

**TOWN OF ORANGE, CONNECTICUT
ANNUAL FINANCIAL REPORT
June 30, 2015**

**TOWN OF ORANGE, CONNECTICUT
FINANCIAL REPORT**

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SEWARD AND MONDE

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INDEPENDENT AUDITORS' REPORT

To the Honorable Members of
the Board of Finance
Town of Orange, Connecticut

Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the Town of Orange, Connecticut (the Town) as of and for the year ended June 30, 2015, and the related notes to the financial statements, which collectively comprise the Town'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 U.S. generally accepted accounting principles; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditors' Responsibility

Our responsibility is to express opinions on these financial statements based on our audit. We conducted our audit in accordance with U.S. generally accepted auditing standards and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from 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 entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant



accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

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

Opinions

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, business-type activities, each major fund, and the aggregate remaining fund information of the Town of Orange, Connecticut, as of June 30, 2015, and the respective changes in financial position and, where applicable, cash flows thereof and the respective budgetary comparison for the General Fund for the year then ended, in conformity with U.S. generally accepted accounting principles.

Change in Accounting Principle

As discussed in Note 2 to the financial statements, during the fiscal year ended June 30, 2015, the Town adopted new accounting guidance, GASB Statement No. 68, *Accounting and Financial Reporting for Pensions*. The net position of the Town has been restated to recognize the net pension liability required in implementing GASB Statement No. 68. Our opinion is not modified with respect to this matter.

Other Matters

Required Supplementary Information

U.S. generally accepted accounting principles require that the management's discussion and analysis on pages 4 to 12 and the schedule of changes in the town's net pension liability and related ratios on page 70 to 71, the schedule of employer contributions on pages 72 to 73, the schedule of investment returns on page 74, the schedule of the town's proportionate share of the net pension liability - Connecticut State Teachers' Retirement System and the schedules of funding progress and employer contributions - other post-employment benefits plan on pages 75 to 76 be presented to supplement the basic financial statements. Such information, although not a required part of the basic financial statements, is required by the Government Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with U.S. generally accepted auditing standards, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Other Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Town's basic financial statements. The combining and individual nonmajor fund financial statements, schedule of property taxes levied, collected and outstanding, and the schedule of debt limitation are presented for purposes of additional analysis and are not a required part of the basic financial statements. The accompanying schedule of expenditures of federal awards as required by the U.S. Office of Management and Budget Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations* and schedule of expenditures of state financial assistance as required by the State Single Audit Act are presented for purposes of additional analysis and are also not a required part of the basic financial statements.

The combining and individual nonmajor fund financial statements, schedule of property taxes levied, collected and outstanding, the schedule of debt limitation, the schedule of expenditures of federal awards and the schedule of expenditures of state financial assistance are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with U.S. generally accepted auditing standards. In our opinion, the information is fairly stated in all material respects in relation to the basic financial statements taken as a whole.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated January 29, 2016 on our consideration of the Town's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Town's internal control over financial reporting and compliance.

Seward and Monde

North Haven, Connecticut
January 29, 2016

TOWN OF ORANGE, CONNECTICUT MANAGEMENT'S DISCUSSION AND ANALYSIS FOR THE YEAR ENDED JUNE 30, 2015

This discussion and analysis of the Town of Orange, Connecticut's (the "Town") financial performance is provided by management as an overview of the Town's financial activities for the fiscal year ended June 30, 2015. The intent of this discussion and analysis is to look at the Town's financial performance as a whole; readers should also review the basic financial statements and the notes to the basic financial statements to enhance their understanding of the Town's financial performance.

Financial Highlights

- On a government-wide basis, the assets and deferred outflows of resources of the Town exceeded its liabilities and deferred inflows of resources at the close of the most recent fiscal year by \$39,294,192. Of this amount, \$10,424,626 (unrestricted net position) may be used to meet the Town's ongoing obligations to citizens and creditors.
- On a government-wide basis, the Town's total net position increased by \$808,617 or 2.1%.
- As of the close of the current fiscal year, the Town's governmental funds reported combined ending fund balances of \$18,662,153, a decrease of \$3,518,088 in comparison with the prior year. Approximately 50.0% of this amount (\$9,335,129) is available for spending at the government's discretion (unassigned fund balance).
- At the end of the current fiscal year, assigned fund balance for the General Fund was \$1,232,715 which was for encumbrances. Unassigned fund balance for the General Fund was \$9,415,266 or approximately 15.2% of total general fund budgetary expenditures (\$62,091,420).
- The town's governmental bonded debt increased by \$6,575,000 during the current fiscal year due to scheduled principal payments of \$2,150,000, and the issuance of \$8,725,000 which includes conversion of \$7,927,000 of prior year bond anticipation notes. In addition, the Town issued new bond anticipation notes in the amount of \$1,702,000.

Overview of the Financial Statements

The discussion and analysis provided here is intended to serve as an introduction to the Town of Orange's basic financial statements. The Town's basic financial statements consist of three components: 1) government-wide financial statements, 2) fund financial statements, and 3) notes to financial statements. This report also contains supplementary information intended to furnish additional details to support the basic financial statements themselves.

Government-Wide Financial Statements

The government-wide financial statements are designed to provide readers with a broad overview of the Town's finances, in a manner similar to a private-sector business.

The statement of net position presents financial information on all of the Town's assets and liabilities, with the difference reported as net position. Over time, increases or decreases in net position may serve as a useful indicator of whether the financial position of the Town is improving or deteriorating.

The statement of activities presents information showing how the Town's net position changed during the most recent fiscal year. All changes in net position are reported as soon as the underlying event giving rise to the change occurs, regardless of the timing of the related cash flows. Thus, revenues and expenses are reported in this statement for some items that will only result in cash flows in future fiscal periods (e.g., uncollected taxes and earned but unused vacation leave).

In the statement of net position and the statement of activities, the Town reports its activities:

- *Governmental activities* - Most of the Town's basic services are reported here, including general government, highway, public safety, health and welfare, library, recreation, environmental services and education. Property taxes, charges for services and state and federal grants finance most of these activities.
- *Business-type activities* - The Town charges fees to customers which are expected to cover all of the costs associated with the services that the Town provides to the respective customers. The Town's water pollution control authority and congregate housing are reported here.

The government-wide financial statements can be found on pages 13 - 14 of this report.

Fund Financial Statements

A fund is a grouping of related accounts that is used to maintain control over resources that have been segregated for specific activities or objectives. The fund financial statements provide detailed information about the most significant funds, not the Town as a whole. Some funds are required to be established by Charter or State law. However, the Board of Finance and/or the Treasurer have established other funds to help the Town control and manage financial activities for particular purposes or to show that the Town is meeting legal responsibilities for using certain grants and other money. The Town's fund is divided into three categories; governmental, proprietary and fiduciary.

Governmental funds - Most of the Town's basic services are reported in governmental funds which focus on how money flows into and out of those funds and the balances left at year-end that are available for spending. These funds are reported using an accrual method called modified accrual accounting which measures cash and all other financial assets that can be readily converted to cash.

The governmental fund statements provide a detailed short-term view of the Town's general government operations and the basic services it provides. Governmental fund information helps you determine whether there are more or fewer financial resources that can be spent in the near future to finance the Town's programs. The relationship (or differences) between governmental activities (reported in the statement of net position and the statement of activities) and governmental funds is described in a reconciliation at the bottom of the fund financial statements.

The Town maintains thirty-eight (38) individual governmental funds. Information is presented separately in the governmental fund balance sheet and in the governmental fund statement of revenues, expenditures and changes in fund balances for the General Fund and Bonded Capital Projects Fund (3 funds) which are considered to be major funds. Data from the thirty-four other governmental funds are combined into a single, aggregated presentation. Individual fund data for each of these nonmajor governmental funds is provided in the form of combining fund statements on pages 77 - 84.

The Town adopts an annual appropriated budget for its General Fund. The schedule of revenues, expenditures and other changes in fund balance has been provided for the general fund to demonstrate compliance with this budget.

The basic governmental fund financial statements can be found on pages 15 - 18 of this report.

Proprietary funds - When the Town charges customers for the services it provides, whether to outside customers or to other units of the Town, these services are generally reported in proprietary funds. Proprietary funds are reported in the same way that all activities are reported in the statement of net position and the statement of activities. The Town's enterprise fund (the component of proprietary funds) is the same as the business-type fund reported in the government wide financial statements but provide more detail and additional information, such as cash flows for proprietary funds.

The Town of Orange maintains two (2) individual proprietary funds and two (2) internal service funds. Information is presented in separate columns in the Proprietary Funds statement of net position, in the Proprietary Funds statement of revenues, Expenses, and changes in net position, and the Proprietary Funds statement of cash flows for the following funds: The Water Pollution Control Authority Fund and Congregate Elderly Housing Fund which are considered major funds.

The basic proprietary fund financial statements can be found on pages 20 - 22 of this report.

Fiduciary funds - The Town is the trustee, or fiduciary, for its employees' pension plans. All of the Town's fiduciary activities are reported in separate statements of net position and changes in net position. These activities are excluded from the Town's other financial statements because the Town cannot use the assets to finance its operations. The Town is responsible for ensuring that the assets reported in these funds are used for their intended purpose.

The Town of Orange has four (4) Fiduciary Funds: three (3) Pension Trust Funds - the Orange Police Pension Trust Fund, the Orange Town Pension Trust Fund and the Orange Defined Contribution Pension Trust Fund and one (1) Agency Fund: the Performance Bonds Fund.

The basic fiduciary fund financial statements can be found on pages 23 - 24 of this report with more detailed information in the notes to the financial statements on pages 50 - 62 and in the required supplementary information on pages 70 - 74.

Notes to the Financial Statements - The notes provide additional information that are essential to a full understanding of the data provided in the government-wide and fund financial statements. The notes to the financial statements can be found on pages 25 - 69 of this report.

Other Information

In addition to the basic financial statements and accompanying notes, this report also presents required supplementary information concerning the Town's progress in funding its obligation to provide pension and OPEB benefits to its employees. Required supplementary information can be found on pages 70 - 76 of this report.

The combining statements referred to earlier in connection with nonmajor governmental funds are presented immediately following the required supplementary information on pensions and OPEB. Combining and individual fund statements and schedules can be found on pages 77-85 of this report.

Government-wide Financial Analysis

The table below provides a summary of the Town's net assets for 2014 and 2015.

Statement of Net Position (in 000's)

	Governmental Activities		Business-Type Activities		Total	
	2015	2014	2015	2014	2015	2014
Assets						
Current and other assets	\$ 24,205	\$ 28,542	\$ 1,167	\$ 2,077	\$ 25,372	\$ 30,619
Noncurrent assets	710	712	3,348	3,343	4,058	4,055
Capital assets	53,090	46,500	6,282	5,785	59,372	52,285
Total assets	<u>78,005</u>	<u>75,754</u>	<u>10,797</u>	<u>11,205</u>	<u>88,802</u>	<u>86,959</u>
Deferred outflow of resources						
Deferred charge related						
to pensions	1,362	-	-	-	1,362	-
Deferred charge on						
refunding	168	199	-	-	168	199
	<u>1,530</u>	<u>199</u>	<u>-</u>	<u>-</u>	<u>1,530</u>	<u>199</u>
Liabilities						
Long-term liabilities	44,534	26,112	527	564	45,061	26,676
Other Liabilities	5,676	12,997	295	1,022	5,971	14,019
Total liabilities	<u>50,210</u>	<u>39,109</u>	<u>822</u>	<u>1,586</u>	<u>51,032</u>	<u>40,695</u>
Deferred inflow of resources						
Deferred charge related						
to pensions	6	-	-	-	6	-
	<u>6</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>6</u>	<u>-</u>
Net Position						
Net investment in capital						
assets	22,547	26,739	6,282	5,785	28,829	32,524
Restricted	41	41	-	-	41	41
Unrestricted	6,731	10,064	3,693	3,834	10,424	13,898
Total net position	<u>\$ 29,319</u>	<u>\$ 36,844</u>	<u>\$ 9,975</u>	<u>\$ 9,619</u>	<u>\$ 39,294</u>	<u>\$ 46,463</u>

Note: 2014 figures not adjusted for restatement in 2015.

Over time, net position can serve as a useful indicator of a government's financial position. At June 30, 2015 the Town's assets and deferred outflows of resources exceeded liabilities and deferred inflows of resources by \$39,294,192. At year-end, net positions were \$29,319,027 and \$9,975,165 for the governmental activities and the business-type activities, respectively.

Capital assets reported on the government-wide statements represent the largest portion of the Town's net assets. At year-end, capital assets represented 66.9% of total assets. Capital assets include land, land improvements, buildings and improvements, equipment, vehicles and infrastructure.

The table below shows the change in net assets between fiscal 2014 and 2015:

Statement of Activities (in 000's)						
	Governmental Activities			Business-Type Activities		
	2015	2014	Change	2015	2014	Change
Revenues:						
Program Revenues:						
Charges for services	\$ 5,004	\$ 5,099	(\$ 95)	\$ 1,074	\$ 1,067	\$ 7
Operating grants and contributions	2,477	2,632	(155)	318	296	22
Capital grants and contributions	536	58	478	796	1,457	(661)
General revenues:						
Property taxes	58,961	57,931	1,030	-	-	-
Grants and contributions not restricted to specific programs	536	546	(10)	-	-	-
Unrestricted investment earnings	51	63	(12)	5	3	2
Miscellaneous	511	169	342	20	29	(9)
Total revenues	68,076	66,498	1,578	2,213	2,852	(639)
Program expenses:						
General government	2,169	2,076	93	-	-	-
Public safety	5,904	5,965	(61)	-	-	-
Public works and sanitation	3,929	3,744	185	-	-	-
Culture and recreation	2,085	2,054	31	-	-	-
Health and welfare	2,040	1,818	222	-	-	-
Orange Board of Education	21,515	19,843	1,672	-	-	-
Amity Regional School District	21,800	21,448	352	-	-	-
Sewer	-	-	-	973	949	24
Elderly housing	-	-	-	914	904	10
Other	7,215	6,602	613	-	-	-
Interest on long-term debt	937	802	135	-	-	-
Total program expenses	67,594	64,352	3,242	1,887	1,853	34
Increase (decrease) in net position	\$ 482	\$ 2,146	(\$ 1,664)	\$ 326	\$ 999	(\$ 673)

Governmental Activities

Governmental activities increased in 2015. The main reason for the increase in net position of the Town is the increase in tax collections through mill rate increase.

The table below presents the cost of each of the Town's five largest programs - education, public works, general government, public safety and other - as well as each program's net cost (total cost less revenues generated by the activities). Net cost shows the burden that was placed on the Town's taxpayers by each of the functions.

	Year Ended June 30, 2015		Year Ended June 30, 2014	
	Total Cost of Services	Net Cost of Services	Total Cost of Services	Net Cost of Services
Education	\$ 43,315,464	\$ 40,096,456	\$ 41,290,871	\$ 38,637,981
Public safety	5,904,028	5,519,899	5,965,384	5,424,135
Other	7,215,012	7,084,785	6,601,535	6,508,138
Public works and sanitation	3,928,729	3,109,803	3,744,392	2,796,119
General government	2,168,856	842,455	2,075,947	279,845
Culture and recreation	2,084,784	1,406,528	2,054,281	1,362,060
All others	2,976,622	1,517,361	2,619,763	1,554,858
	<u>\$ 67,593,495</u>	<u>\$ 59,577,287</u>	<u>\$ 64,352,173</u>	<u>\$ 56,563,136</u>

Business-type Activities

Business-type activities include the Water Pollution Control Authority (WPCA) which operates and maintains the sanitary sewer system in the commercial and industrial areas of the Town, and Congregate Elderly Housing (Silverbrook Estates) which operates a 45-unit elderly housing complex.

The majority of the revenue for the WPCA is derived from sewer use fees. The majority of the revenue for Silverbrook Estates is derived from tenant rental payments and subsidies received from the Connecticut Department of Economic and Community Development.

During the year ended June 30, 2015, the WPCA reported program revenues of \$572,041 and expenses of \$972,854. This program ended fiscal 2015 with an operating loss of \$400,813.

During the year ended June 30, 2015, the Congregate Elderly Housing reported program revenues of \$819,524 and expenses of \$914,149. This program ended fiscal 2015 with an operating loss of \$94,625.

Financial Analysis of Governmental Funds

Governmental Funds - The focus of the Town's governmental funds is to provide information on near-term inflows, outflows, and balances of spendable resources. Such information is useful in assessing the Town's financing requirements. In particular, unassigned fund balance may serve as a useful measure of the Town's net resources available for discretionary use as they represent the portion of fund balance which has not yet been limited to use for a particular purpose by either an external party, the Town itself, or a group or individual that has been delegated authority to assign resources for use for particular purposes by the Orange Town Meeting.

At June 30, 2015, the Town's governmental funds reported combined fund balances of \$18,662,153, a decrease of \$3,518,088 in comparison with the prior year. The most significant reason for the decrease was capital expenditures related to ongoing bonded capital projects. Of this total amount, \$42,604 is nonspendable, \$6,044,640 is restricted by governmental grants or other legal restrictions, \$1,351,819 is committed to various projects, and \$1,887,961 is assigned and \$9,335,129 is unassigned.

The General Fund is the operating fund of the Town. At the end of the current fiscal year, the General Fund total fund balance was \$10,661,381. Approximately 88.3% of this amount (\$9,415,266) constitutes unassigned fund balance, which is available for spending at the town's discretion. The remainder of the fund balance is either nonspendable or assigned to indicate that it is (1) not in a spendable form (\$13,400), or (2) assigned for a particular purpose (\$1,232,715).

At the end of the current fiscal year, unassigned fund balance of the general fund was \$9,415,266, while total fund balance increased to \$10,661,381. As a measure of the general fund's liquidity, it may be useful to compare both unassigned fund balance and total fund balance to total general fund expenditures. Unassigned fund balance represents approximately 14.9% of total general fund budgeted expenditures (\$63,277,311), while total fund balance represents approximately 16.8% of that same amount.

The fund balance of the Town's general fund increased by \$1,499,272 during the current fiscal year. The increase was primarily due to controlled expenditure reductions.

Proprietary Funds

Net position of the proprietary fund, the Town's enterprise funds, reflected an increase of \$326,201 attributable mainly to capital grants. The Town's proprietary funds are the Water Pollution Control Authority and Congregate Elderly Housing. See analysis above under business-type activities.

General Fund budgetary highlight

Original budget compared to final budget

There were no additional appropriations needed during the year. There was a need to make an amendment to reallocate appropriations within departments. Generally, the movement of the appropriations was not significant.

Final budget compared to actual results

General property taxes - property tax revenue was \$349,545 less than budgeted due primarily to lower than anticipated overall tax collections. Intergovernmental revenues were \$568,534 higher than budgeted which included reimbursements received from FEMA for storm related expenditures. Interest earnings were less than anticipated by \$49,995.

The Town's departments maintained spending within the budgetary limits. Overall, expenditures were \$1,185,891 under budget largely due to reduced employee benefit costs and a management enacted spending freeze.

The Town's General Fund fund balance of \$10,661,381 as reported on the Balance Sheet differs from the General Fund's budgetary fund balance. The nature of the difference is primarily attributable to encumbrances that are recognized for budgetary purposes.

Capital Asset and Debt Administration

Capital Assets - At June 30, 2015, the Town had a net balance of \$59,372,000 invested in a broad range of capital assets, including land, buildings, vehicles and equipment, roads, bridges, and a water system. This represents a net increase (including additions and deductions) of \$7,087,000 or approximately 13.6% from the prior year. The increase is the result of additions in excess of depreciation and deletions.

Capital Assets, Net of Depreciation (in 000's)

	Governmental Activities		Business-type Activities	
	2015	2014	2015	2014
Land	\$ 22,579	\$ 22,579	\$ 19	\$ 19
Construction in progress	9,749	2,759	2,403	1,607
Land improvements	25	80	-	-
Buildings and improvements	14,256	14,586	1,645	1,732
Sewer lines and pump stations	-	-	2,156	2,381
Equipment	1,946	2,104	59	76
Vehicles	652	567	-	-
Infrastructure	3,883	3,825	-	-
	<u>\$ 53,090</u>	<u>\$ 46,500</u>	<u>\$ 6,282</u>	<u>\$ 5,815</u>

Long-term debt

The Town had the following long-term obligations outstanding at June 30, 2015

Long-term debt (in 000's)

	Governmental Activities		Business-type Activities		Total	
	2014		2015	2014	2015	2014
	2015	(as restated)				
General obligation bonds	\$ 28,045	\$ 21,470	\$ -	\$ -	\$ 28,045	\$ 21,470
Deferred premium on bonds	964	899	-	-	964	899
Capital lease	-	22	-	-	-	22
Net pension liability	9,938	8,007	-	-	9,938	8,007
Other post-employment benefits	6,236	4,659	-	-	6,236	4,659
Compensated absences	1,413	1,322	-	-	1,413	1,322
Claims and judgments	-	-	564	601	564	601
	<u>\$ 46,596</u>	<u>\$ 36,379</u>	<u>\$ 564</u>	<u>\$ 601</u>	<u>\$ 47,160</u>	<u>\$ 36,980</u>

The Town maintains an Aa1 rating from Moody's Investors Service and an AAA from Standard & Poor's.

State statutes limit the amount of general obligation debt a governmental entity may issue to seven times its annual tax collections. The current debt limitation for the Town is \$411,980,849 which is significantly in excess of the Town's outstanding general obligation debt.

Economic Factors and Next Year's Budgets and Rates

The Town's elected and appointed officials consider many factors when establishing the annual budget and setting the mill rate. One of those factors is the state and local economy. Other factors include anticipated tax collections as well as uncertainty regarding the level of state funding to be received. These factors were taken into account when adopting the General Fund budget.

The net grand list for October 1, 2014 was \$1,922,639,080 or an increase of .363%, as compared to the October 1, 2013 net grand list. Overall, residential property comprises approximately 70% of the grand list and commercial property comprises the remaining 30%.

The fiscal year 2015-2016 Budget shows an increase of \$1,103,229 or 2.70% over fiscal year 2014-2015. The Town of Orange's annual budget for FY 2015-2016 was proposed by the Board of Finance and adopted at Town Meeting on May 11, 2015 and Referendum on May 19, 2015 at \$64,988,821 with a mill rate of 31.4.

Requests for Information

This financial report is designed to provide citizens, taxpayers, customers, investors, and creditors with a general overview of the Town's finances and to show the Town's accountability for the money it receives. If you have any questions about this report or need additional financial information, contact the Director of Finance and Administration at the Town of Orange, 617 Orange Center Road, Orange, Connecticut 06477.

**TOWN OF ORANGE, CONNECTICUT
STATEMENT OF NET POSITION
JUNE 30, 2015**

	Primary Government		Total
	Governmental Activities	Business-Type Activities	
ASSETS			
Cash and cash equivalents	\$ 23,149,892	\$ 241,122	\$ 23,391,014
Uncollected property taxes and sewer assessments, less allowance of \$69,000 for uncollectibles	655,087	346,463	1,001,550
Accounts receivable, less allowance of \$28,900 for uncollectibles	290,756	579,489	870,245
Prepaid items	13,400	-	13,400
Due from other governments	95,242	-	95,242
Investments	710,368	3,348,062	4,058,430
Capital assets:			
Nondepreciable	22,578,880	18,970	22,597,850
Construction in progress	9,748,872	2,403,347	12,152,219
Depreciable, net of accumulated depreciation	<u>20,762,609</u>	<u>3,859,683</u>	<u>24,622,292</u>
Total assets	<u>78,005,106</u>	<u>10,797,136</u>	<u>88,802,242</u>
DEFERRED OUTFLOW OF RESOURCES			
Deferred charge related to pensions	1,362,085	-	1,362,085
Deferred charge on refunding	167,798	-	167,798
Total deferred outflow of resources	<u>1,529,883</u>	<u>-</u>	<u>1,529,883</u>
LIABILITIES			
Accounts payable and accrued liabilities	1,532,533	233,366	1,765,899
Due to other governments	-	24,977	24,977
Interest payable	346,808	-	346,808
Unearned revenue	31,903	-	31,903
Bond anticipation notes	1,702,000	-	1,702,000
Long-term liabilities:			
Due within one year	2,063,097	37,000	2,100,097
Due in more than one year	<u>44,533,688</u>	<u>526,628</u>	<u>45,060,316</u>
Total liabilities	<u>50,210,029</u>	<u>821,971</u>	<u>51,032,000</u>
DEFERRED INFLOW OF RESOURCES			
Deferred charge related to pensions	<u>5,933</u>	<u>-</u>	<u>5,933</u>
Total deferred inflow of resources	<u>5,933</u>	<u>-</u>	<u>5,933</u>
NET POSITION			
Net investment in capital assets	22,546,693	6,282,000	28,828,693
Restricted for:			
Nonexpendable permanent endowments	40,873	-	40,873
Unrestricted	<u>6,731,461</u>	<u>3,693,165</u>	<u>10,424,626</u>
Total net position	<u>\$ 29,319,027</u>	<u>\$ 9,975,165</u>	<u>\$ 39,294,192</u>

See notes to basic financial statements.

