acres Loan Program:				
Ordinance # 41-05				\$ 61,176.74

CITY OF ORANGE TOWNSHIP
GENERAL CAPITAL FUND

DEMOLITION BOND LOAN PAYABLE
FOR THE SIX MONTHS ENDED DECEMBER 31, 2011

C-15

<u>Ord. No.</u>	<u>Improvement Description</u>	<u>Amount of Original Issue</u>	<u>Loan Outstanding Date</u>	<u>December 31, 2011 Amount</u>	<u>Interest Rate</u>	<u>Balance, July 1, 2011</u>	<u>Decreased</u>	<u>Balance, December 31, 2011</u>
19-00	Demolition of Unsafe Buildings	\$ 209,000.00	10/9/10 - 10/9/11	20,900.00	4.00%	\$ 20,900.00	\$ 20,900.00	\$
13-02	Demolition of Unsafe Buildings and Structures	300,000.00	10/15/12 - 10/15/13	30,000.00	4.00%	90,000.00	30,000.00	60,000.00
						\$ 110,900.00	\$ 50,900.00	\$ 60,000.00

Ref.

C

C-6

C

CITY OF ORANGE TOWNSHIP
GENERAL CAPITAL FUND

N.J. ENVIRONMENTAL INFRASTRUCTURE TRUST LOAN PAYABLE
FOR THE SIX MONTHS ENDED DECEMBER 31, 2011

C-16

Purpose	Date of Issue	Amount of Original Issue	Date	Maturities of Bonds Outstanding, December 31, 2011	Interest Rate	Balance, July 1, 2011	Decreased	Balance, December 31, 2011	
									Amount
Trust Share	11/5/1998	\$ 1,340,000.00	8/1/2012	\$ 130,000.00	4.50%	\$ 255,000.00	\$ 125,000.00	\$ 130,000.00	
Trust Share	11/4/1999	725,000.00	8/1/2012	40,000.00	5.50%	435,000.00	40,000.00	395,000.00	
			8/1/13-15	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%							
Fund Share	11/5/1998	1,308,068.00	2/1/2012	2,146.46		195,631.04	95,939.60	99,691.44	
			8/1/2012	97,544.98					
Fund Share	11/4/1999	722,686.00	2/1/2012	5,791.96		329,288.17	31,702.54	297,585.63	
			8/1/2012	31,009.07					
			2/1/2013	5,098.49					
			8/1/2013	33,467.74					
			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								
						\$ 1,214,919.21	\$ 292,642.14	\$ 922,277.07	
						Ref.	C	C-6	C

CITY OF ORANGE TOWNSHIP
GENERAL CAPITAL FUND

GREEN ACRES TRUST LOAN PAYABLE -SCHOOL
FOR THE SIX MONTHS ENDED DECEMBER 31,2011

C-17

<u>Improvement Description</u>	<u>Ord. No.</u>	<u>Amount of Original Issue</u>	<u>Maturities of Loan Outstanding December 31, 2011</u>	<u>Interest Rate</u>	<u>Balance, July 1, 2011</u>	<u>Decreased</u>	<u>Balance, December 31, 2011</u>
School Loan:							
Bell Stadium Reconstruction	14-97	\$ 500,000.00	2/23/2012 \$ 14,644.84				
			8/23/2012 14,791.29				
			2/23/2013 14,939.21				
			8/23/2013 15,088.60				
			2/23/2014 15,239.48				
				2.00%	\$ 104,595.14	\$ 14,499.85	\$ 90,095.29
				Ref. C		C-6	C

CITY OF ORANGE TOWNSHIP
GENERAL CAPITAL FUND

SCHOOL REFUNDING BONDS
FOR THE SIX MONTHS ENDED DECEMBER 31, 2011

C-19

Purpose	Date of Issue	Amount of Original Issue	Maturities of Bonds Outstanding, December 31, 2011	Interest Rate	Balance, July 1, 2011	Decreased	Balance, December 31, 2011
School Refunding Bonds Series 2005A: Qualified Bond Act (P.L. 1976,C.38)	12/1/2005	\$ 213,528.66	\$ 46,248.15	5.00%	\$ 91,512.30	\$ 45,264.14	\$ 46,248.16
School Refunding Bonds Series 2005B:	12/1/2005	520,000.00	110,000.00	3.70%	220,000.00	110,000.00	110,000.00
School Refunding Bonds Series 2005C: Qualified Bond Act	12/1/2005	445,753.37	98,400.30	5.21%	191,880.59	93,480.29	98,400.30
School Refunding Bonds Series 2005D:	12/1/2005	1,015,000.00	225,000.00	5.21%	440,000.00	215,000.00	225,000.00
School Refunding Bonds Series 2008A:	8/27/2008	1,309,965.00	177,199.00	3.75%	1,003,475.00	172,304.00	831,171.00
			184,052.00	4.00%			
			190,905.00	4.00%			
			89,089.00	4.00%			
			93,005.00	4.00%			
			96,921.00	4.00%			
School Refunding Bonds Series 2008B:	8/27/2008	\$ 3,015,000.00	410,000.00	3.75%	2,310,000.00	390,000.00	1,920,000.00
			420,000.00	4.00%			
			440,000.00	4.00%			
			210,000.00	4.00%			
			215,000.00	4.00%			
			225,000.00	4.00%			
					\$ 4,256,867.89	\$ 1,026,048.43	\$ 3,230,819.46
	Ref.				C	C-6	C

