

TOWNSHIP OF MANCHESTER

COUNTY OF OCEAN

NEW JERSEY

REPORT ON

EXAMINATION OF ACCOUNTS

FOR THE YEAR ENDED DECEMBER 31, 2013

**SAMUEL KLEIN AND COMPANY
CERTIFIED PUBLIC ACCOUNTANTS**

TOWNSHIP OF MANCHESTER
COUNTY OF OCEAN, NEW JERSEY

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PART I
REPORT ON EXAMINATION
FINANCIAL STATEMENTS
NOTES TO FINANCIAL STATEMENTS
AND
SUPPLEMENTARY EXHIBITS
YEAR ENDED DECEMBER 31, 2013

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INDEPENDENT AUDITOR'S REPORT

The Honorable Mayor and Members
of the Township Council
Township of Manchester
Manchester, New Jersey 08759

Report on the Financial Statements

We have audited the financial statements - regulatory basis of the various funds and account groups of the Township of Manchester, in the County of Ocean, as of and for the year then ended December 31, 2013 and the related notes to the financial statements, as listed in the foregoing table of contents.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements - regulatory basis in accordance with accounting principles prescribed by the Division of Local Government Services, Department of Community Affairs, State of New Jersey. Management is also responsible for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements - regulatory basis that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express opinions on these financial statements - regulatory basis based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America, audit requirements prescribed by the Division of Local Government Services, Department of Community Affairs, State of New Jersey 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 - regulatory basis are free from material misstatement.

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

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

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

As described in Note 1, these financial statements - regulatory basis have been prepared in conformity with accounting principles prescribed by the Division of Local Government Services, Department of Community Affairs, State of New Jersey, which is a basis of accounting other than accounting principles generally accepted in the United States of America, to demonstrate compliance with the modified accrual basis, with certain exceptions, and the budget laws of New Jersey. The effects on the financial statements of the variances between the regulatory basis of accounting described in Note 1 and accounting principles generally accepted in the United States of America, although not reasonably determinable, are presumed to be material.

Adverse Opinion on U.S. Generally Accepted Accounting Principles

In our opinion, because of the significance of the matter discussed in the "*Basis for the Adverse Opinion on U.S. Generally Accepted Accounting Principles*" paragraph, the financial statements - regulatory basis referred to in the first paragraph, do not present fairly, in conformity with accounting principles generally accepted in the United States of America, the financial position of the Township as of December 31, 2013, and the results of its operations for the year then ended.

Opinion on Regulatory Basis of Accounting

In our opinion, the financial statements - regulatory basis referred to above, present fairly, in all material respects, the financial position of the various funds of the Township of Manchester at December 31, 2013, and the results of operations and changes in fund balance, where applicable, of such funds, thereof for the years then ended, in accordance with accounting principles on the basis of financial reporting provisions prescribed by the Division of Local Government Services, Department of Community Affairs, State of New Jersey, as described in Note 1.

Other Matters

Supplementary Information

The accompanying schedule of expenditures of federal awards is not a required part of the financial statements, and is presented for purposes of additional analysis as required by the U.S. Office of Management and Budget Circular A-133, *Audits of States, Local Governments, and Nonprofit Organizations*.

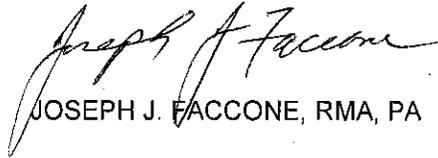
The supplementary schedules are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the financial statements. Such information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the supplementary schedules are fairly stated, in all material respects, in relation to the financial statements - regulatory basis taken as a whole.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated August 1, 2014 on our consideration of the Township of Manchester'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 internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Township of Manchester's internal control over financial reporting and compliance.



SAMUEL KLEIN AND COMPANY
CERTIFIED PUBLIC ACCOUNTANTS



JOSEPH J. FACCONI, RMA, PA

Newark, New Jersey
August 1, 2014

TOWNSHIP OF MANCHESTER
CURRENT FUND

BALANCE SHEET - REGULATORY BASIS

A
Sheet #1

<u>ASSETS AND DEFERRED CHARGES</u>	<u>Ref.</u>	<u>Balance</u> <u>Dec. 31, 2013</u>
Cash - Treasurer	A-4	\$ 6,815,189.27
Change Fund	A-6	750.00
		<u>6,815,939.27</u>
Receivables and Other Assets with Full Reserves:		
Taxes Receivable	A-7	1,114,880.66
Tax Title Liens	A-8	303,657.25
Property Acquired for Taxes at Assessed Valuations	A-9	9,611,700.00
Interfunds Receivable	A-10	10,453.19
Revenue Accounts Receivable	A-11	35,652.02
		<u>11,076,343.12</u>
Deferred Charges:		
Special Emergency Authorization	A-12	430,000.00
		<u>18,322,282.39</u>
<u>Federal and State Grant Fund</u>		
Cash	A-4	122,076.19
Federal and State Grant Receivables	A-13	183,197.60
		<u>305,273.79</u>
		<u>\$ 18,627,556.18</u>

TOWNSHIP OF MANCHESTER
CURRENT FUND

BALANCE SHEET - REGULATORY BASIS

A
Sheet #2

<u>LIABILITIES, RESERVES AND FUND BALANCE</u>	<u>Ref.</u>	<u>Balance Dec. 31, 2013</u>
Expenditure Accounts:		
Appropriation Reserves:		
Encumbered	A-3	\$ 299,008.63
Unencumbered	A-3	1,409,716.66
Interfunds Payable	A-15	202,116.52
Due to State of New Jersey:		
(Ch. 129, P.L. 1976)	A-16	41,191.44
DCA Surcharge	A-17	4,292.00
Marriage License Fees	A-17	4,190.00
Tax Overpayments	A-18	280,800.53
Reserve for Unappropriated State Aid - PILOT	A-19	126,578.00
Accounts Payable	A-20	181,650.95
Special Emergency Note Payable	A-21	430,000.00
County Taxes Payable	A-22	31,964.19
Reserve for Tax Appeals	A-24	103,438.53
Reserve for Revaluation	A-25	77,327.00
Prepaid Taxes	A-26	985,819.87
		<u>4,178,094.32</u>
Reserve for Receivables and Other Assets		11,076,343.12
Fund Balance	A-1	3,067,844.95
		<u>18,322,282.39</u>
 <u>Federal and State Grant Fund</u>		
Reserve for Federal and State Grants -		
Appropriated	A-27	280,074.62
Reserve for Federal and State Aid		
Unappropriated	A-28	25,199.17
		<u>305,273.79</u>
		<u>\$ 18,627,556.18</u>

See accompanying notes to financial statements.

TOWNSHIP OF MANCHESTER
CURRENT FUND

STATEMENT OF OPERATIONS AND
CHANGE IN FUND BALANCE - REGULATORY BASIS

A-1

	<u>Ref.</u>	<u>Year 2013</u>
<u>Revenue and Other Income Realized</u>		
Fund Balance Utilized	A-2	\$ 1,420,000.00
Miscellaneous Revenue Anticipated	A-2	9,439,484.75
Receipts from Delinquent Taxes	A-2a	592,033.10
Receipts from Current Taxes	A-2a	74,562,773.18
Nonbudget Revenue	A-2c	518,467.22
Other Credits to Income:		
Interfunds Liquidated	A-10	10,355.26
Unexpended Balances of Appropriation Reserves	A-14	910,224.55
		<u>87,453,338.06</u>
<u>Expenditures</u>		
<u>Budget Appropriations:</u>		
Operations		24,543,541.03
Debt Service		1,963,014.22
Deferred Charges and Statutory Expenditures		3,495,327.00
	A-3	<u>30,001,882.25</u>
Municipal Open Space Taxes	A-2a	322,210.00
Refund of Prior Year Revenues	A-4	196,189.07
Prior Year Senior Citizens/Veterans Disallowed	A-16	237,160.08
County Taxes Payable	A-22	13,150,607.02
Local School District Taxes Payable	A-23	41,872,840.00
		<u>85,780,888.42</u>
Statutory Excess in Revenue		1,672,449.64
<u>Fund Balance</u>		
Balance June 30		2,815,395.31
		<u>4,487,844.95</u>
<u>Decreased by:</u>		
Utilized as Anticipated Revenue	Above	1,420,000.00
Balance December 31	A	<u>\$ 3,067,844.95</u>

See accompanying notes to financial statements.

TOWNSHIP OF MANCHESTER
CURRENT FUND

STATEMENT OF REVENUE - REGULATORY BASIS

A-2

	<u>Ref.</u>	<u>Budget</u>	<u>Realized</u>	<u>Excess or (Deficit)</u>
Surplus Anticipated	A-1	<u>\$ 1,420,000.00</u>	<u>\$ 1,420,000.00</u>	\$
Miscellaneous Revenue:				
Licenses:				
Alcoholic Beverages	A-11	25,765.00	32,500.00	6,735.00
Other	A-2b	16,791.00	19,469.00	2,678.00
Other Fees and Permits	A-2b	728,485.00	724,447.45	(4,037.55)
Municipal Court	A-11	474,500.00	598,205.94	123,705.94
Interest and Costs on Taxes	A-5	199,260.00	169,236.80	(30,023.20)
Interest on Investments	A-11	54,549.00	18,247.13	(36,301.87)
Energy Receipts Tax	A-11	2,962,189.00	2,962,189.00	
Host Community Benefits	A-11	1,800,000.00	1,815,906.66	15,906.66
Cable TV Franchise Fees	A-11	163,392.00	161,781.92	(1,610.08)
Uniform Fire Safety Act	A-11	25,710.00	26,198.90	488.90
Uniform Construction Fees	A-11	585,000.00	663,455.00	78,455.00
Consolidated Municipal Property Tax Relief Act	A-11	96,051.00	96,051.00	
Unappropriated Reserve - PILOT - Garden State Trust	A-19	159,227.00	159,227.00	
Clean Communities Grant	A-13	96,876.06	96,876.06	
First and Second Avenues - Unappropriated	A-13	113,529.00	113,529.00	
Senior Outreach Grant	A-13	125,000.00	125,000.00	
Unappropriated Reserve - Body Armor Grant	A-13	1,869.98	1,869.98	
Municipal Drug Alliance	A-13	16,840.00	16,840.00	
Bulletproof Vest Program	A-13	7,806.57	7,806.57	
Drunk Driving Enforcement Fund - Unappropriated	A-13	10,998.42	10,998.42	
Drive Sober or Get Pulled Over	A-13	4,400.00	4,400.00	
DOT - Colonial Drive	A-13	250,000.00	250,000.00	
DOT - First and Second Avenues	A-13	86,471.00	86,471.00	
Open Space Share of Debt	A-11	390,000.00	390,000.00	
Tower Rental	A-11	44,600.00	48,304.70	3,704.70
Senior Citizens' and Veterans' Post Year Statements	A-11	39,364.00	38,010.08	(1,353.92)
Hotel Tax	A-11	24,800.00	31,428.27	6,628.27
Reimbursement for In-Kind Facilities and Security Services	A-11	743,336.00	743,336.00	
Ocean County Recycling Revenue Fund	A-11	47,900.00	27,698.87	(20,201.13)
Total Miscellaneous Revenue	A-1	<u>9,294,710.03</u>	<u>9,439,484.75</u>	<u>144,774.72</u>
Receipts from Delinquent Taxes	A-2a	<u>224,555.00</u>	<u>592,033.10</u>	<u>367,478.10</u>
		9,519,265.03	10,031,517.85	512,252.82
Amount to be Raised by Taxation	A-2a,7	<u>20,481,371.74</u>	<u>20,560,057.90</u>	<u>78,686.16</u>
		30,000,636.77	30,591,575.75	590,938.98
Nonbudget Revenue	A-2c		<u>518,467.22</u>	<u>518,467.22</u>
	A-3	<u>\$31,420,636.77</u>	<u>\$32,530,042.97</u>	<u>\$ 1,109,406.20</u>

See accompanying notes to financial statements.

TOWNSHIP OF MANCHESTER
CURRENT FUND

STATEMENT OF REVENUE (Continued)
ANALYSIS OF REALIZED TAX COLLECTIONS - REGULATORY BASIS

A-2a

	<u>Ref.</u>		
<u>Current Tax Collections</u>			
2013 Collections	A-7	\$72,428,962.18	
Prepaid Applied	A-7	2,991.00	
Due from State of New Jersey: (Ch. 129, P.L. 1976)	A-7	<u>2,130,820.00</u>	
	A-1		\$74,562,773.18
Allocated to:			
Municipal Open Space	A-1,7	322,210.00	
County Taxes	A-22	13,150,607.02	
Local School District Tax	A-23	<u>41,872,840.00</u>	
			<u>55,345,657.02</u>
Balance for Support of Municipal Budget Appropriations			19,217,116.16
Plus: Reserve for Uncollected Taxes	A-3		<u>1,342,941.74</u>
Amount for Support of Municipal Budget Appropriations	A-2		<u>\$20,560,057.90</u>
<u>Receipts from Delinquent Taxes</u>			
Delinquent Tax Collections	A-7	\$ 589,701.09	
Tax Title Liens	A-8	<u>2,332.01</u>	
	A-1,2		<u>\$ 592,033.10</u>

See accompanying notes to financial statements.

TOWNSHIP OF MANCHESTER
CURRENT FUND

STATEMENT OF REVENUE (Continued)
ANALYSIS OF OTHER LICENSES AND PERMITS - REGULATORY BASIS

A-2b

	<u>Ref.</u>		
<u>Other Licenses</u>			
Township Clerk	A-11	\$ 19,285.00	
Health Officer	A-11	<u>184.00</u>	
	A-2		<u>\$ 19,469.00</u>
 <u>Other Fees and Permits</u>			
Township Clerk	A-11	\$224,331.00	
Tax Collector	A-11	6,245.27	
Land Use	A-11	10,789.50	
Recreation Department	A-11	105,825.00	
Zoning Board	A-11	25,525.00	
Registrar of Vital Statistics	A-11	63,929.00	
Housing	A-11	64,330.00	
Engineering Department	A-11	24,630.00	
Building Inspector	A-11	99,927.00	
Police Department	A-11	39,360.68	
Beach Badges	A-11	<u>59,555.00</u>	
	A-2		<u>\$724,447.45</u>

See accompanying notes to financial statements.

TOWNSHIP OF MANCHESTER
CURRENT FUND

STATEMENT OF REVENUE (Continued)
ANALYSIS OF NONBUDGET REVENUE - REGULATORY BASIS

A-2c

	<u>Ref.</u>	
<u>Miscellaneous Revenue Not Anticipated</u>		
DMV Inspection Fines		\$ 14,536.00
Sale of Assets		37,764.68
Recycling		41,873.07
Copies		715.01
Administrative Fees for Police Off-Duty		11,378.43
Senior Outreach Donations		6,159.00
Sale of Scrap Metal		36,175.55
Restitution		1,332.10
Miscellaneous		15,123.63
Prior Year Budget Refund		152,479.78
Presby - PILOT		46,570.20
Beckerville - PILOT		81,480.60
JIF Dividend		<u>69,558.70</u>
	A-4	\$515,146.75
Excess in Animal Control Fund	A-10	<u>3,320.47</u>
Realized Revenue	A-1,2	<u><u>\$518,467.22</u></u>

See accompanying notes to financial statements.

TOWNSHIP OF MANCHESTER
CURRENT FUND

STATEMENT OF EXPENDITURES - REGULATORY BASIS

A-3
Sheet #1

Appropriations	Appropriations		Paid or Charged	Reserved		Unexpended Balance Cancelled
	Budget	Modified Budget		Encumbered	Unencumbered	
<u>APPROPRIATIONS WITHIN "CAPS"</u>						
<u>OFFICE OF THE MAYOR</u>						
Office of the Mayor:						
Salaries and Wages	\$ 72,000.00	\$ 72,000.00	\$ 64,076.20	\$	\$ 7,923.80	\$
Other Expenses	6,000.00	6,000.00	1,961.34		4,038.66	
Environmental Commission:						
Salaries and Wages	1,000.00	1,000.00			1,000.00	
Other Expenses	100.00	100.00	59.97		40.03	
Veterans' Advisory Committee:						
Other Expenses	2,000.00	2,000.00	2,000.00			
Office of the Clerk:						
Salaries and Wages	120,000.00	120,000.00	114,157.28		5,842.72	
Other Expenses	70,000.00	55,000.00	36,321.08	2,730.77	15,948.15	
Municipal Audit:						
Other Expenses	46,000.00	46,000.00			46,000.00	
Zoning Board of Adjustments:						
Other Expenses	30,000.00	30,000.00	16,748.06		13,251.94	
<u>DEPARTMENT OF ADMINISTRATION</u>						
Office of the Tax Assessor:						
Salaries and Wages	310,000.00	310,000.00	289,693.68		20,306.32	
Other Expenses	15,000.00	15,000.00	9,079.51	4,619.44	1,301.05	
Division of Administration, Purchasing and Personnel:						
Salaries and Wages	200,000.00	200,000.00	182,758.36		17,241.64	
Other Expenses	220,000.00	205,000.00	184,095.76	20,864.96	39.28	
Division of Recreation:						
Salaries and Wages	260,000.00	277,000.00	276,338.02		661.98	
Other Expenses	120,000.00	120,000.00	87,077.07	1,222.95	31,699.98	
Division of Data Processing:						
Salaries and Wages	100,000.00	130,000.00	121,400.68		8,599.32	
Other Expenses	75,000.00	70,000.00	62,005.99	7,476.57	517.44	
Aid to 3 Volunteer Fire Companies:						
Other Expenses	90,000.00	90,000.00	90,000.00			
Aid to 2 First Aid Organizations:						
Other Expenses	60,000.00	60,000.00	60,000.00			

TOWNSHIP OF MANCHESTER
CURRENT FUND

STATEMENT OF EXPENDITURES - REGULATORY BASIS

A-3
Sheet #2

Appropriations	Appropriations		Paid or Charged	Reserved		Unexpended Balance Cancelled
	Budget	Modified Budget		Encumbered	Unencumbered	
<u>APPROPRIATIONS WITHIN "CAPS"</u>						
<u>DEPARTMENT OF PUBLIC WORKS</u>						
Division of Administration and Streets:						
Salaries and Wages	\$ 1,300,000.00	\$ 1,300,000.00	\$ 1,224,666.43		\$ 75,333.57	\$
Other Expenses	185,000.00	185,000.00	142,339.85	29,406.24	13,253.91	
Division of Building and Grounds:						
Salaries and Wages	100,000.00	100,000.00	95,058.23		4,941.77	
Other Expenses	92,000.00	102,000.00	76,802.42	15,967.35	9,230.23	
Division of Sanitation and Recycling:						
Salaries and Wages	46,000.00	46,000.00	43,480.46		2,519.54	
Other Expenses	475,000.00	450,000.00	444,292.37	3,613.04	2,094.59	
Division of Central Maintenance:						
Salaries and Wages	225,000.00	225,000.00	174,323.97		50,676.03	
Other Expenses	200,000.00	210,000.00	174,728.97	31,685.22	3,585.81	
Division of Lakes, Parks and Playgrounds:						
Salaries and Wages	100,000.00	100,000.00	92,828.48		7,171.52	
Other Expenses	40,000.00	40,000.00	37,442.65	2,260.09	297.26	
<u>DEPARTMENT OF PUBLIC SAFETY</u>						
<u>Police:</u>						
Salaries and Wages	7,225,000.00	7,225,000.00	7,170,332.85		54,667.15	
Other Expenses	540,000.00	540,000.00	453,897.11	82,318.91	3,783.98	
Police Clerical and Computer:						
Salaries and Wages	650,000.00	650,000.00	599,547.37		50,452.63	
Division of Animal Control:						
Salaries and Wages	52,000.00	52,000.00	45,991.38		6,008.62	
Other Expenses	50,000.00	50,000.00	30,384.57	1,980.45	17,634.98	
Division of Emergency Management:						
Salaries and Wages	9,000.00	9,000.00	2,024.92		6,975.08	
Other Expenses	5,000.00	5,000.00	3,498.46	390.58	1,110.96	

TOWNSHIP OF MANCHESTER
CURRENT FUND

STATEMENT OF EXPENDITURES - REGULATORY BASIS

A-3
Sheet #3

<u>Appropriations</u>	<u>Appropriations</u>		<u>Paid or Charged</u>	<u>Reserved</u>		<u>Unexpended Balance Cancelled</u>
	<u>Budget</u>	<u>Modified Budget</u>		<u>Encumbered</u>	<u>Unencumbered</u>	
<u>APPROPRIATIONS WITHIN "CAPS"</u>						
<u>DEPARTMENT OF LAND USE AND PLANNING</u>						
Division of Zoning and Planning:						
Salaries and Wages	\$ 110,000.00	\$ 110,000.00	\$ 104,680.30	\$ 5,319.70	\$ 5,319.70	\$
Other Expenses	45,000.00	65,000.00	50,196.34	2,217.09	12,586.57	
Uniform Fire Safety Act:						
Salaries and Wages	30,000.00	30,000.00	30,000.00			
Other Expenses	1,200.00	1,200.00			1,200.00	
<u>DEPARTMENT OF FINANCE</u>						
<u>Financial Administration:</u>						
Salaries and Wages	100,000.00	100,000.00	96,901.67		3,098.33	
Other Expenses	40,000.00	39,000.00	32,526.57	5,456.56	1,016.87	
Division of Revenue Collection:						
Salaries and Wages	150,000.00	165,000.00	163,912.02		1,087.98	
Other Expenses	60,000.00	60,000.00	51,432.39	2,001.02	6,566.59	
<u>DEPARTMENT OF ENGINEERING</u>						
<u>Engineering:</u>						
Other Expenses	75,000.00	95,000.00	75,911.15	310.00	18,778.85	
<u>DEPARTMENT OF LAW</u>						
<u>Township Attorney:</u>						
Other Expenses	250,000.00	320,000.00	280,605.56		39,394.44	
<u>Municipal Prosecutor:</u>						
Other Expenses	40,000.00	40,000.00	34,333.30		5,666.70	
<u>Closing Costs for Foreclosed Properties:</u>						
Other Expenses	10,000.00	10,000.00	10,000.00			
<u>OTHER</u>						
<u>Municipal Court:</u>						
Salaries and Wages	300,000.00	300,000.00	295,019.51		4,980.49	
Other Expenses	28,000.00	28,000.00	26,384.12	1,615.88	0.00	

TOWNSHIP OF MANCHESTER
CURRENT FUND

STATEMENT OF EXPENDITURES - REGULATORY BASIS

A-3
Sheet #4

Appropriations	Appropriations		Paid or Charged	Reserved		Unexpended Balance Cancelled
	Budget	Modified Budget		Encumbered	Unencumbered	
<u>APPROPRIATIONS WITHIN "CAPS"</u>						
<u>OTHER</u>						
Public Defender (P.L. 1997, C.256):						
Salaries and Wages	\$ 18,500.00	\$ 18,500.00	\$ 1,562.50	\$	\$ 16,937.50	\$
Hepatitis Inoculation Program:						
Other Expenses	5,000.00	5,000.00	880.00	4,120.00		
OSHA Requirements - Respirator Testing:						
Other Expenses	7,500.00	7,500.00	240.00	2,515.00	4,745.00	
Insurance:						
General Liability	630,000.00	620,000.00	586,039.44		33,960.56	
Worker's Compensation	890,000.00	890,000.00	880,898.59	252.00	8,849.41	
Employee Group Health	4,648,800.00	4,648,800.00	4,335,619.92	1,914.34	311,265.74	
Employee Opt-Out Payments	325,000.00	325,000.00	294,652.14		30,347.86	
<u>DEPARTMENT OF UNIFORM CONSTRUCTION CODE</u>						
Uniform Construction Code:						
Salaries and Wages	350,000.00	350,000.00	322,075.77		27,924.23	
Other Expenses	90,000.00	75,000.00	41,278.81	10,705.29	23,015.90	
<u>UNCLASSIFIED</u>						
Utilities:						
Gasoline	450,000.00	493,000.00	424,187.46	57,723.72	11,088.82	
Electricity	250,000.00	250,000.00	233,366.67		16,633.33	
Telephone	155,000.00	165,000.00	153,552.47	5,625.65	5,821.88	
Natural Gas	40,000.00	20,000.00	16,401.00		3,599.00	
Heating Oil	8,000.00	8,000.00			8,000.00	
Street Lighting	170,000.00	170,000.00	78,443.81		91,556.19	
Condominium Service Act	500,000.00	360,000.00	357,888.21		2,111.79	
Accumulated Leave Compensation	45,000.00	45,000.00	4,135.50		40,864.50	
Total Operations	22,913,100.00	22,912,100.00	21,392,538.71	288,993.12	1,220,568.17	

TOWNSHIP OF MANCHESTER
CURRENT FUND

STATEMENT OF EXPENDITURES - REGULATORY BASIS

A-3
Sheet #5

	Appropriations		Paid or Charged	Reserved		Unexpended Balance Cancelled
	Budget	Modified Budget		Encumbered	Unencumbered	
APPROPRIATIONS WITHIN "CAPS"						
Detail:						
Salaries and Wages	\$ 11,828,500.00	\$ 11,890,500.00	\$ 11,510,830.08	\$ 379,669.92	\$	
Other Expenses	11,084,600.00	11,021,600.00	9,881,708.63	298,993.12	840,898.25	
STATUTORY EXPENDITURES						
Contribution to:						
Police and Firemen's Retirement System of N.J.	1,656,176.00	1,656,176.00	1,656,176.00			
Unemployment Insurance	19,000.00	19,000.00	19,000.00			
Defined Contribution Retirement Program	2,600.00	2,600.00	1,692.05	15.51	892.44	
Reserve for N.J. Unemployment Trust	652,551.00	652,551.00	652,551.00			
Public Employees' Retirement System	1,000,000.00	1,000,000.00	894,568.48		105,431.52	
Social Security System (OASDI)	3,330,327.00	3,330,327.00	3,223,987.53	15.51	106,323.96	
Total Appropriations Within "CAPS"	26,243,427.00	26,242,427.00	24,616,526.24	299,008.63	1,326,892.13	
APPROPRIATIONS EXCLUDED FROM "CAPS"						
OTHER OPERATIONS						
LOSAP	140,000.00	140,000.00	100,050.00		39,950.00	
Insurance - Group (Outside)	221,200.00	221,200.00	221,200.00			
Reserve for Tax Appeals	100,000.00	100,000.00	57,125.47		42,874.53	
Total Other Operations - Excluded from "CAPS"	461,200.00	461,200.00	378,375.47		82,824.53	
STATE AND FEDERAL PROGRAMS						
OFFSET BY REVENUES						
Senior Outreach Program:						
Salaries and Wages	125,000.00	125,000.00	125,000.00			
Local Match	381,450.00	381,450.00	381,450.00			
Bulletproof Vest Program	7,806.57	7,806.57	7,806.57			