**TOWN OF ORANGE, CONNECTICUT
STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED JUNE 30, 2015**

Functions/Programs	Expenses	Program Revenues			Total	Net (Expense) Revenue and Changes in Net Position		
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions		Governmental Activities	Business-Type Activities	Total
Primary government								
Governmental activities								
General government	\$ 2,168,856	\$ 1,107,904	\$ 218,497	\$ -	\$ 1,326,401	(\$ 842,455)	\$ -	(\$ 842,455)
Public safety	5,904,028	279,258	104,871	-	384,129	(5,519,899)	-	(5,519,899)
Public works and sanitation	3,928,729	476,628	342,298	-	818,926	(3,109,803)	-	(3,109,803)
Culture and recreation	2,084,784	656,672	15,084	6,500	678,256	(1,406,528)	-	(1,406,528)
Health and welfare	2,040,106	1,401,329	57,932	-	1,459,261	(580,845)	-	(580,845)
Education:								
Orange Board of Education	21,515,592	951,779	1,737,914	529,315	3,219,008	(18,296,584)	-	(18,296,584)
Amity Regional School District	21,799,872	-	-	-	-	(21,799,872)	-	(21,799,872)
Other	7,215,012	130,227	-	-	130,227	(7,084,785)	-	(7,084,785)
Interest on long-term debt	936,516	-	-	-	-	(936,516)	-	(936,516)
Total governmental activities	<u>67,593,495</u>	<u>5,003,797</u>	<u>2,476,596</u>	<u>535,815</u>	<u>8,016,208</u>	<u>(59,577,287)</u>	<u>-</u>	<u>(59,577,287)</u>
Business-type activities								
Sewer	972,854	572,041	-	-	572,041	-	(400,813)	(400,813)
Elderly Housing	914,149	501,910	317,614	796,449	1,615,973	-	701,824	701,824
Total business-type activities	<u>1,887,003</u>	<u>1,073,951</u>	<u>317,614</u>	<u>796,449</u>	<u>2,188,014</u>	<u>-</u>	<u>301,011</u>	<u>301,011</u>
Total primary government	<u>\$ 69,480,498</u>	<u>\$ 6,077,748</u>	<u>\$ 2,794,210</u>	<u>\$ 1,332,264</u>	<u>\$ 10,204,222</u>	<u>(59,577,287)</u>	<u>301,011</u>	<u>(59,276,276)</u>
General revenues:								
Property taxes, levied for general purposes						58,961,417	-	58,961,417
Grants and contributions not restricted to specific programs						535,677	-	535,677
Unrestricted investment earnings						51,375	5,110	56,485
Miscellaneous						511,234	20,080	531,314
Total general revenues						<u>60,059,703</u>	<u>25,190</u>	<u>60,084,893</u>
Change in net position						482,416	326,201	808,617
Net position, beginning, as restated						<u>28,836,611</u>	<u>9,648,964</u>	<u>38,485,575</u>
Net position, ending						<u>\$ 29,319,027</u>	<u>\$ 9,975,165</u>	<u>\$ 39,294,192</u>

See notes to basic financial statements.

**TOWN OF ORANGE, CONNECTICUT
BALANCE SHEET
GOVERNMENTAL FUNDS
JUNE 30, 2015**

	General Fund	Bonded Capital Projects	Other Governmental Funds	Total Governmental Funds
ASSETS				
Cash and cash equivalents	\$ 10,275,712	\$ 5,793,164	\$ 2,448,467	\$ 18,517,343
Uncollected property taxes, interest and liens, less allowance of \$69,000 for uncollectibles	655,087	-	-	655,087
Accounts receivable, less allowance of \$23,900 for uncollectibles	-	-	290,756	290,756
Due from other funds	225,993	-	-	225,993
Due from other governments	71,322	-	23,920	95,242
Investments	683,643	-	26,725	710,368
Prepaid items	13,400	-	-	13,400
 Total assets	 \$ 11,925,157	 \$ 5,793,164	 \$ 2,789,868	 \$ 20,508,189
 LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES				
LIABILITIES				
Accounts payable and accrued liabilities	\$ 843,201	\$ 281,137	\$ 43,227	\$ 1,167,565
Due to other funds	-	53,269	172,724	225,993
Unearned revenue	-	-	31,903	31,903
 Total liabilities	 843,201	 334,406	 247,854	 1,425,461
 DEFERRED INFLOWS OF RESOURCES				
Unavailable revenue - property taxes	420,575	-	-	420,575
 FUND BALANCES (DEFICITS)				
Nonspendable	13,400	-	29,204	42,604
Restricted	-	5,458,758	585,882	6,044,640
Committed	-	-	1,351,819	1,351,819
Assigned	1,232,715	-	655,246	1,887,961
Unassigned	9,415,266	-	(80,137)	9,335,129
 Total fund balances (deficits)	 10,661,381	 5,458,758	 2,542,014	 18,662,153
 Total liabilities, deferred inflows of resources, and fund balances (deficits)	 \$ 11,925,157	 \$ 5,793,164	 \$ 2,789,868	 \$ 20,508,189

See notes to basic financial statements.

TOWN OF ORANGE, CONNECTICUT
RECONCILIATION OF THE GOVERNMENTAL FUNDS BALANCE SHEET
TO THE GOVERNMENT-WIDE STATEMENT OF NET POSITION
JUNE 30, 2015

Total fund balances - governmental funds \$ 18,662,153

Amounts reported for governmental activities in the statement of net position are different from the governmental funds balance sheet. The details of these differences are as follows:

Capital assets used in governmental activities are not current financial resources and therefore are not reported in the funds. 53,090,361

Other long-term assets are not available to pay for current period expenditures and, therefore, are unavailable revenue in the funds:

Property tax and interest receivable	420,575
Deferred charge on refundings	167,798

Interest payable on long-term debt does not require current financial resources and therefore interest payable is not reported as a liability in the funds. (346,808)

Internal service funds are used by management to charge the costs of medical insurance to individual funds. The assets and liabilities of the internal service funds are included in governmental activities in the statement of net position. 4,267,581

Some long-term liabilities are not due and payable in the current period and, therefore, are not reported in the funds.

General obligation bonds	(28,045,000)
Deferred premium on bonds	(964,466)
Bond anticipation notes	(1,702,000)
Net pension liability	(9,938,151)
Net deferred charges related to pensions	1,356,152
Other post-employment benefits	(6,235,774)
Compensated absences	(1,413,394)

Net position of governmental activities \$ 29,319,027

See notes to basic financial statements.

**TOWN OF ORANGE, CONNECTICUT
STATEMENT OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCES
GOVERNMENTAL FUNDS
FOR THE YEAR ENDED JUNE 30, 2015**

	General Fund	Bonded Capital Projects	Other Governmental Funds	Total Governmental Funds
REVENUES				
Property taxes	\$ 58,574,393	\$ -	\$ -	\$ 58,574,393
Interest and lien fees	255,785	-	-	255,785
Licenses, permits, fees and fines	660,696	-	-	660,696
Intergovernmental	4,620,212	-	982,861	5,603,073
Program revenue	200,762	-	897,663	1,098,425
Investment income	31,463	19,012	900	51,375
Charges for facilities and services	73,530	-	2,373,683	2,447,213
Miscellaneous	483,656	13,303	555,228	1,052,187
	<u>64,900,497</u>	<u>32,315</u>	<u>4,810,335</u>	<u>69,743,147</u>
Total revenues				
EXPENDITURES				
Current operating:				
General government	2,010,403	-	-	2,010,403
Public safety	5,647,497	-	201,978	5,849,475
Public works and sanitation	3,074,000	-	501,931	3,575,931
Culture and recreation	1,213,840	-	623,683	1,837,523
Health and welfare	896,903	-	1,235,784	2,132,687
Employee benefits	4,593,697	-	-	4,593,697
Education:				
Orange Board of Education	20,716,416	-	1,451,500	22,167,916
Amity Regional School District	21,799,872	-	-	21,799,872
Town services	352,860	-	6,500	359,360
Debt service	2,835,791	8,137,843	-	10,973,634
Capital outlay	470,188	7,378,901	697,081	8,546,170
	<u>63,611,467</u>	<u>15,516,744</u>	<u>4,718,457</u>	<u>83,846,668</u>
Total expenditures				
Excess (deficiency) of revenues over expenditures	<u>1,289,030</u>	<u>(15,484,429)</u>	<u>91,878</u>	<u>(14,103,521)</u>
OTHER FINANCING SOURCES (USES)				
Proceeds from general obligation bonds	-	8,725,000	-	8,725,000
Proceeds from general obligation bond anticipation notes	-	1,702,000	-	1,702,000
Premium on general obligation bonds and note	-	158,433	-	158,433
Interfund transfers in	210,242	-	-	210,242
Interfund transfers out	-	-	(210,242)	(210,242)
	<u>210,242</u>	<u>10,585,433</u>	<u>(210,242)</u>	<u>10,585,433</u>
Total other financing sources (uses)				
Net change in fund balances	1,499,272	(4,898,996)	(118,364)	(3,518,088)
Fund balances, beginning	<u>9,162,109</u>	<u>10,357,754</u>	<u>2,660,378</u>	<u>22,180,241</u>
Fund balances, ending	<u>\$ 10,661,381</u>	<u>\$ 5,458,758</u>	<u>\$ 2,542,014</u>	<u>\$ 18,662,153</u>

See notes to basic financial statements.

**TOWN OF ORANGE, CONNECTICUT
RECONCILIATION OF THE GOVERNMENTAL FUNDS STATEMENT OF REVENUES,
EXPENDITURES AND CHANGES IN FUND BALANCES
TO THE GOVERNMENT-WIDE STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED JUNE 30, 2015**

Net change in fund balances - governmental funds (\$ 3,518,088)

Amount reported for governmental activities in the statement
of activities are different due to the following:

Governmental funds report capital outlays as expenditures. However, in the statement
of activities, the cost of those assets is allocated over their estimated useful lives and
reported as depreciation expense. The details of these items are as follows:

Capital outlay	7,906,344
Depreciation expense	(1,316,401)

Revenues in the statement of activities that do not provide current financial resources
are not reported as revenues in the funds. The details of these items are as follows:

Property taxes and interest - accrual basis change	(651)
--	--------

The issuance of long-term debt (e.g. bonds, leases) provides current financial
resources to governmental funds, while the repayment of the principal of long-term
debt consumes the current financial resources of governmental funds.

Principal payments on general obligation bonds	2,150,000
Principal payments on bond anticipation notes	7,927,000
Principal payments on capital lease obligations	21,790
Issuance of general obligation bonds	(8,725,000)
Issuance of bond anticipation notes	(1,702,000)
Premium on general obligation bonds and bond anticipation notes	(158,433)

Some expenses reported in the statement of activities do not require the use of current
financial resources and, therefore, are not reported as expenditures in governmental
funds:

Change in net pension liability	(1,930,911)
Amortization of deferred charges related to pensions	1,356,152
Change in other post-employment benefits	(1,577,076)
Change in compensated absences	(91,181)
Change in accrued interest payable	(39,881)
Amortization of deferred charges on refunding	(30,872)
Amortization of bond premium	92,756

Internal service funds are used by management to charge costs of
medical insurance to individual funds. 118,868

Change in net position of governmental activities \$ 482,416

See notes to basic financial statements.

**TOWN OF ORANGE, CONNECTICUT
GENERAL FUND
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE -
BUDGETARY BASIS - BUDGET AND ACTUAL - GENERAL FUND
YEAR ENDED JUNE 30, 2015**

	Budgeted Amounts		Actual Amounts Budgetary Basis	Variance with Final Budget
	Original	Final		
Budgetary fund balance, July 1, 2014			\$ 8,168,429	
Revenues				
Property taxes:				
Real property	\$ 50,401,765	\$ 50,401,765	50,222,896	(\$ 178,869)
Personal property	3,638,922	3,638,922	3,626,984	(11,938)
Motor vehicle	3,969,036	3,969,036	3,848,690	(120,346)
Supplement motor vehicle	395,000	395,000	458,312	63,312
Prior years	495,000	495,000	417,511	(77,489)
Interest and lien fees	280,000	280,000	255,785	(24,215)
Licenses, permits, fees and fines	796,050	796,050	660,696	(135,354)
Intergovernmental	2,292,596	2,292,596	2,861,130	568,534
Program revenues	219,600	219,600	200,762	(18,838)
Investment income	81,458	81,458	31,463	(49,995)
Charges for facilities and services	14,400	14,400	73,530	59,130
Miscellaneous	573,484	573,484	483,656	(89,828)
Total revenues	<u>63,157,311</u>	<u>63,157,311</u>	<u>63,141,415</u>	<u>(15,896)</u>
Expenditures				
General government	2,041,732	2,056,824	1,948,426	108,398
Public safety	5,756,212	5,765,236	5,864,984	(99,748)
Public works and sanitation	3,320,042	3,322,169	3,116,296	205,873
Culture and recreation	1,352,340	1,358,701	1,214,036	144,665
Health and welfare	931,052	935,678	896,903	38,775
Employee benefits	5,213,422	5,176,192	4,597,366	578,826
Education:				
Orange Board of Education	18,821,908	18,821,908	18,796,936	24,972
Amity Regional School District	21,800,687	21,800,687	21,799,872	815
Other	435,405	435,405	352,860	82,545
Debt service	2,936,561	2,936,561	2,835,791	100,770
Capital outlay	667,950	667,950	667,950	-
Total expenditures	<u>63,277,311</u>	<u>63,277,311</u>	<u>62,091,420</u>	<u>1,185,891</u>
Excess (deficiency) of revenues over expenditures before other financing sources (uses)	<u>(120,000)</u>	<u>(120,000)</u>	<u>1,049,995</u>	<u>1,169,995</u>
Other Financing Sources (Uses)				
Transfers from other funds	<u>120,000</u>	<u>120,000</u>	<u>210,242</u>	<u>90,242</u>
Total other financing sources (uses)	<u>120,000</u>	<u>120,000</u>	<u>210,242</u>	<u>90,242</u>
Net change in fund balance	<u>\$ -</u>	<u>\$ -</u>	<u>1,260,237</u>	<u>\$ 1,260,237</u>
Budgetary fund balance, June 30, 2015			<u>\$ 9,428,666</u>	

See notes to basic financial statements.

TOWN OF ORANGE, CONNECTICUT
STATEMENT OF NET POSITION
PROPRIETARY FUNDS
JUNE 30, 2015

	Business-Type Activities			Governmental Activities
	Water Pollution Control Authority	Congregate Elderly Housing	Total Enterprise Funds	Internal Service Funds
ASSETS				
Current assets:				
Cash and cash equivalents	\$ 53,930	\$ 187,192	\$ 241,122	\$ 4,632,549
Investments	3,348,062	-	3,348,062	-
Accounts receivable, net of allowance for uncollectibles of \$5,000	578,193	1,296	579,489	-
Assessments receivable	87,633	-	87,633	-
Total current assets	<u>4,067,818</u>	<u>188,488</u>	<u>4,256,306</u>	<u>4,632,549</u>
Noncurrent assets:				
Assessments receivable	258,830	-	258,830	-
Capital assets:				
Land	-	18,970	18,970	-
Construction in progress	-	2,403,347	2,403,347	-
Buildings and equipment	8,595,604	3,636,008	12,231,612	-
Less, accumulated depreciation	<u>(6,385,985)</u>	<u>(1,985,944)</u>	<u>(8,371,929)</u>	<u>-</u>
Capital assets, net	<u>2,209,619</u>	<u>4,072,381</u>	<u>6,282,000</u>	<u>-</u>
Total noncurrent assets	<u>2,468,449</u>	<u>4,072,381</u>	<u>6,540,830</u>	<u>-</u>
Total assets	<u>6,536,267</u>	<u>4,260,869</u>	<u>10,797,136</u>	<u>4,632,549</u>
LIABILITIES				
Current liabilities:				
Accounts payable and accrued expenses	100,443	132,923	233,366	75
Due to other governments	-	24,977	24,977	-
Claims incurred but not reported	-	-	-	364,893
Claims and judgments	37,000	-	37,000	-
Total current liabilities	<u>137,443</u>	<u>157,900</u>	<u>295,343</u>	<u>364,968</u>
Noncurrent liabilities:				
Claims and judgments, net of current portion	526,628	-	526,628	-
Total noncurrent liabilities	<u>526,628</u>	<u>-</u>	<u>526,628</u>	<u>-</u>
Total liabilities	<u>664,071</u>	<u>157,900</u>	<u>821,971</u>	<u>364,968</u>
NET POSITION				
Net investment in capital assets	2,209,619	4,072,381	6,282,000	-
Unrestricted	3,662,577	30,588	3,693,165	4,267,581
Total net position	<u>\$ 5,872,196</u>	<u>\$ 4,102,969</u>	<u>\$ 9,975,165</u>	<u>\$ 4,267,581</u>

See notes to basic financial statements.

TOWN OF ORANGE, CONNECTICUT
STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN NET POSITION
PROPRIETARY FUNDS
FOR THE YEAR ENDED JUNE 30, 2015

	Business-Type Activities			Governmental Activities
	Water Pollution Control Authority	Congregate Elderly Housing	Total Enterprise Funds	Internal Service Funds
OPERATING REVENUES				
Charges for facilities and services	\$ 572,041	\$ 501,910	\$ 1,073,951	\$ 6,246,154
Intergovernmental	-	317,614	317,614	-
Total operating revenues	<u>572,041</u>	<u>819,524</u>	<u>1,391,565</u>	<u>6,246,154</u>
OPERATING EXPENSES				
Personnel services	81,364	212,490	293,854	-
Contractual services	601,131	298,673	899,804	935,070
Utilities	19,797	137,970	157,767	-
Repairs and maintenance	24,015	95,121	119,136	-
Other supplies and expenses	7,637	79,749	87,386	-
Insurance claims	-	-	-	5,198,828
Depreciation	238,910	90,146	329,056	-
Total operating expenses	<u>972,854</u>	<u>914,149</u>	<u>1,887,003</u>	<u>6,133,898</u>
Operating income (loss)	<u>(400,813)</u>	<u>(94,625)</u>	<u>(495,438)</u>	<u>112,256</u>
NONOPERATING REVENUES				
Intergovernmental - capital	-	796,449	796,449	-
Interest and penalties on assessments	20,080	-	20,080	-
Interest	5,035	75	5,110	6,612
Total nonoperating revenues	<u>25,115</u>	<u>796,524</u>	<u>821,639</u>	<u>6,612</u>
Change in net position	<u>(375,698)</u>	<u>701,899</u>	<u>326,201</u>	<u>118,868</u>
Net position, beginning, as restated	<u>6,247,894</u>	<u>3,401,070</u>	<u>9,648,964</u>	<u>4,148,713</u>
Net position, ending	<u>\$ 5,872,196</u>	<u>\$ 4,102,969</u>	<u>\$ 9,975,165</u>	<u>\$ 4,267,581</u>

See notes to basic financial statements.

**TOWN OF ORANGE, CONNECTICUT
STATEMENT OF CASH FLOWS
PROPRIETARY FUNDS
FOR THE YEAR ENDED JUNE 30, 2015**

	Business-Type Activities			Governmental Activities
	Water Pollution Control Authority	Congregate	Total	Internal Service Funds
		Elderly Housing	Enterprise Funds	
Cash Flows from Operating Activities				
Receipts from customers	\$ 545,756	\$ 500,614	\$1,046,370	\$ 6,246,154
Payments to suppliers	(625,992)	(1,361,581)	(1,987,573)	-
Payments to employees	(81,364)	(212,490)	(293,854)	-
Claims paid to outsiders	-	-	-	(5,203,137)
Other receipts (payments)	-	314,511	314,511	(955,356)
Net cash provided (used) by operating activities	(161,600)	(758,946)	(920,546)	87,661
Cash Flows from Capital and Related Financing Activities				
Acquisition of capital assets	-	(796,448)	(796,448)	-
Receipts from customers	87,462	1,601,867	1,689,329	-
Payments made on claims and judgments	(37,000)	-	(37,000)	-
Net cash provided by capital and related financing activities	50,462	805,419	855,881	-
Cash Flows from Investing Activities				
Purchase of investments	(5,035)	-	(5,035)	-
Interest	25,115	75	25,190	6,612
Net cash provided by investing activities	20,080	75	20,155	6,612
Net change in cash and cash equivalents	(91,058)	46,548	(44,510)	94,273
Cash and cash equivalents, beginning	144,988	140,644	285,632	4,538,276
Cash and cash equivalents, ending	<u>\$ 53,930</u>	<u>\$ 187,192</u>	<u>\$ 241,122</u>	<u>\$ 4,632,549</u>
Reconciliation of operating income (loss) to net cash used by operating activities:				
Operating income (loss)	(\$ 400,813)	(\$ 94,625)	(\$ 495,438)	\$ 112,256
Adjustments to reconcile operating income (loss) to net cash provided (used) by operating activities:				
Depreciation	238,910	90,146	329,056	-
Changes in assets and liabilities:				
Increase in accounts receivable	(26,285)	(1,296)	(27,581)	-
Increase (decrease) in accounts payable and accrued liabilities	26,588	(750,068)	(723,480)	(829)
Decrease in due to other funds	-	-	-	(20,286)
Decrease in due to other governments	-	(3,103)	(3,103)	-
Decrease in claims incurred but not reported	-	-	-	(3,480)
Net cash provided (used) by operating activities	<u>(\$ 161,600)</u>	<u>(\$ 758,946)</u>	<u>(\$ 920,546)</u>	<u>\$ 87,661</u>

See notes to basic financial statements.

**TOWN OF ORANGE, CONNECTICUT
STATEMENT OF NET POSITION
FIDUCIARY FUNDS
JUNE 30, 2015**

	<u>Pension Trust Funds</u>	<u>Agency Fund</u>
ASSETS		
Cash and cash equivalents	\$ 1,228,097	\$ 192,750
Investments, at fair value	<u>33,428,864</u>	<u>-</u>
	<u>34,656,961</u>	<u>\$ 192,750</u>
LIABILITIES		
Amounts held for others	<u>-</u>	<u>\$ 192,750</u>
NET POSITION		
Net position held in trust for pension benefits	<u>\$ 34,656,961</u>	

See notes to basic financial statements.

**TOWN OF ORANGE, CONNECTICUT
STATEMENT OF CHANGES IN NET POSITION
FIDUCIARY FUNDS
FOR THE YEAR ENDED JUNE 30, 2015**

	<u>Pension Trust Funds</u>
ADDITIONS	
Contributions:	
Employer	\$ 1,519,802
Plan members	639,177
Total contributions	<u>2,158,979</u>
Investment earnings:	
Investment income	898,087
Net increase in the fair value of investments	123,367
Net investment earnings	<u>1,021,454</u>
Total additions	<u>3,180,433</u>
DEDUCTIONS	
Pension payments	2,411,076
Administrative expenses	43,591
Total deductions	<u>2,454,667</u>
Change in net position	725,766
Net position, beginning	<u>33,931,195</u>
Net position, ending	<u><u>\$ 34,656,961</u></u>

See notes to basic financial statements.

