



CITY OF ORANGE TOWNSHIP  
FINANCIAL STATEMENTS  
WITH  
INDEPENDENT AUDITORS' REPORT  
AND  
REPORT ON INTERNAL CONTROL AND COMPLIANCE  
DECEMBER 31, 2019 AND 2018

# CITY OF ORANGE TOWNSHIP

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**CITY OF ORANGE TOWNSHIP**

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**PART I**

**ROSTER OF OFFICIALS, INDEPENDENT AUDITORS' REPORT AND  
FINANCIAL STATEMENTS**

**YEAR ENDED DECEMBER 31, 2019 AND 2018**

CITY OF ORANGE TOWNSHIP  
ROSTER OF OFFICIALS  
DECEMBER 31, 2019

MAYOR

Dwayne D. Warren

CITY COUNCIL

Tency A. Eason, President  
Donna K. Williams, Vice President  
Kerry J. Coley  
Christopher Jackson  
Jamie Summers-Johnson  
Harold J. Johnson, Jr.  
Adrienne K. Wooten

CITY ADMINISTRATOR

Christopher Hartwyk

DIRECTOR OF FINANCE

Adrian O. Mapp

CITY CLERK

Joyce L. Lanier

CITY ATTORNEY

Gracia R. Montilus

## Independent Auditors' Report

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

### **Report on the Financial Statements**

We have audited the accompanying regulatory basis financial statements of the various funds and the governmental fixed assets of the City of Orange Township, County of Essex, New Jersey (the "City") which comprise the balance sheets as of and for the years ended December 31, 2019 and 2018, and the related statements of operations and changes in fund balances for the years then ended, the statements of changes in fund balances, statement of revenues, and statement of expenditures for the year ended December 31, 2019, and the related notes to the financial statements, which collectively comprise the City's basic financial statements as listed in the table of contents.

### ***Management's Responsibility for the Financial Statements***

Management is responsible for the preparation and fair presentation of these financial statements in accordance with the financial reporting provisions of the Division of Local Government Services, Department of Community Affairs, State of New Jersey (the "Division"), as described in Note 1. Management is also responsible for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to error or fraud.

### ***Auditors' Responsibility***

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

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

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



***Basis for Adverse Opinion on U.S. Generally Accepted Accounting Principles***

As described in Note 1, the financial statements are prepared by the City on the basis of the financial reporting provisions of the Division to demonstrate compliance with the Division's regulatory basis of accounting, which is a basis of accounting other than accounting principles generally accepted in the United States of America. The effects on the financial statements of the variances between the regulatory basis of accounting described in Note 1 and accounting principles generally accepted in the United States of America, although not reasonably determinable, are presumed to be material.

***Adverse Opinion on U.S. Generally Accepted Accounting Principles***

In our opinion, because of the significance of the matter discussed in the "Basis for Adverse Opinion on U.S. Generally Accepted Accounting Principles" paragraph, the financial statements referred to above do not present fairly in accordance with accounting principles generally accepted in the United States of America the financial positions of the City of Orange Township, County of Essex, New Jersey as of December 31, 2019 and 2018 and the changes in financial position, and where applicable, its cash flows for the years then ended.

***Unmodified Opinion on Regulatory Basis of Accounting***

In our opinion, the regulatory basis financial statements referred to above present fairly, in all material respects, the financial position of the various funds and governmental fixed assets of the City of Orange Township, Essex County, New Jersey, as of December 31, 2019 and 2018 and results of its operations and changes in fund balance for the years then ended, and statements of changes in fund balances, the statements of revenues and statement of expenditures of the various funds for the year ended December 31, 2019 in accordance with the financial reporting provisions of the Division, as described in Note 1 to the financial statements.

***Emphasis of Matter***

As discussed in Note 18 to the financial statements, on March 11, 2020, the World Health Organization declared a global pandemic as a result of the spread of the Coronavirus disease 2019 ("COVID-19"). Our opinion is not modified with respect to that matter.

***Report on Supplementary Information Required by the Division in Accordance with Regulatory Basis***

Our audit was conducted for the purpose of forming an opinion on the financial statements that collectively comprise the City's basic financial statements. The information included in Part II – Fund Financial Statements and Part III – Supplementary Data (collectively, the "Supplementary Information"), as listed in the table of contents, is presented for purposes of additional analysis as required by the Division and is not a required part of the regulatory- basis financial statements of the City. Such information has been subject to auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the Supplementary Information is fairly stated, in all material respects, in relation to the basic financial statements taken as a whole.

**The Honorable Mayor and Members  
of the City Council  
City of Orange Township**  
Page 3

***Other Reporting Required by Government Auditing Standards***

In accordance with *Government Auditing Standards*, we have also issued our report October 23, 2020 on our consideration of the City's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely 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 effectiveness of the City of Orange Township's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the City's internal control over financial reporting and compliance.

*PKF O'Connor Davies, LLP*

October 23, 2020  
Cranford, New Jersey

*David J. Gannon*

David J. Gannon, CPA  
Licensed Registered Municipal Accountant, No. 520

CITY OF ORANGE TOWNSHIP  
CURRENT FUND

A  
Sheet # 1

COMPARATIVE BALANCE SHEETS  
REGULATORY BASIS  
DECEMBER 31, 2019 AND 2018

ASSETS AND DEFERRED CHARGES

	<u>Ref.</u>	<u>2019</u>	<u>2018</u>
<u>CURRENT FUND</u>			
Cash - Checking Accounts	A-4, A-5	\$ 18,358,923.99	\$ 10,629,221.05
Cash - Change Funds	A-7	560.00	560.00
		<u>18,359,483.99</u>	<u>10,629,781.05</u>
Due from State of New Jersey	A-9	<u>120,786.33</u>	<u>116,736.74</u>
Receivables and Other Assets with Full Reserves			
Delinquent Property Taxes	A-10	955,078.22	3,342,669.04
Tax Title Liens	A-11	3,872,526.57	3,405,107.54
Property Acquired for Taxes - Assessed Valuation	A-12	856,500.00	856,500.00
Sales Contracts Receivable	A-13	80,601.00	80,601.00
Revenue Accounts Receivable	A-15	97,087.97	174,685.28
Other Accounts Receivable	A-16	50,169.85	51,055.28
Deposits Receivable	A-17	1,465.05	1,465.05
Interfunds Receivable	A-18	788.73	667,660.05
Prepaid Marriage License	A-27	2,422.00	2,247.00
Ground Lease	A-38	923,078.82	913,939.43
Loans Receivable	A-14	900,976.87	895,789.12
		<u>7,740,695.08</u>	<u>10,391,718.79</u>
Deferred Charges			
Overexpenditures/Emergency Appropriation	A-19	1,810,000.00	1,086,367.67
Special Emergency Appropriation	A-20	400,000.00	600,000.00
		<u>2,210,000.00</u>	<u>1,686,367.67</u>
		 <u>28,430,965.40</u>	 <u>22,824,604.25</u>
<u>STATE AND FEDERAL GRANT FUND</u>			
Grants Receivable	A-21	8,083,039.20	7,924,320.10
Due from Current Fund	A-36	57.42	
		<u>8,083,096.62</u>	<u>7,924,320.10</u>
		 <u>\$ 36,514,062.02</u>	 <u>\$ 30,748,924.35</u>

See accompanying notes to financial statements.

CITY OF ORANGE TOWNSHIP  
CURRENT FUND

A  
Sheet # 2

COMPARATIVE BALANCE SHEETS  
REGULATORY BASIS  
DECEMBER 31, 2019 AND 2018

	<u>Ref.</u>	<u>2019</u>	<u>2018</u>
<u>LIABILITIES, RESERVES AND FUND BALANCE</u>			
Appropriation Reserves			
Encumbered	A-3, A-22	\$ 2,978,145.84	\$ 2,851,159.00
Unencumbered	A-3, A-22	1,873,225.95	1,547,267.22
Accounts Payable	A-23	78,961.15	
Tax Overpayments	A-25	504,614.06	715,095.63
Special Emergency Note Payable	A-28	1,910,000.00	1,100,000.00
Schedule of Refundable Deposits	A-39	579,343.40	302,245.22
Reserve for Revaluations	A-29	44,475.09	44,475.09
Reserve for Orange Reservoir	A-26	150,000.00	225,000.00
Reserve for Salary Adjustments	A-30	93,923.18	93,923.18
Interfunds Payable	A-18	6,248,737.73	106,941.40
Prepaid Taxes	A-34	826,176.43	267,245.29
Deposits on Sale of Property	A-35	5,410.00	5,410.00
County Taxes Payable	A-32	56,856.70	37,780.86
School Taxes Payable	A-33	95,079.83	94,999.83
		<u>15,444,949.36</u>	<u>7,391,542.72</u>
Reserve for Receivables		7,740,695.08	10,391,718.79
Fund Balance	A-1	5,245,320.96	5,041,342.74
		<u>28,430,965.40</u>	<u>22,824,604.25</u>
<u>STATE AND FEDERAL GRANT FUND</u>			
Due to Current	A-36		629,605.38
Due to General Capital	A-36	1,804,000.00	
Due to Grantors	A-24	580,543.48	580,543.48
Unappropriated Reserves	A-31	60,224.60	71,695.60
Reserve for Grant Expenditures - Encumbered	A-37	492,107.94	1,442,692.04
Reserve for Grant Expenditures	A-37	5,146,220.60	5,199,783.60
		<u>8,083,096.62</u>	<u>7,924,320.10</u>
		<u>\$ 36,514,062.02</u>	<u>\$ 30,748,924.35</u>

See accompanying notes to financial statements.

CITY OF ORANGE TOWNSHIP  
CURRENT FUND

A-1

STATEMENTS OF OPERATIONS  
AND CHANGES IN FUND BALANCE  
REGULATORY BASIS  
FOR THE YEARS ENDED DECEMBER 31, 2019 AND 2018

	<u>Ref.</u>	<u>2019</u>	<u>2018</u>
<u>REVENUE AND OTHER INCOME:</u>			
Anticipated Fund Balance	A-2	\$ 4,330,000.00	\$ 4,750,000.00
Miscellaneous Anticipated Revenue	A-2	16,657,863.59	17,204,540.86
Receipts from Delinquent Taxes	A-2c	3,732,473.27	3,834,831.51
Receipts from Current Taxes	A-2c	68,166,557.53	64,071,160.05
Non-Budget Revenues	A-2d	1,456,586.41	556,867.51
Other Credit to Income:			
Cancellation of Accounts Payable			401,793.51
Interfund Returned	A-18	666,871.32	
Other Accounts Receivable Realized			600.00
Cancellation of Salary Reserve			1,600,000.00
Lapsed Balances of Appropriation Reserves	A-22	2,088,020.43	1,323,955.53
		<u>97,098,372.55</u>	<u>93,743,748.97</u>
<u>TOTAL REVENUE AND OTHER INCOME</u>			
<u>EXPENDITURES:</u>			
Budget Appropriations:			
Operations Within "CAPS"		53,512,279.16	50,283,024.80
Deferred Charges and Statutory Expenditures - Municipal		7,389,951.26	6,263,835.00
Operations Excluded from "CAPS"		9,498,979.44	8,757,782.26
Municipal Debt Service		1,878,613.37	1,883,491.04
Deferred Charges		1,200,000.00	1,946,885.00
	A-3a	<u>73,479,823.23</u>	<u>69,135,018.10</u>
State Court Tax Appeal Judgements	A-25	203,358.81	353,375.35
Net Adjustment to Grants		44,197.76	30,977.24
Interfund Advances			132,006.27
Refund of Prior Year Revenue	A-4	367,869.61	445,399.61
County Taxes	A-32	7,491,405.36	7,901,631.51
Municipal Open Space	A-18	393,840.56	
Local District Taxes	A-33	12,393,899.00	12,281,308.00
		<u>94,374,394.33</u>	<u>90,279,716.08</u>
<u>EXCESS OF REVENUES OVER EXPENDITURES</u>		2,723,978.22	3,464,032.89
<u>ADJUSTMENTS TO INCOME BEFORE FUND BALANCE:</u>			
Expenditures Included Above Which By Statute Are			
Deferred Charges to Budget in Succeeding Year	A-19	1,810,000.00	1,086,367.67
<u>STATUTORY EXCESS</u>		4,533,978.22	4,550,400.56
<u>FUND BALANCE, BEGINNING OF YEAR</u>	A	<u>5,041,342.74</u>	<u>5,240,942.18</u>
Subtotal		9,575,320.96	9,791,342.74
<u>UTILIZED AS ANTICIPATED REVENUE</u>	A-2	<u>4,330,000.00</u>	<u>4,750,000.00</u>
<u>FUND BALANCE, END OF YEAR</u>	A	<u>\$ 5,245,320.96</u>	<u>\$ 5,041,342.74</u>

See accompanying notes to financial statements.



CITY OF ORANGE TOWNSHIP  
CURRENT FUND

STATEMENT OF REVENUES  
REGULATORY BASIS  
AS OF DECEMBER 31, 2019

A-2a

	<u>Ref.</u>	<u>Budget</u>	<u>Chapter 159</u>	<u>Realized</u>	<u>(Deficit) or Excess</u>
<b>MISCELLANEOUS REVENUES:</b>					
Licenses:					
Alcoholic Beverages	A-15	\$ 54,000.00	\$	\$ 53,780.00	\$ (220.00)
Other	A-2b	42,000.00		42,922.00	922.00
Fees and Permits:					
Uniform Construction Code Fees	A-15	630,000.00		630,000.00	
Other	A-2b	521,800.00		497,012.88	(24,787.12)
Fines and Costs - Municipal Court	A-15	1,634,000.00		1,504,814.30	(129,185.70)
Interest and Costs on Taxes	A-6	1,040,000.00		1,093,570.09	53,570.09
Parking Meters	A-15	297,000.00		227,497.57	(69,502.43)
Rent Leveling Fees	A-15	55,000.00		40,770.00	(14,230.00)
Interest on Investments	A-15	48,000.00		220,291.09	172,291.09
Payments in Lieu of Taxes:					
Transport of New Jersey	A-15	107,000.00		107,019.00	19.00
Our Lady of Mt. Carmel Senior Citizens	A-15	144,000.00		162,141.38	18,141.38
South Essex Urban Renewal	A-15	60,000.00		99,799.30	39,799.30
Oakwood Towers	A-15	229,000.00		353,158.67	124,158.67
Salem Towers - High Street Associates	A-15	159,000.00		105,958.80	(53,041.20)
South Orange ATS	A-15	146,000.00		196,245.20	50,245.20
Tony Galento	A-15	247,000.00		204,500.00	(42,500.00)
The Berkeley	A-15	26,000.00		24,539.25	(1,460.75)
Lincoln Court	A-15	135,000.00		55,652.00	(79,348.00)
Project Live, Inc.	A-15	4,000.00		13,813.22	9,813.22
New Community Corporation	A-15	64,000.00		47,010.60	(16,989.40)
307 Washington Street	A-15	34,415.92		120,836.20	86,420.28
Central Village II	A-15	25,000.00		57,759.00	32,759.00
Grand Central Senior Housing	A-15	28,000.00		68,265.24	40,265.24
Living Fountain	A-15	31,275.00		66,465.00	35,190.00
Walter G Phase I	A-15	42,392.90		51,244.54	8,851.64
Walter G Phase II	A-15	31,000.00		34,635.68	3,635.68
Walter G Phase III	A-15	29,153.00		36,815.64	7,662.64
L&M Development Partners	A-15	146,000.00		110,896.09	(35,103.91)
Station Partners Condos	A-15	42,732.00		32,901.96	(9,830.04)
South Jefferson Condos	A-15	16,743.00		60,692.70	43,949.70
Franchise Fee from Cable TV Gross Revenue	A-15	163,000.00		155,225.80	(7,774.20)
Energy Receipts Tax	A-15	6,658,709.00		6,627,625.00	(31,084.00)
Consolidated Municipal Property Tax Relief	A-15	1,714,088.00		1,714,088.00	
Reserve for Orange Reservoir	A-26	75,000.00		75,000.00	
ILS Belleville	A-15	42,840.00		32,130.00	(10,710.00)
Tax Levy sale	A-15	2,000,000.00			(2,000,000.00)
State and Federal Revenue Offsets with Appropriations:					
Essex County Cultural and Historic Affairs - Arts	A-18	1,000.00		1,000.00	
Recycling Tonnage	A-18	11,732.49		11,732.49	
DWI Enforcement Fund	A-18	1,285.99		1,285.99	
Soccer Grant	A-18		1,000.00	1,000.00	
CDBG -	A-18		370,500.00	370,500.00	
CDBG - High & Alden Street Restroom Facility	A-18	33,637.84		33,637.84	
Comcast Grant	A-18	75,000.00		75,000.00	
Essex County Municipal Alliance - 2019	A-18	27,760.00		27,760.00	
Essex County Visiting Nurse - 2018	A-18	14,877.00		14,877.00	
Essex County Visiting Nurse - 2019	A-18	15,215.00		15,215.00	
NJDOT Various Streets -2019	A-18	848,312.00		848,312.00	
State NJ Clean Communities	A-18	50,652.27		50,652.27	
Summer Food Program	A-18	281,814.80		281,814.80	
	A-2	<u>\$ 18,084,436.21</u>	<u>\$ 371,500.00</u>	<u>\$ 16,657,863.59</u>	<u>\$ (1,798,072.62)</u>

See accompanying notes to financial statements.

CITY OF ORANGE TOWNSHIP  
CURRENT FUND

A-2b

STATEMENT OF REVENUE  
REGULATORY BASIS  
AS OF DECEMBER 31, 2019

	<u>Ref.</u>	
<u>Other Licenses</u>		
City Clerk	\$	2,825.00
Inspection and Licensing		31,900.00
Marriage Licenses, Milk Licences		747.00
Health Department		<u>7,450.00</u>
	A-2a, A-15	<u>\$ 42,922.00</u>
<u>Other Fees and Permits</u>		
City Clerk	\$	1,528.38
Superintendent Fees		405.00
Nonstruction Code Fees		300.00
Health Department		63,888.00
Electronic Dealth Transcripts		46,290.00
Engineer Fees		23,260.00
BOA Fees		6,250.00
Tax Assessor		1,111.38
Planning Board		11,350.00
Police Department		11,595.50
Code Enforcement		236,963.00
Planning and Development		92,181.62
Historic Preservation		<u>1,890.00</u>
	A-2a, A-15	<u>\$ 497,012.88</u>

See accompanying notes to financial statements.





CITY OF ORANGE TOWNSHIP  
CURRENT FUND

A-2d

STATEMENT OF REVENUE  
ANALYSIS OF NON-BUDGET REVENUE  
REGULATORY BASIS  
AS OF DECEMBER 31, 2019

	Ref.	
Miscellaneous Revenue Not Anticipated		
Prior Year Checks Canceled		\$ 21,162.44
LEA Fees		44,859.12
Insurance Refunds		750,000.00
Administrative Fees for Cars		24,750.00
FEMA - Reimbursement		84,906.83
Miscellaneous		62,985.87
New PILOTS		<u>457,003.66</u>
	A-6	1,445,667.92
Other Miscellaneous Items - Net		10,920.43
Less: Interfund adjustment	A-18	(1.94)
	A-1, A-2	<u>\$ 1,456,586.41</u>

See accompanying notes to financial statements.

CITY OF ORANGE TOWNSHIP  
CURRENT FUND

A-3  
Sheet # 1

STATEMENT OF EXPENDITURES  
REGULATORY BASIS  
FOR THE YEAR ENDED DECEMBER 31, 2019

	Budget	Budget After Modification	Expended			Canceled
			Paid or Charged	Encumbered	Reserved	
OPERATIONS - WITHIN "CAPS":						
DEPARTMENT OF ADMINISTRATION						
Mayor's Office						
Salaries and Wages	\$ 248,428.31	\$ 250,928.31	\$ 249,815.01	\$	\$ 1,113.30	
Other Expenses	12,400.00	12,400.00	6,570.85		5,829.15	
Office of the Business Administrator						
Salaries and Wages	229,024.62	237,024.62	235,937.50		1,087.12	
Other Expenses	780.00	780.00	771.76		8.24	
Office of Administrative Services						
Salaries and Wages	782,739.94	779,738.94	773,356.25		6,382.69	
Other Expenses	848,370.00	965,370.00	708,933.28	206,917.14	49,519.58	
Grant Writer						
Other Expenses	50,000.00	50,000.00	49,992.00	8.00		
Office of Public Defender						
Salaries and Wages	64,506.27	64,506.27	63,397.10		1,109.17	
Other Expenses	800.00	800.00			800.00	
Insurance:						
Other Insurance Premiums	750,000.00	700,000.00	653,937.53	10,993.01	35,069.46	
Workers Compensation	575,000.00	850,000.00	814,693.08	3,329.58	31,977.34	
Emergency - Health Benefits		300,000.00	300,000.00			
Employee Group Health	11,100,000.00	11,355,000.00	10,620,587.36	491,885.96	242,526.68	
Municipal Insurance Fund	60,000.00	60,000.00	1,802.50		58,197.50	
Municipal Alcohol Beverage Control Board						
Other Expenses	15,340.00	15,340.00	3,675.56	5,116.52	6,547.92	
	<u>14,737,389.14</u>	<u>15,641,888.14</u>	<u>14,483,469.78</u>	<u>718,250.21</u>	<u>440,168.15</u>	<u>-</u>
DEPARTMENT OF LAW						
Office of the City Attorney						
Salaries and Wages	486,285.34	486,285.34	484,856.05		1,429.29	
Emergency - Legal matters - Ian Betz		1,510,000.00	1,500,000.00		10,000.00	
Other Expenses	486,160.00	486,160.00	387,903.31	74,640.21	23,616.48	
	<u>972,445.34</u>	<u>2,482,445.34</u>	<u>2,372,759.36</u>	<u>74,640.21</u>	<u>35,045.77</u>	<u>-</u>
CITY CLERK AND MUNICIPAL COUNCIL						
City Council						
Salaries and Wages	210,000.00	210,001.00	210,000.70		0.30	
Other Expenses	165,050.00	165,050.00	94,236.74	54,550.90	16,262.36	
City Clerk						
Salaries and Wages	343,255.77	360,255.77	357,305.91		2,949.86	
Other Expenses	101,200.00	101,200.00	41,525.54	55,818.95	3,855.51	
City Clerk Election						
Salaries and Wages	10,000.00	6,000.00	2,199.39		3,800.61	
Other Expenses	35,000.00	35,000.00	11,306.48	10,003.00	13,690.52	
	<u>864,505.77</u>	<u>877,506.77</u>	<u>716,574.76</u>	<u>120,372.85</u>	<u>40,559.16</u>	<u>-</u>

CITY OF ORANGE TOWNSHIP  
CURRENT FUND

STATEMENT OF EXPENDITURES  
REGULATORY BASIS  
FOR THE YEAR ENDED DECEMBER 31, 2019

A-3  
Sheet # 2

	<u>Budget</u>	<u>Budget After Modification</u>	<u>Expended</u>			<u>Canceled</u>
			<u>Paid or Charged</u>	<u>Encumbered</u>	<u>Reserved</u>	
OPERATIONS - WITHIN "CAPS" (Continued):						
DEPARTMENT OF PLANNING AND DEVELOPMENT						
Inspection and Licensing						
Salaries and Wages	\$ 264,250.32	\$ 264,250.32	\$ 247,629.96		\$ 16,620.36	
Other Expenses	31,780.00	31,780.00	25,877.95	\$ 1,248.23	4,653.82	
Planning Division						
Salaries and Wages	420,277.72	437,277.72	436,682.76		594.96	
Other Expenses	235,290.00	235,290.00	183,716.03	18,207.75	33,366.22	
Zoning Board						
Salaries and Wages	5,000.00					
Other Expenses	5,510.00	5,510.00	2,983.40	2,500.00	26.60	
Planning Board						
Other Expenses	17,755.00	17,755.00	10,388.30	1,881.53	5,485.17	
Historical Preservation Board						
Salaries and Wages	5,000.00					
Other Expenses	8,310.00	8,310.00	3,473.66	1,184.34	3,652.00	
Rent Leveling Board						
Other Expenses	200.00	200.00			200.00	
	<u>993,373.04</u>	<u>1,000,373.04</u>	<u>910,752.06</u>	<u>25,021.85</u>	<u>64,599.13</u>	<u>-</u>
DEPARTMENT OF FINANCE						
Department of Finance						
Salaries and Wages	557,015.21	532,015.21	526,876.92		5,138.29	
Other Expenses	215,400.00	235,400.00	181,466.68	36,162.29	17,771.03	
Audit/Acting Services	150,000.00	150,000.00	108,324.50	16,675.50	25,000.00	
Office of Tax Collector						
Salaries and Wages	297,113.66	292,613.66	291,737.39		876.27	
Other Expenses	45,400.00	65,400.00	29,122.04	5,434.16	30,843.80	
Tax Assessor						
Salaries and Wages	226,827.62	219,827.62	219,013.10		814.52	
Other Expenses	56,300.00	36,300.00	6,183.45	15,426.00	14,690.55	
	<u>1,548,056.49</u>	<u>1,531,556.49</u>	<u>1,362,724.08</u>	<u>73,697.95</u>	<u>95,134.46</u>	<u>-</u>
DEPARTMENT OF COMMUNITY SERVICES						
Administration Division						
Salaries and Wages	1,234,552.36	1,203,552.36	1,160,471.54		43,080.82	
Other Expenses	9,620.00	9,620.00	6,217.00	2,723.00	680.00	
Health Division						
Other Expenses	20,506.00	20,506.00	7,426.03	4,100.00	8,979.97	
	<u>1,264,678.36</u>	<u>1,233,678.36</u>	<u>1,174,114.57</u>	<u>6,823.00</u>	<u>52,740.79</u>	<u>-</u>

CITY OF ORANGE TOWNSHIP  
CURRENT FUND

STATEMENT OF EXPENDITURES  
REGULATORY BASIS  
FOR THE YEAR ENDED DECEMBER 31, 2019

A-3  
Sheet # 3

	<u>Budget</u>	<u>Budget After Modification</u>	<u>Expended</u>			<u>Canceled</u>
			<u>Paid or Charged</u>	<u>Encumbered</u>	<u>Reserved</u>	
OPERATIONS - WITHIN "CAPS" (Continued):						
DEPARTMENT OF COMMUNITY SERVICES (Continued)						
Animal Control						
Other Expenses	\$ 74,939.00	\$ 74,939.00	\$ 54,057.16	\$ 19,252.32	\$ 1,629.52	
After School						
Salaries and Wages	14,055.74	17,055.74	16,364.19		691.55	
Other Expenses	29,000.00	29,000.00	25,852.00	3,148.00		
Older Adults Services						
Other Expenses	21,275.00	21,275.00	16,709.30	3,702.49	863.21	
Cultural Affairs						
Other Expenses	40,450.00	40,450.00	31,928.99	7,634.47	886.54	
Recreation						
Salaries and Wages	194,317.00	222,317.00	220,399.58		1,917.42	
Other Expenses	158,034.00	158,034.00	133,558.92	21,352.74	3,122.34	
	<u>532,070.74</u>	<u>563,070.74</u>	<u>498,870.14</u>	<u>55,090.02</u>	<u>9,110.58</u>	<u>-</u>
DEPARTMENT OF POLICE						
Administration Division						
Salaries and Wages	12,447,911.00	12,877,911.00	12,785,509.30		92,401.70	
Other Expenses	382,210.00	382,210.00	145,309.06	230,477.29	6,423.65	
Fleet Management	250,000.00					
School Guards						
Salaries and Wages	424,528.78	424,528.78	393,150.22		31,378.56	
Other Expenses	50,000.00					
	<u>13,554,649.78</u>	<u>13,684,649.78</u>	<u>13,323,968.58</u>	<u>230,477.29</u>	<u>130,203.91</u>	<u>-</u>
DEPARTMENT OF FIRE						
Administration Division						
Salaries and Wages	6,594,300.00	6,229,300.00	6,152,471.99		76,828.01	
Other Expenses	702,658.00	702,658.00	461,504.23	218,669.10	22,484.67	
	<u>7,296,958.00</u>	<u>6,931,958.00</u>	<u>6,613,976.22</u>	<u>218,669.10</u>	<u>99,312.68</u>	<u>-</u>

CITY OF ORANGE TOWNSHIP  
CURRENT FUND

STATEMENT OF EXPENDITURES  
REGULATORY BASIS  
FOR THE YEAR ENDED DECEMBER 31, 2019

A-3  
Sheet # 4

	<u>Budget</u>	<u>Budget After Modification</u>	<u>Expended</u>			<u>Canceled</u>
			<u>Paid or Charged</u>	<u>Encumbered</u>	<u>Reserved</u>	
OPERATIONS - WITHIN "CAPS" (Continued):						
DEPARTMENT OF PUBLIC WORKS						
Street Maintenance						
Salaries and Wages	\$ 1,212,985.74	\$ 1,419,985.74	\$ 1,416,671.45		\$ 3,314.29	
Other Expenses	354,520.00	317,520.00	161,573.89	\$ 99,348.45	56,597.66	
Maintenance of Parks						
Salaries and Wages	133,136.95	133,136.95	102,822.31		30,314.64	
Other Expenses	162,000.00	137,000.00	69,213.15	42,385.00	25,401.85	
Director's Office						
Salaries and Wages	374,212.34	406,212.34	406,212.34			
Other Expenses	111,348.00	111,348.00	80,808.45	21,181.95	9,357.60	
Equipment and Vehicle Management						
Other Expenses	900,000.00	850,000.00	580,938.24	210,804.89	58,256.87	
Building and Grounds						
Salaries and Wages	225,627.27	225,627.27	219,398.53		6,228.74	
Other Expenses	367,896.00	367,896.00	167,433.81	152,596.93	47,865.26	
Snow Removal						
Salaries and Wages	50,000.00	50,000.00	29,502.76		20,497.24	
Other Expenses	82,400.00	82,400.00	24,923.16	30,576.84	26,900.00	
	<u>3,974,126.30</u>	<u>4,101,126.30</u>	<u>3,259,498.09</u>	<u>556,894.06</u>	<u>284,734.15</u>	<u>-</u>
MUNICIPAL COURT						
Salaries and Wages	959,969.17	959,969.17	935,208.08		24,761.09	
Other Expenses	123,455.00	108,455.00	53,544.92	19,776.14	35,133.94	
	<u>1,083,424.17</u>	<u>1,068,424.17</u>	<u>988,753.00</u>	<u>19,776.14</u>	<u>59,895.03</u>	<u>-</u>
UNIFORM CONSTRUCTION CODE - APPROPRIATIONS						
OF Planning and Economic Development/Uniform						
Construction Code:						
Inspections and Licensing						
Salaries and Wages	245,639.53	245,639.53	241,653.93		3,985.60	
	<u>245,639.53</u>	<u>245,639.53</u>	<u>241,653.93</u>		<u>3,985.60</u>	

CITY OF ORANGE TOWNSHIP  
CURRENT FUND

STATEMENT OF EXPENDITURES  
REGULATORY BASIS  
FOR THE YEAR ENDED DECEMBER 31, 2019

A-3  
Sheet # 5

	<u>Budget</u>	<u>Budget After Modification</u>	<u>Expended</u>			<u>Canceled</u>
			<u>Paid or Charged</u>	<u>Encumbered</u>	<u>Reserved</u>	
OPERATIONS - WITHIN "CAPS" (Continued):						
UNCLASSIFIED						
Utilities						
Telephone	\$ 330,000.00	\$ 340,000.00	\$ 281,325.54	\$ 20,867.57	\$ 37,806.89	
Street Lighting	600,000.00	430,000.00	285,508.91	144,160.59	330.50	
Gas and Electric	395,000.00	395,000.00	233,924.32	161,075.68		
Refuse Removal	2,910,162.50	2,785,162.50	2,133,910.22	546,132.68	105,119.60	
Salary Adjustment Account	200,000.00	-				
Contingent	10,000.00	10,000.00			10,000.00	
TOTAL UNCLASSIFIED	<u>4,445,162.50</u>	<u>3,960,162.50</u>	<u>2,934,668.99</u>	<u>872,236.52</u>	<u>153,256.99</u>	
TOTAL OPERATIONS WITHIN "CAP"	<u>51,512,479.16</u>	<u>53,322,479.16</u>	<u>48,881,783.56</u>	<u>2,971,949.20</u>	<u>1,468,746.40</u>	<u>-</u>
Detail						
Salaries and Wages	28,460,960.66	28,555,960.66	28,178,644.26		377,316.40	
Other Expenses	23,051,518.50	22,956,518.50	18,903,139.30	2,971,949.20	1,081,430.00	
	<u>51,512,479.16</u>	<u>51,512,479.16</u>	<u>47,081,783.56</u>	<u>2,971,949.20</u>	<u>1,458,746.40</u>	<u>-</u>
DEFERRED CHARGES						
Overexpenditure of Budget Appropriations	86,367.67	86,367.67	86,367.67			
Prior Years Bills	50,000.00	50,000.00				\$ 50,000.00
	<u>136,367.67</u>	<u>136,367.67</u>	<u>86,367.67</u>			<u>50,000.00</u>
STATUTORY EXPENDITURES						
Public Employee Retirement System	897,805.00	897,805.00	897,805.00			
Social Security System ( O.A.S.I.)	1,252,026.00	1,252,026.00	1,156,929.64		95,096.36	
Consolidated Police and Fire	25,000.00	25,000.00			25,000.00	
Police and Fire Retirement System	5,058,752.59	5,058,752.59	5,058,752.59			
DCRP	20,000.00	20,000.00	18,752.13		1,247.87	
Unemployment Insurance	50,000.00	50,000.00			50,000.00	
TOTAL GENERAL APPROPRIATIONS FOR	<u>7,303,583.59</u>	<u>7,303,583.59</u>	<u>7,132,239.36</u>		<u>171,344.23</u>	<u>-</u>
MUNICIPAL PURPOSES WITHIN "CAPS"	<u>58,952,430.42</u>	<u>60,762,430.42</u>	<u>56,100,390.59</u>	<u>2,971,949.20</u>	<u>1,640,090.63</u>	<u>50,000.00</u>