CITY OF ORANGE TOWNSHIP
GENERAL CAPITAL FUND

SCHOOL SERIAL BONDS (TYPE I)
FOR THE SIX MONTHS ENDED DECEMBER 31, 2011

C-20

<u>Purpose</u>	<u>Date of Issue</u>	<u>Amount of Original Issue</u>	<u>Date</u>	<u>Maturities of Bonds Outstanding, December 31, 2011</u>	<u>Interest Rate</u>	<u>Balance, July 1, 2011</u>	<u>Decreased</u>	<u>Balance, December 31, 2011</u>	<u>Ref.</u>
School	6/1/1997	\$ 5,675,000.00	7/1/2012	\$ 500,000.00	5.00%	\$ 995,000.00	\$ 495,000.00	\$ 500,000.00	C
						\$ 995,000.00	\$ 495,000.00	\$ 500,000.00	C-6
						<u>\$ 995,000.00</u>	<u>\$ 495,000.00</u>	<u>\$ 500,000.00</u>	C

CITY OF ORANGE TOWNSHIP
GENERAL CAPITAL FUND

GENERAL REFUNDING BONDS
FOR THE SIX MONTHS ENDED DECEMBER 31, 2011

C-21

<u>Purpose</u>	<u>Date of Issue</u>	<u>Amount of Original Issue</u>	<u>Bonds Outstanding, December 31, 2011</u>		<u>Interest Rate</u>	<u>Balance, July 1, 2011</u>	<u>Decreased</u>	<u>Balance December 31, 2011</u>
			<u>Date</u>	<u>Amount</u>				
Pension Refunding Bonds	5/1/2003	\$ 4,865,000.00	5/1/2012	\$ 430,000.00	4.52%	\$ 2,405,000.00		\$ 2,405,000.00
			5/1/2013	455,000.00				
			5/1/2014	480,000.00				
			5/1/2015	505,000.00				
			5/1/2016	535,000.00				
General Refunding Bonds Series 2005A Qualified Bond Act (P.L. 1976,C.38)	12/1/2005	1,511,471.34	12/1/2012	328,751.85	5.00%	648,487.71	319,735.86	328,751.85
	12/1/2005	3,139,246.63	12/1/2012	691,599.70	5.21%	1,348,119.41	656,519.71	691,599.70
General Refunding Bonds Series 2005B Qualified Bond Act (P.L. 1976,C.38)	4/25/2007	3,655,000.00	8/1/2012	300,000.00	3.90%	3,050,000.00	305,000.00	2,745,000.00
			8/1/2013	345,000.00				
			8/1/2014	345,000.00				
			8/1/2015	340,000.00				
			8/1/2016	335,000.00				
General Refunding Bonds Series 2008A Qualified Bond Act (P.L. 1976,C.38)	8/27/2008	9,103,035.00	12/1/2012	1,242,801.00	3.75%	6,951,525.00	1,202,696.00	5,748,829.00
			12/1/2013	1,285,948.00	4.00%			
			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%			
						<u>\$ 14,403,132.12</u>	<u>\$ 2,483,951.57</u>	<u>\$ 11,919,180.55</u>

Ref.

C

C-6

C

CITY OF ORANGE TOWNSHIP
GENERAL CAPITAL FUND

SCHEDULE OF BONDS AND NOTES AUTHORIZED BUT NOT ISSUED C-22
FOR THE SIX MONTHS ENDED DECEMBER 31,2011

<u>Ord. No</u>	<u>Improvement Description</u>	<u>Balance,</u> <u>December 31, 2011</u>
10-98	Improvements to Water, Waste Water and Storm Water Systems	\$ 819,246.00
8-02	Renovation of 593 Lincoln Avenue	500,000.00
05-05	Redevelopment within the City of Orange	1,425,000.00
28-05	Acquisition of Property	355,000.00
41-05	Multi - Parks Projects	<u>90,000.00</u>
		<u>\$ 3,189,246.00</u>

