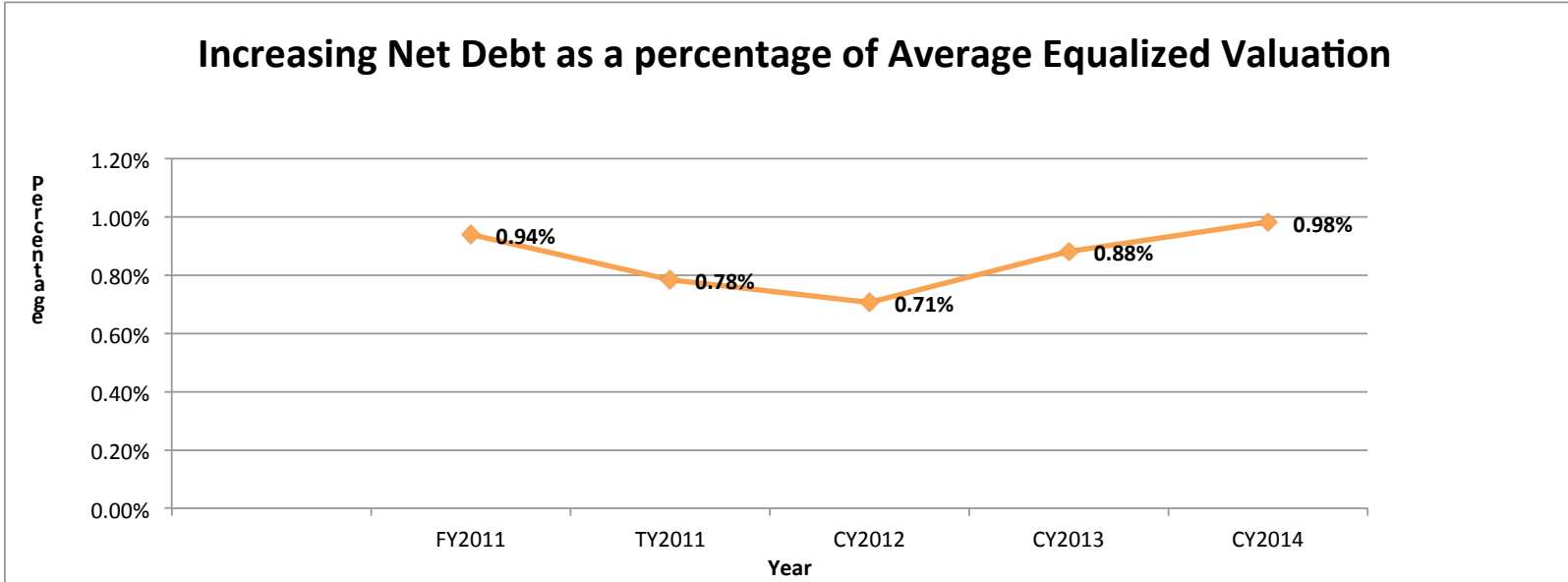


## City of Orange Township

**Warning Trend:** Increasing Net Debt as a percentage of average equalized valuation

Formula:  $\frac{\text{Net Debt}}{\text{3 yr. Avg. equalized Valuation}}$



Year End	FY2011	TY2011	CY2012	CY2013	CY2014
3 Yr. Avg. Equalized Valuation	\$1,782,504,101	\$1,782,504,101	\$1,566,397,794	\$1,450,521,293	\$1,423,048,519
Net Debt per Annual Debt Stmt	\$16,735,592	\$13,972,029	\$11,050,723	\$12,795,652	\$13,972,029
Percentage	0.94%	0.78%	0.71%	0.88%	0.98%

40A:2-5 - "No bond ordinance shall be finally adopted if it appears from the supplemental debt statement required by this chapter that the percentage of net debt as stated therein pursuant to 40A:2-42 exceeds 2%, in the case of a county, or 3.5% in the case of a municipality."