CITY OF ORANGE TOWNSHIP  
CURRENT FUND

A-3  
Sheet # 6

STATEMENT OF EXPENDITURES  
REGULATORY BASIS  
FOR THE YEAR ENDED DECEMBER 31, 2019

	<u>Budget</u>	<u>Budget After Modification</u>	<u>Paid or Charged</u>	<u>Expended</u>		<u>Canceled</u>
				<u>Encumbered</u>	<u>Reserved</u>	
<b>OPERATIONS - EXCLUDED FROM "CAPS"</b>						
Orange Public Library	\$ 1,096,000.00	\$ 1,096,000.00	\$ 885,146.74	\$ 4,044.59	\$ 206,808.67	
Library Portion of Health Benefits	185,000.00	185,000.00	185,000.00			
Police CAP Waiver	2,680,000.00	2,680,000.00	2,680,000.00			
Fire CAP Waiver	1,650,000.00	1,650,000.00	1,650,000.00			
Temporary Emergency - Fire Dept. Retro	1,300,000.00	1,300,000.00	1,300,000.00			
Interlocal Service Agreement - Belleville	42,840.00	42,840.00	16,513.35		26,326.65	
	<u>6,953,840.00</u>	<u>6,953,840.00</u>	<u>6,716,660.09</u>	<u>4,044.59</u>	<u>233,135.32</u>	<u>-</u>
<b>STATE AND FEDERAL PROGRAMS OFFSET BY REVENUES</b>						
CDBG High & Alden Street Park Restroom Facility	33,637.84	33,637.84	33,637.84			
CDBG Expansion of Colgate Skate Park - 159		370,500.00	370,500.00			
Essex County Division of Cultural and Historic Affairs						
2018 Local Art Grant	1,000.00	1,000.00	1,000.00			
Essex County Municipal Alliance	27,760.00	27,760.00	27,760.00			
Essex County Visiting Nurse 2018	14,877.00	14,877.00	14,877.00			
Essex County Visiting Nurse 2019	15,215.00	15,215.00	15,215.00			
NJDOT Various Streets -2019	848,312.00	848,312.00	848,312.00			
State NJ Clean Communities	50,652.27	50,652.27	50,652.27			
State NJ Recycling Tonnage 2019	11,732.49	11,732.49	11,732.49			
Soccor Grant		1,000.00	1,000.00			
Comcast Grant	75,000.00	75,000.00	75,000.00			
DWI Enforcement Fund	1,285.99	1,285.99	1,285.99			
Summer Food Program	281,814.80	281,814.80	281,814.80			
	<u>1,361,287.39</u>	<u>1,732,787.39</u>	<u>1,732,787.39</u>		-	
<b>Total Operations</b>	<u>8,315,127.39</u>	<u>8,686,627.39</u>	<u>8,449,447.48</u>	<u>4,044.59</u>	<u>233,135.32</u>	



CITY OF ORANGE TOWNSHIP  
CURRENT FUND

A-3  
Sheet # 7

STATEMENT OF EXPENDITURES  
REGULATORY BASIS  
FOR THE YEAR ENDED DECEMBER 31, 2019

	<u>Budget</u>	<u>Budget After Modification</u>	<u>Expended</u>			<u>Canceled</u>
			<u>Paid or Charged</u>	<u>Encumbered</u>	<u>Reserved</u>	
CAPITAL IMPROVEMENT FUND	\$ 2,000,000.00	\$ 2,000,000.00	\$ 1,000,000.00			\$ 1,000,000.00
DEFERRED CHARGES						
Emergency Authorization	1,000,000.00	1,000,000.00	1,000,000.00			
Special Emergency Authorization - 5 years	<u>200,000.00</u>	<u>200,000.00</u>	<u>200,000.00</u>			
	<u>1,200,000.00</u>	<u>1,200,000.00</u>	<u>1,200,000.00</u>		-	<u>1,000,000.00</u>
DEBT SERVICE						
Payment of Bond Principal	1,300,000.00	1,300,000.00	1,300,000.00			
Interest on Bonds	290,026.00	290,026.00	290,026.00			
Interest on Notes	101,856.00	101,856.00	95,765.55			6,090.45
Loan Payment for Principal and Interest	60,129.00	60,129.00	60,028.87			100.13
New Jersey Environmental Infrastructure Loan	101,145.00	101,145.00	98,992.95	\$ 2,152.05		-
Demolition Loan- Department of Community Affairs	<u>40,300.00</u>	<u>40,300.00</u>	<u>33,800.00</u>			<u>6,500.00</u>
	<u>1,893,456.00</u>	<u>1,893,456.00</u>	<u>1,878,613.37</u>	<u>2,152.05</u>	-	<u>12,690.58</u>
Total General Appropriations excluded from "CAPS"	<u>13,408,583.39</u>	<u>13,780,083.39</u>	<u>12,528,060.85</u>	<u>6,196.64</u>	<u>233,135.32</u>	<u>1,012,690.58</u>
Sub Total	72,361,013.81	74,542,513.81	68,628,451.44	2,978,145.84	1,873,225.95	1,062,690.58
Reserve for Uncollectible Taxes	<u>2,500,000.00</u>	<u>2,500,000.00</u>	<u>2,500,000.00</u>		-	
Total Appropriations	<u>\$ 74,861,013.81</u>	<u>\$ 77,042,513.81</u>	<u>\$ 71,128,451.44</u>	<u>\$ 2,978,145.84</u>	<u>\$ 1,873,225.95</u>	<u>\$ 1,062,690.58</u>
	A-2		A-3a	A	A	A-3a

CITY OF ORANGE TOWNSHIP  
CURRENT FUND

A-3a

STATEMENT OF EXPENDITURES  
REGULATORY BASIS  
YEAR ENDED DECEMBER 31, 2019

	<u>Ref.</u>	<u>Modified Budget</u>	<u>Paid or Charged</u>
Adopted Budget	A-2	\$ 74,861,013.81	\$
Emergency Authorization	A-19	3,375,000.00	
Less: Transferred to General Capital	A-19	(1,565,000.00)	
Chapter 159 - Grants	A-2a	371,500.00	
Cash Disbursed	A-4		65,480,961.28
Deferred Charges - Overexpenditures	A-19		1,086,367.67
Deferred Charges - Special Emergency	A-20		200,000.00
Reserve for Grant Expenditures	A-18, A-37		1,732,787.39
Reserve for Uncollected Taxes	A-3	(2,500,000.00)	2,500,000.00
Transfer to General Capital Fund	A-18		128,335.10
Canceled	A-3	(1,062,690.58)	
	A-1	<u>\$ 73,479,823.23</u>	<u>\$ 71,128,451.44</u>

See accompanying notes to financial statements.

CITY OF ORANGE TOWNSHIP  
TRUST FUND

COMPARATIVE BALANCE SHEETS  
REGULATORY BASIS  
DECEMBER 31, 2019 AND 2018

B

<u>ASSETS</u>	<u>Ref.</u>	<u>2019</u>	<u>2018</u>
<b>ANIMAL CONTROL FUND:</b>			
Cash	B-1	\$ 19,897.58	\$ 18,083.58
<b>GENERAL TRUST FUND:</b>			
Cash	B-1	\$ 1,360,236.69	\$ 4,545,522.14
Other Accounts Receivable	B-5	4,434.37	4,434.37
Accounts Receivable - Police Outside Services	B-8	219,478.61	
Interfunds Receivable	B-6	5,911,942.85	406,884.88
		<u>\$ 7,496,092.52</u>	<u>\$ 4,956,841.39</u>
<b>MUNICIPAL INSURANCE TRUST FUND:</b>			
Cash	B-1	\$ 181,076.10	\$ 214,578.79
<b>MUNICIPAL OPEN SPACE TRUST FUND:</b>			
Due from Current Fund	B-20	\$ 393,840.56	\$
<b>GRANT TRUST FUND</b>			
Cash	B-1	\$ 541,993.10	\$ 154,938.20
Interfunds Receivable	B-12	370.24	
Essex County Community Development Block Grants Receivable	B-4	986,098.66	1,235,917.97
		<u>\$ 1,528,462.00</u>	<u>\$ 1,390,856.17</u>
<b>TOTAL ASSETS</b>		<u>\$ 9,619,368.76</u>	<u>\$ 6,580,359.93</u>
<u>LIABILITIES, RESERVES AND FUND BALANCE</u>			
<b>ANIMAL CONTROL FUND:</b>			
Reserve for Expenditures	B-14	\$ 19,895.18	\$ 18,067.98
Due to State of New Jersey	B-7	2.40	15.60
		<u>\$ 19,897.58</u>	<u>\$ 18,083.58</u>
<b>GENERAL TRUST FUND:</b>			
Reserve for:			
Interfund Payables	B-6	\$ 31,518.56	\$ 40,370.43
Other Expenditures	B-8	934,037.57	988,194.19
Other Deposits	B-9	1,260,382.51	757,516.32
New Jersey Unemployment Insurance	B-10	31,796.51	31,796.51
Salary Account	B-18	343,749.71	1,078,406.19
Premium on Tax Sale	B-11	4,597,412.46	1,203,112.46
Encumbrances Payable	B-19	297,195.20	857,445.29
		<u>\$ 7,496,092.52</u>	<u>\$ 4,956,841.39</u>
<b>MUNICIPAL INSURANCE TRUST FUND:</b>			
Interfund Payable	B-12	\$ 241.98	\$ 26.87
Reserve for Municipal Insurance Trust Fund Expenditures	B-15	180,834.12	214,551.92
		<u>\$ 181,076.10</u>	<u>\$ 214,578.79</u>
<b>MUNICIPAL OPEN SPACE TRUST FUND:</b>			
Reserve for Municipal Open Space	B-20	\$ 393,840.56	\$
<b>GRANT TRUST FUND:</b>			
Encumbrances	B-16		\$ 8,831.18
Due to Trust Other	B-12	\$ 400,000.00	300,000.00
Due to Current Fund	B-12	546.75	18.60
Reserve for:			
Rehabilitation Grant Refunds	B-13	1,659.05	1,659.05
Essex County Community Development Block Grants Appropriated	B-16	1,015,582.31	969,673.45
Other Grant Fund Expenditures	B-17	110,673.89	110,673.89
		<u>\$ 1,528,462.00</u>	<u>\$ 1,390,856.17</u>
<b>TOTAL LIABILITIES AND RESERVES</b>		<u>\$ 9,619,368.76</u>	<u>\$ 6,580,359.93</u>

See accompanying notes to financial statements.

CITY OF ORANGE TOWNSHIP  
GENERAL CAPITAL FUND

C

COMPARATIVE BALANCE SHEETS  
REGULATORY BASIS  
DECEMBER 31, 2019 AND 2018

ASSETS	<u>Ref.</u>	<u>2019</u>	<u>2018</u>
Cash	C-2	\$ 7,419,821.09	\$ 2,508,825.69
Grants Receivable	C-4	669,581.24	669,581.24
Loans Receivable	C-5	7,305,112.81	10,031,275.89
Interfund Receivable	C-14	3,094,449.02	
Deferred Charges to Future Taxation:			
Funded	C-6	11,076,413.43	9,837,842.33
Unfunded	C-7	30,756,836.92	4,307,000.00
		<u>\$ 60,322,214.51</u>	<u>\$ 27,354,525.15</u>
LIABILITIES AND FUND BALANCE			
General Refunding Bonds	C-17	\$ 7,545,000.00	\$ 8,845,000.00
Bond Anticipation Notes	C-20	11,622,000.00	
Green Acres Trust Loan Payable:			
General	C-16	642,750.35	702,213.09
N.J. Environmental Infrastructure Trust			
Loan Payable	C-15		95,629.24
Demolition Loan Payable	C-19	162,500.00	195,000.00
NJIB Interim Financing Payable	C-21	2,726,163.08	-
Interfunds Payable	C-14	1,793,340.76	1,753,499.26
Improvement Authorizations:			
Funded	C-8	1,612,109.27	1,398,908.94
Unfunded	C-8	18,923,404.77	13,533,597.24
Encumbrances Payable	C-12	6,232,545.51	43,671.77
Capital Improvement Fund	C-9	1,088,779.61	608,779.61
Reserves for:			
Debt Service	C-10	504,225.00	4,225.00
Grants Receivable	C-11	17,750.00	17,750.00
Loan Proceeds	C-13	61,176.74	61,176.74
Grants Receivable	C-7	7,273,836.92	
Fund Balance	C-1	116,632.50	95,074.26
		<u>\$ 60,322,214.51</u>	<u>\$ 27,354,525.15</u>
Bonds and Notes Authorized But Not Issued	C-18	<u>\$ 19,134,836.92</u>	<u>\$ 14,307,000.00</u>

See accompanying notes to financial statements.

CITY OF ORANGE TOWNSHIP  
GENERAL CAPITAL FUND

C-1

STATEMENT OF FUND BALANCE  
REGULATORY BASIS  
YEAR ENDED DECEMBER 31, 2019

	<u>Ref.</u>	
Beginning Balance, December 31, 2018	C	\$ 95,074.26
Increased by:		
Premium on Sale of Bonds and Notes	C-2	<u>21,558.24</u>
Ending Balance, December 31, 2019	C	<u>\$ 116,632.50</u>

See accompanying notes to financial statements.

CITY OF ORANGE TOWNSHIP  
WATER AND SEWER UTILITY

COMPARATIVE BALANCE SHEETS  
REGULATORY BASIS  
DECEMBER 31, 2019 AND 2018

D  
Sheet # 1

<u>Assets</u>	<u>Ref.</u>	<u>2019</u>	<u>2018</u>
<b>Operating Fund:</b>			
Cash - Checking	D-5	\$ 3,851,243.96	\$ 2,573,146.97
Petty Cash	D-8	150.00	150.00
		<u>3,851,393.96</u>	<u>2,573,296.97</u>
<b>Receivables with Full Reserves:</b>			
Consumer Accounts Receivable	D-11	1,727,870.48	2,161,115.31
Water Liens	D-12	84,281.33	84,281.33
		<u>1,812,151.81</u>	<u>2,245,396.64</u>
Interfund Receivable	D-10	1,070,281.29	836,204.11
		<u>1,070,281.29</u>	<u>836,204.11</u>
<b>Deferred Charges:</b>			
Emergency Appropriation	D-27	569,297.08	1,102,754.86
		<u>569,297.08</u>	<u>1,102,754.86</u>
<b>Total Operating Fund</b>		<u>7,303,124.14</u>	<u>6,757,652.58</u>
<b>Capital Fund:</b>			
Cash - Checking	D-5, D-9	2,372,678.16	770,356.47
Loans Receivable	D-13	129,947.81	129,947.81
Interfund Receivable	D-17	398,410.86	919,712.86
Fixed Capital	D-14	44,749,593.68	44,749,593.68
Fixed Capital Authorized and Uncompleted	D-15	22,058,958.86	3,288,958.86
<b>Total Capital Fund</b>		<u>69,709,589.37</u>	<u>49,858,569.68</u>
<b>Total Assets</b>		<u>\$ 77,012,713.51</u>	<u>\$ 56,616,222.26</u>

See accompanying notes to financial statements.

CITY OF ORANGE TOWNSHIP  
WATER AND SEWER UTILITY

COMPARATIVE BALANCE SHEETS  
REGULATORY BASIS  
DECEMBER 31, 2019 AND 2018

D  
Sheet # 2

<u>Liabilities, Reserves and Fund Balance</u>	<u>Ref.</u>	<u>2019</u>	<u>2018</u>
Operating Fund:			
Appropriation Reserves:			
Encumbered	D-4, D-16	\$ 1,255,855.15	\$ 682,695.17
Unencumbered	D-4, D-16	52,232.44	871,225.91
Accounts Payable	D-21	12,777.17	166,084.30
Interfunds Payable	D-10	591,755.19	
Accrued Interest on Bonds	D-18	118,741.87	136,622.70
Reserve for Future Improvements	D-26	13,349.46	13,349.46
Water and Sewer Overpayments	D-19	154,617.63	157,276.02
Special Emergency Notes	D-28	570,000.00	1,290,000.00
		<hr/>	<hr/>
		2,769,328.91	3,317,253.56
Reserve for Receivables		1,812,151.81	2,245,396.64
Fund Balance	D-1	2,721,643.42	1,195,002.38
		<hr/>	<hr/>
		7,303,124.14	6,757,652.58
Capital Fund:			
Serial Bonds Payable	D-25	15,270,000.00	16,660,000.00
Bond Anticipation Notes	D-31	7,500,000.00	2,300,000.00
N.J. Environmental Trust Fund	D-24	3,770,618.82	4,142,830.78
Improvement Authorizations:			
Funded	D-20	275,130.58	394,843.44
Unfunded	D-20	15,593,501.76	825,568.42
Encumbrances	D-30	51,249.87	70,907.16
Reserve for Amortization	D-22	18,766,122.38	17,003,910.42
Deferred Reserve for Amortization	D-23	7,912,284.34	7,912,284.34
Fund Balance	D-2	570,681.62	548,225.12
		<hr/>	<hr/>
		69,709,589.37	49,858,569.68
Total Liabilities, Reserves and Fund Balances		<u>\$ 77,012,713.51</u>	<u>\$ 56,616,222.26</u>
Bonds and Notes Authorized but Not Issued	D-29	<u>\$ 13,589,527.00</u>	<u>\$ 19,527.00</u>

See accompanying notes to financial statements.

CITY OF ORANGE TOWNSHIP  
WATER AND SEWER UTILITY

D-1

STATEMENTS OF OPERATIONS AND CHANGES IN FUND BALANCE  
REGULATORY BASIS  
YEAR ENDED DECEMBER 31, 2019 AND 2018

	<u>Ref.</u>	<u>2019</u>	<u>2018</u>
Revenue and Other Income:			
Surplus Anticipated	D-3	\$ 483,439.00	\$ 1,000,000.00
Water and Sewer Rents	D-3, D-11	11,321,110.59	10,578,923.87
Non-budget Revenue	D-7	106,272.16	8,912.87
Other Credits to Income:			
Accounts Payable Canceled	D-21	153,307.13	
Unexpended Balance of Appropriation Reserves	D-16	897,699.29	242,953.59
		<u>12,961,828.17</u>	<u>11,830,790.33</u>
Expenditures:			
Budget Appropriations			
Operations	D-4	7,745,840.00	7,204,587.49
Debt Service	D-4	2,672,450.35	2,650,351.85
Deferred Charges	D-4	533,457.78	930,000.00
		<u>10,951,748.13</u>	<u>10,784,939.34</u>
Statutory Excess in Revenue to Fund Balance		2,010,080.04	1,045,850.99
Adjustments To Income Before Surplus			
Emergency Appropriation			102,801.74
Overexpenditure of Appropriation			656.04
			<u>103,457.78</u>
Excess in Revenue		2,010,080.04	1,149,308.77
Fund Balance, Beginning of Year	D	<u>1,195,002.38</u>	<u>1,045,693.61</u>
		3,205,082.42	2,195,002.380
Fund Balance Utilized		<u>483,439.00</u>	<u>1,000,000.00</u>
Fund Balance, End of Year	D	<u>\$ 2,721,643.42</u>	<u>\$ 1,195,002.38</u>

See accompanying notes to financial statements.



CITY OF ORANGE TOWNSHIP  
WATER AND SEWER UTILITY

D-2

STATEMENT OF FUND BALANCE - UTILITY CAPITAL FUND  
REGULATORY BASIS  
DECEMBER 31, 2019 AND 2018

	<u>Ref.</u>	
Balance, December 31, 2018	D	\$ 548,225.12
Increased by:		
Premium on Note Sale	D-5	<u>22,456.50</u>
Balance, December 31, 2019	D	<u>\$ 570,681.62</u>

See accompanying notes to financial statements.

CITY OF ORANGE TOWNSHIP  
WATER AND SEWER UTILITY

STATEMENT OF REVENUE  
REGULATORY BASIS  
YEAR ENDED DECEMBER 31, 2019

	Ref.	2019 Budget	Realized	Excess
Fund Balance	D-1	\$ 483,439.00	\$ 483,439.00	
Rents	D-1, D-11	<u>10,507,603.00</u>	<u>11,321,110.59</u>	<u>\$ 813,507.59</u>
	D-4	<u>\$ 10,991,042.00</u>	<u>\$ 11,804,549.59</u>	<u>\$ 813,507.59</u>

CITY OF ORANGE TOWNSHIP  
WATER AND SEWER UTILITY

STATEMENT OF EXPENDITURES  
REGULATORY BASIS  
YEAR ENDED DECEMBER 31, 2019

	<u>Ref.</u>	<u>Appropriation Budget</u>	<u>Balance After Transfer</u>	<u>Paid or Charged</u>	<u>Reserved</u>		<u>Unexpended Balance Canceled</u>
					<u>Encumbered</u>	<u>Unencumbered</u>	
Operating:							
Salaries and Wages		\$ 165,939.00	\$ 193,939.00	\$ 191,042.11		\$ 2,896.89	
Other Expenses		7,565,401.00	7,537,401.00	6,233,630.30	\$ 1,255,855.15	47,915.55	
Debt Service Administration		<u>14,500.00</u>	<u>14,500.00</u>	<u>13,080.00</u>		<u>1,420.00</u>	
Total Operating	D-1	<u>7,745,840.00</u>	<u>7,745,840.00</u>	<u>6,437,752.41</u>	<u>1,255,855.15</u>	<u>52,232.44</u>	
Debt Service:							
Payment of Bond Principal		1,390,000.00	1,390,000.00	1,390,000.00			
Interest on Bonds		720,900.00	720,900.00	720,900.00			
Interest on Notes		83,468.00	83,468.00	83,467.50			\$ 0.50
NJEIT Loan Debt Service		<u>517,375.00</u>	<u>517,375.00</u>	<u>478,082.85</u>			<u>39,292.15</u>
Total Debt Service	D-1	<u>2,711,743.00</u>	<u>2,711,743.00</u>	<u>2,672,450.35</u>			<u>39,292.65</u>
Deferred Charges:							
Emergency Authorization ( 5 Year)		430,000.00	430,000.00	430,000.00			
Emergency Authorization		102,802.00	102,802.00	102,801.74			0.26
Overexpenditure of Appropriations		<u>657.00</u>	<u>657.00</u>	<u>656.04</u>			<u>0.96</u>
		<u>\$ 10,991,042.00</u>	<u>\$ 10,991,042.00</u>	<u>\$ 9,643,660.54</u>	<u>\$ 1,255,855.15</u>	<u>\$ 52,232.44</u>	<u>\$ 39,293.87</u>
	<u>Ref.</u>	<u>D-3</u>		<u>Below</u>	<u>D</u>	<u>D</u>	<u>D-1</u>
Cash Disbursements	D-5			\$ 8,389,302.76			
Deferred Charges	D-27			533,457.78			
Accrued Interest	D-18			<u>720,900.00</u>			
				<u>\$ 9,643,660.54</u>			

See accompanying notes to financial statements.

CITY OF ORANGE TOWNSHIP  
GENERAL FIXED ASSETS ACCOUNT GROUP

COMPARATIVE BALANCE SHEETS  
REGULATORY BASIS  
DECEMBER 31, 2019 AND 2018

E

	<u>2019</u>	<u>2018</u>
Land	\$ 15,040,400.00	\$ 15,040,400.00
Land Improvements	14,176,800.00	14,176,800.00
Machinery and Equipment	<u>12,283,782.00</u>	<u>11,149,368.00</u>
	<u>\$ 41,500,982.00</u>	<u>\$ 40,366,568.00</u>
Investment in Fixed Assets	<u>\$ 41,500,982.00</u>	<u>\$ 40,366,568.00</u>

See accompanying notes to financial statements.

# CITY OF ORANGE TOWNSHIP

## NOTES TO FINANCIAL STATEMENTS YEAR ENDED DECEMBER 31, 2019 AND 2018

### 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 as amended by GASB No. 61 establishes certain standards for defining and reporting on the financial reporting entity. In accordance with these standards, the reporting entity should include the primary government and those component units which are fiscally accountable to the primary government.

#### **Basic Financial Statements**

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

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

The accounting policies of the City conform to the accounting principles and practices prescribed by the Division of Local Government Services, Department of Community Affairs, State of New Jersey (the "Division") which is a Special Purpose Framework 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.

CITY OF ORANGE TOWNSHIP

NOTES TO FINANCIAL STATEMENTS  
YEAR ENDED DECEMBER 31, 2019 AND 2018

1. **REPORTING ENTITY AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)**

- 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.
- Capital Fixed Assets – These accounts reflect estimated valuations of land, buildings and certain movable fixed assets of the City.

**Accounting Principles**

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

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

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

Property Tax Revenues – Real property taxes are assessed locally, based upon the assessed value of the property. The tax bill includes a levy for Municipal, County, and School purposes. Taxes are payable in four quarterly installments on February 1, May 1, August 1 and November 1. If unpaid on these dates, the amount due becomes delinquent and subject to interest at 8% per annum, or 18% on any delinquency amount in excess of \$1,500.00. The City also imposes a 6% year end penalty for a delinquency over \$10,000.00 as of December 31. The School levy is turned over to the Board of Education as expenditures are incurred, and the balance, if any, must be transferred as of June 30, of each fiscal year. County taxes are paid quarterly on February 15, May 15, August 15 and November 15, to the County by the City. When unpaid taxes or any municipal lien, or part thereof, on real property, remains in arrears on May 1 in the year following the calendar year levy when the same became in arrears, the collector of the municipality shall, subject to the provisions of the New Jersey Statutes, enforce the lien by placing the property on a tax sale. The City institutes annual in rem tax foreclosure proceedings to enforce the tax collection or acquisition of the property. In accordance with the accounting principles prescribed by the Division, current and delinquent taxes are realized as revenue when collected. Since delinquent taxes and liens are fully reserved, no provision has been made to estimate that portion of the taxes receivable and tax title liens that are uncollectible. GAAP requires property tax revenues to be recognized in the accounting period when they become subject to accrual, reduced by an allowance for doubtful accounts.

Budget and Budgetary Accounting – An annual budget is required to be adopted and integrated into the accounting system to provide budgetary control over revenues and expenditures. Budget amounts presented in the accompanying financial statements represent amounts adopted by the City and approved by the Division per N.J.S.A. 40A:4 et seq. The City is not required to adopt budgets for the following funds:

- General and Utility Capital Funds
- Trust Funds

CITY OF ORANGE TOWNSHIP

NOTES TO FINANCIAL STATEMENTS  
YEAR ENDED DECEMBER 31, 2019 AND 2018

**1. REPORTING ENTITY AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)**

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

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

Expenditures – Are recorded on the “budgetary” basis of accounting. Generally, expenditures are recorded when an amount is encumbered for goods or services through the issuance of a purchase order in conjunction with an encumbrance accounting system. Outstanding encumbrances at December 31<sup>st</sup> are reported as a cash liability in the financial statements. Unexpended or uncommitted appropriations, at December 31<sup>st</sup> are reported as expenditures through the establishment of appropriation reserves, unless cancelled by the Governing Body. GAAP requires expenditures to be recognized in the accounting period in which the fund liability is incurred, if measurable, except for unmatured interest on general long-term debt, as well as expenditures related to compensated absences and claims and judgements, which should be recognized when due.

Encumbrances – Contractual orders outstanding at December 31<sup>st</sup> 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.

Operating Deficits - Deficits resulting from expenditures and other debits which exceed cash revenues, other realized revenues and credits to income in such fiscal year, are recorded as deferred charges on the balance sheet of the respective operating fund at year-end and are required to be funded in the succeeding year's budget. US GAAP does not permit the deferral of operating deficits at year-end.

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.

Fixed Assets – In Accordance with Accounting for Governmental Fixed Assets, as promulgated by the Division, which differs in certain respects from GAAP, the City has not developed a fixed asset accounting and reporting system.

CITY OF ORANGE TOWNSHIP

NOTES TO FINANCIAL STATEMENTS  
YEAR ENDED DECEMBER 31, 2019 AND 2018

**1. REPORTING ENTITY AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)**

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.

No depreciation has been provided for in the financial statements.

Expenditures for construction in progress are recorded in the Capital Funds until such time as the construction is completed and put into operation.

Accounting for Utility Fund "fixed capital" remains unchanged under N.J.A.C. 5:30-5.6.

Property and equipment purchased by the Water and Sewer Utility funds are recorded in the capital account at cost and are adjusted for disposition and abandonment. The amounts shown do not purport to represent replacement cost or current value. Contributions in aid of construction are not capitalized. The balance in the Reserve for Amortization and Deferred Reserve for Amortization accounts in the Utility Capital Funds represents charges to operations for the costs of acquisitions of property, equipment and improvements. The Utility Capital Funds do not record depreciation on fixed assets.

US GAAP requires that capital assets be recorded in proprietary-type funds, as well as the government-wide financial statement at historical or estimated historical cost if actual historical cost is not available. In addition, US GAAP requires depreciation on capital assets to be recorded in proprietary-type funds as well as in the government-wide financial statements.

Long-term debt – The City's Long-term debt is stated at face value. The debt is not traded and it is not practicable to determine its fair value without incurring excessive cost. Additional information pertinent to the Town's long-term debt is provided in Note 9 to the financial statements.

Net Pension Liability and Pension Related Deferred Outflows of Resources and Deferred Inflows of Resources and Pension Expense – the requirements of GASB Statement No. 68, *Accounting and Financial Reporting for Pensions* and GASB Statement No. 71, *Pension Transition for Contributions Made Subsequent to the Measurement Date* - an amendment of GASB Statement No. 68 require governmental entities to record their distributive shares of net pension liability, deferred outflows of resources, deferred inflows of resources and total pension related expense. Accounting principles applicable to municipalities, which have been prescribed by the Division, do not require the recording of these liabilities, deferrals and expenses, but do require the disclosure of these amounts. Since the City does not follow generally accepted accounting principles, the GASBs did not result in a change in the City's assets, liabilities and contribution requirements. Refer to Note 7 for these disclosures.

Other Post-Employment Benefits Other Than Pensions – The requirements of GASB Statement No.75, *Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions (OPEB)* that is provided by other entities require governmental entities to record in their financial statements a share of the other governments net OPEB liability, deferred outflows of resources, deferred inflows of resources and total OPEB expense. Accounting principles applicable to municipalities, which have been prescribed by the Division, do not require the recording of these liabilities, deferrals and expenses, but do require the disclosure of the amounts. Since the City does not follow generally accepted accounting principles, the GASB did not result in a change in the City's assets, liabilities and contribution requirements. However, it did result in additional note disclosures as required by the GASB. See Note 8 for these disclosures.



CITY OF ORANGE TOWNSHIP

NOTES TO FINANCIAL STATEMENTS  
YEAR ENDED DECEMBER 31, 2019 AND 2018

**1. REPORTING ENTITY AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)**

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.

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. GAAP requires such amounts to be recorded when it is probable that a loss has been incurred and the amount of such loss can be reasonably estimated.

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

Comparative Data – Comparative data for the prior year has been presented in the accompanying financial statements in order to provide an understanding of changes in the Town's financial position and operations. However, comparative data have not been presented in all statements because their inclusion would make certain statements unduly complex and difficult to understand.

Basic Financial Statements – The GASB Codification also defines the financial statements of a governmental unit to be presented in the general purpose financial statements to be in accordance with GAAP. The 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.

CITY OF ORANGE TOWNSHIP

NOTES TO FINANCIAL STATEMENTS  
YEAR ENDED DECEMBER 31, 2019 AND 2018

**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.

The City's deposits are insured through either the Federal Deposit Insurance Corporation ("FDIC") or New Jersey's Governmental Unit Deposit Protection Act ("GUDPA"). The City is required to deposit their funds in a depository which is protecting such funds pursuant to GUDPA. GUDPA requires all banks doing business in the State of New Jersey to maintain additional collateral in the amount of 5% of the average public deposits and to deposit these amounts with the Federal Reserve Bank for all deposits not covered by the FDIC.

Custodial Credit Risk – the custodial credit risk for deposits is the risk that in the event of a bank failure, the City's deposits may not be returned to it. Although the City does not have a formal deposit policy for custodial credit risk, N.J.S.A. 17:9-41 et seq. requires that governmental units shall deposit public funds in a public depositories protected from loss under the provisions of GUDPA. Public funds owned by the municipality in excess of FDIC insured amounts are protected by GUDPA. However, GUDPA does not protect intermingled trust funds such as salary withholdings, bail funds, or funds that may pass to the municipality relative to the happening of a future condition. As of December 31, 2019 and 2018 the City's bank balances were exposed to custodial credit risk.

CITY OF ORANGE TOWNSHIP

NOTES TO FINANCIAL STATEMENTS  
YEAR ENDED DECEMBER 31, 2019 AND 2018

**2. CASH, CASH EQUIVALENTS AND INVESTMENTS (continued)**

Bank balances are insured up to \$250,000 in the aggregate by the FDIC for each bank for periods ending December 31, 2019 and 2018. At December 31, 2019 and 2018, the book value of the City's deposits were \$34,153,876.11 and \$21,414,600.89 respectively. \$1,556,075.48 and \$55,786.23 held in agency and payroll accounts for the years ended December 31, 2019 and 2018 are not covered by GUDPA. The City's deposits, which are displayed on the various fund Balance Sheets as "cash" are categorized as:

<u>Depository Account</u>	<u>December 31, 2019</u>	<u>December 31, 2018</u>
Insured - FDIC	\$ 666,721.33	\$ 750,000.00
Insured and Collateralized BY GUDPA	30,679,390.20	22,252,852.12
Uninsured and Uncollateralized	1,556,075.48	55,786.23
	<u>\$ 32,902,187.01</u>	<u>\$ 23,058,638.35</u>

Custodial Credit Risk – Deposits:

Custodial Credit Risk for deposits is the risk that in the event of bank failure, the City's deposits may not be returned to it. Although the City does not have a formal deposit policy for custodial risk, N.J.S.A. 17:9-41 et seq. requires that governmental units shall deposit public funds in a public depository protected from loss under the provisions of GUDPA. Public funds owned by the municipality in excess of FDIC insured amounts are protected by GUDPA. However, GUDPA does not protect intermingled trust funds such as salary withholding, bail funds or funds that may pass to the municipality relative to the happening of a future conditions. As of December 31, 2019 and 2018, the City's bank balances were exposed to custodial credit risk.