C

CITY OF ORANGE TOWNSHIP
WATER AND SEWER UTILITY

STATEMENT OF EXPENDITURES
FOR THE SIX MONTHS ENDED DECEMBER 31, 2011

D-4

	<u>Ref.</u>	<u>Appropriation Budget</u>	<u>Balance After Transfer</u>	<u>Paid or Charged</u>	<u>Encumbered</u>	<u>Reserved Unencumbered</u>
Operating:						
Salaries and Wages		\$ 3,195,090.00	\$ 3,195,090.00	\$ 2,386,718.56	\$ 808,371.44	\$
Other Expenses						
Total Operating	D-1	<u>3,195,090.00</u>	<u>3,195,090.00</u>	<u>2,386,718.56</u>	<u>808,371.44</u>	
Debt Service:						
Payment of Bond Principal		570,861.00	570,861.00	570,861.00		
Interest on Bonds		360,549.00	360,549.00	360,549.00		
NJEIT						
Total Debt Service	D-1	<u>931,410.00</u>	<u>931,410.00</u>	<u>931,410.00</u>		
		<u>\$ 4,126,500.00</u>	<u>\$ 4,126,500.00</u>	<u>\$ 3,318,128.56</u>	<u>\$ 808,371.44</u>	<u>\$</u>
<u>Ref.</u>	<u>D-3</u>			<u>Below</u>	<u>D</u>	<u>D</u>
Interfund Payable	Ref.					
Cash Disbursements	D-21			\$ 366,301.23		
Accrued Interest	D-5			2,380,966.33		
	D-18			570,861.00		
				<u>\$ 3,318,128.56</u>		

CITY OF ORANGE TOWNSHIP
WATER AND SEWER UTILITY

CASH RECEIPTS AND DISBURSEMENTS - TREASURER
FOR THE SIX MONTHS ENDED DECEMBER 31, 2011

D-5

	<u>Ref.</u>	<u>Operating</u>	<u>Capital</u>
Balance , July 1, 2011	D	<u>\$ 992,108.49</u>	<u>\$ 250.99</u>
Increased By:			
Interest on Investments	D-3	2,004.32	
Collector	D-7	4,329,769.47	
Interfunds Receivable	D-10		910,572.42
Interfunds Payable	D-22	<u>1,588,796.84</u>	<u>733,203.36</u>
		<u>5,920,570.63</u>	<u>1,643,775.78</u>
		<u>6,912,679.12</u>	<u>1,644,026.77</u>
Decreased By:			
Budget Appropriations	D-4	2,380,966.33	
Interfunds Receivable	D-10	733,203.36	
Appropriation Reserves	D-16	292,305.06	
Accrued Interest on Bonds	D-18	570,861.25	
Water and Sewer Overpayments	D-19	2,610.37	
Improvement Authorizations	D-20		1,644,026.47
Interfunds Payable	D-21	<u>1,016,300.98</u>	
		<u>4,996,247.35</u>	<u>1,644,026.47</u>
Balance, December 31, 2011	D	<u>\$ 1,916,431.77</u>	<u>\$ 0.30</u>

See Independent Auditors' Report

CITY OF ORANGE TOWNSHIP
WATER AND SEWER UTILITY

BANK RECONCILIATION
FOR THE SIX MONTHS ENDED DECEMBER 31, 2011

D-6

<u>Bank Reconciliation</u>	<u>Operating</u>	<u>Capital</u>
Balance per Bank Statements		
Bank of America, Orange, N.J.		
Account	\$ 37,677.56	\$
Account		0.30
PNC Bank, Orange, N.J.		
Account	1,469,167.04	
Account	409,563.17	
	1,916,407.77	0.30
 Add: Deposit in Transit		
 Less: Outstanding Checks		
	\$ 1,916,407.77	\$ 0.30
 <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
FOR THE SIX MONTHS ENDED DECEMBER 31, 2011

D-7

	<u>Ref.</u>	
Increased by Receipts	D	\$
Increased by:		
Nonbudget Revenue	D-3	116,227.93
Consumer Accounts Receivable	D-11	4,213,541.54
		4,329,769.47
Decreased by:		
Remittances to Treasurer	D-5	4,329,769.47
		\$

CASH - CHANGE FUND
FOR THE SIX MONTHS ENDED DECEMBER 31, 2011

D-8

	<u>Ref.</u>	
Balance , July 1, 2011 and December 31, 2011	D	\$ 150.00
		\$ 150.00