TOWNSHIP OF MANCHESTER
CURRENT FUND

STATEMENT OF EXPENDITURES - REGULATORY BASIS

A-3
Sheet #6

Appropriations	Appropriations		Reserved		Unexpended Balance Cancelled
	Budget	Modified Budget	Encumbered	Unencumbered	Unexpended Balance Cancelled
	\$	\$	\$	\$	\$
<u>APPROPRIATIONS EXCLUDED FROM "CAPS"</u>					
<u>STATE AND FEDERAL PROGRAMS</u>					
<u>OFFSET BY REVENUES</u>					
Drunk Driving Enforcement Fund	10,998.42	10,998.42			
Drive Sober or Get Pulled Over	4,400.00	4,400.00			
Clean Communities Grant:					
Salaries and Wages	96,876.06	96,876.06			
Municipal Drug Alliance:					
Other Expenses	16,840.00	16,840.00			
Body Armor Grant	1,869.98	1,869.98			
NJDOT Colonial Drive	250,000.00	250,000.00			
NJDOT First and Second Avenue Grant	200,000.00	200,000.00			
Total Public and Private Programs Offset by Revenues	1,095,241.03	1,095,241.03			
Total Operations Excluded from "CAPS"	1,556,441.03	1,556,441.03	82,824.53	82,824.53	
<u>Detail:</u>					
Salaries and Wages	605,196.04	221,876.06			
Other Expenses	951,244.99	1,334,564.97			
Capital Improvements					
Capital Improvement Fund	75,000.00	75,000.00			
<u>MUNICIPAL DEBT SERVICE</u>					
Payment of Bond Principal	1,048,000.00	1,048,000.00			
Interest on Bonds	466,985.00	466,985.00			
Interest on Bond and Capital Notes	300,000.00	300,000.00			
Interest on Notes	73,720.00	73,720.00			
Green Trust Loan Program:					
Loan Repayment for Principal and Interest	149,122.00	150,122.00			
	2,037,827.00	2,038,827.00	1,963,014.22	1,963,014.22	72,615.00
					3,196.45
					1.33
					75,812.78

TOWNSHIP OF MANCHESTER
CURRENT FUND

STATEMENT OF EXPENDITURES - REGULATORY BASIS

A-3
Sheet #7

Appropriations	Appropriations		Paid or Charged	Reserved		Unexpended Balance Cancelled
	Budget	Modified Budget		Encumbered	Unencumbered	
APPROPRIATIONS EXCLUDED FROM "CAPS"						
Deferred Charges:						
Special Emergency Authorizations:						
5 Years (N.J.S. 40A:4-55)	\$ 105,000.00	\$ 105,000.00	\$ 105,000.00	\$	\$	\$
3 Years (N.J.S. 40A:4-55.1 and 40A:4-55.13)	60,000.00	60,000.00	60,000.00			
	3,834,268.03	3,835,268.03	3,676,630.72		82,824.53	75,812.78
Total General Appropriations for Municipal Purposes Excluded from "CAPS"						
Sub-Total General Appropriations	30,077,695.03	30,077,695.03	28,293,156.96	299,008.63	1,409,716.66	75,812.78
Reserve for Uncollected Taxes	1,342,941.74	1,342,941.74	1,342,941.74			
Total General Appropriations	\$ 31,420,636.77	\$ 31,420,636.77	\$ 29,636,098.70	\$ 299,008.63	\$ 1,409,716.66	\$ 75,812.78
		<u>Below</u>	<u>Below</u>	<u>A</u>	<u>A</u>	<u>Below</u>
Ref.						
Adopted Budget		\$ 31,420,636.77	\$			
Reserve for Uncollected Taxes	A-2		1,342,941.74			
Cash Expended	A-2a	(1,342,941.74)	27,032,915.93			
Matching Funds for Federal and State Grants	A-4					
Deferred Charges	A-4,27		381,450.00			
Reserve for Federal and State Grants	A-12		165,000.00			
Cancelled	A-27		713,791.03			
	Above	(75,812.78)				
Above, A-1		\$ 30,001,882.25	\$ 29,636,098.70			

See accompanying notes to financial statements.

TOWNSHIP OF MANCHESTER
TRUST FUND

BALANCE SHEET - REGULATORY BASIS

B

<u>ASSETS</u>	<u>Ref.</u>	<u>Balance</u> <u>Dec. 31, 2013</u>
<u>Animal Control Trust Fund</u>		
Cash	B-1	\$ 53,341.79
<u>General Trust Fund</u>		
Cash:		
Special Deposits/Performance Bonds	B-1	2,247,599.29
Affordable Housing Trust Fund	B-1	808,807.38
Redemption Trust Fund	B-1	524,689.66
State Unemployment Compensation Insurance Trust Fund	B-1	211,200.53
Police Drug Enforcement Trust Account	B-1	29,792.02
Municipal Drug Alliance	B-1	3,393.44
Public Defender Trust Fund	B-1	49,153.32
Manchester Day Trust Fund	B-1	11,982.80
Open Space Trust Fund	B-1	167,992.26
Recreation Trust Fund	B-1	12,292.99
		<u>4,066,903.69</u>
Due (To)/From Current Fund	B-7	100,502.85
		<u>4,167,406.54</u>
		<u>\$ 4,220,748.33</u>
 <u>LIABILITIES, RESERVES AND FUND BALANCE</u>		
<u>Animal Control Trust Fund</u>		
Due to State of New Jersey	B-3	\$ 77.20
Prepaid Licenses	B-4	18,673.80
Due to Current Fund	B-5	10,453.19
Reserve for Animal Control Expenditures	B-6	24,137.60
		<u>53,341.79</u>
 <u>General Trust Fund</u>		
Manchester Day Trust Fund	B-8	11,982.80
Deposits for Redemption of Tax Title Liens	B-9	524,689.66
Special Deposits	B-10	2,236,309.14
State Unemployment Compensation Insurance Trust Fund	B-11	211,200.53
Police Drug Enforcement Trust Account	B-12	29,792.02
Municipal Drug Alliance	B-13	3,393.44
Public Defender Fees	B-14	49,153.32
Open Space Trust Fund	B-15	167,992.26
Recreation Trust Fund	B-16	12,292.99
Retirement Pay	B-18	863.50
Affordable Housing Trust	B-19	919,736.88
		<u>4,167,406.54</u>
		<u>\$ 4,220,748.33</u>

See accompanying notes to financial statements.

TOWNSHIP OF MANCHESTER
GENERAL CAPITAL FUND

BALANCE SHEET - REGULATORY BASIS

C

<u>ASSETS AND DEFERRED CHARGES</u>	<u>Ref.</u>	<u>Balance</u> <u>Dec. 31, 2013</u>
Cash	C-2	\$ 1,464,983.54
Interfunds Receivable	C-4	95,000.00
Deferred Charges to Future Taxation:		
Funded	C-5	11,360,125.71
Unfunded	C-6	5,880,986.21
		<u>\$ 18,801,095.46</u>
<u>LIABILITIES, RESERVES AND FUND BALANCE</u>		
General Serial Bonds	C-11	\$ 10,300,000.00
Bond Anticipation Notes	C-10	5,430,215.00
Green Acres Loan Payable	C-7	1,060,125.71
Capital Improvement Fund	C-8	551,205.45
Improvement Authorizations:		
Funded	C-9	203,394.85
Unfunded	C-9	855,773.32
Fund Balance	C-1	400,381.13
		<u>\$ 18,801,095.46</u>
Bonds and Notes Authorized but Not Issued	C-12	<u>\$ 538,606.50</u>

See accompanying notes to financial statements.

TOWNSHIP OF MANCHESTER
GENERAL CAPITAL FUND

STATEMENT OF FUND BALANCE - REGULATORY BASIS

C-1

	<u>Ref.</u>		
Balance December 31, 2012			\$ 335,650.34
Increased by:			
Premium on Sale of Notes	C-2	\$ 5,432.00	
Cancelled Improvement Authorizations	C-9	<u>59,298.79</u>	
			<u>64,730.79</u>
Balance December 31, 2013	C		<u>\$ 400,381.13</u>

See accompanying notes to financial statements.

TOWNSHIP OF MANCHESTER
WATER UTILITY EASTERN SERVICE

BALANCE SHEET - REGULATORY BASIS

D
Sheet #1

<u>ASSETS</u>	<u>Ref.</u>	<u>Balance</u> <u>Dec. 31, 2013</u>
<u>Operating Fund</u>		
Cash:		
Checking	D-5	\$ 503,836.87
Escrow	D-5	327,028.97
		<u>830,865.84</u>
Receivables and Inventory with Full Reserves:		
Consumer Accounts Receivable	D-7	176,572.21
Water Liens	D-8	3,437.39
Connection Fees Receivable	D-9	3,530.00
Inventory	D-10	142,120.22
		<u>325,659.82</u>
		<u>1,156,525.66</u>
<u>Capital Fund</u>		
Cash - Checking	D-5	2,258,740.39
Fixed Capital	D-11	9,978,577.73
Fixed Capital Authorized and Uncompleted	D-12	204,105.45
		<u>12,441,423.57</u>
		<u>\$13,597,949.23</u>

TOWNSHIP OF MANCHESTER
WATER UTILITY EASTERN SERVICE

BALANCE SHEET - REGULATORY BASIS

D
Sheet #2

<u>LIABILITIES, RESERVES AND FUND</u> <u>BALANCE</u>	<u>Ref.</u>	<u>Balance</u> <u>Dec. 31, 2013</u>
<u>Operating Fund</u>		
Liabilities:		
Appropriation Reserves:		
Encumbered	D-4	\$ 134,465.63
Unencumbered	D-4	127,819.61
Interfunds Payable	D-13	606.75
Reserve for Accrued Interest on Bonds	D-15	13,959.97
Reserve for Escrow Deposits	D-16	327,028.97
		603,880.93
Reserve for Receivables and Inventory		325,659.82
Fund Balance	D-1	226,984.91
		1,156,525.66
 <u>Capital Fund</u>		
Serial Bonds	D-21	1,420,000.00
Capital Improvement Fund	D-17	2,017,889.94
Reserve for Amortization	D-18	7,600,760.00
Deferred Reserve for Amortization	D-19	1,161,923.18
Improvement Authorizations:		
Funded	D-20	204,105.45
Fund Balance	D-2	36,745.00
		12,441,423.57
		\$13,597,949.23

See accompanying notes to financial statements.

TOWNSHIP OF MANCHESTER
WATER UTILITY EASTERN SERVICE

STATEMENT OF OPERATIONS AND
CHANGE IN FUND BALANCE - REGULATORY BASIS

D-1

	<u>Ref.</u>	<u>Year 2013</u>
<u>Revenue and Other Income</u>		
Fund Balance Utilized	D-3,Below	\$ 500,000.00
Water Rents and Liens	D-3	1,978,609.79
Miscellaneous Revenue	D-3	170,527.52
Other Credits to Income:		
Appropriation Reserves Lapsed	D-14	64,384.03
		<u>2,713,521.34</u>
 <u>Expenditures</u>		
Budget Appropriations:		
Operating:		
Salaries and Wages		675,000.00
Other Expenses		1,384,869.00
Debt Service		515,000.00
Statutory Expenditures		58,000.00
	D-4	<u>2,632,869.00</u>
Excess in Revenue		80,652.34
 <u>Fund Balance</u>		
Balance July 1		646,332.57
		<u>726,984.91</u>
 Decreased by:		
Utilized as Anticipated Revenue	Above	500,000.00
		<u>500,000.00</u>
Balance December 31, 2013	D	<u>\$ 226,984.91</u>

See accompanying notes to financial statements.

TOWNSHIP OF MANCHESTER
WATER UTILITY EASTERN SERVICE

STATEMENT OF CAPITAL FUND BALANCE - REGULATORY BASIS

D-2

	<u>Ref.</u>	
Balance December 31, 2012		<u>\$36,745.00</u>
Balance December 31, 2013	D	<u><u>\$36,745.00</u></u>

See accompanying notes to financial statements.

TOWNSHIP OF MANCHESTER
WATER UTILITY EASTERN SERVICE

STATEMENT OF REVENUE
OPERATING FUND - REGULATORY BASIS

D-3

	<u>Ref.</u>	<u>Anticipated</u>	<u>Realized</u>	<u>Excess or (Deficit)</u>
Fund Balance Utilized	D-1	\$ 500,000.00	\$ 500,000.00	\$
Rents and Liens	D-1,7	2,122,926.00	1,978,609.79	(144,316.21)
Miscellaneous	D-1,Below	<u>84,943.00</u>	<u>170,527.52</u>	<u>85,584.52</u>
Total Budget	D-4	<u>\$ 2,707,869.00</u>	<u>\$ 2,649,137.31</u>	<u>\$ (58,731.69)</u>
 <u>Analysis of Miscellaneous Revenue</u>				
Other Revenue:				
Connection Fees	D-9	\$	\$ 111,661.00	
Interest Earned in Water Eastern Section	D-13		2,994.00	
Interest on Deposits		4,413.99		
Service Charges		350.00		
Meter Fees		11,050.00		
Turn Off Fees		438.99		
Water Permit Fees		3,325.00		
Interest on Delinquent Accounts		10,602.47		
Water Application		400.00		
Escrow Charges		<u>25,292.07</u>		
	D-5		<u>55,872.52</u>	
	Above		<u>\$ 170,527.52</u>	

See accompanying notes to financial statements.

TOWNSHIP OF MANCHESTER
WATER UTILITY EASTERN SERVICE

D-4

STATEMENT OF EXPENDITURES - REGULATORY BASIS

	<u>CY 2013 Budget Appropriation</u>	<u>CY 2013 Modified Budget</u>	<u>Paid or Charged</u>	<u>Reserved</u>	<u>Balance Cancelled</u>
				<u>Encumbered</u>	<u>Unencumbered</u>
<u>Operating</u>					
Salaries and Wages	\$ 750,000.00	\$ 750,000.00	\$ 619,045.53	\$ 55,954.47	\$ 75,000.00
Other Expenses	1,384,869.00	1,384,869.00	1,189,181.25	134,465.63	61,222.12
	<u>2,134,869.00</u>	<u>2,134,869.00</u>	<u>1,808,226.78</u>	<u>134,465.63</u>	<u>117,176.59</u>
<u>Debt Service</u>					
Bond Principal	435,000.00	435,000.00	435,000.00		
Interest on Bonds	80,000.00	80,000.00	80,000.00		
	<u>515,000.00</u>	<u>515,000.00</u>	<u>515,000.00</u>		
<u>Statutory Expenditures</u>					
Contribution to:					
Social Security System	58,000.00	58,000.00	47,356.98	10,643.02	
	<u>\$ 2,707,869.00</u>	<u>\$ 2,707,869.00</u>	<u>\$ 2,370,583.76</u>	<u>\$ 134,465.63</u>	<u>\$ 75,000.00</u>
<u>Reference</u>	<u>D-3</u>	<u>Below</u>	<u>Below</u>	<u>D</u>	<u>D</u>
<u>Ref.</u>					
Modified Budget	Above	\$ 2,707,869.00	\$		
Cancelled	Above	(75,000.00)			
Cash Disbursed	D-5		2,290,583.76		
Accrued Interest on Bonds	D-15		80,000.00		
	D-1, Above	<u>\$ 2,632,869.00</u>	<u>\$ 2,370,583.76</u>		

See accompanying notes to financial statements.

TOWNSHIP OF MANCHESTER
PUBLIC ASSISTANCE TRUST FUND

BALANCE SHEET - REGULATORY BASIS

E

<u>ASSETS</u>	<u>Ref.</u>	<u>Balance</u> <u>Dec. 31, 2013</u>
<u>Trust Fund Account #1</u>		
Cash	E-1	\$ 2,638.89
<u>Discretionary Fund</u>		
Cash	E-1	<u>533.61</u>
		<u>\$ 3,172.50</u>
 <u>LIABILITIES AND FUND BALANCE</u>		
<u>Trust Fund Account #1</u>		
Reserve for Public Assistance Expenditures	E-2	\$ 2,638.89
<u>Discretionary Fund</u>		
Reserve for Discretionary Trust Expenditures	E-3	<u>533.61</u>
		<u>\$ 3,172.50</u>

See accompanying notes to financial statements.

TOWNSHIP OF MANCHESTER
SEWER UTILITY EASTERN SERVICE

BALANCE SHEET - REGULATORY BASIS

F
Sheet #1

<u>ASSETS</u>	<u>Ref.</u>	<u>Balance</u> <u>Dec. 31, 2013</u>
<u>Operating Fund</u>		
Cash - Checking	F-5	\$ 2,934,021.56
Cash - Escrow	F-5	207,905.25
		<u>3,141,926.81</u>
Interfunds Receivable	F-8	<u>1,557.52</u>
Receivables and Inventory with Full Reserves:		
Consumer Accounts Receivable	F-9	131,093.76
Connection Fees Receivable	F-10	4,805.00
Inventory	F-11	28,739.09
		<u>164,637.85</u>
		<u>3,308,122.18</u>
<u>Capital Fund</u>		
Cash - Checking	F-5	2,492,402.87
Investment	F-6	430,000.00
Fixed Capital	F-12	11,905,092.90
		<u>14,827,495.77</u>
		<u>\$18,135,617.95</u>

TOWNSHIP OF MANCHESTER
SEWER UTILITY EASTERN SERVICE

BALANCE SHEET - REGULATORY BASIS

F
Sheet #2

<u>LIABILITIES, RESERVES AND FUND BALANCE</u>	<u>Ref.</u>	<u>Balance Dec. 31, 2013</u>
<u>Operating Fund</u>		
Liabilities:		
Appropriation Reserves:		
Encumbered	F-4	\$ 37,512.70
Unencumbered	F-4	523,656.93
Reserve for Escrow Deposits	F-14	207,905.25
Accounts Payable	F-15	100,000.00
Accrued Interest on Bonds	F-16	15,882.95
Accrued Interest on Waste Water Loan	F-17	25,550.38
		<u>910,508.21</u>
Reserve for Receivables and Inventory		164,637.85
Fund Balance	F-1	2,232,976.12
		<u>3,308,122.18</u>
 <u>Capital Fund</u>		
Serial Bonds	F-22	1,575,000.00
Due to Sewer Operating Eastern Service	F-18	950.77
Capital Improvement Fund	F-19	2,917,637.10
Due to State of New Jersey - Waste Water		
Treatment Loan Payable	F-20	175,000.00
Reserve for Amortization	F-21	10,155,092.90
Fund Balance	F-2	3,815.00
		<u>14,827,495.77</u>
		<u>\$18,135,617.95</u>

See accompanying notes to financial statements.

TOWNSHIP OF MANCHESTER
SEWER UTILITY EASTERN SERVICE

STATEMENT OF OPERATIONS AND
CHANGE IN FUND BALANCE - REGULATORY BASIS

F-1

	<u>Ref.</u>	<u>Year 2013</u>
<u>Revenue and Other Income</u>		
Fund Balance Utilized	F-3	\$1,000,000.00
Sewer Rents	F-3	3,281,577.74
Miscellaneous Revenue	F-3	163,666.51
Other Credits:		
Appropriation Reserves Lapsed	F-13	62,054.00
		<u>4,507,298.25</u>
 <u>Expenditures</u>		
Budget Appropriations:		
Operating:		
Salaries and Wages		780,000.00
Other Expenses		2,497,100.00
Debt Service		670,427.57
Statutory Expenditures		64,000.00
	F-4	<u>4,011,527.57</u>
 Excess in Revenue		 495,770.68
 <u>Fund Balance</u>		
Balance June 30		2,737,205.44
		<u>3,232,976.12</u>
 Decreased by:		
Fund Balance Utilized	Above	<u>1,000,000.00</u>
Balance December 31	F	<u>\$2,232,976.12</u>

See accompanying notes to financial statements.

TOWNSHIP OF MANCHESTER
SEWER UTILITY EASTERN SERVICE

STATEMENT OF CAPITAL FUND BALANCE - REGULATORY BASIS

F-2

	<u>Ref.</u>	
Balance December 31, 2012		<u>\$3,815.00</u>
Balance December 31, 2013	F	<u>\$3,815.00</u>

See accompanying notes to financial statements.

TOWNSHIP OF MANCHESTER
SEWER UTILITY EASTERN SERVICE

STATEMENT OF REVENUE
OPERATING FUND - REGULATORY BASIS

F-3

	<u>Ref.</u>	<u>Anticipated</u>	<u>Realized</u>	<u>Excess or (Deficit)</u>
Fund Balance Utilized	F-1	\$ 1,000,000.00	\$ 1,000,000.00	\$
User Fees	F-1,9	3,339,150.00	3,281,577.74	(57,572.26)
Miscellaneous	F-1, Below	<u>85,850.00</u>	<u>163,666.51</u>	<u>77,816.51</u>
Total Budget	F-4	<u>\$ 4,425,000.00</u>	<u>\$ 4,445,244.25</u>	<u>\$ 20,244.25</u>
 <u>Analysis of Miscellaneous Revenue</u>				
Other Revenue:				
Interest Earned in Sewer Capital Eastern Service Fund	F-8	\$	\$ 3,742.60	
Connection Fees	F-10		110,224.00	
Permit Fees		3,825.00		
Lateral Fees		100.00		
Interest Earned		7,181.00		
Application Fees		500.00		
Interest on Delinquent Accounts		9,177.31		
Escrow Charges		<u>28,916.60</u>		
	F-5		<u>49,699.91</u>	
	Above		<u>\$ 163,666.51</u>	

See accompanying notes to financial statements.

TOWNSHIP OF MANCHESTER
SEWER UTILITY EASTERN SERVICE

STATEMENT OF EXPENDITURES - REGULATORY BASIS

F-4

	CY 2013 Budget Appropriation	Paid or Charged	Encumbered	Reserved Unencumbered	Balance Cancelled
<u>Operating</u>					
Salaries and Wages	\$ 780,000.00	\$ 512,099.93	\$ 37,512.70	\$ 267,900.07	\$ 400,000.00
Other Expenses	2,897,100.00	2,228,654.79	37,512.70	230,932.51	400,000.00
	<u>3,677,100.00</u>	<u>2,740,754.72</u>	<u>37,512.70</u>	<u>498,832.58</u>	<u>400,000.00</u>
<u>Debt Service</u>					
Payment of Bond Principal	485,000.00	485,000.00			
Interest on Bonds	88,000.00	88,000.00			
Waste Water Loan - Principal	105,000.00	91,562.57			13,437.43
Waste Water Loan - Interest	5,900.00	5,865.00			35.00
	<u>683,900.00</u>	<u>670,427.57</u>			<u>13,472.43</u>
<u>Statutory Expenditures</u>					
Contribution to:					
Social Security System (OASI)	64,000.00	39,175.65		24,824.35	
	<u>\$ 4,425,000.00</u>	<u>\$ 3,450,357.94</u>	<u>\$ 37,512.70</u>	<u>\$ 523,656.93</u>	<u>\$ 413,472.43</u>
	Reference Below	Below	F	F	Below
<u>Ref.</u>					
Adopted Budget	\$ 4,425,000.00	\$			
Cancelled	(413,472.43)				
Cash Disbursed		3,362,357.94			
Accrued Interest on Bonds		88,000.00			
	<u>\$ 4,011,527.57</u>	<u>\$ 3,450,357.94</u>			
	Reference F-1	Above			

TOWNSHIP OF MANCHESTER
PAYROLL FUND

BALANCE SHEET - REGULATORY BASIS

G

<u>ASSETS</u>	<u>Ref.</u>	<u>Balance</u> <u>Dec. 31, 2013</u>
Cash	G-1	<u>\$ 51,215.77</u>
 <u>LIABILITIES</u>		
Payroll Deductions Payable	G-2	<u>\$ 51,215.77</u>

See accompanying notes to financial statements.

TOWNSHIP OF MANCHESTER
WATER UTILITY WESTERN SERVICE

BALANCE SHEET - REGULATORY BASIS

H
Sheet #1

<u>ASSETS</u>	<u>Ref.</u>	<u>Balance</u> <u>Dec. 31, 2013</u>
<u>Operating Fund</u>		
Cash:		
Checking	H-4	\$ 1,955,352.48
Change Fund	H-6	60.00
Interfunds Receivable	H-7	7,406.78
		<u>1,962,819.26</u>
Receivables and Inventory with Full Reserves:		
Consumer Accounts Receivable	H-8	250,493.68
Water Liens	H-9	183.37
Inventory	Reserve	67,818.36
		<u>318,495.41</u>
Total Operating Fund		<u>2,281,314.67</u>
<u>Capital Fund</u>		
Cash - Checking	H-4	615,089.34
Fixed Capital	H-10	14,940,703.77
Fixed Capital Authorized and Uncompleted	H-11	614,296.23
		<u>16,170,089.34</u>
		<u>\$18,451,404.01</u>

TOWNSHIP OF MANCHESTER
WATER UTILITY WESTERN SERVICE

BALANCE SHEET - REGULATORY BASIS

H
Sheet #2

LIABILITIES, RESERVES AND FUND BALANCE	Ref.	Balance Dec. 31, 2013
<u>Operating Fund</u>		
Liabilities:		
Appropriation Reserves:		
Encumbered	H-3	\$ 45,152.00
Unencumbered	H-3	128,898.89
Interfunds Payable	H-13	4,862.88
Reserve for Accrued Interest on Bonds	H-14	253,467.00
		432,380.77
Reserve for Receivables and Inventory		318,495.41
Fund Balance	H-1	1,530,438.49
		2,281,314.67
 <u>Capital Fund</u>		
Serial Bonds Payable	H-18	15,400,000.00
Due to Water Operating Western Service Fund	H-15	793.11
Improvement Authorizations:		
Funded	H-16	614,296.23
Reserve for Amortization	H-17	155,000.00
		16,170,089.34
		\$18,451,404.01

See accompanying notes to financial statements.