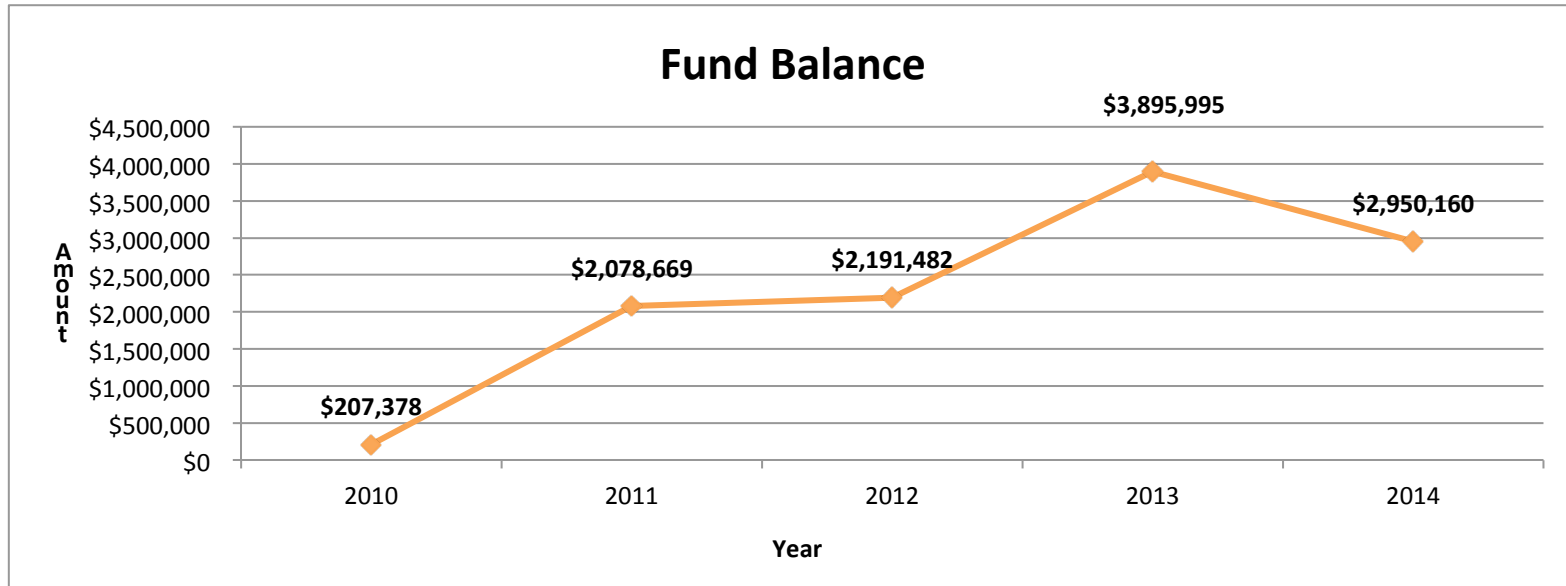
\* The 3 Yr. Avg. equalized Valuation and the net debt are directly from the annual debt statement for each calendar or fiscal year.

## City of Orange Township

**Warning Trend:** Decreasing Fund Balance as a percentage of the total operating budget -

6 - 8 % is an acceptable general guideline

**Formula:** 
$$\frac{\text{Fund balance}}{\text{Total Operating Budget}}$$



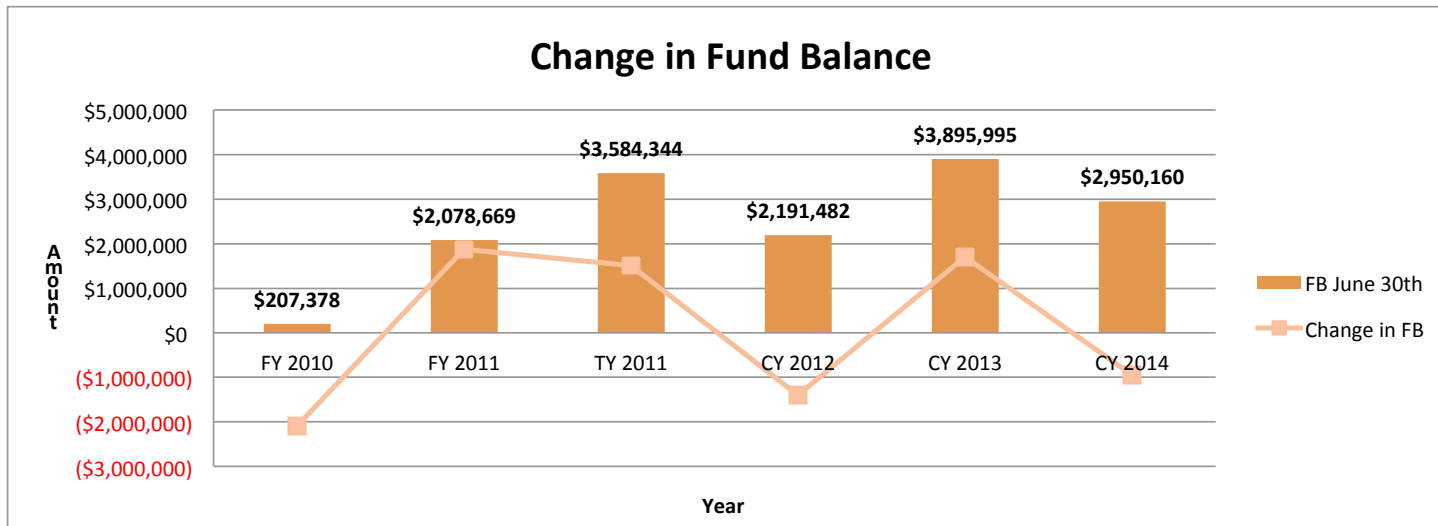
Year End	2010	2011	2012	2013	2014
Total Operating Budget	\$60,710,939	\$55,946,152	\$58,179,400	\$59,228,114	\$59,066,833
Fund Balance	\$207,378	\$2,078,669	\$2,191,482	\$3,895,995	\$2,950,160
Percentage	0%	4%	4%	7%	5%

## City of Orange Township

**Warning Trend:** Decrease in Fund Balance

6 - 8 % of the operating budget is an acceptable level of fund balance - approximately \$3.5 million for Orange based on CY 2013 .