**TOWN OF ORANGE, CONNECTICUT
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2015**

1. Summary of Significant Accounting Policies

A. Financial Reporting Entity

The Town of Orange, Connecticut (the Town) was granted a charter of incorporation on May 28, 1822 by the Connecticut General Assembly. The Town operates under the Town Meeting/Selectmen form of government and provides a full range of services including public safety, roads, sanitation, planning and zoning, health and social services, public library, parks and recreation, education and general administrative services to its residents.

The Town operates under the provisions of its charter and the General Statutes of the State of Connecticut. The legislative powers of the Town are vested in the Town meeting. The executive body is made up of a Board of Selectmen, consisting of a First Selectman, who is the chief executive officer, and five other board members. A six-member Board of Finance is responsible for presenting fiscal operating budgets to the Annual Town Meeting.

Amity Regional School District No. 5, which provides educational services and facilities for the Towns of Bethany, Orange and Woodbridge, is not a component unit of the Town. The District is a separate and distinct organization operating under State legislation. The District's board, which is elected on a proportional basis by residents of the participating towns, controls the operation of the District.

The financial reporting entity consists of 1) the primary government, 2) organizations for which the primary government is financially accountable and 3) other organizations for which the nature and significance of their relationship with the primary government are such that exclusion would cause the reporting entity's financial statements to be misleading or incomplete as set forth by the Governmental Accounting Standards Board (GASB).

In evaluating how to define the financial reporting entity, for financial reporting purposes, management has considered all potential component units. The decision to include a potential component unit in this reporting entity was made by applying the criteria set forth by GASB, including legal standing, fiscal dependency and financial accountability. The criterion has been considered and there are no agencies or entities which should be presented with this government.

B. Basis of Presentation

The financial statements of the Town have been prepared in conformity with U.S. generally accepted accounting principles as applied to government units. GASB is the accepted standards setting body for establishing governmental accounting and financial reporting principles. The following is a summary of the more significant accounting policies used by the Town:

TOWN OF ORANGE, CONNECTICUT
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2015
. . . Continued . . .

Government-wide Financial Statements

The government-wide financial statements (i.e., the statement of net position and the statement of activities) report information on all of the nonfiduciary activities of the Town. As a general rule, the effect of interfund balances and activity has been eliminated in preparation of these statements. Exceptions to this rule are services provided by one fund used by another fund. Elimination of these charges would distort the direct cost and program revenues reported for the various functions concerned. Governmental activities, which are normally supported by property taxes and intergovernmental revenues, are reported separately from business-type activities, which rely to a significant extent on fees and charges for support.

The statement of net position presents the financial position of the Town at the end of its fiscal year. The statement of activities demonstrates the degree to which the direct expenses of a given function or segment is offset by program revenues. Direct expenses are those that are clearly identifiable with a specific function or segment. Program revenues include 1) charges to customers or applicants who purchase, use, or directly benefit from goods, services, or privileges provided by a given function or segment and 2) grants and contributions that are restricted to meeting the operational or capital requirements of a particular function or segment. Property taxes and other items not properly included among program revenues are reported instead as general revenues. The Town does not allocate indirect expenses to functions in the statement of activities.

Fund Financial Statements

The fund financial statements provide information about the government's funds, including its fiduciary funds. Separate statements for each fund category - governmental, proprietary and fiduciary - are presented. The emphasis of fund financial statements is on major governmental and enterprise funds, each displayed in a separate column. All remaining governmental and enterprise funds are aggregated and reported as nonmajor funds. Major individual governmental and enterprise funds are reported as separate columns in the fund financial statements.

The Town reports the following major governmental funds:

The General Fund is the general operating fund of the Town. It is used to account for all unrestricted financial resources except those required to be accounted for in another fund.

The Bonded Capital Projects Fund is a capital projects fund and accounts for the financial revenues and resources to be used for major capital outlays funded mainly through the issuance of debt.

TOWN OF ORANGE, CONNECTICUT
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2015
. . . Continued . . .

The Town of Orange reports the following major enterprise funds:

The Water Pollution Control Authority is used to account for the operation of the Town's wastewater treatment system, a self-supporting activity that renders services on a user charge basis to properties that are tied into the sewer system.

The Congregate Elderly Housing Fund accounts for the operation of a 45 unit subsidized elderly housing complex. Elderly Housing Management, Inc. manages the complex pursuant to a separate management agreement.

Additionally, the Town reports the following fund types:

The Special Revenue Funds are used to account for and report the proceeds of specific revenue sources that are restricted or committed to expenditures for specified purposes other than debt service or capital projects.

The Permanent Funds are used to account for and report financial resources that are legally restricted to the extent that only earnings, and not principal, may be used for the purposes that support the Town's programs. Permanent fund restricted net position are segregated between nonexpendable and expendable. The nonexpendable portion represents the original restricted principal contribution, and the expendable represents accumulated earnings which are available to be spent based on donor restrictions.

The Internal Service Funds account for employee health insurance provided to departments of the Town and the Orange Board of Education and for commercial insurance deductibles.

The Pension Trust Funds account for the activities of the Town's pension plans, which accumulate resources for pension benefit payments to qualified Town employees.

The Agency Fund accounts for funds held by the Town on behalf of outside groups or individuals such as performance bonds.

During the course of operations the Town may have activity between funds for various purposes. Any residual balances outstanding at year end are reported as due to/from other funds and advances to/from other funds. While these balances are reported in fund financial statements, certain eliminations are made in the preparation of the government-wide financial statements. Balances between the funds included in governmental activities are eliminated so that only the net amount is included as internal balances in the governmental activities column.

Further, certain activity occurs during the year involving transfers of resources between funds. In fund financial statements these amounts are reported as gross amounts as transfers in/out. Certain eliminations are made in the preparation of the government-wide financial statements.

TOWN OF ORANGE, CONNECTICUT
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2015
. . . Continued . . .

Transfers between the funds included in governmental activities are eliminated so that only the net amount is included as transfers in the governmental activities column.

C. Measurement Focus and Basis of Accounting

The government-wide financial statements are reported using the economic resources measurement focus and the accrual basis of accounting. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows. Property taxes are recognized as revenues in the year for which they are levied. Grants and similar items are recognized as revenue as soon as all eligibility requirements imposed by the provider have been met.

Amounts reported as program revenues include 1) charges to customers or applicants for goods, services or privileges provided, 2) operating grants and contributions, and 3) capital grants and contributions, including special assessments. Internally dedicated resources are reported as general revenues rather than as program revenues. Likewise, general revenues include all taxes.

Governmental fund financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Revenues are recognized as soon as they are both measurable and available. Measurable means knowing or being able to reasonably estimate the amount. Revenues are considered to be available when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, the Town considers revenues to be available if they are collected within 60 days of the end of the current fiscal period.

Property taxes, licenses, and interest associated with the current fiscal period are all considered to be susceptible to accrual and so have been recognized as revenues of the current fiscal period. Entitlements are recorded as revenue when all eligibility requirements are met, including any time requirements and the amount is received during the period or within the availability period for this revenue source (within 60 days of year-end). Expenditure-driven grants are recognized as revenue when the qualifying expenditures have been incurred and all other eligibility requirements have been met, and the amount is received during the period or within the availability period for this revenue source (within 60 days of year-end). All other revenue items are considered to be measurable and available only when cash is received by the Town.

Expenditures generally are recorded when a liability is incurred, as under accrual accounting. However, debt service expenditures, as well as expenditures related to compensated absences and claims and judgments, are recorded only when payment is due. Issuance of long-term debt and acquisitions under capital leases are reported as other financing sources.

TOWN OF ORANGE, CONNECTICUT
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2015
. . . Continued . . .

Like the government-wide statements, all proprietary funds are reported using the economic resources measurement focus and the accrual basis of accounting. All assets and all liabilities associated with the operation of these funds are included on the statement of net position. The statement of revenues, expenses and changes in net position presents increases (i.e., revenues) and decreases (i.e., expenses) in total net position. The statement of cash flows provides information about how the Town finances and meets the cash flow needs of its proprietary activities.

Proprietary funds distinguish operating revenues and expenses from non-operating items. Operating revenues and expenses generally result from providing services and producing and delivering goods in connection with a proprietary fund's principal ongoing operation. The principal operating revenues of the Town's proprietary funds are charges for sales and services. Operating expenses for the enterprise funds include personnel and other expenses related to the operations of the enterprise. All revenues and expenses not meeting these definitions are reported as non-operating revenues and expenses. Proprietary fund reporting focuses on changes in net position, financial position and cash flows. Proprietary funds are classified as either enterprise or internal service.

The enterprise funds may be used to account for any activity for which a fee is charged to external users for goods or services.

Fiduciary fund reporting focuses on net position and changes in net position. The fiduciary fund category is split into four classifications: pension trust funds, investment trust funds, private-purpose trust funds and agency funds. Trust funds are used to account for assets held by the Town under a trust agreement for individuals, private organizations, or other governments and are therefore not available to support the Town's own programs. Agency funds are custodial in nature (assets equal liabilities) and do not involve measurement of results of operations.

**D. Assets, Liabilities, Deferred Outflows/Inflows of Resources and Net Position
/Fund Balance**

Cash Equivalents

The Town considers highly liquid short-term investment pools, money market funds and certificates of deposit and repurchase agreements with maturities of three months or less when purchased to be cash equivalents.

Investments

Investments are stated at fair value, which is determined using quoted market prices. The cost of investments sold is determined by specific identification.

TOWN OF ORANGE, CONNECTICUT
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2015
. . . Continued . . .

Property Taxes and Other Receivables

The Town's property tax is levied and payable each July 1 on the assessed value listed as of the prior October 1 for all real and personal property located in the Town. These taxes are billed and due in two installments, July 1 and the subsequent January 1. Liens are effective on the assessment date and are continued by filing prior to the following levy date.

Assessed values are established at 70 percent of estimated market value to conform to State statutes.

Section 12-165 of the General Statutes of the State of Connecticut requires each municipality to write-off, on an annual basis, the property taxes, which are deemed to be uncollectible. Accordingly, an allowance for uncollectible property taxes has been established. As of June 30, 2015, the allowance for uncollectible property taxes is \$69,000.

State statutes require that a revaluation be done every five years. The last revaluation completed and enacted was for the list of October 1, 2010.

Sewer assessments are levied by the Water Pollution Control Authority and assessed to the users as projects are completed. Assessments are due and payable following the levy, but in projects where the sewer extensions were bonded, property owners were allowed to pay in installments.

Activity between funds that are representative of lending/borrowing arrangements outstanding at the end of the fiscal year are referred to as either "due to/from other funds" (i.e., the current portion of interfund loans) or "advances to/from other funds" (i.e., the non-current portion of interfund loans).

Prepaid Items

Certain payments to vendors reflect costs applicable to future accounting periods and are recorded as prepaid items in both government-wide and fund financial statements. The cost of prepaid items is recorded as expenditures/expenses when consumed rather than when purchased.

Capital Assets

Capital assets, which include property, plant and equipment and infrastructure assets (e.g., roads, bridges, sidewalks, and similar items) are reported in the applicable governmental or business-type activities columns in the government-wide financial statements. Capital assets are defined by the government as assets with an initial, individual cost of more than \$10,000 and an estimated useful life in excess of two years.

TOWN OF ORANGE, CONNECTICUT
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2015
. . . Continued . . .

All capital assets are capitalized at cost (or estimated historical cost) and updated for additions and retirements during the year. Donated capital assets are recorded at their fair market values as of the date received. Interest incurred during the construction of capital assets is also capitalized for business-type activities.

The costs of normal maintenance and repairs that do not add to the value of the asset or materially extend assets' lives are not capitalized. Major outlays for capital assets and improvements are capitalized as projects are constructed.

All reported capital assets are depreciated except for land and construction in progress. Improvements are depreciated over the remaining useful lives of the related capital assets. Useful lives for infrastructure were estimated based on the Town's historical records of necessary improvements and replacement.

Depreciation is computed using the straight-line method over the following useful lives:

<u>Description</u>	<u>Governmental Activities Estimated Lives</u>	<u>Business-Type Activities Estimated Lives</u>
Land improvements	25 years	-
Buildings and improvements	20-50 years	20-40 years
Equipment	5-10 years	5-20 years
Sewer lines and pump stations	-	30-40 years
Vehicles	7 years	-
Infrastructure	60 years	-

Unearned Revenues

Unearned revenues arise when assets are recognized before revenue recognition criteria have been satisfied. In the government-wide financial statements, unearned revenues consist of revenue received in advance and/or amounts from grants received before the eligibility requirements have been met.

TOWN OF ORANGE, CONNECTICUT
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2015
. . . Continued . . .

Deferred Outflows/Inflows of Resources

In addition to assets, the statement of financial position will sometimes report a separate section for deferred outflows of resources. This separate financial statement element, deferred outflows of resources, represents a consumption of net position or fund balance that applies to a future period(s) and thus, will not be recognized as an outflow of resources (expense/expenditure) until then. The Town has two items that qualify for reporting in this category. They are the deferred charge on refunding and the deferred charge related to pensions reported in the government-wide statement of net position. A deferred charge on refunding results from the difference in the carrying value of refunded debt and its reacquisition price. This amount is deferred and amortized over the shorter of the life of the refunded or refunding debt. The deferred charge related to pensions results from the difference between expected and actual experience, changes in assumptions and differences between projected and actual earnings. These amounts are deferred and included in pension expense in a systematic and rational manner over a period equal to the average of the expected remaining service lives of all employees that are provided with benefits through the pension plan (active and inactive employees).

In addition to liabilities, the statement of financial position will sometimes report a separate section for deferred inflows of resources. This separate financial statement element, deferred inflows of resources, represents an acquisition of net position or fund balance that applies to a future period(s) and so will not be recognized as an inflow of resources (revenue) until that time. The Town reports unavailable revenues from property taxes in the governmental funds balance sheet. This amount is deferred and recognized as an inflow of resources in the period that the amounts become available. The deferred charge related to pensions reported in the government-wide statement of net position results from differences between expected and actual experience. This amount is deferred and included in pension expense in a systematic and rational manner over a period equal to the average of the expected remaining service lives of all employees that are provided with benefits through the pension plan (active and inactive employees).

Compensated Absences

Compensated absences of the Town consist of vacation leave and sick leave to the extent that payment to the employee for these absences are attributable to services already rendered and are not contingent on a specific event that is outside the control of the Town and the employee.

TOWN OF ORANGE, CONNECTICUT
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2015
. . . Continued . . .

Vacation benefits are accrued as a liability as the benefits are earned if the employees' rights to receive compensation are attributable to services already rendered and it is probable that the Town will compensate the employees for the benefits through paid time off or some other means. Sick leave benefits are accrued as a liability using the vesting method. The liability is based on the sick leave accumulated at June 30, 2015 by those employees who are currently eligible to receive termination payments and by those employees for whom it is probable they will become eligible to receive termination benefits in the future.

The total liability for vacation and sick leave payments has been calculated using pay rates in effect at the balance sheet date, and reduced to the maximum payment allowed by labor contract and/or statute, plus applicable additional salary related payments. Town employees are granted vacation and sick leave in varying amounts. In the event of termination, an employee is reimbursed for accumulated vacation and sick leave at various rates.

Net Pension Liability

The net pension liability is measured as the portion of the actuarial present value of projected benefits that is attributed to past periods of employee service (total pension liability), net of the pension plan's fiduciary net position. The pension plan's fiduciary net position is determined using the same valuation methods that are used by the pension plan for purposes of preparing its statement of fiduciary net position. The net position liability is measured as of a date (measurement date) no earlier than the end of the employer's prior fiscal year, consistently applied from period to period.

Long-Term Obligations

In the government-wide financial statements and proprietary fund financial statements, long-term debt and other long-term obligations are reported as liabilities. Bond premiums and discounts are deferred and amortized over the life of the bonds using the effective interest method. Bonds payable will be reported net of the applicable bond premium or discount.

In the fund financial statements, governmental fund types recognize bond premiums and discounts, as well as bond issuance costs, during the current period. The face amount of debt issued is reported as other financing sources. Premiums received on debt issuances are reported as other financing sources while discounts on debt issuances are reported as other financing uses. Issuance costs, whether or not withheld from the actual debt proceeds received, are reported as debt service expenditures.

TOWN OF ORANGE, CONNECTICUT
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2015
. . . Continued . . .

Net Position/Fund Balance

Government-wide Financial Statements

Equity in the government-wide financial statements is defined as "net position" and is classified in the following categories:

- a. Net Investment in Capital Assets - Consists of capital assets including restricted capital assets, net of accumulated depreciation and reduced by the outstanding balances of any bonds, mortgages, notes, or other borrowings that are attributable to the acquisition, construction, or improvement of those assets.
- b. Restricted - Consists of restricted assets reduced by liabilities and deferred inflows of resources related to those assets.
- c. Unrestricted - Net amount of the assets, deferred outflows of resources, liabilities, and deferred inflows of resources that are not included in the determination of net investment in capital assets or the restricted components of net position.

Net Position Flow Assumption - Sometimes the government will fund outlays for a particular purpose from both restricted (e.g., restricted bond or grant proceeds) and unrestricted resources. In order to calculate the amounts to report as restricted - net position and unrestricted - net position in the government-wide financial statements, a flow assumption must be made about the order in which the resources are considered to be applied. It is the government's policy to consider restricted - net position to have been depleted before unrestricted - net position is applied.

Fund Financial Statements

The equity of the fund financial statements is defined as "fund balance" and is classified in the following categories:

- a. Nonspendable Fund Balance - represents amounts that cannot be spent because they are either (a) not in spendable form (e.g., inventories and prepaid amounts) or (b) legally or contractually required to be maintained intact.
- b. Restricted Fund Balance - represents amounts that are constrained for a specific purpose by either (a) external parties, such as grantors, creditors, contributors, or laws and regulation of their governments or (b) imposed by law through constitutional provisions or enabling legislation.

TOWN OF ORANGE, CONNECTICUT
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2015
. . . Continued . . .

- c. Committed Fund Balance - represents amounts that can only be used for specific purposes pursuant to constraints imposed by resolution of the Town Meeting (the highest level of decision making authority of the Town) and cannot be used for any other purpose unless the Town Meeting removes or changes the specified use by taking the same formal action.
- d. Assigned Fund Balance - represents amounts that are constrained by the government's intent to be used for specific purposes, but are not restricted or committed. Amounts may be constrained to be used for a specific purpose by a governing board or body or official that has been delegated authority to assign amounts by the Board of Finance.
- e. Unassigned Fund Balance - represents fund balance in the General Fund in excess of nonspendable, restricted, committed and assigned fund balance. If another governmental fund has a fund balance deficit, it is reported as a negative amount in unassigned fund balance.

Fund Balance Flow Assumptions - Sometimes the government will fund outlays for a particular purpose from both restricted and unrestricted resources (the total of committed, assigned and unassigned fund balance). In order to calculate the amounts to report as restricted, committed assigned and unassigned fund balance in the governmental fund financial statements, a flow assumption must be made about the order in which the resources are considered to be applied. It is the government's policy to consider restricted fund balance to have been depleted before using any of the components of unrestricted fund balance. Further, when the components of unrestricted fund balance can be used for the same purpose, committed fund balance is depleted first, followed by assigned fund balance. Unassigned fund balance is applied last.

The Board of Finance adopted a financial policy to maintain the General Fund fund balance at 10 percent of current budgetary expenditures to provide for 1) adequate reserves to carry thirty (30) to forty-five (45) days of operating expenditures, 2) unplanned emergent current year expenditures, 3) unrealized projected current year revenue, 4) budgetary and mill rate stabilization in periods of unusual Grand List variances and 5) additional reserves as deemed appropriate by the Board of Finance and the Board of Selectmen.

E. Estimates

Management uses estimates and assumptions in preparing financial statements. Those estimates and assumptions affect the reported amounts of assets and liabilities, the disclosure of contingent assets and liabilities, and the reported revenues, expenses and expenditures. Actual results could differ from those estimates.

TOWN OF ORANGE, CONNECTICUT
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2015
. . . Continued . . .

F. Subsequent Events

Management has evaluated subsequent events through January 29, 2016, the date the financial statements were available to be issued.

2. Stewardship, Compliance and Accountability

Budgets and Budgetary Accounting

The statement of revenues and expenditures, budget to actual presented in the financial statements for the General Fund is on the budgetary basis of accounting which is a basis of accounting other than the accrual basis and the modified basis of accounting. The budgetary basis of accounting and the Town's general budget policies are as follows:

- The Board of Finance develops the budget based on budget requests submitted by the various Town departments. The budget is presented by the Board of Finance at a public meeting held annually in April. After discussion and any necessary changes, the budget is approved at a subsequent Town Meeting in May.
- The Board of Finance is authorized to transfer budgeted amounts within departments and they approve all additions to appropriations.
- The Board of Education is authorized under State law to make any transfers required within their budget at their discretion. Any additional appropriations must have Board of Finance approval.
- Encumbrances are recognized as valid and proper charges against a budget appropriation in the year in which the purchase order, contract or other commitment is issued and, accordingly, are reported as reservations of fund balance at year-end since they do not constitute expenditures or liabilities. Generally, all encumbered appropriations lapse within one year except those that are nonrecurring in nature.

Application of Accounting Standards

The Town implemented GASB Statement No. 68, *Accounting and Financial Reporting for Pensions* which substantially changed the reporting for pension liabilities and expenses and expanded the note disclosures and required supplementary information provided. The cumulative effect of this change was an \$8,007,240 decrease in net position as of July 1, 2014.

In addition, certain capital assets purchased in the prior year by the Water Pollution Control Authority were incorrectly expensed in the prior year. The cumulative effect of this change was a \$30,050 increase in net position as of July 1, 2014.

TOWN OF ORANGE, CONNECTICUT
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2015
. . . Continued . . .

General Fund

A reconciliation of general fund operations and fund balance presented on a budgetary basis to the amounts presented in accordance with U.S. generally accepted accounting principles is as follows:

	<u>Revenues and Transfers in</u>	<u>Expenditures and Transfers Out</u>	<u>Fund Balance</u>
Budgetary basis	\$ 63,351,657	\$ 62,091,420	\$ 9,428,666
Encumbrances:			
Prior year encumbrances liquidated or lapsed during the year	-	453,578	-
Prior year encumbrances outstanding	-	-	540,102
Current year encumbrances outstanding	-	(692,613)	692,613
State on-behalf payments for teachers' retirement	<u>1,759,082</u>	<u>1,759,082</u>	<u>-</u>
GAAP Basis	<u><u>\$ 65,110,739</u></u>	<u><u>\$ 63,611,467</u></u>	<u><u>\$10,661,381</u></u>

Special Revenue Funds

The Town does not have legally adopted annual budgets for the Special Revenue Funds. Budgets for the various special revenue funds which are utilized to account for specific grant programs are established in accordance with the requirements of the grantor agencies. Such budgets carry over until completion of the grants.

Capital Projects Funds

Legal authorization for expenditures of capital projects funds is provided by the related bond ordinances and/or intergovernmental grant agreements. Capital appropriations do not lapse until completion of the applicable projects.

TOWN OF ORANGE, CONNECTICUT
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2015
. . . Continued . . .

3. Cash and Cash Equivalents and Investments

The Town's cash and cash equivalents and investments balances as of June 30, 2015 were:

	Government-wide Statement of Net Position	Fiduciary Funds Statement of Net Position	Total
Cash and cash equivalents	\$ 23,391,014	\$ 1,420,847	\$ 24,811,861
Investments	4,058,430	33,428,864	37,487,294
Total	\$ 27,449,444	\$ 34,849,711	\$ 62,299,155

Cash and Cash Equivalents

Deposits - Custodial Credit Risk - Custodial credit risk is the risk that, in the event of a bank failure, the Town's deposits may not be returned to it. The Town does not have a formal deposit policy for custodial credit risk. The Town follows the State of Connecticut policy that requires that each depository maintain segregated collateral in an amount equal to a defined percentage of its public deposits based upon the bank's risk based capital ratio.