TOWNSHIP OF MANCHESTER
WATER UTILITY WESTERN SERVICE

STATEMENT OF OPERATIONS AND
CHANGE IN FUND BALANCE - REGULATORY BASIS

H-1

	<u>Ref.</u>	<u>Year 2013</u>
<u>Revenue and Other Income</u>		
Fund Balance Utilized	H-2,Below	\$ 200,000.00
Water Rents	H-2	2,079,384.70
Nonbudget Revenue	H-2	14,551.37
Other Credits to Income:		
Appropriation Reserve Lapsed	H-12	10,096.48
		<u>2,304,032.55</u>
 <u>Expenditures</u>		
Budget Appropriations:		
Operating:		
Salaries and Wages		540,000.00
Other Expenses		598,795.29
Debt Service		841,204.71
Statutory Expenditures		45,000.00
	H-3	<u>2,025,000.00</u>
Excess in Revenue		279,032.55
 <u>Fund Balance</u>		
Balance July 1		1,451,405.94
		<u>1,730,438.49</u>
 Decreased by:		
Utilized as Anticipated Revenue	Above	<u>200,000.00</u>
Balance December 31	H	<u>\$ 1,530,438.49</u>

See accompanying notes to financial statements.

TOWNSHIP OF MANCHESTER
WATER UTILITY WESTERN SERVICE

STATEMENT OF EXPENDITURES - REGULATORY BASIS

H-3

	<u>CY 2013</u>	<u>Modified</u>	<u>Expended</u>			
	<u>Budget</u>	<u>Budget</u>	<u>Charged</u>	<u>Encumbered</u>	<u>Unencumbered</u>	<u>Cancelled</u>
	<u>Appropriation</u>	<u>Budget</u>	<u>or</u>	<u>Encumbered</u>	<u>Unencumbered</u>	<u>Cancelled</u>
			<u>Paid or</u>			
			<u>Charged</u>			
<u>Operating</u>						
Salaries and Wages	\$ 540,000.00	\$ 540,000.00	\$ 522,507.70	\$ 45,152.00	\$ 17,492.30	\$ 75,000.00
Other Expenses	673,795.29	673,795.29	447,264.85	45,152.00	106,378.44	75,000.00
	<u>1,213,795.29</u>	<u>1,213,795.29</u>	<u>969,772.55</u>	<u>45,152.00</u>	<u>123,870.74</u>	<u>75,000.00</u>
<u>Debt Service</u>						
Serial Bonds	80,000.00	80,000.00	80,000.00			
Interest on Bonds	761,204.71	761,204.71	761,204.71			
	<u>841,204.71</u>	<u>841,204.71</u>	<u>841,204.71</u>			
<u>Statutory Expenditures</u>						
Contribution to:						
Social Security System	45,000.00	45,000.00	39,971.85		5,028.15	
	<u>\$ 2,100,000.00</u>	<u>\$ 2,100,000.00</u>	<u>\$ 1,850,949.11</u>	<u>\$ 45,152.00</u>	<u>\$ 128,898.89</u>	<u>\$ 75,000.00</u>
	<u>H-2</u>		<u>Below H-1</u>	<u>H, H-1</u>	<u>H, H-1</u>	<u>H-1 Reserve</u>
		<u>Ref.</u>				
Cash Disbursed		H-4	\$ 1,089,744.40			
Accrued Interest on Bonds		H-14	761,204.71			
		Above	<u>\$ 1,850,949.11</u>			

See accompanying notes to financial statements.

TOWNSHIP OF MANCHESTER
SEWER UTILITY WESTERN SERVICE

BALANCE SHEET - REGULATORY BASIS

I

<u>ASSETS</u>	<u>Ref.</u>	<u>Balance</u> <u>Dec. 31, 2013</u>
<u>Operating Fund</u>		
Cash	I-4	\$ 725,028.66
Receivables and Inventory with Full Reserves:		
Consumer Accounts Receivable	I-6	287,726.48
Utility Western Liens	I-7	364.81
Inventory	Reserve	43,458.80
Interfunds Receivable	I-8	5,045.86
		<u>1,061,624.61</u>
<u>Capital Fund</u>		
Cash:		
Checking	I-4	127,908.59
Fixed Capital	I-9	5,057,274.39
Fixed Capital Authorized and Uncompleted	I-10	127,725.61
		<u>5,312,908.59</u>
		<u>\$ 6,374,533.20</u>
 <u>LIABILITIES, RESERVES AND FUND BALANCE</u>		
<u>Operating Fund</u>		
Liabilities:		
Appropriation Reserves:		
Encumbered	I-3	\$ 27,071.10
Reserved	I-3	51,097.42
Accrued Interest on Bonds	I-12	86,400.00
		<u>164,568.52</u>
Reserve for Receivables and Inventory		331,550.09
Fund Balance	I-1	565,506.00
		<u>1,061,624.61</u>
<u>Capital Fund</u>		
Bonds Payable	I-16	5,124,000.00
Reserve for Amortization	I-15	61,000.00
Due to Sewer Operating Western Service	I-13	182.98
Improvement Authorizations:		
Funded	I-14	127,725.61
		<u>5,312,908.59</u>
		<u>\$ 6,374,533.20</u>

See accompanying notes to financial statements.

TOWNSHIP OF MANCHESTER
SEWER UTILITY WESTERN SERVICE

STATEMENT OF OPERATIONS AND
CHANGE IN FUND BALANCE - REGULATORY BASIS

I-1

	<u>Ref.</u>	<u>Year 2013</u>
<u>Revenue and Other Income</u>		
Fund Balance Utilized	I-2	\$ 325,000.00
Sewer Rents and Liens	I-2	2,151,275.74
Miscellaneous Revenue	I-2	56,189.88
Other Credits:		
Appropriation Reserve Lapsed	I-11	49,083.89
		<u>2,581,549.51</u>
 <u>Expenditures</u>		
Budget Appropriations:		
Operating:		
Salaries and Wages		315,000.00
Other Expenses		1,663,700.30
Debt Service		286,299.70
Statutory Expenditures		25,000.00
	I-3	<u>2,290,000.00</u>
Excess in Revenue		291,549.51
 <u>Fund Balance</u>		
Balance December 31		598,956.49
		<u>890,506.00</u>
 Decreased by:		
Utilized as Anticipated Revenue	Above	325,000.00
		<u>325,000.00</u>
Balance December 31	I	<u>\$ 565,506.00</u>

See accompanying notes to financial statements.

TOWNSHIP OF MANCHESTER
SEWER UTILITY WESTERN SERVICE

STATEMENT OF REVENUE
OPERATING FUND - REGULATORY BASIS

I-2

	<u>Ref.</u>	<u>Anticipated</u>	<u>Realized</u>	<u>Excess</u>
Fund Balance Utilized	I-1	\$ 325,000.00	\$ 325,000.00	\$
User Fees	I-1,6	2,075,000.00	2,151,275.74	76,275.74
Miscellaneous	I-1,Below	<u>40,000.00</u>	<u>56,189.88</u>	<u>16,189.88</u>
Total Budget	I-3	<u>\$ 2,440,000.00</u>	<u>\$ 2,532,465.62</u>	<u>\$ 92,465.62</u>

Analysis of Miscellaneous Revenue

	<u>Ref.</u>	
Cash Receipts	I-4	\$ 56,168.16
Interest Earned on Sewer Utility Western Service	I-8	<u>21.72</u>
	Above	<u>\$ 56,189.88</u>

See accompanying notes to financial statements.

TOWNSHIP OF MANCHESTER
SEWER UTILITY WESTERN SERVICE

I-3

STATEMENT OF EXPENDITURES - REGULATORY BASIS

	CY 2013		Expended		Reserved	Balance Cancelled
	Budget Appropriation	Modified Budget	Paid or Charged	Encumbered		
<u>Operating</u>						
Salaries and Wages	\$ 300,000.00	\$ 315,000.00	\$ 299,995.09	\$ 27,071.10	\$ 15,004.91	\$ 75,000.00
Other Expenses	1,756,700.30	1,738,700.30	1,602,587.06	27,071.10	34,042.14	75,000.00
	<u>2,056,700.30</u>	<u>2,053,700.30</u>	<u>1,902,582.15</u>	<u>27,071.10</u>	<u>49,047.05</u>	<u>75,000.00</u>
<u>Capital Improvements</u>						
Capital Improvement Fund	75,000.00	75,000.00				<u>75,000.00</u>
<u>Debt Service</u>						
Payment of Bonds	36,000.00	36,000.00	36,000.00			
Interest on Bonds	250,299.70	250,299.70	250,299.70			
	<u>286,299.70</u>	<u>286,299.70</u>	<u>286,299.70</u>			
<u>Statutory Expenditures</u>						
Contribution to:						
Social Security System	22,000.00	25,000.00	22,949.63		2,050.37	
	<u>\$2,440,000.00</u>	<u>\$2,440,000.00</u>	<u>\$2,211,831.48</u>	<u>\$ 27,071.10</u>	<u>\$ 51,097.42</u>	<u>\$ 150,000.00</u>
<u>Reference</u>	I-2		Below, I-1	I, I-1	I, I-1	Reserve
		Ref.				
		I-4	\$1,961,531.78			
		I-12	<u>250,299.70</u>			
		Above	<u>\$2,211,831.48</u>			

See accompanying notes to financial statements.

TOWNSHIP OF MANCHESTER
CAPITAL FIXED ASSETS

BALANCE SHEET - REGULATORY BASIS

J

<u>ASSETS</u>	Balance <u>Dec. 31, 2013</u>
Buildings and Improvements	\$30,366,055.26
Machinery and Equipment	<u>14,541,086.00</u>
	<u>\$44,907,141.26</u>
<u>RESERVE</u>	
Investments in Capital Fixed Assets	<u>\$44,907,141.26</u>

See accompanying notes to financial statements.

NOTES TO FINANCIAL STATEMENTS

TOWNSHIP OF MANCHESTER

NOTES TO FINANCIAL STATEMENTS YEAR ENDED DECEMBER 31, 2013

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

A. Reporting Entity

Until 1990 the Township functioned under a form of government known as Committee Form of Government, which exercised both legislative and executive powers. The form of government was changed by a charter study referendum and, effective July 1, 1990, the Township adopted a Mayor-Council form of government.

The Mayor is elected for a four year term without limitation as to the number of terms which may be served. The Council consists of five members, each of whom is elected at-large and whose terms are staggered. Prior to 2012, all elections were held in May and were non-partisan. A referendum was approved by voters on November 8, 2011 to move elections to November. The first election was held in November, 2012 and is still non-partisan.

The Mayor is the Chief Executive and Administrative Officer of the Township, and, as such, is responsible for administering local laws. The specific powers of the Mayor include appointment of department heads (with the advice and consent of the Township Council), preparation of the Township's budget, and approval or veto (which may be overridden by a 2/3 vote) of ordinances adopted by the Council.

The Township Council is responsible for policy development and exercises all legislative powers, including final adoption of spending legislation such as budgets and bond ordinances for both municipal and zoning ordinances.

Governmental Accounting Standards Board (GASB) Statements No. 14 and 34 establish certain standards for defining and reporting on the financial reporting entity. In accordance with these standards, the reporting entity should include the primary government and those component units which are fiscally accountable to the primary government. The financial statements of the Township of Manchester include every board, body, officer and commission supported and maintained wholly or in part by funds appropriated by the Township as required by the provisions of N.J.S. 40A:5-5. Accordingly, the financial statements of the Township of Manchester do not include the operations of the three Volunteer Fire Companies and the two First Aid Squads, inasmuch as their activities are administered by separate boards.

B. Description of Funds

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

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

B. Description of Funds (Continued)

The accounting policies of the Township of Manchester conform to the accounting principles applicable to municipalities which have been prescribed by the Division of Local Government Services, Department of Community Affairs, State of New Jersey. Such principles and practices are designed primarily for determining compliance with legal provisions and budgetary restrictions and as a means of reporting on the stewardship of public officials with respect to public funds. Under this method of accounting, the Township of Manchester accounts for its financial transactions through the following separate funds which differ from the fund structure required by generally accepted accounting principles:

Current Fund - Encompasses resources and expenditures for basic governmental operations. Fiscal activity of Federal and State grant programs are reflected in a segregated section of the Current Fund.

Trust Funds - The records of receipts, disbursements and custodianship of monies, in accordance with the purpose for which each account was created, are maintained in Trust Funds. These include the Animal Control Fund and General Trust Fund. The General Trust Fund encompasses accounts of activity for Community Development Block Grants, special deposits and other purposes.

General Capital Fund - The receipts and expenditure records for the acquisition of general infrastructure and other capital facilities, other than those acquired in the Current Fund, are maintained in this fund, as well as related long-term debt accounts.

Public Assistance Trust Fund - Revenue, expenditures, receipts and disbursements that provide assistance to certain residents of Manchester, when required, and pursuant to the provisions of Title 44 of the New Jersey statutes, are maintained in the Public Assistance Trust Fund.

Payroll Fund - Net salaries, certain payroll deductions and social security contributions of municipal and utility operations are deposited into various bank accounts of the Payroll Fund. A Payroll Fund does not exist under GAAP.

Water and Sewer Utility Operating and Capital Funds (Eastern and Western) - These funds reflect revenue, expenditures, stewardship, acquisition of utility infrastructure and other capital facilities, as well as long-term debt, debt service and other related activity of the municipally-owned water and sewer utilities.

Capital Fixed Assets Account - These accounts reflect estimated valuations of land, buildings and certain movable fixed assets of the Township as discussed under the caption "Basis of Accounting".

C. Basis of Accounting

The accounting principles and practices prescribed for municipalities by the Division of Local Government Services, Department of Community Affairs, State of New Jersey, differ in certain respects from generally accepted accounting principles. The accounting system is maintained on the modified accrual basis with certain exceptions. Significant accounting policies in New Jersey are summarized as follows:

Property Taxes and Other Revenue

Property taxes and other revenue are realized when collected in cash or approved by regulation for accrual from certain sources of the State of New Jersey and the Federal Government. Accruals of taxes and other revenue are otherwise deferred as to realization by the establishment of offsetting reserve accounts. GAAP requires such revenue to be recognized in the accounting period when they become susceptible to accrual, reduced by an allowance for doubtful accounts.

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

C. Basis of Accounting (Continued)

Grant Revenue

Federal and State grants, entitlements or shared revenue received for purposes normally financed through the Current Fund are recognized when anticipated in the Township of Manchester budget. GAAP requires such revenue to be recognized in the accounting period when they become susceptible to accrual.

Expenditures

Expenditures for general and utility operations are generally recorded on the accrual basis. Unexpended appropriation balances, except for amounts which may have been cancelled by the governing body or by statutory regulation, are automatically recorded as liabilities at December 31st of each year, under the title of "Appropriation Reserves".

Expenditures from Trust and Capital Funds are recorded upon occurrence and charged to accounts statutorily established for specific purposes.

Budget appropriations for interest on General Capital Long-Term Debt is raised on the cash basis and is not accrued on the records; interest on Utility Debt is raised on the accrual basis and so recorded.

GAAP requires expenditures to be recognized in the accounting period in which the fund liability is incurred, if measurable, except for unmatured interest on general long-term debt, which should be recognized when due.

Grant appropriations are charged upon budget adoption to create spending reserves.

Budgeted transfers to the Capital Improvement Fund are recorded as expenditures to the extent permitted by law.

Encumbrances

Contractual orders outstanding at December 31st are reported as expenditures through the establishment of an encumbrance payable. Encumbrances do not constitute expenditures under GAAP.

Appropriation Reserves

Appropriation reserves are available, until lapsed at the close of the succeeding year, to meet specific claims, commitments or contracts incurred during the preceding year. Lapsed appropriation reserves are recorded as additions to income. Appropriation reserves do not exist under GAAP.

Compensated Absences

Expenditures relating to obligations for unused vested accumulated sick pay are not recorded until paid. GAAP requires that the amount that would normally be liquidated with expendable available financial resources be recorded as an expenditure in the operating funds and the remaining obligations be recorded as a long-term obligation.

Property Acquired for Taxes

Property acquired for taxes (foreclosed property) is recorded in the Current Fund at the assessed valuation during the year when such property was acquired by deed or foreclosure and is offset by a corresponding reserve account. GAAP requires such property to be recorded in the general fixed assets account group at market value on the date of acquisition.

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

C. Basis of Accounting (Continued)

Interfunds Receivable

Interfunds receivable in the Current Fund are generally recorded with offsetting reserves which are established by charges to operations. Collections are recognized as income in the year that the receivables are realized. Interfunds receivable of all other funds are recorded as accrued and are not offset with reserve accounts. Interfunds receivable of one fund are offset with interfunds payable of the opposite fund. GAAP does not require the establishment of an offsetting reserve.

Inventories of Supplies

Materials and supplies purchased by all funds are recorded as expenditures.

An annual inventory of materials and supplies for the Water and Sewer Utility is required, by regulation, to be prepared by Township personnel for inclusion on the Water and Sewer Utility Operating Fund balance sheet. Annual changes in valuations, offset with a reserve account, are not considered as affecting results of operations. Materials and supplies of other funds are not inventoried nor included on their respective balance sheets.

Capital Fixed Assets

General:

In accordance with Technical Accounting Directive No. 85-2, Accounting for Governmental Fixed Assets, as promulgated by the Division of Local Government Services, which differs in certain respects from generally accepted accounting principles, the Township of Manchester has developed a capital fixed asset accounting and reporting system.

GAAP requires that fixed assets be capitalized at historical or estimated cost if actual historical cost is not available. In addition, depreciation on utility fixed assets should be recorded.

Capital fixed assets used in governmental operations (general fixed assets) are accounted for in the Capital Fixed Assets. Public domain ("infrastructure") general fixed assets consisting of certain improvements other than buildings, such as roads, bridges, curbs and gutters, streets and sidewalks and drainage systems are not capitalized.

Acquisitions of land, buildings, machinery, equipment and other capital assets are recorded on a perpetual fixed asset record.

Vehicles, furniture, equipment and other items are reflected at replacement values at time of inventory preparation. Additions to the established fixed assets are valued at cost.

Depreciation of assets is not recorded as an operating expense of the Township.

Utilities:

Capital acquisitions, including utility infrastructure costs of the Water and Sewer Utilities, are recorded at cost upon purchase or project completion in the fixed capital account of the utilities. The fixed capital accounts are adjusted for dispositions or abandonments. The accounts include movable fixed assets of the Utility but are not specifically identified and are considered as duplicated in the Capital Fixed Assets. The duplication is considered as insignificant on its effect on the financial statements taken as a whole.

Utility improvements that may have been constructed by developers are not recorded as additions to fixed capital.

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

C. Basis of Accounting (Continued)

Capital Fixed Assets (Continued)

Utilities: (Continued)

Fixed capital of the Utilities are offset by accumulations in Amortization Reserve Accounts. The accumulations represent costs of fixed assets purchased with budgeted funds or acquired by gift as well as grants, developer contributions or liquidations of related bonded debt and other liabilities incurred upon fixed asset acquisition.

The fixed capital accounts reflected herein are as recorded in the records of the municipality and do not necessarily reflect the true condition of such fixed capital. The records consist of a control account only. Detailed records are not maintained.

D. Basic Financial Statements

The GASB codification also defines the financial statements of a governmental unit to be presented in the general purpose financial statements to be in accordance with GAAP. The Township of Manchester presents the financial statements listed in the table of contents which are required by the Division of Local Government Services and which differ from the financial statements required by GAAP. In addition, the Division requires the financial statements listed in the table of contents to be referenced to the supplementary schedules. This practice differs from GAAP.

2. CASH, CASH EQUIVALENTS AND INVESTMENTS

A. Cash and Cash Equivalents

New Jersey statutes permit the deposit of public funds in institutions located in New Jersey, which are insured by the Federal Deposit Insurance Corporation (FDIC) or any other agencies of the United States that insures deposits or the State of New Jersey Cash Management Fund.

The State of New Jersey Cash Management Fund is authorized by statute and regulations of the State Investment Council to invest in fixed income and debt securities which mature or are redeemed within one year. Twenty-five percent of the Fund may be invested in eligible securities which mature within two years provided, however, the average maturity of all investments in the Fund shall not exceed one year. Collateralization of fund investments is generally not required.

In addition, by regulation of the Division of Local Government Services, municipalities are allowed to deposit funds in the Municipal Bond Insurance Association (MBIA) through their investment management company, the Municipal Investors Service Corporation.

In accordance with the provisions of the Governmental Unit Deposit Protection Act of New Jersey, public depositories are required to maintain collateral for deposits of public funds that exceed insurance limits as follows:

The market value of the collateral must equal five percent of the average daily balance of public funds, or

If the public funds deposited exceed 75 percent of the capital funds of the depository, the depository must provide collateral having a market value equal to 100 percent of the amount exceeding 75 percent.

All collateral must be deposited with the Federal Reserve Bank, The Federal Home Loan Bank Board or a banking institution that is a member of the Federal Reserve System and has capital funds of not less than \$25,000,000.00.

2. CASH, CASH EQUIVALENTS AND INVESTMENTS (Continued)

B. Investments

New Jersey statutes permit the Township to purchase the following types of securities:

- . Bonds or other obligations of the United States of America or obligations guaranteed by the United States of America. This includes instruments such as Treasury bills, notes and bonds.
- . Government money market mutual funds.
- . Any federal agency or instrumentality obligation authorized by Congress that matures within 397 days from the date of purchase, and has a fixed rate of interest not dependent on any index or external factors.
- . Bonds or other obligations of the local unit or school districts of which the local unit is a part.
- . Any other obligations with maturities not exceeding 397 days, as permitted by the Division of Investments.
- . Local government investment pools, such as New Jersey CLASS, and the New Jersey Arbitrage Rebate Management Program.
- . New Jersey State Cash Management Fund.
- . Repurchase agreements of fully collateralized securities, subject to special conditions.

As of December 31, 2013, the Township had funds invested and on deposit in checking, savings and money market accounts. The amount on deposit of the Township's cash and cash equivalents as of December 31, 2013 was \$24,894,800.57. These funds constitute "deposits with financial institutions" as defined by GASB Statement No. 40.

3. TAXES AND TAX TITLE LIENS RECEIVABLE

Property assessments are determined on true values and taxes are assessed based upon these values. The residential tax bill includes the levies for the Township, County and School purposes. Certified adopted budgets are submitted to the County Board of Taxation by each taxing district. The tax rate is determined by the board upon the filing of these budgets.

Municipalities operating under a state fiscal year budget are required, by statute, to mail tax bills semi-annually and are payable in four quarterly installments due the first of February, May, August and November. Tax bills for the February and May installment must be delivered by December 1 and the August and November installment must be delivered by June 14. The amounts to be billed for each period are determined through formulas developed by the Division of Local Government Services.

Tax installments not paid by the above due dates are subject to interest penalties determined by a resolution of the governing body. The rate of interest in accordance with the aforementioned resolution is 8% per annum on the first \$1,500 of delinquency and 18% on any delinquency in excess of \$1,500. The resolution also sets a grace period of ten days before interest is calculated. In addition, any delinquency in excess of \$10,000 at the end of the calendar year is subject to a 6% penalty on the unpaid balance.

Taxes unpaid on the 11th day of the eleventh month in the fiscal year when the taxes became in arrears are subject to the tax sale provisions of the New Jersey statutes. The municipality may institute in rem foreclosure proceedings after six months from the date of the sale if the lien has not been redeemed.

3. TAXES AND TAX TITLE LIENS RECEIVABLE (Continued)

The following is a five year comparison of certain statistical information relative to property taxes and property tax collections for the current and previous four years:

Comparative Schedule of Tax Rate

	Calendar Year <u>2013</u>	Fiscal Year <u>2012</u>	Fiscal Year <u>2011</u>	Fiscal Year <u>2010</u>	Fiscal Year <u>2009*</u>
Tax Rate (Per \$100 of Assessed Valuations**)	<u>\$ 2.351</u>	<u>\$ 1.922</u>	<u>\$ 1.857</u>	<u>\$ 1.757</u>	<u>\$ 1.672</u>
Apportionment of Tax Rate:					
Municipal	\$ 0.635	\$ 0.520	\$ 0.504	\$ 0.444	\$ 0.391
Municipal Open Space	0.009	0.010	0.010	0.010	0.010
County	0.409	0.356	0.358	0.361	0.360
Local School	1.298	1.036	0.985	0.942	0.911

*The Township conducted a revaluation for 2009.

**Tax rates are reflected on calendar year.

Assessed Valuations

<u>Year</u>	<u>Amount</u>
2013	\$ 3,227,220,311.00
2012	3,964,272,258.00
2011	4,079,359,820.00
2010	4,085,245,172.00
2009	4,083,795,739.00 *

*Revaluation

Comparison of Tax Levies

<u>Date</u>	<u>Tax Levy</u>		<u>Cash Collection</u>	<u>Percentage of Collection</u>
December 31, 2013	\$ 75,918,323.33	**	\$ 74,562,773.18	98.21 %
December 31, 2012*	37,256,548.55	**	36,608,258.59	98.25
June 30, 2012	76,310,606.83		74,549,237.43	97.69
June 30, 2011	73,936,280.16		73,071,500.04	98.83
June 30, 2010	70,679,200.31		69,038,444.42	97.67

*Transition Year 6 Month Budget.

**Net of Reduction due to tax appeals.

3. TAXES AND TAX TITLE LIENS RECEIVABLE (Continued)

Delinquent Taxes and Tax Title Liens

<u>Date</u>	<u>Amount of Tax Title Liens</u>	<u>Amount of Delinquent Taxes</u>	<u>Total Delinquent</u>	<u>Percentage of Tax Levy</u>
December 31, 2013	\$303,657.25	\$1,114,880.66	\$1,418,537.91	1.87 %
December 31, 2012**	208,274.98	526,437.95	734,712.93	1.97
June 30, 2012	135,960.07	898,257.57	1,034,217.64	1.36
June 30, 2011	93,940.62	833,799.86	927,740.48	1.25
June 30, 2010	26,300.84	1,014,151.18	1,040,452.02	1.47

**Transition Six Month Year.

4. PROPERTY ACQUIRED BY TAX TITLE LIEN LIQUIDATION

The value of properties acquired by tax title lien liquidation is carried at assessed valuation in the year of acquisition as follows:

<u>Year</u>	<u>Amount</u>
CY 2013	\$9,611,700.00
TY 2012	942,474.28
SFY 2012	942,474.28
SFY 2011	942,474.37
SFY 2010	942,423.37

5. WATER AND SEWER CHARGE ACCOUNTS RECEIVABLE

<u>Date</u>	<u>Water Utility Eastern Service</u>		<u>Sewer Utility Eastern Service</u>	
	<u>Billing</u>	<u>Collection*</u>	<u>Billing</u>	<u>Collection*</u>
December 31, 2013	\$ 2,030,503.51	\$ 1,978,609.79	\$ 3,338,586.91	\$ 3,281,577.74
December 31, 2012***	1,279,401.15	1,252,895.00	1,744,782.51	1,746,522.40
June 30, 2012	2,114,365.27	2,122,926.05	3,456,710.34	3,474,862.38
June 30, 2011	2,205,960.79	2,171,324.04	3,435,472.69	3,402,071.38
June 30, 2010	1,865,285.74	1,862,081.78	3,297,434.60	3,290,189.77

*Includes collection of prior year receivables.