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).

CITY OF ORANGE TOWNSHIP

NOTES TO FINANCIAL STATEMENTS  
YEAR ENDED DECEMBER 31, 2019 AND 2018

**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.

The tax bills are mailed by the Tax Collector annually in June and are payable in four quarterly installments due the first of August and November of the current year and a preliminary billing due the first of February and May of the subsequent year. The August and November billings represent the third and fourth quarter installments and are calculated by taking the total year tax levy less the preliminary first and second quarter installments due February and May. The preliminary levy is based on one-half of the current year's total tax.

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 11<sup>th</sup> 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 two years:

**Comparative Schedule of Tax Rates:**

	Year <u>2019</u>	Year <u>2018</u>	Year <u>2017</u>
Tax Rate	\$ 5.315	\$ 5.230	\$ 4.870
Apportionate of Tax Rate:			
Municipal	\$ 3.793	\$ 3.669	\$ 3.337
County	0.553	0.591	0.573
County Open Space	0.018	0.019	0.017
School	<u>0.951</u>	<u>0.951</u>	<u>0.943</u>

**Assessed Valuations:**

Calendar Year	Amount
2019	\$ 1,303,052,000.00
2018	1,291,041,900.00
2017	1,293,376,312.00

CITY OF ORANGE TOWNSHIP

NOTES TO FINANCIAL STATEMENTS  
YEAR ENDED DECEMBER 31, 2019 AND 2018

3. TAXES RECEIVABLE AND TAX TITLE LIENS (continued)

**Comparison of Tax Levies and Collections:**

<u>Calendar Year</u>	<u>Tax Levy</u>	<u>Collections</u>	<u>Percentage of Collections</u>
2019	\$ 69,812,978.44	\$ 68,166,557.53	97.64%
2018	67,917,462.14	64,071,160.05	94.34%
2017	63,174,965.42	58,934,041.92	93.29%

**Delinquent Taxes and Tax Title Liens:**

<u>Calendar Year</u>	<u>Amount of Tax Title Liens</u>	<u>Amount of Delinquent Taxes</u>	<u>Total Delinquent</u>	<u>Percentage of Tax Levy</u>
2019	\$ 3,872,526.57	\$ 955,078.22	\$ 4,827,604.79	6.92%
2018	3,405,107.54	3,342,669.04	6,747,776.58	9.94%
2017	2,794,819.70	3,688,781.93	6,483,601.63	10.26%

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>Calendar Year</u>	<u>Amount</u>
2019	\$ 856,500.00
2018	856,500.00
2017	856,500.00

5. WATER/SEWER CONSUMER ACCOUNTS RECEIVABLE

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

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

<u>Calendar Year</u>	<u>Billing</u>	<u>Collection</u>
2019	\$ 10,887,865.76	\$ 11,321,110.59
2018	10,755,781.43	10,578,923.87
2017	9,146,655.94	9,017,959.39

Collections include prior year billings.

CITY OF ORANGE TOWNSHIP

NOTES TO FINANCIAL STATEMENTS  
YEAR ENDED DECEMBER 31, 2019 AND 2018

6. FUND BALANCES APPROPRIATED

**Schedule of Fund Balances Appropriated:**

	<u>Year</u>	<u>Balance</u> <u>December 31,</u>	<u>Utilized in Budgets</u> <u>Succeeding Year</u>
Current Year	2019	\$ 5,245,320.96	\$ 4,700,000.00
	2018	5,041,342.74	4,330,000.00
	2017	5,240,942.29	4,750,000.00
Water/Sewer Utility			
Operating Fund:	2019	\$ 2,721,643.42	\$ 500,000.00
	2018	1,195,002.38	483,439.00
	2017	1,045,693.61	1,000,000.00

7. PENSION PLANS

**Public Employee Retirement System**

*Description of Plans*

The State of New Jersey, Division of Pension and Benefits (the Division) was created and exists pursuant to N.J.S.A. 52:18A to oversee and administer the pension trust and other postemployment benefit plans sponsored by the State of New Jersey (the State). According to the State of New Jersey Administrative Code, all obligations of the Systems will be assumed by the State of New Jersey should the plans terminate. Each defined benefit pension plan's designated purpose is to provide retirement, death and disability benefits to its members. The authority to amend the provision of plan rests with new legislation passed by the State of New Jersey. Pension reforms enacted pursuant to Chapter 78, P.L. 2011 included provisions creating special Pension Plan Design Committees for the Public Employees Retirement System (PERS), once a Target Funded Ratio (TFR) is met, that will have the discretionary authority to modify certain plan design features, including member contribution rate; formula for calculation of final compensation or final salary; fraction used to calculate a retirement allowance; age at which a member may be eligible and the benefits for service or early retirement; and benefits provided for disability retirement. The committee will also have the authority to reactivate the cost of living adjustment (COLA) on pensions.

However, modifications can only be made to the extent that the resulting impact does not cause the funded ratio to drop below the TFR in any one year of a 30-year projection period. The Division issues a publicly available financial report that includes the financial statements and required supplementary information for each of the plans. This report may be accessed via the Division of Pensions and Benefits website, at [www.state.nj.us/treasury/pensions](http://www.state.nj.us/treasury/pensions), or may be obtained by writing the Division of Pensions and Benefits, PO Box 295, Trenton, New Jersey, 08625.

CITY OF ORANGE TOWNSHIP

NOTES TO FINANCIAL STATEMENTS  
YEAR ENDED DECEMBER 31, 2019 AND 2018

**7. PENSION PLANS - Public Employee Retirement System**

The Public Employee Retirement System is a cost-sharing, multiple employer defined benefit pension plan as defined in GASB Statement No. 68. The Plan is administered by The New Jersey Division of Pensions and Benefits (Division). The more significant aspects of the PERS Plan are as follows:

*Plan Membership and Contributing Employers-* Substantially all full-time employees of the State of New Jersey or any county, municipality, school district or public agency are enrolled in PERS, provided the employee is not required to be a member of another state-administered retirement system or other state pension fund or other jurisdiction's pension fund. Membership and contributing employers of the defined benefit pension plans consisted of the following at June 30, 2019 and 2018:

	<u>2019</u>	<u>2018</u>
Inactive plan members or beneficiaries currently receiving benefits	178,748	174,904
Inactive plan members entitled to but not yet receiving benefits	609	589
Active plan members	<u>252,598</u>	<u>254,780</u>
Total	<u><u>431,955</u></u>	<u><u>430,273</u></u>

Contributing Employers – 1,697

*Significant Legislation* – For State of New Jersey contributions to PERS, Chapter 1, P.L. 2010, effective May 21, 2010, required the State to resume making actuarially recommended contributions to the pension plan on a phased-in basis over a seven year period beginning in the fiscal year ended June 30, 2012. For State fiscal year 2018, the State was required to make a minimum contribution representing 7/7<sup>th</sup> of the actuarially determined contribution amount based on the July 1, 2014 actuarial valuation.

Pursuant to the provision of Chapter 78, P.L. 2011, COLA increases were suspended for all current and future retirees of PERS.

For the year ended December 31, 2019 and 2018, the City's total payroll for all employees was \$27,645,248 and \$27,245,037, respectively. Total PERS covered payroll was \$6,800,921 and \$6,419,187, respectively. Covered payroll refers to pensionable compensation, rather than total compensation, paid by the City to active employees covered by the Plan.

*Specific Contribution Requirements and benefit provisions* – The contribution policy is set by N.J.S.A 43:15 and requires contributions by active members and contributing employers. Members contribute at a uniform rate. Pursuant to the provisions of Chapter 78, P.L. 2011, the active member contribution rate increased from 5.5% of annual compensation to 6.5% plus an additional 1% phased-in over 7 years beginning in July 2012 until a 7.5% member contribution rate is reached in July 2018. The phase-in of the additional incremental member contribution rate will take place in July of each subsequent State fiscal year.

Employers' contribution amounts are based on an actuarially determined rate. The annual employer contributions include funding for basic retirement allowances and noncontributory death benefits. City contributions are due and payable on April 1<sup>st</sup> in the second fiscal period subsequent to plan year for which the contributions requirements were calculated.

City payments to PERS for the years ending December 31, 2019 and 2018 consisted of the following:

	<u>2019</u>	<u>2018</u>
Total Regular Billing	<u>\$ 826,323</u>	<u>\$ 743,759</u>

The City recognizes liabilities to PERS and records expenditures for same in the fiscal period that bills become due.

CITY OF ORANGE TOWNSHIP

NOTES TO FINANCIAL STATEMENTS  
YEAR ENDED DECEMBER 31, 2019 AND 2018

7. PENSION PLANS (continued)

The vesting and benefit provisions are set by N.J.S.A. 43:15. PERS provides retirement, death and disability benefits. All benefits vest after ten years of service, except for medical benefits, which vest after 25 years of service or under the disability provisions of PERS.

The following represents the membership tiers for PERS:

<u>Tier</u>	<u>Definition</u>
1	Members who were enrolled prior to July 1, 2007.
2	Members who were eligible to enroll on or after July 1, 2007 and prior to November 8, 2008.
3	Members who were eligible on or after November 2, 2008 and prior to May 22, 2010.
4	Members who were eligible to enroll on or after May 22, 2010 and prior to June 28, 2011.
5	Members who were eligible to enroll on or after June 28, 2011

A service retirement benefit of 1/55<sup>th</sup> of final average salary for each year of service credit is available to tier 1 and 2 members upon reaching age 60 and to tier 3 members upon reaching age 62. Service retirement benefits of 1/60<sup>th</sup> of final average salary for each year of service credit is available to tier 4 members upon reaching age 62 and tier 5 members upon reaching age 65. Early retirement benefits are available to tier 1 and 2 members before reaching age 60, to tier 3 and 4 members before age 62 and tier 5 members with 30 or more years of service credit before age 65. Benefits are reduced by a fraction of a percent for each month that a member retires prior to the retirement age of his/her respective tier. Deferred retirement is available to members who have at least 10 years of service credit and have not reached the service retirement age for the respective tier.

*Pension Liabilities, Pension Expense, Deferred Outflows of Resources, and Deferred Inflows of Resources Related to Pensions* – The regulatory basis of accounting which is basis for the preparation of the City’s basic financial statements does not require or permit the inclusion of entity-wide, full accrual basis financial statements. Accordingly, the City does not recognize pension liabilities for any current or prior period until the fiscal period in which such payments will become due and payable.

At June 30, 2019, the PERS reported a net pension liability of \$18,143,832,135 for its Non-State Employer Member Group. The City’s proportionate share of the net pension liability for the Non-State Employer Member Group that is attributable to the City was \$15,306,882 or 0.0849510005% which was a decrease of 0.0005661095% from its proportion measured as of June 30, 2018. The Pension liability for June 30, 2019 measurement date was determined by an actuarial valuation as of July 1, 2018, which was rolled forward to June 30, 2019.

At June 30, 2018, the PERS reported a net pension liability of \$19,689,501,539 for its Non-state Employer Member Group that is attributable to the City was \$16,837,894 or 0.0855171100%.



CITY OF ORANGE TOWNSHIP

NOTES TO FINANCIAL STATEMENTS  
YEAR ENDED DECEMBER 31, 2019 AND 2018

7. PENSION PLANS (continued)

At December 31, 2019, the City would have reported deferred outflows of resources and deferred inflows of resources related to PERS from the following sources, if GASB #68 was recognized:

	2019	
	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expended and actual experience	\$ 274,738	\$ 67,619
Changes in assumptions	1,528,448	5,312,970
Net difference between projected and actual earnings on pension plan investments		241,625
Changes in proportion and differences between City contributions and proportionate share of contributions	661,844	126,848
City contributions subsequent to the measurement date	826,323	
	<u>\$ 3,291,353</u>	<u>\$ 5,749,062</u>
	2018	
	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expended and actual experience	\$ 321,101	\$ 86,822
Changes in assumptions	2,774,606	5,383,863
Net difference between projected and actual earnings on pension plan investments		157,940
Changes in proportion and differences between City contributions and proportionate share of contributions	1,012,484	76,017
City contributions subsequent to the measurement date	850,619	
	<u>\$ 4,958,810</u>	<u>\$ 5,704,642</u>

CITY OF ORANGE TOWNSHIP

NOTES TO FINANCIAL STATEMENTS  
YEAR ENDED DECEMBER 31, 2019 AND 2018

7. PENSION PLANS (continued)

\$826,323 shown as deferred outflows of resources related to PERS resulting from City contributions subsequent to the measurement. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions would be recognized in pension expenses on a GAAP basis as follows:

Year ended December 31,	Amount
2020	\$ (205,376)
2021	(1,253,268)
2022	(1,269,047)
2023	(701,302)
2024	144,961
Total	<u>\$ (3,284,032)</u>

*Actuarial Assumptions-* The total pension liability in the June 30, 2019 and June 30, 2018 actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement:

	2019	2018
Inflation - Prices	2.75%	2.25%
Inflation - Wages	3.25%	2.25%
Salary Increases (through 2026)		1.65 - 4.15% Based on age
Thereafter		2.65 - 5.15% Based on age
Through all future years	3.25% - 15.25%	
	Based on years of service	
Investment rate of return	7.00%	7.00%

Pre-retirement mortality rates were based on the Pub-2010 General Below-Median Income Employee mortality table with an 82.2% adjustment for males and 101.4% adjustment for females, and with future improvement from the base year of 2010 on a generational basis. Post-retirement mortality rates were based on the Pub-2010 General Below-Median Income Healthy Retiree mortality table with a 91.4% adjustment for males and 99.7% adjustment for females, and with future improvement from the base year of 2010 on a generational basis. Disability retirement rates used to value disabled retirees were based on the Pub-2010 Non-Safety Disabled Retiree mortality table with a 127.7% adjustment for males and 117.2% adjustment for females, and with future improvement from the base year of 2010 on a generational basis. Mortality improvement is based on Scale MP-2019.

The actuarial assumptions used in the July 1, 2018 valuation were based on the results of an actuarial experience study for the period July 1, 2011 to June 30, 2014.

It is likely that future experience will not exactly conform to these assumptions. To the extent that actual experience deviates from these assumptions, the emerging liabilities may be higher or lower than anticipated. The more the experience deviates, the larger the impact on future financial statements.

In accordance with State statute, the long-term expected rate of return on plan investments (7.00% at June 30, 2019) is determined by the State Treasurer, after consultation with the Directors of the Division of Investment and Division of Pensions and Benefits, the board of trustees and the actuaries. The long-term expected rate of return was determined using a building block method in which best-estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expense and inflation)

CITY OF ORANGE TOWNSHIP

NOTES TO FINANCIAL STATEMENTS  
YEAR ENDED DECEMBER 31, 2019 AND 2018

7. PENSION PLANS (continued)

are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. Best estimates of arithmetic rates of return for each major asset class included in PERS's target asset allocation as of June 30, 2019 and 2018 are summarized in the following table:

<u>Asset Class</u>	<u>2019</u>		<u>2018</u>	
	<u>Target Allocation</u>	<u>Long-Term Expected Real Rate of Return</u>	<u>Target Allocation</u>	<u>Long-Term Expected Real Rate of Return</u>
Cash	5.00%	2.00%	5.50%	1.00%
U.S. Treasuries	5.00%	2.68%	3.00%	1.87%
Global diversified credit			5.00%	7.10%
Credit orientated hedge funds			1.00%	6.60%
Debt related private equity			2.00%	10.63%
Debt related real estate			1.00%	6.61%
Real Estate (Property)	7.50%	8.33%	2.50%	11.83%
Equity related real estate			6.25%	9.23%
U.S. Equities	28.00%	8.26%	30.00%	8.19%
Non - US developed market equity	12.50%	9.00%	11.50%	9.00%
Emerging Market Equities	6.50%	11.37%	6.50%	11.64%
Buyouts/venture capital			8.25%	13.08%
Absolute return/risk mitigation	3.00%	4.67%	5.00%	5.51%
Investment Grade Credit	10.00%	4.25%	10.00%	3.78%
Public high yield	2.00%	5.37%	2.50%	6.82%
Private Credit	6.00%	7.92%		
Private Equity	12.00%	10.85%		
Real Assets	2.50%	9.31%		
	<u>100.00%</u>		<u>100.00%</u>	

*Discount Rate* – The discount rate used to measure the total pension liability as of June 30, 2018 was 5.66% and as of June 30, 2019 was 6.28%. This single blended discount rate was based on the long-term expected rate of return on pension plan investments of 7.00% and a municipal bond rate of 3.50% as of June 30, 2019 based on the Bond Buyer Go 20-Bond Municipal Bond Index, which includes tax-exempt general obligation municipal bonds with an average rating of AA/Aa or higher.

The projection of cash flows used to determine the discount rate assumed that contributions from plan members will be made at the current member contribution rates and that contributions from employers will be made based on the contribution rate in the most recent fiscal year. The State employer contributed 70% of the actuarially determined contributions and the local employers contributed 100% of their actuarially determined contributions. Based on those assumptions, the plan's fiduciary net position was projected to be available to make projected future benefit payments of current plan members through 2057. Therefore, the long-term expected rate of return on plan investments was applied to projected benefit payments through 2057 and the municipal bond rate was applied to projected benefit payments after that date in determining the total pension liability.

CITY OF ORANGE TOWNSHIP

NOTES TO FINANCIAL STATEMENTS  
YEAR ENDED DECEMBER 31, 2019 AND 2018

**7. PENSION PLANS (continued)**

*Sensitivity of Net Pension Liability* – the following presents the net pension liability of PERS calculated using the discount rates as disclosed above as well as what the net pension liability would be if it were calculated using a discount rate that is 1 percentage point lower or 1 percentage rate higher than the current rate:

2019	At 1%	At Current	At 1%
	Decrease	Discount Rate	Increase
	(5.28%)	(6.28%)	(7.28%)
PERS	\$ 19,599,333	\$ 15,306,882	\$ 12,075,365
2018	At 1%	At Current	At 1%
	Decrease	Discount Rate	Increase
	(4.66%)	(5.66%)	(6.66%)
PERS	\$ 21,171,712	\$ 16,837,894	\$ 13,202,098

*Plan Fiduciary Net Position* – The plan fiduciary net position for PERS, including the State of New Jersey, at June 30, 2019 and 2018 were \$29,847,977,666 and \$29,472,374,536 respectively. The portion of the Plan Fiduciary Net Position was allocable to the Local (Non-State) Groups at June 30, 2019 and 2018 was \$23,347,631,751 and \$22,742,071,972, respectively.

*Additional Information*

Collective balances at June 30, 2019 are as follows:

Collective deferred outflows of resources	\$ 3,149,522,616
Collective deferred inflows of resources	7,645,087,574
Collective net pension liability - Local group	18,143,832,135
Township's Proportion	0.0849510005%

Collective pension expense for the Local Group for the measurement period ended June 30, 2019 and 2018 was \$974,471,686 and \$1,099,708,157, respectively. The average of the expected remaining service lives of all plan members if 5.21 5.63 5.48, 5.57, 5.72 and 6.44 years for 2019, 2018, 2017, 2016, 2015 and 2014, respectively.

**State Contribution Payable Dates**

Chapter 83 P.L. 2016 requires the State to make pension contributions on a quarterly basis at least 25% by September 30, at least 50% by December 31, at least 75% by March 31, and at least 100% by June 30. As such, contributions are assumed to be made on a quarterly basis with the first contribution 15 months after the associated valuation date.

Local employer's contributions are expected to be paid on April 1st, 21 months after the associated valuation date.

**Receivable Contributions**

The Fiduciary Net Position (FNP), includes local employers' contributions receivable as reported in the financial statements provided by the Division of Pensions and Benefits. In determining the discount rate, the FNP at the beginning of each year does not reflect receivable contributions as those amounts are not available at the beginning of the year to pay benefits. The receivable contributions for the years ended June 30, 2019 and June 30, 2018 are \$1,038,892,124 and \$1,073,054,740, respectively.

CITY OF ORANGE TOWNSHIP

NOTES TO FINANCIAL STATEMENTS  
YEAR ENDED DECEMBER 31, 2019 AND 2018

7. PENSION PLANS (continued)

**Police and Firemen's Retirement System**

The Police and Firemen's Retirement System is a cost-sharing, multiple employer defined benefit pension plan as defined in GASB Statement No. 68. The Plan is administered by The New Jersey Division of Pensions and Benefits (Division). The more significant aspects of the PFRS Plan are as follows:

*Plan Membership and Contributing Employers-* Substantially all full-time county and municipal police and firemen and state firemen or officer employees with police powers appointed after June 30, 1944 are enrolled in PFRS Membership and contributing employers of the defined benefit pension plans consisted of the following at June 30, 2019 and 2018:

	<u>2019</u>	<u>2018</u>
Inactive plan members or beneficiaries currently receiving benefits	44,567	43,755
Inactive plan members entitled to but not yet receiving benefits	42	39
Active plan members	<u>42,295</u>	<u>41,517</u>
Total	<u><u>86,904</u></u>	<u><u>85,311</u></u>

Contributing Employers – 584

In addition to the State, who the sole payer of regular employer contributions to the fund, PFP's contributions employers include Boards of Education who elect to participate in the Early Retirement Incentive Program (ERIP) and are legally responsible to continue to pay toward their liability. The current number of ERIP contributions employers is 26.

*Significant Legislation* – For State of New Jersey contributions to PFRS, Chapter 1, P.L. 2010, effective May 21, 2010, required the State to resume making actuarially recommended contributions to the pension plan on a phased-in basis over a seven year period beginning in the fiscal year ended June 30, 2012.

For the year ended June 30, 2019, it is assumed that the local employers will contribute 100% of their actuarially determined contribution and 100% of their Non-Contributory Group Insurance Premium Fund (NCGIPF) contribution while the State will contribute 50% of its actuarially determined contribution and 100% of its NCGIPF contribution. The 70% contribution rate is its actual total State contribution rate paid in fiscal year ending June 30, 2019 with respect to the actuarially determined contribution for the fiscal year ending June 30, 2019 for all State administered retirement systems.

In accordance with Chapter 98, P.L. 2017, PERS receives 1.2% of the proceeds of the Lottery Enterprise for a period of 30 years. Revenues from lottery proceeds are assumed to be contributed to the System on a monthly basis.

Pursuant to the provision of Chapter 78, P.L. 2011, COLA increases were suspended for all current and future retirees of PFRS.

For the years ended December 31, 2019 and 2018, the City's total payroll for all employees was \$27,245,037 and \$27,245,037. Total PFRS covered payroll was \$17,495,312 and \$16,458,317. Due to payroll system limitations, covered payroll refers to pensionable compensation, rather than total compensation, paid by the City to active employees covered by the Plan.

CITY OF ORANGE TOWNSHIP

NOTES TO FINANCIAL STATEMENTS  
YEAR ENDED DECEMBER 31, 2019 AND 2018

**7. PENSION PLANS (continued)**

Specific Contribution Requirements and benefit provisions – The contribution policy is set by N.J.S.A. 43:16A and requires contributions by active members and contributing employers. Pursuant to the provisions of Chapter 78, P.L. 2011, the active member contributions rate increased from 8.5% of annual compensation to 10.0% in October 2011. Employer contribution amounts are based on an actuarially determined rate. The annual employer contributions include funding for basic retirement allowances and noncontributory death benefits. City contributions are due and payable on April 1<sup>st</sup> in the second fiscal period subsequent to plan year for which the contributions requirements were calculated. City payments to PFRS made in the years ending December 31, 2019 and 2018 consisted of the following:

	<u>2019</u>	<u>2018</u>
Total PFRS Payment - Regular	<u>\$ 4,969,657</u>	<u>\$ 3,842,817</u>

The City recognizes liabilities to PFRS and records expenditures for same in the fiscal period that bills become due.

The vesting and benefit provisions are set by N.J.S.A. 43:16A. PFRS provides retirement, death and disability benefits. All benefits vest after ten years of service, except for disability benefits, which vest after 4 years of service.

The following represents the membership tiers for PFRS:

<u>Tier</u>	<u>Definition</u>
1	Members who were enrolled prior to May 22, 2010.
2	Members who were eligible to enroll on or after May 22, 2010 and prior to June 28, 2011.
3	Members who were eligible on or after June 28, 2011.

Service retirement benefits are available at age 55 and are generally determined to be 2% of final compensation for each year of creditable service, as defined, up to 30 years plus 1% for each year of service in excess of 30 years. Members may seek special retirement after achieving 25 years of creditable service, in which benefits would equal 65% (tiers 1 and 2 members) and 60% (tier 3 members) of final compensation plus 1% for each year of creditable service over 25 years but not to exceed 30 years. Members may elect deferred retirement benefits after achieving ten years of service, in which case benefits would begin at age 55 equal to 2% of final compensation for each year of service.

*Pension Liabilities, Pension Expense, Deferred Outflows of Resources, and Deferred Inflows of Resources Related to Pensions* – The regulatory basis of accounting which is basis for the preparation of the City’s basic financial statements does not require or permit the inclusion of entity-wide, full accrual basis financial statements. Accordingly, the City does not recognize pension liabilities for any current or prior period until the fiscal period in which such payments will become due and payable.

At June 30, 2019, the PFRS reported a net pension liability of \$14,170,193,618 for its Non-State, Non-Special Funding Situation Employer Member Group. The City’s proportionate share of the net pension liability for the Non-State Non-Special Funding Situation Employer Member Group was \$60,209,013 or 0.4919913740%, which was an increase of 0.0053665105 % from its proportion measured as of June 30, 2018. At June 30, 2018, the PFRS reported a net pension liability of \$17,167,260,198 for its Non-State, Non-Special Funding Situation Employer Member Group. The City’s proportionate share of the net pension liability for the Non-State Non-Special Funding Situation Employer Member Group was \$65,848,366 or 0.4866248635%.

CITY OF ORANGE TOWNSHIP

NOTES TO FINANCIAL STATEMENTS  
YEAR ENDED DECEMBER 31, 2019 AND 2018

**7. PENSION PLANS (continued)**

At December 31, 2019, the City would have reported deferred outflows of resources and deferred inflows of resources related to PFRS from the following sources, if GASB #68 was recognized:

	2019	
	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ 508,241	\$ 381,194
Changes in assumptions	2,063,089	19,459,001
Net difference between projected and actual earnings on pension plan investments		815,813
Changes in proportion and differences between City contributions and proportionate share of contributions	6,238,705	1,063,355
City contributions subsequent to the measurement date	4,969,657	
	<u>13,779,692</u>	<u>21,719,363</u>
	2018	
	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ 669,921	\$ 272,496
Changes in assumptions	5,652,196	16,875,800
Net difference between projected and actual earnings on pension plan investments		360,250
Changes in proportion and differences between City contributions and proportionate share of contributions	7,538,183	
City contributions subsequent to the measurement date	4,757,475	
	<u>18,617,775</u>	<u>17,508,546</u>

CITY OF ORANGE TOWNSHIP

NOTES TO FINANCIAL STATEMENTS  
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**7. PENSION PLANS (continued)**

\$4,969,657 shown as deferred outflows of resources related to PFRS resulting from City contributions subsequent to the measurement. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to PFRS would have been recognized in pension expense on GAAP basis as follows:

Year ended December 31,	Amount
2020	\$ (2,357,274)
2021	(5,587,578)
2022	(3,586,039)
2023	(1,599,833)
2024	221,396
Total	<u>\$ (12,909,328)</u>

*Actuarial Assumptions-* The total pension liability in the June 30, 2019 actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement:

	2019	2018
Inflation- Prices	2.75%	2.25%
Inflation - Wages	3.25%	2.25%
Salary Increases (through 2026)		2.10 - 8.98% Based on age
Thereafter		3.10 - 9.98% Based on age
Through all Future Years	3.25% - 15.25%	
	Based on Years of Service	
Investment rate of return		7.00%

Pre-retirement mortality rates were based on the Pub-2010 Safety Employee mortality table with a 105.6% adjustment for males and 102.5% adjustment for females, and with future improvement from the base year of 2010 on a generational basis. Post-retirement mortality rates were based on the Pub-2010 Safety Retiree Below-Median Income Weighted mortality table with a 96.7% adjustment for males and 96.0% adjustment for females, and with future improvement from the base year of 2010 on a generational basis. For beneficiaries (contingent annuitants), the Pub-2010 General Retiree Below-Median Income Weighted mortality table was used, unadjusted, and with future improvement from the base year of 2010 on a generational basis. Disability rates were based on the Pub-2010 Safety Disabled Retiree mortality table with a 152.0% adjustment for males and 109.3% adjustment for females, and with future improvement from the base year of 2010 on a generational basis. Mortality improvement is based on Scale MP-2019.

The actuarial assumptions used in the July 1, 2018 valuation were based on the results of an actuarial experience study for the period July 1, 2013 to June 30, 2018.

In accordance with State statute, the long-term expected rate of return on plan investments (7.00% at June 30, 2019) is determined by the State Treasurer, after consultation with the Directors of the Division of Investment and Division of Pensions and Benefits, the board of trustees and the actuaries. The long-term expected rate of return was determined using a building block method in which best-estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. Best estimates of arithmetic real rates of return for each major asset class



CITY OF ORANGE TOWNSHIP

NOTES TO FINANCIAL STATEMENTS  
YEAR ENDED DECEMBER 31, 2019 AND 2018

7. PENSION PLANS (continued)

included in the pension plans' target asset allocation as of June 30, 2019 and 2018 are summarized in the following table:

<u>Asset Class</u>	<u>2019</u>		<u>2018</u>	
	<u>Target Allocation</u>	<u>Long-Term Expected Real Rate of Return</u>	<u>Target Allocation</u>	<u>Long-Term Expected Real Rate of Return</u>
Cash	5.00%	2.00%	5.50%	1.00%
U.S. Treasuries	5.00%	2.68%	3.00%	1.87%
Global diversified credit			5.00%	7.10%
Credit orientated hedge funds			1.00%	6.60%
Debt related private equity			2.00%	10.63%
Debt related real estate			1.00%	6.61%
Private Real Estate	7.50%	8.33%	2.50%	11.83%
Equity related real estate			6.25%	9.23%
U.S. Equities	28.00%	8.26%	30.00%	8.19%
Non - US developed market equity	12.50%	9.00%	11.50%	9.00%
Emerging Market Equities	6.50%	11.37%	6.50%	11.64%
Buyouts/venture capital			8.25%	13.08%
Absolute return/risk mitigation	3.00%	4.67%	5.00%	5.51%
Investment Grade Credit	10.00%	4.25%	10.00%	3.78%
Public high yield	2.00%	5.37%	2.50%	6.82%
Real Assets	2.50%	9.31%		
Private Credit	6.00%	7.92%		
Private Equity	12.00%	10.85%		
	<u>100.00%</u>		<u>100.00%</u>	

*Discount Rate* – The discount rate used to measure the total pension liability was as of June 30, 2018 was 6.51% and as of June 30, 2019 was 6.85%. This single blended discount rate was based on the long-term expected rate of return on pension plan investments of 7.00% and a municipal bond rate of 3.50% as of June 30, 2018 and 3.87% as of June 30, 2019 based on the Bond Buyer Go 20-Bond Municipal Bond Index, which includes tax-exempt general obligation municipal bonds with an average rating of AA/Aa or higher. The projection of cash flows used to determine the discount rate assumed that contributions from plan members will be made at the current member contribution rates and that contributions from employers and the nonemployer contributing entity will be made based on the contribution rate in the most recent fiscal year. The State employer contributed 70% of the actuarially determined contributions and the local employers contributed 100% of their actuarially determined contributions. Based on those assumptions, the plan's fiduciary net position was projected to be available to make projected future benefit payments of current plan members through June 30, 2076. Therefore, the long-term expected rate of return on plan investments was applied to projected benefit payments through June 30, 2076, and the municipal bond rate was applied to projected benefit payments after that date in determining the total pension liability.

CITY OF ORANGE TOWNSHIP

NOTES TO FINANCIAL STATEMENTS  
YEAR ENDED DECEMBER 31, 2019 AND 2018

7. PENSION PLANS (continued)

*Sensitivity of Net Pension Liability* – the following presents the net pension liability of PFRS calculated using the discount rates as disclosed above as well as what the net pension liability would be if it were calculated using a discount rate that is 1 percentage point lower or 1 percentage rate higher than the current rate:

2019	At 1% Decrease	At Current Discount Rate	At 1% Increase
PFRS	\$ 81,380,645	\$ 60,209,013	\$ 42,686,437
2018	At 1% Decrease	At Current Discount Rate	At 1% Increase
PFRS	\$ 88,129,866	\$ 65,848,369	\$ 47,470,187

*Plan Fiduciary Net Position* – The plan fiduciary net position for PFRS at June 30, 2019 and 2018 was \$27,792,420,945 and \$27,098,556,100, respectively.

*Additional Information*

Collective balances at June 30, 2019 are as follows:

Collective deferred outflows of resources	\$ 1,198,936,924
Collective deferred inflows of resources	4,874,748,912
Collective net pension liability - Local group	14,170,193,618
City's Proportion	0.4919913700%

Collective pension expense for the Local Group for the measurement period ended June 30, 2019 and 2018 was \$1,325,963,796 and \$1,270,762,352 respectively. The average of the expected remaining service lives of all plan members is 5.92, 5.73, 5.59, 5.58, 5.53 and 6.72 years for 2019, 2018, 2017, 2016, 2015 and 2014, respectively.

**State Contribution Payable Dates**

Chapter 83, P.L. 2016 requires the State to make pension contributions on a quarterly basis: at least 25% by September 30, at least 50% by December 31, at least 75% by March 31, and at least 100% by June 30. As such, contributions are assumed to be made on a quarterly basis. Local employer's contributions are expected to be paid on April 1<sup>st</sup>, 21 months after the associated valuation date.

**Receivable Contributions**

The Fiduciary Net Position (FNP) includes Local employers' contributions receivable as reported in the financial statements provided by the Division of Pensions and Benefits. In determining the discount rate, the FNP at the beginning of each year does not reflect receivable contributions as those amounts are not available at the beginning of the year to pay benefits. The receivable contributions for the years ended June 30, 2019 and June 30, 2018 are \$1,105,874,849 and \$1,089,730,202, respectively.