As of June 30, 2015, \$23,275,031 of the Town's bank balance of \$24,003,687 was exposed to custodial credit risk as follows:

Uninsured and uncollateralized	\$ 20,947,528
Uninsured and collateral held by pledging bank's trust department not in the Town's name	2,327,503
Total amount subject to credit risk	\$ 23,275,031

Investments

The Town has adopted a formal investment policy with the expressed goal of providing next day liquidity at the highest prevailing interest rate. In addition, the Town follows State statutes. State statutes authorize the Town to invest in 1) highly rated obligations of any state of the United States or of any political subdivision, authority or agency, thereof; 2) highly rated obligations of any state of the United States or of any political subdivision, authority or agency thereof; 3) shares or other interests in custodial arrangements or pools maintaining constant net asset values and in highly rated no-load open end money market and mutual funds (with constant or fluctuating net asset values) whose portfolios are limited to obligations of the United States or its agencies, and repurchase agreements fully collateralized by such obligations.

TOWN OF ORANGE, CONNECTICUT
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2015
. . . Continued . . .

The Pension Trust Funds are also authorized to invest in corporate stocks and bonds and mutual funds.

The Town's investments as of June 30, 2015 consisted of the following:

	Carrying and Fair Value	Investment Maturities (In Years)
Treasurer's Short-Term Investment Fund	\$ 4,031,705	N/A
U.S. Treasury Bond	26,725	5
Money market mutual funds	172,505	Less than one
Fixed income mutual funds	10,141,555	Less than one
Equity mutual funds	23,114,804	N/A
 Total investments	 \$ 37,487,294	

The Treasurer's Short-Term Investment Fund (STIF) is a Standard & Poor's AAAM rated investment pool of high-quality, short term money market instruments managed by the Cash Management Division of the State Treasurer's Office.

Interest rate risk - The Town does not have a formal investment policy that limits investment maturities as a means of managing its exposure to fair value losses arising from increasing interest rates.

Credit risk - The Town does not have a formal investment policy that limits its investment choices due to credit risk other than policies set forth by State of Connecticut Statutes.

Concentration of credit risk - The Town does not have a formal investment policy that restricts investments in any one issuer that is in excess of 5% of the Town's total investments.

Custodial credit risk - Custodial credit risk for an investment is the risk that, in the event of the failure of the counterparty (the institution that pledges collateral or repurchase agreement securities to the Town or that sells investments to or buys them from the Town), the Town will not be able to recover the value of its investment or collateral securities that are in the possession of an outside party. The Town does not have a policy for custodial credit risk.

TOWN OF ORANGE, CONNECTICUT
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2015
. . . Continued . . .

4. Interfund Transactions

Interfund Balances

Interfund balances consisted of the following at June 30, 2015, as reported in the fund financial statements:

	<u>Due From Other Funds</u>	<u>Due To Other Funds</u>
Major Funds:		
General Fund	\$ 225,993	\$ -
Bonded Capital Projects	-	53,269
Nonmajor funds (aggregate)	<u>-</u>	<u>172,724</u>
 Total	 <u><u>\$ 225,993</u></u>	 <u><u>\$ 225,993</u></u>

The outstanding balances between funds results mainly from the time lag between the dates that (1) inter-fund goods and services are provided or reimbursable expenditures occur, (2) transactions are recorded in the accounting system, and (3) payments between funds are made.

Internal balances between governmental funds are eliminated on the government-wide financial statements; therefore, only one interfund balance is reported on the government-wide financial statements.

TOWN OF ORANGE, CONNECTICUT
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2015
. . . Continued . . .

Interfund Transfers

Interfund transfers for the year ended June 30, 2015, consisted of the following, as reported in the fund financial statements:

	<u>Transfers From</u>	<u>Transfers To</u>
Governmental Funds:		
General Fund	\$ -	\$ 210,242
Nonmajor funds - aggregate	210,242	-
	\$ 210,242	\$ 210,242

Transfers are used to (1) move revenues from the fund that statute or budget requires to collect them to the fund that statute or budget requires to expend them, (2) move receipts restricted to debt service from the funds collecting the receipts to the debt service fund as debt service payments become due, and (3) use unrestricted revenues collected in the general fund to finance various programs accounted for in other funds in accordance with budgetary authorizations.

TOWN OF ORANGE, CONNECTICUT
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2015
. . . Continued . . .

5. Capital Assets

Capital asset activity for the year ended June 30, 2015 was as follows:

	Beginning Balance	Additions\ Transfers	Disposals\ Transfers	Ending Balance
Governmental Activities:				
Capital assets, not being depreciated:				
Land	\$ 22,578,880	\$ -	\$ -	\$ 22,578,880
Construction in progress	<u>2,759,424</u>	<u>7,168,546</u>	<u>(179,098)</u>	<u>9,748,872</u>
Total capital assets not being depreciated	<u>25,338,304</u>	<u>7,168,546</u>	<u>(179,098)</u>	<u>32,327,752</u>
Capital assets, being depreciated:				
Land improvements	459,824	27,770	-	577,594
Buildings and improvements	37,213,128	298,437	-	37,511,565
Equipment	8,094,100	122,503	-	8,216,603
Vehicles	2,877,875	243,709	-	3,121,584
Infrastructure	<u>14,593,237</u>	<u>224,477</u>	<u>-</u>	<u>14,817,714</u>
Total capital assets being depreciated	<u>63,328,164</u>	<u>916,896</u>	<u>-</u>	<u>64,245,060</u>
Less, accumulated depreciation for:				
Land improvements	470,133	83,037	-	553,170
Buildings and improvements	22,627,482	627,160	-	23,254,642
Equipment	5,989,841	280,996	-	6,270,837
Vehicles	2,311,128	157,956	-	2,469,084
Infrastructure	<u>10,767,466</u>	<u>167,252</u>	<u>-</u>	<u>10,934,718</u>
Total accumulated depreciation	<u>42,166,050</u>	<u>1,316,401</u>	<u>-</u>	<u>43,482,451</u>
Total capital assets being depreciated, net	<u>21,162,114</u>	<u>(399,505)</u>	<u>-</u>	<u>20,762,609</u>
Governmental activities capital assets, net	<u>\$ 46,500,418</u>	<u>\$ 6,769,041</u>	<u>(\$ 179,098)</u>	<u>\$ 53,090,361</u>

TOWN OF ORANGE, CONNECTICUT
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2015
. . . Continued . . .

	Beginning Balance As restated	Additions	Disposals	Ending Balance
Business-Type Activities:				
Capital assets, not being depreciated:				
Land	\$ 18,970	\$ -	\$ -	\$ 18,970
Construction in progress	1,606,899	796,448	-	2,403,347
	<u>1,625,869</u>	<u>796,448</u>	<u>-</u>	<u>2,422,317</u>
Capital assets, being depreciated:				
Buildings and improvements	3,466,935	-	-	3,466,935
Sewer lines and pump stations	8,315,305	-	-	8,315,305
Equipment	522,028	-	(72,656)	449,372
Total capital assets being depreciated	<u>12,304,268</u>	<u>-</u>	<u>(72,656)</u>	<u>12,231,612</u>
Less, accumulated depreciation for:				
Buildings and improvements	1,734,636	86,981	-	1,821,617
Sewer lines and pump stations	5,934,793	224,529	-	6,159,322
Equipment	446,100	17,546	(72,656)	390,990
Total accumulated depreciation	<u>8,115,529</u>	<u>329,056</u>	<u>(72,656)</u>	<u>8,371,929</u>
Total capital assets being depreciated, net	<u>4,188,739</u>	<u>(329,056)</u>	<u>-</u>	<u>3,859,683</u>
Business-type activities capital assets, net	<u>\$ 5,814,608</u>	<u>\$ 467,392</u>	<u>\$ -</u>	<u>\$ 6,282,000</u>

TOWN OF ORANGE, CONNECTICUT
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2015
. . . Continued . . .

Depreciation expense was charged to programs/functions as follows:

Governmental Activities:	
General Government	\$ 127,581
Public Safety	199,787
Public Works and Sanitation	284,385
Culture and Recreation	302,251
Health and Welfare	38,311
Education	<u>364,086</u>
Total depreciation expense in governmental activities	<u><u>\$ 1,316,401</u></u>
Business-type Activities:	
Water Pollution Control Authority	\$ 238,910
Congregate Elderly Housing	<u>90,146</u>
Total depreciation expense in business-type activities	<u><u>\$ 329,056</u></u>

6. Short-Term Obligations

	Balance July 1, 2014	Additions	Reductions	Balance June 30, 2015
Bond anticipation notes	\$ 7,927,000	\$ 1,702,000	\$ 7,927,000	\$ 1,702,000

Bond Anticipation Notes

On July 22, 2013, the Town issued bond anticipation notes for \$7,927,000 with an interest rate of 1.0% which were due and paid on July 21, 2014, to fund various Town and school improvement projects.

On July 21, 2014, the Town issued bond anticipation notes for \$1,702,000 with an interest rate of 1.0% which are due July 20, 2015, to fund various school improvement projects.

TOWN OF ORANGE, CONNECTICUT
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2015
. . . Continued . . .

7. Long-Term Obligations

The following is a summary of long-term obligation transactions of the Town for the year ended June 30, 2015:

	Balance as restated July 1, 2014	Issued/ Additions	Matured/ Deletions	Balance June 30, 2015	Due Within One Year
Governmental Activities:					
General obligation bonds	\$ 21,470,000	\$ 8,725,000	\$ 2,150,000	\$ 28,045,000	\$ 2,040,000
Deferred premium on bonds	898,789	158,433	92,756	964,466	-
Capital lease	21,790	-	21,790	-	-
Net pension liability	8,007,240	1,930,911	-	9,938,151	-
Other post-employment benefits	4,658,698	1,577,076	-	6,235,774	-
Compensated absences	1,322,213	91,181	-	1,413,394	23,097
Total Governmental Activities	<u>\$ 36,378,730</u>	<u>\$ 12,482,601</u>	<u>\$ 2,264,546</u>	<u>\$ 46,596,785</u>	<u>\$ 2,063,097</u>
Business-Type Activities:					
Claims and judgments	<u>\$ 600,628</u>	<u>\$ -</u>	<u>\$ 37,000</u>	<u>\$ 563,628</u>	<u>\$ 37,000</u>
Total Business-type Activities	<u>\$ 600,628</u>	<u>\$ -</u>	<u>\$ 37,000</u>	<u>\$ 563,628</u>	<u>\$ 37,000</u>

TOWN OF ORANGE, CONNECTICUT
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2015
. . . Continued . . .

General Obligation Bonds

As of June 30, 2015, the outstanding general obligation bonded indebtedness of the Town was as follows:

	<u>Outstanding Amount</u>
General Public Improvement:	
\$10,395,000 general obligation refunding bond, issue of 6/1/10, due 8/15/25, interest at 3.0% to 5.0%, annual principal payments of \$390,000 to \$1,325,000.	\$ 5,135,000
\$7,200,000 general obligation bond, issue of 10/01/11, due 10/01/31, interest at 2.0% to 4.0%, annual principal payments of \$360,000.	6,120,000
\$3,655,000 general obligation refunding bond, issue of 2/29/12, due 12/15/27, interest at 2.0% to 4.0%, annual principal payments of \$125,000 to \$280,000.	3,315,000
\$5,000,000 general obligation bond, issue of 7/22/13, due 7/15/33, interest at 3.0% to 4.125%, annual principal payments of \$250,000.	4,750,000
\$8,725,000 general obligation bond, issue of 7/21/14, due 7/15/34, interest at 2.0% to 4.0%, annual principal payments of \$435,000 to \$440,000.	<u>8,725,000</u>
	<u><u>\$ 28,045,000</u></u>

TOWN OF ORANGE, CONNECTICUT
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2015
. . . Continued . . .

The debt service requirements of this debt are as follows:

Fiscal Year	Principal	Interest	Total
2016	\$ 2,040,000	\$ 886,891	\$ 2,926,891
2017	1,645,000	825,566	2,470,566
2018	1,695,000	769,616	2,464,616
2019	1,690,000	711,416	2,401,416
2020	1,690,000	648,541	2,338,541
2021-2025	8,870,000	2,356,835	11,226,835
2026-2030	6,495,000	1,125,466	7,620,466
2031-2035	3,920,000	282,603	4,202,603
	<u>\$ 28,045,000</u>	<u>\$ 7,606,934</u>	<u>\$ 35,651,934</u>

Authorized/Unissued Bonds

At June 30, 2015, the Town had the following authorized, unissued bonds:

	July 1, 2014	New Authorizations	New Bonds Issued/ Reductions	June 30, 2015
Town building improvements	\$ 1,400,000	\$ -	\$ 1,400,000	\$ -
Town road improvements	1,100,000	-	1,100,000	-
Total unissued bond authorizations	<u>\$ 2,500,000</u>	<u>\$ -</u>	<u>\$ 2,500,000</u>	<u>\$ -</u>

Debt Refunding

In prior years, the Town defeased general obligation bonds by placing the proceeds of new bonds in an irrevocable trust account to provide for all future debt service payments on the old bonds. Accordingly, the trust account assets and the liability for the defeased bonds are not included on the Town's financial statements. At June 30, 2015, none of the defeased bonds remain outstanding. Amortization of the deferred loss for the year ended June 30, 2015 totaled \$30,872.

**TOWN OF ORANGE, CONNECTICUT
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2015
. . . Continued . . .**

Water Pollution Control Authority Judgment

In 1985, the Town and the City of West Haven (the "City") entered into an agreement whereby the City is to provide wastewater treatment services to the Town for fifty years. Charges for these services are based upon the City's operating costs and metered flow of wastewater volumes during each year. In addition, the Town is assessed its proportionate share of capital improvements to the City's sanitary sewer system. In March 2003 a stipulated judgment was entered between the Town and the City regarding such capital improvements. The Town agreed to pay \$2,079,348 in installments through June 2020 for prior capital improvements made by the City. The Town paid the City \$37,000 during the year ended June 30, 2015. The balance payable was \$563,628 at June 30, 2015.

In addition, the City has a new loan payable to the State of Connecticut's Department of Environmental Protection, under its Clean Water Fund Program, for sanitary sewer projects. The loan bears interest at 2% per annum and will mature in July 2032. The balance of the loan as of June 30, 2015 was \$24,588,635, of which the Town's obligation is 8.7% of the annual debt service requirements. The annual debt service payable to the City is \$147,813.

Amity Regional School District No. 5

In addition to the Town, the only political subdivision with power to issue debt on behalf of the Town is the Amity Regional School District No. 5 (the District). As of June 30, 2015 the District had general obligation bond issues outstanding aggregating \$44,293,394. These amounts are to be paid back by the three member Towns through their annual proportionate share payments for the operations of the District. Each Town's share of the debt is based on the average daily membership of each Town's student population. For the year ended June 30, 2015 the percentage for the Town of Orange was 49.217% or \$21,790,359.

8. Capital Projects

The following is a summary of project authorizations at June 30, 2015:

	Project Authorization	Expenditures		Unexpended Authorization June 30, 2015
		During Year	Cumulative	
2004 bond projects	\$ 13,085,000	\$ 17,182	\$ 13,050,981	\$ 34,019
Land acquisition	7,200,000	-	7,096,621	103,379
2013 bond projects:				
Board of Education facility improvements	8,038,000	6,314,909	6,821,796	1,216,204
Town building improvements	2,389,000	648,785	936,778	1,452,222
Town road improvements	5,000,000	398,025	2,528,323	2,471,677

TOWN OF ORANGE, CONNECTICUT
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2015
. . . Continued . . .

9. Fund Balances (Deficits)

	General Fund	Bonded Capital Projects	Non-major Governmental Funds	Total
Fund balances:				
Nonspendable	\$ 13,400	\$ -	\$ 29,204	\$ 42,604
Restricted for:				
General government	-	-	25,915	25,915
Public safety	-	-	124,604	124,604
Public works	-	-	112,882	112,882
Culture and recreation	-	-	180,770	180,770
Health and welfare	-	-	115,470	115,470
Education	-	-	26,241	26,241
Capital	-	5,458,758	-	5,458,758
Committed to:				
Culture and recreation	-	-	278,264	278,264
Health and welfare	-	-	380,615	380,615
Education	-	-	161,014	161,014
Capital	-	-	531,926	531,926
Assigned to:				
General government	1,097,091	-	124,542	1,221,633
Culture and recreation	-	-	356,406	356,406
Education	135,624	-	-	135,624
Other	-	-	174,298	174,298
Unassigned	9,415,266	-	(80,137)	9,335,129
Total fund balances	<u>\$10,661,381</u>	<u>\$ 5,458,758</u>	<u>\$ 2,542,014</u>	<u>\$18,662,153</u>

Encumbrances in the amount of \$1,232,715 at June 30, 2015 are contained in the above table in the assigned category of the General Fund.

The Cafeteria Fund had a fund deficit at June 30, 2015 of \$80,137. The deficit will be funded by future revenues from operations.

TOWN OF ORANGE, CONNECTICUT
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2015
. . . Continued . . .

10. Pension Plans

Defined Benefit Plans

The Town administers two single employer, defined benefit public employees retirement system (PERS) plans to provide pension benefits to substantially all Town employees (hired prior to July 1, 1999) with the exception of certified teachers and administrative personnel at the Board of Education. The PERS are considered to be a part of the Town's financial reporting entity and are included in the Town's financial statements as pension trust funds. The plans do not issue separate, stand alone, financial reports. The certified faculty and administrative personnel of the Board of Education participate in a contributory retirement plan administered by the State Teachers Retirement Board. The Town does not contribute to this plan.

Management of the plans rest with the administrative pension board appointed by the Board of Selectmen.

Plan Descriptions

Benefit Provisions

Police Plan

The plan provides retirement benefits and death and disability benefits. Benefits vest after 10 years of service. Members may retire at any age with 20 years of credited service or at age 55. Members are entitled to an annual retirement benefit, payable monthly for life, in an amount equal to 2.25% of average monthly earnings times years of credited service up to 20 years, plus 2% of average monthly earnings times years of credited service in excess of 20 years. Average monthly earnings are based on the employee's monthly earnings over the last twenty-four months of service. Active plan members are required to contribute 8.0% of compensation to the Plan. If an employee leaves covered employment or dies before meeting the vesting requirement, accumulated employee contributions plus 4.0% interest thereon are refunded. The Town is required to contribute the remaining amounts necessary to finance the benefits for its employees as are actuarially determined.

TOWN OF ORANGE, CONNECTICUT
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2015
. . . Continued . . .

Town Plan

The plan provides retirement benefits as well as death benefits. The following table summarizes the retirement benefits of the plan:

	<u>Normal Retirement</u>	<u>Early Retirement</u>	<u>Benefit</u>	<u>Vesting</u>
Board of Education Secretaries and Custodians	65	10 years early with 10 years of service	1¼% of final earnings up to \$6,600 plus 2% of excess times credited service	50% after 10 years of service, additional 10% for each year thereafter. 100% vested at 65.
Highway	65 or 62 with 25 years of service	10 years early with 10 years of service	1¾% of final earnings up to \$6,600 plus 2% of excess times credited service	100% after 10 years of service or age 65
Town secretaries, custodians, dispatchers and Non-Union	65 or 62 with 25 years of service	10 years early with 15 years of service	2% of final earnings times credited service	100% after 5 years of service or age 65
Supervisors	65 or 62 with 25 years of service	10 years early with 10 years of service	2% of final earnings times credited service	100% after 10 years of service or age 65

Final earnings are the employee's average earnings over the last three years of service.

Supervisors are required to contribute 3.0% of compensation to the Plan up to \$7,800 plus 5.0% of the excess. All others are required to contribute 2.0% of compensation to the Plan up to \$7,800 plus 5.0% of the excess. If an employee leaves covered employment or dies before meeting the vesting requirement, accumulated employee contributions plus 4.0% interest thereon are refunded. The Town is required to contribute the remaining amounts necessary to finance the benefits for its employees as are actuarially determined.

TOWN OF ORANGE, CONNECTICUT
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2015
. . . Continued . . .

As of January 1, 2015, plan membership consisted of the following:

	Police	Town
Inactive plan members or beneficiaries currently receiving benefits	32	65
Inactive plan members entitled to but not yet receiving benefits	4	8
Active plan members	13	12
	49	85

Summary of Significant Accounting Policies

The Plans' financial statements are prepared using the accrual basis of accounting. Plan member contributions are recognized in the period in which the contributions are due. Employer contributions to the Plans are recognized when due and the employer has made a formal commitment to provide the contributions. Benefits and refunds are recognized when due and payable in accordance with the terms of the Plans.

Investments are reported at fair value. Securities traded on a national exchange are valued at the last reported sales price. Investment income is recognized as earned.

Administrative costs of the Plan are financed through investment earnings.

Defined Contribution Plan

Plan Description

The Town is the administrator of the Defined Contribution Pension Plan for Town of Orange, Connecticut established to provide benefits at retirement to substantially all full-time Town employees and noncertified Board of Education employees hired on or after July 1, 1998. Plan provisions and contribution requirements are established and may be amended by the Board of Selectmen. At June 30, 2015, there were 135 plan members. Plan members may contribute up to 10% of covered salary. The Town is required to contribute an amount equal to the plan members' contribution up to 10% of covered salary. Plan members and the Town each contributed \$510,767, not including rollover contributions and forfeitures, to the plan in the year ended June 30, 2015. Plan members are 100% vested in their employee contributions. Plan members are 20% vested in their employer contribution after 2 years of service, with an additional 20% for each year thereafter. Forfeitures shall be used to reduce future employer contributions.

TOWN OF ORANGE, CONNECTICUT
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2015
. . . Continued . . .

The individual plan net position at June 30, 2015 and changes in net position for the year then ended are as follow:

	<u>Police</u>	<u>Town</u>	<u>Defined Contribution</u>	<u>Total</u>
ASSETS				
Cash and cash equivalents	\$ 14,353	\$ 8,205	\$ 1,205,539	\$ 1,228,097
Due from (to) other funds	220,000	(220,000)	-	-
Investments	<u>15,236,213</u>	<u>8,252,282</u>	<u>9,940,369</u>	<u>33,428,864</u>
	<u>\$ 15,470,566</u>	<u>\$ 8,040,487</u>	<u>\$ 11,145,908</u>	<u>\$ 34,656,961</u>
Net position held in trust for pension benefits	<u>\$ 15,470,566</u>	<u>\$ 8,040,487</u>	<u>\$ 11,145,908</u>	<u>\$ 34,656,961</u>
ADDITIONS				
Contributions:				
Employer	\$ 741,942	\$ 267,093	\$ 510,767	\$ 1,519,802
Plan members	<u>89,618</u>	<u>31,580</u>	<u>517,979</u>	<u>639,177</u>
Total contributions	<u>831,560</u>	<u>298,673</u>	<u>1,028,746</u>	<u>2,158,979</u>
Investment earnings:				
Investment income	231,118	136,026	530,943	898,087
Net increase in the fair value of investments	<u>91,126</u>	<u>32,241</u>	<u>-</u>	<u>123,367</u>
Net investment earnings	<u>322,244</u>	<u>168,267</u>	<u>530,943</u>	<u>1,021,454</u>
Total additions	<u>1,153,804</u>	<u>466,940</u>	<u>1,559,689</u>	<u>3,180,433</u>
DEDUCTIONS				
Benefit payments	1,256,703	879,929	274,444	2,411,076
Administrative expenses	<u>24,772</u>	<u>18,769</u>	<u>50</u>	<u>43,591</u>
Total deductions	<u>1,281,475</u>	<u>898,698</u>	<u>274,494</u>	<u>2,454,667</u>
Change in net position	<u>(127,671)</u>	<u>(431,758)</u>	<u>1,285,195</u>	<u>725,766</u>
NET POSITION, beginning	<u>15,598,237</u>	<u>8,472,245</u>	<u>9,860,713</u>	<u>33,931,195</u>
NET POSITION, ending	<u>\$ 15,470,566</u>	<u>\$ 8,040,487</u>	<u>\$ 11,145,908</u>	<u>\$ 34,656,961</u>

TOWN OF ORANGE, CONNECTICUT
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2015
. . . Continued . . .