***Transition Six Month Budget.

<u>Date</u>	<u>Water Utility Western Service</u>		<u>Sewer Utility Western Service</u>	
	<u>Billing</u>	<u>Collection*</u>	<u>Billing</u>	<u>Collection*</u>
December 31, 2013	\$2,176,060.29	\$2,079,384.70	\$2,264,964.50	\$2,151,275.74
December 31, 2012***	1,127,879.45	1,129,933.75	1,148,187.78	1,157,797.43
June 30, 2012	2,287,727.43	2,136,160.88	2,405,822.06	2,286,044.39
June 30, 2011	2,112,715.86	2,128,125.06	2,146,437.47	2,087,866.58
June 30, 2010**	418,376.05	398,477.64	445,705.38	440,086.76

*Includes collection of prior year receivable.

**First Year of Western Service (5 Month Year).

***Transition Six Month Budget.

6. FUND BALANCES APPROPRIATED

	<u>Date</u>	<u>Balance</u>	<u>Utilized in Budgets of Succeeding Year General Budget</u>
Current Fund:	December 31, 2013	\$ 3,067,844.95	\$ 1,250,000.00
	December 31, 2012*	2,815,395.31	1,420,000.00
	June 30, 2012	1,419,329.52	525,000.00
	June 30, 2011	1,364,073.16	1,275,000.00
	June 30, 2010	987,941.99	780,000.00
Water Utility Eastern Service:	December 31, 2013	226,984.91	200,000.00
	December 31, 2012*	646,332.57	500,000.00
	June 30, 2012	499,809.00	440,000.00
	June 30, 2011	998,424.43	800,000.00
	June 30, 2010	1,484,140.92	1,000,000.00
Sewer Utility Eastern Service:	December 31, 2013	2,232,976.12	1,000,000.00
	December 31, 2012*	2,737,205.44	1,000,000.00
	June 30, 2012	2,657,887.47	518,000.00
	June 30, 2011	3,185,443.63	1,000,000.00
	June 30, 2010	4,043,245.62	1,000,000.00
Water Utility Western Service:	December 31, 2013	1,530,438.49	700,000.00
	December 31, 2012*	1,451,405.94	200,000.00
	June 30, 2012	1,252,119.71	50,000.00
	June 30, 2011	529,202.49	150,000.00
	June 30, 2010	55,968.48	25,000.00
Sewer Utility Western Service:	December 31, 2013	565,506.00	325,000.00
	December 31, 2012*	598,956.49	325,000.00
	June 30, 2012	634,283.61	499,000.00
	June 30, 2011	170,960.13	125,000.00
	June 30, 2010	7,420.46	7,000.00

*Transition Year.

7. MUNICIPAL DEBT

The Local Bond Law governs the issuance of bonds and notes to finance general capital expenditures. All bonds are retired in serial installments within the statutory period of usefulness. Bonds issued by the Township are general obligation bonds, backed by the full faith and credit of the Township. Pursuant to N.J.S.A. 40A:2-8, bond anticipation notes, which are issued to temporarily finance capital projects, cannot be renewed past the third anniversary unless an amount equal to at least the first legal requirement is paid prior to each anniversary and must be paid off within ten years and five months or retired by the issuance of bonds.

	<u>Calendar Year 2013</u>	<u>Transition Year 2012</u>	<u>Fiscal Year 2012</u>
<u>Issued</u>			
General:			
Bonds and Notes	\$ 15,730,215.00	\$ 17,005,600.00	\$ 17,633,000.00
Green Acres Loan	1,060,125.71	1,186,891.37	1,249,334.43
Water Utility Eastern Service:			
Bonds and Notes	1,420,000.00	1,855,000.00	2,275,000.00
Water Utility Western Service:			
Bonds and Notes	15,400,000.00	15,480,000.00	15,555,000.00
Sewer Utility Eastern Service:			
Bonds and Notes	1,575,000.00	2,060,000.00	2,525,000.00
Due to State of New Jersey	175,000.00	471,689.32	471,689.32
Sewer Utility Western Service:			
Bonds and Notes	<u>5,124,000.00</u>	<u>5,160,000.00</u>	<u>5,185,000.00</u>
Net Debt Issued	<u>40,484,340.71</u>	<u>43,219,180.69</u>	<u>44,894,023.75</u>
 <u>Authorized but Not Issued</u>			
General:			
Bonds and Notes	<u>538,606.50</u>	<u>538,606.50</u>	<u>538,606.50</u>
Bonds and Notes Issued and Authorized but Not Issued	<u><u>\$ 41,022,947.21</u></u>	<u><u>\$ 43,757,787.19</u></u>	<u><u>\$ 45,432,630.25</u></u>

Summary of Statutory Debt Condition - Annual Debt Statement

The summarized statement of debt condition which follows is prepared in accordance with the required method of setting up the Annual Debt Statement and indicates a statutory net debt of 0.459%.

	<u>Gross Debt</u>	<u>Deductions</u>	<u>Net Debt</u>
Local School District Debt	\$ 22,730,000.00	\$ 22,730,000.00	\$
Water Utility Eastern Service	1,420,000.00	1,420,000.00	
Water Utility Western Service	15,400,000.00	15,400,000.00	
Sewer Utility Eastern Service	1,750,000.00	1,750,000.00	
Sewer Utility Western Service	5,124,000.00	5,124,000.00	
General Debt	<u>17,328,947.21</u>		<u>17,328,947.21</u>
	<u><u>\$ 63,752,947.21</u></u>	<u><u>\$ 46,424,000.00</u></u>	<u><u>\$ 17,328,947.21</u></u>

Net debt, \$17,328,947.21 divided by Average Equalized Valuation Basis per N.J.S. 40A:2-2 as amended, \$3,777,876,151.00 equals 0.459%.

7. MUNICIPAL DEBT (Continued)

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

3 1/2% of Equalized Valuation Basis of Real Property	\$132,225,665.29
Net Debt	<u>17,328,947.21</u>
Remaining Borrowing Power	<u>\$114,896,718.08</u>

School Debt Deductions

School debt is deductible up to the extent of 4.0% of the Average Equalized Assessed Valuations of real property for the Local School District.

Calculation of "Self-Liquidating" Purpose - Water Utility Eastern Service Debt per N.J.S. 40A:2-45

Fund Balance and Cash Receipts from Fees, Rents and Other Charges for Year		\$2,649,137.31
Deductions:		
Operating and Maintenance Cost	\$2,117,869.00	
Debt Service for Obligations Issued	<u>515,000.00</u>	
		<u>2,632,869.00</u>
Excess in Revenue		<u>\$ 16,268.31</u>

There being an "excess in revenue", the Water Utility Eastern Service Debt is considered self-liquidating for debt statement purposes.

Calculation of "Self-Liquidating" Purpose - Sewer Utility Eastern Service Debt per N.J.S. 40A:2-45

Fund Balance and Cash Receipts from Fees, Rents and Other Charges for Year		\$ 4,445,244.25
Deductions:		
Operating and Maintenance Cost	\$3,341,100.00	
Debt Service for Obligations Issued	<u>670,427.57</u>	
		<u>4,011,527.57</u>
Excess in Revenue		<u>\$ 433,716.68</u>

There being an "excess in revenue", the Sewer Utility Eastern Service Debt is considered self-liquidating for debt statement purposes.

7. MUNICIPAL DEBT (Continued)

Calculation of "Self-Liquidating" Purpose - Water Utility Western Service Debt per N.J.S. 40A:2-45

Fund Balance and Cash Receipts from Fees, Rents and Other Charges for Year		\$ 2,293,936.07
Deductions:		
Operating and Maintenance Cost	\$ 1,183,795.29	
Debt Service for Obligations Issued	<u>841,204.71</u>	
		<u>2,025,000.00</u>
Excess in Revenue		<u>\$ 268,936.07</u>

There being an "excess in revenue", the Water Utility Western Service Debt is considered self-liquidating for debt statement purposes.

Calculation of "Self-Liquidating" Purpose - Sewer Utility Western Service Debt per N.J.S. 40A:2-45

Fund Balance and Cash Receipts from Fees, Rents and Other Charges for Year		\$ 2,532,465.62
Deductions:		
Operating and Maintenance Cost	\$ 2,003,700.30	
Debt Service for Obligations Issued	<u>286,299.70</u>	
		<u>2,290,000.00</u>
Excess in Revenue		<u>\$ 242,465.62</u>

There being an "excess in revenue", the Sewer Utility Western Service Debt is considered self-liquidating for debt statement purposes.

The foregoing debt information is in agreement with the Revised Annual Debt Statement filed by the Township Treasurer.

As of December 31, 2013, the Township's long-term debt is as follows:

General Obligation Bonds

\$14,350,000, 2006 Bonds due in annual installments of \$750,000 to \$800,000 through September, 2026, interest at 4.250%.	<u>\$ 10,300,000.00</u>
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Water Utility Eastern Service Refunding Bonds

\$5,565,000, 2003 Bonds due in annual installments of \$455,000 to \$495,000 through October, 2016, interest at 4.000% to 4.125%.	<u>\$ 1,420,000.00</u>
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7. MUNICIPAL DEBT (Continued)

Sewer Utility Eastern Service Refunding Bonds

\$6,190,000, 2003 Bonds due in annual installments of \$505,000 to \$545,000 through October, 2016, interest at 4.00% to 4.125%.

\$ 1,575,000.00

Water Utility Western Service Bonds

\$15,555,000, 2010 Bonds due in annual installments of \$246,000 to \$3,785,000 through August 2041, interest at 4.00% to 4.25%.

\$ 15,400,000.00

Sewer Utility Western Service Bonds

\$5,185,000, 2010 Bonds due in annual installments of \$99,000 to \$1,338,000 through August 2032, interest at 4.00%.

\$ 5,124,000.00

7. MUNICIPAL DEBT (Continued)

Schedule of Annual Debt Services for Principal and Interest for Bonded Debt Issued and Outstanding

Total	Cash Basis				Cash Basis				Cash Basis				Cash Basis							
	General Capital				Water Utility Eastern Service				Water Utility Western Service				Sewer Utility Eastern Service				Sewer Utility Western Service			
	Total	Principal	Interest	Total	Principal	Interest	Total	Principal	Interest	Total	Principal	Interest	Total	Principal	Interest	Total	Principal	Interest		
2014	\$ 765,942.56	\$ 561,750.00	\$ 282,192.56	\$ 387,669.94	\$ 139,619.94	\$ 512,418.75	\$ 455,000.00	\$ 57,418.75	\$ 882,277.50	\$ 246,000.00	\$ 636,277.50	\$ 568,681.25	\$ 506,000.00	\$ 63,681.25	\$ 303,960.00	\$ 99,000.00	\$ 204,960.00			
2015	762,618.19	501,750.00	260,868.19	377,319.31	129,069.31	509,218.75	470,000.00	39,218.75	875,437.50	249,000.00	626,437.50	566,481.25	525,000.00	43,481.25	314,000.00	114,000.00	200,000.00			
2016	774,033.00	535,200.00	238,633.00	382,967.00	118,167.00	516,418.75	495,000.00	20,418.75	879,477.50	263,000.00	616,477.50	567,481.25	545,000.00	22,481.25	314,440.00	118,000.00	196,440.00			
2017	751,287.00	535,200.00	216,087.00	371,713.00	106,913.00				870,957.50	265,000.00	605,957.50				327,720.00	136,000.00	191,720.00			
2018	728,541.00	535,200.00	193,341.00	360,459.00	95,659.00				861,357.50	266,000.00	595,357.50				341,280.00	155,000.00	186,280.00			
2019	705,795.00	535,200.00	170,985.00	349,205.00	84,405.00				858,717.50	274,000.00	584,717.50				349,080.00	169,000.00	180,080.00			
2020	683,049.00	535,200.00	147,849.00	337,951.00	73,151.00				849,757.50	276,000.00	573,757.50				363,320.00	190,000.00	173,320.00			
2021	660,303.00	535,200.00	125,103.00	326,697.00	61,897.00				842,717.50	285,000.00	557,717.50				389,720.00	204,000.00	185,720.00			
2022	637,557.00	535,200.00	102,357.00	315,443.00	50,643.00				843,317.50	294,000.00	549,317.50				378,560.00	221,000.00	157,560.00			
2023	614,811.00	535,200.00	79,611.00	304,189.00	39,389.00				838,597.50	297,000.00	539,597.50				352,720.00	244,000.00	108,720.00			
2024	592,065.00	535,200.00	56,865.00	282,935.00	28,135.00				824,677.50	297,000.00	527,677.50				409,960.00	271,000.00	138,960.00			
2025	569,319.00	535,200.00	34,119.00	281,681.00	16,881.00				819,797.50	304,000.00	515,797.50				421,120.00	283,000.00	138,120.00			
2026	546,573.00	535,200.00	11,373.00	270,427.00	5,627.00				812,637.50	303,000.00	509,637.50				435,400.00	319,000.00	116,400.00			
2027									800,277.50	303,000.00	497,277.50				454,660.00	371,000.00	83,660.00			
2028									753,917.50	315,000.00	438,917.50				488,600.00	371,000.00	117,600.00			
2029									764,317.50	315,000.00	449,317.50				468,660.00	371,000.00	97,660.00			
2030									774,997.50	321,000.00	453,997.50				486,440.00	411,000.00	75,440.00			
2031									764,757.50	324,000.00	440,757.50				486,000.00	371,000.00	115,000.00			
2032									751,797.50	324,000.00	427,797.50				468,660.00	371,000.00	97,660.00			
2033									1,345,867.50	938,000.00	407,867.50				521,160.00	446,000.00	75,160.00			
2034									1,345,867.50	938,000.00	407,867.50				521,160.00	446,000.00	75,160.00			
2035									1,325,597.50	895,000.00	430,597.50				504,000.00	411,000.00	93,000.00			
2036									1,334,710.00	1,035,000.00	299,710.00				519,000.00	473,000.00	46,000.00			
2037									1,343,770.00	1,144,000.00	209,770.00				524,000.00	473,000.00	51,000.00			
2038									1,353,482.50	1,344,000.00	9,482.50				524,000.00	473,000.00	51,000.00			
2039									1,363,862.50	1,203,000.00	160,862.50				524,000.00	473,000.00	51,000.00			
2040									1,373,735.00	1,264,000.00	109,735.00				524,000.00	473,000.00	51,000.00			
2041									1,374,015.00	1,316,000.00	58,015.00				523,000.00	473,000.00	50,000.00			
Total	\$8,809,893.75	\$6,890,700.00	\$1,919,193.75	\$4,359,856.25	\$1,409,900.00	\$1,959,956.25	\$1,420,000.00	\$117,056.25	\$7,824,502.50	\$15,400,000.00	\$12,424,502.50	\$1,704,643.75	\$1,575,000.00	\$129,643.75	\$7,700,040.00	\$5,124,000.00	\$2,576,040.00			

7. MUNICIPAL DEBT (Continued)

New Jersey Waste Water Treatment Financing Program

The Township, on November 10, 1994, entered into an agreement with the State of New Jersey to obtain financing under the New Jersey Waste Water Treatment Financing Program. The original amount was for \$3,507,498.00 consisting of two loans in the amounts of \$1,552,498 and \$1,955,000.00. This amount was to be awarded under a Fund Portion and a Trust Portion. The Trust Portion was to be paid back with a low interest rate and administration fee. The original Trust Loan of \$1,955,000.00 was refunded by the State during 1998 and the Township was receiving saving credits starting April 1, 2006. The following is a schedule of repayment for the Trust Portion of the loan:

<u>Year</u>	<u>Trust Principal</u>	<u>Trust Interest (Credits)</u>	<u>Administration Fee</u>	<u>Total</u>
2014	<u>\$ 175,000.00</u>	<u>\$ (68,437.43)</u>	<u>\$ 5,865.00</u>	<u>\$ 112,427.57</u>

Green Trust Loans

Two Green Trust Loans, in the sum of \$373,000.45, for the Improvement to Holly Oak Park Project were approved by the New Jersey Department of Environmental Protection in 1993 and consummated in 1997 at an interest rate of 2%. The following Debt Schedule was prepared by the New Jersey Department of Environmental Protection and shows that the balance due as of December 31, 2013 is \$78,028.10:

<u>Year</u>	<u>Totals</u>	<u>Principal</u>	<u>Interest</u>
2014	\$ 23,194.36	\$ 21,741.97	\$ 1,452.39
2015	23,194.36	22,178.98	1,015.38
2016	23,194.36	22,624.78	569.58
2017	<u>11,597.19</u>	<u>11,482.37</u>	<u>114.82</u>
	<u>\$ 81,180.27</u>	<u>\$ 78,028.10</u>	<u>\$ 3,152.17</u>

A Green Trust Loan, in the sum of \$411,226.00, for improvements to Harry Wright Lake was consummated on March 22, 2000 at an interest rate of 2%. The following Debt Schedule was prepared by the New Jersey Department of Environmental Protection and shows that the balance due as of December 31, 2013 is \$155,425.12:

<u>Year</u>	<u>Totals</u>	<u>Principal</u>	<u>Interest</u>
2014	25,571.34	22,580.92	2,990.42
2015	25,571.34	23,034.80	2,536.54
2016	25,571.34	23,497.80	2,073.54
2017	25,571.34	23,970.11	1,601.23
2018	25,571.34	24,451.91	1,119.43
2019	25,571.34	24,943.39	627.95
2020	<u>13,072.80</u>	<u>12,946.19</u>	<u>126.61</u>
	<u>\$ 166,500.84</u>	<u>\$ 155,425.12</u>	<u>\$ 11,075.72</u>

7. MUNICIPAL DEBT (Continued)

Green Trust Loans (Continued)

A Green Trust Loan, in the sum of \$1,062,390.00, for acquisition of land was consummated on November 11, 1999 at an interest rate of 2%. The following Debt Schedule was prepared by the New Jersey Department of Environmental Protection and shows that the balance due as of December 31, 2013 is \$371,770.99:

<u>Year</u>	<u>Totals</u>	<u>Principal</u>	<u>Interest</u>
2014	\$ 66,062.80	\$ 58,920.52	\$ 7,142.28
2015	66,062.80	60,104.82	5,957.98
2016	66,062.80	61,312.92	4,749.88
2017	66,062.80	62,545.31	3,517.49
2018	66,062.80	63,802.48	2,260.32
2019	66,062.80	65,084.94	977.86
	<u>\$ 396,376.80</u>	<u>\$ 371,770.99</u>	<u>\$ 24,605.81</u>

A Green Trust Loan, in the sum of \$218,028.19 for Pine Lake Park Phase II was consummated on August 9, 2011 at an interest rate of 2%. The following Debt Schedule was prepared by the New Jersey Department of Environmental Protection and shows that the balance due as of December 31, 2013 is \$199,356.19:

<u>Year</u>	<u>Totals</u>	<u>Principal</u>	<u>Interest</u>
2014	\$ 13,557.69	\$ 9,618.42	\$ 3,939.27
2015	13,557.69	9,811.75	3,745.94
2016	13,557.68	10,008.96	3,548.72
2017	13,557.68	10,210.14	3,347.54
2018	13,557.69	10,415.37	3,142.32
2019	13,557.70	10,624.72	2,932.98
2020	13,557.70	10,838.28	2,719.42
2021	13,557.69	11,056.12	2,501.57
2022	13,557.68	11,278.35	2,279.33
2023	13,557.68	11,505.04	2,052.64
2024	13,557.68	11,736.29	1,821.39
2025	13,557.69	11,972.20	1,585.49
2026	13,557.69	12,212.84	1,344.85
2027	13,557.70	12,458.32	1,099.38
2028	13,557.69	12,708.73	848.96
2029	13,557.70	12,964.18	593.52
2030	13,557.68	13,224.75	332.93
2031	6,778.85	6,711.73	67.12
	<u>\$ 237,259.56</u>	<u>\$ 199,356.19</u>	<u>\$ 37,903.37</u>

7. MUNICIPAL DEBT (Continued)

Green Trust Loans (Continued)

A Green Trust Loan, in the sum of \$349,523.44 for Manchester Soccer Complex was consummated on August 9, 2011 at an interest rate of 2%. The following Debt Schedule was prepared by the New Jersey Department of Environmental Protection and shows that the balance due as of December 31, 2013 is \$319,590.12:

<u>Year</u>	<u>Totals</u>	<u>Principal</u>	<u>Interest</u>
2014	\$ 21,734.48	\$ 15,419.39	\$ 6,315.09
2015	21,734.48	15,729.32	6,005.16
2016	21,734.49	16,045.49	5,689.00
2017	21,734.48	16,367.99	5,366.49
2018	21,734.48	16,696.99	5,037.49
2019	21,734.48	17,032.60	4,701.88
2020	21,734.48	17,374.96	4,359.52
2021	21,734.48	17,724.20	4,010.28
2022	21,734.48	18,080.45	3,654.03
2023	21,734.48	18,443.86	3,290.62
2024	21,731.48	18,814.59	2,916.89
2025	21,734.48	19,192.76	2,541.72
2026	21,734.49	19,578.54	2,155.95
2027	21,734.49	19,972.07	1,762.42
2028	21,734.48	20,373.50	1,360.98
2029	21,734.49	20,783.02	951.47
2030	21,734.48	21,200.75	533.73
2031	10,867.24	10,759.64	107.60
	<u>\$ 380,350.44</u>	<u>\$ 319,590.12</u>	<u>\$ 60,760.32</u>

Bond Anticipation Notes

The following Bond Anticipation Notes were outstanding as of December 31, 2013:

General Capital Fund	<u>\$ 5,430,215.00</u>
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Bonds and Notes Authorized but Not Issued

There were Bonds and Notes Authorized but Not Issued in the following amount:

General Capital Fund	<u>\$ 538,606.50</u>
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8. INTERFUND RECEIVABLES AND PAYABLES

As of December 31, 2013, interfund receivables and payables that resulted from various interfund transactions were as follows:

<u>Fund</u>	<u>Due from Other Funds</u>	<u>Due to Other Funds</u>
Current Fund	\$ 10,453.19	\$202,116.52
Animal Control Fund		10,453.19
General Trust Fund	100,502.85	
General Capital Fund	95,000.00	
Sewer Operating Utility - Eastern Service	1,557.52	
Sewer Capital Utility - Eastern Service		950.77
Water Operating Utility - Western Service	7,406.78	4,862.88
Water Operating Utility - Eastern Service		606.75
Water Capital Utility - Western Service		793.11
Sewer Operating Utility - Western Service	5,045.86	
Sewer Capital Utility - Western Service		182.98
	<u>\$219,966.20</u>	<u>\$219,966.20</u>

9. DEFERRED COMPENSATION PLAN

The Township of Manchester offers its employees a Deferred Compensation Plan created in accordance with the provisions of N.J.S. 43:15B-1 et seq., and the Internal Revenue Code, Section 457. The plan, available to all municipal employees, permits them to defer a portion of their salary until future years. The deferred compensation is not available to employees until terminations, retirement, death or unforeseeable emergency.

Statutory and regulatory requirements governing the establishment and operation of Deferred Compensation Plans have been modified in the New Jersey Administrative Code under the reference N.J.A.C. 5:37.

The "Small Business Job Protective Act of 1996" revised several provisions of Section 457 of the Internal Revenue Code. A provision of the act required that all existing plans be modified to provide that the funds be held for the exclusive benefit of the participating employees and their beneficiaries.

The Township of Manchester authorized such modifications to their plan by resolutions of the Township Council.

The Deferred Compensation Plan is administered by the Hartford Variable Annuity Life Insurance Company and VALIC.

10. PENSION PLANS

Description of Systems

Substantially all of the Township's employees participate in one of the following contributory defined benefit public employee retirement systems which have been established by State statute: the Public Employees' Retirement System (PERS) or the Police and Firemen's Retirement System (PFRS). These systems are sponsored and administered by the New Jersey Division of Pensions and Benefits. The Public Employees' Retirement System and the Police and Firemen's Retirement System is considered a cost sharing multiple-employer plan.

10. PENSION PLANS (Continued)

Description of Systems (Continued)

Public Employees' Retirement System:

The Public Employees' Retirement System (PERS) was established as of January 1, 1955 under the provisions of N.J.S.A. 43:15A to provide retirement, death, disability and medical benefits to certain qualified members. The Public Employees' Retirement System is a cost-sharing multiple-employer plan. Membership is mandatory for substantially all full-time employees of the State of New Jersey or any county, municipality, school district or public agency, provided the employee is not required to be a member of another State-administered retirement system or other state or local jurisdiction.

Significant Legislation

P.L. 2011, c. 78, effective June 28, 2011, made various changes to the manner in which PERS operates and to the benefit provisions of that system.

This new legislation's provisions impacting employee pension and health benefits include:

- New members of PERS hired on or after June 28, 2011 (Tier 5 members), will need 30 years of creditable service and age 65 for receipt of the early retirement benefit without a reduction of $\frac{1}{4}$ to 1 percent for each month that the member is under age 65.
- The eligibility age to qualify for a service retirement in the PERS is increased from age 62 to 65 for Tier 5 members.
- Active member contribution rates will increase. PERS active member rates increase from 5.5 percent of annual compensation to 6.5 percent plus an additional 1 percent phased-in over 7 years. For Fiscal Year , the member contribution rates increased in October 2011. The phase-in of the additional incremental member contributions for PERS members will take place in July of each subsequent fiscal year.
- The payment of automatic cost-of-living adjustment (COLA) additional increases to current and future retirees and beneficiaries is suspended until reactivated as permitted by this law.

In addition, this new legislation changes the method for amortizing the pension systems' unfunded accrued liability (from a level percent of pay method to a level dollar of pay).

Police and Firemen's Retirement System:

The Police and Firemen's Retirement System (PFRS) was established in July 1944, under the provisions of N.J.S.A. 43:16A to provide coverage to substantially all full time county and municipal police or firemen and State firemen appointed after June 30, 1944. Membership is mandatory for such employees. Members may opt for Service Retirement if over age 55 or Special Retirement at any age if they have a minimum of 25 years of service or 20 years of service if enrolled in the PFRS as of January 18, 2000. Retirement benefits vary depending on age and years of service.

Chapter 428, Public Law of 1999, effective January 18, 2000, allows a member, age 55 and older with 20 or more years of service, to retire with a benefit equaling 50% of final compensation, in lieu of the regular retirement allowance available to the member. Final compensation means the compensation received by the member in the last twelve months of creditable service preceding retirement.