**Special Funding Situation** - Under N.J.S.A 43:16A-15, local participating employers are responsible for their own contributions based on actuarially determined amounts, except where legislation was passed which legally obligated the State if certain circumstances occurred. The amounts contributed on behalf of the local participating employers under this legislation is considered to be a special funding situation and state is treated

CITY OF ORANGE TOWNSHIP

NOTES TO FINANCIAL STATEMENTS  
YEAR ENDED DECEMBER 31, 2019 AND 2018

**7. PENSION PLANS (continued)**

as a non-employer entity. The non-employer contributing entities' total proportionate share of the collective net pension liability that is associated with the City as of June 30, 2019 and 2018 for police and fire is 0.4919913740% and 0.4866248635%, respectively. The non-employer contributing entities' contribution for the year ended June 30, 2019 and 2018 was \$640,583, and \$529,785, respectively. The state's proportionate share of net pension liability attributable to the City as of June 30, 2019 and 2018 was \$9,507,117 and \$8,944,412, respectively.

**Defined Contribution Retirement Plan**

DCRP was established July 1, 2007, under the provisions of Chapter 92, P.L. 2007 and Chapter 103, P.L. 2007. Prudential is acting on behalf of the NJ Division of Pensions and Benefits as the record keeper and investment funds manager. Chapter 1, P.L. 2010 increased the minimum annual salary required for eligibility in the DCRP. An employee must earn an annual salary of at least \$5,000 to be eligible or to continue participation.

The Defined Contribution Retirement Plan (DCRP) is a multiple employer defined contribution plan as defined in GASB Statement No. 68. The Plan is administered by The New Jersey Division of Pensions and Benefits (Division). The more significant aspects of the DCRP are as follows:

*Plan Membership and Contributing Employers-* Enrollment in the DCRP is required for state or local officials, elected or appointed on or after July 1, 2007; employees enrolled in PFRS or PERS on or after July 1, 2007, who earn salary in excess of established "maximum compensation" limits; employees otherwise eligible to enroll in PFRS or PERS on or after November 2, 2008, who do not earn the minimum annual salary for tier 3 enrollment but who earn salary of at least \$5,000 annually; and employees otherwise eligible to enroll in PFRS or PERS after May 21, 2010, who do not work the minimum number of hours per week required for tier 4 or tier 5 enrollment, but who earn salary of at least \$5,000 annually. At June 30, 2019 and 2018, the membership in the DCRP, based on the information within the Division's database, was 59,270 and 57,893, respectively.

*Contribution Requirement and Benefit Provisions -* State and local government employers contribute 3% of the employee's base salary. Active members contribute 5.5% of base salary. Eligible members are provided with a defined contribution retirement plan intended to qualify for favorable Federal income tax treatment under IRC Section 401(a), a noncontributory group life insurance plan and a noncontributory group disability benefit plan. A participant's interest in that portion of his or her defined contribution retirement plan account attributable to employee contributions shall immediately become and shall at all times remain fully vested and non-forfeitable. A participant's interest in that portion of his or her defined contribution retirement plan account attributable to employer contributions shall be vested and non-forfeitable on the date the participant commences the second year of employment or upon his or her attainment of age 65, while employed by an employer, whichever occurs first. For the year ended December 31, 2019 and 2018, the City had thirteen employees enrolled in the DCRP.

**8. POST RETIREMENT BENEFITS OTHER THAN PENSIONS**

**City's OPEB Plan**

**General information about the OPEB Plan**

The City provides a single employer post-employment health benefits plan for 344 of its employees and 243 retirees through a single employer defined benefit healthcare plan. The City followed the accounting provisions of GASB Statement No. 75, *Accounting and Financial Reporting by Employers for Postemployment Benefits Other Than Pensions*. This statement established guidelines for reporting costs associated with "other postemployment benefits" (OPEB). OPEB costs are calculated based on plan benefits (other than pensions), that the retired employees and their spouses have accrued as a result of their respective years of employment service.

CITY OF ORANGE TOWNSHIP

NOTES TO FINANCIAL STATEMENTS  
YEAR ENDED DECEMBER 31, 2019 AND 2018

**8. POST RETIREMENT BENEFITS OTHER THAN PENSIONS (continued)**

The Plan is a comprehensive health benefits plan which pays for hospital services, doctor expenses and other medical related necessities which include prescription drugs, and mental health/substance abuse services, subject to provisions and limitations. The City administers the Plan through the Horizon Blue Cross Blue Shield of New Jersey and has the authority to establish and amend the benefits provisions offered. The Plan is not a separate entity or trust and does not issue standalone financial statements.

No assets are accumulated in a trust that meets the criteria in paragraph 4 of GASBS No. 75.

**Total OPEB Liability**

The City's total OPEB liability of \$215,844,294 and \$176,857,867, respectfully was measured as of December 31, 2019 and 2018, and was determined by an actuarial valuation as of that date. There were 243 retiree and surviving spouses and 344 active employees as part of the plan.

*Actuarial assumptions and other imputes* - The total OPEB liability in the December 31, 2019 actuarial valuation was determined using the following actuarial assumptions and other inputs, applied to all periods included in the measurement, unless otherwise specified.

Inflation	2.50%
Salary increases	2.50%
Discount rate	2.74%
Healthcare cost trend rate	Range from 5.7% to 9.5%
Retirees' share of benefit-related costs	Subject to the requirements of Chapter 78

The discount rate was based on the Bond Buyer 20-Bond Go Index.

Mortality rates were based on the RP-2000 Combined Healthy Male Mortality rates set forward three years.

The actuarial assumptions used in the December 31, 2019 valuation were based in the results of an actuarial experience study for the period January 1, 2019 - December 31, 2019.

CITY OF ORANGE TOWNSHIP

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8. POST RETIREMENT BENEFITS OTHER THAN PENSIONS (continued)

Changes in the Total OPEB Liability

	<u>Total OPEB Liability</u>
Balance at 12/31/2018	\$ 176,857,867
Changes for the year:	-
Interest cost	7,280,901
Service cost	2,455,925
Difference between expected and actual experience	30,736,858
Changes in assumptions	<u>1,974,441</u>
Changes in assumptions or other inputs:	42,448,125
Benefit payments	(3,461,698)
Net changes	<u>38,986,427</u>
Balance at 12/31/19	<u>\$ 215,844,294</u>
Balance at 12/31/2017	\$ 172,433,158
Changes for the year:	-
Interest cost	7,065,960
Service cost	2,455,925
Changes in assumptions or other inputs:	9,521,885
Benefit payments	(5,097,176)
Net changes	<u>4,424,709</u>
Balance at 12/31/18	<u>\$ 176,857,867</u>

*Sensitivity of the total OPEB liability to changes in the discount rate* - The following presents the total OPEB liability of the City, as well as what the City's total OPEB liability would be if it were calculated using a discount rate that is 1-percentage-point lower or 1-percentage-point higher than the current discount rate:

	<u>December 31, 2019</u>		
	1% Increase	Discount Rates	1% Decrease
	(1.74%)	(2.74%)	(3.74%)
Total OPEB Liability	\$ 235,586,932	\$ 215,844,294	\$ 199,521,053
	<u>December 31, 2018</u>		
	1% Increase	Discount Rates	1% Decrease
	(5.10%)	(4.10%)	(3.10%)
Total OPEB Liability	\$ 160,711,343	\$ 176,857,867	\$ 196,403,052

CITY OF ORANGE TOWNSHIP

NOTES TO FINANCIAL STATEMENTS  
YEAR ENDED DECEMBER 31, 2019 AND 2018

**8. POST RETIREMENT BENEFITS OTHER THAN PENSIONS (continued)**

*Sensitivity of the total OPEB liability to changes in the healthcare cost trend rates* - The following presents the total OPEB liability of the City, as well as what the City's total OPEB liability would be if it were calculated using healthcare cost trend rates that are 1-percentage-point lower or 1-percentage-point higher than the current healthcare cost trend rates:

	December 31, 2019		
	1% Increase	Healthcare Cost Trend Rates	1% Decrease
Total OPEB Liability	\$ 196,907,582	\$ 215,844,294	\$ 238,761,745

  

	December 31, 2018		
	1% Increase	Healthcare Cost Trend Rates	1% Decrease
Total OPEB Liability	\$ 194,083,564	\$ 176,844,867	\$ 162,582,371

**OPEB Expense**

For the year ended December 31, 2019, the City recognized pay as you go OPEB expense of \$4,227,528.

**State of New Jersey's OPEB Plan**

*Nonspecial Funding Situation* - The State of New Jersey's Total OPEB Liability for nonspecial funding situation was \$8,020,352,361 and \$9,452,773,649 at June 30, 2019 and 2018, respectively.

*Components of Net OPEB Liability* - The components of the collective net OPEB liability for Local Government Retired Employees Plan, including the State of New Jersey, is as follows:

	June 30, 2018	June 30, 2019
Total OPEB Liability	\$ 15,981,103,227	\$ 13,819,244,582
Plan Fiduciary Net Position	314,485,086	273,173,482
Net OPEB Liability	<u>\$ 15,666,618,141</u>	<u>\$ 13,546,071,100</u>
Plan Fiduciary Net Position as a Percentage of the Total OPEB Liability	1.97%	1.98%

*Actuarial Assumptions and Other Inputs* - The total OPEB liability as of June 30, 2019 was determined by an actuarial valuation as of June 30, 2018, which was rolled forward to June 30, 2019. The actuarial assumptions vary for each plan member depending on the pension plan the member is enrolled in. These actuarial valuation used the following actuarial assumptions, applied to all periods (2018 and 2019) in the measurement:

CITY OF ORANGE TOWNSHIP

NOTES TO FINANCIAL STATEMENTS  
YEAR ENDED DECEMBER 31, 2019 AND 2018

8. POST RETIREMENT BENEFITS OTHER THAN PENSIONS (continued)

	6/30/2018	6/30/2019
Inflation	2.50%	2.50%
Salary Increases*:		
Public Employees' Retirement System (PERS)		
Through 2026	1.65% - 8.98%	2.00% to 6.00%
Thereafter	2.65% - 9.98%	3.00% to 7.00%
Police and Firemen's Retirement System (PFRS)		
Rate for all future years	3.25% to 15.25%	3.25% to 15.25%
Mortality:		
PERS Pub-2010 general classification headcount weighted mortality with fully generational mortality improvement projections from the central year using Scale MP-2019		
PFRS Pub-2010 general classification headcount weighted mortality with fully generational mortality improvement projections from the central year using Scale MP-2019		

\* Salary increases are based on the defined benefit plan that the member is enrolled in and his or her age.

Actuarial assumptions used in the July 1, 2018 valuation were based on the results of the PFRS and PERS experience studies prepared for July 1, 2013 to June 30, 2018 and July 1, 2014 to June 30, 2018, respectively. 100% of active members are considered to participate in the Plan upon retirement.

*Healthcare Trend Assumptions* - For pre-Medicare medical benefits, the trend rate is initially 5.7% and decreases to a 4.5% long-term trend rate after eight years. For self-insured post-65 medical benefits, the actual fully insured Medicare Advantage trend rates for fiscal year 2020 are reflected. The assumed post-65 medical trend is 4.5% for all future years. For prescription drug benefits, the initial trend rate is 7.5% decreasing to a 4.5% long-term trend rate after eight years.

*Discount Rate* - The discount rate for June 30, 2019 and 2018 was 3.50% and 3.87%, respectively. This represents the municipal bond return rate as chosen by the State. The source is the Bond Buyer Go 20-Bond Municipal Bond Index, which includes tax-exempt general obligation municipal bonds with an average rating of AA/Aa or higher. As the long-term rate of return is less than the municipal bond rate, it is not considered in the calculation of the discount rate, rather the discount rate is set at the municipal bond rate.

*Sensitivity of the State's Net OPEB Liability to Changes in the Discount Rate* - The following presents the collective net OPEB liability of the participating employers as of June 30, 2019 and 2018, calculated using the discount rate as disclosed above as well as what the collective net OPEB liability would be if it was calculated using a discount rate that is 1-percentage point lower or 1-percentage- point higher than the current rate:

	1% Decrease	At Discount Rate	1% Increase
Total Net OPEB Liability - 2019	\$ 15,662,704,137	\$ 13,546,071,100	\$ 11,826,026,995
Total Net OPEB Liability - 2018	18,381,085,096	15,666,618,141	13,498,373,388

CITY OF ORANGE TOWNSHIP

NOTES TO FINANCIAL STATEMENTS  
YEAR ENDED DECEMBER 31, 2019 AND 2018

**8. POST RETIREMENT BENEFITS OTHER THAN PENSIONS (continued)**

*Sensitivity of the State's Net OPEB Liability to Changes in the Healthcare Cost Trend Rates* - The following presents the net OPEB liability as of June 30, 2019 and 2018, respectively, calculated using the healthcare trend rate as disclosed above as well as what the net OPEB liability would be if it was calculated using a healthcare trend rate that is 1-percentage point lower or 1-percentage point higher than the current rate:

	1% Decrease	Healthcare Cost Trend Rate	1% Increase
Total Net OPEB Liability - 2019	\$ 11,431,214,644	\$ 13,546,071	\$ 16,243,926,531
Total Net OPEB Liability - 2018	13,068,471,450	15,666,618,141	19,029,006,023

*Special Funding Situation* - The State of New Jersey's Total OPEB Liability for special funding situation was \$5,525,718,739 and \$6,213,844,492,135 at June 30, 2019 and 2018, respectively.

Under Chapter 330, P.L. 1997, the State shall pay the premium or periodic charges for the qualified local police and firefighter retirees and dependents equal to 80 percent of the premium or periodic charge for the category of coverage elected by the qualified retiree under the State managed care plan or a health maintenance organization participating in the program providing the lowest premium or periodic charge. The State also provides funding for retiree health benefits to survivors of local police officers and firefighters who die in the line of duty under Chapter 271, P.L.1989.

Therefore, these employers are considered to be in a special funding situation as defined by GASB Statement No 75 and the State is treated as a nonemployer contributing entity. Since the local participating employers do not contribute under this legislation directly to the plan, there is no net OPEB liability, deferred outflows of resources or deferred inflows of resources to report in the financial statements of the local participating employers related to this legislation.

The amounts of the State's Non-employer OPEB Liability that are attributable to employees and retirees of the City of Orange Township was \$34,104,791 and \$39,361,349 at June 30, 2019 and 2018, respectively. These allocated liabilities represent 0.617201% and 0.607149% of the State's Total Non-employer OPEB Liability for June 30, 2019 and 2018, respectively. The OPEB expense attributed to the City was \$452,068 and \$1,191,514 at June 30, 2019 and 2018, respectively.

**9. 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.



CITY OF ORANGE TOWNSHIP

NOTES TO FINANCIAL STATEMENTS  
YEAR ENDED DECEMBER 31, 2019 AND 2018

9. MUNICIPAL DEBT (continued)

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

	<u>Calendar Year 2019</u>	<u>Calendar Year 2018</u>	<u>Calendar Year 2017</u>
<u>Bonds and Notes Issued</u>			
General Capital:			
Bonds and Notes	\$ 19,167,000.00	\$ 8,845,000.00	\$ 13,892,000.00
Loans	3,531,413.43	992,842.33	1,175,982.40
Water and Sewer Utility:			
Bonds and Notes	22,770,000.00	18,960,000.00	17,970,000.00
Loans	<u>3,770,618.82</u>	<u>4,142,830.78</u>	<u>4,521,592.01</u>
Total Issued	<u>\$ 49,239,032.25</u>	<u>\$ 32,940,673.11</u>	<u>\$ 37,559,574.41</u>
<u>Authorized but Not Issued</u>			
General:			
Bonds and Notes	\$ 19,134,836.92	\$ 14,307,000.00	\$ 2,019,246.00
Water and Sewer Utility:			
Bonds and Notes	<u>13,589,527.00</u>	<u>19,527.00</u>	<u>1,500,281.00</u>
	<u>32,724,363.92</u>	<u>14,326,527.00</u>	<u>3,519,527.00</u>
Total Debt	<u>\$ 81,963,396.17</u>	<u>\$ 47,267,200.11</u>	<u>\$ 41,079,101.41</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 2.764 % at December 31, 2019.

	<u>Gross Debt</u>	<u>Deductions</u>	<u>Net Debt</u>
Water and Sewer Utility Debt	\$ 40,130,146.00	\$ 40,130,146.00	\$
Other Bonds and Notes	<u>41,833,250.00</u>	<u>504,225.00</u>	<u>41,329,025.00</u>
Total	<u>\$ 81,963,396.00</u>	<u>\$ 40,634,371.00</u>	<u>\$ 41,329,025.00</u>

CITY OF ORANGE TOWNSHIP

NOTES TO FINANCIAL STATEMENTS  
YEAR ENDED DECEMBER 31, 2019 AND 2018

**9. MUNICIPAL DEBT (continued)**

Net Debt, \$41,329,025 divided by Equalized Valuation Basis per N.J.S.A. 40:A2-2 as amended, \$1,495,114,621 equals 2.764%.

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

3 1/2% of Equalized Valuation Basis (Municipal)	\$ 52,327,012.00
Net Debt	41,329,025.00
Remaining Statutory Borrowing Power	<u>\$ 10,997,987.00</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	\$ 11,804,549.59
Deductions:	
Operating and Maintenance Cost	\$ 7,745,840.00
Debt Service per Water/Sewer Utility	<u>2,672,450.35</u>
	<u>10,418,290.35</u>
Excess	<u>\$ 1,386,259.24</u>

The foregoing debt information is not in agreement with the Annual Debt Statement as filed by the Chief Financial Officer and as such, a revised Annual Debt Statement should be filed with the Division.

As of December 31, 2019, the City’s long-term debt is as follows:

<u>General Obligation Bonds</u>	<u>2019</u>	<u>2018</u>
\$9,433,000, 2017 General Improvement Bonds (QBA), in annual installments of \$940,000 to \$945,000 through December 2027, interest from 2.25% to 4.00%	<u>\$ 7,545,000.00</u>	<u>\$ 8,490,000.00</u>
	<u>\$ 7,545,000.00</u>	<u>\$ 8,490,000.00</u>
 <u>Water Utility Bonds</u>		
\$30,000,000.00: 2003 Bonds due in annual installments of \$975,000.00 to \$2,360,000.00 through June 2028, interest at 4.00% to 5.00% *	<u>\$ 15,270,000.00</u>	<u>\$ 16,660,000.00</u>
* Qualified Bond Act (P.L. 1976, c.38)	<u>\$ 15,270,000.00</u>	<u>\$ 16,660,000.00</u>

CITY OF ORANGE TOWNSHIP

NOTES TO FINANCIAL STATEMENTS  
YEAR ENDED DECEMBER 31, 2019 AND 2018

9. MUNICIPAL DEBT (continued)

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

	<u>2019</u>	<u>2018</u>
<b><u>Military Commons</u></b>		
\$91,579.10 loan, due in semi-annual installments of \$5,108.89 to \$5,263.68 through October 2021, interest at 2%	\$ 19,979.64	\$ 30,046.16
<b><u>Ropes Playground</u></b>		
\$90,000.00 loan, due in semi-annual installments of \$2,903.23 through December 2028, no interest	52,258.01	58,064.47
<b><u>Multi-Parks Project</u></b>		
\$250,000.00 loan, due in semi-annual installments of \$6,410.26 through February 2028, no interest	108,974.08	121,794.60
\$600,000.00 loan, due in semi-annual installments of \$15,384.62 through May 2033, no interest	<u>461,538.62</u>	<u>492,307.86</u>
	<u>\$ 642,750.35</u>	<u>\$ 702,213.09</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:

	<u>Balance</u> <u>December 31, 2019</u>	<u>Balance</u> <u>December 31, 2018</u>
<b><u>General Debt</u></b>		
Trust Fund		\$ 56,966.96
Fund Share	<u>-</u>	<u>38,662.28</u>
	<u>\$ -</u>	<u>\$ 95,629.24</u>
<b><u>Water and Sewer Utility Debt</u></b>		
Trust Fund	\$ 2,036,000.00	\$ 2,214,000.00
Fund Share	<u>1,734,618.82</u>	<u>1,928,830.78</u>
	<u>\$ 3,770,618.82</u>	<u>\$ 4,142,830.78</u>

CITY OF ORANGE TOWNSHIP

NOTES TO FINANCIAL STATEMENTS  
YEAR ENDED DECEMBER 31, 2019 AND 2018

9. MUNICIPAL DEBT (continued)

**Bond Anticipated Notes**

	Balance <u>December 31, 2019</u>	Balance <u>December 31, 2018</u>
General Capital Fund, Bond Anticipation Notes	\$ 11,622,000.00	\$ -
Water and Sewer Capital Fund: Improvement of Water/Sewer System	\$ 7,500,000.00	\$ 2,300,000.00

**Bonds and Notes Anticipated but Not Issued**

	Balance <u>December 31, 2019</u>	Balance <u>December 31, 2018</u>
General Capital Fund: General Improvements	\$ 19,134,836.92	\$ 14,307,000.00
Water and Sewer Capital Fund: Improvement of Water/Sewer System	\$ 13,589,527.00	\$ 19,527.00

**Demolition Bond Loan 2012**

The City entered into a loan agreement for \$325,000 in 2014. This ten year loan is being amortized at \$32,500.00 per year at 4.0% interest. The outstanding balance at December 31, 2019 and 2018 are \$162,500 and \$195,000.00, respectively.

CITY OF ORANGE TOWNSHIP

NOTES TO FINANCIAL STATEMENTS  
YEAR ENDED DECEMBER 31, 2019 AND 2018

9. MUNICIPAL DEBT (continued)

Fiscal Year	Total General Debt	General Debt					
		General		Green Trust Loan		Demolition Loan	
		Principal	Interest	Principal	Interest	Principal	Interest
2020	\$ 1,295,729.98	\$ 940,000.00	\$ 261,850.00	\$ 59,665.10	\$ 414.88	\$ 32,500.00	\$ 1,300.00
2021	1,274,580.98	940,000.00	240,700.00	59,871.47	209.51	32,500.00	1,300.00
2022	1,245,396.22	945,000.00	217,200.00	49,396.22		32,500.00	1,300.00
2023	1,207,596.22	945,000.00	179,400.00	49,396.22		32,500.00	1,300.00
2024	1,135,996.22	945,000.00	141,600.00	49,396.22		32,500.00	1,300.00
2025-2029	3,249,943.52	2,830,000.00	198,000.00	221,943.52			
2030-2034	153,081.60			153,081.60			
	<u>\$ 9,562,324.74</u>	<u>\$ 7,545,000.00</u>	<u>\$ 1,238,750.00</u>	<u>\$ 642,750.35</u>	<u>\$ 624.39</u>	<u>\$ 162,500.00</u>	<u>\$ 6,500.00</u>

\*\* The Multi-Parks Project Loan from Green Acres is interest free.

**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
2020	\$ 2,598,399.23	\$ 1,470,000.00	\$ 649,400.00	\$ 381,069.23	\$ 97,930.00
2021	2,610,532.99	1,560,000.00	573,650.00	388,302.99	88,580.00
2022	2,622,311.21	1,655,000.00	493,275.00	395,206.21	78,830.00
2023	2,636,613.77	1,750,000.00	408,150.00	409,783.77	68,680.00
2024	1,417,400.00	1,100,000.00	317,400.00	415,860.66	61,750.00
2025-2029	<u>10,058,545.96</u>	<u>7,735,000.00</u>	<u>414,000.00</u>	<u>1,780,395.96</u>	<u>129,150.00</u>
	<u>\$ 21,943,803.16</u>	<u>\$ 15,270,000.00</u>	<u>\$ 2,855,875.00</u>	<u>\$ 3,770,618.82</u>	<u>\$ 524,920.00</u>

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

CITY OF ORANGE TOWNSHIP

NOTES TO FINANCIAL STATEMENTS  
YEAR ENDED DECEMBER 31, 2019 AND 2018

10. INTERFUND RECEIVABLES AND PAYABLES

As of December 31, 2019, interfund receivables and payables that resulted from various interfund transactions were as follows:

	<u>Due From</u>	<u>Due To</u>
Current Fund:		
Grant Fund	\$ -	\$ 57.42
General Trust	-	3,766,564.99
Grant Trust Fund - CDBG		370.24
Grant Trust Fund - Housing	546.75	
Water/Sewer Operating		774,976.33
Water/Sewer Capital		22,456.50
General Capital		1,290,449.02
Municipal Insurance Fund	241.98	
Open Space		393,840.56
Payroll Fund		22.67
Grant:		
Current Fund	57.42	-
General Capital		1,804,000.00
Trust Fund:		
Current Fund	3,766,564.99	-
General Capital	1,443,600.00	
Open Space	393,840.56	
CDBG	400,000.00	
Water Utility Operating	301,755.19	-
Payroll Fund	22.67	31,518.56
Municipal Insurance Fund		241.98
Grant Trust Fund:		
Current Fund	370.24	546.75
Trust Other		400,000.00
General Capital Fund		
Current Fund	1,290,449.02	
Grant Fund	1,804,000.00	
General Trust		1,443,600.00
Water/Sewer Operating		263,786.40
Water/Sewer Capital		85,954.36
Water/Sewer Operating:		
Current Fund	774,976.33	
General Trust		301,755.19
General Capital	263,786.40	
Payroll Fund	31,518.56	
Water/Sewer Capital		290,000.00
Water/Sewer Capital		
Water/Sewer Operating	290,000.00	
Current Fund	22,456.50	
General Capital	85,954.36	
	<u>\$ 10,870,140.97</u>	<u>\$ 10,870,140.97</u>

CITY OF ORANGE TOWNSHIP

NOTES TO FINANCIAL STATEMENTS  
YEAR ENDED DECEMBER 31, 2019 AND 2018

**11. DEFERRED CHARGES TO BE RAISED IN SUCCEEDING BUDGETS**

Certain expenditures are required to be deferred to budgets of succeeding years. At December 31, 2019 and 2018, the following deferred charges are shown on the balance sheets of the Current and Utility Funds.

	Balance December 31, 2019	Amount Raised in 2020 Budget
	<hr/>	<hr/>
<b><u>2019 Current Fund</u></b>		
Emergency Authorization	\$ 1,810,000.00	\$ 1,810,000.00
Special Emergency Authorization	<u>400,000.00</u>	<u>200,000.00</u>
	<u>\$ 2,210,000.00</u>	<u>\$ 2,010,000.00</u>
	Balance December 31, 2018	Amount Raised in 2019 Budget
	<hr/>	<hr/>
<b><u>2018 Current Fund:</u></b>		
Overexpenditure of Budget Appropriations	\$ 86,367.67	\$ 86,367.67
Emergency Authorization	1,000,000.00	1,000,000.00
Special Emergency Appropriations	<u>600,000.00</u>	<u>200,000.00</u>
	<u>\$ 1,686,367.67</u>	<u>\$ 1,286,367.67</u>
	Balance December 31, 2019	Amount Raised in 2020 Budget
	<hr/>	<hr/>
<b><u>2019 Water and Sewer Utility Fund:</u></b>		
Special Emergency Appropriations	<u>\$ 569,297.08</u>	<u>\$ 430,000.00</u>
	<u>\$ 569,297.08</u>	<u>\$ 430,000.00</u>
	Balance December 31, 2018	Amount Raised in 2019 Budget
	<hr/>	<hr/>
<b><u>2018 Water and Sewer Utility Fund:</u></b>		
Special Emergency Appropriations	\$ 999,297.08	\$ 430,000.00
Emergency Appropriations	<u>103,457.78</u>	<u>103,457.78</u>
	<u>\$ 1,102,754.86</u>	<u>\$ 533,457.78</u>

CITY OF ORANGE TOWNSHIP

NOTES TO FINANCIAL STATEMENTS  
YEAR ENDED DECEMBER 31, 2019 AND 2018

**12. 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, 2019 and 2018 for possible catastrophic claims.

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

General Liability:

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, 2019 and 2018.

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

	Balance, December 31, 2018	Increase	Decrease	Balance, December 31, 2019
General Liability	<u>\$ 214,551.92</u>	<u>\$ 25,105.64</u>	<u>\$ 58,608.23</u>	<u>\$ 181,049.33</u>
	Balance, December 31, 2017	Increase	Decrease	Balance, December 31, 2018
General Liability	<u>\$ 154,676.92</u>	<u>\$ 60,218.52</u>	<u>\$ 343.52</u>	<u>\$ 214,551.92</u>



CITY OF ORANGE TOWNSHIP

NOTES TO FINANCIAL STATEMENTS  
YEAR ENDED DECEMBER 31, 2019 AND 2018

**13. TAX ABATEMENTS**

Government Accounting Statement No. 77, Tax Abatement Disclosures became effective for financial statements for periods beginning after December 15, 2015. This statement establishes financial reporting standards for tax abatement agreements entered into by state and local governments. The disclosures required by this Statement encompass tax abatements resulting from both (a) agreements that are entered by the reporting government and (b) agreements that are entered into by other governments that reduce the reporting governments' tax revenues. The following are the existing tax abatement agreements for the City of Orange Township:

Entity Name	Pilot Billing	Taxes If Billed In Full
Transport of N.J.	\$ 107,019	\$ 13,989
Our Lady of Mt. Carmel Senior Citizens	162,141	536,650
South Essex Urban Renewal	99,799	610,747
Oakwood Towers	353,159	1,023,945
Salem Towers	105,949	751,145
Orange Park Apartments	196,245	623,699
The Berkely	24,539	183,372
Lincoln Court	55,652	331,194
Project Live Inc.	13,813	12,464
New Community Corporation	47,011	468,916
307 Washington Street	120,836	414,708
Central Orange Village II	68,265	426,922
Grand Central Senior Housing	57,759	68,488
Walter G Alexander Phase I	51,255	164,675
Walter G Alexander Phase II	34,636	173,901
Walter G Alexander Phase III	36,816	178,781
Tony Galento Plaza	204,500	1,387,741
Living Fountain	66,465	149,883
Condos on 475 S. Jefferson	60,693	490,420
Condos on 52 Lincoln	32,902	323,471
L&M Development Partners	110,896	373,485
Total	\$ 2,010,350	\$ 8,708,596

**14. CONTINGENT LIABILITIES**

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

Vacation

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

CITY OF ORANGE TOWNSHIP

NOTES TO FINANCIAL STATEMENTS  
YEAR ENDED DECEMBER 31, 2019 AND 2018

**14. CONTINGENT LIABILITIES (continued)**

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 is estimated that the sum following is due and payable to employees and officials of the City as of December 31, 2019 is \$9,429,763.72 upon their retirements or other separations. These amounts were not verified by audit.

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

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

Tax Appeals

As of December 31, 2019, there were tax appeals pending before the New Jersey Tax Court. Amounts of tax claims being contested were undeterminable. Judgments favorable to the taxpayers generally extend to two years following the year judged and would also subject the City to a liability for statutory interest based upon the amount of taxes refunded from the date of payment to the date of refund (RS. 54:3~ 27.2).

Federal and State Awards

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

Litigation

In house counsel addressed 84 separate litigations with the City; 67 are pending, 16 have been settled and 1 was dismissed. Of the preceding 84 actions, 49 pertained to workmen's compensation claims. \$1,091,534 of claims have been settled; there are outstanding claims estimated to be \$3,700,146 still unsettled. Of these amounts Workmen's Compensation settlements were \$213,768 and \$3,262,445 remain to be settled. Workmen's Compensation claims are covered by the Joint Insurance Fund.

Investigation

In February 2017, the Federal Bureau of Investigation (Bureau) seized certain financial records of the City. At the issuance date of this audit report, no other information has been made available by the Bureau to the City.

CITY OF ORANGE TOWNSHIP

NOTES TO FINANCIAL STATEMENTS  
YEAR ENDED DECEMBER 31, 2019 AND 2018

**15. GROUND LEASE**

The City entered into a ground lease with Station Partners Urban Renewal L.P. on May 27, 2014 for the Tony Galento Plaza Transit Village Development. The lease is for sixty-five years and the fixed net rent is for a period of thirty years. Total fixed net rent is to be \$878,254; interest for any amount of fixed net rent that is outstanding during the term of the lease shall accrue at a rate of 1% per annum compounded annually. Fixed rent will be paid in annual installments in an amount equal to Distributed Cash Flow (50% of Net Profit) shared on an equal basis with other government funding sources due on or before July 1 of each year of the term until such time as the Fixed Net rent, along with interest is paid in full. The balance of the lease receivable as December 31, 2019 and 2018 was \$923,079 and \$913,989, respectively.

**16. LOANS RECEIVABLE**

The City has made loans to developers for two urban renewal projects as follows:

Station Partners Urban Renewal (Tony Galento Transit Village) for \$536,977 due on October 22, 2044 at 1% interest.

307 Washington Urban Renewal for \$364,000.00 due on 8/31/2053 at 0% interest.

**17. FIXED ASSETS**

**General Fixed Assets**

The following is a summary of changes in the General Fixed Assets account group as of December 31, 2019 and 2018:

	Balance, December 31, 2018	Additions	Reductions	Balance, December 31, 2019
Land	\$ 15,040,400	\$ -	\$ -	\$ 15,040,400
Land Improvements	14,176,800			14,176,800
Machinery and Equipment	11,149,368	1,134,414	-	12,283,782
	<u>\$ 40,366,568</u>	<u>\$ 1,134,414</u>	<u>\$ -</u>	<u>\$ 41,500,982</u>
	Balance, December 31, 2017	Additions	Reductions	Balance, December 31, 2018
Land	\$ 15,040,400	\$ -	\$ -	\$ 15,040,400
Land Improvements	14,176,800			14,176,800
Machinery and Equipment	11,721,106	191,545	763,285	11,149,368
	<u>\$ 40,938,306</u>	<u>\$ 191,545</u>	<u>\$ 763,285</u>	<u>\$ 40,366,568</u>

CITY OF ORANGE TOWNSHIP

NOTES TO FINANCIAL STATEMENTS  
YEAR ENDED DECEMBER 31, 2019 AND 2018

**18. SUBSEQUENT EVENTS**

The City has evaluated subsequent events occurring after December 31, 2019 through October 23, 2020 which is the date the financial statements were available to be issued. Based on this evaluation, management has determined that the following events require disclosure:

Subsequent to year end, the COVID-19 (Corona Virus) pandemic has resulted in substantial economic volatility on a global scale. As a result, the City's economically sensitive revenues (i.e. property taxes, water/sewer utility collections, interest earnings, fees, state and federal aid) might be negatively impacted. Collection rates on real property taxes might be slowed as unemployment rates are expected to spike. Meanwhile, the City's expenditures for public safety and health service functions and pension benefits (due to stock market declines) would all be expected to increase sharply. Given the uncertainty around the extent and timing of the potential future spread or mitigation of the coronavirus and around the imposition or relaxation of protective measures, management cannot reasonably estimate the actual impact on the City's financial position at this time.

