

**TOWN OF ORANGE, CONNECTICUT  
FINANCIAL REPORT  
JUNE 30, 2007**

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**TOWN OF ORANGE, CONNECTICUT  
FINANCIAL REPORT**

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INDEPENDENT AUDITORS' REPORT

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

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, as of and for the year ended June 30, 2007, which collectively comprise the Town's basic financial statements as listed in the table of contents. These financial statements are the responsibility of the Town of Orange, Connecticut's management. 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 of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinions.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the Town of Orange, Connecticut, as of June 30, 2007, and the respective changes in financial position, and, where applicable, cash flows thereof for the year then ended in conformity with U.S. generally accepted accounting principles.

In accordance with *Government Auditing Standards*, we have also issued our report dated January 4, 2008, on our consideration of the Town of Orange, Connecticut'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* and should be considered in assessing the results of our audit.

The management's discussion and analysis, budgetary comparison schedule, and the schedules of funding progress and employer contributions on pages 3 through 13, 53 and 54 through 55, are not a required part of the basic financial statements but are supplementary information required by U.S. generally accepted accounting principles. We have applied certain limited procedures, which consisted principally of inquiries of management regarding the methods of measurement and presentation of the required supplementary information. However, we did not audit the information and express no opinion on it.

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Town of Orange, Connecticut's basic financial statements. The combining and individual nonmajor fund financial statements, the 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. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and, in our opinion, are fairly stated in all material respects in relation to the basic financial statements taken as a whole.

*Seward and Monde*

North Haven, Connecticut  
January 4, 2008

Town of Orange, Connecticut  
Management's Discussion and Analysis  
June 30, 2007

Management of the Town of Orange, Connecticut (the "Town") offers readers of the Town's financial statements this narrative overview and analysis of the financial activities of the Town for the fiscal year ended June 30, 2007. Management's discussion and analysis is designed to (a) assist the reader in focusing on significant financial issues, (b) provide an overview of the Town's financial activity, (c) identify changes in the Town's financial position (its ability to address the next and subsequent year challenges), (d) identify any material deviations from the financial plan (approved budget) and (e) identify individual fund issues or concerns. **All amounts, unless otherwise indicated, are expressed in thousands of dollars.**

### **FINANCIAL HIGHLIGHTS**

- On a government-wide basis, the assets of the Town exceeded its liabilities at the close of the most recent fiscal year by \$42,565 (net assets). Of this amount \$13,744 represents unrestricted net assets, which may be used to meet the Town's ongoing obligations.
- On a government-wide basis, the Town's total net assets increased \$2,911.
- At the close of the current fiscal year, the Town's governmental funds reported combined ending fund balances of \$12,088, an increase of \$713 in comparison with the prior year.
- As of June 30, 2007, the unreserved fund balance for the general fund [the main operating fund of the Town] was \$9,522, or approximately 18.8% of general fund expenditures. This balance is available for spending at the government's discretion.
- At the close of the current fiscal year, the Town's business-type activities reported net asset balances of \$6,507 and \$2,344, for the Water Pollution Control Authority (WPCA) and Congregate Elderly Housing (Silverbrook Estates), respectively, a combined increase of \$192.
- The Town's governmental bonded debt decreased by \$925 during the current fiscal year due to scheduled principal payments.

### **OVERVIEW OF THE FINANCIAL STATEMENTS**

The financial statements' focus is on both the Town as a whole (government-wide) and on the major individual funds. Both perspectives (government-wide and major fund) allow the user/reader to address relevant questions, broaden a basis for comparison and enhance the Town's accountability.

This discussion and analysis is intended to serve as an introduction to the Town's basic financial statements. The Town's basic financial statements are comprised of three components: 1) government-wide financial statements, 2) fund financial statements, and 3) notes to the financial statements. This report also contains other supplementary information in addition to 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 corporate-like manner.

The *statement of net assets* presents information on all of the Town's assets and liabilities, with the difference between the two reported as *net assets*. Over time, increases or decreases in net assets 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 government's net assets changed during the most recent fiscal year. All changes in net assets 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).

Both of the government-wide financial statements distinguish functions of the Town that are principally supported by taxes and intergovernmental revenues (*governmental activities*) from other functions that are intended to recover all or a significant portion of their costs through user fees and charges (*business-type activities*). The government activities of the Town include general government, public safety, public works and sanitation, culture and recreation, health and welfare, and education. The business-type activities of the Town include the Water Pollution Control Authority and Congregate Elderly Housing.

The government-wide financial statements include only the Town itself. There are no legally separate component units, only the primary government. The Town is a single entity.

The government-wide financial statements can be found on pages 14-15 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 Town, like other state and local governments, uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. All of the funds of the Town can be divided into three categories: governmental funds, proprietary funds, and fiduciary funds.

**Governmental Funds.** Governmental funds are used to account for essentially the same functions reported as governmental activities in the government-wide financial statements. However, unlike the government-wide financial statements, governmental fund financial statements focus on near-term inflows and outflows of spendable resources, as well as on balances of spendable resources available at the end of the fiscal year. Such information may be useful in evaluating the Town's near-term financing requirements.

Because the focus of governmental funds is narrower than that of the government-wide financial statements, it is useful to compare the information presented for governmental funds with similar information presented by governmental activities in the government-wide financial statements. By doing so, readers may better understand the long-term impact of the Town's near-term financing decisions. Both the governmental fund balance sheet and the governmental fund statement of revenues, expenditures and changes in fund balances provide a reconciliation to facilitate this comparison between governmental funds and governmental activities.

The basic governmental fund financial statements can be found on pages 16-19 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 assets and the statement of activities. In fact, the Town's enterprise funds (components of proprietary funds) are the same as the business-type activities reported in the government-wide statements, but provide more detail and additional information, such as cash flows, for proprietary funds. The Town's internal service fund (the other component of proprietary funds) is used to report the activities of the self-insured health insurance program. Financial statements for the proprietary funds can be found on pages 20-22 of this report.

***Fiduciary Funds.*** Fiduciary funds are used to account for resources held for the benefit of parties outside the government. The Town is responsible for other assets that, because of a trust arrangement, can be used only for the trust beneficiaries. The Town is the trustee, or fiduciary, for three employees' pension plans. Fiduciary funds are not reflected in the government-wide financial statement because the resources of those funds are not available to provide services to the Town's constituency. Financial statements for the fiduciary funds can be found on pages 23-24 of this report.

***Notes to the Financial Statements.*** The notes provide additional information that is 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 25-52 of this report.

## GOVERNMENT-WIDE FINANCIAL ANALYSIS

As noted earlier, net assets may serve over time as a useful indicator of a government's financial position. In the case of the Town, assets exceed liabilities by \$42,565 at the close of the fiscal year ended June 30, 2007. The Town's overall financial position and operations are summarized as follows based on the information included in the government-wide financial statements (see pages 14 and 15)

Table 1 - Condensed statement of Net Assets (in thousands)

	June 30,2007			June 30,2006		
	Governmental Activities	Business- Type Activities	Total	Governmental Activities	Business- Type Activities	Total
Current and Other Assets	\$ 12,619	\$ 2,011	\$ 14,630	\$ 13,378	\$ 3,384	\$ 16,762
Capital Assets	37,526	6,349	43,875	35,573	6,633	42,206
Noncurrent Assets	2,845	1,726	4,571	1,434	-	1,434
Total Assets	<u>52,990</u>	<u>10,086</u>	<u>63,076</u>	<u>50,385</u>	<u>10,017</u>	<u>60,402</u>
Current Liabilities	2,820	326	3,146	3,624	354	3,978
Noncurrent Liabilities	16,455	910	17,365	17,482	1,004	18,486
Total Liabilities	<u>19,275</u>	<u>1,236</u>	<u>20,511</u>	<u>21,106</u>	<u>1,358</u>	<u>22,464</u>
Net Assets:						
Invested in Capital Assets, net of related debt	20,971	6,348	27,319	17,892	6,633	24,525
Restricted	1,501	-	1,501	1,250	-	1,250
Unrestricted	11,243	2,502	13,745	10,137	2,026	12,163
Total Net Assets	<u>\$ 33,715</u>	<u>\$ 8,850</u>	<u>\$ 42,565</u>	<u>\$ 29,279</u>	<u>\$ 8,659</u>	<u>\$ 37,938</u>

By far the largest portion of the Town's net assets reflects its investment in capital assets (e.g., land, buildings, machinery, and equipment), less any related debt used to acquire those assets that is still outstanding for both governmental and business-type activities. The Town uses these capital assets to provide services to citizens; consequently, these assets are not available for future spending.

## Normal Impacts

There are six basic (normal) transactions that will affect the comparability of the Statement of Net Assets summary presentation.

***Net Results of Activities*** - which will impact (increase/decrease) current assets and unrestricted net assets.

***Borrowing for Capital*** - which will increase current assets and long-term debt.

***Spending Borrowed Proceeds on New Capital*** - which will reduce current assets and increase capital assets. There is a second impact, an increase in invested in capital assets and an increase in related net debt which will not change the invested in capital assets, net of related debt.

***Spending of Non-borrowed Current Assets on New Capital*** - which will (a) reduce current assets and increase capital assets and (b) will reduce unrestricted net assets and increase invested in capital assets, net of related debt.

***Principal Payment on Debt*** - which will (a) reduce current assets and reduce long-term debt and (b) reduce unrestricted net assets and increase invested in capital assets, net of related debt.

***Reduction of Capital Assets through Depreciation*** - which will reduce capital assets and invested in capital assets, net of related debt.

Table 2 - Statement of Activities (in thousands)

	June 30, 2007			June 30, 2006		
	Governmental Activities	Business- Type Activities	Total	Governmental Activities	Business- Type Activities	Total
<b>Revenues</b>						
Program revenues						
Charges for services	\$ 3,415	\$ 956	\$ 4,371	\$ 2,886	\$ 848	\$ 3,734
Operating grants and contributions	2,530	251	2,781	2,753	241	2,994
Capital grants and contributions	1,658	193	1,851	884	12	896
General Revenues						
Property Taxes	46,004	-	46,004	45,232	-	45,232
Grants and contributions not restricted to specific programs	335	-	335	315	-	315
Unrestricted investment earnings	1,049	79	1,128	816	55	871
Miscellaneous	634	16	650	-	-	-
Contributions to permanent funds	29	-	29	788	13	801
Total Revenues	<u>55,654</u>	<u>1,495</u>	<u>57,149</u>	<u>53,674</u>	<u>1,169</u>	<u>54,843</u>
<b>Expenses</b>						
General government	2,608	-	2,608	2,443	-	2,443
Public safety	6,134	-	6,134	6,138	-	6,138
Public works and sanitation	3,926	-	3,926	4,061	-	4,061
Culture and recreation	2,866	-	2,866	2,823	-	2,823
Health and welfare	1,827	-	1,827	1,723	-	1,723
Education						
Orange Board of Education	18,539	-	18,539	17,015	-	17,015
Amity Regional School District	16,009	-	16,009	14,962	-	14,962
Sewer	-	548	548	-	627	627
Elderly Housing	-	756	756	-	714	714
Other	417	-	417	801	-	801
Interest on long-term debt	608	-	608	679	-	679
Total Expenses	<u>52,934</u>	<u>1,304</u>	<u>54,238</u>	<u>50,645</u>	<u>1,341</u>	<u>51,986</u>
Change in Net Assets	2,720	191	2,911	3,029	(172)	2,857
Net Assets, Beginning	<u>30,995</u>	<u>8,659</u>	<u>39,654</u>	<u>26,250</u>	<u>8,831</u>	<u>35,081</u>
Net Assets, Ending	<u>\$ 33,715</u>	<u>\$ 8,850</u>	<u>\$ 42,565</u>	<u>\$ 29,279</u>	<u>\$ 8,659</u>	<u>\$ 37,938</u>

The Town's net assets increased by \$2,911 during the fiscal year, with the net assets of the governmental activities increasing by \$2,720, and net assets of business-type activities increasing by \$191.

## Governmental Activities

Major revenue factors include:

- Property tax revenues recorded for year ended June 30, 2007 reflected no increase in the Town's mill rate; it remained at 31.9 mills.
- Property tax collections increased by \$772 over the previous fiscal year.
- The total assessed value of taxable property increased from 1,411,969 to 1,441,904.
- Targets for Governmental Fund investment earnings were exceeded because of the significant increase in the Federal Funds rate and active investment strategies.
- Revenue derived from ongoing intergovernmental sources such as Education Cost Sharing and Special Education Cost Reimbursement increased over the previous period.

Major expense factors include:

- Increases in employee wages averaged approximately 3.00% as a result of contractual salary and step increases.
- The cost of educational services increased by 8.04% due to negotiated wage settlements, employee health insurance costs and other operating cost increases.

## 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.

## Normal Impacts

There are six basic impacts on revenues and expenses as reflected below:

Revenues:

***Economic Condition*** - which can reflect a declining, stable or growing economic environment and has a substantial impact on property tax revenue as well as public spending habits for building permits, and elective user fees.

***Changing Patterns in Intergovernmental and Grant Revenue (both recurring and non-recurring)*** - certain recurring revenues may experience significant changes periodically while non-recurring (or one-time) grants are less predictable and often distorting in their impact on year to year comparisons.

Expenses:

***Increase in Insurance*** - changes in healthcare costs and changes in the insurance marketplace can have a material effect on these expenses.

***Salary Increases*** - the ability to attract and retain human and intellectual resources requires the Town to strive to approach a competitive salary range position in the marketplace.

***Inflation*** - while overall inflation appears to be reasonably modest, some functions may experience unusual commodity specific increases.

## **FINANCIAL ANALYSIS OF FUND FINANCIAL STATEMENTS**

As noted earlier, the Town uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements.

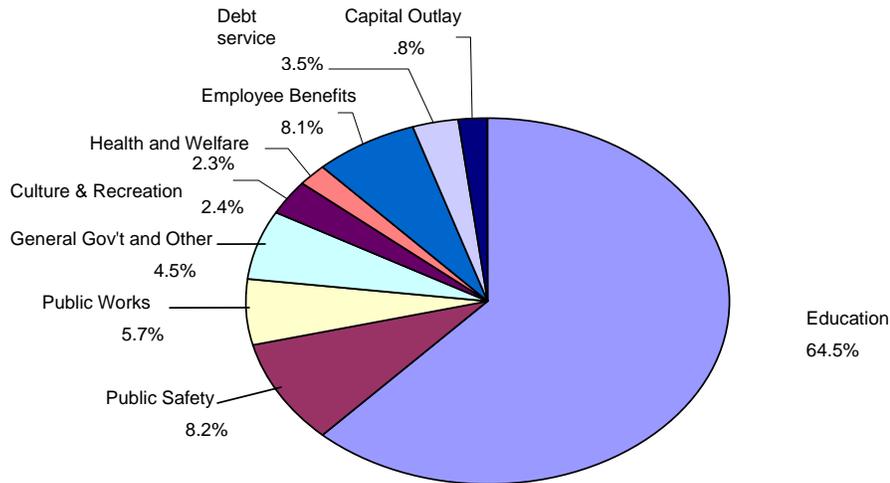
***Governmental Funds.*** The focus of the Town's governmental funds is to provide information on near-term inflows, outflows, and balances of spendable resources. Such information is useful in assessing the Town's financing requirements. In particular, unreserved fund balance may serve as a useful measure of a government's net resources available for spending at the end of the fiscal year.