See Independent Auditors' Report

CITY OF ORANGE TOWNSHIP
WATER AND SEWER UTILITY

ANALYSIS OF CAPITAL CASH AND INVESTMENTS
FOR THE SIX MONTHS ENDED DECEMBER 31, 2011

D-9

<u>Ord. No.</u>		<u>Balance</u> <u>July 1, 2011</u>	<u>Receipts</u>	<u>Disbursements</u> <u>Improvement</u> <u>Authorizations</u>	<u>Balance</u> <u>December 31, 2011</u>
22-02	Reacquisition of Water and Sewer Franchises and Improvement to Water and Sewer System	\$ 4,794,949.81	\$	\$ 1,644,026.47	\$ 3,150,923.34
8-08	Construction of and Improvements to the City's Mountain Wells, the Chestnut Street Treatment Facilities and High Pump Station.	(2,983,976.38)			(2,983,976.38)
	<u>Other Accounts</u>				
	Due from Current Fund	(1,847,232.00)	910,572.42		(936,659.58)
	Due to Water Capital Fund		733,203.36		733,203.36
	Fund Balance	36,509.56			36,509.56
		<u>\$ 250.99</u>	<u>\$ 1,643,775.78</u>	<u>\$ 1,644,026.47</u>	<u>\$ 0.30</u>

Ref.

D

D

CITY OF ORANGE TOWNSHIP
WATER AND SEWER UTILITY

INTERFUNDS RECEIVABLE
FOR THE SIX MONTHS ENDED DECEMBER 31, 2011

D-10

	<u>Ref.</u>	<u>Water Operating Fund</u>	<u>Water Capital Fund</u>
		<u>Water Capital Fund</u>	<u>Current Fund</u>
Balance, July 1, 2011	D	\$	\$ 1,847,232.00
Increases:			
Disbursements	D-5	<u>733,203.36</u>	<u> </u>
Decreases:			
Receipts	D-5	<u> </u>	<u>910,572.42</u>
Balance, December 31, 2011	D	<u>\$ 733,203.36</u>	<u>\$ 936,659.58</u>

See Independent Auditors' Report

CITY OF ORANGE TOWNSHIP
WATER AND SEWER UTILITY

CONSUMER ACCOUNTS RECEIVABLE
FOR THE SIX MONTHS ENDED DECEMBER 31, 2011

D-11

	<u>Ref.</u>		
Balance, July, 1, 2011	D		\$ 2,480,942.94
Increased by:			
Water and Sewer Billings	Reserve		<u>4,155,941.85</u>
			6,636,884.79
Decreased by::			
Collections	D-7	4,213,541.54	
Interfund Payable	D-21	<u>322,641.84</u>	
	D-3	4,536,183.38	
Transferred from Liens	D-12	<u>132,437.53</u>	
			<u>4,668,620.91</u>
Balance, December 31, 2011	D		<u>\$ 1,968,263.88</u>

LIENS RECEIVABLE
FOR THE SIX MONTHS ENDED DECEMBER 31, 2011

D-12

	<u>Ref.</u>		
Balance, July, 1, 2011	D		\$
Increase:			
Transferred from Consumer Accounts Receivable	D-11		<u>132,437.53</u>
			132,437.53
Balance, December 31, 2011	D		<u>\$ 132,437.53</u>

CITY OF ORANGE TOWNSHIP
WATER AND SEWER UTILITY

LOANS RECEIVABLE
FOR THE SIX MONTHS ENDED DECEMBER 31, 2011

D-13

	<u>Ref.</u>	
Balance, July, 1, 2011	D	<u>\$ 4,152,487.00</u>
Balance, December 31, 2011	D	<u>\$ 4,152,487.00</u>

See Independent Auditors' Report

CITY OF ORANGE TOWNSHIP
WATER AND SEWER UTILITY

FIXED CAPITAL
FOR THE SIX MONTHS ENDED DECEMBER 31, 2011

D-14

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

Ref.

D

CITY OF ORANGE TOWNSHIP
WATER AND SEWER UTILITY

FIXED CAPITAL AUTHORIZED AND UNCOMPLETED
FOR THE SIX MONTHS ENDED DECEMBER 31, 2011

D-15

<u>Ord. No.</u>		<u>Ordinance</u>		<u>Balance,</u> <u>December 31, 2011</u>
		<u>Date</u>	<u>Amount</u>	
19-83	Improvement to Walls	7/5/1983	\$ 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
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
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
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
				<u>\$ 39,288,583.60</u>

Ref.