**CITY OF ORANGE TOWNSHIP**

**- - -**

**PART II**

**SUPPLEMENTARY SCHEDULES**

**YEAR ENDED DECEMBER 31, 2019 AND 2018**

CITY OF ORANGE TOWNSHIP  
CURRENT FUND

A-4

CASH RECEIPTS AND DISBURSEMENTS  
FOR THE YEAR ENDED DECEMBER 31, 2019

	<u>Ref.</u>	<u>Regular Fund</u>
Balance, December 31, 2018	A	<u>\$ 10,629,221.05</u>
Increased by Receipts:		
Transfers from Tax Collector	A-6	89,162,091.50
Due from State of New Jersey per Ch.129 P.L. 1976	A-9	48,960.00
Special Emergency Notes	A-28	3,475,000.00
Interfunds Receivable	A-18	<u>15,331,257.49</u>
		<u>108,017,308.99</u>
		<u>118,646,530.04</u>
Decreased by Disbursements:		
Budget Appropriations	A-3a	65,480,961.28
Interfunds Receivable	A-18	9,088,765.20
Appropriation Reserves	A-22	2,231,444.64
Other Accounts Receivable	A-16	154,578.07
Refund of Prior Year Revenue	A-1	367,869.61
Tax Overpayments	A-25	124,918.51
Due to State of New Jersey	A-27	5,675.00
Refundable Deposits	A-39	302,245.22
Emergency Appropriation Transferred to General Capital	A-19	1,565,000.00
Special Emergency Notes	A-28	1,100,000.00
County Taxes	A-32	7,472,329.52
Local School District Tax	A-33	<u>12,393,819.00</u>
		<u>100,287,606.05</u>
Balance, December 31, 2019	A, A-5	<u>\$ 18,358,923.99</u>

CITY OF ORANGE TOWNSHIP  
CURRENT FUND

A-5

BANK RECONCILIATION  
FOR THE YEAR ENDED DECEMBER 31, 2019

Bank Reconciliation, December 31, 2019	
Balance per Bank Statements:	\$ 14,695,409.26
Add: Deposits in Transit & Interfunds	<u>3,947,975.46</u>
	18,643,384.72
Less: Outstanding Checks	<u>284,460.73</u>
	<u>\$ 18,358,923.99</u>

Ref.

A, A-4

CITY OF ORANGE TOWNSHIP  
CURRENT FUND

A-6

CASH RECEIPTS AND DISBURSEMENTS - COLLECTOR  
FOR THE YEAR ENDED DECEMBER 31, 2019

	<u>Ref.</u>		
Increased by:			
Miscellaneous Revenue Not Anticipated	A-2d	\$ 1,455,677.92	
Tax Overpayments	A-25	253,725.14	
Taxes Receivable	A-10	71,005,282.48	
Tax Title Liens	A-11	245,222.34	
Prepaid Taxes	A-34	611,800.52	
Other Accounts Receivable	A-16	155,463.50	
Revenue Accounts Receivable	A-15	14,850,076.20	
Due to State of N.J	A-27	5,500.00	
Refundable Deposits	A-39	579,343.40	
		<hr/>	
			<u>\$ 89,162,091.50</u>
Decreased by:			
Turnovers to Treasurer	A-4		<u>\$ 89,162,091.50</u>



CITY OF ORANGE TOWNSHIP  
CURRENT FUND

CHANGE FUNDS  
DECEMBER 31, 2019

A-7

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

Ref.

A

PETTY CASH FUNDS  
FOR THE YEAR ENDED DECEMBER 31, 2019

A-8

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

Ref.

Contra

Contra

CITY OF ORANGE TOWNSHIP  
CURRENT FUND

A-9

DUE FROM STATE OF NEW JERSEY  
PER CHAPTER 129 P.L. 1976  
FOR THE YEAR ENDED DECEMBER 31, 2019

	<u>Ref.</u>		
Balance, December 31, 2018	A		\$ 116,736.74
Increased by:			
Deductions per Tax Billings			
Senior Citizens		\$ 25,000.00	
Veterans		28,500.00	
Allowed by Tax Collector:			
Veterans		250.00	
		250.00	
	A-10		53,750.00
			170,486.74
Decreased by:			
Collections	A-4	48,960.00	
Disallowed by Tax Collector:	A-10	740.41	
		740.41	
			49,700.41
Balance, December 31, 2019	A		\$ 120,786.33

CITY OF ORANGE TOWNSHIP  
CURRENT FUND

A-10

SCHEDULE OF TAXES RECEIVABLE AND ANALYSIS OF PROPERTY TAX LEVY  
FOR THE YEAR ENDED DECEMBER 31, 2019

Year	Balance, December 31, 2018	Levy/Added	Collected		Overpayments Applied	Seniors Veterans	Tax Title Liens	Canceled	Balance, December 31, 2019
			2018	2019					
Prior	\$ 5,498.24			\$ 3,624.81					\$ 1,873.43
2015	23,754.79	\$ 11,894.57		62,288.31			\$ 57,301.05	\$ 10,328.60	20,333.50
2016	184,821.78	17,412.24		231,145.18			109,925.92	48,167.03	32,847.73
2017	234,298.79	12,797.18		264,758.06			115,767.88	9,236.81	88,868.98
2018	<u>2,894,295.44</u>	<u>146,837.07</u>		<u>2,925,434.57</u>			<u>5,055.29</u>		<u>120,753.23</u>
	3,342,669.04	188,941.06		3,487,250.93			282,994.85	67,732.44	264,676.87
2019		<u>69,812,978.44</u>	\$ 267,245.29	<u>67,518,031.55</u>	\$ 328,271.10	\$ 53,009.59	<u>704,897.71</u>	<u>251,121.85</u>	<u>690,401.35</u>
	<u>\$ 3,342,669.04</u>	<u>\$ 70,001,919.50</u>	<u>\$ 267,245.29</u>	<u>\$ 71,005,282.48</u>	<u>\$ 328,271.10</u>	<u>\$ 53,009.59</u>	<u>\$ 987,892.56</u>	<u>\$ 318,854.29</u>	<u>\$ 955,078.22</u>
Ref.	A	Below	A-2c, A-34	A-2c, A-6	A-2c-A-25	A-2c, A-9	A-11	Reserve	A

ANALYSIS OF 2019 PROPERTY TAX LEVY:

Tax Yield:			
General Property Tax		\$ 69,257,213.80	
Added Taxes		<u>555,764.64</u>	
Above			<u>\$ 69,812,978.44</u>
Tax Levy:			
Local School Tax in Municipal Budget	A-33	\$ 12,393,899.00	
County Tax	A-32	7,434,548.66	
County for Added Taxes	A-32	<u>56,856.70</u>	
			19,885,304.36
Local Tax for Municipal Purposes	A-2	49,036,577.60	
Municipal Open Space	A-18	393,840.56	
Added /Omitted Taxes		<u>497,225.92</u>	
Above			<u>\$ 69,812,948.44</u>

CITY OF ORANGE TOWNSHIP  
CURRENT FUND

A-11

TAX TITLE LIENS  
FOR THE YEAR ENDED DECEMBER 31, 2019

	<u>Ref.</u>		
Balance, December 31, 2018	A		\$ 3,405,107.54
Increased by:			
Interest and Costs	Reserve	\$ 295,793.80	
Transfer from Taxes Receivable	A-10	<u>987,892.56</u>	
			<u>1,283,686.36</u>
			4,688,793.90
Decreased by:			
Canceled	Reserve	571,044.99	
Collections	A-6, A-2c	<u>245,222.34</u>	
			<u>816,267.33</u>
Balance, December 31, 2019	A		<u><u>\$ 3,872,526.57</u></u>

SCHEDULE OF PROPERTY ACQUIRED FOR TAXES  
DECEMBER 31, 2019

A-12

	<u>Ref.</u>		
Balance, December 31, 2019 and 2018	A		<u><u>\$ 856,500.00</u></u>

CITY OF ORANGE TOWNSHIP  
CURRENT FUND

A-13

SALES CONTRACT RECEIVABLE  
FOR THE YEAR ENDED DECEMBER 31, 2019

	<u>Ref.</u>	
Balance, December 31, 2018 and 2019	A	<u>\$ 80,601.00</u>
 <u>Analysis of Balance</u>		
	<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

A-14

SCHEDULE OF LOANS RECEIVABLE  
FOR THE YEAR ENDED DECEMBER 31, 2019

Balance, December 31, 2018	A	\$ 895,789.12
Increased by:		
Accrued Interest	Reserve	<u>5,187.75</u>
Balance, December 31, 2019	A	<u><u>\$ 900,976.87</u></u>
Detail:		
Station Partners Urban Renewal (Tony Galento Transit Village)		\$ 536,976.87
307 Washington Urban Renewal		<u>364,000.00</u>
		<u><u>\$ 900,976.87</u></u>

CITY OF ORANGE TOWNSHIP  
CURRENT FUND

A-15

SCHEDULE OF REVENUE ACCOUNTS RECEIVABLE  
FOR THE YEAR ENDED DECEMBER 31, 2019

	<u>Ref.</u>	<u>Balance,</u> <u>December 31, 2018</u>	<u>Accrued</u> <u>2019</u>	<u>Collected</u> <u>by</u> <u>Treasurer</u>	<u>Balance,</u> <u>December 31, 2019</u>
Licenses:					
Alcoholic Beverages	A-2a		\$ 53,780.00	\$ 53,780.00	
Other	A-2a		42,922.00	42,922.00	
Fees and Permits:					
Uniform Construction Code Fees	A-2a		630,000.00	630,000.00	
Other	A-2a		497,012.88	497,012.88	
Fines and Costs - Municipal Court	A-2a	\$ 174,685.28	1,427,216.99	1,504,814.30	\$ 97,087.97
Interest and Costs on Taxes	A-2a		1,093,570.09	1,093,570.09	
Parking Meters	A-2a		227,497.57	227,497.57	
Interest on Investments	A-2a		220,291.09	220,291.09	
Payments in Lieu of Taxes:					
Transport of New Jersey	A-2a		107,019.00	107,019.00	
Our Lady of Mt. Carmel Senior Citizens	A-2a		162,141.38	162,141.38	
South Essex Urban Renewal	A-2a		99,799.30	99,799.30	
Oakwood Towers	A-2a		353,158.67	353,158.67	
Salem Towers - High Street Associates	A-2a		105,958.80	105,958.80	
Orange Park Apartments Associates, Ltd.	A-2a		196,245.20	196,245.20	
Tony Galento	A-2a		204,500.00	204,500.00	
The Berkeley	A-2a		24,539.25	24,539.25	
Lincoln Court	A-2a		55,652.00	55,652.00	
Project Live, Inc.	A-2a		13,813.22	13,813.22	
New Community Corporation	A-2a		47,010.60	47,010.60	
307 Washington Street	A-2a		120,836.20	120,836.20	
Central Village II	A-2a		68,265.24	68,265.24	
Grand Central Senior Housing	A-2a		57,759.00	57,759.00	
Walter G Phase I	A-2a		51,244.54	51,244.54	
Walter G Phase II	A-2a		34,635.68	34,635.68	
Walter G Phase III	A-2a		36,815.64	36,815.64	
L&M Development Partners	A-2a		110,896.09	110,896.09	
Living Fountain	A-2a		66,465.00	66,465.00	
Station Partners	A-2a		32,901.96	32,901.96	
South Jefferson Condos	A-2a		60,692.70	60,692.70	
Franchise Fee from Cable TV Gross Revenue	A-2a		155,225.80	155,225.80	
Energy Receipts Tax	A-2a		6,627,625.00	6,627,625.00	
Consolidated Municipal Property Tax Relief	A-2a		1,714,088.00	1,714,088.00	
Rent Leveling Fees	A-2a		40,770.00	40,770.00	
Interlocal - Belleville	A-2a		32,130.00	32,130.00	
		<u>\$ 174,685.28</u>	<u>\$ 14,772,478.89</u>	<u>\$ 14,850,076.20</u>	<u>\$ 97,087.97</u>
	<u>Ref.</u>	<u>A</u>		<u>A-6</u>	<u>A</u>

CITY OF ORANGE TOWNSHIP  
CURRENT FUND

A-16

OTHER ACCOUNTS RECEIVABLE  
FOR THE YEAR ENDED DECEMBER 31, 2019

	<u>Ref.</u>	<u>Total</u>	<u>Property Maintenance</u>	<u>Bankruptcy Special Charges</u>
Balance, December 31, 2018	A	\$ 51,055.28	\$ 26,647.04	\$ 24,408.24
Increased by :				
Cash Disbursed	A-4	154,578.07	4,400.00	150,178.07
Decreased by:				
Cash Received	A-6	155,463.50	4,440.00	151,023.50
Balance, December 31, 2019	A	<u>\$ 50,169.85</u>	<u>\$ 26,607.04</u>	<u>\$ 23,562.81</u>



CITY OF ORANGE TOWNSHIP  
CURRENT FUND

A-17

DEPOSITS RECEIVABLE  
FOR THE YEAR ENDED DECEMBER 31, 2019

	<u>Ref.</u>	<u>Total</u>	<u>County Register Mortgages</u>	<u>Superior Court of New Jersey</u>
Balance, December 31, 2019 and 2018	A	<u>\$ 1,465.05</u>	<u>\$ 1,218.55</u>	<u>\$ 246.50</u>

CITY OF ORANGE TOWNSHIP  
CURRENT FUND

A-18

INTERFUNDS RECEIVABLE (PAYABLE)  
FOR THE YEAR ENDED DECEMBER 31, 2019

	<u>Ref.</u>	<u>Total</u>	<u>Federal and State Grant Fund</u>	<u>Balanced Housing</u>	<u>Trust Funds</u>	<u>Open Space Municipal Trust</u>	<u>Municipal Insurance Fund</u>	<u>Grant Trust Fund</u>	<u>General Capital Fund</u>	<u>Water/Sewer Operating Fund</u>	<u>Water/Sewer Capital Fund</u>	<u>Payroll Fund</u>
Balance, December 31, 2018												
From (To)	A A	\$ 667,660.05 (106,941.40)	\$ 629,605.38	\$ 47.18	\$ 37,980.62		\$ 26.87	\$ (28.58)	\$ (27.90)			\$ (106,884.92)
Increased by:												
Cash Disbursement	A-4	9,088,765.20	3,367,971.37	571.57	478.88		227.11	33,654.62	2,702,169.15	\$ 78,482.98		2,905,209.52
Transfer	Net	-	(1,804,000.00)						2,360,400.00			(556,400.00)
Taxes Levied	A-1	393,840.56				\$ 393,840.56						
Revenue Anticipated Revenue	A-2a	1,732,787.39	1,732,787.39									
		<u>11,215,393.15</u>	<u>3,296,758.76</u>	<u>571.57</u>	<u>478.88</u>	<u>393,840.56</u>	<u>227.11</u>	<u>33,654.62</u>	<u>5,062,569.15</u>	<u>78,482.98</u>	<u>-</u>	<u>2,348,809.52</u>
		<u>11,776,111.80</u>	<u>3,926,364.14</u>	<u>618.75</u>	<u>38,459.50</u>	<u>393,840.56</u>	<u>253.98</u>	<u>33,626.04</u>	<u>5,062,541.25</u>	<u>78,482.98</u>	<u>-</u>	<u>2,241,924.60</u>
Decreased by:												
Cash Receipts	A-4	15,331,257.49	2,149,636.41	72.00	3,805,024.49		12.00	33,994.34	6,224,655.17	853,459.31	\$ 22,456.50	2,241,947.27
Transfer to General Capital	A-3a	128,335.10							128,335.10			
Adjustment	A-2d	1.94						1.94				
Grant Appropriations	A-3	1,732,787.39	1,732,787.39									
Grant Adjustments (Net)	A-1	43,997.76	43,997.76									
		<u>17,236,379.68</u>	<u>3,926,421.56</u>	<u>72.00</u>	<u>3,805,024.49</u>		<u>12.00</u>	<u>33,996.28</u>	<u>6,352,990.27</u>	<u>853,459.31</u>	<u>22,456.50</u>	<u>2,241,947.27</u>
Balance, December 31, 2019												
From	A	\$ 788.73		\$ 546.75			\$ 241.98					
(To)	A	\$ (6,248,737.73)	\$ (57.42)		\$ (3,766,564.99)	(393,840.56)		\$ (370.24)	\$ (1,290,449.02)	\$ (774,976.33)	\$ (22,456.50)	\$ (22.67)
<u>Net Credit to Operations</u>	<u>Ref.</u>											
Balance, December 31, 2018	Above	\$ 667,660.05										
Balance, December 31, 2019	Above	<u>788.73</u>										
Net Credit	A-1	<u>\$ 666,871.32</u>										

CITY OF ORANGE TOWNSHIP  
CURRENT FUND

A-19

DEFERRED CHARGES  
FOR THE YEAR ENDED DECEMBER 31, 2019

	Balance, December 31, 2018	Resulting in 2019	Raised In Budget	Transferred to General Capital	Balance, December 31, 2019
Overexpenditure of Budget Appropriations - 2018 Emergency Authorization	\$ 86,367.67 1,000,000.00	\$ 3,375,000.00	\$ 86,367.67 1,000,000.00	\$ 1,565,000.00	\$ 1,810,000.00
	\$ 1,086,367.67	\$ 3,375,000.00	\$ 1,086,367.67	\$ 1,565,000.00	\$ 1,810,000.00
<u>Ref.</u>	A	A-1, A-3a, A-28	A-3a	A-4	A

CITY OF ORANGE TOWNSHIP  
CURRENT FUND

A-20

DEFERRED CHARGES  
N.J.S.A.40A:4-55 SPECIAL EMERGENCY  
FOR  
THE YEAR ENDED DECEMBER 31, 2019

<u>Purpose</u>	<u>Net Amount Authorized</u>	<u>1/5 Net Amount Authorized</u>	<u>Balance December 31, 2018</u>	<u>Reduced in 2019</u>	<u>Balance December 31, 2019</u>
Emergency Authorization	\$ 1,000,000.00	\$ 200,000.00	\$ 600,000.00	\$ 200,000.00	\$ 400,000.00
	\$ 1,000,000.00	\$ 200,000.00	\$ 600,000.00	\$ 200,000.00	\$ 400,000.00
			A	A-3a	A

CITY OF ORANGE TOWNSHIP  
CURRENT FUND

GRANTS RECEIVABLE  
YEAR ENDED DECEMBER 31, 2019

	<u>Balance</u> <u>December 31, 2018</u>	<u>Grants</u>	<u>Collections</u>	<u>Unappropriated</u> <u>Applied</u>	<u>Balance</u> <u>December 31, 2019</u>
State Grants:					
<b>New Jersey Transportation Trust Fund</b>					
Year 2010	\$ 231,497.75				\$ 231,497.75
TY 2011 Phase II Way Finding Signage	100,000.00				100,000.00
Way Finding Signage PH II Calendar 2012	20,524.75				20,524.75
FY 2011 Various Streets	22,535.07				22,535.07
NJDOT Various Streets 2012	54,746.50				54,746.50
NJDOT Various Streets 2013	63,457.85				63,457.85
NJDOT Various Streets 2014	245,858.38				245,858.38
NJDOT - Highland Ave Station Rehab	535,975.78				535,975.78
NJDOT Various Streets 2015	137,676.50				137,676.50
NJDOT- Various Streets - 2016	124,130.33				124,130.33
NJDOT- Various Streets - 2017	186,111.89				186,111.89
NJDOT- Various Streets - 2018	371,966.86				371,966.86
NJDOT- Various Streets - 2019		\$ 848,312.00			848,312.00
<b>NJDOT Drive Sober Get Pulled Over</b>					
NJDOT Drive Sober or Get Pulled Over	50.00				50.00
NJDOT Drive Sober or Get Pulled Over	5,000.00				5,000.00
NJDWI Enforcement Fund 2019		1,285.99	\$ 1,285.99		
<b>Summer Food Program for Children</b>					
Calendar Year 2016	77,492.27		77,492.27		
Calendar Year 2017	107,480.83		107,480.83		
Calendar Year 2018	108,670.21		108,670.21		
Calendar Year 2019		281,814.80	139,518.04		142,296.76
<b>Clean Communities Act:</b>					
Calendar Year 2019		50,562.27	50,562.27		
<b>Transportation Enhancement - Train Station</b>					
Phase II - Fiscal Year 2002	200,000.00				200,000.00
Train FY 2010 Transit	0.25				0.25
<b>N.J. Legislative Grant-in-Aid</b>	1,250,000.00				1,250,000.00
	3,843,175.22	1,181,975.06	485,009.61	-	4,540,140.67

CITY OF ORANGE TOWNSHIP  
CURRENT FUND

GRANTS RECEIVABLE  
YEAR ENDED DECEMBER 31, 2019

	<u>Balance</u> <u>December 31, 2018</u>	<u>Grants</u>	<u>Collections</u>	<u>Unappropriated</u> <u>Applied</u>	<u>Balance</u> <u>December 31, 2019</u>
<b>State Grants:</b>					
<b>Hazardous Discharge Site Remediation Fund:</b>					
534 Mitchell Street - Fiscal Year 2008	\$ 400.00				\$ 400.00
540 Mitchell Street - Fiscal Year 2008	400.00				400.00
534 Mitchell Street - Fiscal Year 2009	1,818.50				1,818.50
540 Mitchell Street - Fiscal Year 2009	1,869.25				1,869.25
321 Scotland Road - Fiscal Year 2010	19,412.00				19,412.00
481 New England Terrace - Fiscal Year 2010	39,460.20				39,460.20
490 Central Avenue - Fiscal Year 2010	42,230.00				42,230.00
507 Mitchell Street - Fiscal Year 2010	26,412.00				26,412.00
546 Mitchell Street - Fiscal Year 2010	26,412.00				26,412.00
534 Mitchell Street - Fiscal Year 2017	30,702.00		\$ 30,702.00		
540 Mitchell Street - Fiscal Year 2017	21,652.00		21,652.00		
<b>N.J. Historic Trust - City Hall Preservation Plan</b>					
Fiscal Year 2008	7,878.85				7,878.85
<b>Green Acres</b>					
Multi-Parks #2	200,028.51				200,028.51
Green Acres Multi Parks #0717-10-018	165,900.73				165,900.73
Green Acres Multi Parks #0717-14-056	855,000.00		228,851.76		626,148.24
Green Acres Multi Parks #0717-14-156	1,000,000.00				1,000,000.00
Essex County CDBG Match- Multi Parks	13,969.96				13,969.96
Essex County Green Acres	245,000.00				245,000.00
<b>N.J. Dept. of Environmental Protection</b>					
Recycling Tonnage Grant - 2019		\$ 11,732.49	11,732.49		
N.J. Office of Recreation					
N.J. Recreation ROID	20,000.00		20,000.00		
	2,718,546.00	11,732.49	312,938.25	-	2,417,340.24

CITY OF ORANGE TOWNSHIP  
CURRENT FUND

GRANTS RECEIVABLE  
YEAR ENDED DECEMBER 31, 2019

	<u>Balance</u> <u>December 31, 2018</u>	<u>Grants</u>	<u>Collections</u>	<u>Unappropriated</u> <u>Applied</u>	<u>Balance</u> <u>December 31, 2019</u>
<b>Federal Grants</b>					
<b>US Department of Justice</b>					
USDOJ Bullet Proof Vests	\$ 1,623.62				\$ 1,623.62
Cops Hiring - 2016	1,067,546.43		\$ 263,166.68		804,379.75
<b>FEMA</b>					
Hazard Mitigation - Well Generators	196,190.00				196,190.00
<b>County of Essex:</b>					
<b>Essex County Municipal Alliance Program:</b>					
Calendar Year 2015	20,877.02				20,877.02
Calendar Year 2016-2017	34,384.15				34,384.15
Calendar Year 2017-2018	12,785.00				12,785.00
Calendar Year 2018-2019	27,760.00		1,451.25		26,308.75
Calendar Year 2019-2020		\$ 27,760.00			27,760.00
<b>Division on Aging:</b>					
Senior Citizen's Public Health Nurse					
Calendar Year 2018 (Visiting Nurses )		14,877.00	14,877.00		
Calendar Year 2019 (Visiting Nurses )		15,215.00	78.00	\$ 15,137.00	
<b>Division of Cultural and Historic Affairs:</b>					
Local History Program Grant 2018	1,057.66		1,057.66		
Local Arts Grant 2018	375.00		375.00		
Local Arts Grant 2019		1,000.00	750.00		250.00
<b>Miscellaneous:</b>					
Comcast Grant		75,000.00		75,000.00	
Youth Soccer		1,000.00			1,000.00
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
	1,362,598.88	134,852.00	281,755.59	90,137.00	1,125,558.29
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
	\$ 7,924,320.10	\$ 1,328,559.55	\$ 1,079,703.45	\$ 90,137.00	\$ 8,083,039.20
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
Ref.	A	A-2, A-36	A-36	A-31, A-36	A

CITY OF ORANGE TOWNSHIP  
CURRENT FUND

APPROPRIATION RESERVES  
FOR THE YEAR ENDED DECEMBER 31, 2019

	Balance, December 31, 2018			After Transfer	Paid or Charged	Transferred to Accounts Payable	Lapsed
	Encumbrances	Reserved	Total				
<b>DEPARTMENT OF ADMINISTRATION</b>							
Mayor's Office							
Salaries and Wages		\$ 349.47	\$ 349.47	\$ 349.47			\$ 349.47
Other Expenses	\$ 322.72	225.55	548.27	548.27	\$ 322.72		225.55
Office of Business Administrator							
Other Expenses	64.56	1,041.30	1,105.86	1,105.86			1,105.86
Office of Administrative Services							
Other Expenses	192,961.19	35,808.12	228,769.31	228,769.31	142,145.08	\$ 77.00	86,547.23
Grant Writer							
Other Expenses	25,000.00		25,000.00	25,000.00	16,664.00		8,336.00
Office of the Public Defender							
Salaries and Wages		8,495.49	8,495.49	8,495.49			8,495.49
Other Expenses	250.00	550.00	800.00	800.00	200.00		600.00
Insurances							
General Liability	8,565.17	6,242.28	14,807.45	14,807.45	630.00		14,177.45
Workers Compensation	10,005.39	31,959.27	41,964.66	41,964.66	910.00		41,054.66
Employee Group Health	153,259.69	6,334.46	159,594.15	159,594.15	112,540.86	2,199.51	44,853.78
Municipal Alcohol Beverage Control							
Other Expenses	1,713.75	8,889.25	10,603.00	10,603.00	1,393.75		9,209.25
	<u>392,142.47</u>	<u>99,895.19</u>	<u>492,037.66</u>	<u>492,037.66</u>	<u>274,806.41</u>	<u>2,276.51</u>	<u>214,954.74</u>
<b>DEPARTMENT OF LAW</b>							
Salaries and Wages		1,441.92	1,441.92	1,441.92			1,441.92
Other Expenses	220,339.50	8,216.05	228,555.55	228,555.55	118,087.32	4,240.00	106,228.23
	<u>220,339.50</u>	<u>9,657.97</u>	<u>229,997.47</u>	<u>229,997.47</u>	<u>118,087.32</u>	<u>4,240.00</u>	<u>107,670.15</u>
<b>CITY CLERK AND MUNICIPAL COUNCIL</b>							
City Council							
Salaries and Wages		337.76	337.76	337.76			337.76
Other Expenses	14,894.95	8,286.54	23,181.49	23,181.49	20,904.91		2,276.58
City Clerk							
Salaries and Wages		241.09	241.09	241.09			241.09
Other Expenses	4,469.04	36,634.70	41,103.74	41,103.74	31,437.36	875.00	8,791.38
Election Expenses - S&W		8,610.34	8,610.34	8,610.34			8,610.34
Election Expenses - OE	12,297.75	24,312.28	36,610.03	36,610.03	90.00		36,520.03
	<u>31,661.74</u>	<u>78,422.71</u>	<u>110,084.45</u>	<u>110,084.45</u>	<u>52,432.27</u>	<u>875.00</u>	<u>56,777.18</u>
<b>DEPARTMENT OF PLANNING AND DEVELOPMENT</b>							
Inspection and Licensing/UCC							
Salaries and Wages		12,324.86	12,324.86	12,324.86			12,324.86
Other Expenses	1,555.00	41,667.00	43,222.00	43,222.00			43,222.00
Planning Division							
Salaries and Wages		3,400.61	3,400.61	3,400.61			3,400.61
Other Expenses	77,529.46	949.38	78,478.84	78,478.84	67,590.57		10,888.27
Zoning Board							
Salaries and Wages		199.53	199.53	199.53			199.53
Other Expenses	2,007.00	3,116.14	5,123.14	5,123.14	5,090.26		32.88
Planning Board							
Salaries and Wages		228.81	228.81	228.81			228.81
Other Expenses	2,854.72	930.78	3,785.50	3,785.50	2,589.72		1,195.78
Historic Preservation Board							
Other Expenses	614.00	1,353.85	1,967.85	1,967.85	796.16		1,171.69
Rent Leveling Board							
Other Expenses	137.25	12.75	150.00	150.00	137.25		12.75
	<u>84,697.43</u>	<u>64,183.71</u>	<u>148,881.14</u>	<u>148,881.14</u>	<u>76,203.96</u>	<u>-</u>	<u>72,677.18</u>
<b>DEPARTMENT OF FINANCE</b>							
Department of Finance							
Salaries and Wages		1,678.65	1,678.65	1,678.65			1,678.65
Other Expenses	24,743.30	24,143.95	48,887.25	48,887.25	22,419.60		26,467.65
Auditing/Acting Services	20,215.00	60,097.50	80,312.50	80,312.50	80,312.50		
Office of Tax Collector							
Salaries and Wages		331.90	331.90	331.90			331.90
Other Expenses	6,762.87	478.76	7,241.63	7,241.63	6,205.99		1,035.64
Office of Tax Assessor							
Salaries and Wages		4,066.92	4,066.92	4,066.92			4,066.92
Other Expenses	25,225.64	14,125.35	39,350.99	39,350.99	1,796.20		37,554.79
	<u>76,946.81</u>	<u>104,923.03</u>	<u>181,869.84</u>	<u>181,869.84</u>	<u>110,734.29</u>	<u>-</u>	<u>71,135.55</u>



CITY OF ORANGE TOWNSHIP  
CURRENT FUND

APPROPRIATION RESERVES  
FOR THE YEAR ENDED DECEMBER 31, 2019

	Balance, December 31, 2018			After Transfer	Paid or Charged	Transferred to Accounts Payable	Lapsed
	Encumbrances	Reserve	Total				
<b>DEPARTMENT OF COMMUNITY SERVICES</b>							
Administration Division							
Salaries and Wages		\$ 310.02	\$ 310.02	\$ 310.02			\$ 310.02
Other Expenses	\$ 3,284.00	455.24	3,739.24	3,739.24	\$ 1,642.00		2,097.24
Health Division							
Salaries and Wages		42,435.71	42,435.71	42,435.71			42,435.71
Other Expenses	5,840.42	8,416.68	14,257.10	14,257.10	787.50		13,469.60
Animal Control							
Salaries and Wages		380.84	380.84	380.84			380.84
Other Expenses	6,372.62	1,356.90	7,729.52	7,729.52	6,372.62		1,356.90
After School							
Salaries and Wages		15,686.75	15,686.75	15,686.75			15,686.75
Other Expenses		1,500.00	1,500.00	1,500.00			1,500.00
Older Adult Services							
Other Expenses	8,782.00	9,774.37	18,556.37	18,556.37	8,618.00		9,938.37
Cultural Affairs							
Salaries and Wages		714.88	714.88	714.88			714.88
Other Expenses	9,760.30		9,760.30	9,760.30	4,600.30		5,160.00
Municipal Appropriation for Library							
Other Expenses		75,000.00	75,000.00	75,000.00	75,000.00		
Recreation							
Salaries and Wages		25,301.74	25,301.74	25,301.74			25,301.74
Other Expenses	6,169.13	266.72	6,435.85	6,435.85	6,132.13		303.72
	<u>40,208.47</u>	<u>181,599.85</u>	<u>221,808.32</u>	<u>221,808.32</u>	<u>103,152.55</u>	<u>-</u>	<u>118,655.77</u>
<b>DEPARTMENT OF POLICE</b>							
Administrative Division							
Other Expenses	129,443.06	77,504.54	206,947.60	206,947.60	70,894.98	\$ 74.02	135,978.60
School Guards							
Salaries and Wages		40,751.10	40,751.10	40,751.10			40,751.10
	<u>129,443.06</u>	<u>118,255.64</u>	<u>247,698.70</u>	<u>247,698.70</u>	<u>70,894.98</u>	<u>74.02</u>	<u>176,729.70</u>
<b>DEPARTMENT OF FIRE</b>							
Administrative Division							
Salaries and Wages		228,898.57	228,898.57	228,898.57	228,898.57		
Other Expenses	197,835.66	100,057.97	297,893.63	297,893.63	96,123.51		201,770.12
	<u>197,835.66</u>	<u>328,956.54</u>	<u>526,792.20</u>	<u>526,792.20</u>	<u>325,022.08</u>	<u>-</u>	<u>201,770.12</u>
<b>DEPARTMENT OF PUBLIC WORKS</b>							
Street Maintenance							
Salaries and Wages		3,153.42	3,153.42	3,153.42			3,153.42
Other Expenses	110,306.60	15,995.53	126,302.13	126,302.13	88,950.22		37,351.91
Maintenance of Parks							
Salaries and Wages		13,566.12	13,566.12	13,566.12			13,566.12
Other Expenses	8,317.92	37,444.59	45,762.51	45,762.51	523.80		45,238.71
Director's Office							
Salaries and Wages		7,057.54	7,057.54	7,057.54			7,057.54
Other Expenses	25,801.67		25,801.67	25,801.67	18,664.21		7,137.46
Equipment and Vehicle Maintenance							
Other Expenses	298,922.17	19,549.82	318,471.99	318,471.99	101,074.22		217,397.77
Buildings and Grounds							
Salaries and Wages		11,337.37	11,337.37	11,337.37			11,337.37
Other Expenses	69,231.42	86,650.78	155,882.20	155,882.20	65,241.17	10,640.20	80,000.83
Snow Removal							
Salaries and Wages		12,525.54	12,525.54	12,525.54			12,525.54
Other Expenses	25,642.44	25,459.04	51,101.48	51,101.48	22,381.41	4,500.00	24,220.07
	<u>538,222.22</u>	<u>232,739.75</u>	<u>770,961.97</u>	<u>770,961.97</u>	<u>296,835.03</u>	<u>15,140.20</u>	<u>458,986.74</u>
<b>MUNICIPAL COURT</b>							
Court							
Other Expenses	22,019.41	4,007.74	26,027.15	26,027.15	9,202.59	696.30	16,128.26
	<u>22,019.41</u>	<u>4,007.74</u>	<u>26,027.15</u>	<u>26,027.15</u>	<u>9,202.59</u>	<u>696.30</u>	<u>16,128.26</u>