At the end of the 2007 fiscal year, the Town's governmental funds reported combined fund balances of \$12,088, an increase of \$713 in comparison with the prior year. Approximately \$9,112 constitutes unreserved fund balance, with the remainder of the fund balance being reserved or designated to indicate that it is not available for new spending because it has already been committed. This commitment includes \$1,064 for contracts and purchase orders; \$410 for capital outlay during 2007-2008 budget year; \$931 for Special Revenue Funds and \$541 for Capital Projects.

The general fund is the chief operating fund of the Town. At the end of the current fiscal year, unreserved, undesignated fund balance for the general fund increased from \$8,192 to \$9,112 while total general fund balance increased from \$10,197 to \$10,587, an increase of \$390 or 3.8%.

While an increase in operating budget expenditures occurred for fiscal year ended June 30, 2007 due to increased demand for services and an increase in utility and energy costs, it was offset by an increase in property tax revenue and investment income.

### 2006/2007 General Fund Expenditures



**Proprietary Funds.** The Town's proprietary fund provides the same type of information found in the government-wide financial statements, but in more detail.

### GENERAL FUND BUDGETARY HIGHLIGHTS

There were no supplemental appropriations made from fund balance during the year.

- Intergovernmental revenues were over budget primarily due to \$455 returned from Amity Regional School District's fiscal 2006 budget.
- Investment income was greater than projected by almost \$500 as a result of a significant increase in the Federal Funds rate and active investment strategies.
- Employee benefits ended the year under budget as claims experience was less than anticipated.
- Capital outlay was over budget primarily due to residual expenses related to the oil spill at Turkey Hill School in 2004, and the \$75 for the Racebrook School playground, which was funded through a State grant.

## CAPITAL ASSETS AND DEBT ADMINISTRATION

**Capital Assets.** The Town's investment in capital assets for its governmental and business-type activities as of June 30, 2007 amounts to \$43,875 (net of accumulated depreciation). This investment in capital assets includes land, land improvements, buildings, building improvements, sewer lines and pump stations, equipment, vehicles and infrastructure assets. Total additions were \$2,160 and total depreciation was \$2,207.

Major capital asset events during the current fiscal year included the following:

- Police Reverse 911 system was purchased at a cost of \$34.
- Voicemail/telephone system for the Orange Board of Education was installed at a cost of \$21, along with the purchase of \$82 in computer technology, and \$632 for completion of various capital projects related to the 2004 bond issue.
- Various vehicle replacements, including police and public works vehicles, exceeding \$200
- Land purchase along Edison Road for \$315 and reconstruction of Connair Road for \$343.

As of June 30, 2007, the Town has retroactively applied the provisions of GASB 34 related to the reporting of infrastructure assets [roads, bridges, etc]. This application resulted in \$12,122 in additional infrastructure assets being recorded net of accumulated depreciation of \$9,192.

Table 3 - Capital Assets, net of accumulated depreciation (in thousands)

	June 30, 2007			June 30, 2006		
	Governmental Activities	Business- Type Activities	Total	Governmental Activities	Business- Type Activities	Total
Land	\$ 10,926	\$ 19	\$10,945	\$ 10,611	\$ 19	\$ 10,630
Land Improvements	344	-	344	366	-	366
Buildings & Improvements	17,934	2,341	20,275	18,182	2,428	20,610
Sewer Lines & Pump Stations	-	3,952	3,952	-	4,130	4,130
Equipment	4,065	37	4,102	4,124	56	4,180
Vehicles	532	-	532	448	-	448
Infrastructure	3,725	-	3,725	1,842	-	1,842
<b>Total</b>	<b>\$ 37,526</b>	<b>\$ 6,349</b>	<b>\$43,875</b>	<b>\$ 35,573</b>	<b>\$ 6,633</b>	<b>\$ 42,206</b>

Additional information on the Town's capital assets can be found on page 36-37 of this report.

***Long-term Debt.*** At the end of the current fiscal year, the Town had total bonded debt outstanding of \$15,805. The Town maintains an Aa2 rating from Moody's Investors Service for general obligation debt.

No new debt was issued during the year ended June 30, 2007.

On July 3, 2007 the Town issued \$4,400,000 of General Obligation Bond Anticipation Notes with an interest rate of 3.59%. The Notes were used to purchase approximately 43 acres of open space. The Notes are to mature December 19, 2007. On December 15, 2007 the Town issued \$3,900,000 of General Obligation Bonds with an interest rate of 3.97%. The Bonds were used to pay for the aforementioned Notes. The bonds are to mature December 15, 2027. In addition, subsequent to June 30, 2007, the Town received a \$500,000 grant from the State of Connecticut to be applied towards the open space purchase.

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 \$323,144 which is significantly in excess of the Town's outstanding general obligation debt.

Additional information on the Town's long-term debt can be found on pages 38-41 of this report.

## **REQUESTS FOR INFORMATION**

This financial report is designed to provide a general overview of the Town's finances for all those with an interest in the government's finances. Questions concerning any of the information provided in this report or requests for additional financial information should be addressed to the Director of Finance, Town of Orange, 617 Orange Center Road, Orange, CT 06477.

**TOWN OF ORANGE, CONNECTICUT  
STATEMENT OF NET ASSETS  
JUNE 30, 2007**

	Primary Government		
	Governmental Activities	Business-Type Activities	Total
<b>ASSETS</b>			
Cash and cash equivalents	\$ 9,108,430	\$ 433,944	\$ 9,542,374
Uncollected property taxes and sewer assessments, less allowance of \$42,500 for uncollectibles	349,633	970,437	1,320,070
Accounts receivable, less allowance of \$26,200 for uncollectibles	101,633	601,154	702,787
Interest receivable	-	758	758
Other assets	2,291,075	5,142	2,296,217
Due from other governments	768,145	-	768,145
Investments	2,845,448	1,725,968	4,571,416
Capital assets:			
Nondepreciable	10,926,371	18,970	10,945,341
Depreciable, net of accumulated depreciation	26,599,646	6,329,702	32,929,348
Total assets	<u>52,990,381</u>	<u>10,086,075</u>	<u>63,076,456</u>
<b>LIABILITIES</b>			
Accounts payable and accrued liabilities	1,391,779	77,944	1,469,723
Due to other governments	12	42,133	42,145
Interest payable	182,602	-	182,602
Unearned revenue	96,619	-	96,619
Premium on refunding bonds	65,420	-	65,420
Long-term liabilities:			
Due within one year	1,083,637	205,921	1,289,558
Due in more than one year	16,455,470	909,707	17,365,177
Total liabilities	<u>19,275,539</u>	<u>1,235,705</u>	<u>20,511,244</u>
<b>NET ASSETS</b>			
Invested in capital assets, net of related debt	20,971,017	6,348,672	27,319,689
Restricted for:			
Capital projects	541,286	-	541,286
Special projects and programs	930,568	-	930,568
Nonexpendable permanent endowments	29,204	-	29,204
Unrestricted	11,242,767	2,501,698	13,744,465
Total net assets	<u>\$ 33,714,842</u>	<u>\$ 8,850,370</u>	<u>\$ 42,565,212</u>

See notes to basic financial statements.

**TOWN OF ORANGE, CONNECTICUT  
STATEMENT OF ACTIVITIES  
FOR THE YEAR ENDED JUNE 30, 2007**

	Program Revenues					Net (Expense) Revenue and Changes in Net Assets		
	Expenses	Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Total	Governmental Activities	Business-Type Activities	Total
<b>Governmental activities:</b>								
General government	\$ 2,607,773	\$ 681,091	\$ 7,000	\$ -	\$ 688,091	(\$ 1,919,682)	\$ -	(\$ 1,919,682)
Public safety	6,133,646	228,254	66,191	-	294,445	( 5,839,201)	-	( 5,839,201)
Public works and sanitation	3,926,409	84,164	139,476	913,080	1,136,720	( 2,789,689)	-	( 2,789,689)
Culture and recreation	2,865,686	873,931	20,353	-	894,284	( 1,971,402)	-	( 1,971,402)
Health and welfare	1,827,187	641,763	50,258	-	692,021	( 1,135,166)	-	( 1,135,166)
Education:								
Orange Board of Education	18,539,017	798,431	2,246,571	744,903	3,789,905	( 14,749,112)	-	( 14,749,112)
Amity Regional School District	16,009,624	-	-	-	-	( 16,009,624)	-	( 16,009,624)
Other	416,579	107,162	-	-	107,162	( 309,417)	-	( 309,417)
Interest on long-term debt	608,163	-	-	-	-	( 608,163)	-	( 608,163)
Total governmental activities	<u>52,934,084</u>	<u>3,414,796</u>	<u>2,529,849</u>	<u>1,657,983</u>	<u>7,602,628</u>	<u>( 45,331,456)</u>	<u>-</u>	<u>( 45,331,456)</u>
<b>Business-type activities:</b>								
Sewer	547,944	542,148	-	193,140	735,288	-	187,344	187,344
Elderly Housing	756,191	414,116	251,115	-	665,231	-	( 90,960)	( 90,960)
Total business-type activities	<u>1,304,135</u>	<u>956,264</u>	<u>251,115</u>	<u>193,140</u>	<u>1,400,519</u>	<u>-</u>	<u>96,384</u>	<u>96,384</u>
 Total primary government	<u>\$ 54,238,219</u>	<u>\$ 4,371,060</u>	<u>\$ 2,780,964</u>	<u>\$ 1,851,123</u>	<u>\$ 9,003,147</u>	<u>( 45,331,456)</u>	<u>96,384</u>	<u>( 45,235,072)</u>
<b>General revenues and contributions:</b>								
Property taxes, levied for general purposes						46,003,956	-	46,003,956
Grants and contributions not restricted to specific programs						334,895	-	334,895
Unrestricted investment earnings						1,048,828	78,894	1,127,722
Miscellaneous						634,263	16,383	650,646
Contributions to permanent funds						29,204	-	29,204
Total general revenues and contributions						<u>48,051,146</u>	<u>95,277</u>	<u>48,146,423</u>
Change in net assets						2,719,690	191,661	2,911,351
Net assets, beginning						<u>30,995,152</u>	<u>8,658,709</u>	<u>39,653,861</u>
Net assets, ending						<u>\$ 33,714,842</u>	<u>\$ 8,850,370</u>	<u>\$ 42,565,212</u>

See notes to basic financial statements.

**TOWN OF ORANGE, CONNECTICUT  
BALANCE SHEET  
GOVERNMENTAL FUNDS  
JUNE 30, 2007**

	General Fund	2004 Bond Projects	Other Governmental Funds	Total Governmental Funds
<b>ASSETS</b>				
Cash and cash equivalents	\$ 5,480,883	\$ 9,234	\$ 1,164,684	\$ 6,654,801
Uncollected property taxes, less allowance of \$42,500 for uncollectibles	349,633	-	-	349,633
Accounts receivable, less allowance of \$5,000 for uncollectibles	-	731,554	101,633	833,187
Due from other funds	3,062,898	-	-	3,062,898
Due from other governments	-	-	36,591	36,591
Investments	2,816,334	-	29,114	2,845,448
Prepaid expenses	32,603	1,999,999	-	2,032,602
Total assets	\$ 11,742,351	\$ 2,740,787	\$ 1,332,022	\$ 15,815,160
<b>LIABILITIES AND FUND BALANCES</b>				
<b>LIABILITIES</b>				
Accounts payable and accrued liabilities	\$ 863,993	\$ -	\$ 107,051	\$ 971,044
Bank overdraft	-	-	14,417	14,417
Due to other funds	-	2,252,303	101,349	2,353,652
Due to other governments	-	-	12	12
Unearned revenue	291,753	-	96,619	388,372
Total liabilities	1,155,746	2,252,303	319,448	3,727,497
<b>FUND BALANCES</b>				
Reserved for:				
Encumbrances	1,064,378	-	-	1,064,378
Permanent funds	-	-	29,204	29,204
Unreserved, reported in:				
Designated for subsequent year's budget	410,000	-	-	410,000
General fund	9,112,227	-	-	9,112,227
Special revenue funds	-	-	930,568	930,568
Capital projects funds	-	488,484	52,802	541,286
Total fund balances	10,586,605	488,484	1,012,574	12,087,663
Total liabilities and fund balances	\$ 11,742,351	\$ 2,740,787	\$ 1,332,022	\$ 15,815,160

See notes to basic financial statements.

**TOWN OF ORANGE, CONNECTICUT  
RECONCILIATION OF THE BALANCE SHEET OF GOVERNMENTAL  
FUNDS TO THE STATEMENT OF NET ASSETS  
JUNE 30, 2007**

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Total fund balances - total governmental funds	\$ 12,087,663
Amounts reported for governmental activities in the statements of net assets are different because:	
Capital assets used in governmental activities are not current financial resources and therefore are not reported in the funds.	37,526,017
Deferred property taxes are not current financial resources in governmental funds and therefore are not reported as revenue in the funds until they are available.	291,753
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.	( 182,602)
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 assets.	1,338,065
Long-term liabilities are not due and payable in the current period and therefore are not reported in the funds.	( 17,604,527)
Other assets related to long-term liabilities	<u>258,473</u>
Net assets of governmental activities	<u><u>\$ 33,714,842</u></u>

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, 2007**

	General Fund	2004 Bond Projects	Other Governmental Funds	Total Governmental Funds
<b>REVENUES</b>				
Property taxes	\$ 45,787,378	\$ -	\$ -	\$ 45,787,378
Interest and lien fees	108,933	-	-	108,933
Licenses, permits, fees and fines	712,339	-	-	712,339
Intergovernmental	3,071,146	731,554	1,453,578	5,256,278
Program revenue	147,718	-	1,662,887	1,810,605
Investment income	1,048,828	-	5,768	1,054,596
Charges for facilities and services	54,498	-	751,179	805,677
Miscellaneous	334,370	5,985	88,505	428,860
Contributions to permanent fund	-	-	29,204	29,204
Total revenues	<u>51,265,210</u>	<u>737,539</u>	<u>3,991,121</u>	<u>55,993,870</u>
<b>EXPENDITURES</b>				
Current operating:				
General government	1,924,973	-	-	1,924,973
Public safety	4,230,307	-	154,956	4,385,263
Public works and sanitation	2,908,766	-	985,429	3,894,195
Culture and recreation	1,251,680	-	691,663	1,943,343
Health and welfare	1,182,737	-	150,254	1,332,991
Employee benefits	4,169,775	-	-	4,169,775
Education:				
Orange Board of Education	16,594,555	-	1,208,617	17,803,172
Amity Regional School District	16,465,375	-	-	16,465,375
Other	309,814	-	109,362	419,176
Debt service	1,817,385	-	-	1,817,385
Capital outlays	424,416	701,133	-	1,125,549
Total expenditures	<u>51,279,783</u>	<u>701,133</u>	<u>3,300,281</u>	<u>55,281,197</u>
Operating gain (loss)	<u>( 14,573)</u>	<u>36,406</u>	<u>690,840</u>	<u>712,673</u>
<b>OTHER FINANCING SOURCES (USES)</b>				
Interfund transfers in	404,000	-	-	404,000
Interfund transfers out	-	-	( 404,000)	( 404,000)
Total other financing sources (uses)	<u>404,000</u>	<u>-</u>	<u>( 404,000)</u>	<u>-</u>
Net change in fund balance	389,427	36,406	286,840	712,673
Fund balance, beginning	<u>10,197,178</u>	<u>452,078</u>	<u>725,734</u>	<u>11,374,990</u>
Fund balance, ending	<u>\$ 10,586,605</u>	<u>\$ 488,484</u>	<u>\$ 1,012,574</u>	<u>\$ 12,087,663</u>

See notes to basic financial statements.