	CY2012	CY 2013	CY 2014	CY 2015
<b>Target (6% of Operating Budget)</b>	<b>\$3,490,764</b>	<b>\$3,553,687</b>	<b>\$3,544,010</b>	\$ 3,544,849

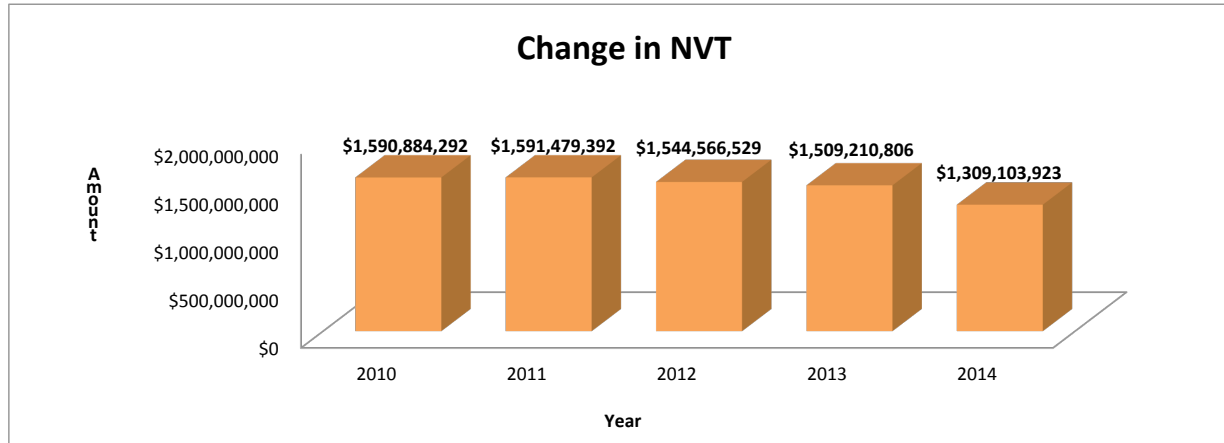


Year End	Year Ended June 30th				Year Ended December 31st	
	FY 2010	FY 2011	TY 2011	CY 2012	CY 2013	CY 2014
Fund Balance July 1st (FY) Prior Year or Jan 1st (CY)	\$2,305,220	\$207,378	\$2,078,669	\$3,584,344	\$2,191,482	\$3,895,995
Fund Balance June 30th (FY) or Dec 31st (CY)	\$207,378	\$2,078,669	\$3,584,344	\$2,191,482	\$3,895,995	\$2,950,160
Change in Fund Balance	(\$2,097,842)	\$1,871,290	\$1,505,675	(\$1,392,862)	\$1,704,513	(\$945,835)
Percentage Change	-91%	902%	72%	-39%	78%	-24%

The policy of the City of Orange Township as it relates to fund balance is to aim for a minimum balance of 6 - 8% of the total operating budget. The goal is to grow fund balance on an annual basis so as to improve the City's financial position and enhance its rating potential with the rating agencies.