10. PENSION PLANS (Continued)

Police and Firemen's Retirement System: (Continued)

In addition, a member of the system as of the effective date of this law may retire with 20 or more years of service with a retirement allowance of 50% of final compensation, regardless of age, and, if required to retire because of attaining the mandatory retirement age of 65, an additional 3% of final compensation for every additional year of creditable service up to 25 years.

Significant Legislation

P.L. 2011, c. 78, effective June 28, 2011, made various changes to the manner in which PERS operates and to the benefit provisions of that system.

This new legislation's provisions impacting employee pension and health benefits include:

The annual benefit under special retirement for new PFRS members enrolled after June 28, 2011 (Tier 3 members), will be 60 percent instead of 65 percent of the member's final compensation plus 1 percent for each year of creditable service over 25 years but not to exceed 30 years.

Consolidated Police and Firemen's Pension Fund:

The Consolidated Police and Firemen's Retirement System (CPFPPF) is a closed system with no active members and was established in January 1952 to provide coverage to municipal police and firemen who were appointed prior to July 1, 1944.

Contributions Required and Made

Contributions made by employees for PERS and PFRS are currently 6.64% and 10.0% of their base wages, respectively. Employer contributions are actuarially determined on an annual basis by the Division of Pensions. Contributions to the plan for the past three (3) years are as follows:

Year	PERS		PFRS	
	Township	Employees	Township	Employees
FY 2012	\$ 675,503.00	\$ 469,926.77	\$ 1,620,495.00	\$ 775,662.14
TY 2012	-	249,364.53	-	412,609.68
CY 2013	652,551.00	524,227.12	1,656,176.00	827,883.34

The Township of Manchester, in accordance with the provisions of Public Law 2009, c. 19 (S21), elected by resolution of the governing body to defer the 50% of their fiscal year 2010 normal and accrued pension liability for the PERS and PFRS pension retirement system obligation in the amount of \$501,345.00. This deferred pension liability will be repaid over a 15 year period starting in April 2012.

11. DEFINED CONTRIBUTION RETIREMENT PROGRAM

Description of System

The Defined Contribution Retirement Program (DCRP) was established on July 1, 2007 for certain public employees under the provisions of Chapter 92, P.L. 2007 and Chapter 103, P.L. 2007. The program provides eligible members, with a minimum base salary of \$1,500.00 or more, with a tax-sheltered, defined contribution retirement benefit, in addition to life insurance and disability coverage. The DCRP is jointly administered by the Division of Pensions and Benefits and Prudential Financial.

If the eligible elected or appointed official will earn less than \$5,000.00 annually, the official may choose to waive participation in the DCRP for that office or position. This waiver is irrevocable.

As of May 21, 2010, the municipal base salary required for eligibility in the DCRP was increased to \$5,000.00.

11. DEFINED CONTRIBUTION RETIREMENT PROGRAM (Continued)

Description of System (Continued)

This retirement program is a new pension system where the value of the pension is based on the amount of the contribution made by the employee and employer and through investment earnings. It is similar to a Deferred Compensation Program where the employee has a portion of tax deferred salary placed into an account that the employee manages through investment options provided by the employer.

The law requires that three classes of employees enroll in the DCRP, detailed as follows:

- All elected officials taking office on or after July 1, 2007, except that a person who is reelected to an elected office held prior to that date without a break in service may remain in the Public Employees' Retirement System (PERS).
- A Governor appointee with the advice and consent of the Legislature or who serves at the pleasure of the Governor only during that Governor's term of office.
- Employees enrolled in the PERS on or after July 1, 2007 or employees enrolled in the PFR&S after May 21, 2010 who earn salary in excess of established "maximum compensation" limits.
- Employees otherwise eligible to enroll in the PERS on or after November 2, 2008 who do not earn the minimum salary for PERS Tier 3, but who earn salary of at least \$5,000.00.
- Employees otherwise eligible to enroll in the PERS after May 21, 2010, who do not work the minimum number of hours per week required for PERS Tier 4 or Tier 5 enrollment (32 hours per week) but who earn salary of at least \$5,000.00 annually.

Notwithstanding the foregoing requirements, other employees who hold a professional license or certificate or meet other exceptions are permitted to remain to join or remain in PERS.

Contributions Required and Made

Contributions made by employees for DCRP are currently at 5.5% of their base wages. Member contributions are matched by a 3.0% employer contribution.

During the year 2013, there were two (2) officials or employees enrolled in the DCRP.

12. DEFERRED CHARGES TO BE RAISED IN SUCCEEDING YEARS' BUDGETS

Certain expenditures are required to be deferred to budgets of succeeding years. At December 31, 2013, the Township had the following deferred charges:

	<u>Balance Dec. 31, 2013</u>	<u>To be Raised in 2014 Budget</u>	<u>Balance to Succeeding Budgets</u>
Special Emergency:			
Accumulated Sick/Vacation	\$ 315,000.00	\$ 105,000.00	\$ 210,000.00
Reassessment	<u>115,000.00</u>	<u>60,000.00</u>	<u>55,000.00</u>
	<u>\$ 430,000.00</u>	<u>\$ 165,000.00</u>	<u>\$ 265,000.00</u>

13. CONTINGENT LIABILITIES

a. Compensated Absences

The Township of Manchester has an accrued sick policy plan whereby eligible employees can accumulate up to 183 sick days and upon retirement will be compensated at their current rate of pay.

At the present time, unused vacation time cannot be accrued.

It is estimated that the sum of \$1,064,488.00 would be payable to the employees of the Township of Manchester as of December 31, 2013. The contingency for liability is not included in the financial statements of the Township. This amount was not verified by audit. It is noted that the Township has the amount of \$863.50 reserved as of December 31, 2013. Also, the amount of \$45,000.00 is available in the CY 2014 Budget.

b. Tax Appeals

As of December 31, 2013, there were no tax appeals pending before the New Jersey Tax Court.

Judgments favorable to the taxpayers generally extend to two years following the year judged and would also subject the Township to a liability for statutory interest in the amount of taxes refunded from the date of payment to the date of refund (R.S. 54:3-27.2).

c. Federal and State Awards

The Township participates in several federal and state grant programs which are governed by various rules and regulations of the grantor agencies; therefore to the extent that the Township has not complied with the rules and regulations governing the grants, refunds of any money received may be required and the collectability of any related receivable at December 31, 2013 may be impaired. In the opinion of management, there are no significant contingent liabilities relating to compliance with the rules and regulations governing the respective grants; therefore, no provisions have been recorded in the accompanying statutory basis financial statements for such contingencies.

d. Arbitrage Rebate Calculation

In 1985, under the Tax Reform Act, the Arbitrage Rebate Law went into effect requiring issuers of tax exempt debt obligations to rebate to the Federal Government all of the earnings in excess of the yield on investments of proceeds of such debt issuances (the "rebate arbitrage"). The Rebate Regulations apply to obligations issued after August 31, 1986. The arbitrage rebate liability must be calculated every installment computation date (last day of the fifth bond year) or earlier if the bonds are retired, defeased or refunded and pay at least 90% of the rebatable arbitrage (plus any earnings thereon) within 60 days after such date.

e. Litigation

The Township Attorney's letter indicated that there is one case involving a restatement of a police officer with back pay who was terminated by the Township. The case is currently before the Appellate Division. The Township also expects favorable outcomes in other matters that are pending.

14. SECONDARY MARKET DISCLOSURE

Solely for purposes of complying with Rule 15c2-12 of the Securities and Exchange Commission, as amended and interpreted from time to time (the "Rule"), and provided that the Bonds are not exempt from the Rule and provided that the Bonds are not exempt from the requirements in accordance with Paragraph (d) of the Rule, for so long as the Bonds remain outstanding (unless the Bonds have been wholly defeased), the municipality shall provide for the benefit of the holders of the Bonds and the beneficial owners thereof various financial documents relating to the financial conditions of the Municipal Securities Rulemaking Board through the Electronic Municipal Access Data Port (the "MSRB").

15. SUBSEQUENT EVENT

The Township of Manchester has evaluated subsequent events that occurred after the balance sheet date, but before August 1, 2014. No items were determined to require disclosure.

TOWNSHIP OF MANCHESTER
CURRENT FUND

CASH RECEIPTS AND DISBURSEMENTS
COLLECTOR AND TREASURER

A-4

	<u>Ref.</u>		<u>Regular Fund</u>		<u>Federal and State Grant Fund</u>
Balance December 31, 2012			\$ 5,676,214.46		\$ 250,636.06
Increased by Receipts:					
Nonbudget Revenue	A-2c	\$	515,146.75		\$
Tax Collector	A-5		74,469,048.17		
Change Fund Returned	A-6		200.00		
Due from State of New Jersey: (Ch. 129, P.L. 1976)	A-16		1,900,504.01		
Revenue Accounts Receivable	A-11		8,397,229.92		
Federal and State Grants Receivable	A-13			502,030.53	
Interfunds Payable	A-15		6,872,366.07		
Due to State of New Jersey:					
DCA Surcharge	A-17		28,403.00		
Marriage Licenses	A-17		6,578.00		
Reserve for Unappropriated State Aid - PILOT	A-19		126,578.00		
Special Emergency Note	A-21		430,000.00		
Matching Funds for State and Federal Grants	A-27			381,450.00	
Unappropriated Federal and State Funds	A-28			20,964.94	
			<u>92,746,053.92</u>		<u>904,445.47</u>
			98,422,268.38		1,155,081.53
Decreased by Disbursements:					
Prior Year Refunds	A-1		196,189.07		
Budget Appropriations	A-3		27,032,915.93		
Matching Funds for State and Federal Grants	A-3		381,450.00		
Change Fund Established	A-6		480.00		
Open Space Municipal Tax	A-7		322,210.00		
Appropriation Reserves	A-14		977,688.37		
Interfunds Payable	A-15		6,751,573.82		
Due to State of New Jersey:					
DCA Surcharge	A-17		30,194.00		
Marriage Licenses	A-17		2,675.00		
Tax Overpayments	A-18		77,247.65		
Accounts Payable	A-20		151,429.34		
Special Emergency Note Payable	A-21		595,000.00		
County Tax Payable	A-22		13,144,690.45		
Local School District Taxes Payable	A-23		41,872,840.00		
Reserve for Tax Appeals	A-24		38,622.48		
Reserve for Revaluation	A-25		31,873.00		
Reserve for Federal and State Grants	A-27			1,033,005.34	
			<u>91,607,079.11</u>		<u>1,033,005.34</u>
Balance December 31, 2013	A		<u>\$ 6,815,189.27</u>		<u>\$ 122,076.19</u>

TOWNSHIP OF MANCHESTER
CURRENT FUND

CASH RECEIPTS AND DISBURSEMENTS
TAX COLLECTOR

A-5

	<u>Ref.</u>		
Increased by Receipts:			
Interest and Costs on Taxes	A-2	\$ 169,236.80	
Taxes Receivable	A-7	73,018,663.27	
Tax Title Liens	A-8	2,332.01	
Tax Overpayments	A-18	292,996.22	
Prepaid Taxes	A-26	<u>985,819.87</u>	
			\$74,469,048.17
Decreased by Disbursements:			
Turnover to Treasurer	A-4		<u>74,469,048.17</u>
			<u>\$ -</u>

TOWNSHIP OF MANCHESTER
CURRENT FUND

CHANGE FUND - COLLECTOR

A-6

	<u>Balance</u> <u>Dec. 31, 2012</u>	<u>Increase</u>	<u>Decrease</u>	<u>Balance</u> <u>Dec. 31, 2013</u>
Collector	<u>\$ 470.00</u>	<u>\$480.00</u>	<u>\$200.00</u>	<u>\$ 750.00</u>
<u>Reference</u>		<u>A-4</u>	<u>A-4</u>	<u>A</u>

TOWNSHIP OF MANCHESTER
CURRENT FUND

TAXES RECEIVABLE AND ANALYSIS OF PROPERTY TAX LEVY

A-7

Year	Balance Dec. 31, 2012	2013 Levy	Added Taxes	Prepaid Taxes Applied	Collected	Due from State of New Jersey	Adjustments	Transferred to Tax Title Liens	Cancelled	Balance Dec. 31, 2013
Bankruptcy Taxes										
SFY 2010	\$ 11,057.36				\$ 583.51	\$			\$ 269.56	\$ 10,473.85
SFY 2011	2,339.31		1,390.49		2,069.75		2,741.34			2,511.42
SFY 2012	(1,620.41)						37,019.42			
TY 2012	(37,019.42)									
	551,681.11									
	526,437.95	75,985,906.32								
CY 2013						2,130,820.00				
	\$ 526,437.95	\$ 75,985,906.32	\$ 60,450.19	\$ 2,991.00	\$ 73,018,663.27	\$ 2,130,820.00	\$ -	\$ 97,714.28	\$ 207,725.25	\$ 1,114,880.66
Reference		Below	Reserve	A-2a.26	A-2a.5	A-2a.16		A-8	Reserve	A

ANALYSIS OF YEAR 2013 TAX LEVY

	Ref.	Ref.
Tax Yield		
General Property Tax		
Added and Omitted	\$ 75,803,031.20	
	182,875.12	
Tax Levy		
County Taxes:		
CY 2013	\$ 13,118,642.83	
Added and Omitted Taxes	31,964.19	
Local School District Tax		
Municipal Open Space Taxes		
Local Tax for Municipal Purposes	20,481,371.74	
Tax Adjustment	158,877.56	
		322,210.00
		\$ 13,150,607.02
		41,872,840.00
		20,640,249.30
		\$ 75,985,906.32
		Above

TOWNSHIP OF MANCHESTER
CURRENT FUND

TAX TITLE LIENS

A-8

	<u>Ref.</u>	
Balance December 31, 2012		\$ 208,274.98
Increased by:		
Transferred from Taxes Receivable	A-7	97,714.28
		<u>305,989.26</u>
Decreased by:		
Cash Receipts	A-2a,5	2,332.01
		<u>2,332.01</u>
Balance December 31, 2013	A	<u>\$ 303,657.25</u>

PROPERTY ACQUIRED FOR TAXES
AT ASSESSED VALUATIONS

A-9

	<u>Ref.</u>	
Balance December 31, 2012		\$ 942,474.28
Increased by:		
Adjustment to Net Valuations	Reserve	8,669,225.72
		<u>8,669,225.72</u>
Balance December 31, 2013	A	<u>\$ 9,611,700.00</u>

TOWNSHIP OF MANCHESTER
CURRENT FUND

INTERFUNDS RECEIVABLE

A-10

	<u>Balance</u> <u>Dec. 31, 2012</u>	<u>Increase</u>	<u>Decrease</u>	<u>Balance</u> <u>Dec. 31, 2013</u>
General Trust Fund	\$ 13,675.73	\$	\$13,675.73	\$
Animal Control Fund	<u>7,132.72</u>	<u>3,320.47</u>	<u> </u>	<u>10,453.19</u>
Totals	<u>\$ 20,808.45</u>	<u>\$ 3,320.47</u>	<u>\$ 13,675.73</u>	<u>\$ 10,453.19</u>

Reference

A-2c

A-15

A

Ref.

Analysis of Net Debit to Fund Balance

Balance December 31, 2012	Above	\$ 20,808.45
Balance December 31, 2013	Above	<u>10,453.19</u>
Net Debit to Operations	A-1	<u>\$ 10,355.26</u>

TOWNSHIP OF MANCHESTER
CURRENT FUND

REVENUE ACCOUNTS RECEIVABLE

A-11

	<u>Ref.</u>	<u>Balance</u> <u>Dec. 31, 2012</u>	<u>Accrued</u>	<u>Collected</u>	<u>Balance</u> <u>Dec. 31, 2013</u>
<u>Budget Revenue</u>					
Township Clerk:					
Alcoholic Beverage Licenses	A-2	\$	\$ 32,500.00	\$ 32,500.00	\$
Other Licenses	A-2b		19,285.00	19,285.00	
Other Fees and Permits	A-2b		224,331.00	224,331.00	
Health Officer:					
Other Licenses	A-2b		184.00	184.00	
Other Fees and Permits:					
Tax Collector	A-2b		6,245.27	6,245.27	
Zoning Board	A-2b		25,525.00	25,525.00	
Registrar of Vital Statistics	A-2b		63,929.00	63,929.00	
Building Inspector	A-2b		99,927.00	99,927.00	
Recreation Department	A-2b		105,825.00	105,825.00	
Land Use	A-2b		10,789.50	10,789.50	
Housing	A-2b		64,330.00	64,330.00	
Engineering	A-2b		24,630.00	24,630.00	
Police Department	A-2b		39,360.68	39,360.68	
Beach Badges	A-2b		59,555.00	59,555.00	
Municipal Court:					
Fines and Costs	A-2	45,809.75	588,048.21	598,205.94	35,652.02
Interest on Investments	A-2		18,247.13	18,247.13	
Uniform Construction Fees	A-2		663,455.00	663,455.00	
Host Community Fees	A-2		1,815,906.66	1,815,906.66	
Cable TV Franchise Fees	A-2		161,781.92	161,781.92	
Ocean County Recycling Revenue	A-2		27,698.87	27,698.87	
Hotel Tax	A-2		31,428.27	31,428.27	
Open Space Share of Debt	A-2		390,000.00	390,000.00	
Reimbursement for In-Kind Services	A-2		743,336.00	743,336.00	
Senior Citizens' and Veterans' Post Year Statement	A-2		38,010.08	38,010.08	
Tower Rental	A-2		48,304.70	48,304.70	
Utility Surplus Anticipated	A-2				
State Aid:					
Consolidated Municipal Property Tax Relief Act	A-2		96,051.00	96,051.00	
Uniform Fire Safety Act	A-2		26,198.90	26,198.90	
Energy Receipts Tax	A-2		2,962,189.00	2,962,189.00	
		<u>\$ 45,809.75</u>	<u>\$ 8,387,072.19</u>	<u>\$ 8,397,229.92</u>	<u>\$ 35,652.02</u>

Reference

Reserve

A-4

A

TOWNSHIP OF MANCHESTER
CURRENT FUND

DEFERRED CHARGES
SPECIAL EMERGENCY AUTHORIZATION

A-12

	<u>Ref.</u>	
Balance December 31, 2012		\$595,000.00
Decreased by:		
CY 2013 Budget Appropriation	A-3	<u>165,000.00</u>
Balance December 31, 2013	A, Below	<u>\$430,000.00</u>
 <u>Analysis of Balance</u>		
5/23/11 - Accumulated Sick/Vacation Leave		\$315,000.00
4/15/12 - Reassessment		<u>115,000.00</u>
	Above	<u>\$ 430,000.00</u>

TOWNSHIP OF MANCHESTER
CURRENT FUND

FEDERAL AND STATE GRANT RECEIVABLES

A-13

	<u>Balance</u> <u>Dec. 31, 2012</u>	<u>2013</u> <u>Awards</u>	<u>Collected</u>	<u>Balance</u> <u>Dec. 31, 2013</u>
Senior Outreach Grant	\$ 1,450.00	\$ 125,000.00	\$ 126,450.00	\$
Drunk Driving Enforcement Grant		10,998.42	10,998.42	
Department of Transportation:				
First and Second Avenues		200,000.00	200,000.00	
Colonial Drive		250,000.00	162,159.85	87,840.15
Municipal Drug Alliance	16,749.90	16,840.00	8,139.45	25,450.45
Body Armor Grant		1,869.98	1,869.98	
Bulletproof Vest Program		7,806.57	7,806.57	
Clean Communities Grant		96,876.06	96,876.06	
Drive Sober or Get Pulled Over		4,400.00		4,400.00
Recovery Act 2009	10,425.00		10,425.00	
FY 2011 966 Reimbursement Program	3,689.00		3,689.00	
FY 2012 966 Reimbursement Program	13.60		13.60	
EOC Renovation Grant:				
SFY 2001	38,011.00			38,011.00
SFY 2002	27,496.00			27,496.00
	<u>\$ 97,834.50</u>	<u>\$ 713,791.03</u>	<u>\$ 628,427.93</u>	<u>\$ 183,197.60</u>
<u>Reference</u>		<u>A-2</u>	<u>Below</u>	<u>A</u>
		<u>Ref.</u>		
Cash Received		A-4	\$ 502,030.53	
Unappropriated Reserves Applied		A-28	126,397.40	
		Above	<u>\$ 628,427.93</u>	

TOWNSHIP OF MANCHESTER
CURRENT FUND

A-14
Sheet #1

TY 2012 APPROPRIATION RESERVES

Appropriation	Balance Dec. 31, 2012		Balance After Transfers	Paid or Charged	Balance Lapsed
	Encumbered	Unencumbered			
APPROPRIATIONS WITHIN "CAPS"					
Office of the Mayor					
Office of the Mayor:					
Salaries and Wages		\$ 523.09	\$ 523.09	\$	\$ 523.09
Other Expenses	691.00	759.00	1,450.00	691.00	759.00
Environmental Commission:					
Salaries and Wages		500.00	500.00		500.00
Other Expenses		100.00	100.00		100.00
Veteran's Advisory Committee:					
Other Expenses		900.00	900.00		900.00
Office of the Clerk:					
Salaries and Wages		7,280.60	7,280.60		7,280.60
Other Expenses	3,670.49	8,789.98	12,460.47	3,592.17	8,868.30
Zoning Board of Adjustments:					
Other Expenses		14,272.50	14,272.50	5,412.83	8,859.67
Municipal Audit:					
Other Expenses	4,361.49	46,000.00	46,000.00	46,000.00	
		79,125.17	83,486.66	55,696.00	27,790.66
Department of Administration					
Office of the Tax Assessor:					
Salaries and Wages		1,869.29	1,869.29		1,869.29
Other Expenses	2,378.55	2,377.93	4,756.48	1,533.02	3,223.46
Division of Data Processing:					
Salaries and Wages		729.40	729.40		729.40
Other Expenses	12,904.90	2,418.21	15,323.11	12,904.14	2,418.97
Division of Administration and Purchasing:					
Salaries and Wages		22,097.38	22,097.38		22,097.38
Other Expenses	25,620.67	37,270.36	62,891.03	23,393.98	39,497.05
Division of Recreation:					
Salaries and Wages		4,787.63	4,787.63		4,787.63
Other Expenses	1,243.94	18,073.81	19,317.75	657.45	18,660.30
	42,148.06	89,624.01	131,772.07	38,488.59	93,283.48

TOWNSHIP OF MANCHESTER
CURRENT FUND

TY 2012 APPROPRIATION RESERVES

A-14
Sheet #2

Appropriation	Balance Dec. 31, 2012		Balance After Transfers	Paid or Charged	Balance Lapsed
	Encumbered	Unencumbered			
APPROPRIATIONS WITHIN "CAPS"					
<u>Department of Finance</u>					
Financial Administration:					
Salaries and Wages	\$ 3,454.08	\$ 4,458.87	\$ 4,458.87	\$ 3,357.68	\$ 4,458.87
Other Expenses		5,792.72	9,246.80		5,889.12
Revenue Collection:					
Salaries and Wages	5,579.85	2,574.02	2,574.02		2,574.02
Other Expenses	9,033.93	9,899.29	15,479.14	5,672.00	9,807.14
		<u>22,724.90</u>	<u>31,758.83</u>	<u>9,029.68</u>	<u>22,729.15</u>
<u>Department of Law</u>					
Municipal Prosecutor:					
Other Expenses	1,894.74	5,333.36	5,333.36	1,666.67	3,666.69
Township Attorney:					
Other Expenses	<u>1,894.74</u>	<u>37,893.62</u>	<u>39,788.36</u>	<u>20,342.11</u>	<u>19,446.25</u>
		<u>43,226.98</u>	<u>45,121.72</u>	<u>22,008.78</u>	<u>23,112.94</u>
<u>Department of Public Works</u>					
Division of Administration and Streets:					
Salaries and Wages	41,635.40	13,322.20	13,322.20	21,431.54	13,322.20
Other Expenses		3,214.00	44,849.40		23,417.86
Division of Sanitation and Recycling:					
Salaries and Wages	1,460.00	560.52	560.52	3,060.00	560.52
Other Expenses		16,537.02	17,997.02		14,937.02
Division of Building and Grounds:					
Salaries and Wages	23,804.40	728.62	728.62	21,126.32	728.62
Other Expenses		2,571.93	26,376.33		5,250.01
Division of Central Maintenance:					
Salaries and Wages	59,617.03	3,819.45	3,819.45	52,032.23	3,819.45
Other Expenses		8,779.98	68,397.01		16,364.78
Division of Lakes, Parks and Playgrounds:					
Salaries and Wages	4,932.47	13,389.71	13,389.71	3,911.25	13,389.71
Other Expenses	<u>131,449.30</u>	<u>2,738.77</u>	<u>7,671.24</u>	<u>101,561.34</u>	<u>3,759.99</u>
		<u>65,662.20</u>	<u>197,111.50</u>		<u>95,550.16</u>

TOWNSHIP OF MANCHESTER
CURRENT FUND

A-14
Sheet #3

TY 2012 APPROPRIATION RESERVES

Appropriation	Balance Dec. 31, 2012		Balance After Transfers	Paid or Charged	Balance Lapsed
	Encumbered	Unencumbered			
<u>APPROPRIATIONS WITHIN "CAPS"</u>					
<u>Department of Engineering</u>					
Engineering:					
Other Expenses	\$	\$ 43,452.89	\$ 43,452.89	\$ 1,492.03	\$ 41,960.86
<u>Department of Public Safety</u>					
Police:					
Salaries and Wages		40,524.82	40,524.82		40,524.82
Other Expenses	176,029.51	13,531.95	189,561.46	172,299.89	17,261.57
Police Clerical and Computer:					
Salaries and Wages		10,427.72	10,427.72		10,427.72
Animal Control:					
Other Expenses		10,636.40	10,636.40	3,408.00	7,228.40
Division of Emergency Management:					
Salaries and Wages	3,250.00	173.11	3,423.11	3,250.00	173.11
Other Expenses	961.06	1,287.30	2,248.36	961.06	1,287.30
	180,240.57	76,581.30	256,821.87	179,918.95	76,902.92
<u>Department of Land Use and Planning</u>					
Division of Zoning and Planning:					
Other Expenses	100.00	5,635.27	5,735.27	5,467.25	268.02