**TOWN OF ORANGE, CONNECTICUT  
RECONCILIATION OF THE STATEMENT OF REVENUES,  
EXPENDITURES AND CHANGES IN FUND BALANCES  
TO THE STATEMENT OF ACTIVITIES  
FOR THE YEAR ENDED JUNE 30, 2007**

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Net change in fund balances - total governmental funds	\$	712,673
Amount reported for governmental activities in the statement of activities are different because:		
<p>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. This is the detail of the two components:</p>		
Capital outlay		2,116,422
Depreciation expense	(	1,879,753)
Revenues (losses) in the statement of activities that do not provide (use) current financial resources are not reported as revenues (losses) in the funds.		115,656
Repayment of long-term liabilities is an expenditure in governmental funds, but the repayment reduces long-term liabilities in the statement of net assets.		1,128,584
Accrued interest expense and amortization of deferred loss on long-term debt is reported in the statement of activities, but it does not require the use of current financial resources and therefore is not reported as an expenditure in governmental funds.		101,781
Internal service funds are used by management to charge the costs of medical insurance to individual funds. The net revenue (expense) of the internal service funds is reported with governmental activities.		<u>424,327</u>
Change in net assets of governmental activities	\$	<u><u>2,719,690</u></u>

See notes to basic financial statements.

**TOWN OF ORANGE, CONNECTICUT  
STATEMENT OF NET ASSETS  
PROPRIETARY FUNDS  
JUNE 30, 2007**

	Business-Type Activities Enterprise Funds			Governmental Activities
	Water Pollution Control Authority	Congregate Elderly Housing	Totals	Internal Service Fund (Self - Insurance)
<b>ASSETS</b>				
Current assets:				
Cash and cash equivalents	\$ 375,972	\$ 57,972	\$ 433,944	\$ 2,468,046
Investments	1,725,968	-	1,725,968	-
Accounts receivable, net of allowance for uncollectibles of \$21,200	596,534	4,620	601,154	-
Assessments receivable	200,000	-	200,000	-
Prepaid insurance	-	5,142	5,142	-
Interest receivable	758	-	758	-
Total current assets	<u>2,899,232</u>	<u>67,734</u>	<u>2,966,966</u>	<u>2,468,046</u>
Noncurrent assets:				
Assessments receivable	770,437	-	770,437	-
Capital assets:				
Land	-	18,970	18,970	-
Buildings and equipment	8,538,332	3,613,855	12,152,187	-
Less, accumulated depreciation	( 4,555,528)	( 1,266,957)	( 5,822,485)	-
Capital assets, net	<u>3,982,804</u>	<u>2,365,868</u>	<u>6,348,672</u>	<u>-</u>
Total noncurrent assets	<u>4,753,241</u>	<u>2,365,868</u>	<u>7,119,109</u>	<u>-</u>
Total assets	<u>7,652,473</u>	<u>2,433,602</u>	<u>10,086,075</u>	<u>2,468,046</u>
<b>LIABILITIES</b>				
Current liabilities:				
Accounts payable and accrued expenses	30,200	47,744	77,944	13,143
Due to other funds	-	-	-	709,246
Due to other governments	-	42,133	42,133	-
Claims incurred but not reported	-	-	-	407,592
Claims and judgments	205,921	-	205,921	-
Total current liabilities	<u>236,121</u>	<u>89,877</u>	<u>325,998</u>	<u>1,129,981</u>
Noncurrent liabilities:				
Claims and judgments, net of current portion	909,707	-	909,707	-
Total noncurrent liabilities	<u>909,707</u>	<u>-</u>	<u>909,707</u>	<u>-</u>
Total liabilities	<u>1,145,828</u>	<u>89,877</u>	<u>1,235,705</u>	<u>1,129,981</u>
<b>NET ASSETS</b>				
Invested in capital assets, net of related debt	3,982,804	2,365,868	6,348,672	-
Unrestricted	2,523,841	( 22,143)	2,501,698	1,338,065
Total net assets	<u>\$ 6,506,645</u>	<u>\$ 2,343,725</u>	<u>\$ 8,850,370</u>	<u>\$ 1,338,065</u>

See notes to basic financial statements.

**TOWN OF ORANGE, CONNECTICUT  
STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN NET ASSETS  
PROPRIETARY FUNDS  
FOR THE YEAR ENDED JUNE 30, 2007**

	Business-Type Activities Enterprise Funds			Governmental Activities
	Water Pollution Control Authority	Congregate Elderly Housing	Totals	Internal Service Fund (Self - Insurance)
<b>Operating revenues:</b>				
Charges for facilities and services	\$ 542,148	\$ 414,116	\$ 956,264	\$ 4,988,217
Intergovernmental	-	251,115	251,115	-
Total operating revenues	<u>542,148</u>	<u>665,231</u>	<u>1,207,379</u>	<u>4,988,217</u>
<b>Operating expenses:</b>				
Personnel services	135,832	191,055	326,887	-
Contractual services	134,774	233,889	368,663	476,930
Utilities	23,423	123,553	146,976	-
Repairs and maintenance	17,209	53,006	70,215	-
Other supplies and expenses	155	63,345	63,500	-
Insurance claims	-	-	-	4,131,420
Depreciation	236,551	91,343	327,894	-
Total operating expenses	<u>547,944</u>	<u>756,191</u>	<u>1,304,135</u>	<u>4,608,350</u>
Operating gain (loss)	<u>( 5,796)</u>	<u>( 90,960)</u>	<u>( 96,756)</u>	<u>379,867</u>
<b>Nonoperating revenues:</b>				
Interest and penalties on assessments	16,383	-	16,383	-
Interest and investment revenue	<u>78,618</u>	<u>276</u>	<u>78,894</u>	<u>44,460</u>
Total nonoperating revenues	<u>95,001</u>	<u>276</u>	<u>95,277</u>	<u>44,460</u>
Change in net assets before capital assessments	89,205	( 90,684)	( 1,479)	424,327
<b>Capital contributions:</b>				
Capital assessments	<u>193,140</u>	<u>-</u>	<u>193,140</u>	<u>-</u>
Change in net assets	282,345	( 90,684)	191,661	424,327
Total net assets, beginning	<u>6,224,300</u>	<u>2,434,409</u>	<u>8,658,709</u>	<u>913,738</u>
Total net assets, ending	<u>\$ 6,506,645</u>	<u>\$ 2,343,725</u>	<u>\$ 8,850,370</u>	<u>\$ 1,338,065</u>

See notes to basic financial statements.

**TOWN OF ORANGE, CONNECTICUT  
STATEMENT OF CASH FLOWS  
PROPRIETARY FUNDS  
FOR THE YEAR ENDED JUNE 30, 2007**

	Business-Type Activities Enterprise Funds			Governmental Activities
	Water Pollution Control Authority	Congregate Elderly Housing	Totals	Internal Service Fund (Self - Insurance)
<b>Cash Flows from Operating Activities:</b>				
Receipts from customers	\$ 565,089	\$ 409,764	\$ 974,853	\$ 4,988,217
Payments to suppliers	( 212,599)	( 498,925)	( 711,524)	-
Payments to employees	( 135,832)	( 191,055)	( 326,887)	-
Claims paid to outsiders	-	-	-	( 4,027,452)
Other receipts (payments)	( 334,056)	265,575	( 68,481)	( 185,359)
Net cash provided (used) by operating activities	<u>( 117,398)</u>	<u>( 14,641)</u>	<u>( 132,039)</u>	<u>775,406</u>
<b>Cash Flows from Capital and Related Financing Activities:</b>				
Acquisition of capital assets	( 43,605)	-	( 43,605)	-
Capital contributions	587,697	-	587,697	-
Receipts from customers	16,383	-	16,383	-
Payments made on claims and judgments	( 77,500)	-	( 77,500)	-
Net cash provided by capital and related financing activities	<u>482,975</u>	<u>-</u>	<u>482,975</u>	<u>-</u>
<b>Cash Flows from Investing Activities:</b>				
Purchases of investments	( 1,715,573)	-	( 1,715,573)	-
Interest and investment revenue	78,618	276	78,894	44,460
Net cash provided (used) by investing activities	<u>( 1,636,955)</u>	<u>276</u>	<u>( 1,636,679)</u>	<u>44,460</u>
Net increase (decrease) in cash and cash equivalents	( 1,271,378)	( 14,365)	( 1,285,743)	819,866
Cash and cash equivalents, beginning	<u>1,647,350</u>	<u>72,337</u>	<u>1,719,687</u>	<u>1,648,180</u>
Cash and cash equivalents, ending	<u>\$ 375,972</u>	<u>\$ 57,972</u>	<u>\$ 433,944</u>	<u>\$ 2,468,046</u>
<b>Reconciliation of Operating Income (Loss) to Net Cash provided (used) by Operating Activities:</b>				
Operating income (loss)	(\$ 5,796)	(\$ 90,960)	(\$ 96,756)	\$ 379,867
Adjustments to reconcile operating income (loss) to net cash provided (used) by operating activities:				
Depreciation	236,551	91,343	327,894	-
Changes in assets and liabilities:				
Decrease (increase) in accounts receivable	22,941	( 4,352)	18,589	-
Increase in prepaid insurance	-	( 2,298)	( 2,298)	-
Increase (decrease) in accounts payable and accrued liabilities	( 37,038)	( 22,834)	( 59,872)	11,248
Increase (decrease) in due to other funds	( 334,056)	-	( 334,056)	291,571
Increase in due to other governments	-	14,460	14,460	-
Increase in claims incurred but not reported	-	-	-	92,720
Net cash provided (used) by operating activities	<u>(\$ 117,398)</u>	<u>(\$ 14,641)</u>	<u>(\$ 132,039)</u>	<u>\$ 775,406</u>

See notes to basic financial statements.

**TOWN OF ORANGE, CONNECTICUT  
STATEMENT OF FIDUCIARY NET ASSETS  
FIDUCIARY FUNDS  
JUNE 30, 2007**

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	<u>Pension Trust Funds</u>	<u>Agency Funds</u>
<b>ASSETS</b>		
Cash and cash equivalents	\$ -	\$ 327,136
Investments, at fair value	<u>27,816,624</u>	<u>-</u>
Total assets	<u><u>\$ 27,816,624</u></u>	<u><u>\$ 327,136</u></u>
<b>LIABILITIES</b>		
Amounts held for others	<u>\$ -</u>	<u>\$ 327,136</u>
Total liabilities	<u><u>\$ -</u></u>	<u><u>\$ 327,136</u></u>
<b>NET ASSETS</b>		
Held in trust for pension benefits	<u><u>\$ 27,816,624</u></u>	

See notes to basic financial statements.

**TOWN OF ORANGE, CONNECTICUT  
STATEMENT OF CHANGES IN NET ASSETS  
FIDUCIARY FUNDS  
FOR THE YEAR ENDED JUNE 30, 2007**

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	<u>Pension Trust Funds</u>
<b>ADDITIONS</b>	
Contributions:	
Employer	\$ 940,423
Employee	<u>417,969</u>
Total contributions	1,358,392
Net investment income	<u>3,197,723</u>
Total additions	<u>4,556,115</u>
<b>DEDUCTIONS</b>	
Pension payments	1,529,230
Administrative expenses	<u>45,326</u>
Total deductions	<u>1,574,556</u>
Change in net assets	2,981,559
Net assets, beginning	<u>24,835,065</u>
Net assets, ending	<u><u>\$ 27,816,624</u></u>

See notes to basic financial statements.

**TOWN OF ORANGE, CONNECTICUT  
NOTES TO BASIC FINANCIAL STATEMENTS  
JUNE 30, 2007**

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**Note 1 - Reporting Entity and Summary of Significant Accounting Policies**

**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.

Financial information for the Town is accounted for in the accompanying financial statements in accordance with principles defining the governmental reporting entity adopted by the Governmental Accounting Standards Board (GASB). The reporting entity includes the primary government, organizations for which the primary government is financially accountable and 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. Management has considered all potential component units and determined that there are no other entities that are required to be presented in the accompanying financial statements of the Town of Orange, Connecticut.

**Basis of Accounting and Measurement Focus**

The accounts of the Town are organized on the basis of funds, each of which is considered a separate accounting entity. The operations of each fund are accounted for with a separate set of self-balancing accounts that comprise assets, liabilities, fund equity, revenues, and expenditures or expenses, as appropriate. Governmental resources are allocated to and accounted for in individual funds based upon the purposes for which they are to be spent and the means by which spending activities are controlled.

**Government-wide Statements**

The Town Government-wide Financial Statements include a statement of net assets and a statement of activities. These statements present summaries of governmental and business-type activities of the Town accompanied by a total column. Fiduciary activities of the Town are not included in these statements. These statements are presented on an economic resources measurement focus and the accrual basis of accounting. Accordingly, all of the Town's assets and liabilities, including capital

**TOWN OF ORANGE, CONNECTICUT**  
**NOTES TO FINANCIAL STATEMENTS**  
**June 30, 2007**  
**...Continued...**

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assets, as well as infrastructure assets, and long-term liabilities, are included in the accompanying statement of net assets. The statement of activities demonstrates the degree to which the direct expense of a given function or segment is offset by program revenues. The types of transactions reported as program revenues for the Town are reported in three categories: 1) charges for services, 2) operating grants and contributions, and 3) capital grants and contributions. Under the accrual basis of accounting, revenues are recognized in the period in which they are earned while expenses are recognized in the period in which the liability is incurred.

Certain eliminations have been made as prescribed by GASB Statement No. 34 in regards to interfund activities, receivables and payables. All internal balances in the statement of net assets have been eliminated except those representing balances between the governmental activities and the business-type activities, which are presented as internal balances and eliminated in the total primary government column. In the statement of activities, internal service fund transactions have been eliminated; however, those transactions between governmental and business-type activities have not been eliminated.