D

CITY OF ORANGE TOWNSHIP
WATER AND SEWER UTILITY

APPROPRIATION RESERVES
FOR THE SIX MONTHS ENDED DECEMBER 31, 2011

D-16

	<u>Encumbered</u>	<u>Unencumbered</u>	<u>Paid or Charged</u>	<u>Unexpended Balance</u>
<u>Operating</u> Other Expenses	<u>\$ 361,309.61</u>	<u>\$</u>	<u>\$ 290,895.06</u>	<u>\$ 70,414.55</u>
<u>Ref.</u>	D	D	D-5	D-1
		<u>Ref.</u>		
Cash Disbursements		D-5	\$ 292,305.06	
Interfund		D-21	<u>(1,410.00)</u>	
			<u>\$ 290,895.06</u>	

See Independent Auditors' Report

CITY OF ORANGE TOWNSHIP
WATER AND SEWER UTILITY

DUE FROM UNITED WATER COMPANY
FOR THE SIX MONTHS ENDED DECEMBER 31, 2011

D-17

	<u>Ref.</u>	
Balance, July, 1, 2011	D	\$ 28,325.41
Increased by:		
Interfund Payable	D-21	<u>18,956.88</u>
Balance, December 31, 2011	D	<u>\$ 47,282.29</u>

See Independent Auditors' Report

CITY OF ORANGE TOWNSHIP
WATER AND SEWER UTILITY

ACCRUED INTEREST ON BONDS
FOR THE SIX MONTHS ENDED DECEMBER 31, 2011

D-18

	<u>Ref.</u>	
Balance, July 1, 2011	D	\$ 121,468.65
Increased by:		
Budget Appropriations	D-4	570,861.00
		692,329.65
Decreased by:		
Payments	D-5	570,861.25
		570,861.25
Balance, December 31, 2011	D	\$ 121,468.40

Analysis of Balance

<u>Bonds</u> <u>Outstanding</u> <u>December 31, 2011</u>	<u>Interest</u> <u>Rate</u>	<u>Accrued</u>		<u>Period</u>	<u>Amount</u>
		<u>From</u>	<u>To</u>		
\$ 1,905,000.00	4.30%	12/1/2011	12/31/2011	1 month	\$ 6,826.25
1,040,000.00	4.35%	12/1/2011	12/31/2011	1 month	3,770.00
4,825,000.00	4.55%	12/1/2011	12/31/2011	1 month	18,294.79
8,925,000.00	5.00%	12/1/2011	12/31/2011	1 month	37,187.50
1,000,000.00	4.125%	12/1/2011	12/31/2011	1 month	3,437.50
4,465,000.00	4.20%	12/1/2011	12/31/2011	1 month	15,627.50
2,400,000.00	5.00%	12/1/2011	12/31/2011	1 month	10,000.00
					\$ 95,143.54

The excess balance has been used to reduce the Calendar Year 2012 budget appropriation.

CITY OF ORANGE TOWNSHIP
WATER AND SEWER UTILITY

WATER AND SEWER OVERPAYMENTS
FOR THE SIX MONTHS ENDED DECEMBER 31, 2011

D-19

	<u>Ref.</u>	
Balance, July 1, 2011	D	\$ 66,665.01
Decreased by:		
Refunds	D-5	<u>2,610.37</u>
Balance, December 31, 2011	D	<u>\$ 64,054.64</u>

See Independent Auditors' Report

CITY OF ORANGE TOWNSHIP
WATER AND SEWER UTILITY

IMPROVEMENT AUTHORIZATIONS
FOR THE SIX MONTHS ENDED DECEMBER 31, 2011

D-20

Description	Ordinance Date	Amount	Balance, July 1, 2011		Paid or Charged	Balance, December 31, 2011	
			Funded	Unfunded		Funded	Unfunded
Reacquisition of Water and Sewer Franchises and Improvement to Water and Sewer System	22-02 6/1/2003	\$ 30,000,000.00	\$ 4,794,949.81	\$	\$ 1,644,026.47	\$ 3,150,923.34	\$
Construction of and Improvements to the City's Mountain Wells, the Chestnut Street Treatment Facilities and High Pump Station.	8-08 6/4/2008	9,000,000.00		2,668,791.62			2,668,791.62
	Ref.		\$ 4,794,949.81	\$ 2,668,791.62	\$ 1,644,026.47	\$ 3,150,923.34	\$ 2,668,791.62
			D	D	D-5	D	D