## City of Orange Township

**Warning Trend:** Decrease in Net Valuation Taxable

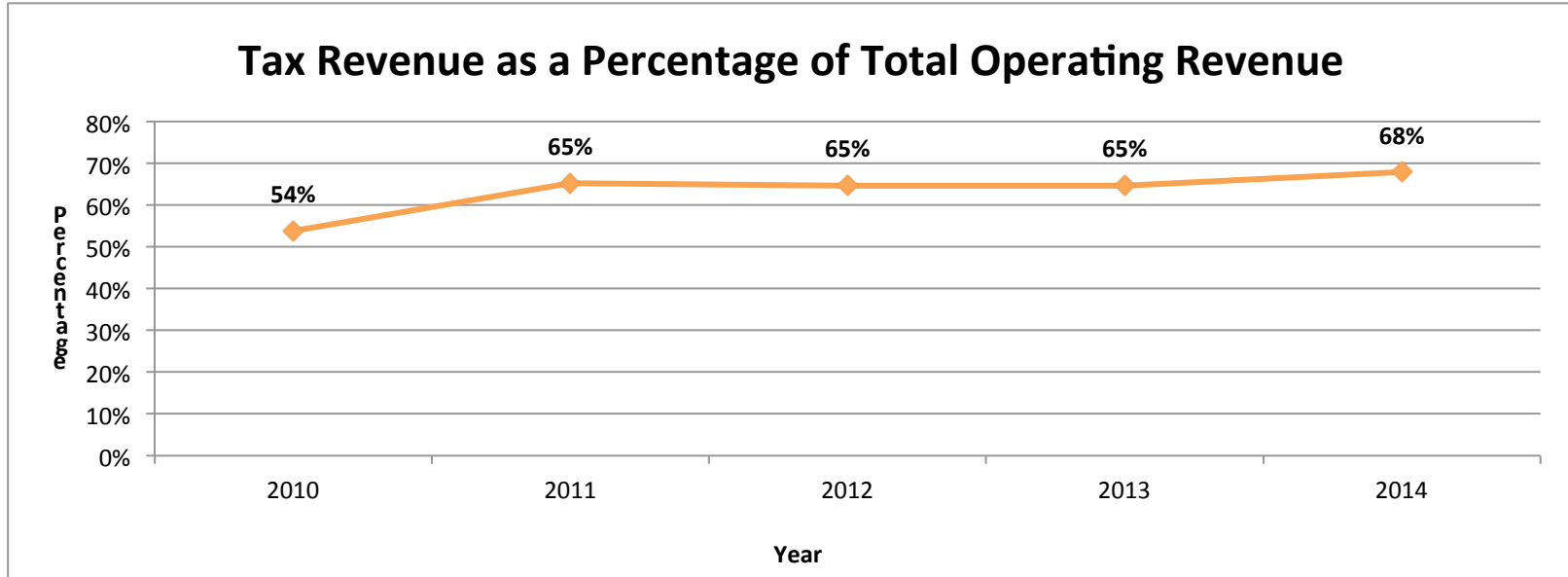


Year End	2010	2011	2012	2013	2014
NVT Balance January 1st	\$1,601,528,166	\$1,590,884,292	\$1,591,479,392	\$1,544,566,529	\$1,509,210,806
NVT Balance December 31st	\$1,590,884,292	\$1,591,479,392	\$1,544,566,529	\$1,509,210,806	\$1,309,103,923
Change in NVT	(\$10,643,874)	\$595,100	(\$46,912,863)	(\$35,355,723)	(\$200,106,883)
Percentage	-1%	0%	-3%	-2%	-13%

## City of Orange Township

**Warning Trend:** Steady increase in the reliance of tax revenue to balance the municipal budget

**Formula:** 
$$\frac{\text{Property Tax Revenue}}{\text{Total General Revenue}}$$



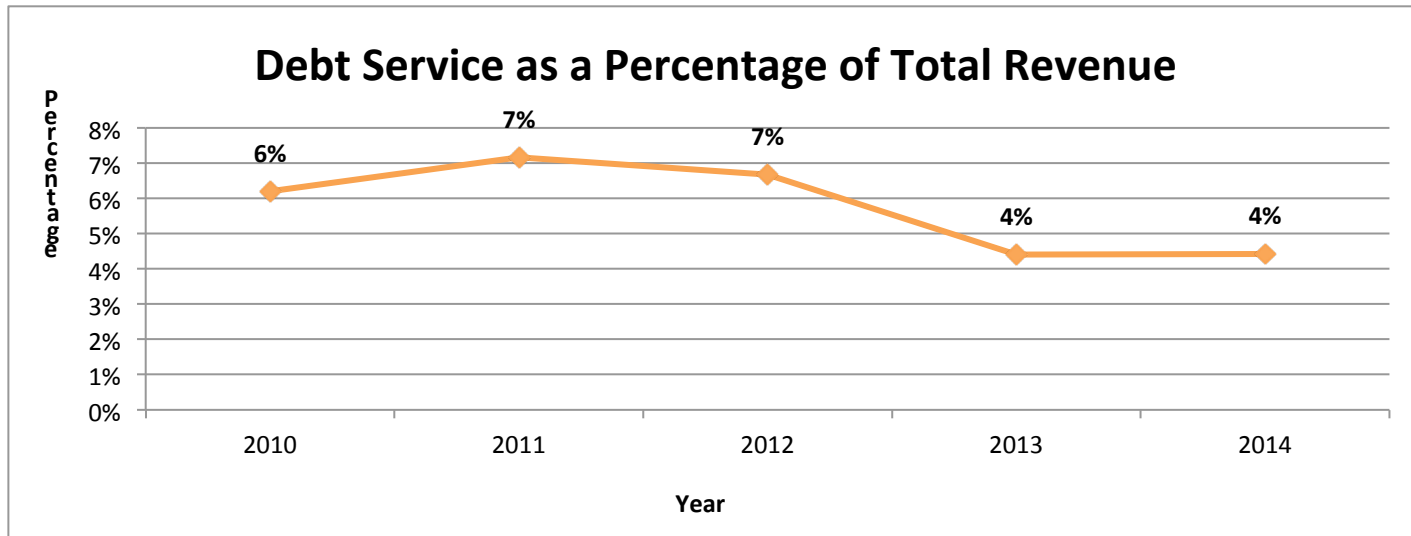
Year End	2010	2011	2012	2013	2014
Total General Revenue	\$61,020,939	\$54,894,560	\$58,179,400	\$59,228,114	\$59,229,021
Property Tax Revenue	\$32,824,441	\$35,817,946	\$37,617,533	\$38,317,781	\$40,211,684
Percentage	54%	65%	65%	65%	68%