The Town applies all applicable GASB pronouncements as well as the following pronouncements issued on or before November 30, 1989, unless those pronouncements conflict with or contradict GASB pronouncements: Financial Accounting Standards Board (FASB) Statements and Interpretations, Accounting Principles Board (APB) Opinions, and Accounting Research Bulletins (ARB) on the committee on Accounting Procedure. FASB pronouncements issued after November 30, 1989 are not followed in the preparation of the financial statements.

**Governmental Fund Financial Statements**

Governmental Fund Financial Statements include a balance sheet and a statement of revenues, expenditures and changes in fund balances for all major governmental funds and non-major funds aggregated. An accompanying schedule is presented to reconcile and explain the differences in net assets as presented in these statements to the net assets presented in the Government-wide Financial Statements.

All governmental funds are accounted for on a spending of current financial resources measurement focus and the modified accrual basis of accounting. Accordingly, only current assets and current liabilities are included on the balance sheet. The statement of revenues, expenditures, and changes in fund balances present increases (revenues and other financing sources) and decreases (expenditures and other financing uses) in net current assets. Under modified accrual basis of accounting, revenues are recognized in the accounting period in which they become both measurable (amount of transaction can be determined)

**TOWN OF ORANGE, CONNECTICUT**  
**NOTES TO FINANCIAL STATEMENTS**  
**June 30, 2007**  
**...Continued...**

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and available (collectible within the current period or soon thereafter) to finance expenditures of the current period. Accordingly, the Town considers property taxes as available if they are collected within 60 days after year-end. Expenditures are recorded in the accounting period in which the related fund liability is incurred.

The Town of Orange 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 2004 Bond Projects Fund is used to account for the financial resources to be used for several major capital asset projects approved by referendum in September 2003.

**Proprietary Fund Financial Statements**

Proprietary Fund Financial Statements include a statement of net assets, a statement of revenues, expenses and changes in fund net assets, and a statement of cash flows for each major proprietary fund and non-major funds aggregated. A column representing internal service funds is also presented in these statements. However, internal service balances and activities have been combined with the governmental activities in the Government-wide Financial Statements.

Proprietary funds are accounted for using the economic resources measurement focus and the accrual basis of accounting. Accordingly, all assets and liabilities (whether current or non-current) are included on the statement of net assets. The statement of revenues, expenses and changes in fund net assets presents increases (revenues) and decreases (expenses) in total net assets. Under the accrual basis of accounting, revenues are recognized in the period in which they are earned while expenses are recognized in the period in which the liability is incurred.

Operating revenues in the proprietary funds are those revenues that are generated from the primary operations of the fund. All other revenues are reported as non-operating revenues. Operating expenses are those expenses that are essential to the primary operations of the fund. All other expenses are reported as non-operating expenses.

**TOWN OF ORANGE, CONNECTICUT**  
**NOTES TO FINANCIAL STATEMENTS**  
**June 30, 2007**  
**...Continued...**

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The Town of Orange reports the following major proprietary 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:

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.

**Fiduciary Fund Financial Statements**

Fiduciary Fund Financial Statements include a statement of net assets and a statement of changes in net assets. The Town's Fiduciary funds represent Pension Trust Funds and Agency Funds. Agency funds are custodial in nature (assets equal liabilities) and do not involve measurement of results of operations. The agency funds are accounted for on a spending of current financial resources measurement focus and the modified accrual basis of accounting as are the governmental funds explained above.

Pension trust funds account for the activities in the Town's two defined benefit and one defined contribution pension plans.

Agency funds account for assets held by the Town as an agent for certain employees' pension buy backs and for performance bonds.

**Budgets and Budgetary Accounting**

The Town uses the following procedures in establishing the General Fund budgetary data reflected in the financial statements:

- A. The Board of Finance develops the budget based on budget requests submitted by the various Town departments.

**TOWN OF ORANGE, CONNECTICUT**  
**NOTES TO FINANCIAL STATEMENTS**  
**June 30, 2007**  
**...Continued...**

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- B. The Board of Finance presents the budget at a public budget hearing on the first Monday in April.
- C. The budget is approved at a subsequent Town Meeting, usually the second Monday in May.
- D. The Board of Finance is authorized to transfer budgeted amounts within departments.
- E. The Board of Finance approves additions to appropriations.
- F. Generally all appropriations lapse at year-end.
- G. 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.

The Town's budgetary fund structure as presented on page 53 accounts for certain transactions differently from those presented on page 18, which presents financial statements in conformity with U.S. generally accepted accounting principles. A reconciliation of those differences at June 30, 2007 is as follows:

	<u>Revenues and Transfers</u>	<u>Expenditures and Transfers</u>	<u>Fund Balance</u>
Budgetary basis (page 53)	\$50,665,328	\$49,748,653	\$ 9,519,066
Encumbrances:			
Prior year encumbrances liquidated or lapsed during the year	-	1,128,760	3,161
Prior year encumbrances outstanding	-	-	462,866
Current year encumbrances outstanding	-	( 601,512)	601,512
State on-behalf payments for teachers' retirement	<u>1,003,882</u>	<u>1,003,882</u>	<u>-</u>
GAAP Basis (page 18)	<u><u>\$51,669,210</u></u>	<u><u>\$51,279,783</u></u>	<u><u>\$10,586,605</u></u>

**TOWN OF ORANGE, CONNECTICUT**  
**NOTES TO FINANCIAL STATEMENTS**  
**June 30, 2007**  
**...Continued...**

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**Property Taxes**

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 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. State statutes require that a revaluation be done every four years. The last revaluation completed and enacted was for the list of October 1, 2006.

**Cash and 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**

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 obligations of the following: 1) the United States of America including any agency of the United States government, 2) any state of the United States or political subdivision, authority or agency thereof which is exempt from taxation and at the time of the investment is rated within the top two rating categories of any nationally recognized rating service, and 3) the State of Connecticut, or any political subdivision, authority or agency thereof, which are rated within the top three rating categories of any nationally recognized rating service. In addition, the Town is authorized to invest in demand deposits, time deposits, certificates of deposit, share accounts, term share accounts and share certificate accounts of any corporation or association receiving deposits, which has its main place of business in Connecticut.

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

Investments are stated at fair value, which is determined using quoted market prices at June 30. The cost of investments sold is determined by specific identification.

**TOWN OF ORANGE, CONNECTICUT**  
**NOTES TO FINANCIAL STATEMENTS**  
**June 30, 2007**  
**...Continued...**

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**Capital Assets**

Governmental funds - Capital outlays are recorded as expenditures on the governmental fund financial statements and as assets on the Government-wide Financial Statements. Capital outlays include land, buildings, equipment, and infrastructure assets (e.g., roads, bridges, and similar items). 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. Such assets are recorded at historical cost or estimated historical cost if actual historical cost is not available. Donated capital assets are recorded at estimated fair value at the date of donation. Depreciation on capital assets has been recorded by the straight-line method using lives ranging from five to fifty years. As required by GASB 34, the Town has applied the provision of GASB 34 related to retroactive reporting of all major general infrastructure assets for fiscal year ended June 30, 2007.

Proprietary fund types – Capital outlays are recorded as capital assets on both the fund and the Government-wide Financial Statements. Such assets are recorded at cost. Depreciation is computed by the straight-line method using lives ranging from five to forty years.

**Compensated Absences**

Town employees, according to negotiated union contracts, accumulate vacation and sick leave hours for subsequent use or for payment upon termination or retirement. This amount is recorded as a liability and expense in the Government-wide Financial Statements when earned. In the governmental fund financial statements, this amount is expensed when paid.

**TOWN OF ORANGE, CONNECTICUT**  
**NOTES TO FINANCIAL STATEMENTS**  
**June 30, 2007**  
**...Continued...**

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**Net Assets/Fund Equity**

In the Government-wide Financial Statements, net assets are classified in the following categories:

Invested in Capital Assets, Net of Related Debt – This category groups all capital assets, including infrastructure, into one component of net assets. Accumulated depreciation and the outstanding balances of debt that are attributable to the acquisition, construction or improvement of these assets reduce this category.

Restricted Net Assets – This category represents restrictions on resources that are either externally imposed by creditors, grantors, contributors, or laws or regulations of other governments or imposed by law through state statute.

Unrestricted Net Assets – This category represents the net assets of the Town, which are not restricted for any project or other purpose.

In the fund financial statements, fund balances of governmental funds are classified in the following categories:

Reserved Fund Balance – This category represents the portion of fund equity which has been legally segregated for a specific purpose or is not appropriable for expenditure because the underlying asset is not a financial resource available for current expenditure.

Unreserved Fund Balance – This category represents the portion of fund equity which is available for appropriation and expenditure in future periods.

**Use of Estimates**

The preparation of financial statements in conformity with U.S. generally accepted accounting principles requires management to make estimates and assumptions that affect certain reported amounts and disclosures. Accordingly, actual results could differ from those estimates.

**TOWN OF ORANGE, CONNECTICUT**  
**NOTES TO FINANCIAL STATEMENTS**  
**June 30, 2007**  
**...Continued...**

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**Note 2 - Cash and Cash Equivalents and Investments**

The Town's cash and cash equivalents and investments balances as of June 30, 2007 were:

	Government-wide Statement of Net Assets	Fiduciary Funds Statement of Net Assets	Total
Cash and cash equivalents	\$ 9,542,374	\$ 327,136	\$ 9,869,510
Investments	4,571,416	27,816,624	32,388,040
Total	\$ 14,113,790	\$ 28,143,760	\$ 42,257,550

**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. As of June 30, 2007, \$5,853,678 of the Town's bank balance of \$6,499,100 was exposed to custodial credit risk as follows:

Uninsured and uncollateralized	\$ 5,268,310
Uninsured and collateral held by pledging bank's trust department not in the Town's name	585,368
Total amount subject to credit risk	\$ 5,853,678

**TOWN OF ORANGE, CONNECTICUT**  
**NOTES TO FINANCIAL STATEMENTS**  
**June 30, 2007**  
**...Continued...**

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**Investments**

The Town's investments as of June 30, 2007 consisted of the following:

	<u>Carrying and Fair Value</u>	<u>Investment Maturities (In Years)</u>
CT State Treasurer Short Term Investment Fund	\$ 4,542,302	N/A
Mutual Funds - Pension Trust Funds	27,816,624	N/A
US Treasury Bond	<u>29,114</u>	9
 Total Investments	 <u><u>\$ 32,388,040</u></u>	

Interest rate risk - The Town does not have a formal investment policy that limits investments 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 would limit its investment choices due to credit risk other than State Statutes governing investments in obligations of any State or political subdivision or in obligations of the State of Connecticut or political subdivision.

**TOWN OF ORANGE, CONNECTICUT**  
**NOTES TO FINANCIAL STATEMENTS**  
**June 30, 2007**  
**...Continued...**

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**Note 3 - Interfund Transactions**

**Current Interfund Balances**

Current interfund balances arise in the normal course of business and are expected to be repaid shortly after the end of the fiscal year. The following is a summary of current interfund balances as of June 30, 2007.

	<u>Due From</u>	<u>Due To</u>
Governmental Funds:		
Major - General	\$ 3,062,898	\$ -
Major - 2004 Bond Projects	-	2,252,303
Nonmajor (aggregate)	-	101,349
Internal Service Fund	-	709,246
	<u>                    </u>	<u>                    </u>
Total	<u>\$ 3,062,898</u>	<u>\$ 3,062,898</u>

**Transfers Between Funds**

In the governmental fund financial statements, total transfers out were \$404,000 as follows:

	<u>Transfers In:</u>
	<u>General</u>
	<u>Fund</u>
Transfers Out:	
Nonmajor Governmental Funds (aggregate)	<u>\$ 404,000</u>
Total	<u>\$ 404,000</u>

**TOWN OF ORANGE, CONNECTICUT**  
**NOTES TO FINANCIAL STATEMENTS**  
**June 30, 2007**  
**...Continued...**

**Note 4 - Capital Assets**

Capital asset activity for the year ended June 30, 2007 was as follows:

	<u>Beginning Balance (as restated)</u>	<u>Additions and Transfers</u>	<u>Disposals and Transfers</u>	<u>Ending Balance</u>
<b>Governmental Activities:</b>				
Capital assets, not being depreciated:				
Land	\$ 10,611,371	\$ 315,000	\$ -	\$ 10,926,371
Construction in progress - infrastructure	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total capital assets not being depreciated	<u>10,611,371</u>	<u>315,000</u>	<u>-</u>	<u>10,926,371</u>
Capital assets, being depreciated:				
Land improvements	549,824	-	-	549,824
Buildings and improvements	34,054,640	822,526	-	34,877,166
Equipment	6,911,881	432,414	-	7,344,295
Vehicles	1,859,805	202,548	-	2,062,353
Infrastructure	<u>12,775,189</u>	<u>343,934</u>	<u>-</u>	<u>13,119,123</u>
Total capital assets being depreciated	<u>56,151,339</u>	<u>1,801,422</u>	<u>-</u>	<u>57,952,761</u>
Less, accumulated depreciation for:				
Land improvements	184,558	21,240	-	205,798
Buildings and improvements	15,872,149	1,071,134	-	16,943,283
Equipment	2,788,250	491,096	-	3,279,346
Vehicles	1,411,605	119,084	-	1,530,689
Infrastructure	<u>9,216,800</u>	<u>177,199</u>	<u>-</u>	<u>9,393,999</u>
Total accumulated depreciation	<u>29,473,362</u>	<u>1,879,753</u>	<u>-</u>	<u>31,353,115</u>
Total capital assets being depreciated, net	<u>26,677,977</u>	<u>( 78,331)</u>	<u>-</u>	<u>26,599,646</u>
Governmental activities capital assets, net	<u>\$ 37,289,348</u>	<u>\$ 236,669</u>	<u>\$ -</u>	<u>\$ 37,526,017</u>

**TOWN OF ORANGE, CONNECTICUT**  
**NOTES TO FINANCIAL STATEMENTS**  
**June 30, 2007**  
**...Continued...**

	Beginning Balance	Additions	Disposals	Ending Balance
<b>Business-Type Activities:</b>				
Capital assets, not being depreciated:				
Land	\$ 18,970	\$ -	\$ -	\$ 18,970
Capital assets, being depreciated:				
Buildings and improvements	3,466,935	-	-	3,466,935
Sewer lines and pump stations	8,271,700	43,605	-	8,315,305
Equipment	369,947	-	-	369,947
Total capital assets being depreciated	12,108,582	43,605	-	12,152,187
Less, accumulated depreciation for:				
Buildings and improvements	1,038,788	86,981	-	1,125,769
Sewer lines and pump stations	4,141,877	221,213	-	4,363,090
Equipment	313,926	19,700	-	333,626
Total accumulated depreciation	5,494,591	327,894	-	5,822,485
Total capital assets being depreciated, net	6,613,991	( 284,289)	-	6,329,702
Business-type activities capital assets, net	\$ 6,632,961	(\$ 284,289)	\$ -	\$ 6,348,672

Depreciation expense was charged to programs/functions as follows:

Governmental Activities:

General Government	\$ 115,854
Public Safety	196,002
Public Works and Sanitation	279,934
Culture and Recreation	542,366
Health and Welfare	20,829
Education	724,768
	1,879,753

Total depreciation expense in governmental activities \$ 1,879,753

Business-type Activities:

Water Pollution Control Authority	\$ 236,551
Congregate Elderly Housing	91,343
	327,894

Total depreciation expense in business-type activities \$ 327,894

**TOWN OF ORANGE, CONNECTICUT**  
**NOTES TO FINANCIAL STATEMENTS**  
**June 30, 2007**  
**...Continued...**

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**Note 5 - Long-Term Obligations**

The following is a summary of long-term obligation transactions of the Town for the year ended June 30, 2007:

	<u>Balance July 1, 2006</u>	<u>Issued/ Additions</u>	<u>Matured/ Deletions</u>	<u>Balance June 30, 2007</u>	<u>Due Within One Year</u>	<u>Due in More than One Year</u>
Governmental Activities:						
General obligation bonds	\$ 16,730,000	\$ -	\$ 925,000	\$ 15,805,000	\$ 850,000	\$ 14,955,000
Mortgage note payable	875,000	-	125,000	750,000	125,000	625,000
Capital leases payable	4,269	-	4,269	-	-	-
Compensated absences	1,006,197	-	47,090	959,107	83,637	875,470
Claims and judgments	52,225	-	27,225	25,000	25,000	-
<b>Total Governmental Activities</b>	<b><u>\$ 18,667,691</u></b>	<b><u>\$ -</u></b>	<b><u>\$ 1,128,584</u></b>	<b><u>\$ 17,539,107</u></b>	<b><u>\$ 1,083,637</u></b>	<b><u>\$ 16,455,470</u></b>
Business-Type Activities:						
Claims and judgments	\$ 1,193,128	\$ -	\$ 77,500	\$ 1,115,628	\$ 205,921	\$ 909,707
<b>Total Business-type Activities</b>	<b><u>\$ 1,193,128</u></b>	<b><u>\$ -</u></b>	<b><u>\$ 77,500</u></b>	<b><u>\$ 1,115,628</u></b>	<b><u>\$ 205,921</u></b>	<b><u>\$ 909,707</u></b>

**TOWN OF ORANGE, CONNECTICUT**  
**NOTES TO FINANCIAL STATEMENTS**  
**June 30, 2007**  
**...Continued...**

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**General Obligation Bonds**

As of June 30, 2007, the outstanding general obligation bonded indebtedness of the Town was as follows:

	<u>Outstanding Amount</u>
General Public Improvement:	
\$5,200,000 general obligation bond, issue of 5/29/01, due 8/15/09, interest at 4.0% to 5.0%, annual principal payments of \$325,000 to \$425,000.	\$ 800,000
\$7,520,000 general obligation refunding bond, issue of 10/19/04, due 8/15/15, interest at 2.0% to 5.0%, annual principal payments of \$10,000 to \$1,020,000.	7,430,000
\$7,575,000 general obligation bond, issue of 10/1/05, due 10/1/25, interest at 3.50% to 4.15%, annual principal payments of \$375,000 to \$525,000.	<u>7,575,000</u>
	<u><u>\$ 15,805,000</u></u>

The annual debt service requirements of this debt are as follows:

<u>Fiscal Year</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2008	\$ 850,000	\$ 621,346	\$ 1,471,346
2009	1,360,000	570,871	1,930,871
2010	1,370,000	521,096	1,891,096
2011	1,395,000	460,071	1,855,071
2012	1,380,000	406,772	1,786,772
2013-2017	5,375,000	1,349,834	6,724,834
2018-2022	2,050,000	621,875	2,671,875
2023-2026	<u>2,025,000</u>	<u>170,963</u>	<u>2,195,963</u>
	<u><u>\$ 15,805,000</u></u>	<u><u>\$ 4,722,828</u></u>	<u><u>\$ 20,527,828</u></u>

The Town has \$4,400,000 in authorized, unissued debt at June 30, 2007.

**TOWN OF ORANGE, CONNECTICUT**  
**NOTES TO FINANCIAL STATEMENTS**  
**June 30, 2007**  
**...Continued...**

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On October 19, 2004 the Town issued \$7,520,000 of General Obligation Refunding Bonds, with interest rates of 2.0% to 5.0% to advance refund \$4,200,000 and \$2,950,000 of the outstanding principal amounts of the Town's general obligation bond issues of \$7,990,000, dated March 1, 1998 and \$8,085,000, dated May 29, 2001, respectively (Refunded Bonds). The Refunded Bonds were to mature at various dates through June 1, 2016 but were called on March 1, 2007 and August 15, 2008, respectively.

The net proceeds of the 2004 Refunding Bonds of \$7,539,762 were used to purchase U.S. Government securities and those securities were placed in an irrevocable trust with an escrow agent to provide debt service payments until the Refunded Bonds are called on various dates through August 15, 2008. The advance refunding met the requirements of an in-substance debt defeasance and, accordingly, the Refunded Bonds with a principal balance of \$7,150,000 were removed from the Town's balance sheet.

The difference of \$389,762 between the book value of the Refunded Bonds and the amount deposited to the irrevocable trust to fund their debt service represents a loss which has been deferred and is being recognized as an adjustment of interest expense over the life of the 2004 Refunding Bonds using the outstanding bond method. Amortization of the deferred loss for the year ended June 30, 2007 totaled \$57,441.

**Mortgage Note Payable**

On March 3, 2000 the Town purchased approximately 230 acres of land from the South Central Connecticut Regional Water Authority for a purchase price of \$3,500,000. The Town paid \$2,000,000 (of which \$450,000 was through a grant awarded by the State of Connecticut, Department of Environmental Protection) at the time of closing. The remaining \$1,500,000 will be payable, without interest, in twelve annual installments of \$125,000 beginning July 1, 2001. The balance payable was \$750,000 at June 30, 2007.

**Accrued Compensated Absences**

In accordance with GASB Statement No. 16, Accounting for Compensated Absences, the Town accrues compensated absences (vacation and sick pay) as they are earned by employees if the leave is attributable to past service and it is probable that the Town will compensate the employees by cash payments at termination or retirement. The amount of this estimated obligation at June 30, 2007 is \$959,107.

**TOWN OF ORANGE, CONNECTICUT**  
**NOTES TO FINANCIAL STATEMENTS**  
**June 30, 2007**  
**...Continued...**

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**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 City has completed two other capital projects for which the Town's share of the costs will be \$382,628. The Town paid the City \$77,500 during the year ended June 30, 2007. The balance payable was \$1,115,628 of June 30, 2007.

**Regional School District Number 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 Number 5 (the District). As of June 30, 2007 the Amity Regional School District Number 5 had general obligation bond issues outstanding aggregating \$57,565,000. The District also had \$6,175,000 in bond anticipation notes outstanding as of June 30, 2007, which matured in November 2007. 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, 2007 the percentage for the Town of Orange was 44.856%. On September 20, 2007, the District issued \$2,570,000 of bond anticipation notes, which matured on November 28, 2007. On November 28, 2007, the District issued \$8,950,000 of bond anticipation notes which mature in November 2008. The District has \$29,345,191 in authorized, unissued bonds.

**TOWN OF ORANGE, CONNECTICUT**  
**NOTES TO FINANCIAL STATEMENTS**  
**June 30, 2007**  
**...Continued...**

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**Note 6 - Capital Projects**

The following is a summary of project authorizations at June 30, 2007:

	<u>Project Authorization</u>	<u>Expenditures</u>		<u>Unexpended Authorization June 30, 2007</u>
		<u>During Year</u>	<u>Cumulative</u>	
Town and School Building Renovations	\$ 2,805,000	\$ -	\$ 2,752,198	\$ 52,802
Edison Road Reconstruction, Connair Road Reconstruction, Boston Post Road Lighting Project	1,181,000	780,996	922,260	258,740
2004 Bond Projects:				
Road Improvements	1,940,000	-	1,870,520	69,480
Open Space	2,000,000	-	1,316	1,998,684
HPCC and Public Works Improvements	2,045,000	42,252	2,030,870	14,130
School Building Renovations	4,700,000	658,881	4,446,246	253,754
Total	<u>\$ 14,671,000</u>	<u>\$ 1,482,129</u>	<u>\$ 12,023,410</u>	<u>\$ 2,647,590</u>

**TOWN OF ORANGE, CONNECTICUT  
NOTES TO FINANCIAL STATEMENTS  
June 30, 2007  
...Continued...**

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**Note 7 - Pension Plans**

The Town has two defined benefit contributory pension plans and one defined contribution plan covering substantially all full-time Town employees other than teachers. The plans 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.

**Defined Benefit Plans**

As of January 1, 2007, the date of the most recent actuarial valuations, membership consisted of:

	Police	Town
Retirees, disabled members and beneficiaires currently receiving benefits	27	51
Terminated vested employees	4	13
Active members	20	32
	51	96

**Significant Accounting Policies**

**Basis of Accounting**

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 are recognized when due and the employer has made a formal commitment to provide the contributions. Benefits and refunds are due and payable in accordance with the terms of the plan.

**Method Used to Value Investments**

Investments are reported at fair market value.

**TOWN OF ORANGE, CONNECTICUT  
NOTES TO FINANCIAL STATEMENTS  
June 30, 2007  
...Continued...**

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**Funding Policy**

The contribution requirements of plan members and the Town were established by Ordinance at a Town Meeting and may be amended by the Board of Selectmen. Benefits and employee contributions are fixed by contract and may be amended by union negotiation. Administration costs of the Plans are financed through investment earnings.

**Town of Orange Police Pension and Retirement Plan**

**Plan Description**

The Town is the administrator of the Town of Orange Police Pension and Retirement Plan, a single-employer public employee retirement system ("PERS") established and maintained by the Town to provide pension benefits to its police employees hired prior to July 1, 1999. The Town has appointed an administrative pension board to administer the plan.

The Town of Orange Police Pension and Retirement 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.

If a police officer leaves covered employment or dies before meeting the vesting requirements, accumulated employee contributions plus 4% interest compounded annually thereon are refunded.

**Town of Orange Employee Pension and Retirement Income Plan**

**Plan Description**

The Town is the administrator of the Town of Orange Employee Pension and Retirement Income Plan, a single-employer public employee retirement system ("PERS") established to provide pension benefits for its full-time employees other than police employees and teachers hired prior to July 1, 1999. The Town has appointed an administrative pension board to administer the plan.

**TOWN OF ORANGE, CONNECTICUT**  
**NOTES TO FINANCIAL STATEMENTS**  
**June 30, 2007**  
**...Continued...**

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The Town of Orange Pension 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 is the employee's average earnings over the last three years of service.

If a member leaves covered employment or dies before meeting the vesting requirements, accumulated employee contributions plus 4% interest compounded annually thereon are refunded.

**TOWN OF ORANGE, CONNECTICUT**  
**NOTES TO FINANCIAL STATEMENTS**  
**June 30, 2007**  
**...Continued...**

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**Funding Policy and Annual Pension Cost**

Contribution requirements are established through collective bargaining agreements. The Town's annual pension cost for the current year and related information for the plans administered by the Town follows:

	Police	Town
Contribution rates:		
Town	(A)	(A)
Members:		
Police	7%	-
Supervisors	-	3% of earnings to \$7,800 plus 5% of excess
All others	-	2% of earnings to \$7,800 plus 5% of excess
Annual pension cost	\$554,257	\$141,549
Contributions made	\$554,257	\$141,549
Actuarial valuation date	1/1/2007	1/1/2007
Actuarial cost method	Entry Age Normal	Entry Age Normal
Asset valuation method	5 yr. smoothed market	5 yr. smoothed market
Actuarial assumptions:		
Investment rate of return	6.75%	6.75%
Projected salary increases	4.00%	4.00%
Cost of living adjustments	2% of retirements after January 1, 2000	None

(A) The Town is required to contribute the remaining amounts necessary to actuarially fund benefits.

**TOWN OF ORANGE, CONNECTICUT**  
**NOTES TO FINANCIAL STATEMENTS**  
**June 30, 2007**  
**...Continued...**

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**Defined Contribution Pension Plan for Town of Orange**

**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.

At June 30, 2007, there were 86 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 \$244,617 to the plan in the year ended June 30, 2007.

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.

Plan provisions and contribution requirements are established and may be amended by the Board of Selectmen.

**Significant Accounting Policies**

**Basis of Accounting**

The plan's financial statements are prepared using the accrual basis of accounting. Employer and plan member contributions are recognized in the period in which the contributions are due.

**Method Used to Value Investments**

Investments are reported at fair market value.

**TOWN OF ORANGE, CONNECTICUT**  
**NOTES TO FINANCIAL STATEMENTS**  
**June 30, 2007**  
**...Continued...**

SCHEDULE OF PLAN NET ASSETS  
June 30, 2007

	<u>Police</u>	<u>Town</u>	<u>Defined Contribution</u>	<u>Total</u>
<b>ASSETS</b>				
Investments, at fair value	\$ 15,026,022	\$ 10,310,955	\$ 2,479,647	\$ 27,816,624
	<u>\$ 15,026,022</u>	<u>\$ 10,310,955</u>	<u>\$ 2,479,647</u>	<u>\$ 27,816,624</u>
<b>NET ASSETS</b>				
Held in trust for pension benefits	<u>\$ 15,026,022</u>	<u>\$ 10,310,955</u>	<u>\$ 2,479,647</u>	<u>\$ 27,816,624</u>

SCHEDULE OF CHANGES IN PLAN  
NET ASSETS  
Year Ended June 30, 2007

	<u>Police</u>	<u>Town</u>	<u>Defined Contribution</u>	<u>Total</u>
<b>ADDITIONS</b>				
Contributions:				
Employer	\$ 554,257	\$ 141,549	\$ 244,617	\$ 940,423
Employee	<u>116,329</u>	<u>57,023</u>	<u>244,617</u>	<u>417,969</u>
Total contributions	670,586	198,572	489,234	1,358,392
Net investment income	<u>1,704,852</u>	<u>1,180,380</u>	<u>312,491</u>	<u>3,197,723</u>
Total additions	<u>2,375,438</u>	<u>1,378,952</u>	<u>801,725</u>	<u>4,556,115</u>
<b>DEDUCTIONS</b>				
Pension payments	860,015	584,592	84,623	1,529,230
Administrative expenses	<u>18,461</u>	<u>16,898</u>	<u>9,967</u>	<u>45,326</u>
Total deductions	<u>878,476</u>	<u>601,490</u>	<u>94,590</u>	<u>1,574,556</u>
Change in net assets	1,496,962	777,462	707,135	2,981,559
NET ASSETS, beginning	<u>13,529,060</u>	<u>9,533,493</u>	<u>1,772,512</u>	<u>24,835,065</u>
NET ASSETS, ending	<u>\$ 15,026,022</u>	<u>\$ 10,310,955</u>	<u>\$ 2,479,647</u>	<u>\$ 27,816,624</u>

**TOWN OF ORANGE, CONNECTICUT**  
**NOTES TO FINANCIAL STATEMENTS**  
**June 30, 2007**  
**...Continued...**

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**Connecticut State Teachers' Retirement System**

The faculty and professional personnel of the Board of Education participate in a multiple employer contributory cost-sharing defined benefit plan with a special funding situation, established under Chapter 167a of the Connecticut General Statutes, which is administered by the Connecticut State Teachers' Retirement Board. The financial statements of the plan are available from the State of Connecticut State Teachers' Retirement Board, 21 Grand Street, Hartford, CT 06106.