TOWNSHIP OF MANCHESTER
CURRENT FUND

TY 2012 APPROPRIATION RESERVES

A-14
Sheet #4

<u>Appropriation</u>	<u>Balance</u> <u>Dec. 31, 2012</u>	<u>Balance</u> <u>After</u> <u>Transfers</u>	<u>Paid or</u> <u>Charged</u>	<u>Balance</u> <u>Lapsed</u>
	<u>Encumbered</u>	<u>Unencumbered</u>		
<u>APPROPRIATIONS WITHIN "CAPS"</u>				
Other				
Municipal Court:				
Salaries and Wages	\$ 177.90	\$ 7,403.51	\$ 7,403.51	\$ 7,403.51
Other Expenses		6,016.74		6,016.74
Public Defender (P.L. 1997, c.256):				
Salaries and Wages		6,583.32		6,583.32
Insurance:				
Workers Compensation		955.74		955.74
Employee Group Health	1,197.07	411,348.46	372,557.07	38,791.39
Employee Opt Out Payments		9,518.86	1,008.60	8,510.26
Hepatitis Inoculation Program:				
Other Expenses		5,000.00		5,000.00
OSHA Requirement - Respirator Testing:				
Other Expenses	<u>1,374.97</u>	<u>7,500.00</u>	<u>373,565.67</u>	<u>7,500.00</u>
		<u>452,951.66</u>		<u>80,760.96</u>
<u>Uniform Construction Code</u>				
Uniform Construction Code:				
Salaries and Wages		7,645.80		7,645.80
Other Expenses	<u>5,257.83</u>	<u>27,795.06</u>	<u>7,271.67</u>	<u>20,523.39</u>
	<u>5,257.83</u>	<u>35,440.86</u>	<u>7,271.67</u>	<u>28,169.19</u>
<u>Unclassified</u>				
Utilities:				
Gasoline	75,244.40	16,173.80		30,911.40
Electricity		24,438.82	60,506.80	15,996.49
Telephone and Telegraph		16,902.62	5,351.28	11,551.34
Natural Gas		7,305.88	3,273.78	4,032.10
Heating Oil		8,000.00		8,000.00
Street Lighting		51,381.77	6,643.49	44,738.28
Accumulated Leave Compensation		115,378.08	41,032.13	74,345.95
Housing Interest Fees	<u>75,244.40</u>	<u>95,130.40</u>	<u>125,249.81</u>	<u>95,130.40</u>
		<u>409,955.77</u>		<u>284,705.96</u>

TOWNSHIP OF MANCHESTER
CURRENT FUND

A-14
Sheet #5

TY 2012 APPROPRIATION RESERVES

	<u>Balance</u> <u>Dec. 31, 2012</u>	<u>Balance</u> <u>After</u> <u>Transfers</u>	<u>Paid or</u> <u>Charged</u>	<u>Balance</u> <u>Lapsed</u>
<u>Appropriation</u>	<u>Encumbered</u>	<u>Unencumbered</u>	<u>Transfers</u>	<u>Charged</u>
<u>Contingent</u>	\$ 5,000.00	\$ 5,000.00	\$	\$ 5,000.00
<u>Statutory Expenditures</u>				
Contribution to:				
Retirement Program	2,600.00	2,600.00		2,600.00
Social Security System (OAS)	96,728.85	96,728.85		96,728.85
<u>Total Appropriations Within "CAPS"</u>	<u>451,105.29</u>	<u>1,799,312.92</u>	<u>919,749.77</u>	<u>879,563.15</u>
<u>APPROPRIATIONS EXCLUDED FROM "CAPS"</u>				
Reserve for Tax Appeals		88,600.00	57,938.60	30,661.40
<u>Total Appropriations Excluded from "CAPS"</u>		<u>88,600.00</u>	<u>57,938.60</u>	<u>30,661.40</u>
	<u>\$ 451,105.29</u>	<u>\$ 1,887,912.92</u>	<u>\$ 977,688.37</u>	<u>\$ 910,224.55</u>

Reference

A-1

A-4

TOWNSHIP OF MANCHESTER
CURRENT FUND

INTERFUNDS PAYABLE

A-15

	<u>Balance</u> <u>Dec. 31, 2012</u>	<u>Increase</u>	<u>Decrease</u>	<u>Balance</u> <u>Dec. 31, 2013</u>
General Capital Fund	\$ 95,000.00	\$	\$	\$ 95,000.00
General Trust Fund		830,054.87	729,552.02	100,502.85
Water Eastern Operating Fund		2,119,269.31	2,119,269.31	
Sewer Eastern Operating Fund		3,404,704.05	3,404,704.05	
Water Western Operating Fund		518,337.84	511,724.17	6,613.67
	<u>\$ 95,000.00</u>	<u>\$6,872,366.07</u>	<u>\$6,765,249.55</u>	<u>\$202,116.52</u>

Reference

A-4

Below

A

Ref.

Cash Disbursements

A-4

\$6,751,573.82

Transfer from Interfunds Receivable

A-10

13,675.73

Above

\$6,765,249.55

TOWNSHIP OF MANCHESTER
CURRENT FUND

DUE TO STATE OF NEW JERSEY
(CH. 129, P.L. 1976)

A-16

	<u>Ref.</u>	
Balance December 31, 2012		\$ 34,347.35
Increased by:		
Cash Received - Current Year	A-4	<u>1,900,504.01</u>
		1,934,851.36
Decreased by:		
Deductions per Tax Billings:		
Senior Citizens/Veterans		\$ 730,500.00
Veterans		1,380,985.10
Plus: Deductions Allowed by Tax Collector		<u>27,500.00</u>
		2,138,985.10
Less: Senior Citizens and Veterans - Disallowed by Tax Collector		<u>8,165.10</u>
	A-7	2,130,820.00
Prior Year Senior Citizens and Veterans Allowed by Tax Collector	A-1	<u>237,160.08</u>
		<u>1,893,659.92</u>
Balance December 31, 2013	A	<u>\$ 41,191.44</u>

TOWNSHIP OF MANCHESTER
CURRENT FUND

DUE TO STATE OF NEW JERSEY

A-17

	<u>Ref.</u>	<u>DCA Surcharges</u>	<u>Marriage License Fees</u>
Balance December 31, 2012		\$ 6,083.00	\$ 287.00
Increased by:			
Collection of State Fees	A-4	28,403.00	6,578.00
		<u>34,486.00</u>	<u>6,865.00</u>
Decreased by:			
Cash Disbursed	A-4	30,194.00	2,675.00
Balance December 31, 2013	A	<u>\$ 4,292.00</u>	<u>\$ 4,190.00</u>

TAX OVERPAYMENTS

A-18

	<u>Ref.</u>	
Balance December 31, 2012		\$ 65,051.96
Increased by:		
Tax Collector Receipts	A-5	292,996.22
		<u>358,048.18</u>
Decreased by:		
Cash Disbursed	A-4	77,247.65
Balance December 31, 2013	A	<u>\$280,800.53</u>

TOWNSHIP OF MANCHESTER
CURRENT FUND

RESERVE FOR UNAPPROPRIATED STATE AID - PILOT

A-19

	<u>Ref.</u>	
Balance December 31, 2012		\$ 159,227.00
Increased by:		
Cash Receipt	A-4	126,578.00
		<u>285,805.00</u>
Decreased by:		
Anticipated as Current Year Revenue	A-2	159,227.00
		<u>159,227.00</u>
Balance December 31, 2013	A	<u>\$ 126,578.00</u>

ACCOUNTS PAYABLE

A-20

	<u>Ref.</u>	
Balance December 31, 2012		\$ 333,080.29
Decreased by:		
Cash Disbursed	A-4	151,429.34
		<u>151,429.34</u>
Balance December 31, 2013	A	<u>\$ 181,650.95</u>

SPECIAL EMERGENCY NOTE PAYABLE

A-21

	<u>Ref.</u>	
Balance December 31, 2012		\$ 595,000.00
Increased by:		
Cash Receipt	A-4	430,000.00
		<u>1,025,000.00</u>
Decreased by:		
Cash Disbursed	A-4	595,000.00
		<u>595,000.00</u>
Balance December 31, 2013	A	<u>\$ 430,000.00</u>

TOWNSHIP OF MANCHESTER
CURRENT FUND

COUNTY TAXES PAYABLE

A-22

	<u>Ref.</u>	
Balance December 31, 2012		\$ 26,047.62
Increased by:		
2013 Levy		\$ 13,118,642.83
Added and Omitted Taxes		<u>31,964.19</u>
	A-1,2a,7	<u>13,150,607.02</u>
		<u>13,176,654.64</u>
Decreased by:		
Payments to County	A-4	<u>13,144,690.45</u>
Balance December 31, 2013	A	<u>\$ 31,964.19</u>

LOCAL SCHOOL DISTRICT TAXES PAYABLE

A-23

	<u>Ref.</u>	
Increased by:		
2013 Levy	A-1,2a,7	\$ 41,872,840.00
Decreased by:		
Payments	A-4	<u>41,872,840.00</u>
		<u>\$ -</u>

RESERVE FOR TAX APPEALS

A-24

	<u>Ref.</u>	
Balance December 31, 2012		\$ 142,061.01
Decreased by:		
Cash Disbursed	A-4	<u>38,622.48</u>
Balance December 31, 2013	A	<u>\$ 103,438.53</u>

TOWNSHIP OF MANCHESTER
CURRENT FUND

RESERVE FOR REVALUATION

A-25

	<u>Ref.</u>	
Balance December 31, 2012		\$ 109,200.00
Decreased by:		
Cash Disbursed	A-4	<u>31,873.00</u>
Balance December 31, 2013	A	<u>\$ 77,327.00</u>

PREPAID TAXES

A-26

	<u>Ref.</u>	
Balance December 31, 2012		\$ 2,991.00
Increased by:		
Collections	A-5	<u>985,819.87</u>
		988,810.87
Decreased by:		
Applied to Taxes Receivable	A-7	<u>2,991.00</u>
Balance December 31, 2013	A	<u>\$ 985,819.87</u>

TOWNSHIP OF MANCHESTER
CURRENT FUND

RESERVE FOR FEDERAL AND STATE GRANTS - APPROPRIATED

A-27

	<u>Balance</u> <u>Dec. 31, 2012</u> <u>Reserved</u>	<u>Transfer</u> <u>from</u> <u>2013</u> <u>Budget</u>	<u>Expenditures</u>	<u>Balance</u> <u>Dec. 31, 2013</u> <u>Reserved</u>
Senior Outreach Program:				
State Grant	\$ 110,587.41	\$ 506,450.00	\$ 529,368.23	\$ 87,669.18
Drunk Driving Enforcement Fund	2,568.60	10,998.42	9,483.17	4,083.85
Municipal Alliance Grant:				
SFY 2010	2,652.67			2,652.67
SFY 2012	7,139.54			7,139.54
CY 2013		16,840.00	11,869.26	4,970.74
Body Armor Grant	17,381.08	1,869.98	8,494.53	10,756.53
Bulletproof Vest Program		7,806.57	7,410.00	396.57
O.C. Senior Citizen and Disabled Resident Transportation	4,800.00			4,800.00
Clean Communities Grant:				
FY 2012	56,236.70			56,236.70
CY 2013		96,876.06	30,539.01	66,337.05
FY 2011 966 Grant	3,689.00			3,689.00
FY 2012 966 Reimbursement	5,661.40			5,661.40
Department of Transportation:				
Colonial Drive North	399.51			399.51
Colonial Drive	6,698.02	250,000.00	256,346.83	351.19
First and Second Avenues		200,000.00	179,494.31	20,505.69
2009 Recovery Act	25.00			25.00
Drive Sober or Get Pulled Over		4,400.00		4,400.00
	<u>\$ 217,838.93</u>	<u>\$ 1,095,241.03</u>	<u>\$ 1,033,005.34</u>	<u>\$ 280,074.62</u>

Reference

Below

A-4

A

Ref.

Transferred from 2013 Budget
Matching Funds

A-3

\$ 713,791.03

A-3,4

381,450.00

Above

\$ 1,095,241.03

TOWNSHIP OF MANCHESTER
CURRENT FUND

RESERVE FOR FEDERAL AND STATE AID UNAPPROPRIATED

A-28

	<u>Ref.</u>	
Balance December 31, 2012		\$ 130,631.63
Increased by:		
Cash Received	A-4	20,964.94
		<u>151,596.57</u>
Decreased by:		
Anticipated as Current Year Revenue	A-13	126,397.40
		<u>126,397.40</u>
Balance December 31, 2013	A, Below	<u>\$ 25,199.17</u>

Analysis of Balance

Body Armor Grant		\$ 4,234.23
Senior Outreach		10,650.00
Child Passenger Safety Grant		1,000.00
Drunk Driving Enforcement Fund		9,314.94
		<u>9,314.94</u>
		<u>\$ 25,199.17</u>

Reference

Above

TOWNSHIP OF MANCHESTER
TRUST FUND

B-1

CASH RECEIPTS AND DISBURSEMENTS - CHECKING ACCOUNTS

Ref.	Animal Control Trust Fund	Special Deposits/ Performance Bonds	Affordable Housing Trust Fund	Redemption Trust Fund	Slate Unemployment Compensation Insurance Trust Fund	Police Drug Enforcement Trust Account	Municipal Drug Alliance	Public Defender Trust Fund	Manchester Day Trust Fund	Open Space Trust Fund	Recreation Trust Fund
Balance December 31, 2012	\$ 46,444.12	\$ 3,327,001.21	\$	\$ 601,537.49	\$ 199,146.08	\$ 40,656.75	\$ 3,630.14	\$ 51,200.91	\$ 2,630.80	\$ 235,226.60	\$ 13,729.29
Increased by:											
B-3	2,789.40										
B-4	11,621.00										
B-6	776.80										
B-6	165.00										
B-6	692.00										
B-7		1,973.84									
B-8				860,154.81					11,952.00		
B-9		377,139.55									
B-10											
B-11					37,703.79						
B-12						9,887.76				322,765.66	44,069.42
B-13							11,725.95	23,903.25			
B-14									11,952.00		
B-15											
B-16											
B-16			1,226,202.36								
B-19			1,460.77								
B-19	16,044.00		1,227,663.13	860,154.81	37,703.79	9,887.76	11,725.95	23,903.25	11,952.00	322,765.66	44,069.42
B-19	62,488.12		1,227,663.13	1,461,892.30	236,848.87	49,534.51	15,356.09	75,104.16	14,582.80	557,992.26	57,798.70
B-3	2,755.80										
B-6	6,390.53								2,600.00		
B-8											
B-9				837,002.64							
B-10		1,458,515.31									
B-11					25,649.34			11,962.65			
B-12						19,742.49				390,000.00	45,505.71
B-13											
B-14											
B-15											
B-16											
B-19	9,146.33		418,855.75								
B-19			418,855.75	937,002.64	25,649.34	19,742.49	11,962.65	25,950.84	2,900.00	390,000.00	45,505.71
B	\$ 53,341.79	\$ 2,247,599.29	\$ 806,607.38	\$ 524,699.66	\$ 211,200.53	\$ 29,792.02	\$ 3,393.44	\$ 49,153.32	\$ 11,982.80	\$ 167,992.26	\$ 12,292.99
Balance December 31, 2013											
Decreased by:											
State of New Jersey Expenditures Under N.J.S. 40A:4-39											
Manchester Day Expenditures											
Tex Title Liens - Expenditures											
Special Deposits Expended											
SU Claims Paid											
Police Drug Expenditures											
Drug Alliance Expenditures											
Public Defender Expenditures											
Open Space Trust											
Recreation Expenditures											
Affordable Housing Expenditures											
Balance December 31, 2013											

TOWNSHIP OF MANCHESTER
TRUST FUND

COMMUNITY DEVELOPMENT BLOCK GRANT RECEIVABLE

B-2

<u>Grant Number</u>	<u>Project Description</u>	<u>Balance Dec. 31, 2012</u>	<u>Increase</u>	<u>Decrease</u>
CT-780-06	Curbs and Sidewalks	\$ 30,000.00	\$	\$ 30,000.00
CT-820-07	Curbs and Sidewalks	35,000.00		35,000.00
CT-936-11	Sidewalks - Route 530	<u> </u>	<u>42,000.00</u>	<u>42,000.00</u>
		<u>\$ 65,000.00</u>	<u>\$42,000.00</u>	<u>\$107,000.00</u>
	<u>Reference</u>		<u>B-17</u>	<u>Below</u>
			<u>Ref.</u>	
	Due from Current Fund		B-7	\$ 50,250.00
	Cancelled		B-17	<u>56,750.00</u>
			Above	<u>\$107,000.00</u>

TOWNSHIP OF MANCHESTER
TRUST FUND

ANIMAL CONTROL TRUST FUND
DUE TO STATE OF NEW JERSEY

B-3

	<u>Ref.</u>	<u>Animal Control Trust Fund</u>
Balance December 31, 2012		\$ 43.60
Increased by:		
State of New Jersey Fees	B-1	2,789.40
		<u>2,833.00</u>
Decreased by:		
Payments to State of New Jersey	B-1	2,755.80
		<u>2,755.80</u>
Balance December 31, 2013	B	<u>\$ 77.20</u>

ANIMAL CONTROL TRUST FUND
PREPAID DOG LICENSES

B-4

	<u>Ref.</u>	
Balance December 31, 2012		\$15,906.60
Increased by:		
Prepaid Collections	B-1	11,621.00
		<u>27,527.60</u>
Decreased by:		
Prepaid Licenses Applied	B-6	8,853.80
		<u>8,853.80</u>
Balance December 31, 2013	B	<u>\$18,673.80</u>

TOWNSHIP OF MANCHESTER
TRUST FUND

ANIMAL CONTROL FUND
DUE TO CURRENT FUND

B-5

	<u>Ref.</u>	<u>Current Fund</u>
Balance December 31, 2012		\$ 7,132.72
Increased by:		
Excess Fund Balance in Animal Control Fund	B-6	<u>3,320.47</u>
Balance December 31, 2013	B	<u><u>\$10,453.19</u></u>

TOWNSHIP OF MANCHESTER
TRUST FUND

ANIMAL CONTROL TRUST FUND
RESERVE FOR ANIMAL CONTROL EXPENDITURES

B-6

	<u>Ref.</u>		
Balance December 31, 2012			\$23,361.20
Increased by:			
Dog License Fees	B-1	\$ 776.60	
Late Fees	B-1	165.00	
Aggressive Dog Fees	B-1	692.00	
Prepaid Licenses Applied	B-4	<u>8,853.80</u>	
			<u>10,487.40</u>
			33,848.60
Decreased by:			
Expenditures Under N.J.S. 40A:4-39	B-1	6,390.53	
Excess Due to Current Fund	B-5	<u>3,320.47</u>	
			<u>9,711.00</u>
Balance December 31, 2013	B		<u><u>\$24,137.60</u></u>

License Fees Collected

	<u>Year</u>	<u>Amount</u>
	SFY 2012	\$12,484.80
	SFY 2011	<u>11,652.80</u>
	Maximum Balance	<u><u>\$24,137.60</u></u>

TOWNSHIP OF MANCHESTER
TRUST FUND

GENERAL TRUST FUND
DUE (TO)/FROM CURRENT FUND

B-7

	<u>Ref.</u>		
Balance December 31, 2012			\$ (13,675.73)
Increased by:			
CDBG Receipts Collected in Current Fund	B-2	\$ 50,250.00	
Affordable Housing Receipts Collected in Current Fund	B-19	<u>110,929.50</u>	
			<u>161,179.50</u>
			<u>147,503.77</u>
Decreased by:			
Municipal Share of Developers' Interest	B-1	1,973.84	
CDBG Expenditures Disbursed in Current Fund	B-17	42,000.00	
Special Deposits Collected in Current Fund	B-10	<u>3,027.08</u>	
			<u>47,000.92</u>
Balance December 31, 2013	B		<u><u>\$100,502.85</u></u>

RESERVE FOR MANCHESTER DAY TRUST FUND

B-8

	<u>Ref.</u>		
Balance December 31, 2012			\$ 2,630.80
Increased by:			
Collections	B-1	<u>11,952.00</u>	
			<u>14,582.80</u>
Decreased by:			
Expenditures	B-1	<u>2,600.00</u>	
Balance December 31, 2013	B		<u><u>\$ 11,982.80</u></u>

TOWNSHIP OF MANCHESTER
TRUST FUND

DEPOSITS FOR REDEMPTION OF TAX TITLE LIENS

B-9

	<u>Ref.</u>	
Balance December 31, 2012		\$ 601,537.49
Increased by:		
Collections	B-1	<u>860,154.81</u>
		1,461,692.30
Decreased by:		
Expenditures	B-1	<u>937,002.64</u>
Balance December 31, 2013	B	<u><u>\$ 524,689.66</u></u>

TOWNSHIP OF MANCHESTER
TRUST FUND

SPECIAL ESCROW DEPOSITS

B-10

	<u>Ref.</u>		
Balance December 31, 2012			\$3,320,711.98
Increased by:			
Collections	B-1		<u>377,139.55</u>
			3,697,851.53
Decreased by:			
Refunds and Expenditures	B-1	\$1,458,515.31	
Disbursed in Current Fund	B-7	<u>3,027.08</u>	
			<u>1,461,542.39</u>
Balance December 31, 2013	B		<u><u>\$2,236,309.14</u></u>

TOWNSHIP OF MANCHESTER
TRUST FUND

STATE UNEMPLOYMENT COMPENSATION
INSURANCE TRUST FUND

B-11

	<u>Ref.</u>	
Balance December 31, 2012		\$ 199,146.08
Increased by:		
Quarterly Credits	B-1	37,703.79
		<u>236,849.87</u>
Decreased by:		
Claims	B-1	25,649.34
		<u>25,649.34</u>
Balance December 31, 2013	B	<u>\$ 211,200.53</u>

POLICE DRUG ENFORCEMENT TRUST ACCOUNT

B-12

	<u>Ref.</u>	
Balance December 31, 2012		\$ 40,666.75
Increased by:		
Cash Receipts	B-1	8,867.76
		<u>49,534.51</u>
Decreased by:		
Expenditures	B-1	19,742.49
		<u>19,742.49</u>
Balance December 31, 2013	B	<u>\$ 29,792.02</u>

TOWNSHIP OF MANCHESTER
TRUST FUND

MUNICIPAL DRUG ALLIANCE DISCRETIONARY RESERVES

B-13

	<u>Ref.</u>	
Balance December 31, 2012		\$ 3,630.14
Increased by:		
Donations	B-1	<u>11,725.95</u>
		15,356.09
Decreased by:		
Expenditures	B-1	<u>11,962.65</u>
Balance December 31, 2013	B	<u>\$ 3,393.44</u>

RESERVE FOR PUBLIC DEFENDER TRUST FUND

B-14

	<u>Ref.</u>	
Balance December 31, 2012		\$51,200.91
Increased by:		
Fees Collected	B-1	<u>23,903.25</u>
		75,104.16
Decreased by:		
Expenditures	B-1	<u>25,950.84</u>
Balance December 31, 2013	B	<u>\$49,153.32</u>

TOWNSHIP OF MANCHESTER
TRUST FUND

RESERVE FOR OPEN SPACE TRUST FUND

B-15

	<u>Ref.</u>	
Balance December 31, 2012		\$ 235,226.60
Increased by:		
Open Space Tax Levy		\$ 322,210.00
Interest on Investments		<u>555.66</u>
	B-1	<u>322,765.66</u>
		<u>557,992.26</u>
Decreased by:		
Expenditures	B-1	<u>390,000.00</u>
Balance December 31, 2013	B	<u><u>\$ 167,992.26</u></u>

RESERVE FOR RECREATION TRUST FUND

B-16

	<u>Ref.</u>	
Balance December 31, 2012		\$ 13,729.28
Increased by:		
Cash Receipts	B-1	<u>44,069.42</u>
		<u>57,798.70</u>
Decreased by:		
Expenditures	B-1	<u>45,505.71</u>
Balance December 31, 2013	B	<u><u>\$ 12,292.99</u></u>

TOWNSHIP OF MANCHESTER
TRUST FUND

COMMUNITY DEVELOPMENT BLOCK GRANT RESERVES

B-17

<u>Grant Number</u>	<u>Project Description</u>	<u>Balance Dec. 31, 2012</u>	<u>Increase</u>	<u>Decrease</u>
CT-780-06	Curbs and Sidewalks	\$ 21,750.00	\$	\$ 21,750.00
CT-820-07	Curbs and Sidewalks	35,000.00		35,000.00
CT-936-11	Sidewalks - Route 530	<u> </u>	<u>42,000.00</u>	<u>42,000.00</u>
		<u>\$ 56,750.00</u>	<u>\$42,000.00</u>	<u>\$ 98,750.00</u>
	<u>Reference</u>		<u>B-2</u>	<u>Below</u>
			<u>Ref.</u>	
	Cancelled		B-2	\$ 56,750.00
	Due from Current Fund		B-7	<u>42,000.00</u>
			Above	<u>\$ 98,750.00</u>

TOWNSHIP OF MANCHESTER
TRUST FUND

RESERVE FOR RETIREMENT PAY

B-18

	<u>Ref.</u>	
Balance December 31, 2012		\$ 863.50
		<hr/>
Balance December 31, 2013	B	\$ 863.50
		<hr/> <hr/>

RESERVE FOR AFFORDABLE HOUSING TRUST FUND

B-19

	<u>Ref.</u>	
Increased by:		
Receipts	B-1	\$ 1,226,202.36
Interest Earned	B-1	1,460.77
Affordable Housing Receipts Collected in Current Fund	B-7	<u>110,929.50</u>
		\$1,338,592.63
Decreased by:		
Expenditures	B-1	<u>418,855.75</u>
Balance December 31, 2013	B	<u>\$ 919,736.88</u>

TOWNSHIP OF MANCHESTER
GENERAL CAPITAL FUND

CASH RECEIPTS AND DISBURSEMENTS

C-2

	<u>Ref.</u>		
Balance December 31, 2012			\$ 1,801,562.71
Increased by Receipts:			
Premium on Sale of Notes	C-1	\$ 5,432.00	
Capital Improvement Fund	C-8	<u>75,000.00</u>	
			<u>80,432.00</u>
			1,881,994.71
Decreased by Disbursements:			
Improvement Authorizations	C-9		<u>417,011.17</u>
Balance December 31, 2013	C		<u><u>\$ 1,464,983.54</u></u>