CITY OF ORANGE TOWNSHIP  
CURRENT FUND

APPROPRIATION RESERVES  
FOR THE YEAR ENDED DECEMBER 31, 2019

	Balance, December 31, 2018			After Transfer	Paid or Charged	Transferred to Accounts Payable	Lapsed
	Encumbrances	Reserve	Total				
UNIFORM CONSTRUCTION CODE - APPROPRIATIONS OFFSET BY DEDICATED REVENUES (N.J.A.C.5:23-4.17)							
Inspections and Licensing							
Salaries and Wages		\$ 799.33	\$ 799.33	\$ 799.33			\$ 799.33
		<u>799.33</u>	<u>799.33</u>	<u>799.33</u>			<u>799.33</u>
UNCLASSIFIED							
Utilities							
Telephone	\$ 60,856.17		60,856.17	60,856.17	\$ 8,611.71		52,244.46
Street Lighting	445,117.69		445,117.69	445,117.69	339,458.83	\$ 50,000.00	55,658.86
Gas and Electric	241,217.69	84,970.40	326,188.09	326,188.09	173,200.12		152,987.97
Salary Adjustment Account		152.51	152.51	152.51			152.51
Refuse Removal	329,657.87	70,039.45	399,697.32	399,697.32	272,802.50	5,659.12	121,235.70
	<u>1,076,849.42</u>	<u>155,162.36</u>	<u>1,232,011.78</u>	<u>1,232,011.78</u>	<u>794,073.16</u>	<u>55,659.12</u>	<u>382,279.50</u>
CONTINGENT		10,000.00	10,000.00	10,000.00			10,000.00
Contributions to :							
DRCP		787.35	787.35	787.35			787.35
Social Security System		142,037.57	142,037.57	142,037.57			142,037.57
Consolidated Police & Fire		16,108.48	16,108.48	16,108.48			16,108.48
Unemployment Insurance		(270.00)	(270.00)	(270.00)			(270.00)
		<u>158,663.40</u>	<u>158,663.40</u>	<u>158,663.40</u>			<u>158,663.40</u>
Orange Public Library	40,792.81		40,792.81	40,792.81			40,792.81
	<u>40,792.81</u>	<u>-</u>	<u>40,792.81</u>	<u>40,792.81</u>			<u>40,792.81</u>
	<u>\$ 2,851,159.00</u>	<u>\$ 1,547,267.22</u>	<u>\$ 4,398,426.22</u>	<u>\$ 4,398,426.22</u>	<u>\$ 2,231,444.64</u>	<u>\$ 78,961.15</u>	<u>\$ 2,088,020.43</u>
	A	A			A-4	A-23	A-1

CITY OF ORANGE TOWNSHIP  
CURRENT FUND

A-23

ACCOUNTS PAYABLE  
YEAR ENDED DECEMBER 31, 2019

	Ref.	
Balance, December 31, 2018		
Decreased by:		
Transfers from Appropriations	A-22	<u>\$ 78,961.15</u>
Balance, December 31, 2019	A	<u>\$ 78,961.15</u>

A-24

FEDERAL AND STATE GRANT FUND  
DUE TO GRANTORS  
FOR THE YEAR ENDED DECEMBER 31, 2019

Balance, December 31, 2019 and 2018	A	<u>\$ 580,543.48</u>
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CITY OF ORANGE TOWNSHIP  
CURRENT FUND

A-25

TAX OVERPAYMENTS  
FOR THE YEAR ENDED DECEMBER 31, 2019

	<u>Ref.</u>		
Balance, December 31, 2018	A		\$ 715,095.63
Increased by:			
Cash Receipts	A-6	\$ 253,725.14	
State and County Judgements	A-1	<u>203,358.81</u>	
			<u>457,083.95</u>
			<u>1,172,179.58</u>
Decreased by:			
Overpayments Applied	A-10	328,271.10	
Transferred to Prepaid Taxes	A-34	214,375.91	
Cash Disbursements	A-4	<u>124,918.51</u>	
			<u>667,565.52</u>
Balance, December 31, 2019	A		<u>\$ 504,614.06</u>

RESERVE ORANGE RESERVOIR  
YEAR ENDED DECEMBER 31, 2019

A-26

	<u>Ref.</u>		
Balance, December 31, 2018	A		\$ 225,000.00
Decreased by:			
Recognition as Revenue	A-2a		<u>75,000.00</u>
Balance, December 31, 2019	A		<u>\$ 150,000.00</u>

CITY OF ORANGE TOWNSHIP  
CURRENT FUND

PREPAID LICENSES  
FOR THE YEAR ENDED DECEMBER 31, 2019

A-27

	<u>Ref.</u>	
Balance, December 31, 2018	A	\$ (2,247.00)
Increased by:		
Collections	A-6	<u>5,500.00</u>
		3,253.00
Decreased By:		
Cash Disbursements	A-4	<u>5,675.00</u>
Balance, December 31, 2019	A	<u><u>\$ (2,422.00)</u></u>

EMERGENCY NOTES  
FOR THE YEAR ENDED DECEMBER 31, 2019

A-28

	<u>Ref.</u>	
Balance, December 31, 2018	A	\$ 1,100,000.00
Increased by:		
Borrowings	A-4	<u>3,475,000.00</u>
		4,575,000.00
Decreased by:		
Due to General Capital	A-19	1,565,000.00
Disbursements	A-4	<u>1,100,000.00</u>
Balance, December 31, 2019	A	<u><u>\$ 1,910,000.00</u></u>

CITY OF ORANGE TOWNSHIP  
CURRENT FUND

A-29

RESERVE FOR REVALUATION  
FOR THE YEAR ENDED DECEMBER 31, 2019

	<u>Ref.</u>	
Balance, December 31, 2019 and 2018	A	<u>\$ 44,475.09</u>

RESERVE FOR SALARY ADJUSTMENTS  
FOR THE YEAR ENDED DECEMBER 31, 2019

A-30

	<u>Ref.</u>	
Balance, December 31, 2019 and 2018	A	<u>\$ 93,923.18</u>

CITY OF ORANGE TOWNSHIP  
CURRENT FUND

A-31

FEDERAL AND STATE GRANT FUND  
SCHEDULE OF UNAPPROPRIATED RESERVES  
FOR THE YEAR ENDED DECEMBER 31, 2019

<u>Program</u>	<u>Balance</u> <u>December 31, 2018</u>	<u>Anticipated</u> <u>in Budget</u>	<u>Due to</u> <u>Current Fund</u>	<u>Balance</u> <u>December 31, 2019</u>
<u>State and Federal Grant Fund:</u>				
Senior Services	\$ 15,137.00	\$ 15,137.00	\$ 3,666.00	\$ 3,666.00
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
Unidentified	1,554.63			1,554.63
	<hr/>	<hr/>	<hr/>	<hr/>
	<u>\$ 71,695.60</u>	<u>\$ 15,137.00</u>	<u>\$ 3,666.00</u>	<u>\$ 60,224.60</u>
<u>Ref.</u>	A	A-21	A-36	A

CITY OF ORANGE TOWNSHIP  
CURRENT FUND

A-32

COUNTY TAXES PAYABLE  
FOR THE YEAR ENDED DECEMBER 31, 2019

	<u>Ref.</u>	
Balance, December 31, 2018	A	\$ 37,780.86
Increased by:		
2019 Tax Levy		7,434,548.66
2019 Added and Omitted		<u>56,856.70</u>
	A-1, A-2c, A-10	7,491,405.36
Decreased by:		
Disbursements	A-4	<u>7,472,329.52</u>
Balance, December 31, 2019	A	<u><u>\$ 56,856.70</u></u>

SCHOOL TAXES PAYABLE  
FOR THE YEAR ENDED DECEMBER 31, 2019

A-33

	<u>Ref.</u>	
Balance, December 31, 2018	A	\$ 94,999.83
Increased by:		
School Tax Levy	A-1, A-2c, A-10	<u>12,393,899.00</u>
		12,488,898.83
Decreased by:		
Disbursements	A-4	<u>12,393,819.00</u>
Balance, December 31, 2019	A	<u><u>\$ 95,079.83</u></u>



CITY OF ORANGE TOWNSHIP  
CURRENT FUND

A-34

PREPAID TAXES  
FOR THE YEAR ENDED DECEMBER 31, 2019

	<u>Ref.</u>		
Balance, December 31, 2018	A		\$ 267,245.29
Increased by:			
Transferred from Overpayments	A-25	\$ 214,375.91	
Collections	A-6	<u>611,800.52</u>	<u>826,176.43</u>
			1,093,421.72
Decreased by:			
Applied to 2019 Taxes Receivable	A-2c, A-10		<u>267,245.29</u>
Balance, December 31, 2019	A		<u><u>\$ 826,176.43</u></u>

DEPOSITS ON SALE OF PROPERTY  
YEAR ENDED DECEMBER 31, 2019

A-35

	<u>Ref.</u>		
Balance, December 31, 2019 and 2018	A		<u><u>\$ 5,410.00</u></u>

CITY OF ORANGE TOWNSHIP  
CURRENT FUND

A-36

FEDERAL AND STATE GRANT FUND  
DUE TO/FROM CURRENT FUND  
FOR THE YEAR ENDED DECEMBER 31, 2019

	<u>Ref.</u>		
Balance, December 31, 2018 (Due to)	A		\$ 629,605.38
Increased by:			
Anticipated Revenue	A-21	\$ 1,328,559.55	
Appropriated Adjustment	A-37	31,002.24	
Grant Appropriations Expended	A-37	<u>2,301,794.41</u>	<u>3,661,356.20</u>
			4,290,961.58
Decreased by:			
Unappropriated Grant Reserves	A-31	3,666.00	
Due to General Capital	A-18	1,804,000.00	
Cash Receipts	A-21	1,079,703.45	
Grant Appropriations	A-37	<u>1,403,649.55</u>	<u>4,291,019.00</u>
			4,291,019.00
Balance, December 31, 2019 (Due from)	A		<u>\$ (57.42)</u>

CITY OF ORANGE TOWNSHIP  
CURRENT FUND

FEDERAL AND STATE GRANT FUND  
RESERVE FOR GRANT EXPENDITURES  
FOR THE YEAR ENDED DECEMBER 31, 2019

State Grants:	Balance December 31, 2018 Reserved	Prior Year Encumbrances	2019 Grants					Balance December 31, 2019 Reserved
			Budgeted	Match	Expenditures	Encumbrances	Cancellations	
New Jersey Transportation Trust Fund Authority Act:								
Fiscal Year 2010 - Various Streets	\$ 113,310.87							\$ 113,310.87
Fiscal Year 2011 - Way Signage	16,466.86							16,466.86
Calendar Year 2011 Phase II - Way Signage	163,740.43							163,740.43
Fiscal Year 2011 - Various Streets	27,768.22							27,768.22
NJDOT Various Streets 2012	46,079.99							46,079.99
NJDOT Various Streets 2013	63,460.09							63,460.09
NJDOT Various Streets 2014	88,282.32							88,282.32
NJDOT Highland Ave Station Rehab	614,000.00							614,000.00
NJDOT Various Streets 2015	58,981.42							58,981.42
NJDOT Drive Sober or Get Pulled Over	50.00							50.00
NJDOT Various Streets 2016	2,141.95							2,141.95
NJDOT Municipal Aid Various Streets 2017	83,033.33	\$ 2,694.65			\$ 2,694.65			83,033.33
NJDOT Various Streets 2018	72,009.15	688,419.03			760,402.35			25.83
NJDOT Various Streets 2019			\$ 848,312.00		32,500.00	\$ 87,500.00		728,312.00
<b>Summer Food Program for Children</b>								
Calendar Year 2014	1,919.76							1,919.76
Calendar Year 2015	30,977.24						\$ 30,977.24	
Calendar Year 2016	7,445.17							7,445.17
Calendar Year 2017	92,185.92	45,466.45				45,466.45		92,185.92
Calendar Year 2018	30,501.38	82,168.50				82,168.50		30,501.38
Calendar Year 2019			281,814.80		168,380.85	58,348.62		55,085.33
Clean Communities Act:								
Fiscal Year 2011	7,729.60							7,729.60
Fiscal Year 2010	218.10							218.10
Calendar Year 2013	286.61							286.61
Calendar Year 2014	890.48							890.48
Calendar Year 2014	19,367.48							19,367.48
Calendar Year 2015	17,460.87							17,460.87
Calendar Year 2016	339.66							339.66
Calendar Year 2017	6,453.59	75.34			5,284.25			1,244.68
Calendar Year 2018	8,338.44	1,176.25			4,968.47	23.69		4,522.53
Calendar Year 2019			50,652.27		5,471.91	5,464.44		39,715.92
Urban Enterprise Zone Program:								
UEZ FINAL PROJECTS	32,376.14	71.60						32,447.74
Transportation Enhancement - Train Station Phase II - Fiscal Year 2002	200,000.00							200,000.00
Fiscal Year 2010	0.25							0.25
N.J. Department of Community Affairs - ROID								
Fiscal Year 2018	24,000.00							24,000.00
Fiscal Year 2014	2,622.91							2,622.91
	<u>1,832,438.23</u>	<u>820,071.82</u>	<u>1,180,779.07</u>	<u>-</u>	<u>979,702.48</u>	<u>278,971.70</u>	<u>30,977.24</u>	<u>2,543,637.70</u>

CITY OF ORANGE TOWNSHIP  
 CURRENT FUND  
 FEDERAL AND STATE GRANT FUND  
 RESERVE FOR GRANT EXPENDITURES  
 FOR THE YEAR ENDED DECEMBER 31, 2019

	Balance December 31, 2018 Reserved	Prior Year Encumbrances	2019 Grants					Balance December 31, 2019 Reserved
			Budgeted	Match	Expenditures	Encumbrances	Cancellations	
Weed & Seed	\$ 10,776.54							\$ 10,776.54
Hazardous Discharge Site Remediation Fund:								
534 Mitchell Street - Fiscal Year 2009	2,215.17				\$ 500.00			1,715.17
540 Mitchell Street - Fiscal Year 2009	4,478.35				500.00			3,978.35
535 Mitchell Street - Fiscal Year 2009	3,350.99							3,350.99
507 Mitchell Street - Fiscal Year 2010	22,911.50				1,250.00			21,661.50
546 Mitchell Street - Fiscal Year 2010	26,412.00							26,412.00
481 New England Terrace - Fiscal Year 2010	39,539.56							39,539.56
321 Scotland Road - Fiscal Year 2010	22,911.50							22,911.50
490 Central Avenue - Fiscal Year -2010	38,931.78							38,931.78
NJ Historic Trust City Hall Preservation 2010/15	61,813.50	\$ 946.40				\$ 946.40		61,813.50
NJ Historic Trust 2015 (matching funds)								
Orange Recreation Center	742,051.00	51,825.00				51,825.00		742,051.00
Green Acres								
Bell Stadium Rehabilitation	20,030.07							20,030.07
NJDEP Green Acres Multi Parks (includes local match)	19,816.98	212,025.68			180,960.19	21,025.81		29,856.66
GA Multi Park Development Project #0717-14-056		357,702.82			337,402.85	20,299.97		
Local Match 987,082.93								
GA Multi Park Development Project #0717-14-156	1,000,000.00				459,219.19	118,244.54		422,536.27
Recycling Tonnage Grant								
Fiscal Year 2010	8.60							8.60
Fiscal Year 2011	5.56							5.56
Fiscal Year 2015								
Fiscal Year 2016	2,569.66							2,569.66
Fiscal Year 2017	9,405.63				1,706.45			7,699.18
Fiscal Year 2018	7,266.40				4,888.50	324.20		2,053.70
Fiscal Year 2019			\$ 11,732.49			350.00		11,382.49
Smart Growth:								
Fiscal Year 2012	25.00						\$ 25.00	
Small Grants - Sustainable NJ	40.00							40.00
Body Armor Fund:								
Fiscal Year 2006	0.08							0.08
Body Armour and Bullet Proof Vests	69.19							69.19
Body Armour 2017	7,718.07				7,718.07			
NJ DWI Enforcement Fund 2019			1,285.99					1,285.99
	2,042,347.13	622,499.90	13,018.48		994,145.25	213,015.92	25.00	1,470,679.34

CITY OF ORANGE TOWNSHIP  
CURRENT FUND

FEDERAL AND STATE GRANT FUND  
RESERVE FOR GRANT EXPENDITURES  
FOR THE YEAR ENDED DECEMBER 31, 2019

	Balance December 31, 2018 <u>Reserved</u>	Prior Year <u>Encumbrances</u>	2019 Grants				<u>Adjustments</u>	Balance December 31, 2019 <u>Reserved</u>
			<u>Budgeted</u>	<u>Match</u>	<u>Expenditures</u>	<u>Encumbrances</u>		
<b>Federal Grants:</b>								
COPS in Shops:								
USDOJ Cops Hired	\$ 1,065,236.40				\$ 305,649.18			\$ 759,587.22
FEMA Wellness Program:								
Fiscal year 2008	12,184.00							12,184.00
FEMA - Hazard Litigation	74,966.19							74,966.19
<b>County of Essex:</b>								
Essex County Municipal Alliance Program:								
Calendar Year 2013	7,146.06							7,146.06
Calendar Year 2015	24,612.02							24,612.02
Calendar Year 2016 (includes \$10,625 match)	38,162.15							38,162.15
Calendar Year 2017 (includes \$10,625 match)	14,055.00							14,055.00
Calendar Year 2018 (includes \$6,9400.00 match)	25,715.00				22,297.50			3,417.50
Calendar Year 2019			\$ 27,760.00					27,760.00
Open Space Trust	206.25							206.25
Division on Aging:								
Calendar Year 2015 (Visiting Nurses)	0.04							0.04
Visiting Nurse Services 2018	4,047.00							4,047.00
Visiting Nurse Services 2018 - 2019			14,877.00					14,877.00
Visiting Nurse Services 2019			15,215.00					15,215.00
Essex County Hurricane Sandy								
Temporary Jobs Program	58,668.13							58,668.13
Division of Cultural and Historic Affairs:								
Local History Program Grant 2018		\$ 120.32				\$ 120.32		
Local Arts Grant 2019			1,000.00					1,000.00
<b>Miscellaneous:</b>								
Comcast Grant			75,000.00					75,000.00
Target Youth Soccer 2019			1,000.00					1,000.00
	<u>1,324,998.24</u>	<u>120.32</u>	<u>134,852.00</u>	<u>-</u>	<u>327,946.68</u>	<u>120.32</u>		<u>1,131,903.56</u>
	<u>\$ 5,199,783.60</u>	<u>\$ 1,442,692.04</u>	<u>\$ 1,328,649.55</u>	<u>\$ -</u>	<u>\$ 2,301,794.41</u>	<u>\$ 492,107.94</u>	<u>\$ 31,002.24</u>	<u>\$ 5,146,220.60</u>
Ref.	A	A	A-3a, A-36		A-36	A	A-36	A

CITY OF ORANGE TOWNSHIP  
CURRENT FUND

A-38

SCHEDULE OF GROUND LEASE RECEIVABLE  
FOR THE YEAR ENDED DECEMBER 31, 2019

	<u>Ref.</u>	
Balance, December 31, 2018	A	\$ 913,939.43
Increased by:		
Interest Due on Tony Galento Plaza Transit Village Project	Reserve	<u>9,139.39</u>
Balance, December 31, 2019	A	<u>\$ 923,078.82</u>

A-39

SCHEDULE OF REFUNDABLE DEPOSITS  
FOR THE YEAR ENDED DECEMBER 31, 2019

Balance, December 31, 2018	A	\$ 302,245.22
Increased by:		
Deposits from Unsuccessful Bidders	A-6	<u>579,343.40</u>
		881,588.62
Decreased by:		
Cash Disbursements	A-4	<u>302,245.22</u>
Balance, December 31, 2019	A	<u>\$ 579,343.40</u>

CITY OF ORANGE TOWNSHIP  
TRUST FUND

CASH RECEIPTS AND DISBURSEMENTS - TREASURER  
YEAR ENDED DECEMBER 31, 2019

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, December 31, 2018	B	\$ 18,083.58	\$ 4,545,522.10	\$ 214,578.79	\$ 154,938.20
Increased by:					
Interfunds	B-6, B-12		2,975,214.18	227.11	100,586.91
State Animal Licenses	B-7	498.60			
Reserve for Other Expenditures	B-8		1,128,646.50		
Reserve for Other Deposits	B-9		2,983,499.52		
Premium on Tax Sale	B-11		3,758,500.00		
Reserve for Animal Control Trust Fund Expenditures:					
License Fees	B-14	1,827.20			
Reserve for Payroll Deductions Payable	B-18		37,982,087.47		
CDBG Receivable	B-4				653,957.15
Reserve for Municipal Insurance Trust Fund Expenditures	B-15			24,878.53	
		<u>2,325.80</u>	<u>48,827,947.67</u>	<u>25,105.64</u>	<u>754,544.06</u>
		<u>20,409.38</u>	<u>53,373,469.77</u>	<u>239,684.43</u>	<u>909,482.26</u>
Decreased by:					
Disbursements	B-2	511.80	52,013,233.08	58,608.33	367,489.16
Balance, December 31, 2019	B	<u>\$ 19,897.58</u>	<u>\$ 1,360,236.69</u>	<u>\$ 181,076.10</u>	<u>\$ 541,993.10</u>

CITY OF ORANGE TOWNSHIP  
TRUST FUND

B-2

CASH - TREASURER  
SCHEDULE OF DISBURSEMENTS  
YEAR ENDED DECEMBER 31, 2019

	<u>Ref.</u>	<u>Animal Control Fund</u>	<u>General Trust Fund</u>	<u>Municipal Insurance Trust Fund</u>	<u>Grant Trust Fund</u>
Interfunds Payable	B-6, B-12		\$ 8,489,123.98	\$ 12.00	
Due to State of New Jersey	B-7	\$ 511.80			
Reserve for Other Expenditures	B-8		1,414,576.01		
Reserve for Other Deposits	B-9		3,028,589.14		
Premium on Tax Sale	B-11		364,200.00		
Interfunds Payable	B-12				\$ 429.00
Reserve for Municipal Insurance Trust Fund Expenditures	B-15			58,596.33	
Reserve for Essex County Community Development Block Grant	B-16				367,060.16
Reserve for Payroll Fund	B-18		38,716,743.95		
	B-1	<u>\$ 511.80</u>	<u>\$ 52,013,233.08</u>	<u>\$ 58,608.33</u>	<u>\$ 367,489.16</u>



CITY OF ORANGE TOWNSHIP  
TRUST FUND

B-3

BANK RECONCILIATIONS  
YEAR ENDED DECEMBER 31, 2019

<u>Bank Reconciliation December 31, 2019</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				
PNC Bank, Orange, N.J.				
Essex County Community Development Block Grant Fund Account				\$ 1,610.20
Investors' Bank				
Balanced Housing				59,192.63
Municipal Insurance Fund Account			\$ 181,076.10	
Essex County Community Development Block Grant Fund Account				535,333.80
Salary Account		\$ 1,556,075.48		
Animal Control Trust Fund Account	\$ 19,913.78			
Local Law Enforcement Trust Fund Account		67,710.19		
Other Trust Fund Account		1,355,774.76		
	<u>19,913.78</u>	<u>2,979,560.43</u>	<u>181,076.10</u>	<u>596,136.63</u>
Plus: Deposits In Transit		682,275.95		
	<u>19,913.78</u>	<u>3,661,836.38</u>	<u>181,076.10</u>	<u>596,136.63</u>
Less: Outstanding Checks	16.20	2,301,599.69		54,143.53
	<u>\$ 19,897.58</u>	<u>\$ 1,360,236.69</u>	<u>\$ 181,076.10</u>	<u>\$ 541,993.10</u>
<u>Ref.</u>	B-1	B-1	B-1	B-1

CITY OF ORANGE TOWNSHIP  
TRUST FUND

B-4

ESSEX COUNTY COMMUNITY DEVELOPMENT BLOCK GRANT RECEIVABLES  
YEAR ENDED DECEMBER 31, 2019

<u>Program</u>	Balance, December 31, 2018	<u>Grants</u>	<u>Collections</u>	Balance, December 31, 2019
Public Library Boiler Conversion	\$ 19,100.00	\$	\$	\$ 19,100.00
	<u>19,100.00</u>			<u>19,100.00</u>
High & Alden Park Phase II	375,000.00		374,741.15	258.85
High/Alden Park Multi-Field Improvement	28,059.53		8,816.00	19,243.53
Multi Parks Improvements	23,358.44			23,358.44
Central Park Spray and Play	250,000.00			250,000.00
Colgate Park Skate Facility	225,400.00		225,400.00	
High & Alden Park Restroom	120,000.00	33,637.84		153,637.84
Expansion of Colgate Park Skate Facility	150,000.00	370,500.00		520,500.00
Main Street Counseling Center	45,000.00		45,000.00	
	<u>1,216,817.97</u>	<u>404,137.84</u>	<u>653,957.15</u>	<u>966,998.66</u>
	<u>\$ 1,235,917.97</u>	<u>\$ 404,137.84</u>	<u>\$ 653,957.15</u>	<u>\$ 986,098.66</u>
<u>Ref</u>	B	B-16	B-1	B

CITY OF ORANGE TOWNSHIP  
TRUST FUND

B-5

ACCOUNTS RECEIVABLE  
YEAR ENDED DECEMBER 31, 2019

	<u>Ref.</u>	
Balance, December 31, 2019 and 2018	B	<u>\$ 4,434.37</u>

CITY OF ORANGE TOWNSHIP  
TRUST FUND

B-6

INTERFUNDS RECEIVABLE/(PAYABLE)  
YEAR ENDED DECEMBER 31, 2019

	Ref.	Total General Trust Fund	General Trust Fund				Payroll Account	CDBG
			Current Fund	Water Operating Fund	General Capital	Salary Account		
Balance, December 31, 2018:								
Receivable	B	\$ 406,884.92					\$ 106,884.92	\$ 300,000.00
(Payable)	B	(40,370.43)	\$ (37,980.62)	\$ (2,389.81)				
Increased by:								
Interfund Advances	B-2	8,489,123.98	3,805,024.49	304,145.00	\$ 1,443,600.00	\$ 38,007.22	2,798,347.27	100,000.00
		<u>8,489,123.98</u>	<u>3,805,024.49</u>	<u>301,755.19</u>	<u>1,443,600.00</u>	<u>38,007.22</u>	<u>2,905,232.19</u>	<u>400,000.00</u>
Decreased by :								
Interfund Returns	B-1	2,975,214.18	478.88			69,525.78	2,905,209.52	
		<u>2,975,214.18</u>	<u>478.88</u>	<u>-</u>	<u>-</u>	<u>69,525.78</u>	<u>2,905,209.52</u>	
Balance, December 31, 2019:								
Receivable	B	\$ 5,911,942.85	\$ 3,766,564.99	\$ 301,755.19	\$ 1,443,600.00		\$ 22.67	\$ 400,000.00
(Payable)	B	<u>\$ (31,518.56)</u>				<u>\$ (31,518.56)</u>		

CITY OF ORANGE TOWNSHIP  
ANIMAL CONTROL FUND

DUE TO STATE OF NEW JERSEY  
YEAR ENDED DECEMBER 31, 2019

B-7

	<u>Ref.</u>	
Balance, December 31, 2018	B	\$ 15.60
Increased by:		
State Registration Fees	B-1	<u>498.60</u>
		514.20
Decreased by:		
Payment to the State	B-2	<u>511.80</u>
Balance, December 31, 2019	B	<u><u>\$ 2.40</u></u>

CITY OF ORANGE TOWNSHIP

TRUST FRUND

B-8

RESERVE FOR OTHER EXPENDITURES

YEAR ENDED DECEMBER 31, 2019

	Balance December 31, 2018		Increases	Decreases	Balance December 31, 2019		
	<u>Reserve</u>	<u>Encumbrances</u>			<u>Reserve</u>	<u>Encumbrances</u>	
Municipal Court Parking Offenses							
Adjudication Act	\$ 184,646.74	\$ 927.10	\$ 24,298.50	\$ 44,320.47	\$ 164,624.77	\$ 927.10	
Court State DWI Fund	2,632.43				2,632.43		
Public Defender Fees	51,641.00		5,050.00		56,691.00		
Fire Code Dedicated Penalties	275,668.92	39,906.97	126,031.00	69,567.32	351,221.21	20,818.36	
Recreation/Community Service	57,184.96	24,411.34	73,334.50	51,468.57	72,256.56	31,205.67	
Snow Removal	23.45				23.45		
Off - Duty Police	129,808.54		1,119,411.11	1,249,219.65	-		
Affordable Housing - RCA Deposits	209,733.15				209,733.15		
Demolition Trust	76,855.00				76,855.00		
	<u>\$ 988,194.19</u>	<u>\$ 65,245.41</u>	<u>\$ 1,348,125.11</u>	<u>\$ 1,414,576.01</u>	<u>\$ 934,037.57</u>	<u>\$ 52,951.13</u>	
	<u>Ref.</u>	<u>B</u>	<u>B, B-19</u>	<u>Below</u>	<u>B-2</u>	<u>B</u>	<u>B-19</u>
Cash Receipts	B-1		\$ 1,128,646.50				
Accounts Receivable - Police	B		219,478.61				
			<u>\$ 1,348,125.11</u>				

See Independent Auditors' Report

CITY OF ORANGE TOWNSHIP  
TRUST FUND

B-9

RESERVE FOR OTHER DEPOSITS  
YEAR ENDED DECEMBER 31, 2019

	Balance December 31, 2018		Increases	Decreases	Balance December 31, 2019	
	<u>Reserve</u>	<u>Encumbrances</u>			<u>Reserve</u>	<u>Encumbrances</u>
Street Opening Deposits	\$ 85,279.35	\$ 26,795.85	\$ 69,179.08	\$ 43,767.45	\$ 92,492.83	\$ 44,994.00
Planning Board Escrow Deposits	54,864.96	7,651.03	111,771.59	44,294.72	85,642.02	44,350.84
Zoning Board Escrow Deposits	96,674.54	1,881.91	35,787.42	29,549.75	88,044.96	16,749.16
Central Valley Planning Division Deposits	35,296.50	6,847.50	96,442.00	27,641.00	101,902.50	9,042.50
Fire LEA Rebates	3,507.89	771.96	9,672.00	5,740.50	7,369.39	841.96
Third Party Building Fees	9,043.52				9,043.52	
Elevator Inspection Fees	22,258.92	1,748.00	32,622.00	22,267.00	20,617.92	13,744.00
Plumbing Inspection Fees	57,602.54				57,602.54	
Electrical Inspection Fees	58,799.18				58,799.18	
Special Law Enforcement Fund	70,539.51		12,170.68	15,000.00	67,710.19	
Federal Forfeited Property	5,237.06		8,314.00	4,379.11	6,861.95	2,310.00
Third Party Tax Redemptions	142,782.79	728,503.63	1,848,480.75	2,168,911.05	438,644.51	112,211.61
Rental Housing Inspection Fees	76,368.00				76,368.00	
Fishing Permits	1,090.00				1,090.00	
City Construction Code Fees	12,750.00		740,702.00	630,000.00	123,452.00	
Donations - Disaster Relief Fund	900.00				900.00	
DCA Fees	23,697.00		18,358.00	18,214.00	23,841.00	
Planning Board Escrow Maintenance	824.56	18,000.00		18,824.56		
	<u>\$ 757,516.32</u>	<u>\$ 792,199.88</u>	<u>\$ 2,983,499.52</u>	<u>\$ 3,028,589.14</u>	<u>\$ 1,260,382.51</u>	<u>\$ 244,244.07</u>
<u>Ref.</u>	B	B, B-19	B-1	B-2	B	B-19

CITY OF ORANGE TOWNSHIP  
TRUST FUND

RESERVE FOR NEW JERSEY UNEMPLOYMENT  
YEAR ENDED DECEMBER 31, 2019

B-10

Ref.