This indicator shows changes in revenue structure. Strong shifts in the percentage of any revenue source may be a warning of financial problems

## City of Orange Township

**Warning Trend:** Increasing Debt Service expense as a percentage of Operating Revenue  
8 % is an acceptable general guideline

**Formula:** 
$$\frac{\text{Debt Service Expense}}{\text{Operating Revenue}}$$



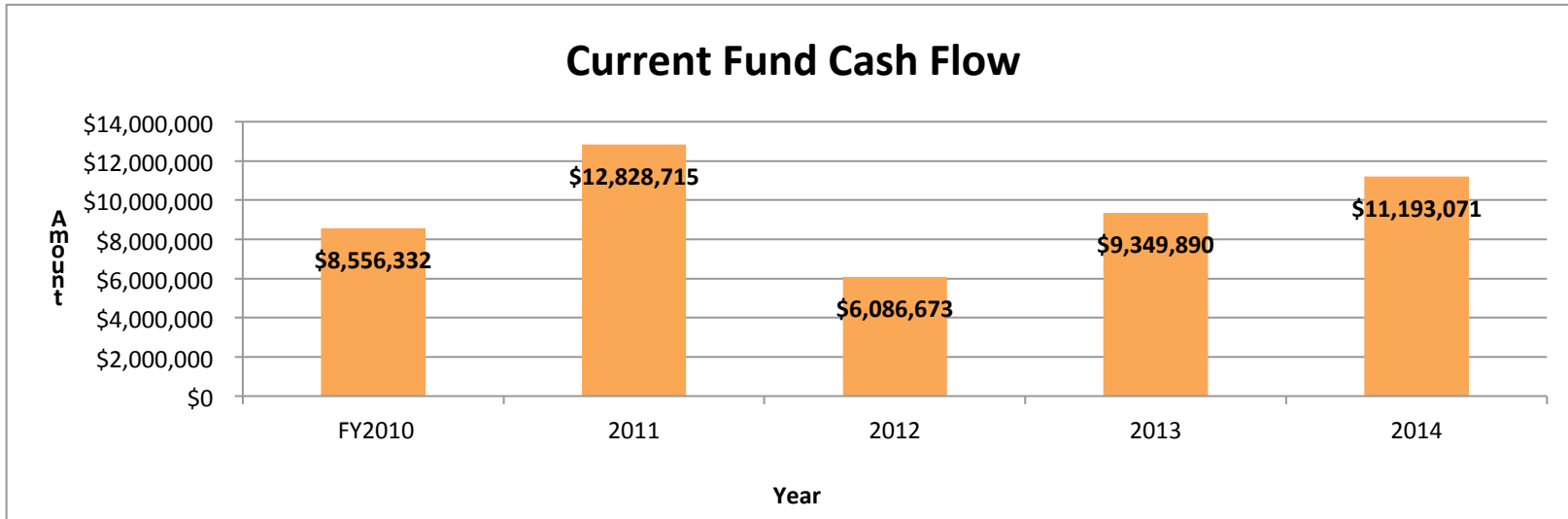
Year End	2010	2011	2012	2013	2014
Total General Revenue	\$61,020,939	\$54,894,560	\$58,179,400	\$59,228,114	\$59,229,021
Debt Service Expense	\$3,785,789	\$3,935,635	\$3,886,266	\$2,609,703	\$2,624,690
Percentage	6%	7%	7%	4%	4%

Increasing Debt Service decreases expenditure flexibility by adding to the Township's fixed cost obligation.