TOWNSHIP OF MANCHESTER
GENERAL CAPITAL FUND

ANALYSIS OF GENERAL CAPITAL CASH

C-3

<u>Ordinance Number</u>	<u>Description</u>	<u>Balance Dec. 31, 2012</u>	<u>Receipts Other</u>	<u>Disbursements Improvement Authorizations</u>	<u>Transfers</u>		<u>Balance Dec. 31, 2013</u>
					<u>From</u>	<u>To</u>	
	Capital Improvement Fund	\$ 476,205.45	\$75,000.00	\$	\$	\$	\$ 551,205.45
	Interfunds Receivable	(95,000.00)					(95,000.00)
	Fund Balance	335,650.34	5,432.00			59,298.79	400,381.13
	<u>Improvement Authorizations - General</u>						
02-027	Pine Lake Park Walkway	(158,418.07)					(158,418.07)
04-005	Police Communication Systems	68,541.69		10,140.00	58,401.69		(106,280.66)
04-007	Road Improvements to Colonial Drive	(91,151.53)		15,129.13			(85,880.66)
05-001	Improvements to Soccer Complex	(85,508.16)		372.50			203,394.85
05-058-1	Police Department Projects	203,394.85					
05-058-4	Acquisition of Microfilming Equipment	897.10			897.10		
08-028-2	Various Park Improvements	38,562.81		30,720.00			7,842.81
08-028-3	Various Environmental Improvements	63,184.94		9,772.30			53,412.64
08-028-4	Various Capital Improvements	474,320.33		121,432.71			352,887.62
08-028-5	Paving of Various Roads	216,224.54		187,964.55			28,259.99
08-028-6	Various Improvements	187,953.67		41,479.98			146,473.89
08-028-7	Purchase of Police Vehicles/Weapons	3,257.19					3,257.19
08-028-9	Purchase of Various Land	158,000.00					158,000.00
08-037	Paving of Alexander Avenue	5,323.04					5,323.04
09-001	Acquisition of Fire Truck - Cash on Hand	124.32					124.32
		<u>\$1,801,562.71</u>	<u>\$80,432.00</u>	<u>\$417,011.17</u>	<u>\$59,298.79</u>	<u>\$59,298.79</u>	<u>\$1,464,983.54</u>

Reference

C-2

C-2

C

TOWNSHIP OF MANCHESTER
GENERAL CAPITAL FUND

INTERFUNDS RECEIVABLE

C-4

	<u>Ref.</u>	<u>Current Fund</u>
Balance December 31, 2012		<u>\$ 95,000.00</u>
Balance December 31, 2013	C	<u><u>\$ 95,000.00</u></u>

TOWNSHIP OF MANCHESTER
GENERAL CAPITAL FUND

DEFERRED CHARGES TO FUTURE TAXATION
FUNDED

C-5

	<u>Ref.</u>		
Balance December 31, 2012			\$ 12,534,891.37
Decreased by:			
2012 Budget Appropriations:			
Green Acres Payment	C-7	\$ 126,765.66	
Serial Bonds Redeemed	C-11	<u>1,048,000.00</u>	
			<u>1,174,765.66</u>
Balance December 31, 2013	C		<u>\$ 11,360,125.71</u>

TOWNSHIP OF MANCHESTER
GENERAL CAPITAL FUND

GREEN ACRES LOAN PAYABLE

C-7

	<u>Ref.</u>	
Balance December 31, 2012		\$1,186,891.37
Decreased by:		
Payments	C-5	<u>126,765.66</u>
Balance December 31, 2013	C	<u>\$ 1,060,125.71</u>

CAPITAL IMPROVEMENT FUND

C-8

	<u>Ref.</u>	
Balance December 31, 2012		\$ 476,205.45
Increased by:		
Budget Appropriation	C-2	<u>75,000.00</u>
Balance December 31, 2013	C	<u>\$ 551,205.45</u>

TOWNSHIP OF MANCHESTER
GENERAL CAPITAL FUND

IMPROVEMENT AUTHORIZATIONS

C-9

Ordinance Number	Balance Dec. 31, 2012		Expended	Cancelled	Balance Dec. 31, 2013	
	Funded	Unfunded			Funded	Unfunded
02-027	\$	\$ 68,887.93	\$	\$ 68,887.93	\$	\$ 58,401.69
04-005	68,541.69		10,140.00	58,401.69		8,719.34
04-007		23,848.47	15,128.13			96,919.84
05-001		97,292.34	372.50			
05-058-1	203,394.85				203,394.85	
05-058-4	897.10			897.10		
08-028-2		38,562.81	30,720.00			7,842.81
08-028-3		63,184.94	9,772.30			53,412.64
08-028-4		474,320.33	121,432.71			352,887.62
08-028-5		216,224.54	187,964.55			28,259.99
08-028-6		187,953.87	41,479.98			146,473.89
08-028-7		3,257.19				3,257.19
08-028-9		158,000.00				158,000.00
08-037		18,823.04		18,823.04		
	<u>\$ 272,833.64</u>	<u>\$ 1,350,355.46</u>	<u>\$ 417,011.17</u>	<u>\$ 147,009.76</u>	<u>\$ 203,394.85</u>	<u>\$ 855,773.32</u>
<u>Reference</u>		C-2	C-2	Below	C	C
Fund Balance			Ref.			
Deferred Charges to Future Taxation - Unfunded			C-1	\$ 59,298.79		
			C-6	87,710.97		
			Above	\$ 147,009.76		

TOWNSHIP OF MANCHESTER
GENERAL CAPITAL FUND

C-10

BOND ANTICIPATION NOTES

Description	Ordinance Number	Date of Issue	Original		Rate of Interest	Balance Dec. 31, 2012	Bond Anticipation Notes Issued	Bond Anticipation Notes Redeemed	Balance Dec. 31, 2013
			Amount						
Various Capital Improvements	08-028	12-18-08	\$3,000,000.00		1.25%	\$2,806,640.00	\$2,806,640.00	\$2,806,640.00	\$2,728,295.00
		10-24-13			1.00%				
Various Capital Improvements	08-028	12-10-09	2,353,250.00		1.25%	2,238,250.00	2,238,250.00	2,238,250.00	2,123,250.00
		10-24-13			1.00%				
Paving of Alexander Avenue	08-037	12-10-09	81,500.00		1.25%	77,210.00	77,210.00	77,210.00	72,920.00
		10-24-13			1.00%				
Purchase of Fire Truck	09-001	12-10-09	565,250.00		1.25%	535,500.00	535,500.00	535,500.00	505,750.00
		10-24-13			1.00%				
						<u>\$5,657,600.00</u>	<u>\$5,657,600.00</u>	<u>\$5,657,600.00</u>	<u>\$5,430,215.00</u>
						Below	Below	Below	C
Reference									
						Ref.			
Paid by Budget Appropriation						C-6	\$ 227,385.00	\$ 227,385.00	
Note Rollover						Contra	5,430,215.00	5,430,215.00	
						Above	\$5,430,215.00	\$5,657,600.00	

TOWNSHIP OF MANCHESTER
GENERAL CAPITAL FUND

C-11

SERIAL BONDS

<u>Date of Issue</u>	<u>Issue</u>	<u>Maturities of Bonds Outstanding Dec. 31, 2013</u>		<u>Interest Rate</u>	<u>Balance Dec. 31, 2012</u>	<u>Bonds Paid</u>	<u>Balance Dec. 31, 2013</u>
		<u>Date</u>	<u>Amount</u>				
10-15-01	\$ 3,198,000.00		\$		\$ 398,000.00	\$ 398,000.00	\$
3-01-06	14,350,000.00	3-01-14/15	750,000.00	4.250 %			
		3-01-16/26	800,000.00	4.250	10,950,000.00	650,000.00	10,300,000.00
					<u>\$ 11,348,000.00</u>	<u>\$ 1,048,000.00</u>	<u>\$ 10,300,000.00</u>

Reference

C-5

C

TOWNSHIP OF MANCHESTER
GENERAL CAPITAL FUND

BONDS AND NOTES AUTHORIZED BUT NOT ISSUED

C-12

<u>Description</u>	<u>Ordinance Number</u>	<u>Amount</u>	<u>Balance Dec. 31, 2012</u>	<u>Balance Dec. 31, 2013</u>
Pine Lake Park Walkway	02-027	\$570,000.00	\$227,306.00	\$227,306.00
Road Improvements to Colonial Drive	04-007	245,000.00	115,000.00	115,000.00
Improvements to Soccer Complex	05-001	700,000.00	182,800.50	182,800.50
Paving of Alexander Avenue	08-037	95,000.00	<u>13,500.00</u>	<u>13,500.00</u>
			<u>\$538,606.50</u>	<u>\$538,606.50</u>
		<u>Reference</u>		<u>C</u>

TOWNSHIP OF MANCHESTER
WATER UTILITY EASTERN SERVICE

CASH RECEIPTS AND DISBURSEMENTS - CHECKING ACCOUNTS

D-5

	<u>Ref.</u>	<u>Operating Fund</u>	<u>Escrow Account</u>	<u>Capital Fund</u>
Balance December 31, 2012		\$ 797,343.36	\$ 310,552.08	\$ 2,258,740.39
Increased by Receipts:				
Miscellaneous Revenue	D-3	\$ 55,872.52		
Consumer Accounts Receivable	D-7	1,978,609.79		
Connection Fees	D-9	111,661.00		
Interfunds Payable	D-13	23,522.00		
Escrow Deposits	D-16	<u>2,169,665.31</u>	42,989.76	
		<u>2,967,008.67</u>	<u>353,541.84</u>	<u>2,258,740.39</u>
Decreased by Disbursements:				
Budget Appropriations	D-4	2,290,583.76		
Interfunds Payable	D-13	19,921.25		
Appropriation Reserves	D-14	77,848.04		
Accrued Interest on Bonds	D-15	74,818.75		
Escrow Deposits Returned	D-16	<u>2,463,171.80</u>	26,512.87	
Balance December 31, 2013	D	<u>\$ 503,836.87</u>	<u>\$ 327,028.97</u>	<u>\$ 2,258,740.39</u>

TOWNSHIP OF MANCHESTER
WATER UTILITY EASTERN SERVICE

ANALYSIS OF WATER CAPITAL CASH AND INVESTMENTS

D-6

	<u>Balance</u> <u>Dec. 31, 2012</u>	<u>Receipts</u>	<u>Disbursed</u>	<u>Balance</u> <u>Dec. 31, 2013</u>
<u>Other Accounts</u>				
Capital Improvement Fund	\$2,017,889.94		\$	\$2,017,889.94
Fund Balance	36,745.00			36,745.00
Due to Water Eastern Operating Fund		2,994.00	2,994.00	
<u>Improvement Authorizations</u>				
Ordinance #02-036:				
Redevelopment of Wells	3,079.45			3,079.45
Ordinance #08-026:				
Various Capital Improvements	<u>201,026.00</u>			<u>201,026.00</u>
	<u>\$2,258,740.39</u>	<u>\$2,994.00</u>	<u>\$2,994.00</u>	<u>\$2,258,740.39</u>
		<u>D-13</u>	<u>D-13</u>	<u>D</u>

TOWNSHIP OF MANCHESTER
WATER UTILITY EASTERN SERVICE

CONSUMER ACCOUNTS RECEIVABLE

D-7

	<u>Ref.</u>		
Balance December 31, 2012			\$ 124,811.19
Increased by:			
Water Rents Levied - Net	Reserve		2,030,503.51
			<u>2,155,314.70</u>
Decreased by:			
Collections	D-3,5	\$ 1,978,609.79	
Transfer to Water Liens	D-8	<u>132.70</u>	
			<u>1,978,742.49</u>
Balance December 31, 2013	D		<u>\$ 176,572.21</u>

WATER LIENS

D-8

	<u>Ref.</u>		
Balance December 31, 2012			\$ 3,304.69
Increased by:			
Transfer from Accounts Receivable	D-7		<u>132.70</u>
Balance December 31, 2013	D		<u>\$ 3,437.39</u>

CONNECTION FEES RECEIVABLE

D-9

	<u>Ref.</u>		
Balance December 31, 2012			\$ 1,010.00
Increased by:			
Connection Fees	Reserve		114,181.00
			<u>115,191.00</u>
Decreased by:			
Cash Receipts	D-3,5		<u>111,661.00</u>
Balance December 31, 2013	D		<u>\$ 3,530.00</u>

TOWNSHIP OF MANCHESTER
WATER UTILITY EASTERN SERVICE

RESERVE FOR INVENTORY

D-10

	<u>Ref.</u>	
Balance December 31, 2012		\$ 30,129.67
Increased by:		
Inventory Adjustment	Reserve	<u>111,990.55</u>
Balance December 31, 2013	D	<u><u>\$ 142,120.22</u></u>

FIXED CAPITAL

D-11

	<u>Ref.</u>	
Balance December 31, 2012		<u>\$ 9,978,577.73</u>
Balance December 31, 2013	D	<u><u>\$ 9,978,577.73</u></u>

FIXED CAPITAL AUTHORIZED AND UNCOMPLETED

D-12

	<u>Ref.</u>	
Balance December 31, 2012		<u>\$ 204,105.45</u>
Balance December 31, 2013	D	<u><u>\$ 204,105.45</u></u>

TOWNSHIP OF MANCHESTER
WATER UTILITY EASTERN SERVICE

INTERFUNDS PAYABLE

D-13

	<u>Ref.</u>	<u>Total</u>	<u>Due to Water Capital Eastern Service</u>	<u>Due to Sewer Utility Eastern Service</u>
Increased by:				
Cash Receipts	D-5	<u>\$ 23,522.00</u>	<u>\$2,994.00</u>	<u>\$20,528.00</u>
Decreased by:				
Revenue Realized	D-3	2,994.00	2,994.00	
Cash Disbursed	D-5	<u>19,921.25</u>	<u> </u>	<u>19,921.25</u>
		<u>22,915.25</u>	<u>2,994.00</u>	<u>19,921.25</u>
Balance December 31, 2013	D	<u><u>\$ 606.75</u></u>	<u><u>\$ -</u></u>	<u><u>\$ 606.75</u></u>

TOWNSHIP OF MANCHESTER
WATER UTILITY EASTERN SERVICE

APPROPRIATION RESERVES

D-14

<u>Appropriations</u>	<u>Balance</u> <u>Dec. 31, 2012</u>		<u>Balance</u> <u>After</u> <u>Transfers</u>	<u>Paid or</u> <u>Charged</u>	<u>Balance</u> <u>Lapsed</u>
	<u>Encumbered</u>	<u>Unencumbered</u>			
<u>Operating</u>					
Salaries and Wages	\$ 56,311.48	\$ 18,610.45	\$ 18,610.45	\$	\$ 18,610.45
Other Expenses	56,311.48	57,666.80	113,978.28	77,848.04	36,130.24
	<u>56,311.48</u>	<u>76,277.25</u>	<u>132,588.73</u>	<u>77,848.04</u>	<u>54,740.69</u>
<u>Statutory Expenditures</u>					
Social Security System		<u>9,643.34</u>	<u>9,643.34</u>		<u>9,643.34</u>
	<u>\$ 56,311.48</u>	<u>\$ 85,920.59</u>	<u>\$ 142,232.07</u>	<u>\$ 77,848.04</u>	<u>\$ 64,384.03</u>

Reference

D-5

D-1

TOWNSHIP OF MANCHESTER
WATER UTILITY EASTERN SERVICE

ACCRUED INTEREST ON BONDS

D-15

	<u>Ref.</u>	
Balance December 31, 2012		\$ 8,778.72
Increased by:		
CY 2013 Budget Appropriation	D-4	80,000.00
		<u>88,778.72</u>
Decreased by:		
Cash Disbursed	D-5	74,818.75
Balance December 31, 2013	D	<u>\$ 13,959.97</u>

RESERVE FOR ESCROW DEPOSITS

D-16

	<u>Ref.</u>	
Balance December 31, 2012		\$ 310,552.08
Increased by:		
Cash Receipts	D-5	42,989.76
		<u>353,541.84</u>
Decreased by:		
Cash Disbursed	D-5	26,512.87
Balance December 31, 2013	D	<u>\$ 327,028.97</u>

TOWNSHIP OF MANCHESTER
WATER UTILITY EASTERN SERVICE

CAPITAL IMPROVEMENT FUND

D-17

	<u>Ref.</u>	
Balance December 31, 2012		<u>\$ 2,017,889.94</u>
Balance December 31, 2013	D	<u>\$ 2,017,889.94</u>

RESERVE FOR AMORTIZATION

D-18

	<u>Ref.</u>	
Balance December 31, 2012		\$ 7,165,760.00
Increased by:		
Payment of Serial Bonds	D-21	<u>435,000.00</u>
Balance December 31, 2013	D	<u>\$ 7,600,760.00</u>

DEFERRED RESERVE FOR AMORTIZATION

D-19

	<u>Ref.</u>	
Balance December 31, 2012		<u>\$ 1,161,923.18</u>
Balance December 31, 2013	D	<u>\$ 1,161,923.18</u>

TOWNSHIP OF MANCHESTER
WATER UTILITY EASTERN SERVICE

IMPROVEMENT AUTHORIZATIONS

D-20

	Balance Dec. 31, 2012 <u>Funded</u>	Balance Dec. 31, 2013 <u>Funded</u>
Ordinance #02-036: Redevelopment of Wells	\$ 3,079.45	\$ 3,079.45
Ordinance #08-026: Various Capital Improvements	<u>201,026.00</u>	<u>201,026.00</u>
	<u>\$ 204,105.45</u>	<u>\$ 204,105.45</u>

Reference

D

TOWNSHIP OF MANCHESTER
 WATER UTILITY EASTERN SERVICE

D-21

SERIAL BONDS

Date of Issue	Original Issue	Maturities of Bonds Outstanding			Interest Rate	Balance Dec. 31, 2012	Bonds Redeemed	Balance Dec. 31, 2013
		Date	Amount	Dec. 31, 2013				
2-01-03	\$ 5,565,000.00	10-01-14	\$ 455,000.00	4.000 %				
		10-01-15	470,000.00	4.000				
		10-01-16	495,000.00	4.125	\$ 1,855,000.00	\$ 435,000.00	\$ 1,420,000.00	
General Refunding Bonds								
				Reference		D-18	D	

TOWNSHIP OF MANCHESTER
PUBLIC ASSISTANCE TRUST FUND

CASH RECEIPTS AND DISBURSEMENTS
PUBLIC ASSISTANCE ACCOUNTS

E-1

	<u>Ref.</u>	<u>Trust Fund Account #1</u>	<u>Discretionary Fund</u>
Balance December 31, 2012		\$2,633.62	\$ 418.61
Increased by Receipts:			
Interest on Deposits	E-2	5.27	
Private Donations	E-3		2,855.00
		<u>2,638.89</u>	<u>3,273.61</u>
Decreased by Disbursements:			
Non-State Matching Expenditures	E-3		<u>2,740.00</u>
Balance December 31, 2013	E	<u><u>\$2,638.89</u></u>	<u><u>\$ 533.61</u></u>

TOWNSHIP OF MANCHESTER
PUBLIC ASSISTANCE TRUST FUND

RESERVE FOR PUBLIC ASSISTANCE EXPENDITURES

E-2

	<u>Ref.</u>	
Balance December 31, 2012		\$ 2,633.62
Increased by:		
Interest on Deposits	E-1	<u>5.27</u>
Balance December 31, 2013	E	<u>\$ 2,638.89</u>

RESERVE FOR DISCRETIONARY TRUST EXPENDITURES

E-3

	<u>Ref.</u>	
Balance December 31, 2012		\$ 418.61
Increased by:		
Private Donations	E-1	<u>2,855.00</u> 3,273.61
Decreased by:		
Non-State Matching Expenditures	E-1	<u>2,740.00</u>
Balance December 31, 2013	E	<u>\$ 533.61</u>

TOWNSHIP OF MANCHESTER
SEWER UTILITY EASTERN SERVICE

F-5

CASH RECEIPTS AND DISBURSEMENTS
CHECKING ACCOUNTS

	Ref.	Operating Fund	Utility Escrow	Capital Fund
Balance December 31, 2012		\$ 2,986,138.12	\$ 197,257.82	\$ 2,327,037.84
Increased by Receipts:				
Miscellaneous Revenue	F-3	\$ 49,699.91		
Investment Matures	F-6			\$ 165,000.00
Interfunds Receivable	F-8	23,298.82		
Consumer Accounts Receivable	F-9	3,281,577.74		
Connection Fees Receivable	F-10	110,224.00		
Escrow Deposits	F-14		41,840.02	
Interest on Deposits	F-18			3,742.60
		<u>3,464,800.47</u>	<u>239,097.84</u>	<u>168,742.60</u>
		6,450,938.59		2,495,780.44
Decreased by Disbursements:				
Budget Appropriations	F-4	3,362,357.94		
Interfunds Receivable	F-8, 18	20,528.00		3,377.57
Appropriation Reserves	F-13	50,949.84		
Reserve for Escrow Deposits	F-14		31,192.59	
Accrued Interest on Bonds	F-16	83,081.25		
		<u>3,516,917.03</u>		<u>3,377.57</u>
Balance December 31, 2013	F	<u>\$ 2,934,021.56</u>	<u>\$ 207,905.25</u>	<u>\$ 2,492,402.87</u>

TOWNSHIP OF MANCHESTER
SEWER UTILITY EASTERN SERVICE

INVESTMENTS

F-6

	<u>Ref.</u>	
Balance December 31, 2012		\$ 595,000.00
Decreased by:		
Investment Matured	F-5	<u>165,000.00</u>
Balance December 31, 2013	F	<u>\$ 430,000.00</u>

TOWNSHIP OF MANCHESTER
SEWER UTILITY EASTERN SERVICE

ANALYSIS OF SEWER CAPITAL CASH AND INVESTMENTS

F-7

	<u>Balance</u> <u>Dec. 31, 2012</u>	<u>Receipts</u>	<u>Disbursed</u>	<u>Adjustment</u>	<u>Balance</u> <u>Dec. 31, 2013</u>
<u>Other Accounts</u>					
Capital Improvement Fund	\$ 2,938,280.62				\$ 2,917,637.10
Due to Sewer Operating Fund	585.74	3,742.60	\$ 3,377.57	\$(20,643.52)	950.77
Fund Balance	3,815.00				3,815.00
	<u>(20,643.52)</u>			<u>20,643.52</u>	
	<u>\$ 2,922,037.84</u>	<u>\$ 3,742.60</u>	<u>\$ 3,377.57</u>	<u>\$ -</u>	<u>\$ 2,922,402.87</u>
	<u>\$ 2,922,037.84</u>	<u>\$ 3,742.60</u>	<u>\$ 3,377.57</u>	<u>\$ -</u>	<u>\$ 2,922,402.87</u>
		<u>F-5</u>	<u>F-5</u>		<u>F, Below</u>
				<u>Ref.</u>	
			Checking	F-5	\$2,492,402.87
			Investments	F-6	430,000.00
			Above	Above	<u>\$2,922,402.87</u>

TOWNSHIP OF MANCHESTER
SEWER UTILITY EASTERN SERVICE

SEWER OPERATING EASTERN SERVICE
INTERFUNDS RECEIVABLE

F-8

	<u>Ref.</u>		
Balance December 31, 2012			\$ 585.74
Increased by:			
Interest Earned in Sewer Capital			
Eastern Service Fund	F-3	\$ 3,742.60	
Cash Disbursements	F-5	<u>20,528.00</u>	
			<u>24,270.60</u>
			24,856.34
Decreased by:			
Interfund Settlement	F-5		<u>23,298.82</u>
Balance December 31, 2013	F,Below		<u>\$ 1,557.52</u>
 <u>Analysis of Balance</u>			
Due from Water Operating Easter Service			\$ 606.75
Due from Sewer Capital Eastern Service			<u>950.77</u>
	Above		<u>\$ 1,557.52</u>

CONSUMER ACCOUNTS RECEIVABLE

F-9

	<u>Ref.</u>		
Balance December 31, 2012			\$ 74,084.59
Increased by:			
Sewer Rents Levied - Net	Reserve		<u>3,338,586.91</u>
			3,412,671.50
Decreased by:			
Cash Receipts	F-3,5		<u>3,281,577.74</u>
Balance December 31, 2013	F		<u>\$ 131,093.76</u>

TOWNSHIP OF MANCHESTER
SEWER UTILITY EASTERN SERVICE

CONNECTION FEES RECEIVABLE

F-10

	<u>Ref.</u>	
Balance December 31, 2012		\$ 1,435.00
Increased by:		
Connection Billings	Reserve	113,594.00
		<u>115,029.00</u>
Decreased by:		
Cash Receipts	F-3,5	<u>110,224.00</u>
Balance December 31, 2013	F	<u><u>\$ 4,805.00</u></u>

RESERVE FOR INVENTORY

F-11

	<u>Ref.</u>	
Balance December 31, 2012		<u>\$ 28,739.09</u>
Balance December 31, 2013	F	<u><u>\$ 28,739.09</u></u>

TOWNSHIP OF MANCHESTER
SEWER UTILITY EASTERN SERVICE

FIXED CAPITAL

F-12

	<u>Ref.</u>	
Balance December 31, 2012		<u>\$ 11,905,092.90</u>
Balance December 31, 2013	F	<u>\$ 11,905,092.90</u>

TOWNSHIP OF MANCHESTER
SEWER UTILITY EASTERN SERVICE

F-13

APPROPRIATION RESERVES

<u>Appropriation</u>	<u>Balance</u> <u>Dec. 31, 2012</u>	<u>Balance</u> <u>After</u> <u>Transfers</u>	<u>Paid or</u> <u>Charged</u>	<u>Balance</u> <u>Lapsed</u>
	<u>Encumbered</u>	<u>Unencumbered</u>		
<u>Operating</u>				
Salaries and Wages	\$ 40,370.26	\$ 26,299.68	\$ 50,949.84	\$ 26,299.68
Other Expenses		34,184.48		23,604.90
<u>Statutory Expenditures</u>				
Contribution to:				
Social Security System (OASI)		12,149.42		12,149.42
	<u>\$ 40,370.26</u>	<u>\$ 72,633.58</u>	<u>\$ 50,949.84</u>	<u>\$ 62,054.00</u>

Reference

F-5

F-1

TOWNSHIP OF MANCHESTER
SEWER UTILITY EASTERN SERVICE

RESERVE FOR ESCROW DEPOSITS

F-14

	<u>Ref.</u>	
Balance December 31, 2012		\$197,257.82
Increased by:		
Escrow Deposits	F-5	<u>41,840.02</u>
		239,097.84
Decreased by:		
Cash Disbursed	F-5	<u>31,192.59</u>
Balance December 31, 2013	F	<u><u>\$207,905.25</u></u>

ACCOUNTS PAYABLE

F-15

	<u>Ref.</u>	
Balance December 31, 2012		<u>\$100,000.00</u>
Balance December 31, 2013	F	<u><u>\$100,000.00</u></u>