Investments

Investment policy - the pension plan's policy in regard to the allocation of invested assets is established and amended by the administrative pension board. It is the policy of the administrative pension board to pursue an investment strategy that reduces risk through the prudent diversification of the portfolio across a broad selection of distinct asset classes.

The following was the Committee's adopted asset allocation policy for all plans as of June 30, 2015:

Asset Class	Target Allocation
Core fixed income	25.00 %
Short-term bonds	15.00
Large cap U.S. equities	35.00
Mid cap U.S. equities	5.00
Small cap U.S. equities	5.00
Developed foreign equities	10.00
Real estate (REITS)	5.00
	100.00 %

Rate of return - For the year ended June 30, 2015, the annual money-weighted rate of return on pension plan investments, net of pension investment expense, was as follows:

Police	2.05 %
Town	2.05

The money-weighted rate of return expresses investment performance, net of investment expense, adjusted for the changing amounts actually invested.

TOWN OF ORANGE, CONNECTICUT
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2015
. . . Continued . . .

Net Pension Liability

The components of the net pension liability of the Town at June 30, 2015, were as follows:

	<u>Police</u>	<u>Town</u>	<u>Total</u>
Total pension liability	\$ 22,987,938	\$ 10,461,266	\$ 33,449,204
Plan fiduciary net position	<u>15,470,566</u>	<u>8,040,487</u>	<u>23,511,053</u>
Town's net pension liability	<u>\$ 7,517,372</u>	<u>\$ 2,420,779</u>	<u>\$ 9,938,151</u>
Plan fiduciary net position as a percentage of the total pension liability	67.30 %	76.86 %	

Actuarial assumptions - the total pension liability was determined by an actuarial valuation as of January 1, 2015 and increased by service cost and interest and decreased by benefit payments to estimate the total pension liability as of June 30, 2015. Actuarial assumptions were as follows:

	<u>Police</u>	<u>Town</u>
Inflation	2.70%	2.70%
Salary increases	3.50%	3.75%
Investment rate of return	7.50%	7.50%

Mortality rates for the Police Plan were based on the RP-2000 Combined Healthy Mortality with Blue Collar adjustments and static projection per Scale AA. Mortality rates for the Town Plan were based on the RP-2000 Combined Healthy Mortality with static projection per Scale AA.

The long-term expected rate of return on pension plan investments 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 included in the pension plan's target asset allocation as of June 30, 2015 (see the discussion of the pension plan's investment policy) are summarized in the following table:

TOWN OF ORANGE, CONNECTICUT
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2015
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Asset Class	Long-Term Expected Real Rate of Return
Core fixed income	1.85%
Short-term bonds	0.88%
Large cap U.S. equities	4.15%
Mid cap U.S. equities	4.24%
Small cap U.S. equities	4.39%
Developed foreign equities	4.15%
Real estate (REITS)	3.90%

Discount rate - the discount rate used to measure the total pension liability was 7.50%. The projection of cash flows used to determine the discount rate assumed that plan member contributions will be made at the current contribution rate and that the Town contributions will be made at rates equal to the actuarially determined contributions. Based on those assumptions, the pension plan's fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

Changes in the Net Pension Liability

Police Plan	Increase (Decrease)		
	Total Pension Liability (a)	Plan Fiduciary Net Position (b)	Net Pension Liability (a) - (b)
Balances, June 30, 2014	\$ 21,664,507	\$ 15,598,237	\$ 6,066,270
Changes for the year:			
Service cost	204,699	-	204,699
Interest	1,648,441	-	1,648,441
Effect of economic/demographic gains	153,124	-	153,124
Effect of assumptions changes or inputs	573,870	-	573,870
Contributions - employer	-	741,942	(741,942)
Contributions - members	-	89,618	(89,618)
Net investment income	-	322,244	(322,244)
Benefit payments, including refunds of member contributions	(1,256,703)	(1,256,703)	-
Administrative expenses	-	(24,772)	24,772
Net changes	1,323,431	(127,671)	1,451,102
Balances, June 30, 2015	\$ 22,987,938	\$ 15,470,566	\$ 7,517,372

TOWN OF ORANGE, CONNECTICUT
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2015
. . . Continued . . .

Town Plan	Increase (Decrease)		
	Total Pension Liability (a)	Plan Fiduciary Net Position (b)	Net Pension Liability (a) - (b)
Balances, June 30, 2014	\$ 10,413,215	\$ 8,472,245	\$ 1,940,970
Changes for the year:			
Service cost	33,206	-	33,206
Interest	761,105	-	761,105
Effect of economic/demographic gains	(65,267)	-	(65,267)
Effect of assumptions changes or inputs	198,936	-	198,936
Contributions - employer	-	267,093	(267,093)
Contributions - members	-	31,580	(31,580)
Net investment income	-	168,267	(168,267)
Benefit payments	(879,929)	(879,929)	-
Administrative expenses	-	(18,769)	18,769
Net changes	48,051	(431,758)	479,809
Balances, June 30, 2015	\$ 10,461,266	\$ 8,040,487	\$ 2,420,779

Sensitivity of the net pension liability to changes in the discount rate - the following presents the net pension liability of the Town, calculated using the discount rate of 7.50%, as well as what the Town's net pension liability would be if it were calculated using a discount rate that is 1-percentage-point lower (6.50%) or 1-percentage-point higher (8.50%) than the current rate:

	1% Decrease (6.50%)	Current Discount Rate (7.50%)	1% Increase (8.50%)
Police net pension liability	\$ 10,088,528	\$ 7,517,372	\$ 5,353,247
Town net pension liability	\$ 3,253,599	\$ 2,420,779	\$ 1,689,820

TOWN OF ORANGE, CONNECTICUT
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2015
. . . Continued . . .

Pension Expense and Deferred Outflows/Inflows of Resources Related to Pensions

For the year ended June 30, 2015, the Town recognized pension expense of \$378,703 and \$1,205,090 for the Town and Police Plans, respectively.

The Town reported deferred outflows of resources related to pensions from the following sources:

	Police Plan	Town Plan	Total
Net difference between projected and actual earnings on pension plan investments	\$ 664,846	\$ 356,046	\$ 1,020,892
Changes of assumptions	255,053	18,085	273,138
Differences between actual and expected experience	68,055	-	68,055
	\$ 987,954	\$ 374,131	\$ 1,362,085

The Town reported deferred inflows of resources related to pensions from the following sources:

	Police Plan	Town Plan	Total
Differences between actual and expected experience	\$ -	\$ 5,933	\$ 5,933

The net differences between projected and actual earnings are amortized over 5 years. The changes in assumptions and differences between actual and expected experience is amortized over 1.8 and 1.1 years for the Police and Town Plans, respectively.

TOWN OF ORANGE, CONNECTICUT
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2015
. . . Continued . . .

Amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follow:

Year ending June 30	Police Plan	Town Plan	Total
2016	\$ 489,319	\$ 101,163	\$ 590,482
2017	166,211	89,011	255,222
2018	166,211	89,011	255,222
2019	166,213	89,013	255,226

Connecticut State Teachers' Retirement System

Plan Description

Teachers, principals, superintendents or supervisors engaged in service of public schools are provided with pensions through the Connecticut State Teachers' Retirement System (TRS) – a cost sharing multi-employer defined benefit pension plan administered by the Teachers' Retirement Board (TRB). Chapter 167a of the State Statutes grants authority to establish and amend the benefit terms to the TRB. TRS issues a publicly available financial report that can be obtained at www.ct.gov.

TRS is a cost sharing multi-employer pension plan with a special funding situation administered by the Connecticut State Teachers' Retirement Board. The TRB is responsible for the administration of the Connecticut Teachers' Retirement System. The State Treasurer is responsible for investing TRS funds for the exclusive benefit of TRS members.

Benefit Provisions

The plan provides retirement, disability and death benefits. Employees are eligible to retire at age 60 with 20 years of credited service in Connecticut, or 35 years of credited service including at least 25 years of service in Connecticut.

Normal Retirement: Retirement benefits for the employees are calculated as 2% of the average annual salary times the years of credited service (maximum benefit is 75% of average annual salary during the 3 years of highest salary).

TOWN OF ORANGE, CONNECTICUT
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2015
. . . Continued . . .

Early Retirement: Employees are eligible after 25 years of credited service including 20 years of Connecticut service, or age 55 with 20 years of credited service including 15 years of Connecticut service. Benefit amounts are reduced by 6% per year for the first 5 years preceding normal retirement age and 4% per year for the next 5 years preceding normal retirement age. Effective July 1, 1999, the reduction for individuals with 30 or more years of service is 3% per year by which retirement precedes normal retirement date.

Disability Retirement: Employees are eligible for service-related disability benefits regardless of length of service. Five years of credited service is required for nonservice-related disability eligibility. Disability benefits are calculated as 2% of average annual salary times credited service to date of disability, but not less than 15% of average annual salary, not more than 50% of average annual salary. In addition, disability benefits under this plan (without regard to cost-of-living adjustments) plus any initial award of social security benefits and workers' compensation cannot exceed 75% of average annual salary.

Minimum Benefit: Effective January 1, 1999, Public Act 98-251 provides a minimum monthly benefit of \$1,200 to teachers who retire under the normal retirement provisions and who have completed at least 25 years of full time Connecticut service at retirement.

Contribution Requirements

Per Connecticut General Statutes Section 10-183z (which reflects Public Act 79-436 as amended), contribution requirements of active employees and the State of Connecticut is amended and certified by the State Teachers' Retirement Board and appropriated by the General Assembly. The statutes require the State of Connecticut to contribute 100% of each school district's contributions, which are actuarially determined as an amount that, when combined with employee contributions and investment earnings, is expected to finance the costs of the benefits earned by employees during the year, with any additional amount to finance any unfunded accrued liability.

School district employers are not required to make contributions to the plan.

Effective July 1, 1992, each teacher is required to contribute 6% of salary for the pension benefit.

Pension Liabilities, Pension Expense, and Deferred Inflows/Outflows of Resources Related to Pensions

The State makes all contributions to the System on behalf of employees of the participating entities. Therefore, participating employers are considered to be in a special funding situation as defined by Governmental Accounting Standards Board No. 68 and the State is treated as a non-employer contributing entity in the System. Since the Town did not contribute directly to

TOWN OF ORANGE, CONNECTICUT
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2015
. . . Continued . . .

the System, there is no net pension liability or deferred inflows or outflows of resources to report in the financial statements of the Town. The portion of the 2014 State's collective contribution to the System associated with the Town was \$2,192,880, or .231185%. The portion of the collective net pension liability that was associated with the Town was \$23,445,492 and 100% of the collective net pension liability of \$10,141,454,000 is allocated to the State. The Town's share of the collective net pension liability is calculated using the employer allocation percentage.

The net pension liability was measured as of June 30, 2014, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of that date. There were no changes in assumptions or benefits that affected the measurement of the total pension liability since the prior measurement date.

The Town recognized the total pension expense associated with the Town as well as revenue in an amount equal to the non-employer contributing entities' total proportionate share of the collective pension expense associated with the Town. For the fiscal year ended June 30, 2015, the Town recognized \$1,759,082 as the amount expended by the State on behalf of the Town to meet the State's funding requirements.

Actuarial Assumptions

The actuarial assumptions used in the June 30, 2014, valuation were based on the results of an actuarial experience study for the period July 1, 2005 through June 30, 2010. The total pension liability was determined by an actuarial valuation as of June 30, 2014, using the following key actuarial assumptions:

Inflation	3.00%
Salary increases, including inflation	3.75 - 7.00%
Long-term investment rate of return, net of pension investment expense, including inflation	8.50%

Mortality rates were based on the RP-2000 Combined Mortality Table RP-2000 projected 19 years using scale AA, with a two-year setback for males and females for the period after service retirement and for dependent beneficiaries.

Future cost-of-living increases for members who retire on or after September 1, 1992 are assumed to receive an annual cost-of-living adjustment of 2%.

The long-term expected rate of return on pension investments was determined using a log-normal distribution analysis in which best-estimate ranges of expected future real rates of return (expected returns, net of pension investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of

TOWN OF ORANGE, CONNECTICUT
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2015
. . . Continued . . .

return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. The target asset allocation and best estimates of arithmetic real rates of return for each major asset class are summarized in the following table:

Asset Class	Target Allocation	Long-Term Expected Real Rate of Return
Large cap U.S. equities	21.00 %	7.30 %
Developed non-U.S. equities	18.00	7.50
Emerging markets (non & U.S.)	9.00	8.60
Core fixed income	7.00	1.70
Emerging market bond	5.00	4.80
High yield bonds	5.00	3.70
Inflation linked bond fund	3.00	1.30
Liquidity fund	6.00	0.40
Real estate	7.00	5.90
Alternative investments	8.00	0.70
Private equity	11.00	10.90
	100.00 %	

Discount Rate: The discount rate used to measure the total pension liability was 8.5%. The projection of cash flows used to determine the discount rate assumed that member contributions will be made at the current contribution rate and that State contributions will be made at the actuarially determined rates in future years. Based on those assumptions, the pension's fiduciary net position was projected to be available to make all projected future benefit payments of current members. Therefore, the long-term expected rate of return on pension investments was applied to all periods of projected benefit payments to determine the total pension liability.

Sensitivity of the Proportionate Share of the Net Pension Liability to Changes in the Discount Rate

The Town's proportionate share of the net pension liability is \$-0- and, therefore, the change in the discount rate would only impact the amount recorded by the State of Connecticut.

TOWN OF ORANGE, CONNECTICUT
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2015
. . . Continued . . .

11. Other Post-Employment Benefits (OPEB)

Plan Description

The Town provides post-retirement medical and dental benefits to eligible retirees and their spouses through a single-employer, contributory, defined benefit OPEB plan. A bi-annual actuarial valuation is made to determine whether the contributions are sufficient to meet the plan obligations. The latest actuarial valuation was made July 1, 2014. The OPEB plan does not issue a separate, stand-alone, financial report.

Benefit Provisions

Board of Education (BOE) administrators and teachers are eligible for medical and dental coverage for self and spouse upon meeting one of the following criteria:

1. Normal retirement at age 60 with 20 years of service or completion of 35 years of service regardless of age or
2. Early retirement at age 60 with 10 years of service, any age with 25 years of service, or age 55 with 20 years of service.

BOE custodians/maintenance employees are eligible for medical and dental coverage for self and spouse upon retirement at age 62. Retirees after July 1, 2002 who attain age 65 shall be eligible for Post 65 coverage until age 75.

BOE secretaries and aides are eligible for medical and dental coverage upon retirement at age 65 with at least 15 years of full-time employment or age 55 with at least 10 years of service.

BOE central office staff are eligible for medical and dental coverage upon retirement at age 65 until age 75 if hired prior to January 29, 1996. Central Staff hired after January 29, 1996 can continue with coverage at their own cost.

Police officers are eligible for medical and dental coverage upon retirement at age 55 or with 20 years of service.

Town supervisors hired prior to March 15, 2001 are eligible for medical and dental coverage upon retirement at age 65, or age 62 with 25 years of service, or age 55 with 10 years of service.

Town highway and public service employees are eligible for medical and dental coverage upon retirement at age 65, or age 62 with 25 years of service or age 55 with 10 years of service.

TOWN OF ORANGE, CONNECTICUT
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2015
. . . Continued . . .

Plan Membership

Membership in the plan consisted of the following as of July 1, 2014, the date of the last actuarial valuation:

Active members	247
Retirees and dependents	<u>97</u>
Total	<u><u>344</u></u>

Funding Policy

There is no trust created for this plan. The contribution requirement of plan members and the Town are established and may be amended by the Town. The Town currently contributes enough money to the plan to satisfy the current obligations on a pay-as-you go basis.

Teacher retirees and spouses pay 100% of the premium, less the \$1,320 annual CT Teachers Retirement Board subsidy for certified employees.

BOE Administrators with 10 years of service as an administrator or 25 years of service pay all but \$2,500 per year for the first five years and 100% per year thereafter. BOE Administrators hired on or after July 1, 2009 pay 100% of the premium.

BOE custodians/maintenance employees pay 100% of the premium, except for retirees hired prior to July 1, 2012 who retire at age 62 or above who have the same cost share as active employees.

BOE secretaries and aides pay 100% of the premium until age 65 and thereafter will pay all but \$150 until age 80.

BOE central office staff hired before January 29, 1996 pay nothing until age 75, at which time their insurance is discontinued. BOE central office staff hired after January 29, 1996 pay 100% of the premium.

Police officers hired prior to July 1, 2014 and retiring prior to July 1, 2020 pay no share of the premium. Police officers hired prior to July 1, 2014 and retiring on or after July 1, 2020 pay 30% of the bargaining unit contribution rate for active employees in effect at the date of retirement. Police officers hired on or after July 1, 2014 pay 50% of the bargaining unit contribution rate for active employees in effect at the date of retirement. In all events of duty injury disability retirement, the Town shall contribute 100% of the premium.

Town supervisors hired prior to March 15, 2001 pay 100% of the premium. Town supervisors hired after March 15, 2001 are not eligible for benefits.

TOWN OF ORANGE, CONNECTICUT
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2015
. . . Continued . . .

Town highway and public service pay 100% of the premium.

Annual OPEB Cost and Net OPEB Obligation

The annual OPEB cost and net OPEB obligation to the plan as of June 30, 2015 were as follows:

	<u>Other Post- Employment Benefits (OPEB)</u>
Annual required contribution (ARC)	\$ 2,419,598
Interest on net OPEB obligation	186,348
Adjustment to annual required contribution	<u>(213,262)</u>
Annual OPEB cost	2,392,684
Contributions made	<u>815,608</u>
Increase in net OPEB obligation	1,577,076
Net OPEB obligation, beginning of year	<u>4,658,698</u>
Net OPEB obligation, end of year	<u><u>\$ 6,235,774</u></u>

Three-Year Trend Information

The Town's annual OPEB cost, the percentage of annual OPEB cost contributed to the plan, and the net OPEB obligation three year trend information is presented below:

<u>Fiscal Year Ending</u>	<u>Annual OPEB Cost (AOC)</u>	<u>Actual Contribution</u>	<u>Percentage of AOC Contributed</u>	<u>Net OPEB Obligation</u>
6/30/2013	\$ 1,338,135	\$ 758,000	56.65%	\$ 3,148,499
6/30/2014	2,253,399	743,200	32.98%	4,658,698
6/30/2015	2,392,684	815,608	34.09%	6,235,774

TOWN OF ORANGE, CONNECTICUT
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2015
. . . Continued . . .

Funding Status and Funding Progress

The funded status of the plan as of July 1, 2014, the most recent actuarial valuation date, is as follows:

Schedule of Funding Progress						
Actuarial Valuation Date	Actuarial Value of Assets (a)	Actuarial Accrued Liability (AAL) (b)	Unfunded AAL (UAAL) (b - a)	Funded Ratio (a / b)	Covered Payroll (c)	UAAL as a Percentage of Covered Payroll ((b - a) / c)
7/1/2014	\$ -	\$ 26,549,287	\$ 26,549,287	0.00%	N/A	N/A

Actuarial valuations for OPEB plans involve estimates of the value of reported amounts and assumptions about the probability of events far into the future. These actuarially determined amounts are subject to continual revisions as actual results are compared to past expectations and new estimates are made about the future.

The schedules of funding progress and employer contributions, presented as required supplementary information following the notes to the financial statements, present multi-year trend information about whether the actuarial value of plan assets is increasing or decreasing over time relative to the actuarial accrued liabilities for benefits.

Actuarial Methods and Assumptions

Projection of benefits for financial reporting purposes are based on the substantive plan (the plan as understood by the employer and the plan members) and include the types of benefits provided at the time of each valuation and the historical pattern of sharing of benefit costs between the employer and plan members to that point. The actuarial calculations of the OPEB plan reflect a long-term perspective. Consistent with this perspective, actuarial valuations, will use actuarial methods and assumptions that include techniques that are designed to reduce the effects of short-term volatility in actuarial accrued liabilities and the actuarial value of assets.

Valuation Date	July 1, 2014
Actuarial Cost Method	Projected Unit Credit
Asset Valuation Method	Market Value
Amortization Method	Level Percent
Amortization Period	30 years decreasing
Actuarial Assumptions:	
Discount rate	4.0%
Investment rate of return	4.0%
Inflation rate	7.1%
Health cost trend rates	A rate of 7.1% initially, reduced to an ultimate rate of 4.7%

TOWN OF ORANGE, CONNECTICUT
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2015
. . . Continued . . .

12. Risk Management

The Town is exposed to various risks of loss related to torts; theft of, damage to and destruction of assets; errors and omissions; workers compensation and natural disasters for which the Town carries commercial insurance. During the year ended June 30, 2015, deductibles paid by the Town were insignificant.

The Town currently is a member in Connecticut Interlocal Risk Management Agency (CIRMA), a public entity risk pool established for the purpose of administering an interlocal risk management program pursuant to the provisions of Section 7-479a et. Seq. of Connecticut General Statutes, for workers compensation and liability-automobile-property insurance. At June 30, 2015, CIRMA had over 200 members in the workers compensation pool and over 150 members in the liability-automobile-property pool. The Town pays annual premium for its coverage in both pools. CIRMA is to be self-sustaining through members' premiums but reinsures in excess of \$1,000,000 for each insured occurrence. Members may be subject to supplemental assessment in the event of deficiencies; however, potential assessments are limited pursuant to the bylaws.

Settled claims, for all types of commercial coverage, have not exceeded commercial insurance coverage during any of the past three fiscal years.

13. Internal Service Funds

The Town maintains a group medical and dental self-insurance fund to account for health claims of employees and their families. Anthem Blue Cross and Blue Shield of Connecticut (Anthem) acts as plan administrator and claims processor. The Town has also purchased, through Anthem, individual and aggregate stop-loss protection.

The self-insured claims (medical and dental) paid through the fund are financed through resources obtained from the General Fund and employee payroll deductions. The accounting treatment is to record the resources paid by the General Fund as an expenditure of that fund and as revenue of the Internal Service Fund in the governmental fund financial statements. At June 30, 2015, a liability of \$364,893 has been recorded, which represents estimated claims incurred but not yet reported.

TOWN OF ORANGE, CONNECTICUT
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2015
. . . Continued . . .

Changes in this claims liability during the fiscal year were as follows:

	Claims Payable July 1	Current Year Claims and Changes in Estimates	Claims Paid	Claims Payable June 30
2012 - 2013	\$ 288,478	\$ 4,732,473	\$ 4,698,651	\$ 322,300
2013 - 2014	322,300	4,375,357	4,329,284	368,373
2014 - 2015	368,373	4,948,302	4,951,782	364,893

14. Commitments and Contingencies

The Town has received Federal and State grants for specific purposes that are subject to review and audit by the grantor agencies. Such audits could lead to requests for reimbursement to the grantor agency for any expenditure disallowed under terms of the grant. Based upon prior experience, Town management believes such disallowances, if any, will not be material.

The Town has been named as defendant in various claims and legal actions. The Town's attorney estimates that the potential claims against the Town covered by insurance resulting from such claims and legal actions would not materially affect the financial condition of the Town.

In 1993, the Town entered into a contract to have congregate elderly housing constructed. The construction was funded by a \$3,582,050 grant and a \$40,000 loan from the State of Connecticut Department of Housing (the "DOH"). The housing cannot be sold without the permission of DOH. Any proceeds from such a sale must first be used to repay the DOH grant. As a result, the State has a lien on all property associated with the Congregate Elderly Housing.

The Town continues to be a defendant in an action involving the disposal of hazardous waste on and in a landfill. The continuing action has been long standing and was brought by the Laurel Park Coalition. The Laurel Park litigation continues with the Laurel Park Coalition having appealed a prior year District Court ruling which calculated the amount owed by the Town to be \$266,362, which was less than the \$330,000 previously deposited with the Court. In a subsequent year the appeal was denied, but interest and claims for post-trial costs have not settled and the final outcome has not been estimated. Additionally, post trial costs for post-closure maintenance and monitoring have not been settled, but the Laurel Park Coalition has projected post closure costs applicable to the Town on an annual basis of about \$7,700 for the first ten years, \$5,800 for the next ten years and \$3,000 for the remaining ten year period.