Balance, December 31, 2019 and 2018

B

\$ 31,796.51



CITY OF ORANGE TOWNSHIP  
TRUST FUND

B-11

PREMIUM ON TAX SALE  
YEAR ENDED DECEMBER 31, 2019

	<u>Ref.</u>	
Balance, December 31, 2018	B	\$ 1,203,112.46
Increased by:		
Collections	B-1	<u>3,758,500.00</u>
		4,961,612.46
Decreased by:		
Redemptions	B-2	<u>364,200.00</u>
Balance, December 31, 2019	B	<u><u>\$ 4,597,412.46</u></u>

CITY OF ORANGE TOWNSHIP  
GRANT TRUST FUND

B-12

INTERFUNDS  
YEAR ENDED DECEMBER 31, 2019

	Ref.	Municipal Insurance	CDBG		
			Current	Balanced Housing	Trust
Balance, December 31, 2018 (Payable)	B	\$ 26.87	\$ 6.11	\$ 12.49	\$ 300,000.00
Increased by:					
Adjustment	net		34.69		
Cash Disbursed	B-2	12.00	357.00	72.00	
		<u>38.87</u>	<u>385.58</u>	<u>84.49</u>	<u>300,000.00</u>
Decreased by:					
Adjustment	net			34.69	
Cash Receipts	B-1	227.11	15.34	571.57	100,000.00
		<u>227.11</u>	<u>15.34</u>	<u>571.57</u>	<u>100,000.00</u>
Balance, December 31, 2019 (Receivable)	B		<u>\$ 370.24</u>		
Balance, December 31, 2019 (Payable)	B	<u>\$ 241.98</u>		<u>\$ 546.75</u>	<u>\$ 400,000.00</u>

CITY OF ORANGE TOWNSHIP  
TRUST FUND

B-13

RESERVE FOR REHABILITATION REFUNDS  
GRANT TRUST FUND  
YEAR ENDED DECEMBER 31, 2019

	<u>Ref.</u>	
Balance, December 31, 2019 and 2018	B	<u>\$ 1,659.05</u>

CITY OF ORANGE TOWNSHIP  
TRUST FUND

B-14

RESERVE FOR ANIMAL CONTROL FUND EXPENDITURES  
YEAR ENDED DECEMBER 31, 2019

	<u>Ref.</u>	
Balance, December 31, 2018	B	\$ 18,067.98
Increased by:		
Collections:		
Dog and Cat License Fees	B-1	<u>1,827.20</u>
Balance, December 31, 2019	B	<u>\$ 19,895.18</u>

CITY OF ORANGE TOWNSHIP  
TRUST FUND

RESERVE FOR MUNICIPAL INSURANCE  
TRUST FUND EXPENDITURES  
YEAR ENDED DECEMBER 31, 2019

B-15

	<u>Ref.</u>	
Balance, December 31, 2018	B	\$ 214,551.92
Increased by:		
Cash Receipts	B-1	<u>24,878.53</u>
		239,430.45
Decreased by:		
Cash Disbursements	B-2	<u>58,596.33</u>
Balance, December 31, 2019	B	<u><u>\$ 180,834.12</u></u>

CITY OF ORANGE TOWNSHIP  
TRUST FUND

RESERVE FOR ESSEX COUNTY COMMUNITY DEVELOPMENT BLOCK GRANT  
YEAR ENDED DECEMBER 31, 2019

B-16

<u>Program</u>	Balance, December 31, 2018		<u>Grants</u>	<u>Expended</u>	<u>Canceled</u>	Balance, December 31, 2019	
	<u>Appropriated</u>	<u>Encumbered</u>				<u>Appropriated</u>	<u>Encumbered</u>
Public Library Boiler Conversion	\$ 35,000.00	\$	\$	\$	\$	\$ 35,000.00	\$
	<u>35,000.00</u>	<u></u>	<u></u>	<u></u>	<u></u>	<u>35,000.00</u>	<u></u>
High & Alden Park Phase II	53,787.00					53,787.00	
High/Alden Street Park Multi-Field Improvemens	19,228.35	8,831.18			8,831.18	28,059.53	
Central Park Baseball Field	47,900.00					47,900.00	
Colgate Park Reconstruction	11,387.38			(31,029.84)		42,417.22	
Alden Street Park Irrigation System	11,970.72					11,970.72	
Central Park Spray and Play	250,000.00					250,000.00	
Colgate Park Skate Facility	225,400.00			200,400.00		25,000.00	
High & Alden Park Restroom	120,000.00		33,637.84	2,690.00		150,947.84	
Expansion of Colgate Park Skate Facility	150,000.00		370,500.00	150,000.00		370,500.00	
Main Street Counseling Center	45,000.00			45,000.00		-	
	<u>934,673.45</u>	<u>8,831.18</u>	<u>404,137.84</u>	<u>367,060.16</u>	<u>8,831.18</u>	<u>980,582.31</u>	<u>-</u>
	<u>\$ 969,673.45</u>	<u>\$ 8,831.18</u>	<u>\$ 404,137.84</u>	<u>\$ 367,060.16</u>	<u>\$ 8,831.18</u>	<u>\$ 1,015,582.31</u>	<u>\$ -</u>
<u>Ref.</u>	B	B	B-4	B-2	B	B	

CITY OF ORANGE TOWNSHIP  
TRUST FUND

RESERVE FOR OTHER GRANT FUND EXPENDITURES  
YEAR ENDED DECEMBER 31, 2019

B-17

<u>Program</u> <u>Year</u>	<u>Program</u>	<u>Balance,</u> <u>December 31, 2019</u>	<u>Balance,</u> <u>December 31, 2018</u>
	Urban Development Action Grant:		
	Program Income	\$ 53,652.37	\$ 53,652.37
	Balanced Housing Project:		
1990	Supplemental Balanced Housing	36,578.52	36,578.52
1998	Garcia Homes	19,500.00	19,500.00
2000	East Ward Operation Neighborhood	943.00	943.00
		<u>57,021.52</u>	<u>57,021.52</u>
		<u>\$ 110,673.89</u>	<u>\$ 110,673.89</u>
		<u>Ref.</u>	<u>B</u>
		B	B

CITY OF ORANGE TOWNSHIP  
TRUST FUND

RESERVE FOR SALARY ACCOUNT  
YEAR ENDED DECEMBER 31, 2019

B-18

	<u>Ref.</u>	
Balance, December 31, 2018	B	\$ 1,078,406.19
Increased by:		
Cash Receipts	B-1	<u>37,982,087.47</u>
		39,060,493.66
Decreased by:		
Cash Disbursements	B-2	<u>38,716,743.95</u>
Balance, December 31, 2019	B	<u><u>\$ 343,749.71</u></u>



CITY OF ORANGE TOWNSHIP  
TRUST FUND

ENCUMBRANCES  
YEAR ENDED DECEMBER 31, 2019

B-19

	<u>Ref.</u>		
Balance, December 31, 2018	B		\$ 857,445.29
Increased by:			
Encumbered Other Reserves	B-8	\$ 52,951.13	
Encumbered Other Deposits	B-9	<u>244,244.07</u>	<u>297,195.20</u>
			1,154,640.49
Decreased By:			
Canceled	B-8, B-9		<u>857,445.29</u>
Balance, December 31, 2019	B		<u><u>\$ 297,195.20</u></u>

RESERVE FOR MUNICIPAL OPEN SPACE  
YEAR ENDED DECEMBER 31, 2019

B-20

	<u>Ref.</u>		
Balance, December 31, 2018			
Increased by:			
Due from Current Fund	B		<u>\$ 393,840.56</u>
Balance, December 31, 2019	B		<u><u>\$ 393,840.56</u></u>

CITY OF ORANGE TOWNSHIP  
GENERAL CAPITAL FUND

C-2

SCHEDULE OF CASH - TREASURER  
FOR THE YEAR ENDED DECEMBER 31, 2019

	<u>Ref.</u>		
Balance, December 31, 2018	C		\$ 2,508,825.69
Increased by Receipts:			
Premium on Sale of Notes	C-1	\$ 21,558.24	
Capital Improvement Fund	C-9	1,000,000.00	
Bond Anticipation Notes	C-20	10,057,000.00	
Loan Receivable	C-5	2,726,163.08	
Interfunds	C-14	<u>2,117,141.25</u>	
			<u>15,921,862.57</u>
			18,430,688.26
Decreased by Disbursements:			
Interfunds	C-14	3,709,655.17	
Contracts/Encumbrances	C-12	<u>7,301,212.00</u>	
			<u>11,010,867.17</u>
Balance, December 31, 2019	C		<u>\$ 7,419,821.09</u>

CITY OF ORANGE TOWNSHIP  
GENERAL CAPITAL FUND

ANALYSIS OF CASH  
FOR THE YEAR ENDED DECEMBER 31, 2019

C-3

	Balance December 31, 2018	Receipts	Disbursements	To	From	Balance December 31, 2019
Fund Balance	\$ 95,074.26	\$ 21,558.24				\$ 116,632.50
Capital Improvement Fund	608,779.61	1,000,000.00			\$ 520,000.00	1,088,779.61
Ordinance 39-87	169.76					169.76
Ordinance 26-97	8,990.74					8,990.74
Ordinance 8-02	1,569.93					1,569.93
Ordinance 13-02	669.89					669.89
Ordinance 5-05	(439,402.76)					(439,402.76)
Ordinance 28-05	158,136.48			\$ 669,581.24		827,717.72
Ordinance 41-05	596.46			0.11		596.57
Ordinance 9-14	193,037.03				5,882.12	187,154.91
Ordinance 42-13	97,981.11				32,523.00	65,458.11
Ord. 51-18 Renovation of 425 Main Street	143,000.00	2,857,000.00			2,818,565.07	181,434.93
Ord. 58-18 2018 Road Paving Project	(334,000.00)			10,000,000.00	9,666,000.00	-
Ord. 61-18 Various Capital Improvements	125,176.79				75,281.35	49,895.44
Ordinance 24-19				128,335.10		128,335.10
Ordinance 29-19				85,000.00	50,113.20	34,886.80
Ordinance 50-19		7,200,000.00			7,962.50	7,192,037.50
Ordinance 52-19				435,000.00		435,000.00
Unallocated Difference	(0.49)				0.11	(0.60)
Interfunds - Net	1,753,499.26	2,117,141.25	\$ 3,709,655.17		1,462,093.60	(1,301,108.26)
Loan Receivable	(31,275.89)	2,726,163.08			10,000,000.00	(7,305,112.81)
Grants Receivable					669,581.24	(669,581.24)
Encumbrances Payable	43,671.77		7,301,212.00	13,490,085.74		6,232,545.51
Debt Service Reserve	4,225.00			500,000.00		504,225.00
Reserve for Grants Receivable	17,750.00					17,750.00
Reserve for Loan Proceeds	61,176.74					61,176.74
	<u>\$ 2,508,825.69</u>	<u>\$ 15,921,862.57</u>	<u>\$ 11,010,867.17</u>	<u>\$ 25,308,002.19</u>	<u>\$ 25,308,002.19</u>	<u>\$ 7,419,821.09</u>
<u>Ref.</u>	C			0.00		C

See Independent Auditors' Report

CITY OF ORANGE TOWNSHIP  
GENERAL CAPITAL FUND

C-4

GRANTS RECEIVABLE  
FOR THE YEAR ENDED DECEMBER 31, 2019

<u>Program</u>	<u>Ordinance</u>	<u>Balance</u> <u>December 31, 2019</u>	<u>Balance</u> <u>December 31, 2018</u>
Green Trust Loan	#28-05	\$ 669,581.24	\$ 669,581.24
		<u>\$ 669,581.24</u>	<u>\$ 669,581.24</u>
	<u>Ref.</u>	C	C

CITY OF ORANGE TOWNSHIP  
GENERAL CAPITAL FUND

C-5

LOANS RECEIVABLE  
FOR THE YEAR ENDED DECEMBER 31, 2019

	<u>Ref.</u>	
Balance, December 31, 2018	C	\$ 10,031,275.89
Decreased by:		
Cash Receipts	C-2	<u>2,726,163.08</u>
Balance, December 31, 2019	C	<u><u>\$ 7,305,112.81</u></u>
 <u>Analysis of Balance</u>		
Ordinance # 13-02		\$ 9,824.89
Infrastructure Trust Loan		7,273,836.92
Demolition Loan		<u>21,451.00</u>
		<u><u>\$ 7,305,112.81</u></u>

CITY OF ORANGE TOWNSHIP  
GENERAL CAPITAL FUND

C-6

SCHEDULE OF DEFERRED CHARGES TO FUTURE TAXATION FUNDED  
FOR THE YEAR ENDED DECEMBER 31, 2019

	<u>Ref.</u>		
Balance, December 31, 2018	C		\$ 9,837,842.33
Increased by:			
N.J. Environmental Infrastructure Trust Loan Payable	C-7, C-21		<u>2,726,163.08</u>
			12,564,005.41
Decreased by:			
<u>2019 Budget Appropriations to Pay Debt:</u>			
Demolition Loan Payable	C-19	\$ 32,500.00	
Green Acres Loan:			
General	C-16	59,462.74	
N.J. Environmental Infrastructure Trust Loan Payable	C-15	95,629.24	
General Refunding Bonds	C-17	<u>1,300,000.00</u>	
			<u>1,487,591.98</u>
Balance, December 31, 2019	C		<u>\$ 11,076,413.43</u>

CITY OF ORANGE TOWNSHIP  
GENERAL CAPITAL FUND

SCHEDULE OF DEFERRED CHARGES TO FUTURE TAXATION UNFUNDED  
FOR THE YEAR ENDED DECEMBER 31, 2019

C-7

Ordinance Number	Improvement Description	Balance, December 31, 2018	2019 Authorizations	NJIB Funding	<u>Decreased by</u> Grant Received	Balance, December 31, 2019	Bond Anticipation Notes	Debt Authorized and Not Issued
05-05	Redevelopment within the City of Orange	\$ 1,200,000.00				\$ 1,200,000.00		\$ 1,200,000.00
51-18	Renovation of 425 Main Street	2,857,000.00				2,857,000.00	\$ 2,857,000.00	
59-18	377 Crane Street Project	250,000.00				250,000.00		250,000.00
58-18	2018 Road Paving through NJIB			\$ 10,000,000.00	\$ 2,726,163.08	7,273,836.92		7,273,836.92
24-19	Transferred - Legal Settlement		\$ 1,565,000.00			1,565,000.00	1,565,000.00	
50-19	Acquisition of Orange Memorial Hospital		9,000,000.00			9,000,000.00	7,200,000.00	1,800,000.00
52-19	Various Capital Improvements		8,611,000.00			8,611,000.00		8,611,000.00
		<u>\$ 4,307,000.00</u>	<u>\$ 17,611,000.00</u>	<u>\$ 10,000,000.00</u>	<u>\$ 2,726,163.08</u>	<u>\$ 30,756,836.92</u>	<u>\$ 11,622,000.00</u>	<u>\$ 19,134,836.92</u>
<u>Ref.</u>		C	C-8, C-18	C	C, C-21	C	C-20	C-18

CITY OF ORANGE TOWNSHIP  
GENERAL CAPITAL FUND

C-8

SCHEDULE OF IMPROVEMENT AUTHORIZATIONS  
YEAR ENDED DECEMBER 31, 2019

Improvement Description	Date	Ordinance Number	Amount	Balance December 31, 2018		2019 Authorizations	Contracts Payable	Balance December 31, 2019	
				Funded	Unfunded			Funded	Unfunded
Renovations of City Hall	9-01-87	39-87	\$ 300,000.00	\$ 169.76				\$ 169.76	
Construction of Police Headquarters and Municipal Headquarters	9-04-97	26-97	5,500,000.00	8,990.74				8,990.74	
Renovation of 593 Lincoln Avenue	6-18-02	8-02	500,000.00	1,569.33				1,569.33	
Demolition of Unsafe Buildings and Structures	9-03-02	13-02	300,000.00	669.89				669.89	
Redevelopment Within the City of Orange Orange Township	4-05-05	5-05	1,425,000.00		\$ 760,597.24				\$ 760,597.24
Acquisition of Property	10-04-05	28-05	1,600,000.00	827,717.72				827,717.72	
Multi-Park Projects	4-05-05	41-05	180,000.00	596.57				596.57	
Various Capital Improvements	06-17-14	09-14	8,772,000.00	193,037.03			\$ 5,882.12	187,154.91	
Demolition of Unsafe Buildings and Structures	10-1-13	42-13	325,000.00	97,981.11			32,523.00	65,458.11	
Renovation of 425 Main Street	12-4-18	51-18	3,000,000.00	143,000.00	2,857,000.00		2,818,565.07		181,434.93
2018 Road Paving Project	12-20-18	58-18	10,000,000.00		9,666,000.00		9,666,000.00		0.00
377 Crane Street Project	11-7-18	59-18	250,000.00		250,000.00				250,000.00
Various Capital Improvements	12-20-18	61-18	400,000.00	125,176.79			75,281.35	49,895.44	
Energy Efficiency Improvements	8/7/2019	29-19	85,000.00			\$ 85,000.00	50,113.20	34,886.80	
Acquisition of Orange Memorial Hospital	11/18/2019	50-19	9,000,000.00			9,000,000.00	7,962.50		8,992,037.50
Various Capital Improvements	11/18/2019	52-19	9,046,000.00			9,046,000.00		435,000.00	8,611,000.00
Transferred Legal Settlement	9/3/2019	24-19	128,335.10			128,335.10			128,335.10
				<u>\$ 1,398,908.94</u>	<u>\$ 13,533,597.24</u>	<u>\$ 18,259,335.10</u>	<u>\$ 12,656,327.24</u>	<u>\$ 1,612,109.27</u>	<u>\$ 18,923,404.77</u>
		<u>Ref.</u>		C	C	Below	C-12	C	C
Capital Improvement Fund		C-9				\$ 520,000.00			
Interfund		C-14				128,335.10			
Deferred Charges - Unfunded		C-7				17,611,000.00			
						<u>\$ 18,259,335.10</u>			



CITY OF ORANGE TOWNSHIP  
GENERAL CAPITAL FUND

C-9

SCHEDULE OF CAPITAL IMPROVEMENT FUND  
FOR THE YEAR ENDED DECEMBER 31, 2019

	<u>Ref.</u>	
Balance, December 31, 2018	C	\$ 608,779.61
Increased by:		
Budget Appropriation	C-2	<u>1,000,000.00</u>
		1,608,779.61
Decreased by:		
Downpayments on Ordinances	C-8	<u>520,000.00</u>
Balance, December 31, 2019	C	<u><u>\$ 1,088,779.61</u></u>

CITY OF ORANGE TOWNSHIP  
GENERAL CAPITAL FUND

RESERVE FOR DEBT SERVICE  
FOR THE YEAR ENDED DECEMBER 31, 2019

C-10

	<u>Ref.</u>	
Balance, December 31, 2018	C	\$ 4,225.00
Increased by:		
Interfund Transfer from Current Fund	C-14	<u>500,000.00</u>
Balance, December 31, 2019	C	<u><u>\$ 504,225.00</u></u>

RESERVE FOR GRANTS RECEIVABLE  
YEAR ENDED DECEMBER 31, 2019

C-11

	<u>Ref.</u>	
Balance, December 31, 2019 and 2018		<u><u>\$ 17,750.00</u></u>
<u>Program</u>		
New Jersey Department of Environment Protection:		
Green Acres Program: Ordinance #28-05	C	<u><u>\$ 17,750.00</u></u>

CITY OF ORANGE TOWNSHIP  
GENERAL CAPITAL FUND

ENCUMBRANCES PAYABLE  
FOR THE YEAR ENDED DECEMBER 31, 2019

C-12

	<u>Ref.</u>		
Balance, December 31, 2018	C		\$ 43,671.77
Increased by:			
Interfunds	C-14	\$ 833,758.50	
Improvement Authorizations	C-8	<u>12,656,327.24</u>	<u>13,490,085.74</u>
			13,533,757.51
Decreased by:			
Cash Disbursements for Improvement Authorizations	C-2		<u>7,301,212.00</u>
Balance, December 31, 2019	C		<u><u>\$ 6,232,545.51</u></u>

RESERVE FOR LOAN PROCEEDS  
YEAR ENDED DECEMBER 31, 2019

C-13

	<u>Ref.</u>		
Balance, December 31, 2019 and 2018	C		<u><u>\$ 61,176.74</u></u>

CITY OF ORANGE TOWNSHIP  
GENERAL CAPITAL FUND

C-14

INTERFUNDS PAYABLE  
YEAR ENDED DECEMBER 31, 2019

	Ref.	Total	Current Fund	Trust Fund	Grant Fund	Water/Sewer Utility	
						Operating Fund	Capital Fund
Balance, December 31, 2018 (Due to)	C	\$ 1,753,499.26				\$ 833,786.40	\$ 919,712.86
Increased by:							
Cash Receipts	C-2	<u>2,117,141.25</u>	<u>\$ 117,141.25</u>	<u>\$ 2,000,000.00</u>			
		3,870,640.51	117,141.25	2,000,000.00		833,786.40	919,712.86
Decreased by:							
Cash Disbursements	C-2	3,709,655.17	3,139,655.17			570,000.00	
Adjustments	C-12	833,758.50	(2,360,400.00)	556,400.00	\$ 1,804,000.00		833,758.50
Reserve for Debt Service	C-10	500,000.00	500,000.00				
Transferred Improvement Authorization	C-8	<u>128,335.10</u>	<u>128,335.10</u>				
Balance, December 31, 2019 (Due to)	C	<u>\$ 1,793,340.76</u>		<u>\$ 1,443,600.00</u>		<u>\$ 263,786.40</u>	<u>\$ 85,954.36</u>
Balance, December 31, 2019 (Due from)	C	<u>\$ 3,094,449.02</u>	<u>\$ 1,290,449.02</u>		<u>\$ 1,804,000.00</u>		

CITY OF ORANGE TOWNSHIP  
GENERAL CAPITAL FUND

C-15

N.J. ENVIRONMENTAL INFRASTRUCTURE TRUST LOAN PAYABLE  
YEAR ENDED DECEMBER 31, 2019

Purpose	Date of Issue	Amount of Original Issue	Maturities of Bonds Outstanding, December 31, 2019		Interest Rate	Balance December 31, 2018	Increased	Balance December 31, 2019
			Date	Amount				
Trust Share	11/4/1999	\$ 725,000.00				\$ 56,966.96	\$ 56,966.96	\$ -
Fund Share	11/4/1999	722,686.00				38,662.28	38,662.28	-
						<u>\$ 95,629.24</u>	<u>\$ 95,629.24</u>	<u>\$ -</u>
					<u>Ref.</u>	C	C-6	C

CITY OF ORANGE TOWNSHIP  
GENERAL CAPITAL FUND

GREEN ACRES TRUST LOAN PAYABLE - GENERAL  
YEAR ENDED DECEMBER 31, 2019

C-16  
Sheet # 1

Purpose	Ordinance Number	Amount of Original Issue	Maturities of Bonds Outstanding, December 31, 2019		Interest Rate	Balance December 31, 2018	Decreased	Balance December 31, 2019
			Date	Amount				
Military Commons		\$ 91,579.10	4/25/2020	\$ 5,108.89	2.00%			
			10/25/2020	5,159.98	2.00%			
			4/25/2021	5,211.57	2.00%			
			10/25/2021	5,263.68	2.00%	\$ 30,046.16	\$ 10,066.52	\$ 19,979.64
Multi-Parks Project	30-03	250,000.00	2/19/2020	6,410.26	*			
			8/19/2020	6,410.26	*			
			2/19/2021	6,410.26	*			
			8/19/2021	6,410.26	*			
			2/19/2022	6,410.26	*			
			8/19/2022	6,410.26	*			
			2/19/2023	6,410.26	*			
			8/19/2023	6,410.26	*			
			2/19/2024	6,410.26	*			
			8/19/2024	6,410.26	*			
			2/19/2025	6,410.26	*			
			8/19/2025	6,410.26	*			
			2/19/2026	6,410.26	*			
			8/19/2026	6,410.26	*			
			2/19/2027	6,410.26	*			
			8/19/2027	6,410.26	*			
			2/19/2028	6,409.92	*	121,794.60	12,820.52	108,974.08

CITY OF ORANGE TOWNSHIP  
GENERAL CAPITAL FUND

GREEN ACRES TRUST LOAN PAYABLE - GENERAL  
YEAR ENDED DECEMBER 31, 2019

C-16  
Sheet # 2

Purpose	Ordinance Number	Amount of Original Issue	Maturities of Bonds Outstanding, December 31, 2019		Interest Rate	Balance December 31, 2018	Decreased	Balance December 31, 2019
			Date	Amount				
Ropes Playground		\$ 90,000.00	6/27/2020	\$ 2,903.23	*			
			12/27/2020	2,903.23	*			
			6/27/2021	2,903.23	*			
			12/27/2021	2,903.23	*			
			6/27/2022	2,903.23	*			
			12/27/2022	2,903.23	*			
			6/27/2023	2,903.23	*			
			12/27/2023	2,903.23	*			
			6/27/2024	2,903.23	*			
			12/27/2024	2,903.23	*			
			6/27/2025	2,903.23	*			
			12/27/2025	2,903.23	*			
			6/27/2026	2,903.23	*			
			12/27/2026	2,903.23	*			
			6/27/2027	2,903.23	*			
			12/27/2027	2,903.23	*			
			6/27/2028	2,903.23	*			
			12/27/2028	2,903.10	*	\$ 58,064.47	\$ 5,806.46	\$ 52,258.01
Multi-Parks Project	30-03	600,000.00	5/6/20-5/6/33	15,384.62	*	492,307.86	30,769.24	461,538.62
						<u>\$ 702,213.09</u>	<u>\$ 59,462.74</u>	<u>\$ 642,750.35</u>
			* - Interest free					
					<u>Ref.</u>	C	C-6	C

CITY OF ORANGE TOWNSHIP  
GENERAL CAPITAL FUND

C-17

GENERAL REFUNDING BONDS  
YEAR ENDED DECEMBER 31, 2019

Purpose	Date of Issue	Amount of Original Issue	Maturities of Bonds Outstanding, December 31, 2019		Interest Rate	Balance December 31, 2018	Decreased	Balance December 31, 2019
			Date	Amount				
<b>General Refunding Bonds</b>								
Qualified Bond Act (P.L. 1976,C.38)	4/25/2007	\$ 3,655,000.00				\$ 355,000.00	\$ 355,000.00	
<b>General Improvement Bonds</b>								
Qualified Bond Act (P.L. 1976,C.38)	12/8/2017	9,433,000.00	12/7/2020	\$ 940,000.00	2.25%	8,490,000.00	945,000.00	\$ 7,545,000.00
			12/7/2021	940,000.00	2.50%			
			12/7/2022	945,000.00	4.00%			
			12/7/2023	945,000.00	4.00%			
			12/7/2024	945,000.00	4.00%			
			12/7/2025	945,000.00	4.00%			
			12/7/2026	945,000.00	4.00%			
			12/7/2027	940,000.00	3.00%			
						<u>\$ 8,845,000.00</u>	<u>\$ 1,300,000.00</u>	<u>\$ 7,545,000.00</u>
					<u>Ref.</u>	C	C-6	C



CITY OF ORANGE TOWNSHIP  
GENERAL CAPITAL FUND

C-18

SCHEDULE OF BONDS AND NOTES AUTHORIZED BUT NOT ISSUED  
YEAR ENDED DECEMBER 31, 2019

Ordinance Number	Improvement Description	Balance, December 31, 2018	Increase	Decrease	Balance, December 31, 2019
05-05	Redevelopment within the City of Orange	\$ 1,200,000.00			\$ 1,200,000.00
51-18	Renovation of 425 Main Street	2,857,000.00		\$ 2,857,000.00	
58-18	2018 Road Paving Project	10,000,000.00		2,726,163.08	7,273,836.92
59-18	377 Crane Street Project	250,000.00			250,000.00
50-19	Acquisition of Orange Memorial Hospital		\$ 9,000,000.00	7,200,000.00	1,800,000.00
52-19	Various Capital Improvements		<u>8,611,000.00</u>		<u>8,611,000.00</u>
		<u>\$ 14,307,000.00</u>	<u>\$ 17,611,000.00</u>	<u>\$ 12,783,163.08</u>	<u>\$ 19,134,836.92</u>
		Ref. C	C-7	Below	C
	Bond Anticipation Notes			\$ 10,057,000.00	
	NJ I Bank Interim Funding			<u>2,726,163.00</u>	
				<u>\$ 12,783,163.00</u>	

See Independent Auditors' Report

CITY OF ORANGE TOWNSHIP  
GENERAL CAPITAL FUND

C-19

DEMOLITION LOAN PAYABLE  
YEAR ENDED DECEMBER 31, 2019

Purpose	Date of Issue	Amount of Original Issue	Maturities of Bonds Outstanding, December 31, 2019		Interest Rate	Balance December 31, 2018	Decreased	Balance December 31, 2019
			Date	Amount				
Department of Community Affairs Demolition Loan Fund - 2012 2012-517-022-8105-001-FCDL-6510	3/26/2014	\$ 325,000.00	12/1/2020	\$ 32,500.00	4.00%			
			12/1/2021	32,500.00	4.00%			
			12/1/2022	32,500.00	4.00%			
			12/1/2023	32,500.00	4.00%			
			12/1/2024	32,500.00	4.00%			
						<u>\$ 195,000.00</u>	<u>\$ 32,500.00</u>	<u>\$ 162,500.00</u>
						C	C-6	C

Payments are billed annually by the Division of Local Government Services in the Amount of \$33,800.

CITY OF ORANGE TOWNSHIP  
GENERAL CAPITAL FUND

C-20

SCHEDULE OF BOND ANTICIPATION NOTES  
YEAR ENDED DECEMBER 31, 2019

Ordinance Number	Improvement Description	Date of Issue of Original Note	Date of Issue	Date of Maturity	Interest Rate	Balance December 31, 2018	Increased	Balance December 31, 2019
51-18	Renovation of 425 Main Street	10/2/2019	10/2/2019	4/3/2020	1.62%	\$	\$ 2,857,000.00	\$ 2,857,000.00
50-19	Acquisition of Orange Memorial Hospital	12/20/2019	12/20/2019	6/19/2020	2.00%		7,200,000.00	7,200,000.00
24-19	Emergency Note Transferred from Current Fund	12/18/2019	12/18/2019	12/18/2020	2.00%		1,565,000.00	1,565,000.00
						<u>\$</u>	<u>\$ 11,622,000.00</u>	<u>\$ 11,622,000.00</u>
					<u>Ref.</u>			C
					Cash Receipts	C-2	\$ 10,057,000.00	
					Transferred from Current Fund	C-7	1,565,000.00	
							<u>\$ 11,622,000.00</u>	

CITY OF ORANGE TOWNSHIP  
GENERAL CAPITAL FUND

NEW JERSEY INFRASTRUCTURE BANK INTERIM FINANCING  
FOR THE YEAR ENDED DECEMBER 31, 2019

C-21

	<u>Ref.</u>	
Balance, December 31, 2018		
Increased by:		
New Financing	C-6	<u>\$ 2,726,163.08</u>
Balance, December 31, 2019	C	<u><u>\$ 2,726,163.08</u></u>

CITY OF ORANGE TOWNSHIP  
WATER AND SEWER UTILITY

D-5

CASH RECEIPTS AND DISBURSEMENTS - TREASURER  
YEAR ENDED DECEMBER 31, 2019

	<u>Ref.</u>	<u>Operating</u>	<u>Capital</u>
Balance, December 31, 2018	D	\$ 2,573,146.97	\$ 770,356.47
Increased By:			
Collector	D-7	11,061,596.11	
Bond Anticipation Notes	D-31		5,200,000.00
Premium on Note Sale	D-2		22,456.50
Interfunds	D-10	990,663.10	
		<u>12,052,259.21</u>	<u>5,222,456.50</u>
		<u>14,625,406.18</u>	<u>5,992,812.97</u>
Decreased By:			
Budget Appropriation	D-4	8,389,302.76	
Appropriation Reserves	D-16	656,221.79	
Accrued Interest	D-18	738,780.83	
Overpayments Refunded	D-19	2,658.39	
Interfunds	D-10, D-17	557,198.45	312,456.50
Encumbrances	D-30		3,307,678.31
Special Emergency Notes	D-28	430,000.00	
		<u>10,774,162.22</u>	<u>3,620,134.81</u>
Balance, December 31, 2019	D	<u>\$ 3,851,243.96</u>	<u>\$ 2,372,678.16</u>

CITY OF ORANGE TOWNSHIP  
WATER AND SEWER UTILITY

D-6

BANK RECONCILIATIONS  
DECEMBER 31, 2019

<u>Bank Reconciliation</u>	<u>Operating</u>	<u>Capital</u>
Balance per Bank Statements Investors' Bank Account	\$ 3,570,894.53	\$ 2,326,997.48
Add: Deposit in Transit & Interfunds	289,925.34	45,680.68
Less: Outstanding Checks	<u>9,576.01</u>	<u>                    </u>
	<u>\$ 3,851,243.86</u>	<u>\$ 2,372,678.16</u>
<u>Ref.</u>	D-5	D-5

CITY OF ORANGE TOWNSHIP  
WATER AND SEWER UTILITY

D-7

CASH RECEIPTS AND DISBURSEMENTS  
WATER AND SEWER COLLECTIONS  
YEAR ENDED DECEMBER 31, 2019

	<u>Ref.</u>	
Increased by:		
Non-budget Revenue	D-1	\$ 106,272.16
Consumer Accounts Receivable	D-11	10,955,323.95
		11,061,596.11
Decreased by:		
Remittances to Treasurer	D-5	11,061,596.11
		\$

CASH - CHANGE FUND  
DECEMBER 31, 2019

D-8

Balance, December 31, 2019 and 2018	D	\$ 150.00
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CITY OF ORANGE TOWNSHIP  
WATER AND SEWER UTILITY

D-9

ANALYSIS OF CAPITAL CASH AND INVESTMENTS  
YEAR ENDED DECEMBER 31, 2019

Ordinance Number	Balance December 31, 2018	Receipts	Disbursements	Transfers		Balance December 31, 2019
				From	To	
10-98	Improvements to Municipal Water, Wastewater and Storm Water Systems	\$ 919,712.86		\$ 833,758.50		\$ 85,954.36
8-08	Construction of and Improvements to the City's Mountain Wells, the Chestnut Street Treatment Facilities and High Pump Station	6,041.32				6,041.32
22-03	Improvement to Water and Sewer System	275,130.58				275,130.58
39-19	Asset Management System			1,666.65		(1,666.65)
41-19	Water System Remediations			1,666.67		(1,666.67)
42-19	Water Meter Replacement Program			5,651.33		(5,651.33)
43-19	Various Water and Sewer Improvements		\$ 5,200,000.00	3,271,718.37		1,928,281.63
44-19	Water System Infrastructure			1,666.67		(1,666.67)
51-19	Water System Phase I			5,651.33		(5,651.33)
	<u>Other Accounts</u>					
	Encumbrances	70,907.16	\$ 3,307,678.31		\$ 3,288,021.02	51,249.87
	Interfund	(919,712.86)	312,456.50		833,758.50	(398,410.86)
	Loans Receivable	(129,947.81)				(129,947.81)
	Fund Balance	548,225.22	22,456.50			570,681.72
		<u>\$ 770,356.47</u>	<u>\$ 5,222,456.50</u>	<u>\$ 3,620,134.81</u>	<u>\$ 4,121,779.52</u>	<u>\$ 4,121,779.52</u>
	<u>Ref.</u>	D	D-5	D-5		D