Certain part-time and full-time certified teachers are eligible to participate in the plan and are required to contribute 7.25% of their annual earnings to the plan. The Town does not and is not legally responsible to contribute to the plan.

The State of Connecticut contributes based on actuarially determined amounts. The funding level was determined based on an actuarial valuation of the plan as a whole, which does not provide actuarial information on an individual entity basis. Total contributions made by the State of Connecticut were \$412,101,958, of which \$1,003,882 benefited Town employees, and has been included in intergovernmental revenues and education expenditures in the accompanying combined statement of revenues, expenditures and changes in fund balances. For the year ended June 30, 2007, Town teachers contributed \$579,469 to the plan and covered Board of Education payroll for the year was approximately \$7,993,000. The Town's total payroll for the year ended June 30, 2007 was approximately \$17,496,000.

**TOWN OF ORANGE, CONNECTICUT**  
**NOTES TO FINANCIAL STATEMENTS**  
**June 30, 2007**  
**...Continued...**

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**Note 8 - Risk Management**

The Town is exposed to various risks of loss related to public official liability, police professional liability, theft or impairment of assets, errors and omissions, injury to employees, natural disasters, and owners and contractors protective liability.

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, 2007, CIRMA had 220 members in the workers compensation pool and 159 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 have not exceeded commercial coverage in any of the past three years.

**Note 9 - 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, 2007, a liability of \$407,592 has been recorded, which represents estimated claims incurred but not yet reported.

**TOWN OF ORANGE, CONNECTICUT**  
**NOTES TO FINANCIAL STATEMENTS**  
**June 30, 2007**  
**...Continued...**

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

Balance, July 1	\$ 314,872
Current year claims	3,755,390
Change in estimate	92,720
Claims payments	<u>( 3,755,390)</u>
Balance, June 30	<u><u>\$ 407,592</u></u>

**Note 10 - Contingent Liabilities**

The Town has entered into several operating lease agreements in the conduct of its day-to-day operations to provide for facilities and/or services. None of these operating leases are considered to be significant commitments.

The Town has received state and federal grants for specific purposes that are subject to the review and audit by the grantor agencies. These audits could lead to requests for reimbursement to the grantor agencies for any expenditure disallowed under the terms of the grant. Based on prior experience, management believes such disallowances, if any, will not be material to the Town's general-purpose financial statements.

Other litigation, principally involving claims for personal injury breach of contract, and contested tax assessment, are pending against the Town. The outcome and eventual liability of the Town, if any, in these cases is not known at this time. The Town's legal counsel estimated that potential claims against the Town, not covered by insurance, resulting from such litigation would not materially affect the financial position 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 DOH the grant. As a result, the State has a lien on all property associated with the Congregate Elderly Housing.

**TOWN OF ORANGE, CONNECTICUT**  
**NOTES TO FINANCIAL STATEMENTS**  
**June 30, 2007**  
**...Continued...**

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**Note 11 - Subsequent Events**

On July 3, 2007 the Town issued \$4,400,000 of General Obligation Bond Anticipation Notes with an interest rate of 3.59%. The Notes were used to purchase approximately 43 acres of open space. The Notes are to mature December 19, 2007.

On December 15, 2007 the Town issued \$3,900,000 of General Obligation Bonds with an interest rate of 3.97%. The Bonds were used to pay for the aforementioned Notes. The bonds are to mature December 15, 2027. In addition, subsequent to June 30, 2007, the Town received a \$500,000 grant from the State of Connecticut to be applied towards the open space purchase.

**Note 12 - New GASB Pronouncements**

The Governmental Accounting Standards Board (GASB) has issued several pronouncements prior to June 30, 2007 that have effective dates that may impact future financial presentations. Management has not currently determined what, if any, impact implementation of the following statements may have on the financial statements of the Town:

Statement No. 43, "Financial Reporting for Postemployment Benefit Plans other than Pension Plans", issued April 2004, will be effective for the fiscal year ending June 30, 2008.

Statement No. 45, "Accounting and Financial Reporting by Employers for Postemployment Benefits other than Pensions", issued June 2004, will be effective for the fiscal year ending June 30, 2009.

Statement No. 48, "Sales and Pledges of Receivables and Future Revenues and Intra-Entity Transfers of Assets Future Revenues", issued September 2006, will be effective for the fiscal year ending June 30, 2008.

Statement No. 49, "Accounting and Financial Reporting for Pollution Remediation Obligations", issued November 2006, will be effective for the fiscal year ending June 30, 2009.

Statement No. 50, "Pension Disclosures - an amendment of GASB Statements No. 25 and 27", issued May 2007, will be effective for the fiscal year ending June 30, 2008.

Statement No. 51, "Accounting and Financial Reporting for Intangible Assets", issued June 2007, will be effective for the fiscal year ending June 30, 2010.

Statement No. 52, "Land and Other Real Estate Held as Investments by Endowments", issued November 2007, will be effective for the fiscal year ending June 30, 2009.

**TOWN OF ORANGE, CONNECTICUT  
BUDGETARY COMPARISON SCHEDULE  
GENERAL FUND  
YEAR ENDED JUNE 30, 2007**

	Budgeted Amounts		Actual Amounts Budgetary Basis	Variance with Final Budget Positive (Negative)
	Original	Final		
Budgetary fund balance, July 1, 2006			\$ 8,602,391	
Resources (inflows):				
Property taxes	\$ 45,818,936	\$ 45,818,936	45,787,378	(\$ 31,558)
Interest and lien fees	50,000	50,000	108,933	58,933
Licenses, permits, fees and fines	727,765	727,765	712,339	( 15,426)
Intergovernmental	1,492,943	1,492,943	2,067,264	574,321
Program revenues	167,100	167,100	147,718	( 19,382)
Investment income	550,000	550,000	1,048,828	498,828
Charges for facilities and services	13,050	13,050	54,498	41,448
Other	321,700	321,700	334,370	12,670
Transfers from other funds	408,000	408,000	404,000	( 4,000)
Use of fund balance	410,000	410,000	-	( 410,000)
	<u>49,959,494</u>	<u>49,959,494</u>	<u>50,665,328</u>	<u>705,834</u>
Total resources				
Charges to appropriations (outflows):				
General government	1,727,458	1,818,107	1,760,242	57,865
Public safety	4,426,476	4,321,463	4,249,954	71,509
Public works and sanitation	2,976,635	3,089,541	3,094,276	( 4,735)
Culture and recreation	1,268,539	1,270,131	1,252,984	17,147
Health and welfare	1,211,187	1,214,919	1,185,211	29,708
Employee benefits	4,265,743	4,157,081	4,054,114	102,967
Education:				
Orange Board of Education	15,577,881	15,577,881	15,577,881	-
Regional School District #5	16,465,375	16,465,375	16,465,375	-
Other	462,815	463,214	454,436	8,778
Debt service	1,167,385	1,167,385	1,167,385	-
Capital outlay	410,000	414,397	486,795	( 72,398)
	<u>49,959,494</u>	<u>49,959,494</u>	<u>49,748,653</u>	<u>210,841</u>
Total charges to appropriations				
Excess of resources over charges to appropriations	<u>\$ -</u>	<u>\$ -</u>	<u>916,675</u>	<u>\$ 916,675</u>
Budgetary fund balance, June 30, 2007			<u>\$ 9,519,066</u>	

**TOWN OF ORANGE, CONNECTICUT  
SCHEDULES OF FUNDING PROGRESS AND EMPLOYER CONTRIBUTIONS  
POLICE PENSION AND RETIREMENT PLAN  
June 30, 2007**

**Schedule of Funding Progress**

Actuarial Valuation Date	Actuarial Value of Plan Assets (a)	Actuarial Accrued Liability (b)	Total Unfunded Actuarial 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)
1/1/02	\$ 8,792,062	\$ 11,477,258	\$ 2,685,196	76.60 %	\$ 2,123,835	126.43 %
1/1/03	8,615,498	11,861,236	3,245,738	72.64	1,951,430	166.33
1/1/04	11,320,340 *	14,525,709	3,205,369	77.93	1,830,608	175.10
1/1/05	11,598,210 *	15,890,221	4,292,011	72.99	2,023,092	212.15
1/1/06	13,532,572 *	17,509,786	3,977,214	77.29	1,778,125	223.67
1/1/07	14,433,895 *	18,939,228	4,505,333	76.21	1,487,728	302.83

\* Value includes employee contributions with interest.

**Schedule of Employer Contributions**

Year Ended June 30	Annual Required Contribution	Percentage Contributed
2002	\$ 378,864	100 %
2003	412,236	100
2004	448,848	100
2005	412,560	100
2006	530,496	100
2007	554,257	100

The information presented in the required supplementary schedules was determined as part of the actuarial valuations at the dates indicated. Additional information as of the latest actuarial valuation follows:

Actuarial Valuation Date	January 1, 2007
Actuarial Cost Method	Entry age normal
Asset Valuation Method	Market value of assets with future market gains / losses recognized over five years
Actuarial Assumptions:	
Investment Return	6.75%
Projected Salary Increases (*)	4.0%
(*) Includes Inflation at	2.5%
Cost of Living Adjustments	2% for retirements after January 1, 2000
Amortization Method	Amortization period will decrease by one year for the next nine years and then will remain at ten years
Remaining Amortization Period	19 years

**TOWN OF ORANGE, CONNECTICUT  
SCHEDULES OF FUNDING PROGRESS AND EMPLOYER CONTRIBUTIONS  
EMPLOYEE PENSION AND RETIREMENT INCOME PLAN  
June 30, 2007**

**Schedule of Funding Progress**

Actuarial Valuation Date	Actuarial Value of Plan Assets (a)	Actuarial Accrued Liability (b)	Total Unfunded (Funded) Actuarial 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)
1/1/02	\$ 7,181,137	\$ 7,124,680	(\$ 56,457)	100.79 %	\$ 1,786,277	- %
1/1/03	6,838,899	7,602,172	763,273	89.96	1,638,463	46.58
1/1/04	8,508,682 *	8,659,857	151,175	98.25	1,514,645	9.98
1/1/05	8,452,676 *	9,341,359	888,683	90.49	1,465,984	60.62
1/1/06	9,602,643 *	10,300,392	697,749	93.23	1,462,070	47.72
1/1/07	9,910,114 *	10,620,767	710,653	93.31	1,439,402	49.37

\* Value includes employees contributions with interest.

**Schedule of Employer Contributions**

Year Ended June 30	Annual Required Contribution	Percentage Contributed
2002	\$ 160,812	100 %
2003	140,508	100
2004	226,044	100
2005	122,472	100
2006	225,612	100
2007	141,549	100

The information presented in the required supplementary schedules was determined as part of the actuarial valuations at the dates indicated. Additional information as of the latest actuarial valuation follows:

Actuarial Valuation Date	January 1, 2007
Actuarial Cost Method	Entry age normal
Asset Valuation Method	Market value of assets with future market gains / losses recognized over five years
<b>Actuarial Assumptions:</b>	
Investment Return	6.75%
Projected Salary Increases (*)	4.0%
(*) Includes Inflation at	2.5%
Cost of Living Adjustments	None
Amortization Method	Amortization period will decrease by one year for the next nine years and then will remain at ten years
Remaining Amortization Period	19 years

**TOWN OF ORANGE, CONNECTICUT  
COMBINING BALANCE SHEET  
NONMAJOR GOVERNMENTAL FUNDS  
June 30, 2007**

	Special Revenue						
	Youth Services	Education Grants	Cafeteria	Orange Family Counseling Services	Orange Drug & Alcohol Action Committee	Federal Drug Property Forfeiture	Police Donations
<b>ASSETS</b>							
Cash and cash equivalents	\$ 842	\$ 63,033	\$ -	\$ 870	\$ 29,465	\$ 17,581	\$ 800
Accounts receivable	-	-	-	-	-	-	-
Due from other governments	-	-	15,149	-	-	-	-
Permanently reserved investments	-	-	-	-	-	-	-
Total assets	<u>\$ 842</u>	<u>\$ 63,033</u>	<u>\$ 15,149</u>	<u>\$ 870</u>	<u>\$ 29,465</u>	<u>\$ 17,581</u>	<u>\$ 800</u>
<b>LIABILITIES AND FUND BALANCES</b>							
<b>LIABILITIES</b>							
Accounts payable	\$ -	\$ -	\$ 23,381	\$ -	\$ -	\$ -	\$ -
Bank overdraft	-	-	8,505	-	-	-	-
Due to other funds	-	-	-	-	-	-	-
Due to other governments	-	12	-	-	-	-	-
Unearned revenue	-	63,021	-	-	201	-	-
Total liabilities	<u>-</u>	<u>63,033</u>	<u>31,886</u>	<u>-</u>	<u>201</u>	<u>-</u>	<u>-</u>
<b>FUND BALANCES</b>							
Reserved for permanent funds	-	-	-	-	-	-	-
Unreserved, reported in:							
Special Revenue Funds	842	-	( 16,737)	870	29,264	17,581	800
Capital Projects Funds	-	-	-	-	-	-	-
Total fund balances	<u>842</u>	<u>-</u>	<u>( 16,737)</u>	<u>870</u>	<u>29,264</u>	<u>17,581</u>	<u>800</u>
Total liabilities and fund balances	<u>\$ 842</u>	<u>\$ 63,033</u>	<u>\$ 15,149</u>	<u>\$ 870</u>	<u>\$ 29,465</u>	<u>\$ 17,581</u>	<u>\$ 800</u>

...Continued...