CITY OF ORANGE TOWNSHIP
WATER AND SEWER UTILITY

INTERFUNDS PAYABLE
FOR THE SIX MONTHS ENDED DECEMBER 31, 2011

D-21

	Ref.	Totals	Water Operating Fund		Water Capital Fund Due to Water Operating Fund
			Due to General Trust Fund	Due to Current Fund	
Balance, July 1, 2011	D	\$ 241,777.49	\$	241,777.49	\$
Increased by:					
Receipts	D-5	1,588,796.84	45,293.75	1,543,503.09	733,203.36
Due from United Water	D-17	18,956.88	18,956.88		
Budget Appropriations	D-4	366,301.23		366,301.23	
		<u>2,215,832.44</u>	<u>64,250.63</u>	<u>2,151,581.81</u>	<u>733,203.36</u>
Decreased by:					
Settlements	D-5	1,016,300.98		1,016,300.98	
Expenditures Paid in Error	D-16	1,410.00	1,410.00		
Consumer Accounts Receivable	D-11	322,641.84		322,641.84	
		<u>1,340,352.82</u>	<u>1,410.00</u>	<u>1,338,942.82</u>	
Balance, December 31, 2011	D	\$ 875,479.62	\$ 62,840.63	\$ 812,638.99	\$ 733,203.36

CITY OF ORANGE TOWNSHIP
WATER AND SEWER UTILITY

RESERVE FOR AMORTIZATION
FOR THE SIX MONTHS ENDED DECEMBER 31, 2011

D-22

	<u>Ref.</u>	
Balance, July 1, 2011	D	\$ 10,172,836.23
Increased by:		
Loans Paid	D-24	<u>265,342.90</u>
Balance, December 31, 2011	D	<u>\$ 10,438,179.13</u>

See Independent Auditors' Report

CITY OF ORANGE TOWNSHIP
WATER AND SEWER UTILITY

DEFERRED RESERVE FOR AMORTIZATION
FOR THE SIX MONTHS ENDED DECEMBER 31, 2011

D-23

<u>Ord. No.</u>	<u>Description</u>	<u>Date</u>	<u>Ref.</u>	<u>Balance,</u> <u>December 31, 2011</u>
22-02	Reacquisition of Water and Sewer Franchises and Improvement to Water and Sewer System	6/1/2003		\$ 4,565,000.00
				<u>\$ 4,565,000.00</u>

D

CITY OF ORANGE TOWNSHIP
WATER AND SEWER UTILITY

N.J. ENVIRONMENTAL INFRASTRUCTURE TRUST LOAN PAYABLE
FOR THE SIX MONTHS ENDED DECEMBER 31, 2011

D-24
Sheet # 1

<u>Purpose</u>	<u>Date of Issue</u>	<u>Amount Of Original Issue</u>	<u>Maturities of Loans Outstanding</u>		<u>Interest Rate</u>	<u>Balance, July 1, 2011</u>	<u>Decrease</u>	<u>Balance, December 31, 2011</u>
			<u>Date</u>	<u>Amount</u>				
Trust Share	11/6/2008	\$ 3,835,000.00	8/1/2012	\$ 135,000.00	5.00%	\$ 3,710,000.00	\$ 130,000.00	\$ 3,580,000.00
			8/1/2013	145,000.00	5.00%			
			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	185,000.00	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%			

CITY OF ORANGE TOWNSHIP
WATER AND SEWER UTILITY

N.J. ENVIRONMENTAL INFRASTRUCTURE TRUST LOAN PAYABLE
FOR THE SIX MONTHS ENDED DECEMBER 31, 2011

D-24
Sheet # 2

Purpose	Date of Issue	Amount Of Original Issue	Maturities of Loans Outstanding		Interest Rate	Balance, July 1, 2011	Decrease	Balance, December 31, 2011
			Date	Amount				
Fund Share	11/6/2008	\$ 3,664,719.00	2/1/2012	\$ 55,263.23	*	\$ 3,414,192.11	\$ 135,342.90	\$ 3,278,849.21
			8/1/2012	136,394.60	*			
			2/1/2013	53,234.94	*			
			8/1/2013	140,376.05	*			
			2/1/2014	51,056.42	*			
			8/1/2014	141,202.38	*			
			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	*			
						\$ 7,124,192.11	\$ 265,342.90	\$ 6,858,849.21