## City of Orange Township

**Warning Trend:** Declining Cash Balance

Formula: Cash Balance as of December 31st



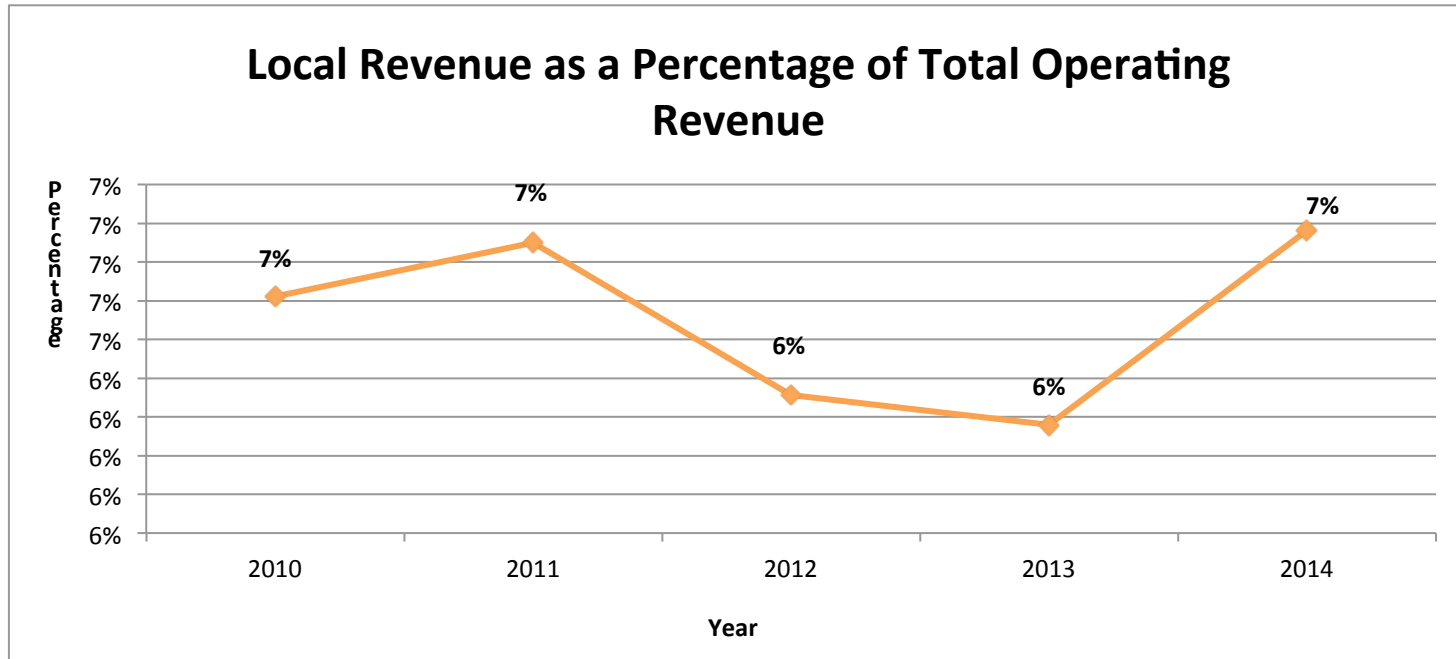
Year End		FY2010	2011	2012	2013	2014
Cash Balance January 1st		\$9,373,524	\$8,556,332	\$12,828,715	\$6,086,673	\$9,349,890
Cash Balance December 31st		\$8,556,332	\$12,828,715	\$6,086,673	\$9,349,890	\$11,193,071
Change inCash Balance		(\$817,192)	\$4,272,383	(\$6,742,042)	\$3,263,217	\$1,843,181
Percentage		-9%	50%	-53%	54%	20%

Liquidity determines the Township's ability to meet its short term obligations. Poor levels of liquidity may be a sign of future economic disrupt

## City of Orange Township

**Warning Trend:** Decreasing Local Revenue

**Formula:** 
$$\frac{\text{Local Revenue}}{\text{Total Operating Revenue}}$$



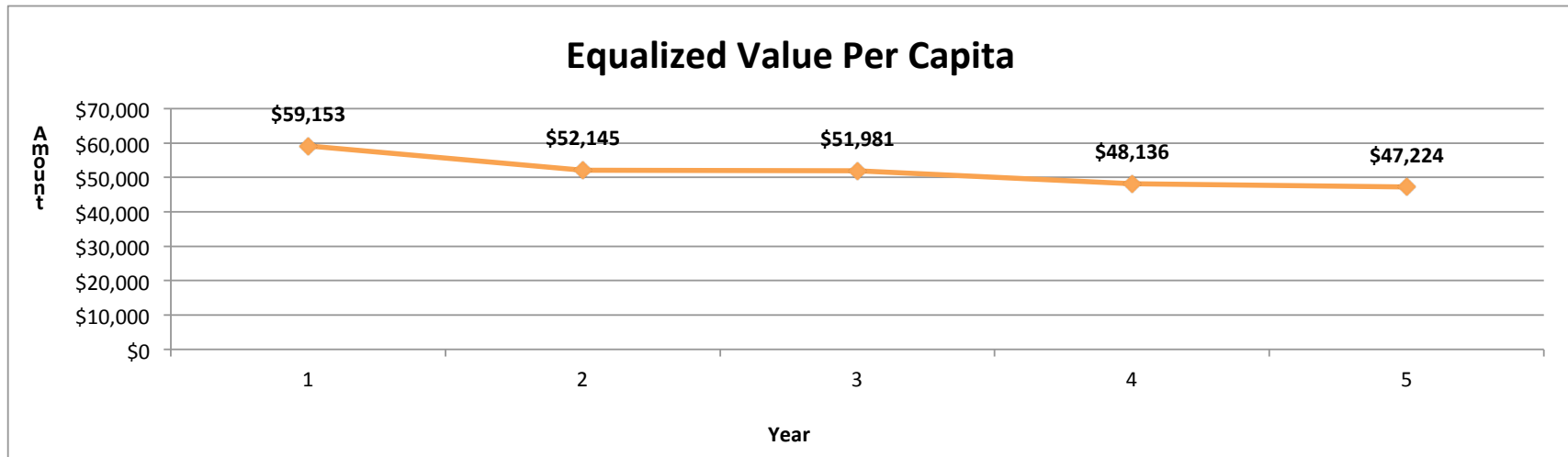
Year End	2010	2011	2012	2013	2014
Total General Revenue	\$61,020,939	\$54,894,560	\$58,179,400	\$59,228,114	\$59,229,021
Local Revenue	\$4,163,557	\$3,897,591	\$3,672,236	\$3,647,899	\$4,241,851
Percentage of Total	7%	7%	6%	6%	7%