**TOWN OF ORANGE, CONNECTICUT  
COMBINING BALANCE SHEET  
NONMAJOR GOVERNMENTAL FUNDS  
June 30, 2007  
...Continued...**

	Special Revenue						
	School of 21st Century	Narcotics Task Force	Recreation Self Support	LoCIP	School Grants and Donations	Town Road Aid	Orange Visiting Nurses Association
<b>ASSETS</b>							
Cash and cash equivalents	\$ 158,691	\$ 17,249	\$ 113,233	\$ 15,846	\$ -	\$ 65,829	\$ 39,182
Accounts receivable	-	-	-	-	-	-	86,503
Due from other governments	-	1,200	-	-	-	-	-
Permanently reserved investments	-	-	-	-	-	-	-
Total assets	<u>\$ 158,691</u>	<u>\$ 18,449</u>	<u>\$ 113,233</u>	<u>\$ 15,846</u>	<u>\$ -</u>	<u>\$ 65,829</u>	<u>\$ 125,685</u>
<b>LIABILITIES AND FUND BALANCES</b>							
<b>LIABILITIES</b>							
Accounts payable	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Bank overdraft	-	-	-	-	5,912	-	-
Due to other funds	-	-	-	-	-	-	-
Due to other governments	-	-	-	-	-	-	-
Unearned revenue	33,397	-	-	-	-	-	-
Total liabilities	<u>33,397</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>5,912</u>	<u>-</u>	<u>-</u>
<b>FUND BALANCES</b>							
Reserved for permanent funds	-	-	-	-	-	-	-
Unreserved, reported in:							
Special Revenue Funds	125,294	18,449	113,233	15,846	( 5,912)	65,829	125,685
Capital Projects Funds	-	-	-	-	-	-	-
Total fund balances	<u>125,294</u>	<u>18,449</u>	<u>113,233</u>	<u>15,846</u>	<u>( 5,912)</u>	<u>65,829</u>	<u>125,685</u>
Total liabilities and fund balances	<u>\$ 158,691</u>	<u>\$ 18,449</u>	<u>\$ 113,233</u>	<u>\$ 15,846</u>	<u>\$ -</u>	<u>\$ 65,829</u>	<u>\$ 125,685</u>

...Continued...

**TOWN OF ORANGE, CONNECTICUT  
COMBINING BALANCE SHEET  
NONMAJOR GOVERNMENTAL FUNDS  
June 30, 2007  
...Continued...**

	Special Revenue				
	Police Special Duty	Senior Reimbursable	Youth Reimbursable	Orange Public Library Estate	Orange Library Endowment
<b>ASSETS</b>					
Cash and cash equivalents	\$ -	\$ 24,203	\$ 19,865	\$ 22,091	\$ 10,006
Accounts receivable	15,130	-	-	-	-
Due from other governments	-	-	-	-	-
Permanently reserved investments	-	-	-	-	-
Total assets	<u>\$ 15,130</u>	<u>\$ 24,203</u>	<u>\$ 19,865</u>	<u>\$ 22,091</u>	<u>\$ 10,006</u>
<b>LIABILITIES AND FUND BALANCES</b>					
<b>LIABILITIES</b>					
Accounts payable	\$ -	\$ -	\$ -	\$ -	\$ -
Bank overdraft	-	-	-	-	-
Due to other funds	13,995	-	-	-	-
Due to other governments	-	-	-	-	-
Unearned revenue	-	-	-	-	-
Total liabilities	<u>13,995</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<b>FUND BALANCES</b>					
Reserved for permanent funds	-	-	-	-	-
Unreserved, reported in:					
Special Revenue Funds	1,135	24,203	19,865	22,091	10,006
Capital Projects Funds	-	-	-	-	-
Total fund balances	<u>1,135</u>	<u>24,203</u>	<u>19,865</u>	<u>22,091</u>	<u>10,006</u>
Total liabilities and fund balances	<u>\$ 15,130</u>	<u>\$ 24,203</u>	<u>\$ 19,865</u>	<u>\$ 22,091</u>	<u>\$ 10,006</u>

...Continued...

**TOWN OF ORANGE, CONNECTICUT  
COMBINING BALANCE SHEET  
NONMAJOR GOVERNMENTAL FUNDS  
June 30, 2007  
...Continued...**

	Special Revenue						
	Orange Library Gift	Pryde Memorial	Orange Agricultural Fair	Allen Poole Memorial	O.P.H.N.S. Special	Town Improvement Program P.A. 86-1	
<b>ASSETS</b>							
Cash and cash equivalents	\$ 29,630	\$ 148,182	\$ 70,816	\$ 2,842	\$ 1,655	\$ 97,807	\$ 15,060
Accounts receivable	-	-	-	-	-	-	-
Due from other governments	-	-	-	-	-	-	-
Permanently reserved investments	-	-	-	-	-	-	-
Total assets	<u>\$ 29,630</u>	<u>\$ 148,182</u>	<u>\$ 70,816</u>	<u>\$ 2,842</u>	<u>\$ 1,655</u>	<u>\$ 97,807</u>	<u>\$ 15,060</u>
<b>LIABILITIES AND FUND BALANCES</b>							
<b>LIABILITIES</b>							
Accounts payable	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Bank overdraft	-	-	-	-	-	-	-
Due to other funds	-	-	493	-	-	86,045	-
Due to other governments	-	-	-	-	-	-	-
Unearned revenue	-	-	-	-	-	-	-
Total liabilities	<u>-</u>	<u>-</u>	<u>493</u>	<u>-</u>	<u>-</u>	<u>86,045</u>	<u>-</u>
<b>FUND BALANCES</b>							
Reserved for permanent funds	-	-	-	-	-	-	-
Unreserved, reported in:							
Special Revenue Funds	29,630	148,182	70,323	2,842	1,655	11,762	15,060
Capital Projects Funds	-	-	-	-	-	-	-
Total fund balances	<u>29,630</u>	<u>148,182</u>	<u>70,323</u>	<u>2,842</u>	<u>1,655</u>	<u>11,762</u>	<u>15,060</u>
Total liabilities and fund balances	<u>\$ 29,630</u>	<u>\$ 148,182</u>	<u>\$ 70,816</u>	<u>\$ 2,842</u>	<u>\$ 1,655</u>	<u>\$ 97,807</u>	<u>\$ 15,060</u>

...Continued...

**TOWN OF ORANGE, CONNECTICUT  
COMBINING BALANCE SHEET  
NONMAJOR GOVERNMENTAL FUNDS  
June 30, 2007  
...Continued...**

	Special Revenue							Permanent Fund
	Park and Recreation Gift	Human Services	Police D.A.R.E.	Mary L. Tracy School	Town Exchange	Special Events and Programs	Historic Preservation	Mary T. McGuire Trust
<b>ASSETS</b>								
Cash and cash equivalents	\$ 4,319	\$ 10,633	\$ 3,843	\$ 37	\$ 25,653	\$ 15,970	\$ 22,315	\$ 906
Accounts receivable	-	-	-	-	-	-	-	-
Due from other governments	-	-	-	-	-	-	-	-
Permanently reserved investments	-	-	-	-	-	-	-	29,114
<b>Total assets</b>	<b><u>\$ 4,319</u></b>	<b><u>\$ 10,633</u></b>	<b><u>\$ 3,843</u></b>	<b><u>\$ 37</u></b>	<b><u>\$ 25,653</u></b>	<b><u>\$ 15,970</u></b>	<b><u>\$ 22,315</u></b>	<b><u>\$ 30,020</u></b>
<b>LIABILITIES AND FUND BALANCES</b>								
<b>LIABILITIES</b>								
Accounts payable	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Bank overdraft	-	-	-	-	-	-	-	-
Due to other funds	-	-	-	-	-	-	-	816
Due to other governments and agencies	-	-	-	-	-	-	-	-
Unearned revenue	-	-	-	-	-	-	-	-
<b>Total liabilities</b>	<b><u>-</u></b>	<b><u>-</u></b>	<b><u>-</u></b>	<b><u>-</u></b>	<b><u>-</u></b>	<b><u>-</u></b>	<b><u>-</u></b>	<b><u>816</u></b>
<b>FUND BALANCES</b>								
Reserved for permanent funds	-	-	-	-	-	-	-	29,204
Unreserved, reported in:								
Special Revenue Funds	4,319	10,633	3,843	37	25,653	15,970	22,315	-
Capital Projects Funds	-	-	-	-	-	-	-	-
<b>Total fund balances</b>	<b><u>4,319</u></b>	<b><u>10,633</u></b>	<b><u>3,843</u></b>	<b><u>37</u></b>	<b><u>25,653</u></b>	<b><u>15,970</u></b>	<b><u>22,315</u></b>	<b><u>29,204</u></b>
<b>Total liabilities and fund balances</b>	<b><u>\$ 4,319</u></b>	<b><u>\$ 10,633</u></b>	<b><u>\$ 3,843</u></b>	<b><u>\$ 37</u></b>	<b><u>\$ 25,653</u></b>	<b><u>\$ 15,970</u></b>	<b><u>\$ 22,315</u></b>	<b><u>\$ 30,020</u></b>

...Continued...

**TOWN OF ORANGE, CONNECTICUT  
COMBINING BALANCE SHEET  
NONMAJOR GOVERNMENTAL FUNDS  
June 30, 2007  
...Continued...**

	Capital Projects			Total Non-Major Governmental Funds
	Capital Improvement	Town and School Building Renovations	STEAP	
<b>ASSETS</b>				
Cash and cash equivalents	\$ 11,390	\$ 52,802	\$ 52,038	\$ 1,164,684
Accounts receivable	-	-	-	101,633
Due from other governments	-	-	20,242	36,591
Permanently reserved investments	-	-	-	29,114
Total assets	<u>\$ 11,390</u>	<u>\$ 52,802</u>	<u>\$ 72,280</u>	<u>\$ 1,332,022</u>
<b>LIABILITIES AND FUND BALANCES</b>				
<b>LIABILITIES</b>				
Accounts payable	\$ 11,390	\$ -	\$ 72,280	\$ 107,051
Bank overdraft	-	-	-	14,417
Due to other funds	-	-	-	101,349
Due to other governments	-	-	-	12
Unearned revenue	-	-	-	96,619
Total liabilities	<u>11,390</u>	<u>-</u>	<u>72,280</u>	<u>319,448</u>
<b>FUND BALANCES</b>				
Reserved for permanent funds	-	-	-	29,204
Unreserved, reported in:				
Special Revenue Funds	-	-	-	930,568
Capital Projects Funds	-	52,802	-	52,802
Total fund balances	<u>-</u>	<u>52,802</u>	<u>-</u>	<u>1,012,574</u>
Total liabilities and fund balances	<u>\$ 11,390</u>	<u>\$ 52,802</u>	<u>\$ 72,280</u>	<u>\$ 1,332,022</u>

**TOWN OF ORANGE, CONNECTICUT  
COMBINING STATEMENT OF REVENUES, EXPENDITURES  
AND CHANGES IN FUND BALANCES  
NONMAJOR GOVERNMENTAL FUNDS  
June 30, 2007**

	Special Revenue						
	Youth Services	Education Grants	Cafeteria	Orange Family Counseling Services	Orange Drug & Alcohol Action Committee	Federal Drug Property Forfeiture	Police Donations
<b>REVENUES</b>							
Intergovernmental:							
Federal	\$ -	\$ 244,747	\$ 41,743	\$ -	\$ 7,790	\$ -	\$ -
State	-	47,151	32,020	-	-	348	-
Federal commodities	-	-	1,117	-	-	-	-
Program revenues	-	-	264,438	-	-	-	-
Investment income	2	-	-	4	-	-	-
Charges for facilities and services	-	-	-	-	-	-	-
Miscellaneous	-	-	1,469	-	-	-	800
Contributions to permanent fund	-	-	-	-	-	-	-
Total revenues	<u>2</u>	<u>291,898</u>	<u>340,787</u>	<u>4</u>	<u>7,790</u>	<u>348</u>	<u>800</u>
<b>EXPENDITURES</b>							
Public safety	-	-	-	-	-	24,295	-
Public works and sanitation	-	-	-	-	-	-	-
Culture and recreation	-	-	-	-	-	-	-
Health and welfare	-	-	-	-	4,295	-	-
Education - Orange Board of Education	-	291,898	371,857	-	-	-	-
Other	-	-	-	-	-	-	-
Total expenditures	<u>-</u>	<u>291,898</u>	<u>371,857</u>	<u>-</u>	<u>4,295</u>	<u>24,295</u>	<u>-</u>
Excess (deficiency) of revenues over expenditures	<u>2</u>	<u>-</u>	<u>( 31,070)</u>	<u>4</u>	<u>3,495</u>	<u>( 23,947)</u>	<u>800</u>
<b>OTHER FINANCING USES</b>							
Interfund transfers	-	-	-	-	-	-	-
Net change in fund balance	2	-	( 31,070)	4	3,495	( 23,947)	800
FUND BALANCES, beginning	<u>840</u>	<u>-</u>	<u>14,333</u>	<u>866</u>	<u>25,769</u>	<u>41,528</u>	<u>-</u>
FUND BALANCES, ending	<u>\$ 842</u>	<u>\$ -</u>	<u>(\$ 16,737)</u>	<u>\$ 870</u>	<u>\$ 29,264</u>	<u>\$ 17,581</u>	<u>\$ 800</u>

...Continued...

**TOWN OF ORANGE, CONNECTICUT  
COMBINING STATEMENT OF REVENUES, EXPENDITURES  
AND CHANGES IN FUND BALANCES  
NONMAJOR GOVERNMENTAL FUNDS  
Year Ended June 30, 2007  
...Continued...**

	Special Revenue						
	School of 21st Century	Narcotics Task Force	Recreation Self Support	LoCIP	School Grants and Donations	Town Road Aid	Orange Visiting Nurses Association
<b>REVENUES</b>							
Intergovernmental:							
Federal	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
State	-	16,790	-	141,384	-	137,560	-
Federal commodities	-	-	-	-	-	-	-
Program revenues	517,861	-	666,088	-	-	-	-
Investment income	-	-	-	-	-	-	-
Charges for facilities and services	-	-	-	-	-	-	560,021
Miscellaneous	-	-	-	-	28,012	-	-
Contributions to permanent fund	-	-	-	-	-	-	-
	<u>517,861</u>	<u>16,790</u>	<u>666,088</u>	<u>141,384</u>	<u>28,012</u>	<u>137,560</u>	<u>560,021</u>
Total revenues							
<b>EXPENDITURES</b>							
Public safety	-	7,224	-	-	-	-	-
Public works and sanitation	-	-	-	132,084	-	76,099	-
Culture and recreation	-	-	512,855	-	-	-	-
Health and welfare	-	-	-	-	-	-	141,917
Education - Orange Board of Education	508,051	-	-	-	36,811	-	-
Other	-	-	-	-	-	-	-
	<u>508,051</u>	<u>7,224</u>	<u>512,855</u>	<u>132,084</u>	<u>36,811</u>	<u>76,099</u>	<u>141,917</u>
Total expenditures							
Excess (deficiency) of revenues over expenditures	<u>9,810</u>	<u>9,566</u>	<u>153,233</u>	<u>9,300</u>	<u>( 8,799)</u>	<u>61,461</u>	<u>418,104</u>
<b>OTHER FINANCING USES</b>							
Interfund transfers	-	-	( 40,000)	-	-	-	( 294,000)
Net change in fund balance	9,810	9,566	113,233	9,300	( 8,799)	61,461	124,104
FUND BALANCES, beginning	<u>115,484</u>	<u>8,883</u>	<u>-</u>	<u>6,546</u>	<u>2,887</u>	<u>4,368</u>	<u>1,581</u>
FUND BALANCES, ending	<u>\$ 125,294</u>	<u>\$ 18,449</u>	<u>\$ 113,233</u>	<u>\$ 15,846</u>	<u>(\$ 5,912)</u>	<u>\$ 65,829</u>	<u>\$ 125,685</u>

...Continued...