CITY OF ORANGE TOWNSHIP  
WATER AND SEWER UTILITY

INTERFUNDS RECEIVABLE - WATER OPERATING FUND  
YEAR ENDED DECEMBER 31, 2019

	<u>Ref.</u>	<u>Total</u>	<u>Current Fund</u>	<u>Trust Fund</u>	<u>General Capital</u>	<u>Utility Capital</u>	<u>Trust Salary</u>
Balance, December 31, 2018 (due from)	D	\$ 836,204.11	\$ 27.90	\$ 2,389.81	\$ 833,786.40	\$	\$
Increased by:							
Collected by Current Fund	D-11	\$ 365,786.64	365,786.64				
Cash Disbursements	D-5	<u>557,198.45</u>	<u>487,672.67</u>				<u>69,525.78</u>
		1,759,189.20	853,459.31	2,389.81	833,786.40		69,525.78
Decreased by:							
Special Emergency Notes	D-28	290,000.00				290,000.00	
Cash Receipts	D-5	<u>990,663.10</u>	<u>78,510.88</u>	<u>304,145.00</u>	<u>570,000.00</u>		<u>38,007.22</u>
Balance, December 31, 2019							
(due to)	D	<u>\$ 591,755.19</u>		<u>\$ 301,755.19</u>		<u>\$ 290,000.00</u>	
(due from)	D	<u>\$ 1,070,281.29</u>	<u>\$ 774,976.33</u>		<u>\$ 263,786.40</u>		<u>\$ 31,518.56</u>

CITY OF ORANGE TOWNSHIP  
WATER AND SEWER UTILITY

CONSUMER ACCOUNTS RECEIVABLE  
YEAR ENDED DECEMBER 31, 2019

D-11

	<u>Ref.</u>		
Balance, December 31, 2018	D		\$ 2,161,115.31
Increased by:			
Water and Sewer Billings	Reserve		<u>10,887,865.76</u>
			13,048,981.07
Decreased by:			
Collected by Current Fund	D-10	\$ 365,786.64	
Collections	D-7	<u>10,955,323.95</u>	
	D-3		<u>11,321,110.59</u>
Balance, December 31, 2019	D		<u><u>\$ 1,727,870.48</u></u>

WATER AND SEWER LIEN RECEIVABLE  
YEAR ENDED DECEMBER 31, 2019

D-12

	<u>Ref.</u>		
Balance, December 31, 2019 and 2018	D		<u><u>\$ 84,281.33</u></u>

CITY OF ORANGE TOWNSHIP  
UTILITY FUND CAPITAL

D-13

LOANS RECEIVABLE  
YEAR ENDED DECEMBER 31, 2019

	<u>Ref.</u>	
Balance, December 31, 2019 and 2018	D	<u>\$ 129,947.81</u>
<u>Analysis of Balance</u>		
N.J. Environmental Infrastructure Trust Loan		<u>\$ 129,947.81</u>

CITY OF ORANGE TOWNSHIP  
UTILITY CAPITAL FUND

FIXED CAPITAL  
YEAR ENDED DECEMBER 31, 2019

D-14

	December 31, 2018	December 31, 2019
Water Plant	\$ 3,015,184.92	\$ 3,015,184.92
Filtration Plant	176,312.11	176,312.11
Computer System	100,000.00	100,000.00
New Pumping Plant	10,283.17	10,283.17
Alterations in Pumping Plant	106,581.94	106,581.94
Retainer Wall Construction	77,517.70	77,517.70
Water Meters	459,899.65	459,899.65
Right of Way	830.50	830.50
Truck Elevation	13,583.51	13,583.51
Construction of Well House #6 and Underground Service for Well #3	73,102.66	73,102.66
Improvements to Water Supply System	40,716,297.52	40,716,297.52
	\$ 44,749,593.68	\$ 44,749,593.68
<u>Ref.</u>	D	D

CITY OF ORANGE TOWNSHIP  
UTILITY CAPITAL FUND

FIXED CAPITAL AUTHORIZED AND UNCOMPLETED  
YEAR ENDED DECEMBER 31, 2019

D-15

<u>Ordinance Number</u>		<u>Ordinance</u>	<u>December 31, 2018</u>	<u>2019 Authorizations</u>	<u>December 31, 2019</u>
	<u>Date</u>	<u>Amount</u>			
10-98	Improvements to Municipal Water, Wastewater and Storm Water Systems	8/10/1998	\$ 4,915,000.00	\$ 938,958.86	\$ 938,958.86
22-03	Improvement to Water and Sewer System	5/16/2017	2,350,000.00	2,350,000.00	2,350,000.00
39-19	Asset Management System	11/18/2019	350,000.00	\$ 350,000.00	350,000.00
41-19	Water System Remediations	11/18/2019	3,050,000.00	3,050,000.00	3,050,000.00
42-19	Water Meter Replacement Program	11/18/2019	4,550,000.00	4,550,000.00	4,550,000.00
43-19	Various Water and Sewer Improvements	11/18/2019	5,200,000.00	5,200,000.00	5,200,000.00
44-19	Water System Infrastructure	11/18/2019	620,000.00	620,000.00	620,000.00
51-19	Water System Phase I	11/18/2019	5,000,000.00	5,000,000.00	5,000,000.00
			<u>\$ 3,288,958.86</u>	<u>\$ 18,770,000.00</u>	<u>\$ 22,058,958.86</u>
		<u>Ref.</u>	D	D-20	D

CITY OF ORANGE TOWNSHIP  
WATER AND SEWER UTILITY

2018 APPROPRIATION RESERVES  
DECEMBER 31, 2019

D-16

	Balance December 31, 2018		Paid or Charged	Unexpended Balance Lapsed
	Encumbered	Unencumbered		
<u>Operating</u>				
Other Expenses	\$ 682,695.17	\$ 871,223.91	\$ 656,221.79	\$ 897,697.29
Debt Service Administration		2.00		2.00
	<u>\$ 682,695.17</u>	<u>\$ 871,225.91</u>	<u>\$ 656,221.79</u>	<u>\$ 897,699.29</u>
<u>Ref.</u>	D	D	D-5	D-1

CITY OF ORANGE TOWNSHIP  
UTILITY CAPITAL FUND

D-17

SCHEDULE OF INTERFUND RECEIVABLE  
YEAR ENDED DECEMBER 31, 2019

	<u>Ref.</u>	
Balance, December 31, 2018	D	\$ 919,712.86
Increased by:		
Cash Advanced	D-5	<u>312,456.50</u>
		1,232,169.36
Decreased by:		
Cancellation	D-20	<u>833,758.50</u>
Balance, December 31, 2019	D	<u><u>\$ 398,410.86</u></u>

CITY OF ORANGE TOWNSHIP  
WATER AND SEWER UTILITY

D-18

ACCRUED INTEREST ON BONDS  
YEAR ENDED DECEMBER 31, 2019

	<u>Ref.</u>	
Balance, December 31, 2018	D	\$ 136,622.70
Increased by:		
Budget Appropriations	D-4	720,900.00
		857,522.70
Decreased by:		
Cash Disbursements	D-5	738,780.83
		738,780.83
Balance, December 31, 2019	D	\$ 118,741.87

Analysis of Balance

			Accrued			
Bonds	Interest	Rate	From	To	Period	Amount
Outstanding December 31, 2019						
\$ 7,535,000.00	5.00%		12/1/2019	12/31/2019	1 month	\$ 33,098.33
7,735,000.00	4.00%		12/1/2019	12/31/2019	1 month	25,783.33
\$ 15,270,000.00						\$ 58,881.67
BAN's						
Outstanding December 31, 2019						
\$ 7,500,000.00	2.00%		12/20/2019	12/31/2019	11 days	\$ 4,583.33
\$ 7,500,000.00						\$ 4,583.33
Infrastructure Loan Payable						
Outstanding December 31, 2019						
\$ 1,235,000.00	5.00%		8/1/2019	12/31/2019	5 months	\$ 28,026.05
801,000.00	5.50%		8/1/2019	12/31/2019	5 months	19,291.95
\$ 2,036,000.00						\$ 47,318.00
Emergency Note						
Outstanding December 31, 2019						
\$ 570,000.00	2.00%		12/20/2019	12/31/2019	1 month	\$ 348.33
\$ 570,000.00						\$ 348.33
111,131.33						
The excess will be used to reduce succeeding year budget appropriation						7,610.54
						\$ 118,741.87



CITY OF ORANGE TOWNSHIP  
WATER AND SEWER UTILITY

WATER AND SEWER OVERPAYMENTS  
YEAR ENDED DECEMBER 31, 2019

D-19

	<u>Ref.</u>	
Balance, December 31, 2018	D	\$ 157,276.02
Decreased by:		
Overpayments Refunded	D-5	<u>2,658.39</u>
Balance, December 31, 2019	D	<u>\$ 154,617.63</u>

CITY OF ORANGE TOWNSHIP  
UTILITY CAPITAL FUND

IMPROVEMENT AUTHORIZATIONS  
YEAR ENDED DECEMBER 31, 2019

D-20

	<u>Ordinance</u>		<u>December 31, 2018</u>		<u>2019</u> <u>Authorizations</u>	<u>Contracts</u> <u>Payable</u>	<u>Canceled</u>	<u>December 31, 2019</u>		
	<u>Number</u>	<u>Date</u>	<u>Amount</u>	<u>Funded</u>				<u>Unfunded</u>	<u>Funded</u>	<u>Unfunded</u>
Reacquisition of Water and Sewer Franchises and Improvement to Water and Sewer System	22-03	6/1/2003	\$ 30,000,000.00	\$ 275,130.58				\$ 275,130.58		
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		\$ 6,322.42				\$ 6,322.42	
Improvements to Municipal Water, Wastewater and Storm Water Systems	10-98	8/10/1998	4,915,000.00	119,712.86	819,246.00		\$ 833,758.50		105,200.36	
Asset Management System	39-19	11/18/2019	350,000.00		\$ 350,000.00	\$ 1,666.65			348,333.35	
Water System Remediations	41-19	11/18/2019	3,050,000.00		3,050,000.00	1,666.67			3,048,333.33	
Water Meter Replacement Program	42-19	11/18/2019	350,000.00		4,550,000.00	5,651.33			4,544,348.67	
Various Water and Sewer Improvements	43-19	11/18/2019	5,200,000.00		5,200,000.00	3,271,718.37			1,928,281.63	
Water System Infrastructure	44-19	11/18/2019	350,000.00		620,000.00	1,666.67			618,333.33	
Water System Phase I	51-19	11/18/2019	5,000,000.00		5,000,000.00	5,651.33			4,994,348.67	
				<u>\$ 394,843.44</u>	<u>\$ 825,568.42</u>	<u>\$ 18,770,000.00</u>	<u>\$ 3,288,021.02</u>	<u>\$ 833,758.50</u>	<u>\$ 275,130.58</u>	<u>\$ 15,593,501.76</u>
	<u>Ref.</u>			D	D	D-15	D-30	D-17	D	D

CITY OF ORANGE TOWNSHIP  
WATER AND SEWER UTILITY

D-21

STATEMENT OF ACCOUNTS PAYABLE  
YEAR ENDED DECEMBER 31, 2019

	<u>Ref.</u>	
Balance, December 31, 2018	D	\$ 166,084.30
Decreased by:		
Cancellation	D-1	<u>153,307.13</u>
Balance, December 31, 2019	D	<u><u>\$ 12,777.17</u></u>

CITY OF ORANGE TOWNSHIP  
UTILITY CAPITAL FUND

RESERVE FOR AMORTIZATION  
YEAR ENDED DECEMBER 31, 2019

D-22

	<u>Ref.</u>		
Balance, December 31, 2018	D		\$ 17,003,910.42
Increased by:			
Bonds Paid from Operating Budget	D-25	\$ 1,390,000.00	
New Jersey Environmental Trust Loan Payable	D-24	<u>372,211.96</u>	<u>1,762,211.96</u>
Balance, December 31, 2019	D		<u>\$ 18,766,122.38</u>

CITY OF ORANGE TOWNSHIP  
UTILITY CAPITAL FUND

D-23

DEFERRED RESERVE FOR AMORTIZATION  
YEAR ENDED DECEMBER 31, 2019

	<u>Ref.</u>	
Balance, December 31, 2019 and 2018	D	<u>\$ 7,912,284.34</u>

CITY OF ORANGE TOWNSHIP  
UTILITY CAPITAL FUND

N.J. ENVIRONMENTAL INFRASTRUCTURE TRUST LOAN PAYABLE  
YEAR ENDED DECEMBER 31, 2019

Purpose	Date of Issue	Amount Of Original Issue	Maturities of Bonds Outstanding December 31, 2019		Interest Rate	Balance December 31, 2018	Decrease	Balance December 31, 2019
			Date	Amount				
Trust Share	11/6/2008	\$ 3,835,000.00						
		(251,000.00)						
		\$ 3,584,000.00	8/1/2020	\$ 187,000.00	5.50%			
			8/1/2021	195,000.00	5.50%			
			8/1/2022	203,000.00	5.50%			
			8/1/2023	216,000.00	5.50%			
			8/1/2024	224,000.00	5.00%			
			8/1/2025	237,000.00	5.00%			
			8/1/2026	246,000.00	5.00%			
			8/1/2027	258,000.00	5.00%			
			8/1/2028	270,000.00	5.00%			
					\$ 2,214,000.00	\$ 178,000.00	\$ 2,036,000.00	
Fund Share	11/6/2008	3,664,719.00	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	*						
					1,928,830.78	194,211.96	1,734,618.82	
					\$ 4,142,830.78	\$ 372,211.96	\$ 3,770,618.82	
					Ref. D	D-22	D	



CITY OF ORANGE TOWNSHIP  
WATER AND SEWER UTILITY

RESERVE FOR FUTURE IMPROVEMENTS  
YEAR ENDED DECEMBER 31, 2019

D-26

	<u>Ref.</u>	
Balance, December 31, 2019 and 2018	D	<u>\$ 13,349.46</u>



CITY OF ORANGE TOWNSHIP  
WATER AND SEWER UTILITY

D-27

SCHEDULE OF DEFERRED CHARGES  
YEAR ENDED DECEMBER 31, 2019

	<u>Balance</u> <u>December 31, 2018</u>	<u>Raised in</u> <u>2019 Budget</u>	<u>Balance</u> <u>December 31, 2019</u>
Special Emergency	\$ 999,297.08	\$ 430,000.00	\$ 569,297.08
Overexpenditure	656.04	656.04	
Emergency	102,801.74	102,801.74	
	<u>\$ 1,102,754.86</u>	<u>\$ 533,457.78</u>	<u>\$ 569,297.08</u>
<u>Ref.</u>	D	D-4	D

CITY OF ORANGE TOWNSHIP  
WATER AND SEWER UTILITY

D-28

SCHEDULE OF EMERGENCY NOTES  
YEAR ENDED DECEMBER 31, 2019

<u>Resolution Number</u>	<u>Improvement Description</u>	<u>Date of Issue of Original Note</u>	<u>Date of Issue</u>	<u>Date of Maturity</u>	<u>Interest Rate</u>	<u>Balance December 31, 2018</u>	<u>Decreased</u>	<u>Balance December 31, 2019</u>
10-17	Emergency Appropriations	12/8/2017	12/6/2019	12/5/2020	3.00%	\$ 1,290,000.00	\$ 720,000.00	\$ 570,000.00
						<u>\$ 1,290,000.00</u>	<u>\$ 720,000.00</u>	<u>\$ 570,000.00</u>
					<u>Ref.</u>	D	Below	D
							\$ 430,000.00	
			Cash Disbursed Interfund		D-5 D-10		<u>290,000.00</u>	
							<u>\$ 720,000.00</u>	

CITY OF ORANGE TOWNSHIP  
UTILITY CAPITAL FUND

BONDS AND NOTES AUTHORIZED AND UNISSUED  
YEAR ENDED DECEMBER 31, 2019

			Balance December 31, 2018	2019 Authorizations	Notes Issued	Balance December 31, 2019
Improvements to Municipal Water, Wastewater and Storm Water Systems	10-98	8/10/1998	\$ 19,246.00			\$ 19,246.00
Construction of and Improvements to the City's Mountain Wells, the Chestnut Street Treatment Facilities and High Pump Station.	8-08	6/4/2008	281.00			281.00
Asset Management System	39-2019	11/18/2019		\$ 350,000.00		350,000.00
Water System Remediations	41-19	11/18/2019		3,050,000.00		3,050,000.00
Water Meter Replacement Program	42-19	11/18/2019		4,550,000.00		4,550,000.00
Various Water and Sewer Improvements	43-19	11/18/2019		5,200,000.00	\$ 5,200,000.00	
Water System Infrastructure	44-19	11/18/2019		620,000.00		620,000.00
Water System Phase I	51-19	11/18/2019		5,000,000.00		5,000,000.00
			<u>\$ 19,527.00</u>	<u>\$ 18,770,000.00</u>	<u>\$ 5,200,000.00</u>	<u>\$ 13,589,527.00</u>
		Ref.	D	D-15	D-31	D

CITY OF ORANGE TOWNSHIP  
UTILITY CAPITAL FUND

D-30

SCHEDULE OF ENCUMBRANCES  
YEAR ENDED DECEMBER 31, 2019

	<u>Ref.</u>	
Balance, December 31, 2018	D	\$ 70,907.16
Increased by:		
Improvement Authorizations	D-20	<u>3,288,021.02</u>
		3,358,928.18
Decreased by:		
Cash Disbursements	D-5	<u>3,307,678.31</u>
Balance, December 31, 2019	D	<u><u>\$ 51,249.87</u></u>

CITY OF ORANGE TOWNSHIP  
UTILITY CAPITAL FUND

D-31

SCHEDULE OF BOND ANTICIPATION NOTES  
YEAR ENDED DECEMBER 31, 2019

<u>Ordinance Number</u>	<u>Improvement Description</u>	<u>Date of Issue of Original Note</u>	<u>Date of Issue</u>	<u>Date of Maturity</u>	<u>Interest Rate</u>	<u>Balance December 31, 2018</u>	<u>Increased</u>	<u>Balance December 31, 2019</u>
10-98	Improvement to Water, Waste Water and Storm Water Systems	12/6/2018	12/20/2019	6/19/2020	2.00%	\$ 800,000.00		\$ 800,000.00
8-08	Construction of and Improvements to City Mountain Wells, the Chesnut Street Treatment Facility and High Pump Station	12/6/2018	12/20/2019	6/19/2020	2.00%	1,500,000.00		1,500,000.00
43-19	Various Water Utility Improvements	12/20/2019	12/20/2019	6/19/2020	2.00%	<u>                    </u>	<u>\$ 5,200,000.00</u>	<u>5,200,000.00</u>
						<u>\$ 2,300,000.00</u>	<u>\$ 5,200,000.00</u>	<u>\$ 7,500,000.00</u>
					<u>Ref.</u>	D	D-5, D-29	D

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

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**PART III  
REPORT ON INTERNAL CONTROL AND  
LETTER OF COMMENTS AND RECOMMENDATIONS  
YEAR ENDED DECEMBER 31, 2019**



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

**Independent Auditors' Report**

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

We have audited, in accordance with auditing standards generally accepted in the United States of America; and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States and the audit requirements as prescribed by the Division of Local Government Services, Department of Community Affairs, State of New Jersey (the "Division"); the regulatory basis financial statements of the various funds and account Group of the City of Orange Township, Essex County, New Jersey (the "City") as of and for the year ended December 31, 2019, and the related notes to the financial statements, which collectively comprise the City's basic financial statements, and have issued our report thereon dated October 23, 2020, in which we expressed an adverse opinion on the conformity of the statements with accounting principles generally accepted in the United States of America due to differences between those principles and the accounting practices prescribed by the Division.

**Internal Control Over Financial Reporting**

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

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

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. A *material weakness* is a deficiency, or a combination of deficiencies, in internal control such that there is a reasonable possibility that a material misstatement of the City's financial statements will not be prevented, or detected and corrected on a timely basis. We consider the deficiencies described in the accompanying Schedule of Findings to be material weaknesses: 2019-001, 2019-002, 2019-003, 2019-010 and 2019-011.

A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance. We consider the deficiencies described in the accompanying Schedule of Findings to be significant deficiencies: 2019-004, 2019-007, 2 and 2019-009.

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### **Compliance and Other Matters**

As part of obtaining reasonable assurance about whether City's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards* and which are described in the accompanying Schedule of Findings as items 2019-001 through 2019-011.

### **City's Response to Findings**

City's response to the findings identified in our audit are described in the accompanying Schedule of Findings. The City's responses were not subjected to the auditing procedures applied in the audit of the financial statements and, accordingly, we express no opinion on it.

### **Purpose of this Report**

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

*PKF O'Connor Davies, LLP*

Cranford, New Jersey  
October 23, 2020

*David J. Gannon*

David J. Gannon, CPA  
Licensed Registered Municipal Accountant, No. 520



**City of Orange Township  
Schedule of Findings  
December 31, 2019**

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***Payroll Payments***

**Finding No. 2019-001\* – Material Weakness**

***Condition/Context***

During the course of our audit of the payroll department, the following was noted:

- Documentation regarding approved salary was not provided for 4 employees;
- Documentation of overtime payments for 2 employees were not in agreement with amounts paid;
- Documentation for payments in addition to approved salaries, such as retroactive payments, overtime, and additional straight time, were not provided for audit and therefore could not be verified;
- Calculations for Chapter 78 health benefit calculations could not be provided for 4 employees showing compliance with the statute;
- Opt-out of insurance forms could not be provided for 2 employees.

***Criteria***

The City must establish a system to internal controls within the payroll department to ensure compensation and other areas of payroll are appropriately documented.

***Cause***

Systems over payroll internal controls and compliance need to be improved.

***Effect***

Possible violation of State statutes or over/under payment of employees.

***Recommendation***

The City should implement procedures so that required documentation is properly reviewed, approved and retained. The City should also ensure that all salaries are paid in accordance with either ordinance or collective bargaining agreement.

***Views of Responsible Official***

The City will implement procedures in order to ensure that all salaries are properly approved and that documentation is properly retained.

***Payroll Bank Account***

**Finding No. 2019-002\* – Material Weakness**

***Condition/Context***

We noted that the Payroll Account was not reconciled on a timely basis. The bank reconciliation presented for audit contained numerous errors that occurred throughout the year, including:

- A net receipt posting not transferred from March 28, 2019;
- A bank transfer not posted from April 16, 2019;
- Voided checks in the amount of \$209,054.66 not reflected in the general ledger;
- Various miscellaneous adjustments that net to an adjustment of \$11,713.53 that represents 34 various errors, wires not recorded, voided items or differences in actual vs correct transfer;

**City of Orange Township  
Schedule of Findings  
December 31, 2019**

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**Finding No. 2019-002\* (continued)**

***Criteria***

Proper internal control over cash reconciliations and the transferring of monies from the various funds to provide funding for net payroll and payroll agency liabilities.

***Cause***

Lack of a system of internal control over bank reconciliations and transfers to the payroll account.

***Effect***

Cash is being transferred to the payroll account unnecessarily and not in accordance with the amounts specified for each pay. This cash could be used for other needs within the City.

***Recommendation***

The Payroll Account should be reconciled on a timely basis and transfers to the payroll account should agree to the amounts specified in each pay period's payroll register.

***Views of Responsible Official***

The City will implement procedures in order to ensure that all bank reconciliations are performed on a timely basis and amounts transferred to the payroll account agree to the respective period's payroll register.

***Off-Duty Pay***

**Finding No. 2019-003\* – Material Weakness**

***Condition/Context***

During the course of our engagement we noted that the subsidiary ledger for off-duty pay accounts receivable and amounts held in reserves were not being maintained accurately and all transactions affecting the balance were not being recorded. The subsidiary ledger reflected that there are 63 accounts with negative balances, which reflects off duty police services rendered and paid by the City without the benefit of full payments from the vendors. The negative balance or amounts due from vendors reflected in the subsidiary ledger totaled \$2,263,812.21.

***Criteria***

The City must establish a system of internal control over police off-duty service billings and collections.

***Cause***

Lack of establishment of a system to control accumulation, billing and collection of vendor charges related to police off-duty services.

***Effect***

The City may be responsible for payments made to police officers that are not ultimately collected from vendors. Receipts from vendors may be misclassified within the General Trust Fund or the subsidiary ledger may not be updated for all transactions.

***Recommendation***

The City should provide greater oversight over the Off-Duty Police account and maintain a subsidiary ledger that is accurate. Off-duty police officers should not be assigned, where appropriate, prior to the collection of advance payments from vendors.

**City of Orange Township  
Schedule of Findings  
December 31, 2019**

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**Finding No. 2019-003\* (continued)**

***Views of Responsible Official***

The City will review the current policies and procedures with respect to the collection of funds in advance of the assignment of off-duty police officers and develop a process to accurately maintain the off-duty police subsidiary ledger.

**Purchasing**

**Finding No. 2019-004\* – Significant Deficiency**

***Condition/Context***

The City was unable to provide the bid documentation for one of the selections during our Local Public Contracts Law test.

***Criteria***

The City must implement procedures to ensure documentation is retained in order to show compliance with Local Public Contracts Law.

***Cause***

Lack of systems in place to ensure compliance with New Jersey statutes.

***Effect***

Violation of State statute.

***Recommendation***

The City should put procedures in place to ensure compliance with Local Public Contracts Law.

***Views of Responsible Official***

The City will review their policies and procedures pertaining to purchasing.

**Finding No. 2019-005\* – Other Matters**

**PILOT Revenue**

***Condition***

During our audit of the City's PILOT (Payment in Lieu of Taxes) program, it was noted there were significant differences between amounts anticipated and amounts received. Additionally, the five percent portion was not turned over to the County.

***Recommendation***

All PILOT agreements should be reviewed to ensure that the appropriate amount of revenue is collected. Also, these agreements should be reviewed on an annual basis for proper compliance. Amounts due to the County should be remitted.

***Views of Responsible Official***

The City is currently reviewing all PILOT agreements.

**City of Orange Township  
Schedule of Findings  
December 31, 2019**

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**Finding No. 2019-006\* – Other Matters**

**Journal Entry Authorization**

***Comment***

During our audit, we examined client prepared journal entries for proper posting and approval in the City's general ledger accounting system. We noted 5 of the journal entries tested were not authorized and approved by management.

***Recommendation***

We recommend all journal entries be reviewed and approved by management prior to posting in the general ledger.

***Views of Responsible Official***

The City is reviewing their policy on journal entry authorizations and review.

**Finding No. 2019-007\* – Significant Deficiency**

**Status of Grants**

***Condition/Context***

Presently the Grant Fund, General Capital Fund and Utility Capital Fund include a large number of old grant receivables and reserves. There is also a reserve in the Grant Fund for an amount of \$580,543 which represents cancellations from prior years.

***Criteria***

Proper control over grants management should be established and monitored.

***Cause***

A centralized grant management office has not been established and records not maintained.

***Effect***

Lack of timely collections of grant receivable and under-utilization of grant appropriated reserves will negatively affect the operations of the Current Fund.

***Recommendation***

A review should be made of all grants to establish their availability and collectability. Funds should be expended, related receivables collected, or grants should be cancelled.

***Views of Responsible Official***

The City will review its grant management process for improvements.

**Finding No. 2019-008\* – Other Matters**

**Utility Fund Billings and Collections**

***Condition/Context***

The City has retained Suez Water to manage the City's water/sewer operations. From the reports provided by Suez Water, the City cannot determine certain amounts relating to consumption, interest and revenue recognition. Since inception, proper lines of communications have not been established over certain financial matters. The City cannot properly monitor consumption, later payment interest calculations and revenue realization.

***Recommendation***

The City should request additional information from Suez Water to improve the financial reporting of the City.

**City of Orange Township  
Schedule of Findings  
December 31, 2019**

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**Finding No. 2019-008\* (continued)**

***Views of Responsible Official***

The City is reviewing their accounting policies with Suez Water.

**Finding No. 2019-009\* – Significant Deficiency**

**Interfunds**

***Condition/Context***

The City had more than \$10.8 million of interfund balances throughout the City's financial statements.

***Criteria***

Proper oversight over the cash reconciliation and general ledger processes would reduce the amount of interfunds at the end of the year.

***Cause***

Timely bank reconciliations and proper monitoring of the City's general ledger is lacking.

***Effect***

Significant interfund balances exist at year-end.

***Recommendation***

The City should perform timely reconciliations of its bank and general ledger accounts in order to minimize the amount of interfunds at the end of the year.

***Views of Responsible Official***

The City will review its bank reconciliation and financial statement close processes in order to reduce the amount of interfunds utilized during the year.

**Finding No. 2019-010\* – Material Weakness**

**Allocation of Tax Revenues**

***Condition/Context***

The City included a revenue item in its 2019 current fund budget for proceeds from the 2019 tax levy sale in the amount of \$2 million. The City recognized no revenue during 2019 for this revenue item. However, the City did recognize revenue in excess of budgeted amounts for delinquent tax revenue and current tax revenue.

***Criteria***

Proper oversight over the tax collection process in order to allocate revenues to the appropriate revenue classifications.

***Cause***

City personnel did not have an adequate understanding of amounts collected in order to allocate those revenue amounts to the correct revenue classifications.

***Effect***

Revenue in total is correct, however, the classifications of revenue sources as presented is not correct.

***Recommendation***

The City should ensure revenue from tax collections are properly recorded and classified.

**City of Orange Township  
Schedule of Findings  
December 31, 2019**

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**Finding No. 2019-010\* (continued)**

***Views of Responsible Official***

The City will review its monthly and year-end financial statement close processes in order to ensure revenue is recorded correctly.

**Finding No. 2019-011\* – Material Weakness**

**Recording of Emergency Appropriations**

***Condition/Context***

During 2019, the City adopted an emergency in the amount of \$1,565,000 for legal judgments in its current fund. Subsequently, the City adopted a refunding bond ordinance to fund the emergency, however, did not move the transaction to the general capital fund.

***Criteria***

Proper oversight over the general ledger.

***Cause***

City personnel did not have an adequate understanding of how to account for the transaction.

***Effect***

The deferred charge and the note payable related to the emergency were accounted for in the wrong funds and had to be corrected and moved to the general capital fund.

***Recommendation***

The City should ensure transactions related to emergencies are appropriately recorded.

***Views of Responsible Official***

The City will review its monthly and year-end financial statement close processes in order to ensure these types of transactions are recorded correctly.

## **General Comments**

### **Contracts and agreements required to be advertised for N.J.S.A. 40A:11-4**

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

The Governing Body of the Municipality has the responsibility of determining whether the expenditures in any category will exceed \$40,000 within the fiscal year.

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

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

### **Pension Eligibility**

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

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

### **Collection of Interest of Delinquent Taxes, Assessments and Utility Charges**

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

The Governing Body in January 2020 adopted the following resolution authorizing interest to be charged on delinquent taxes and sewer accounts:

BE IT FURTHER RESOLVED that the interest charged on 2019 delinquencies on Tax and/or Sewer by the Tax Collector shall be 8% per annum on the first \$1,500 and 18% on any amount in excess of \$1,500 per N.J.S.A. 54:5-6.

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

BE IT FURTHER RESOLVED, that the Collector is authorized to transfer amounts of \$5.00 or less to surplus per N.J.S.A.-C40A:5-17.1.

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

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

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

## Delinquent Taxes and Tax Title Liens

The last tax sale was held in December of 2019. Amounts not included in this sale were for amounts in litigation.

## Miscellaneous

A separate report summarizing collections of Dog License Fees and remittances of State Registration Fees was also prepared and filed with the New Jersey Department of Health and the Division of Local Government Services.

A statutory report on the operations of the Municipal Court was prepared as part of our examination and copies were filed with the New Jersey Administrative Office of the Courts, the Division of Local Government Services, the Municipal Court and the City Clerk.

A separate report on the operations of the Uniform Construction Code office was also prepared and filed with the New Jersey Division of Local Government Services.

## RECOMMENDATIONS

1. The City should implement procedures so that required documentation is properly reviewed, approved and retained. The City should also ensure that all salaries are paid in accordance with either ordinance or collective bargaining agreement.
2. The Payroll Account should be reconciled on a timely basis and transfers to the payroll account should agree to the amounts specified in each pay period's payroll register.
3. The City should provide greater oversight over the Off-Duty Police account and maintain a subsidiary ledger that is accurate. Off-duty police officers should not be assigned, where appropriate, prior to the collection of advance payments from vendors.
4. The City should put procedures in place to ensure compliance with local public contracts law.
5. All PILOT agreements should be reviewed to ensure that the appropriate amount of revenue is collected. Also, these agreements should be reviewed on an annual basis for proper compliance. Amounts due to the County should be remitted.
6. We recommend all journal entries be reviewed and approved by management prior to posting in the general ledger.
7. A review should be made of all grants to establish their availability and collectability. Funds should be expended, related receivables collected, or grants should be cancelled.
8. The City should request additional information from Suez Water to improve the financial reporting of the City.
9. The City should perform timely reconciliations of its bank and general ledger accounts in order to minimize the amount of interfunds at the end of the year.
10. The City should ensure revenue from tax collections are properly recorded and classified.
11. The City should ensure transactions related to emergencies are appropriately recorded.

*PKF O'Connor Davies, LLP*

Cranford, New Jersey  
October 23, 2020

*David J. Gannon*

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