TOWN OF ORANGE, CONNECTICUT
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2015
. . . Continued . . .

In connection with another action involving the disposal of hazardous waste on property owned by others, the Town has agreed to be responsible for a portion of post-closure maintenance, monitoring and clean up costs at the former Beacon Heights Landfill. The Town's portion of those costs is estimated to be about \$5,400 per year based on current charges and will continue until July 2033. Payment of the Beacon Heights costs is being made from the General Fund.

15. Other Matters

The State of Connecticut's Office of Policy and Management has adopted new laws that will affect the Town's budgets in subsequent years. The motor vehicle mill rate will be capped at 32 mills in fiscal year 2017 and 29.36 mills in fiscal year 2018 and annually thereafter. Beginning with fiscal year 2018, a cap will be imposed on municipal spending to limit general budget expenditures to 2.5% above the previous year or the rate of inflation, whichever is greater. Exemptions from the cap include debt service, special education expenditures, expenditures from implementing court orders, arbitration awards, expenditures related to major disaster or emergency declarations, and MRSA grants distributed to special taxing districts under certain circumstances.

TOWN OF ORANGE, CONNECTICUT
SCHEDULE OF CHANGES IN THE TOWN'S NET PENSION LIABILITY
AND RELATED RATIOS
POLICE PLAN
LAST TWO FISCAL YEARS

	2015	2014
Total pension liability		
Service cost	\$ 204,699	\$ 182,245
Interest	1,648,441	1,603,617
Effect of economic/demographic gains or losses	153,124	-
Effect of assumptions changes or inputs	573,870	-
Benefit payments, including refunds of member contributions	(1,256,703)	(1,238,762)
Net change in total pension liability	1,323,431	547,100
Total pension liability - beginning	21,664,507	21,117,407
Total pension liability - ending (a)	\$ 22,987,938	\$ 21,664,507
Plan fiduciary net position		
Contributions - employer	\$ 741,942	\$ 634,495
Contributions - members	89,618	87,745
Net investment income	322,244	2,203,677
Benefit payments, including refunds of member contributions	(1,256,703)	(1,238,762)
Administrative expenses	(24,772)	(36,706)
Net change in plan fiduciary net position	(127,671)	1,650,449
Plan fiduciary net position - beginning	15,598,237	13,947,788
Plan fiduciary net position - ending (b)	\$ 15,470,566	\$ 15,598,237
Town's net pension liability - ending (a) - (b)	\$ 7,517,372	\$ 6,066,270
Plan fiduciary net position as a percentage of the total pension liability	67.30 %	72.00 %
Covered-employee payroll	\$ 1,228,515	\$ 1,358,468
Net pension liability as a percentage of covered-employee payroll	611.91 %	446.55 %

TOWN OF ORANGE, CONNECTICUT
SCHEDULE OF CHANGES IN THE TOWN'S NET PENSION LIABILITY
AND RELATED RATIOS
TOWN PLAN
LAST TWO FISCAL YEARS

	2015	2014
Total pension liability		
Service cost	\$ 33,206	\$ 34,328
Interest	761,105	779,525
Effect of economic/demographic gains or losses	(65,267)	-
Effect of assumptions changes or inputs	198,936	-
Benefit payments, including refunds of member contributions	(879,929)	(833,846)
Net change in total pension liability	48,051	(19,993)
Total pension liability - beginning	10,413,215	10,433,208
Total pension liability - ending (a)	\$ 10,461,266	\$ 10,413,215
Plan fiduciary net position		
Contributions - employer	\$ 267,093	\$ 208,794
Contributions - members	31,580	37,229
Net investment income	168,267	1,255,811
Benefit payments, including refunds of member contributions	(879,929)	(833,843)
Administrative expenses	(18,769)	(29,616)
Net change in plan fiduciary net position	(431,758)	638,375
Plan fiduciary net position - beginning	8,472,245	7,833,870
Plan fiduciary net position - ending (b)	\$ 8,040,487	\$ 8,472,245
Town's net pension liability - ending (a) - (b)	\$ 2,420,779	\$ 1,940,970
Plan fiduciary net position as a percentage of the total pension liability	76.86 %	81.36 %
Covered-employee payroll	\$ 932,129	\$ 942,654
Net pension liability as a percentage of covered-employee payroll	259.70 %	205.90 %

**TOWN OF ORANGE, CONNECTICUT
SCHEDULE OF EMPLOYER CONTRIBUTIONS
POLICE PLAN
LAST TWO FISCAL YEARS**

	2015	2014
Actuarially determined contribution	\$ 741,942	\$ 634,495
Contribution in relation to the actuarially determined contribution	741,942	634,495
Contribution deficiency (excess)	\$ -	\$ -
Covered-employee payroll	\$ 1,228,515	\$ 1,358,468
Contributions as a percentage of covered-employee payroll	60.39 %	46.71 %

Notes to Schedule

Valuation date: January 1, 2015
Measurement date: June 30, 2015
Actuarially determined contribution rates are calculated as of January 1, 30 months prior to the end of the fiscal year in which contributions are reported.

Methods and assumptions used to determine contribution rates:

Actuarial cost method	Entry age
Amortization period	Level percent, closed
Remaining amortization period	16 years
Asset valuation method	5 year smoothing period with asymptotic recognition method
Inflation	2.70%
Salary increases	3.50% per annum
Investment rate of return	7.50%
Retirement age	Rates based on age and service
Mortality	RP-2000 Combined Healthy Mortality with Blue Collar adjustment and static projection per Scale AA. Mortality is projected through the valuation date plus another 15 years for active participants and through the valuation date plus another 7 years for inactive participants.

**TOWN OF ORANGE, CONNECTICUT
SCHEDULE OF EMPLOYER CONTRIBUTIONS
TOWN PLAN
LAST TWO FISCAL YEARS**

	2015	2014
Actuarially determined contribution	\$ 267,093	\$ 208,794
Contribution in relation to the actuarially determined contribution	267,093	208,794
Contribution deficiency (excess)	\$ -	\$ -
Covered-employee payroll	\$ 932,129	\$ 942,654
Contributions as a percentage of covered-employee payroll	28.65 %	22.15 %

Notes to Schedule

Valuation date: January 1, 2015
Measurement date: June 30, 2015
Actuarially determined contribution rates are calculated as of January 1, 30 months prior to the end of the fiscal year in which contributions are reported.

Methods and assumptions used to determine contribution rates:

Actuarial cost method	Entry age
Amortization period	Level percent, closed
Remaining amortization period	13 years
Asset valuation method	5 year smoothing period with asymptotic recognition method
Inflation	2.70%
Salary increases	3.75% per annum
Investment rate of return	7.50%
Retirement age	100% earlier of age 65, or age 62 and 25 years of service
Mortality	RP-2000 Combined Healthy Mortality with static projection Scale AA. Mortality is projected through the valuation date plus another 15 years for active participants and through the valuation date plus another 7 years for inactive participants.

**TOWN OF ORANGE, CONNECTICUT
SCHEDULE OF INVESTMENT RETURNS
TOWN'S PENSION PLANS
LAST TWO FISCAL YEARS**

	<u>2015</u>	<u>2014</u>
Annual money weighted rate of return, net of investment expenses		
Police Plan	2.05 %	16.24 %
Town Plan	2.05	15.86

**TOWN OF ORANGE, CONNECTICUT
SCHEDULE OF THE TOWN'S PROPORTIONATE SHARE
OF THE NET PENSION LIABILITY
CONNECTICUT STATE TEACHERS' RETIREMENT SYSTEM
LAST FISCAL YEAR**

Town's proportion of the net pension liability		0.00 %
Town's proportionate share of the collective net pension liability	\$	-
State's proportionate share of the net pension liability associated with the Town		<u>23,445,492</u>
Total	\$	<u><u>23,445,492</u></u>
Town's covered-employee payroll	\$	<u><u>7,569,000</u></u>
Town's proportionate share of the net pension liability as a percentage of its covered payroll		<u><u>0.00 %</u></u>
Plan fiduciary net position as a percentage of the total pension liability		<u><u>61.51 %</u></u>

Notes to Connecticut State Teachers' Retirement System

Change of Assumptions

In 2011, rates of withdrawal, retirement, and assumed rates of salary increases were adjusted to more closely reflect actual and anticipated experience. These assumptions were recommended as part of the Experience Study for the System for the five year period ended June 30, 2010.

Methods and Assumptions used in Calculations of Actuarially Determined Contributions

The actuarially determined contributions in the schedule of employer contributions are calculated as of June 30 each biennium for the fiscal years ending two and three years after the valuation date. The following actuarial methods and assumptions were used to determine the most recent contributions reported in the schedule:

Actuarial cost method	Entry age
Amortization method	Level percent of pay, closed
Single equivalent amortization period	22.4 years
Asset valuation method	4-year smoothed market

**TOWN OF ORANGE, CONNECTICUT
SCHEDULE OF FUNDING PROGRESS AND EMPLOYER CONTRIBUTIONS
OTHER POST-EMPLOYMENT BENEFITS PLAN
JUNE 30, 2015**

Schedule of Funding Progress

Actuarial Valuation Date	Actuarial Value of Plan Assets (a)	Actuarial Accrued Liability (b)	Total Unfunded Actuarial Accrued Liability (c)	Actuarial Value of Assets as a Percentage of Actuarial Accrued Liability (a) / (b)	Annual Covered Payroll (d)	Unfunded Actuarial Accrued Liability as a Percentage of Annual Covered Payroll (c) / (d)
7/1/08	\$ -	\$ 8,210,400	\$ 8,210,400	0.00 %	N/A	N/A
7/1/10	-	12,980,000	12,980,000	0.00	N/A	N/A
7/1/12	-	26,549,287 *	26,549,287	0.00	N/A	N/A
7/1/14	-	30,453,882	30,453,882	0.00	N/A	N/A

* Change in discount rate to 4.0%.

Schedule of Employer Contributions

Year Ended June 30	Annual Required Contribution	Percentage Contributed
2010	\$ 954,400	29.84 %
2011	1,041,200	30.57
2012	1,204,000	61.30
2013	1,297,000	58.44
2014	2,266,151	32.80
2015	2,419,598	33.71

**TOWN OF ORANGE, CONNECTICUT
COMBINING BALANCE SHEET
NONMAJOR GOVERNMENTAL FUNDS
JUNE 30, 2015**

	Special Revenue						
	Orange Public Library	Police Programs	School of 21st Century	Education Grants	Cafeteria	School Grants and Donations	School Tuition Programs
ASSETS							
Cash and cash equivalents	\$ 177,002	\$ 61,746	\$ 88,122	\$ 31,903	\$ -	\$ 26,241	\$ 72,892
Accounts receivable	-	64,115	-	-	-	-	-
Due from other governments	-	-	-	-	8,462	-	-
Investments	-	-	-	-	-	-	-
Total assets	<u>\$ 177,002</u>	<u>\$ 125,861</u>	<u>\$ 88,122</u>	<u>\$ 31,903</u>	<u>\$ 8,462</u>	<u>\$ 26,241</u>	<u>\$ 72,892</u>
LIABILITIES AND FUND BALANCES							
LIABILITIES							
Accounts payable	\$ 6,866	\$ 1,257	\$ -	\$ -	\$ 9,986	\$ -	\$ -
Due to other funds	2,075	-	-	-	78,613	-	-
Unearned revenue	-	-	-	31,903	-	-	-
Total liabilities	<u>8,941</u>	<u>1,257</u>	<u>-</u>	<u>31,903</u>	<u>88,599</u>	<u>-</u>	<u>-</u>
FUND BALANCES (DEFICITS)							
Nonspendable	-	-	-	-	-	-	-
Restricted	168,061	124,604	-	-	-	26,241	-
Committed	-	-	88,122	-	-	-	72,892
Assigned	-	-	-	-	-	-	-
Unassigned	-	-	-	-	(80,137)	-	-
Total fund balances (deficits)	<u>168,061</u>	<u>124,604</u>	<u>88,122</u>	<u>-</u>	<u>(80,137)</u>	<u>26,241</u>	<u>72,892</u>
Total liabilities and fund balances (deficits)	<u>\$ 177,002</u>	<u>\$ 125,861</u>	<u>\$ 88,122</u>	<u>\$ 31,903</u>	<u>\$ 8,462</u>	<u>\$ 26,241</u>	<u>\$ 72,892</u>

...Continued...

**TOWN OF ORANGE, CONNECTICUT
COMBINING BALANCE SHEET
NONMAJOR GOVERNMENTAL FUNDS
JUNE 30, 2015
...Continued...**

	Special Revenue						
	Town Road Aid	LoCIP	Town Improvement Program P.A. 86-1	Easement	Community Services	Orange Drug & Alcohol Action Committee	Gusachik Nursing
ASSETS							
Cash and cash equivalents	\$ -	\$ 67,656	\$ 106,744	\$ 15,060	\$ 176,667	\$ 51,437	\$ 64,033
Accounts receivable	-	-	-	-	2,855	-	-
Due from other governments	-	-	-	-	-	-	-
Investments	-	-	-	-	-	-	-
Total assets	<u>\$ -</u>	<u>\$ 67,656</u>	<u>\$ 106,744</u>	<u>\$ 15,060</u>	<u>\$ 179,522</u>	<u>\$ 51,437</u>	<u>\$ 64,033</u>
LIABILITIES AND FUND BALANCES							
LIABILITIES							
Accounts payable	\$ -	\$ -	\$ -	\$ -	\$ 5,224	\$ -	\$ -
Due to other funds	-	-	76,578	-	-	-	-
Unearned revenue	-	-	-	-	-	-	-
Total liabilities	<u>-</u>	<u>-</u>	<u>76,578</u>	<u>-</u>	<u>5,224</u>	<u>-</u>	<u>-</u>
FUND BALANCES (DEFICITS)							
Nonspendable	-	-	-	-	-	-	-
Restricted	-	67,656	30,166	15,060	-	51,437	64,033
Committed	-	-	-	-	-	-	-
Assigned	-	-	-	-	174,298	-	-
Unassigned	-	-	-	-	-	-	-
Total fund balances (deficits)	<u>-</u>	<u>67,656</u>	<u>30,166</u>	<u>15,060</u>	<u>174,298</u>	<u>51,437</u>	<u>64,033</u>
Total liabilities and fund balances (deficits)	<u>\$ -</u>	<u>\$ 67,656</u>	<u>\$ 106,744</u>	<u>\$ 15,060</u>	<u>\$ 179,522</u>	<u>\$ 51,437</u>	<u>\$ 64,033</u>

...Continued...

**TOWN OF ORANGE, CONNECTICUT
COMBINING BALANCE SHEET
NONMAJOR GOVERNMENTAL FUNDS
JUNE 30, 2015
...Continued...**

	Special Revenue							
	Orange Agricultural Fair	Town Exchange	Special Events and Programs	Historic Preservation	Recreation Self Support	Orange Visiting Nurses Association	Civilian Emergency Response Team	Total Special Revenue
ASSETS								
Cash and cash equivalents	\$ 278,644	\$ 118,423	\$ 6,199	\$ 30,441	\$ 360,232	\$ 166,529	\$ 1,382	\$ 1,901,353
Accounts receivable	-	-	-	-	-	223,786	-	290,756
Due from other governments	-	-	-	-	-	-	-	8,462
Investments	-	-	-	-	-	-	-	-
Total assets	\$ 278,644	\$ 118,423	\$ 6,199	\$ 30,441	\$ 360,232	\$ 390,315	\$ 1,382	\$ 2,200,571
LIABILITIES AND FUND BALANCES								
LIABILITIES								
Accounts payable	\$ 380	\$ -	\$ 80	\$ 5,908	\$ 3,826	\$ 9,700	\$ -	\$ 43,227
Due to other funds	-	-	-	-	-	-	-	157,266
Unearned revenue	-	-	-	-	-	-	-	31,903
Total liabilities	380	-	80	5,908	3,826	9,700	-	232,396
FUND BALANCES (DEFICITS)								
Nonspendable	-	-	-	-	-	-	-	-
Restricted	-	-	-	24,533	-	-	1,382	573,173
Committed	278,264	-	-	-	-	380,615	-	819,893
Assigned	-	118,423	6,119	-	356,406	-	-	655,246
Unassigned	-	-	-	-	-	-	-	(80,137)
Total fund balances (deficits)	278,264	118,423	6,119	24,533	356,406	380,615	1,382	1,968,175
Total liabilities and fund balances (deficits)	\$ 278,644	\$ 118,423	\$ 6,199	\$ 30,441	\$ 360,232	\$ 390,315	\$ 1,382	\$ 2,200,571

...Continued...

**TOWN OF ORANGE, CONNECTICUT
COMBINING BALANCE SHEET
NONMAJOR GOVERNMENTAL FUNDS
JUNE 30, 2015
...Continued...**

	Permanent Fund	Capital Projects			Total Non-Major Governmental Funds
	Mary T. McGuire Trust	STEAP	Peck Place Remediation	Total Capital Projects	
ASSETS					
Cash and cash equivalents	\$ 15,188	\$ -	\$ 531,926	\$ 531,926	\$ 2,448,467
Accounts receivable	-	-	-	-	290,756
Due from other governments	-	15,458	-	15,458	23,920
Investments	26,725	-	-	-	26,725
Total assets	<u>\$ 41,913</u>	<u>\$ 15,458</u>	<u>\$ 531,926</u>	<u>\$ 547,384</u>	<u>\$ 2,789,868</u>
LIABILITIES AND FUND BALANCES					
LIABILITIES					
Accounts payable	\$ -	\$ -	\$ -	\$ -	\$ 43,227
Due to other funds	-	15,458	-	15,458	172,724
Unearned revenue	-	-	-	-	31,903
Total liabilities	<u>-</u>	<u>15,458</u>	<u>-</u>	<u>15,458</u>	<u>247,854</u>
FUND BALANCES (DEFICITS)					
Nonspendable	29,204	-	-	-	29,204
Restricted	12,709	-	-	-	585,882
Committed	-	-	531,926	531,926	1,351,819
Assigned	-	-	-	-	655,246
Unassigned	-	-	-	-	(80,137)
Total fund balances (deficits)	<u>41,913</u>	<u>-</u>	<u>531,926</u>	<u>531,926</u>	<u>2,542,014</u>
Total liabilities and fund balances (deficits)	<u>\$ 41,913</u>	<u>\$ 15,458</u>	<u>\$ 531,926</u>	<u>\$ 547,384</u>	<u>\$ 2,789,868</u>

**TOWN OF ORANGE, CONNECTICUT
COMBINING STATEMENT OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCES (DEFICITS)
NONMAJOR GOVERNMENTAL FUNDS
FOR THE YEAR ENDED JUNE 30, 2015**

	Special Revenue						
	Orange Public Library	Police Programs	School of 21st Century	Education Grants	Cafeteria	School Grants and Donations	School Tuition Programs
REVENUES							
Intergovernmental	\$ 9,186	\$ 26,319	\$ -	\$ 381,505	\$ 51,610	\$ -	\$ -
Program revenues	-	-	514,674	-	-	-	130,204
Investment income	24	-	-	-	-	-	-
Charges for facilities and services	-	239,115	-	-	324,339	-	-
Miscellaneous	9,221	36,679	-	13,598	-	39,981	-
Total revenues	<u>18,431</u>	<u>302,113</u>	<u>514,674</u>	<u>395,103</u>	<u>375,949</u>	<u>39,981</u>	<u>130,204</u>
EXPENDITURES							
Public safety	-	200,860	-	-	-	-	-
Public works and sanitation	-	-	-	-	-	-	-
Culture and recreation	18,038	-	-	-	-	-	-
Health and welfare	-	-	-	-	-	-	-
Education - Orange Board of Education	-	-	571,442	395,103	364,165	39,772	81,018
Other	-	-	-	-	-	-	-
Capital outlay	-	-	-	-	-	-	-
Total expenditures	<u>18,038</u>	<u>200,860</u>	<u>571,442</u>	<u>395,103</u>	<u>364,165</u>	<u>39,772</u>	<u>81,018</u>
Excess (deficiency) of revenues over expenditures	<u>393</u>	<u>101,253</u>	<u>(56,768)</u>	<u>-</u>	<u>11,784</u>	<u>209</u>	<u>49,186</u>
OTHER FINANCING SOURCES (USES)							
Interfund transfers in	-	-	-	-	-	-	-
Interfund transfers out	-	(85,000)	-	-	-	-	-
Total other financing sources (uses)	<u>-</u>	<u>(85,000)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net change in fund balance	393	16,253	(56,768)	-	11,784	209	49,186
FUND BALANCES (DEFICITS), beginning	<u>167,668</u>	<u>108,351</u>	<u>144,890</u>	<u>-</u>	<u>(91,921)</u>	<u>26,032</u>	<u>23,706</u>
FUND BALANCES (DEFICITS), ending	<u>\$ 168,061</u>	<u>\$ 124,604</u>	<u>\$ 88,122</u>	<u>\$ -</u>	<u>(\$ 80,137)</u>	<u>\$ 26,241</u>	<u>\$ 72,892</u>

...Continued...

**TOWN OF ORANGE, CONNECTICUT
COMBINING STATEMENT OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCES (DEFICITS)
NONMAJOR GOVERNMENTAL FUNDS
FOR THE YEAR ENDED JUNE 30, 2015
...Continued...**

	Special Revenue						
	Town Road Aid	LoCIP	Town Improvement Program P.A. 86-1	Easement	Community Services	Orange Drug & Alcohol Action Committee	Gusachik Nursing
REVENUES							
Intergovernmental	\$ 275,146	\$ 5,127	\$ -	\$ -	\$ 4,937	\$ 7,790	\$ -
Program revenues	-	-	-	-	118,571	-	-
Investment income	-	-	217	-	-	-	63
Charges for facilities and services	-	-	6,500	-	-	-	-
Miscellaneous	-	-	-	-	19,995	-	-
Total revenues	<u>275,146</u>	<u>5,127</u>	<u>6,717</u>	<u>-</u>	<u>143,503</u>	<u>7,790</u>	<u>63</u>
EXPENDITURES							
Public safety	-	-	-	-	-	-	-
Public works and sanitation	275,146	5,544	-	-	-	-	-
Culture and recreation	-	-	-	-	-	-	-
Health and welfare	-	-	-	-	152,727	-	-
Education - Orange Board of Education	-	-	-	-	-	-	-
Other	-	-	6,500	-	-	-	-
Capital outlay	-	-	-	-	-	-	-
Total expenditures	<u>275,146</u>	<u>5,544</u>	<u>6,500</u>	<u>-</u>	<u>152,727</u>	<u>-</u>	<u>-</u>
Excess (deficiency) of revenues over expenditures	<u>-</u>	<u>(417)</u>	<u>217</u>	<u>-</u>	<u>(9,224)</u>	<u>7,790</u>	<u>63</u>
OTHER FINANCING SOURCES (USES)							
Interfund transfers in	-	-	-	-	-	-	-
Interfund transfers out	-	-	-	-	-	-	-
Total other financing sources (uses)	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net change in fund balance	-	(417)	217	-	(9,224)	7,790	63
FUND BALANCES (DEFICITS), beginning	<u>-</u>	<u>68,073</u>	<u>29,949</u>	<u>15,060</u>	<u>183,522</u>	<u>43,647</u>	<u>63,970</u>
FUND BALANCES (DEFICITS), ending	<u>\$ -</u>	<u>\$ 67,656</u>	<u>\$ 30,166</u>	<u>\$ 15,060</u>	<u>\$ 174,298</u>	<u>\$ 51,437</u>	<u>\$ 64,033</u>

...Continued...

TOWN OF ORANGE, CONNECTICUT
COMBINING STATEMENT OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCES (DEFICITS)
NONMAJOR GOVERNMENTAL FUNDS
FOR THE YEAR ENDED JUNE 30, 2015
...Continued...