**TOWN OF ORANGE, CONNECTICUT**  
**COMBINING STATEMENT OF REVENUES, EXPENDITURES**  
**AND CHANGES IN FUND BALANCES**  
**NONMAJOR GOVERNMENTAL FUNDS**  
**Year Ended June 30, 2007**  
...Continued...

	Special Revenue				
	Police Special Duty	Senior Reimbursable	Youth Reimbursable	Orange Public Library Estate	Orange Library Endowment
<b>REVENUES</b>					
Intergovernmental:					
Federal	\$ -	\$ -	\$ -	\$ -	\$ -
State	-	-	-	-	-
Federal commodities	-	-	-	-	-
Program revenues	-	88,964	8,898	-	-
Investment income	-	-	-	-	50
Charges for facilities and services	191,158	-	-	-	-
Miscellaneous	-	-	-	-	-
Contributions to permanent fund	-	-	-	-	-
	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total revenues	<u>191,158</u>	<u>88,964</u>	<u>8,898</u>	<u>-</u>	<u>50</u>
<b>EXPENDITURES</b>					
Public safety	121,599	-	-	-	-
Public works and sanitation	-	-	-	-	-
Culture and recreation	-	-	-	1,923	-
Health and welfare	-	-	-	-	-
Education - Orange Board of Education	-	-	-	-	-
Other	-	76,520	3,448	-	-
	<u>-</u>	<u>76,520</u>	<u>3,448</u>	<u>-</u>	<u>-</u>
Total expenditures	<u>121,599</u>	<u>76,520</u>	<u>3,448</u>	<u>1,923</u>	<u>-</u>
Excess (deficiency) of revenues over expenditures	<u>69,559</u>	<u>12,444</u>	<u>5,450</u>	<u>( 1,923)</u>	<u>50</u>
<b>OTHER FINANCING USES</b>					
Interfund transfers	( 70,000)	-	-	-	-
Net change in fund balance	( 441)	12,444	5,450	( 1,923)	50
FUND BALANCES, beginning	<u>1,576</u>	<u>11,759</u>	<u>14,415</u>	<u>24,014</u>	<u>9,956</u>
FUND BALANCES, ending	<u>\$ 1,135</u>	<u>\$ 24,203</u>	<u>\$ 19,865</u>	<u>\$ 22,091</u>	<u>\$ 10,006</u>

...Continued...

**TOWN OF ORANGE, CONNECTICUT**  
**COMBINING STATEMENT OF REVENUES, EXPENDITURES**  
**AND CHANGES IN FUND BALANCES**  
**NONMAJOR GOVERNMENTAL FUNDS**  
**Year Ended June 30, 2007**  
...Continued...

	Special Revenue						
	Orange Library Gift	Pryde Memorial	Orange Agricultural Fair	Allen Poole Memorial	O.P.H.N.S. Special	Town Improvement Program P.A. 86-1	Easement
<b>REVENUES</b>							
Intergovernmental:							
Federal	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
State	1,932	-	-	-	-	-	-
Federal commodities	-	-	-	-	-	-	-
Program revenues	-	-	116,638	-	-	-	-
Investment income	-	-	3,513	-	-	1,916	283
Charges for facilities and services	-	-	-	-	-	-	-
Miscellaneous	8,293	5,157	-	325	325	-	-
Contributions to permanent fund	-	-	-	-	-	-	-
Total revenues	<u>10,225</u>	<u>5,157</u>	<u>120,151</u>	<u>325</u>	<u>325</u>	<u>1,916</u>	<u>283</u>
<b>EXPENDITURES</b>							
Public safety	-	-	-	-	-	-	-
Public works and sanitation	-	-	-	-	-	-	-
Culture and recreation	11,919	-	164,966	-	-	-	-
Health and welfare	-	-	-	1,040	1,493	-	-
Education - Orange Board of Education	-	-	-	-	-	-	-
Other	-	-	-	-	-	-	-
Total expenditures	<u>11,919</u>	<u>-</u>	<u>164,966</u>	<u>1,040</u>	<u>1,493</u>	<u>-</u>	<u>-</u>
Excess (deficiency) of revenues over expenditures	<u>( 1,694)</u>	<u>5,157</u>	<u>( 44,815)</u>	<u>( 715)</u>	<u>( 1,168)</u>	<u>1,916</u>	<u>283</u>
<b>OTHER FINANCING USES</b>							
Interfund transfers	-	-	-	-	-	-	-
Net change in fund balance	<u>( 1,694)</u>	<u>5,157</u>	<u>( 44,815)</u>	<u>( 715)</u>	<u>( 1,168)</u>	<u>1,916</u>	<u>283</u>
FUND BALANCES, beginning	<u>31,324</u>	<u>143,025</u>	<u>115,138</u>	<u>3,557</u>	<u>2,823</u>	<u>9,846</u>	<u>14,777</u>
FUND BALANCES, ending	<u>\$ 29,630</u>	<u>\$ 148,182</u>	<u>\$ 70,323</u>	<u>\$ 2,842</u>	<u>\$ 1,655</u>	<u>\$ 11,762</u>	<u>\$ 15,060</u>

...Continued...

TOWN OF ORANGE, CONNECTICUT  
 COMBINING STATEMENT OF REVENUES, EXPENDITURES  
 AND CHANGES IN FUND BALANCES  
 NONMAJOR GOVERNMENTAL FUNDS  
 Year Ended June 30, 2007  
 ...Continued...

	Special Revenue							Permanent Fund
	Park and Recreation Gift	Human Services	Police D.A.R.E.	Mary L. Tracy School	Town Exchange	Special Events and Programs	Historic Preservation	Mary T. McGuire Trust
<b>REVENUES</b>								
Intergovernmental:								
Federal	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
State	-	-	-	-	-	-	-	-
Federal commodities	-	-	-	-	-	-	-	-
Program revenues	-	-	-	-	-	-	-	-
Investment income	-	-	-	-	-	-	-	-
Charges for facilities and services	-	-	-	-	-	-	-	-
Miscellaneous	-	4,919	-	-	56	36,049	3,100	-
Contributions to permanent fund	-	-	-	-	-	-	-	29,204
Total revenues	-	4,919	-	-	56	36,049	3,100	29,204
<b>EXPENDITURES</b>								
Public safety	-	-	1,838	-	-	-	-	-
Public works and sanitation	-	-	-	-	-	-	-	-
Culture and recreation	-	-	-	-	-	-	-	-
Health and welfare	-	1,509	-	-	-	-	-	-
Education - Orange Board of Education	-	-	-	-	-	-	-	-
Other	-	-	-	-	1,851	23,793	-	-
Total expenditures	-	1,509	1,838	-	1,851	23,793	-	-
Excess (deficiency) of revenues over expenditures	-	3,410	( 1,838)	-	( 1,795)	12,256	3,100	29,204
<b>OTHER FINANCING USES</b>								
Interfund transfers	-	-	-	-	-	-	-	-
Net change in fund balance	-	3,410	( 1,838)	-	( 1,795)	12,256	3,100	29,204
FUND BALANCES, beginning	4,319	7,223	5,681	37	27,448	3,714	19,215	-
FUND BALANCES, ending	<u>\$ 4,319</u>	<u>\$ 10,633</u>	<u>\$ 3,843</u>	<u>\$ 37</u>	<u>\$ 25,653</u>	<u>\$ 15,970</u>	<u>\$ 22,315</u>	<u>\$ 29,204</u>

...Continued...

TOWN OF ORANGE, CONNECTICUT  
 COMBINING STATEMENT OF REVENUES, EXPENDITURES  
 AND CHANGES IN FUND BALANCES  
 NONMAJOR GOVERNMENTAL FUNDS  
 Year Ended June 30, 2007  
 ...Continued...

	Capital Projects			Total Non-Major Governmental Funds
	Capital Improvement	Town and School Building Renovations	STEAP	
<b>REVENUES</b>				
Intergovernmental:				
Federal	\$ -	\$ -	\$ -	\$ 294,280
State	-	-	780,996	1,158,181
Federal commodities	-	-	-	1,117
Program revenues	-	-	-	1,662,887
Investment income	-	-	-	5,768
Charges for facilities and services	-	-	-	751,179
Miscellaneous	-	-	-	88,505
Contributions to permanent fund	-	-	-	29,204
Total revenues	<u>-</u>	<u>-</u>	<u>780,996</u>	<u>3,991,121</u>
<b>EXPENDITURES</b>				
Public safety	-	-	-	154,956
Public works and sanitation	-	-	777,246	985,429
Culture and recreation	-	-	-	691,663
Health and welfare	-	-	-	150,254
Education - Orange Board of Education	-	-	-	1,208,617
Other	-	-	3,750	109,362
Total expenditures	<u>-</u>	<u>-</u>	<u>780,996</u>	<u>3,300,281</u>
Excess (deficiency) of revenues over expenditures	<u>-</u>	<u>-</u>	<u>-</u>	<u>690,840</u>
<b>OTHER FINANCING USES</b>				
Interfund transfers	<u>-</u>	<u>-</u>	<u>-</u>	<u>( 404,000)</u>
Net change in fund balance	-	-	-	286,840
FUND BALANCES, beginning	<u>-</u>	<u>52,802</u>	<u>-</u>	<u>725,734</u>
FUND BALANCES, ending	<u>\$ -</u>	<u>\$ 52,802</u>	<u>\$ -</u>	<u>\$ 1,012,574</u>

**TOWN OF ORANGE, CONNECTICUT  
 COMBINING STATEMENT OF CHANGES IN  
 ASSETS AND LIABILITIES  
 AGENCY FUNDS  
 For the Year Ended June 30, 2007**

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	<u>Balance, July 1, 2006</u>	<u>Additions</u>	<u>Deductions</u>	<u>Balance, June 30, 2007</u>
<b>ASSETS</b>				
Cash and cash equivalents				
Employee Savings	\$ 7,347	\$ 16	\$ 3,564	\$ 3,799
Performance Bonds	<u>278,337</u>	<u>45,000</u>	<u>-</u>	<u>323,337</u>
Total cash and cash equivalents	<u>\$ 285,684</u>	<u>\$ 45,016</u>	<u>\$ 3,564</u>	<u>\$ 327,136</u>
<b>Total Assets</b>	<u><u>\$ 285,684</u></u>	<u><u>\$ 45,016</u></u>	<u><u>\$ 3,564</u></u>	<u><u>\$ 327,136</u></u>
<b>LIABILITIES</b>				
Amounts held for others	<u>\$ 285,684</u>	<u>\$ 45,016</u>	<u>\$ 3,564</u>	<u>\$ 327,136</u>

**TOWN OF ORANGE, CONNECTICUT  
SCHEDULE OF PROPERTY TAXES LEVIED,  
COLLECTED AND OUTSTANDING  
Year Ended June 30, 2007**

Grand List	Balance Uncollected June 30, 2006	Current Levy	Lawful Corrections		Transfers to Suspense	Balance to be Collected	Collections			Net Uncollected Taxes June 30, 2007	
			Additions	Deductions			Taxes	Interest	Lien Fees		Total
2005	\$ -	\$ 46,072,093	\$ 93,975	(\$ 145,947)	\$ -	\$ 46,020,121	\$ 45,704,770	\$ 77,819	\$ 3,280	\$ 45,785,869	\$ 315,351
2004	210,261	-	2,150	( 18,854)	-	193,557	109,379	22,170	1,521	133,070	84,178
2003	36,797	-	-	( 4,835)	( 31,997)	( 35)	14,000	5,784	201	19,985	( 14,035)
2002	543	-	-	( 1,139)	( 16,668)	( 17,264)	278	1,162	50	1,490	( 17,542)
2001	4,350	-	-	-	-	4,350	-	-	-	-	4,350
2000	3,550	-	-	-	-	3,550	-	-	-	-	3,550
1999	5,359	-	-	-	-	5,359	-	-	-	-	5,359
1998	813	-	-	-	-	813	-	-	-	-	813
1997	3,216	-	-	-	-	3,216	-	-	-	-	3,216
1996	1,441	-	-	-	-	1,441	-	-	-	-	1,441
1995	1,288	-	-	-	-	1,288	-	-	-	-	1,288
1994	1,648	-	-	-	-	1,648	-	-	-	-	1,648
1993	612	-	-	-	-	612	-	-	-	-	612
1992	906	-	-	-	-	906	-	-	-	-	906
1991	( 1,106)	-	-	-	-	( 1,106)	-	-	-	-	( 1,106)
1990	2,102	-	-	-	-	2,102	-	-	-	-	2,102
	<u>\$ 271,780</u>	<u>\$ 46,072,093</u>	<u>\$ 96,125</u>	<u>(\$ 170,775)</u>	<u>(\$ 48,665)</u>	<u>\$ 46,220,558</u>	<u>\$ 45,828,427</u>	<u>\$ 106,935</u>	<u>\$ 5,052</u>	<u>\$ 45,940,414</u>	<u>\$ 392,131</u>

**TOWN OF ORANGE, CONNECTICUT  
SCHEDULE OF DEBT LIMITATION  
June 30, 2007**

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The Town's statement of Debt Limitation under Connecticut General Statutes, Section 7-374(b) as of June 30, 2007 is as follows:

Total tax collections (including interest and lien fees) for the year ended June 30, 2007	\$ 45,896,311
Reimbursements for revenue loss:	
Tax relief for veterans	15,004
Tax relief for the elderly - freeze	6,000
Tax relief for manufacturing machinery and equipment	148,928
Tax relief for the elderly and disabled	<u>97,167</u>
Base	<u><u>\$ 46,163,410</u></u>

The Connecticut General Statutes provide that the total authorized debt of the Town shall not exceed seven times the above base cash receipts, of \$323,143,870, 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	\$ 103,867,673	\$ -	\$ -	\$ -	\$ -
4-1/2 times base	-	207,735,345	-	-	-
3-3/4 times base	-	-	173,112,788	-	-
3-1/4 times base	-	-	-	150,031,083	-
3 times base	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>138,490,230</u>
Total debt limitation	<u>103,867,673</u>	<u>207,735,345</u>	<u>173,112,788</u>	<u>150,031,083</u>	<u>138,490,230</u>
Indebtedness:					
Bonds payable	11,210,172	4,594,828	-	-	-
Bonds authorized and unissued	4,400,000	-	-	-	-
Net Amity Regional School District debt	-	30,172,426	-	-	-
Claims and judgments	25,000	-	1,115,628	-	-
Mortgage payable	750,000	-	-	-	-
Assessments receivable	-	-	( 970,437)	-	-
School construction grants receivable	<u>-</u>	<u>( 731,554)</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total indebtedness	<u>16,385,172</u>	<u>34,035,700</u>	<u>145,191</u>	<u>-</u>	<u>-</u>
Excess of debt limitation over indebtedness at June 30, 2007	<u><u>\$ 87,482,501</u></u>	<u><u>\$ 173,699,645</u></u>	<u><u>\$ 172,967,597</u></u>	<u><u>\$ 150,031,083</u></u>	<u><u>\$ 138,490,230</u></u>