Ref. D D-22 D

CITY OF ORANGE TOWNSHIP
WATER AND SEWER UTILITY

SERIAL BONDS
FOR THE SIX MONTHS ENDED DECEMBER 31, 2011

D-25

<u>Purpose</u>	<u>Date of Issue</u>	<u>Amount of Original Issue</u>	<u>Maturities of Bonds Outstanding December 31, 2011</u>		<u>Interest Rate</u>	<u>Balance, July 1, 2011</u>	<u>Balance, December 31, 2011</u>
			<u>Date</u>	<u>Amount</u>			
Requisition of Water and Sewer Franchise and Improvement to Water System and Sewer System	6/1/2003	\$ 30,000,000.00	6/1/2012	\$ 925,000.00	4.30%	\$ 24,560,000.00	\$ 24,560,000.00
			6/1/2013	980,000.00	4.30%		
			6/1/2014	1,040,000.00	4.35%		
			6/1/2015	1,105,000.00	4.55%		
			6/1/2016	1,170,000.00	4.55%		
			6/1/2017	1,240,000.00	4.55%		
			6/1/2018	1,310,000.00	4.55%		
			6/1/2019	1,390,000.00	5.00%		
			6/1/2020	1,470,000.00	5.00%		
			6/1/2021	1,560,000.00	5.00%		
			6/1/2022	1,655,000.00	5.00%		
			6/1/2023	1,750,000.00	5.00%		
			6/1/2024	1,100,000.00	5.00%		
			6/1/2024	1,000,000.00	4.125%		
			6/1/2025	2,180,000.00	4.20%		
			6/1/2026	2,285,000.00	4.20%		
			6/1/2027	2,400,000.00	5.00%		
						<u>\$ 24,560,000.00</u>	<u>\$ 24,560,000.00</u>

Ref. D D



The Honorable Mayor and Members
of the City Council
City of Orange Township
Orange, New Jersey 07050

We have audited the financial statements and supplemental schedules and data of the

**CITY OF ORANGE TOWNSHIP
COUNTY OF ESSEX**

For the transitional year ended December 31, 2011, and have issued our report thereon. As part of our audit, we reviewed and tested the municipality's system of internal accounting control to the extent we considered necessary to evaluate the system as required by auditing standards generally accepted in the United States of America; by the Division of Local Government services of the Department of Community Affairs, State of New Jersey; by the *Governmental Auditing standards* used by the U.S. General Accounting Office; and by the provisions of the "Single Audit Act of 1984". Compliance requirements were also reviewed in accordance with the requirements of the aforementioned standards and guidelines or, where applicable, the terms and conditions of particular grant agreements and as approved by the Cognizant Audit Agency.

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

General Comments and Recommendations

Federal and State Grant Fund

Various grant receivables and unexpended grant reserves are recorded on page A-22 and A-36, have not been realized or fully expended.

It is recommended that the City review these receivables and reserves and appropriate action should be taken as to their disposition.

Premium on Tax Sale

We have reviewed a detailed list of Premiums on Tax Sale at December 31, 2011. There is a difference between the detailed listing balance and the trial balance of the City at December 31, 2011.

It is recommended that the City reconcile the variance between the trial balance and detailed listing.

Third Party Tax Redemptions

We have reviewed a detailed list of Third Party Tax Redemptions at June 30, 2011. There is a difference between the detailed listing balance and the trial balance of the City at June 30, 2011.

It is recommended that the City reconcile the variance between the trial balance and detailed listing.

Dedication by Rider

The General Trust Fund contains several accounts that may be subject to the provisions of Dedication by Rider N.J.S.A. 40A:4-39.

It is recommended that a resolution be adopted by the City Council requesting approval for insertion of a certain account in the Municipal Budget under provisions of N.J.S.A. 40A:4-39 "Dedication by Rider"

Outside Employment of Off-Duty Police Officers

Our audit resulted in the following comment:

Pursuant to Ordinance #10-2002 adopted on July 2, 2002 the City is required to maintain an escrow account for the purpose of receiving deposits from persons or entities requesting outside police services. Monies must be deposited by the party prior to the rendering of any services. The Police Director shall not post a request for services without sufficient funds deposited.

During our review it was noted that several entities received services prior to the depositing of the required funds.

The detailed listing of deposit balances at December 31, 2011 was not consistent with the balance recorded in the trust account.

That cash collections for the outside employment of off-duty police officers, as reflected on the yearly report, be reconciled to bank statements.

The following recommendations are made:

- Services for outside police services should not be rendered until funds are received in advance.
- Deposit balances should be reconciled from a detailed listing maintained to the trial balance on a monthly basis.

Water and Sewer Utility

The operation of the Water and Sewer Utility System is contracted with a third-party provider.

Our review resulted in the following comment:

- A service provider is required to submit a report on the adequacy of their internal controls which is known as a SAS 70 Report. The United Water Company and Utility Business Services have not submitted this report. It is recommended that the SAS Report be issued by the third party vendor to the City.

Payroll Fund

The City contracts with ADP to provide third party payroll services. An audit of the service provider's payroll account was not provided by the City nor did we prepare such an audit. It should be noted that we could not verify required payments to Federal and State agencies made by the service provider.

Our audit resulted in the following comment:

Gross salaries reported on Federal and State payroll reports are not in agreement with salaries and wages reported on the City's records.

The third quarter 2011 pension report was not available for our review.

The payroll checking account has not been reconciled.

The payroll checking account balance is not recorded in the general ledger of the City and not included in the audit report.