	Special Revenue							Total Special Revenue
	Orange Agricultural Fair	Town Exchange	Special Events and Programs	Historic Preservation	Recreation Self Support	Orange Visiting Nurses Association	Civilian Emergency Response Team	
REVENUES								
Intergovernmental	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 761,620
Program revenues	134,214	-	-	-	-	-	-	897,663
Investment income	464	-	-	-	-	-	-	768
Charges for facilities and services	-	-	-	-	448,509	1,355,220	-	2,373,683
Miscellaneous	-	19,804	5,390	656	-	1,970	2,000	149,294
Total revenues	134,678	19,804	5,390	656	448,509	1,357,190	2,000	4,183,028
EXPENDITURES								
Public safety	-	-	-	-	-	-	1,118	201,978
Public works and sanitation	-	-	-	-	-	-	-	280,690
Culture and recreation	129,805	28,630	3,240	11,738	432,232	-	-	623,683
Health and welfare	-	-	-	-	-	1,082,962	-	1,235,689
Education - Orange Board of Education	-	-	-	-	-	-	-	1,451,500
Other	-	-	-	-	-	-	-	6,500
Capital outlay	-	-	-	-	-	-	-	-
Total expenditures	129,805	28,630	3,240	11,738	432,232	1,082,962	1,118	3,800,040
Excess (deficiency) of revenues over expenditures	4,873	(8,826)	2,150	(11,082)	16,277	274,228	882	382,988
OTHER FINANCING SOURCES (USES)								
Interfund transfers in	-	-	-	-	-	-	-	-
Interfund transfers out	-	-	-	-	(20,213)	(105,029)	-	(210,242)
Total other financing sources (uses)	-	-	-	-	(20,213)	(105,029)	-	(210,242)
Net change in fund balance	4,873	(8,826)	2,150	(11,082)	(3,936)	169,199	882	172,746
FUND BALANCES (DEFICITS), beginning	273,391	127,249	3,969	35,615	360,342	211,416	500	1,795,429
FUND BALANCES (DEFICITS), ending	\$ 278,264	\$ 118,423	\$ 6,119	\$ 24,533	\$ 356,406	\$ 380,615	\$ 1,382	\$ 1,968,175

...Continued...

**TOWN OF ORANGE, CONNECTICUT
 COMBINING STATEMENT OF REVENUES, EXPENDITURES
 AND CHANGES IN FUND BALANCES (DEFICITS)
 NONMAJOR GOVERNMENTAL FUNDS
 FOR THE YEAR ENDED JUNE 30, 2015
 ...Continued...**

	Permanent Fund	Capital Projects			Total Non-Major Governmental Funds
	Mary T. McGuire Trust	STEAP	Peck Place Remediation	Total Capital Projects	
REVENUES					
Intergovernmental	\$ -	\$ 221,241	\$ -	\$ 221,241	\$ 982,861
Program revenues	-	-	-	-	897,663
Investment income	132	-	-	-	900
Charges for facilities and services	-	-	-	-	2,373,683
Miscellaneous	-	-	405,934	405,934	555,228
Total revenues	132	221,241	405,934	627,175	4,810,335
EXPENDITURES					
Public safety	-	-	-	-	201,978
Public works and sanitation	-	221,241	-	221,241	501,931
Culture and recreation	-	-	-	-	623,683
Health and welfare	95	-	-	-	1,235,784
Education - Orange Board of Education	-	-	-	-	1,451,500
Other	-	-	-	-	6,500
Capital outlay	-	-	697,081	697,081	697,081
Total expenditures	95	221,241	697,081	918,322	4,718,457
Excess (deficiency) of revenues over expenditures	37	-	(291,147)	(291,147)	91,878
OTHER FINANCING SOURCES (USES)					
Interfund transfers in	-	-	-	-	-
Interfund transfers out	-	-	-	-	(210,242)
Total other financing sources (uses)	-	-	-	-	(210,242)
Net change in fund balance	37	-	(291,147)	(291,147)	(118,364)
FUND BALANCES (DEFICITS), beginning	41,876	-	823,073	823,073	2,660,378
FUND BALANCES (DEFICITS), ending	\$ 41,913	\$ -	\$ 531,926	\$ 531,926	\$ 2,542,014

**TOWN OF ORANGE, CONNECTICUT
 COMBINING STATEMENT OF CHANGES IN
 ASSETS AND LIABILITIES
 AGENCY FUND
 FOR THE YEAR ENDED JUNE 30, 2015**

	<u>Balance, July 1, 2014</u>	<u>Additions</u>	<u>Deductions</u>	<u>Balance, June 30, 2015</u>
Performance Bonds				
ASSETS				
Cash and cash equivalents	<u>\$ 237,750</u>	<u>\$ 15,000</u>	<u>\$ 60,000</u>	<u>\$ 192,750</u>
Total Assets	<u><u>\$ 237,750</u></u>	<u><u>\$ 15,000</u></u>	<u><u>\$ 60,000</u></u>	<u><u>\$ 192,750</u></u>
LIABILITIES				
Amounts held for others	<u><u>\$ 237,750</u></u>	<u><u>\$ 15,000</u></u>	<u><u>\$ 60,000</u></u>	<u><u>\$ 192,750</u></u>

**TOWN OF ORANGE, CONNECTICUT
SCHEDULE OF PROPERTY TAXES LEVIED,
COLLECTED AND OUTSTANDING
FOR THE YEAR ENDED JUNE 30, 2015**

Grand List	Balance Uncollected June 30, 2014	Current Levy	Lawful Corrections		Transfers to Suspense	Balance to be Collected	Collections				Balance Uncollected June 30, 2015
			Additions	Deductions			Taxes	Interest	Lien Fees	Total	
2013	\$ -	\$ 58,861,155	\$ 90,708	(\$ 220,084)	\$ -	\$ 58,731,779	\$ 58,294,494	\$ 135,229	\$ 2,760	\$ 58,432,483	\$ 437,285
2012	496,564	-	1,581	(116,700)	-	381,445	177,614	58,811	1,690	238,115	203,831
2011	144,758	-	-	(3,614)	(54,825)	86,319	59,865	20,488	602	80,955	26,454
2010	(22,813)	-	-	(1,583)	-	(24,396)	4,588	1,569	240	6,397	(28,984)
2009	(7,380)	-	-	(1,096)	-	(8,476)	2,112	1,326	192	3,630	(10,588)
2008	2,831	-	1	(3,068)	-	(236)	803	603	96	1,502	(1,039)
2007	(2,228)	-	-	-	-	(2,228)	212	537	48	797	(2,440)
2006	(6,427)	-	-	-	-	(6,427)	523	666	48	1,237	(6,950)
2005	(19,736)	-	-	-	-	(19,736)	-	-	-	-	(19,736)
2004	(8,933)	-	-	-	-	(8,933)	-	-	-	-	(8,933)
2003	(39,080)	-	-	-	-	(39,080)	-	-	-	-	(39,080)
2002	(22,452)	-	542	-	-	(21,910)	542	-	-	542	(22,452)
2001	(178)	-	-	-	-	(178)	-	-	-	-	(178)
2000	(507)	-	-	-	-	(507)	-	-	-	-	(507)
1999	4,018	-	-	-	-	4,018	-	-	-	-	4,018
1998	(519)	-	-	519 *	-	-	-	-	-	-	-
	<u>\$ 517,918</u>	<u>\$ 58,861,155</u>	<u>\$ 92,832</u>	<u>(\$ 345,626)</u>	<u>(\$ 54,825)</u>	<u>\$ 59,071,454</u>	<u>\$ 58,540,753</u>	<u>\$ 219,229</u>	<u>\$ 5,676</u>	<u>\$ 58,765,658</u>	<u>\$ 530,701</u>

*Uncollected taxes eliminated pursuant to Section 12-165 of the CT General Statutes.

**TOWN OF ORANGE, CONNECTICUT
SCHEDULE OF DEBT LIMITATION
YEAR ENDED JUNE 30, 2015**

The Town's statement of Debt Limitation under Connecticut General Statutes, Section 7-374(b) as of June 30, 2015 is as follows:

Total tax collections (including interest and lien fees) for the year ended June 30, 2015	\$ 58,765,658
Reimbursements for revenue loss: Tax relief for the elderly	<u>88,749</u>
Base	<u>\$ 58,854,407</u>

The Connecticut General Statutes provide that the total authorized debt of the Town shall not exceed seven times the above base cash receipts, or \$411,980,849, nor shall the total authorized particular purpose debt exceed the individual debt limitations reflected in the table below:

	General Purpose	Schools	Sewers	Urban Renewal	Pension Deficit
Debt limitation:					
2-1/4 times base	\$ 132,422,416	\$ -	\$ -	\$ -	\$ -
4-1/2 times base	-	264,844,832	-	-	-
3-3/4 times base	-	-	220,704,026	-	-
3-1/4 times base	-	-	-	191,276,823	-
3 times base	-	-	-	-	176,563,221
Total debt limitation	<u>132,422,416</u>	<u>264,844,832</u>	<u>220,704,026</u>	<u>191,276,823</u>	<u>176,563,221</u>
Indebtedness:					
Bonds payable	19,510,000	8,535,000	-	-	-
BANs payable	-	1,702,000	-	-	-
Authorized/Unissued	-	-	-	-	-
Net Amity Regional School District debt	-	21,790,359	-	-	-
Claims and judgments	-	-	563,628	-	-
Assessments receivable	-	-	(346,463)	-	-
Total indebtedness	<u>19,510,000</u>	<u>32,027,359</u>	<u>217,165</u>	<u>-</u>	<u>-</u>
Excess of debt limitation over indebtedness at June 30, 2015	<u>\$ 112,912,416</u>	<u>\$ 232,817,473</u>	<u>\$ 220,486,861</u>	<u>\$ 191,276,823</u>	<u>\$ 176,563,221</u>

SEWARD AND MONDE

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INDEPENDENT AUDITORS' REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING AND ON COMPLIANCE AND OTHER MATTERS BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE WITH GOVERNMENT AUDITING STANDARDS

To the Honorable Members of
the Board of Finance
Town of Orange, Connecticut

We have audited, in accordance with U.S. generally accepted auditing standards and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of The Town of Orange, Connecticut (the Town) as of and for the year ended June 30, 2015, and the related notes to the financial statements, which collectively comprise the Town's basic financial statements and have issued our report thereon dated January 29, 2016.

Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered the Town'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 the Town's internal control. Accordingly, we do not express an opinion on the effectiveness of the Town's internal control.

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 combination of deficiencies, in internal control such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected on a timely basis. 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.



Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the Town'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 no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

Purpose of this Report

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

Seward and Monde

North Haven, Connecticut
January 29, 2016

SEWARD AND MONDE

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INDEPENDENT AUDITORS' REPORT ON COMPLIANCE FOR EACH MAJOR FEDERAL PROGRAM AND ON INTERNAL CONTROL OVER COMPLIANCE IN ACCORDANCE WITH OMB CIRCULAR A-133

To the Honorable Members of
the Board of Finance
Town of Orange, Connecticut

Report on Compliance for Each Major Federal Program

We have audited the Town of Orange, Connecticut's (the Town) compliance with the types of compliance requirements described in the *OMB Circular A-133 Compliance Supplement* that could have a direct and material effect on each of the Town's major federal programs for the year ended June 30, 2015. The Town's major federal programs are identified in the summary of auditors' results section of the accompanying schedule of findings and questioned costs.

Management's Responsibility

Management is responsible for compliance with the requirements of laws, regulations, contracts and grants applicable to each of its federal programs.

Auditors' Responsibility

Our responsibility is to express an opinion on compliance for each of the Town's major federal programs based on our audit of the types of compliance requirements referred to above. We conducted our audit of compliance in accordance with U.S. generally accepted auditing standards; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and OMB Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*. Those standards and OMB Circular A-133 require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about the Town's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances.

We believe that our audit provides a reasonable basis for our opinion on compliance for each major federal program. However, our audit does not provide a legal determination of the Town's compliance.



Opinion of Each Major Federal Program

In our opinion, the Town of Orange, Connecticut complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended June 30, 2015.

Report on Internal Control Over Compliance

Management of the Town is responsible for establishing and maintaining effective internal control over compliance with the types of compliance requirements referred to above. In planning and performing our audit of compliance, we considered the Town's internal control over compliance with the types of requirements that could have a direct and material effect on each major federal program to determine the auditing procedures that are appropriate in the circumstances for the purpose of expressing an opinion on compliance for each major federal program and to test and report on internal control over compliance in accordance with OMB Circular A-133, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly we do not express an opinion on the effectiveness of the Town's internal control over compliance.

A deficiency in internal control over compliance exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, noncompliance with a type of compliance requirement of a federal program on a timely basis. *A material weakness in internal control over compliance* is a deficiency, or combination of deficiencies, in internal control over compliance such that there is a reasonable possibility that material noncompliance with a type of compliance requirement of a federal program will not be prevented, or detected and corrected, on a timely basis. *A significant deficiency in internal control over compliance* is a deficiency, or a combination of deficiencies in internal control over compliance with a type of compliance requirement of a federal program that is less severe than a material weakness in internal control over compliance, yet important enough to merit attention by those charged with governance.

Our consideration of internal control over compliance was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the results of that testing based on the requirements of OMB Circular A-133. Accordingly, this report is not suitable for any other purpose.

Seward and Monde

North Haven, Connecticut
January 29, 2016

TOWN OF ORANGE, CONNECTICUT
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
For the year ended June 30, 2015

<u>FEDERAL GRANTOR/PASS-THROUGH GRANTOR/PROGRAM OR CLUSTER TITLE</u>	<u>FEDERAL CFDA NUMBER</u>	<u>PASS-THROUGH ENTITY IDENTIFYING NUMBER</u>	<u>FEDERAL EXPENDITURES</u>
U.S. Department of Agriculture			
Passed through CT Department of Education:			
National school lunch program		12060-20560-82079-2014-170005	\$ 3,330
National school lunch program		12060-20560-82079-2015-170005	38,342
Total National school lunch program	10.555		<u>41,672</u>
U.S. Department of Education			
Passed through CT Department of Education:			
Title I - Grants to local educational agencies		12060-20679-82070-2014-170002	30,478
Title I - Grants to local educational agencies		12060-20679-82070-2015-170002	35,980
Total Title I - Grants to local educational agencies	84.010		<u>66,458</u>
Improving teacher quality state grants		12060-20858-84131-2014-170002	10,332
Improving teacher quality state grants		12060-20858-84131-2015-170002	4,932
Total Improving teacher quality state grants	84.367		<u>15,264</u>
Special Education Cluster:			
Special education - grants to states		12060-20977-82032-2014-170002	3,158
Special education - grants to states		12060-20977-82032-2015-170002	267,942
Total Special education - grants to states	84.027		<u>271,100</u>
Special education - preschool grants		12060-20983-82032-2014-170002	2,596
Special education - preschool grants		12060-20983-82032-2015-170002	11,622
Total Special education - preschool grants	84.173		<u>14,218</u>
Total Special Education Cluster			<u>285,318</u>
U.S. Department of Transportation			
Passed through CT Department of Transportation:			
Alcohol impaired driving countermeasures incentive grants	20.601		2,023
Alcohol open container requirements	20.607		1,036
Highway planning and construction	20.205		211,889
National priority safety programs	20.616		27,123
U.S. Department of Homeland Security			
Passed through CT Department of Emergency Services and Public Protection:			
Disaster grants - public assistance	97.036		67,152
Emergency management performance grants	97.042		4,793
U.S. Department of Justice			
Passed through CT Department of Emergency Services and Public Protection:			
Edward Byrne memorial justice assistance grant	16.738		<u>29,885</u>
Total Expenditures of Federal Awards			<u>\$ 752,613</u>

See note to schedule.

**TOWN OF ORANGE, CONNECTICUT
NOTE TO SCHEDULE OF EXPENDITURES OF
FEDERAL AWARDS
For the Year Ended June 30, 2015**

1 - Significant Accounting Policy

The accounting policies of the Town of Orange, Connecticut conform to U.S. generally accepted accounting principles promulgated by the Governmental Accounting Standards Board. The following is the significant policy relating to Federal awards:

Basis of Presentation

The accompanying Schedule of Expenditures of Federal Awards includes the federal grant activity of the Town of Orange, Connecticut and is presented on the modified accrual basis of accounting and a current financial resources measurement focus. The information in this schedule is presented in accordance with the requirements of OMB Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*. Therefore, some amounts presented in this schedule may differ from the amounts presented in, or used in the preparation of, the basic financial statements.

**TOWN OF ORANGE, CONNECTICUT
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
For the Year Ended June 30, 2015**

I. SUMMARY OF AUDITORS' RESULTS

Financial Statements

Type of auditors' report issued: Unmodified

Internal control over financial reporting:

- Material weakness(es) identified? yes X no
- Significant deficiency(ies) identified? yes X none reported

Noncompliance material to financial statements noted? yes X no

Federal Awards

Internal control over major programs:

- Material weakness(es) identified? yes X no
- Significant deficiency(ies) identified? yes X none reported

Type of auditors' report issued on compliance for major programs: Unmodified

Any audit findings disclosed that are required to be reported in accordance with Section 510(a) of OMB Circular A-133? yes X no

Identification of major programs:

CFDA NUMBER	NAME OF FEDERAL PROGRAM
20.205	Highway Planning & Construction

Dollar threshold used to distinguish between Type A and Type B programs: \$300,000

Auditee qualified as low-risk auditee? X yes no

. . . Continued . . .

TOWN OF ORANGE, CONNECTICUT
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
Year ended June 30, 2015
. . . Continued . . .

II. FINANCIAL STATEMENT FINDINGS

No financial statement findings

III. FEDERAL AWARD FINDINGS AND QUESTIONED COSTS

No federal award findings or questioned costs.

SEWARD AND MONDE

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INDEPENDENT AUDITORS' REPORT ON COMPLIANCE FOR EACH MAJOR STATE PROGRAM AND ON INTERNAL CONTROL OVER COMPLIANCE IN ACCORDANCE WITH THE STATE SINGLE AUDIT ACT

To the Honorable Members of
the Board of Finance
Town of Orange, Connecticut

Report on Compliance for Each Major State Program

We have audited the Town of Orange, Connecticut's (the Town) compliance with the types of compliance requirements described in the Office of Policy and Management's *Compliance Supplement* that could have a direct and material effect on each of the Town's major state programs for the year ended June 30, 2015. The Town's major state programs are identified in the summary of auditors' results section of the accompanying schedule of findings and questioned costs.

Management's Responsibility

Management is responsible for compliance with the requirements of laws, regulations, contracts, and grants applicable to its state programs.

Auditors' Responsibility

Our responsibility is to express an opinion on compliance for each of the Town's major state programs based on our audit of the types of compliance requirements referred to above. We conducted our audit of compliance in accordance with U.S. generally accepted auditing standards; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and the State Single Audit Act (C.G.S. Sections 4-230 to 4-236). Those standards and the State Single Audit Act require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major state program occurred. An audit includes examining, on a test basis, evidence about the Town of Orange, Connecticut's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances.

We believe that our audit provides a reasonable basis for our opinion on compliance for each major state program. However, our audit does not provide a legal determination on the Town's compliance.



Opinion of Each Major State Program

In our opinion, the Town of Orange, Connecticut, complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major state programs for the year ended June 30, 2015.

Other Matters

The results of our auditing procedures disclosed an instance of noncompliance, which is required to be reported in accordance with the State Single Audit Act and which is described in the accompanying schedule of findings and questioned costs as item 2015-01. Our opinion on each major state program is not modified with respect to this matter.

The Town of Orange, Connecticut's response to the noncompliance finding identified in our audit is described in the accompanying schedule of findings and questioned costs. The Town's response was not subjected to the auditing procedures applied in the audit of compliance and, accordingly, we express no opinion on the response.

Report on Internal Control over Compliance

Management of the Town is responsible for establishing and maintaining effective internal control over compliance with the types of compliance requirements referred to above. In planning and performing our audit of compliance, we considered the Town's internal control over compliance with the types of requirements that could have a direct and material effect on a major state program to determine the auditing procedures that are appropriate in the circumstances for the purpose of expressing our opinion on compliance for each major state program and to test and report on internal control over compliance in accordance with the State Single Audit Act, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of the Town's internal control over compliance.

A deficiency in internal control over compliance exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, noncompliance with a type of compliance requirement of a state program on a timely basis. *A material weakness in internal control over compliance* is a deficiency, or combination of deficiencies, in internal control over compliance, such that there is a reasonable possibility that material noncompliance with a type of compliance requirement of a state program will not be prevented, or detected and corrected, on a timely basis. *A significant deficiency in internal control over compliance* is a deficiency, or a combination of deficiencies, in internal control over compliance with a type of compliance requirement of a state program that is less severe than a material weakness in internal control over compliance, yet important enough to merit attention by those charged with governance.

Our consideration of the internal control over compliance was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the results of that testing based on the requirements of the State Single Audit Act. Accordingly, this report is not suitable to any other purpose.

Seward and Monde

North Haven, Connecticut
January 29, 2016

TOWN OF ORANGE, CONNECTICUT
SCHEDULE OF EXPENDITURES OF STATE FINANCIAL ASSISTANCE
For the Year Ended June 30, 2015

STATE GRANTOR/PASS-THROUGH GRANTOR PROGRAM TITLE	STATE GRANT PROGRAM CORE-CT NUMBER	EXPENDITURES
OFFICE OF POLICY AND MANAGEMENT:		
Property Tax Relief for Elderly and Totally Disabled Homeowners	11000-OPM20600-17018	\$ 88,749
Property Tax Relief for Veterans	11000-OPM20600-17024	4,373
Property Tax Relief for Disabled	11000-OPM20600-17011	735
Payment in Lieu of Taxes on State-Owned Property	11000-OPM20600-17004	11,829
Payment in Lieu of Taxes on Private Colleges and General/ Chronic Disease Hospitals	11000-OPM20600-17006	248,668
Municipal Purposes & Projects	12052-OPM20600-43587	98,717
DEPARTMENT OF HOUSING:		
Congregate Services Subsidy:	11000-DOH46920-16068-033	
Core Services		165,868
Expanded Core Services		26,230
Assisted Living Services		56,429
Rental Assistance Payments		69,622
		<u>318,149</u>
DEPARTMENT OF EDUCATION:		
Child Nutrition State Matching Grant	11000-SDE64000-16211	3,425
Healthy Foods Initiative	11000-SDE64000-16212	7,027
Health Services	11000-SDE64000-17034	5,093
Youth Services Bureau	11000-SDE64000-17052	18,147
Youth Services Bureau Enhancement	11000-SDE64000-16201	4,937
Open Choice	11000-SDE64000-17053-82060	14,423
High Quality Schools Start-Up	12052-SDE64000-43538	6,373
CONNECTICUT STATE LIBRARY:		
Connecticard Payments	11000-CSL66051-17010	8,028
State Grants to Public Libraries	11000-CSL66051-17003	1,158
Historic Document Preservation	12060-CSL66094-35150	5,000
DEPARTMENT OF EMERGENCY SERVICES AND PUBLIC PROTECTION:		
State Asset Forfeiture	12060-DPS32155-35142	6,043
Stipend Local Violent Crime	12060-DPS32523-90630	375
DEPARTMENT OF TRANSPORTATION:		
Town Aid Road Grant	12052-DOT57131-43455-34005	275,147
Small Town Economic Assistance Program	12052-DOT57191-40532	9,532
CONNECTICUT HOUSING FINANCE AUTHORITY:		
Silverbrook Estates Rehabilitation Grant	N/A	796,449
JUDICIAL BRANCH:		
Operating Appropriation	34001-JUD95162-40001	<u>27,216</u>
Total State Financial Assistance Before Exempt Programs		<u>1,959,593</u>
EXEMPT PROGRAMS:		
OFFICE OF POLICY AND MANAGEMENT:		
Mashantucket Pequot and Mohegan Fund Grant	12009-OPM20600-17005	45,247
DEPARTMENT OF EDUCATION:		
Education Cost Sharing	11000-SDE64000-17041	1,193,595
Public School Transportation	11000-SDE64000-17027	23,808
Nonpublic School Transportation	11000-SDE64000-17049	47
Special Education - Excess Costs Student Based and Equity	11000-SDE64000-17047	243,532
School Construction Grants	13010-SDE64000-40901	529,315
Total Exempt Programs		<u>2,035,544</u>
Total State Financial Assistance		<u>\$ 3,995,137</u>

See Note to Schedule.