Local Revenues appear in section A of the budget and include fees and permits, interest income and PILOT payments. Decreases in local revenues place a greater burden on the tax rate.



## City of Orange Township

This indicator is used for comparison purposes only.

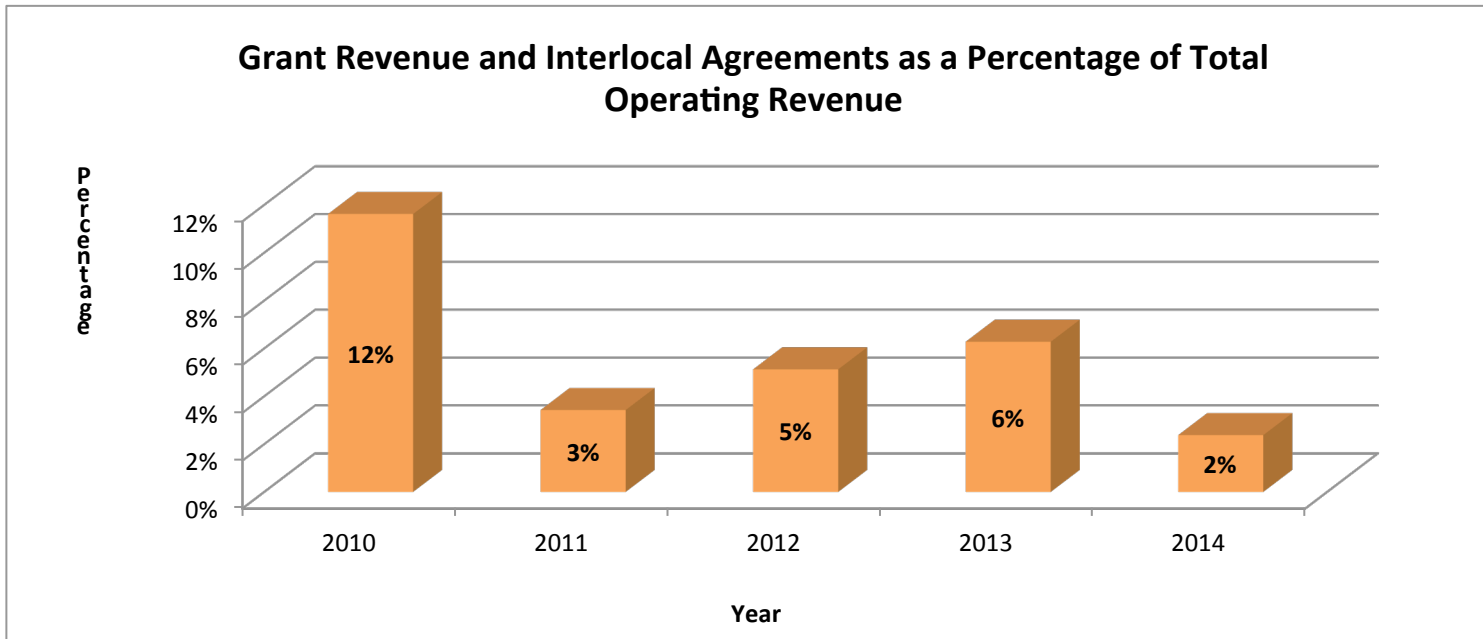


Year End	2010	2011	2012	2013	2014
3 Yr. Avg. Equalized Valuation	\$1,782,504,101	\$1,571,348,920	\$1,566,397,794	\$1,450,521,293	\$1,423,048,519
Population	30,134	30,134	30,134	30,134	30,134
Equalized Value Per Capita	\$59,153	\$52,145	\$51,981	\$48,136	\$47,224

## City of Orange Township

**Warning Trend:** Decreasing amount of Grant and Interlocal Agreement Revenue as a percentage of Total Operating Revenue