There was no salary guide presented for audit for Fire Department personnel. Therefore, we were unable to determine if the salaries paid were according to the contracts.

The following recommendations are made:

- That the City prepares quarterly reconciliations between the City's records and the payroll reports and detail any variances.
- The City should prepare monthly bank reconciliations for the payroll account.
- The City should take the necessary measures to have the reconciled balance of the City's payroll account recorded.
- That all salary guides be presented for audit.
- As a result of the issues enumerated above, we are unable to present the Payroll Fund as part of the financial statements.

Grant Trust Fund

In accordance with regulations promulgated by the Division of Local Government Services, a general ledger accounting system is required to be maintained for all municipal funds.

Our audit resulted in the following comment:

The City should record all transactions for the Grant Trust Fund in a general ledger.

The following recommendations are made:

- A general ledger should be maintained for the Grant Trust Fund.

Recreation Department

Our audit resulted in the following comment:

Rosters of participants were not available for individual recreational activities.

There were numerous recreational activities that included fees not approved by City Council by ordinance.

The following recommendations are made:

- A roster of all participating individuals should be kept for each recreational activity offered by the City. These individual rosters should be periodically checked to the cash receipts book to determine that payment was received.
- All recreation fees charged should be approved by ordinance approved by the City Council.

Construction Code Department

Our audit resulted in the following comment:

The cash receipt book of the construction code department did not agree with the amounts deposited into the Treasurer's account.

Not all permits selected were available for review.

The following recommendations are made:

- The construction code department cash receipts book should be reconciled to the Treasurer's account on a monthly basis and any variances should be investigated.
- All copies of permits be available for audit review in the construction code department.

Health and Vital Statistics

Our audit resulted in the following comment:

There were no pre-numbered duplicate receipts used. Therefore, we were unable to determine if all funds received were turned over.

The following recommendations are made:

- That the Health and Vital Statistics Department maintain duplicate pre-numbered receipts.

Tax Collector

Our audit resulted in the following comments:

The control records for all year's taxes were not in agreement with detail listings of account balances.

The control records for tax title liens were not in agreement with detail listing of account balances.

Tax overpayments were not properly reflected. The balance, as reported was abstracted from various sources. We were unable to verify if all overpayments were established.

The tax levy was not proven. Overbill accounts were never posted to the computer system resulting in overpayments which are not reflected and delinquent balances which do not exist.

The delinquent water/sewer utility consumer accounts receivable could not be reconciled back to the financial records of the City. Cash collections reported by United Water did not agree to the City's records.

A 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. This has resulted in additional interest having to be paid by the City because refunds were not made in a timely manner to the lien holders.

The following recommendations are made:

- That listings of taxes receivable be prepared monthly and reconciled to master controls.
- That listing of tax title liens receivable be prepared monthly and reconciled to master controls.
- That controls be maintained for all tax overpayments.
- That a detail listing of open third party lien redemption balances be prepared and refunds be made timely to prevent the City from incurring interest costs.
- That listings of water and sewer consumer accounts receivable be prepared monthly and reconciled to master control.
- That the reports filed with the State of New Jersey for senior citizen and veteran's deductions are in agreement with the tax collector's record.

Cash

Our audit resulted in the following comment:

Inter-fund balances were not closed out by year end.

The following recommendations are made:

- All interfunds should be reconciled on a monthly basis. Interfunds that can be closed before year end should be.

Municipal Court

Our audit resulted in the following comment:

The MVP violation account has not been reconciled.

Certain selected court receipts examined were not deposited within 48 hours.

Certain time payments selected for examination were missing.

The following recommendations are made:

- The MVP violation cash account be reconciled.
- All municipal court fines and costs received be deposited within 48 hours.
- All time payment records be made available for review.

Annual Budget

Our audit resulted in the following comment:

Over-expenditures of budget appropriations occurred during the audit year.

Debt service expenditures for the Water & Sewer Capital Fund were expended from and charged to the Current Fund operations.

The City did not make the required pension contributions for the Police and Fire retirement system as of year-end. The required date for payment was April 30.

The following recommendations are made:

- Budget activity should be monitored regularly to ensure that line items are not over expended.
- Debt service payments against the water & sewer should be made from the water and sewer fund.

Vouchers – General

Our audit resulted in the following comment:

Political Contributions reports required under N.J.S.A. 19:44A-20.4 were not obtained by the City.

The following recommendations are made:

- Political Contributions reports be obtained for all contracts exceeding \$17,500.00 and not awarded in a fair and open process.

Capital Fixed Assets

The City has not maintained the schedule of Fixed Capital Assets for the year ending December 31,, 2011.

Corrective Action Plan

There was no corrective action plan adopted for the comments applicable to the audit period June 30, 2011.