**TOWN OF ORANGE, CONNECTICUT
NOTE TO SCHEDULE OF EXPENDITURES OF
STATE FINANCIAL ASSISTANCE
For the Year Ended June 30, 2015**

The accompanying schedule of expenditures of state financial assistance includes state grant activity of the Town of Orange, Connecticut under programs of the State of Connecticut for the fiscal year ended June 30, 2015. Various departments and agencies of the State of Connecticut have provided financial assistance through grants and other authorizations in accordance with the General Statutes of the State of Connecticut. These financial assistance programs fund several programs including elderly congregate services, roadway improvements, property tax relief and education programs.

Summary of Significant Accounting Policies

The accounting policies of the Town of Orange, Connecticut conform to U.S. generally accepted accounting principles as applicable to governments.

The information in the Schedule of Expenditures of State Financial Assistance is presented based upon regulations established by the State of Connecticut, Office of Policy and Management.

Basis of Accounting

The expenditures reported on the Schedule of Expenditures of State Financial Assistance are reported on the modified accrual basis of accounting. In accordance with Section 4-236-22 of the Regulations to the State Single Audit Act, certain grants are not dependent on expenditure activity, and accordingly, are considered to be expended in the fiscal year of receipt. These grant program receipts are reflected in the expenditures column of the Schedule of Expenditures of State Financial Assistance.

**TOWN OF ORANGE, CONNECTICUT
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
For the Year Ended June 30, 2015**

I. Summary of Auditors' Results

Financial Statements

Type of auditors' opinion issued: Unmodified

Internal control over financial reporting:

- Material weakness(es) identified? ___yes X no
- Significant deficiency(ies) identified? ___yes X none reported

Noncompliance material to financial statements noted? ___yes X no

State Financial Assistance

Internal control over major programs:

- Material weakness(es) identified? ___yes X no
- Significant deficiency(ies) identified? ___yes X none reported

Type of auditors' report issued on compliance for major programs: Unmodified

Any audit findings disclosed that are required to be reported in accordance with Section 4-236-24 of the Regulations to the State Single Audit Act? X yes ___no

- The following schedule reflects the major programs included in the audit:

State Grantor and Program	State Core-CT Number	Expenditures
Office of Policy and Management:		
Payment in Lieu of Taxes on Private Colleges and General/Chronic Disease Hospitals	11000-OPM20600-17006	\$ 248,668
Department of Housing:		
Congregate Service Subsidy	11000-DOH46920-16068-033	318,149
Department of Transportation:		
Town Aid Road Grants Transportation Fund	12052-DOT57131-43455-34005	275,147
Connecticut Housing Finance Authority:		
Silverbrook Estates Rehabilitation Grant		796,449
<ul style="list-style-type: none"> • Dollar threshold used to distinguish between type A and type B programs. 		<u>\$ 200,000</u>

. . . Continued . . .

**TOWN OF ORANGE, CONNECTICUT
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
For the Year Ended June 30, 2015
. . . Continued . . .**

II. Financial Statement Findings

There are no financial statement findings.

III. State Financial Assistance Findings and Questioned Costs

FINDING # 2015-01

Grantor: Office of Policy and Management

State Program Name: Payment in Lieu of Taxes on Private Colleges & General Hospitals

State Grant Program

CORE-CT Number: 11000-OPM20600-17006

Criteria

Submission of the M-1 report for the 2013 Grand List to the Office of Policy and Management was required prior to July 1, 2014.

Condition

The M-1 report was dated and submitted after the required date.

Context

The delayed submission of the M-1 report for the 2013 Grand List appears to be an isolated case, as other reports were submitted in a timely manner. The information contained in the report was accurate.

Effect

Unknown

Cause

Unknown

Recommendation

We recommend that the required reports be submitted by their due dates.

**Connecticut Housing Finance Authority
State Housing Portfolio**

Affidavit for Audited Financial Statements

Sponsor/Authority Name: Town of Orange

Project Name: Silverbrook Estates Project #: C-25

For the Period Ending: 6/30/2015

OWNER / SPONSORS' CERTIFICATION

We hereby certify that we have examined the accompanying Audited Financial Statements and supplemental data of Town of Orange, and, to the best of our knowledge and belief, the same is complete and accurate.

Signed By: _____
President/Chairman Duly Authorized

Date: _____

Employer Identification Number (EIN): 06-6002060

MANAGEMENT AGENT'S CERTIFICATION

We hereby certify that we have examined the accompanying Audited Financial Statements and supplemental data of Town of Orange, and, to the best of our knowledge and belief, the same is complete and accurate.

Signed By: _____
Management Agent Duly Authorized

Date: _____

Employer Identification Number (EIN): _____

Project Name Silverbrook Estates

Project # C-25

Sponsor/Authority Name: Town of Orange

CHFA # _____

**ADMINISTRATION FUND
BALANCE SHEET**

As of: 6/30/2015

ASSETS

1111	Cash-Checking	\$	105,235.41	
1113	Reserve Cash-Saving and Investments	\$	81,606.15	
1114	Restricted Cash-Security Deposits	\$	-	
1115	Restricted Cash-Special Deposits	\$	-	
1116	Restricted Cash-Sales Program			
1117	Petty Cash Fund	\$	350.00	
1118	Change Fund			
	Total Cash			\$ 187,191.56
1122	Tenants' Accounts Receivable	\$	1,925.00	
1123	Vacated Tenants' Accounts Receivable			
	Total Tenants' Accounts Receivable	\$	1,925.00	
1123.1	Less: Allowance for Collection Loss	-\$	66.29	
	Net Tenants' Accounts Receivable	\$	1,991.29	
1124.1	Unissued State Subsidy - Congregate			
1124.2	Unissued State Subsidy - Congregate			
1125	Housing Assistance Payments Receivable			
1126.1	Rehabilitation Funds Receivable, No.	\$	916,453.12	
1126.2	Rehabilitation Funds Receivable, No.			
1128	Accounts Receivable-ineligible program costs			
1129	Sundry Accounts Receivable	\$	326.83	
1145	Accrued Interest Receivable			
1155	Advances to Revolving Fund			
1156	Advances for Travel			
	Total Accounts Receivable			\$ 918,771.24
1211	Unexpired Insurance			
1212	Anticipated Dividends			
1269	General Stores			
	Total Deferred Charges and Prepayments			\$ -
1405	Development Cost	\$	3,552,069.86	
1430	Furniture and Equipment	\$	41,516.83	
1440	Capital Improvements - State Rehab. Grants/Loan			
	Total Fixed Assets			\$ 3,593,586.69
1501	Payroll Clearance			
1502	Insurance Claims Clearance			
1503.1	Rehabilitation Program Expenditures, No.	\$	2,383,546.88	
1503.2	Rehabilitation Program Expenditures, No.			
1504.1	Net Program Cost Congregate - Contract No.	\$	248,527.38	
1504.2	Net Program Cost Congregate - Contract No.	\$	-	
1505	Incomplete Contracts			
1507	RAP Subsidy Payments - Elderly Program Only	\$	69,622.00	
1508	Resident Services Coordinator Expenses-Elderly Program Only			
1509	DECD Rental Subsidy (Congregate Program)			
	Total Clearance			\$ 2,701,696.26
	TOTAL ASSETS			\$ 7,401,245.75

Project Name: Silverbrook Estates

Project # C-25

Sponsor/Authority Name: Town of Orange

CHFA # _____

**ADMINISTRATION FUND
BALANCE SHEET**

LIABILITIES

2110	Administration Fund Creditors		
2111	Contract Awards		
2112	Contract Retentions		
2113	ALSA Escrow-DSS Tenants and DECD Tenants		
2116	Tenants' Security Deposits	\$	-
2117	Payroll Deductions		
2119	Sundry Accounts Payable	\$	123,763.61
2120	Undistributed Proceeds - Sales Program	\$	-
	Total Accounts Payable		\$ 123,763.61

2131	Accrued Interest and Principal - Mortgage		
2131.1	Accrued Interest and Principal - Rehab. Loan	\$	-
2135	Accrued Salaries and Wages	\$	4,562.15
2135.1	Accrued Compensated Absences	\$	4,256.25
2136	Accrued State Service Charge		
2137	Accrued Liability to Municipalities		
	In Lieu of Taxes (or Ad Valorem Taxes, if Applicable)	\$	-
2139	Accrued Payroll Taxes	\$	341.07
	Total Accrued Expenses		\$ 9,159.47

2240	Tenants' Prepaid Rents		
2313	Indebtedness to the State of Connecticut - Mortgage		
2313.1	Debt Retirement - Mortgage	\$	-
2314	Indebtedness to the State of Connecticut - Rehabilitation Loan		
2314.1	Debt Retirement - Rehabilitation Loan	\$	-
	Total Long Term Liabilities		\$ -

TOTAL LIABILITIES \$ 132,923.08

EQUITY

2810	Capital Grant by the State of Connecticut		\$ 3,512,069.86
2810.1	Contribution by the State of Connecticut - Interest Earned on Development Advances		
2811.1	State Subsidy Authorized - Congregate	\$	265,037.00
2811.2	State Subsidy Authorized - Congregate	\$	-
2813	Valuation of Fixed Assets	\$	41,516.83
2814	Contribution by the Municipality		
2814.3	Gifts and Donations	\$	-
2820.1	Rehabilitation Funds Authorized, No.	\$	3,300,000.00
2820.2	Rehabilitation Funds Authorized, No.		
2821	Capital Grant by the State of Connecticut -Rehabilitation		
2825	Mortgage Loan Liquidation		
2826	Rehabilitation Loan Liquidation	\$	40,000.00
2827	Rental Assistance Grant Authorized-Elderly Program Only	\$	77,554.00
2827.1	Rental Assistance Grant Unissued-Elderly Program Only	\$	-
2828	Resident Services Coordinator Grant Authorized-Elderly Program Only		
2828.1	Resident Services Coordinator Grant Unissued-Elderly Program Only		
2830	Unappropriated Retained Earnings	-\$	58,219.08
2830.1	Income and Expense Clearance	-\$	10,984.87
2830.2	Prior Year Adjustments	\$	-
2830.3	Retained Earnings Appropriated for Development Improvements	\$	-
2830.4	Retained Earnings Appropriated for Repairs, Maintenance and Replacements RM&R)	\$	101,348.93
2830.5	Retained Earnings Appropriated for the Authorities Project Tenant Support (APTS) Program	\$	-

Total Retained Earnings \$ 32,144.98

TOTAL EQUITY \$ 7,268,322.67

TOTAL LIABILITES AND EQUITY \$ 7,401,245.75

Project Name: Silverbrook Estates
 Sponsor/Authority Name: Town of Orange

Project #: C-25
 CHFA # _____

**ADMINISTRATION FUND
 OPERATING STATEMENT**

For the Quarter Ending: 6/30/2015 12 # months
 No. of Dwelling Units: 45
 No. of Unit Months: 540

		Budget Amount	PUM	Actual Amount	PUM
INCOME					
3100	Rental Income - Base	283,500.00	525.00	283,658.00	525.29
3100.1	Rental Income - Excess of Base				
3110	Excess Utilities	6,000.00	11.11	5,812.50	10.76
3120	Surcharges				
	Total Rental Income	\$ 289,500.00	536.11	\$ 289,470.50	536.06
3210	Dwelling Vacancy Loss	(3,500.00)	(6.48)	(9,023.00)	(16.71)
3220	Dwelling Vacancy Subsidy				
	Net Rental Income	\$ 286,000.00	529.63	\$ 280,447.50	519.35
3300	Non Dwelling Rental Income				
3510	Sales and Service to Tenants (including Cable TV fees)	23,760.00	44.00	24,446.50	45.27
3610	Interest Income			75.43	0.14
3620	Other Income	1,935.00	3.58	2,703.50	5.01
	GROSS INCOME	\$ 311,695.00	577.21	\$ 307,672.93	569.76
EXPENSE					
4120	Salaries - Office	24,947.00	46.20	25,029.16	46.35
4120.1	Compensated Absences-Administrative Salaries			89.39	0.17
4130	Legal and Other Services	0.00		0.00	
4130.1	Less: Legal Charges to Tenants				
4131	Accounting Fees				
4132	Management Fees	10,800.00	20.00	10,800.00	20.00
4151	Office Supplies	1,050.00	1.94	1,184.10	2.19
4152	Rents				
4153	Travel	500.00	0.93	0.00	
4159	Other Office Expense	14,255.00	26.40	12,382.08	22.93
4160	Pensions and Other Funds	11,570.00	21.43	11,063.45	20.49
4161	Payroll Taxes	2,450.00	4.54	2,886.74	5.35
	Total Management Expense	\$ 65,572.00	121.43	\$ 63,434.92	\$ 117.47
4310	Water	8,467.00	15.68	9,462.95	17.52
4320	Electricity	51,516.00	95.40	58,678.64	108.66
4330	Gas	30,970.00	57.35	26,405.83	48.90
4340	Fuel				
4350	Cable Television	28,620.00	53.00	33,283.04	61.64
4360	Sewer	6,850.00	12.69	10,138.58	18.78
	Total Utility Expense	\$ 126,423.00	234.12	\$ 137,969.04	\$ 255.50
4410	Maintenance Wages	14,788.00	27.39	14,080.92	26.08
4410.1	Compensated Absences-Maintenance Wages				
4420	Materials and Supplies	14,700.00	27.22	14,776.34	27.36
4430	Contractual Services	40,555.00	75.10	40,439.08	74.89
4440	Maintenance & Shop Equipment Expense	1,000.00	1.85	0.00	
	Total Maintenance Expense	\$ 71,043.00	131.56	\$ 69,296.34	\$ 128.33
4710	Refuse Removal	7,400.00	13.70	7,395.84	13.70
4711	Insurance	630.00	1.17	(65.34)	(0.12)
4715	Pilot or Taxes				
4716	State Service Charge				
4717	Interest Expense			0.00	
	Total Other Expense	\$ 8,030.00	14.87	\$ 7,330.50	\$ 13.58
4810	Provision for Repairs,Maint. & Replacements	39,627.00	73.38	39,627.00	73.38
4820	Provision for Collection Loss	1,000.00	1.85	1,000.00	1.85
	Total Provisions	\$ 40,627.00	75.24	\$ 40,627.00	\$ 75.24
4910	Principal Payment-Mortgage				
4920	Principal Payment-Rehabilitation Loan				
	Total Principal Payments	\$ -		\$ -	
6100	Extraordinary Income				
6200	Extraordinary Expense				
	TOTAL EXPENSES	\$ 311,695.00	577.21	\$ 318,657.80	590.11
	NET GAIN (LOSS) FOR THE PERIOD	\$ -		\$ (10,984.87)	\$ (20.34)

Project Name: Silverbrook Estates

Project #: C-25

Sponsor/Authority Name: Town of Orange

CHFA # _____

**ADMINISTRATION FUND
ANALYSIS OF RETAINED EARNINGS**

As of: 6/30/2015

ANALYSIS OF UNAPPROPRIATED RETAINED EARNINGS (2830.1, .2)

	Calendar/Fiscal Beginning Date: <u>07/01/14</u>		Balance: \$ <u>(58,219.08)</u>
Add:	Operating Gain (2830.0)	\$	<u> </u>
	Prior Year Adjustments (2830.2)	\$	<u> -</u>
	Other Adjustment: _____	\$	<u> -</u>
Deduct:	Operating Loss (2830.1)	\$	<u> (10,984.87)</u>
	Prior Year Adjustments (2830.2)	\$	<u> -</u>
	Other Adjustment: _____	\$	<u> -</u>
Balance as of:	<u>6/30/2015</u>	\$	<u> (69,203.95)</u>

ANALYSIS OF RETAINED EARNINGS APPROPRIATED FOR DEVELOPMENT IMPROVEMENTS

(2830.3)

	Calendar/Fiscal Beginning Date: <u>07/01/14</u>		Balance: _____
Deduct:	Total Charges to Retained Earnings Appropriated for Development Improvements as Approved by DECD (Per Attached Schedule)	\$	<u> -</u>
Balance as of:	<u>6/30/2015</u>	\$	<u> -</u>

**ANALYSIS OF RETAINED EARNINGS APPROPRIATED FOR REPAIRS, MAINTENANCE AND
REPLACEMENTS (2830.4)**

	Calendar/Fiscal Beginning Date: <u>07/01/14</u>		Balance: \$ <u>94,232.14</u>
Add:	Provision	\$	<u>39,627.00</u>
	Other Adjustment: _____	\$	<u> -</u>
Deduct:	Total Charges to Retained Earnings Appropriated for RM&R (Per Attached Schedule)	\$	<u>32,510.21</u>
	Other Adjustment: _____	\$	<u> -</u>
Balance as of:	<u>6/30/2015</u>	\$	<u>101,348.93</u>

**ANALYSIS OF RETAINED EARNINGS APPROPRIATED FOR
the AUTHORITIES PROJECT TENANT SUPPORT (APTS II) Program (2830.5)**

	Calendar/Fiscal Beginning Date: <u>07/01/14</u>		Balance: _____
Add:	State Service Charge Provision	\$	<u> -</u>
	Other Adjustment: _____	\$	<u> -</u>
Deduct:	Total Charges to Retained Earnings Appropriated for APTS (Per Attached Schedule)	\$	<u> -</u>
	Other Adjustment: _____	\$	<u> -</u>
Balance as of:	<u>6/30/2015</u>	\$	<u> -</u>

TOTAL RETAINED EARNINGS \$ 32,144.98

Project Name: Silverbrook Estates

Project #: C-25

Sponsor/Authority Name: Town of Orange

CHFA # _____

ADMINISTRATION FUND
OPERATING STATEMENT - CONGREGATE SERVICES
 For the Quarter Ending: 6/30/2015 12.00 # months
 No. of Dwelling Units: 45
 No. of Unit Months: 540

	BUDGET Amount	P.U.M.	ACTUAL Amount	P.U.M.	VARIANCE	
Revenue						
7010	Tenants' Contributions-Core Services	\$ 267,252.00	494.91	\$ 263,597.00	488.14	3,655.00
7020	Tenants' Contributions-Assist. Living Services					-
7011	Other Income/Meals			\$ 336.00	0.62	(336.00)
2811	State Subsidy- Core	\$ 165,321.00	306.15			165,321.00
2811	State Subsidy-Expanded Core	\$ 27,000.00	50.00			27,000.00
2811	State Subsidy-ALSA	\$ 72,704.00	134.64			72,704.00
	Total Revenue Congregate Services	\$ 532,277.00	985.70	\$ 263,933.00	488.76	268,344.00
CONGREGATE CORE SERVICES						
House Management						
8101	Bookkeeping	\$ 19,596.00	36.29	\$ 19,596.00	36.29	-
8102	House Manager Salary	\$ 24,947.00	46.20	\$ 25,029.16	46.35	(82.16)
8103	Attendants' Wages					-
8104	O.T./Vacation Overlap			\$ -		-
8105	Fringe Benefits	\$ 13,682.00	25.34	\$ 19,163.29	35.49	(5,481.29)
8106	Payroll Taxes	\$ 5,912.00	10.95	\$ 8,523.60	15.78	(2,611.60)
8107	Insurance-Workers Comp.	\$ 2,000.00	3.70	\$ 2,631.72	4.87	(631.72)
8108	Outside Security Services	\$ 96,497.00	178.70	\$ 97,993.04	181.47	(1,496.04)
	Total Management	\$ 162,634.00	301.17	\$ 172,936.81	320.25	(10,302.81)
Housekeeping						
8201	Chore Service Wages	\$ 33,301.00	61.67	\$ 33,934.03	62.84	(633.03)
8202	Cleaning Common Areas	\$ 14,851.00	27.50	\$ 14,130.92	26.17	720.08
8203	Laundry (Non Tenant)					-
8204	Cleaning Supplies	\$ 331.00	0.61	\$ -		331.00
	Total Housekeeping	\$ 48,483.00	89.78	\$ 48,064.95	89.01	418.05
Meal Expense						
8301	Food Costs	\$ -		\$ 165.50	0.31	(165.50)
8302	Meal Services	\$ 193,633.00	358.58	\$ 189,879.71	351.63	3,753.29
8303	Supplies/Utensils	\$ 500.00	0.93	\$ 357.03	0.66	142.97
8304	Utilities	\$ -		\$ -		-
	Total Meals	\$ 194,133.00	359.51	\$ 190,402.24	352.60	3,730.76
Social Services						
8401	Social Service Salary	\$ 27,335.00	50.62	\$ 18,332.18	33.95	9,002.82
8402	Supplies	\$ -		\$ 64.74	0.12	(64.74)
	Total Social Services	\$ 27,335.00	50.62	\$ 18,396.92	34.07	8,938.08
	TOTAL EXPENSES -CORE SERVICES	\$ 432,585.00	801.08	\$ 429,800.92	\$ 795.93	2,784.08
EXPANDED CORE SERVICES						
9001	Resident Services Coordinator	\$ 18,000.00	33.33	\$ 18,000.00	33.33	-
9002	Wellness/Preventive Program	\$ 8,100.00	15.00	\$ 8,100.00	15.00	-
9003	Emergency Transportation	\$ 900.00	1.67	\$ 130.00	0.24	770.00
	TOTAL EXPENSES- EXPANDED CORE	\$ 27,000.00	50.00	\$ 26,230.00	48.57	770.00
ASSISTED LIVING SERVICES						
9004	Assisted Living	\$ 71,904.00	133.16	\$ 55,429.46	102.65	16,474.54
9005	Initial Assessment Eligibility	\$ 800.00	1.48	\$ 1,000.00	1.85	(200.00)
	TOTAL ALSA EXPENSES	\$ 72,704.00	134.64	\$ 56,429.46	104.50	16,274.54
	Total All Expenses	\$ 532,289.00	985.72	\$ 512,460.38	949.00	
1504	Net Program Cost (expenses minus revenue)	\$ 12.00	0.02	\$ 248,527.38	460.24	

Without DECD approval, expenses exceeding the authorized budget amount will be considered ineligible costs.

Project Name: Silverbrook Estates

Project #: C-25

Sponsor/Authority Name: Town of Orange

CHFA #

**ADMINISTRATION FUND
OPERATING STATEMENT - CONGREGATE SERVICES
SUPPLEMENTAL INFORMATION - PROGRAM COSTS**

1504	Program Cost - Core Service	
	Total Expenses - Core Services (Acct. 8101 thru 8402)	429,800.92
	Less: Income - Acct. #7010 Tenant Contributions	263,597.00
	Less: Income - Acct. #7011 Other Income	336.00
	PROGRAM COST	<u>\$ 165,867.92</u>
	Less: DECD Core Service Subsidy Authorized (per M.Plan)	165,321.00
		Due to DECD
	Program Cost Exceeds Authorized Subsidy	<u>546.92</u>
1504	Program Cost - Expanded Core Service	
	Total Expenses - Expanded Core Services (Acct. 9001, 9002, 9003)	26,230.00
	PROGRAM COST	<u>\$ 26,230.00</u>
	Less: DECD Expanded Core Service Subsidy Authorized (per M.Plan)	27,000.00
		Due to DECD
	Program Cost Exceeds Authorized Subsidy	<u>770.00</u>
1504	Program Cost - Assisted Living Services (DECD Component)	
	Total Expenses - Assisted Living Services (Acct. 9004 & 9005)	56,429.46
	Less: Income - Acct. #7020 Tenant Contributions	-
	PROGRAM COST	<u>\$ 56,429.46</u>
	Less: DECD ALSA Subsidy Authorized (per M.Plan)	72,704.00
		Due to DECD
	Program Cost Exceeds Authorized Subsidy	<u>16,274.54</u>