**Formula:** 
$$\frac{\text{Grant Revenue \& Interlocal Agreements}}{\text{Total Operating Revenue}}$$



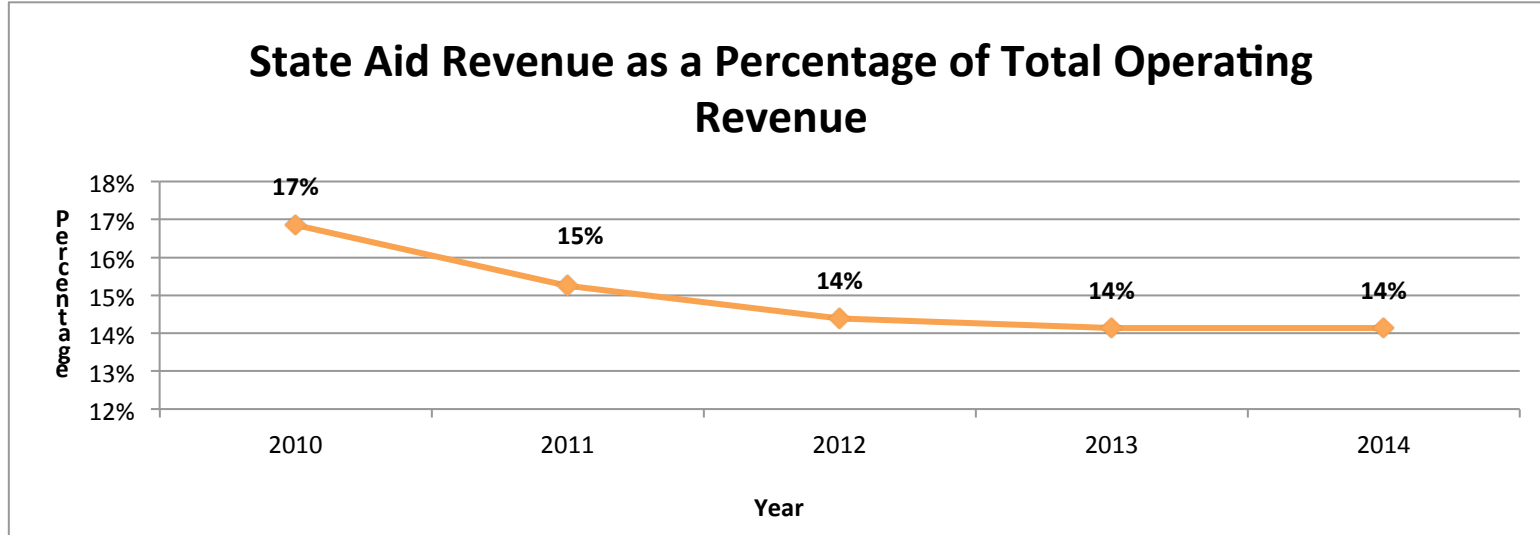
Year End	2010	2011	2012	2013	2014
Total General Revenue	\$61,020,939	\$54,894,560	\$58,179,400	\$59,228,114	\$59,229,021
Grant Revenue	\$7,088,790	\$1,878,859	\$2,981,584	\$3,718,144	\$1,406,837
Percentage of Total	12%	3%	5%	6%	2%

Grants and interlocal agreements are included in sections D and F of the General Revenue section of the municipal budget. These revenues are for a specific purpose and are often times offset by appropriations to carry out the stated purpose. Decreasing revenues in these areas place a greater burden on the tax rate to balance the budget.

## City of Orange Township

**Warning Trend:** Decreasing amount of State Aid Revenue as a percentage of Total Operating Revenue

**Formula:** 
$$\frac{\text{State Aid Revenue}}{\text{Total Operating Revenue}}$$



Year End	2010	2011	2012	2013	2014
Total General Revenue	\$61,020,939	\$54,894,560	\$58,179,400	\$59,228,114	\$59,229,021
State Aid Revenue	\$10,287,021	\$8,372,797	\$8,372,797	\$8,372,797	\$8,372,797
Percentage of Total	17%	15%	14%	14%	14%

State Aid includes: Consolidate Municipal Property Tax Relief Aid, Energy Receipts Tax, Extra Ordinary Aid, Supplemental Energy Receipts Tax, Municipal Homeland Security Assistance Aid and Municipal State Aid. Decreasing State Aid Revenue may create financial inflexibility and may signal an immediate financial weakness; however, and overdependence may signal future disruption.

## City of Orange Township

**Warning Trend:** Increasing Outstanding Property Tax Revenue as a percentage of Property Tax Levy

Formula:  $\frac{\text{Outstanding Property Tax}}{\text{Property Tax Levy}}$



Year End	2010	2011	2012	2013	2014
Total Tax Levy	\$32,824,441	\$35,817,946	\$37,617,533	\$38,317,781	\$40,211,684
Outstanding Property Tax	\$2,584,987	\$2,733,174	\$2,717,803	\$3,288,734	\$3,425,696
Percentage of Total	8%	8%	7%	9%	9%

Increases in the percentage of property tax not collected indicate a serious financial problem. High levels of outstanding uncollected Property Tax decrease liquidity and the ability of the Township to meet its current bills and liabilities.