TOWNSHIP OF MANCHESTER
SEWER UTILITY EASTERN SERVICE

ACCRUED INTEREST ON BONDS

F-16

	<u>Ref.</u>	
Balance December 31, 2012		\$ 10,964.20
Increased by:		
Budget Appropriation	F-4	<u>88,000.00</u>
		98,964.20
Decreased by:		
Cash Disbursed	F-5	<u>83,081.25</u>
Balance December 31, 2013	F	<u><u>\$ 15,882.95</u></u>

ACCRUED INTEREST ON WASTE WATER LOAN

F-17

	<u>Ref.</u>	
Balance December 31, 2012		<u>\$ 25,550.38</u>
Balance December 31, 2013	F	<u><u>\$ 25,550.38</u></u>

TOWNSHIP OF MANCHESTER
SEWER UTILITY EASTERN SERVICE

SEWER CAPITAL EASTERN SERVICE
DUE TO SEWER OPERATING EASTERN SERVICE

F-18

	<u>Ref.</u>	
Balance December 31, 2012		\$ 585.74
Increased by:		
Interest Earned	F-5	3,742.60
		<u>4,328.34</u>
Decreased by:		
Interfund Settlement	F-5	3,377.57
		<u>3,377.57</u>
Balance December 31, 2013	F	<u>\$ 950.77</u>

CAPITAL IMPROVEMENT FUND

F-19

	<u>Ref.</u>	
Balance December 31, 2012		\$ 2,938,280.62
Decreased by:		
Reserve for Amortization	F-21	20,643.52
		<u>20,643.52</u>
Balance December 31, 2013	F	<u>\$ 2,917,637.10</u>

TOWNSHIP OF MANCHESTER
SEWER UTILITY EASTERN SERVICE

DUE TO STATE OF NEW JERSEY
WASTE WATER TREATMENT LOAN PAYABLE

F-20

	<u>Ref.</u>	
Balance December 31, 2012		\$ 471,689.32
Decreased by:		
Payments/Adjustments	F-21	<u>296,689.32</u>
Balance December 31, 2013	F	<u>\$ 175,000.00</u>

TOWNSHIP OF MANCHESTER
SEWER UTILITY EASTERN SERVICE

RESERVE FOR AMORTIZATION

F-21

	<u>Ref.</u>		
Balance December 31, 2012			\$ 9,352,760.06
Increased by:			
Capital Improvement Fund	F-19	\$ 20,643.52	
Due to State of New Jersey - Waste			
Water Treatment Loan Payable	F-20	296,689.32	
Payment of Serial Bonds	F-22	<u>485,000.00</u>	
			<u>802,332.84</u>
Balance December 31, 2013	F		<u><u>\$ 10,155,092.90</u></u>

TOWNSHIP OF MANCHESTER
SEWER UTILITY EASTERN SERVICE

F-22

SERIAL BONDS

Date of Issue	Original Issue	Maturities of Bonds Outstanding		Interest Rate	Balance Dec. 31, 2012	Bonds Redeemed	Balance Dec. 31, 2013
		Date	Amount				
2-01-03	\$ 6,190,000.00	10-01-14	\$ 505,000.00	4.000 %			
		10-01-15	525,000.00	4.000			
		10-01-16	545,000.00	4.125	\$ 2,060,000.00	\$ 485,000.00	\$ 1,575,000.00

General Refunding Bonds

Reference

F-21

F

TOWNSHIP OF MANCHESTER
PAYROLL FUND

CASH RECEIPTS AND DISBURSEMENTS

G-1

	<u>Ref.</u>		
Balance December 31, 2012			\$ 5,262.83
Increased by:			
Payrolls	G-2	\$ 14,554,523.62	
Other Receipts - Township's Share of FICA	G-2	<u>1,044,022.59</u>	
			<u>15,598,546.21</u>
			15,603,809.04
Decreased by:			
Payroll Disbursements	G-2		<u>15,552,593.27</u>
Balance December 31, 2013	G		<u><u>\$ 51,215.77</u></u>

TOWNSHIP OF MANCHESTER
PAYROLL FUND

PAYROLL DEDUCTIONS PAYABLE
YEAR 2013

G-2

	<u>Balance</u> <u>Dec. 31, 2012</u>	<u>Receipts</u>	<u>Other</u> <u>Receipts</u>	<u>Disbursements</u>	<u>Balance</u> <u>Dec. 31, 2013</u>
DCRP	\$	3,908.29	\$	3,917.92	\$ (9.63)
Net Salaries and Wages		8,057,195.89		9,101,218.48	-
Federal Income Tax		4,403,269.46	1,044,022.59	4,403,269.46	-
PFRS	712.44	827,883.34		828,819.58	(223.80)
PERS	1,428.97	524,227.12		477,016.63	48,639.46
Unemployment Insurance Fund	92.78	28,478.71		25,762.07	2,809.42
VALIC		107,411.85		107,411.85	-
Hartford		45,959.92		45,959.92	-
OPEIU		47,226.63		47,226.43	0.20
Probation		79,100.75		79,100.75	-
PBA Dues		30,240.00		30,240.00	-
Medical		258,012.04		258,012.04	-
Garnish		38,032.69		38,032.69	-
Aflac - Ga		60,444.08		60,444.08	-
Aflac - NY		13,262.34		13,262.34	-
Aflac - Flex	3,028.02	8,551.75		11,579.77	-
Boston Mutual		1,244.36		1,244.36	-
PFIA	0.62	12,148.40		12,148.90	0.12
Car Allowance		7,926.00		7,926.00	-
	<u>\$ 5,262.83</u>	<u>\$14,554,523.62</u>	<u>\$1,044,022.59</u>	<u>\$15,552,593.27</u>	<u>\$ 51,215.77</u>

Reference

G-1

G-1

G-1

G

TOWNSHIP OF MANCHESTER
WATER UTILITY WESTERN SERVICE

CASH RECEIPTS AND DISBURSEMENTS - CHECKING ACCOUNTS

H-4

	<u>Ref.</u>	<u>Operating Fund</u>	<u>Capital Fund</u>
Balance December 31, 2012		\$ 1,693,573.15	\$ 625,199.23
Increased by Receipts:			
Miscellaneous Revenue Not Anticipated	H-2	\$ 13,331.65	\$
Due from Water Capital Western Service	H-7	1,113.52	
Consumer Accounts Receivable	H-8	2,079,384.70	
Interfunds Payable	H-13,15	<u>4,862.88</u>	<u>1,219.72</u>
		<u>2,098,692.75</u>	<u>1,219.72</u>
		3,792,265.90	626,418.95
Decreased by Disbursements:			
Budget Appropriations	H-3	1,089,744.40	
Appropriation Reserves	H-12	98,511.02	
Interfunds Payable	H-13,15	9,180.50	1,113.52
Accrued Interest on Bonds	H-14	639,477.50	
Improvement Authorizations	H-16	<u> </u>	<u>10,216.09</u>
		<u>1,836,913.42</u>	<u>11,329.61</u>
Balance December 31, 2013	H	<u>\$ 1,955,352.48</u>	<u>\$ 615,089.34</u>

TOWNSHIP OF MANCHESTER
WATER UTILITY WESTERN SERVICE

H-5

ANALYSIS OF WATER CAPITAL WESTERN SERVICE
CASH AND INVESTMENTS

	<u>Balance</u> <u>Dec. 31, 2012</u>	<u>Receipts</u>	<u>Disbursements</u>	<u>Balance</u> <u>Dec. 31, 2013</u>
<u>Other Accounts</u>				
Due to Water Operating Western Service	\$ 686.91	\$ 1,219.72	\$ 1,113.52	\$ 793.11
<u>Improvement Authorizations</u>				
Acquisition of Crestwood Water Company	<u>624,512.32</u>		<u>10,216.09</u>	<u>614,296.23</u>
	<u>\$625,199.23</u>	<u>\$1,219.72</u>	<u>\$ 11,329.61</u>	<u>\$615,089.34</u>

Reference

H-4

H-4

H

TOWNSHIP OF MANCHESTER
WATER UTILITY WESTERN SERVICE

CHANGE FUND

H-6

	<u>Ref.</u>	
Balance December 31, 2012		<u>\$ 60.00</u>
Balance December 31, 2013	H	<u>\$ 60.00</u>

WATER OPERATING FUND
INTERFUNDS RECEIVABLE

H-7

	<u>Ref.</u>	<u>Total</u>	<u>Due from Current Fund</u>	<u>Due from Water Capital Western</u>
Balance December 31, 2012		\$ 686.91	\$	\$ 686.91
Increased by:				
Transfer from Interfunds Payable	H-13	6,613.67	6,613.67	
Interest Earned in Western Water Capital Fund	H-15	<u>1,219.72</u>		<u>1,219.72</u>
		8,520.30	<u>6,613.67</u>	<u>1,906.63</u>
Decreased by:				
Cash Receipts	H-4	<u>1,113.52</u>		<u>1,113.52</u>
Balance December 31, 2013	H	<u>\$7,406.78</u>	<u>\$6,613.67</u>	<u>\$ 793.11</u>

TOWNSHIP OF MANCHESTER
WATER UTILITY WESTERN SERVICE

CONSUMER ACCOUNTS RECEIVABLE

H-8

	<u>Ref.</u>	
Balance December 31, 2012		\$ 153,818.09
Increased by:		
Water Rents Levied - Net	Reserve	<u>2,176,060.29</u>
		2,329,878.38
Decreased by:		
Collections	H-2,4	<u>2,079,384.70</u>
Balance December 31, 2013	H	<u>\$ 250,493.68</u>

WATER LIENS

H-9

	<u>Ref.</u>	
Balance December 31, 2012		<u>\$ 183.37</u>
Balance December 31, 2013	H	<u>\$ 183.37</u>

TOWNSHIP OF MANCHESTER
WATER UTILITY WESTERN SERVICE

FIXED CAPITAL

H-10

	<u>Ref.</u>	
Balance December 31, 2012		\$14,930,487.68
Increased by:		
Transferred from Fixed Capital Authorized and Uncompleted	H-11	<u>10,216.09</u>
Balance December 31, 2013	H	<u><u>\$14,940,703.77</u></u>

FIXED CAPITAL AUTHORIZED AND UNCOMPLETED

H-11

	<u>Ref.</u>	
Balance December 31, 2012		\$ 624,512.32
Decreased by:		
Transferred to Fixed Capital	H-10	<u>10,216.09</u>
Balance December 31, 2013	H	<u><u>\$ 614,296.23</u></u>

TOWNSHIP OF MANCHESTER
WATER UTILITY WESTERN SERVICE

APPROPRIATION RESERVES

H-12

<u>Appropriations</u>	<u>Balance</u> <u>Dec. 31, 2012</u>	<u>Balance</u> <u>After</u> <u>Transfers</u>	<u>Paid or</u> <u>Charged</u>	<u>Balance</u> <u>Lapsed</u>
<u>Operating</u>	<u>Encumbered</u>	<u>Unencumbered</u>		
Other Expenses	\$ 88,188.03	\$ 16,839.48	\$ 98,511.02	\$ 6,516.49
<u>Statutory Expenditures</u>	<u>3,579.99</u>	<u>3,579.99</u>	<u> </u>	<u>3,579.99</u>
Contribution to: Social Security System	<u>\$ 88,188.03</u>	<u>\$ 20,419.47</u>	<u>\$ 98,511.02</u>	<u>\$ 10,096.48</u>

Reference

H-4

H-1

TOWNSHIP OF MANCHESTER
WATER UTILITY WESTERN SERVICE

WATER OPERATING FUND
INTERFUNDS PAYABLE

H-13

	<u>Ref.</u>	<u>Due to Sewer Operating Western Service</u>	<u>Due to Current Fund</u>
Balance December 31, 2012		\$	\$ 2,566.83
Increased by:			
Cash Receipts	H-4	4,862.88	
Transfer to Due from Current Fund	H-7	4,862.88	6,613.67
			9,180.50
Decreased by:			
Cash Disbursed	H-4		9,180.50
Balance December 31, 2013	H	\$4,862.88	\$ -

TOWNSHIP OF MANCHESTER
WATER UTILITY WESTERN SERVICE

ACCRUED INTEREST ON BONDS

H-14

	<u>Ref.</u>	
Balance December 31, 2012		\$131,739.79
Increased by:		
CY 2013 Budget Appropriation	H-3	761,204.71
		<u>892,944.50</u>
Decreased by:		
Cash Disbursed	H-4	639,477.50
		<u>639,477.50</u>
Balance December 31, 2013	H	<u>\$253,467.00</u>

WATER CAPITAL FUND
DUE TO WATER OPERATING WESTERN SERVICE FUND

H-15

	<u>Ref.</u>	
Balance December 31, 2012		\$ 686.91
Increased by:		
Cash Receipts	H-2,4,7	1,219.72
		<u>1,906.63</u>
Decreased by:		
Cash Disbursed	H-4	1,113.52
		<u>1,113.52</u>
Balance December 31, 2013	H	<u>\$ 793.11</u>

TOWNSHIP OF MANCHESTER
WATER UTILITY WESTERN SERVICE

IMPROVEMENT AUTHORIZATIONS

H-16

<u>Ordinance</u> <u>Number</u>	<u>Balance</u> <u>Dec. 31, 2012</u> <u>Funded</u>	<u>Decreased</u> <u>By</u>	<u>Balance</u> <u>Dec. 31, 2013</u> <u>Funded</u>
Acquisition of Crestwood Water Company	09-026	<u>\$10,216.09</u>	<u>\$ 614,296.23</u>
	<u>Reference</u>	<u>H-4</u>	<u>H</u>

RESERVE FOR AMORTIZATION

H-17

	<u>Ref.</u>	
Balance December 31, 2012		\$ 75,000.00
Increased by:		
Serial Bonds Paid	H-18	<u>80,000.00</u>
Balance December 31, 2013	H	<u>\$ 155,000.00</u>

TOWNSHIP OF MANCHESTER
 WATER UTILITY WESTERN SERVICE

SERIAL BONDS

H-18

Date of Issue	Original Issue	Maturities of Bonds Outstanding Dec. 31, 2013	Interest Rate	Balance Dec. 31, 2012	Decrease	Balance Dec. 31, 2013
9-30-2010	\$ 15,555,000.00	\$ 246,000.00	4.000			
		8-01-2014	4.000			
		8-01-2015	4.000			
		8-01-2016	4.000			
		8-01-2017	4.000			
		8-01-2018	4.000			
		8-01-2019	4.000			
		8-01-2020	4.000			
		8-01-2021	4.000			
		8-01-2022	4.000			
		8-01-2023	4.000			
		8-01-2024	4.000			
		8-01-2025	4.000			
		8-01-2026	4.000			
		8-01-2027	4.000			
		8-01-2028	4.000			
		8-01-2029	4.000			
		8-01-2030	4.000			
		8-01-2031	4.000			
		8-01-2032	4.000			
		8-01-2033	4.000			
		8-01-2034	4.125			
		8-01-2035	4.150			
		8-01-2036	4.250			
		8-01-2037	4.250			
		8-01-2038	4.250			
		8-01-2039	4.250			
		8-01-2040	4.250			
		8-01-2041	4.250			
				\$ 15,480,000.00	\$ 80,000.00	\$ 15,400,000.00

Reference

H-17

H

TOWNSHIP OF MANCHESTER
SEWER UTILITY WESTERN SERVICE

CASH RECEIPTS AND DISBURSEMENTS

I-4

	<u>Ref.</u>	<u>Operating Fund</u>	<u>Capital Fund</u>
Balance December 31, 2012		\$ 708,984.98	\$127,886.87
Increased by Receipts:			
Miscellaneous Revenue	I-2	\$ 56,168.16	
Consumer Accounts Receivable	I-6	2,151,275.74	
Due to Sewer Operating Western Service	I-13	<u> </u>	21.72
		2,207,443.90	
		<u>2,916,428.88</u>	<u>127,908.59</u>
Decreased by Disbursements:			
Budget Appropriations	I-3	1,961,531.78	
Appropriation Reserves	I-11	18,605.56	
Accrued Interest on Bonds	I-12	206,400.00	
Interfunds Receivable	I-8	<u>4,862.88</u>	
		<u>2,191,400.22</u>	
Balance December 31, 2013	I	<u>\$ 725,028.66</u>	<u>\$127,908.59</u>

TOWNSHIP OF MANCHESTER
SEWER UTILITY WESTERN SERVICE

ANALYSIS OF SEWER CAPITAL WESTERN SERVICE
CASH AND INVESTMENTS

I-5

	<u>Balance</u> <u>Dec. 31, 2012</u>	<u>Cash</u> <u>Receipts</u>	<u>Balance</u> <u>Dec. 31, 2013</u>
<u>Other Accounts</u>			
Due to Sewer Operating Western Service	\$ 161.26	\$21.72	\$ 182.98
<u>Improvement Authorizations</u>			
Acquisition of Crestwood Water Company - 09-027	<u>127,725.61</u>	<u> </u>	<u>127,725.61</u>
	<u>\$127,886.87</u>	<u>\$21.72</u>	<u>\$127,908.59</u>
<u>Reference</u>		<u>I-4</u>	<u>I</u>

TOWNSHIP OF MANCHESTER
SEWER UTILITY WESTERN SERVICE

CONSUMER ACCOUNTS RECEIVABLE

I-6

	<u>Ref.</u>	
Balance December 31, 2012		\$ 174,037.72
Increased by:		
Sewer Rents Levied - Net	Reserve	2,264,964.50
		<u>2,439,002.22</u>
Decreased by:		
Collections	I-2,4	2,151,275.74
		<u>2,151,275.74</u>
Balance December 31, 2013	I	<u>\$ 287,726.48</u>

UTILITY WESTERN LIENS

I-7

	<u>Ref.</u>	
Balance December 31, 2012		<u>\$ 364.81</u>
Balance December 31, 2013	I	<u>\$ 364.81</u>

TOWNSHIP OF MANCHESTER
SEWER UTILITY WESTERN SERVICE

SEWER OPERATING FUND
INTERFUNDS RECEIVABLE

I-8

	<u>Ref.</u>	<u>Total</u>	<u>Due from Water Operating Western Service</u>	<u>Due from Sewer Capital Western Service</u>
Balance December 31, 2012		\$ 161.26	\$	\$161.26
Increased by:				
Interest Earned in Capital Fund	I-2	21.72		21.72
Cash Disbursed	I-4	<u>4,862.88</u>	<u>4,862.88</u>	<u> </u>
Balance December 31, 2013	I	<u>\$ 5,045.86</u>	<u>\$ 4,862.88</u>	<u>\$182.98</u>

TOWNSHIP OF MANCHESTER
SEWER UTILITY WESTERN SERVICE

FIXED CAPITAL

I-9

	<u>Ref.</u>	
Balance December 31, 2012		\$5,026,589.39
Increased by:		
Transfer from Fixed Capital Authorized and Uncompleted	I-10	<u>30,685.00</u>
Balance December 31, 2013	I	<u><u>\$5,057,274.39</u></u>

FIXED CAPITAL AUTHORIZED AND UNCOMPLETED

I-10

	<u>Ref.</u>	
Balance December 31, 2012		\$ 158,410.61
Decreased by:		
Transfer to Fixed Capital	I-9	<u>30,685.00</u>
Balance December 31, 2013	I	<u><u>\$ 127,725.61</u></u>

TOWNSHIP OF MANCHESTER
SEWER UTILITY WESTERN SERVICE

APPROPRIATION RESERVES

| - 11

<u>Appropriation</u>	<u>Balance</u> <u>Dec. 31, 2012</u>	<u>Balance</u> <u>After</u> <u>Transfers</u>	<u>Paid or</u> <u>Charged</u>	<u>Balance</u> <u>Lapsed</u>
	<u>Encumbered</u>	<u>Unencumbered</u>		
<u>Operating</u>				
Salaries and Wages	\$ 14,286.48	\$ 14,286.48	\$	\$ 14,286.48
Other Expenses	1,655.38	49,954.67	18,605.56	33,004.49
	<u>1,792.92</u>	<u>1,792.92</u>	<u>18,605.56</u>	<u>1,792.92</u>
<u>Statutory Expenditures</u>				
Contribution to:				
Social Security System (OASI)	<u>\$ 1,655.38</u>	<u>\$ 66,034.07</u>	<u>\$ 18,605.56</u>	<u>\$ 49,083.89</u>

Reference

| - 4

| - 1

TOWNSHIP OF MANCHESTER
SEWER UTILITY WESTERN SERVICE

ACCRUED INTEREST ON BONDS

I-12

	<u>Ref.</u>	
Balance December 31, 2012		\$ 42,500.30
Increased by:		
Budget Appropriation	I-3	250,299.70
		<u>292,800.00</u>
Decreased by:		
Cash Disbursed	I-4	206,400.00
		<u>206,400.00</u>
Balance December 31, 2013	I	<u>\$ 86,400.00</u>

SEWER CAPITAL FUND
DUE TO SEWER OPERATING WESTERN SERVICE

I-13

	<u>Ref.</u>	
Balance December 31, 2012		\$ 161.26
Increased by:		
Cash Receipts	I-4	21.72
		<u>21.72</u>
Balance December 31, 2013	I	<u>\$ 182.98</u>

TOWNSHIP OF MANCHESTER
SEWER UTILITY WESTERN SERVICE

IMPROVEMENT AUTHORIZATIONS

I-14

	<u>Ordinance Number</u>	<u>Balance Dec. 31, 2012 Unfunded</u>	<u>Balance Dec. 31, 2013 Funded</u>
Acquisition of Crestwood Sewer Company	09-027	<u>\$ 127,725.61</u>	<u>\$ 127,725.61</u>
<u>Reference</u>			I

RESERVE FOR AMORTIZATION

I-15

	<u>Ref.</u>	
Balance December 31, 2012		\$ 25,000.00
Increased by:		
Serial Bonds Paid	I-16	<u>36,000.00</u>
Balance December 31, 2013	I	<u>\$ 61,000.00</u>

TOWNSHIP OF MANCHESTER
SEWER UTILITY WESTERN SERVICE

SERIAL BONDS

L-16

	<u>Date of Issue</u>	<u>Original Issue</u>	<u>Maturities of Bonds Outstanding Dec. 31, 2013</u>	<u>Interest Rate</u>	<u>Balance Dec. 31, 2012</u>	<u>Decrease</u>	<u>Balance Dec. 31, 2013</u>
			<u>Date</u> <u>Amount</u>	<u>%</u>			
Sewer Utility Bonds, Series 2010B	9-30-2010	\$ 5,185,000.00	8-01-2014 \$ 99,000.00	4.00			
			8-01-2015 114,000.00	4.00			
			8-01-2016 118,000.00	4.00			
			8-01-2017 136,000.00	4.00			
			8-01-2018 155,000.00	4.00			
			8-01-2019 169,000.00	4.00			
			8-01-2020 190,000.00	4.00			
			8-01-2021 204,000.00	4.00			
			8-01-2022 221,000.00	4.00			
			8-01-2023 244,000.00	4.00			
			8-01-2024 271,000.00	4.00			
			8-01-2025 293,000.00	4.00			
			8-01-2026 319,000.00	4.00			
			8-01-2027 351,000.00	4.00			
			8-01-2028 379,000.00	4.00			
			8-01-2029 411,000.00	4.00			
			8-01-2030 446,000.00	4.00			
			8-01-2031 481,000.00	4.00			
			8-01-2032 523,000.00	4.00			
					<u>\$ 5,160,000.00</u>	<u>\$ 36,000.00</u>	<u>\$ 5,124,000.00</u>

L-15

I

PART II
REPORT ON INTERNAL CONTROL
SINGLE AUDIT ATTACHMENTS
ROSTER OF OFFICIALS
LETTER OF TRANSMITTAL, COMMENTS AND RECOMMENDATIONS
(MANAGEMENT LETTER)
YEAR ENDED DECEMBER 31, 2013

SAMUEL KLEIN AND COMPANY

CERTIFIED PUBLIC ACCOUNTANTS

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

INDEPENDENT AUDITOR'S REPORT

The Honorable Mayor and Members
of the Township Council
Township of Manchester
Manchester, New Jersey 08759

We have audited the financial statements - regulatory basis of the various funds of the Township of Manchester, County of Ocean, as of and for the year ended December 31, 2013, and the related notes to the financial statements - regulatory basis and have issued our report thereon dated August 1, 2014. These financial statements - regulatory basis have been prepared in conformity with accounting principles prescribed by the Division of Local Government Services, Department of Community Affairs, State of New Jersey, which is a basis of accounting other than accounting principles generally accepted in the United States of America. We conducted our audit in accordance with auditing standards generally accepted in the United States of America, audit requirements prescribed by the Division of Local Government Services, Department of Community Affairs, State of New Jersey, and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States.

Internal Control Over Financial Reporting

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

A deficiency in internal control exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. A *material weakness* is a deficiency, or a combination of deficiencies, in internal control such that there is a reasonable possibility that a material misstatement of the Township of Manchester's financial statements - regulatory basis will not be prevented, or detected and corrected on a timely basis. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Compliance and Other Matters

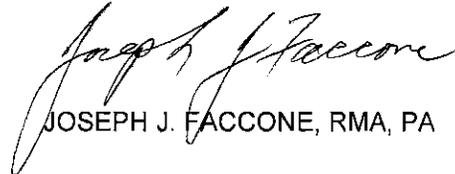
As part of obtaining reasonable assurance about whether the Township of Manchester's financial statements - regulatory basis are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

Purpose of this Report

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



SAMUEL KLEIN AND COMPANY
CERTIFIED PUBLIC ACCOUNTANTS



JOSEPH J. FACCONI, RMA, PA

Newark, New Jersey
August 1, 2014

SAMUEL KLEIN AND COMPANY

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REPORT ON COMPLIANCE FOR EACH MAJOR PROGRAM; REPORT ON INTERNAL CONTROL OVER COMPLIANCE AND REPORT ON THE SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS REQUIRED BY OMB CIRCULAR A-133

INDEPENDENT AUDITOR'S REPORT

The Honorable Mayor and Members
of the Township Council
Township of Manchester
Manchester, New Jersey 08759

Report on Compliance for Each Major Federal Program

We have audited the Township of Manchester in the County of Ocean, State of New Jersey, compliance with the types of compliance requirements described in the OMB Circular A-133 *Compliance Supplement* that could have a direct and material effect on each of the Township's major federal programs for the year ended December 31, 2013. The Township's major federal programs are identified in the *Summary of Auditor's Results* section of the accompanying *Schedule of Findings and Questioned Costs*.

Management's Responsibility

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

Auditor's Responsibility

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

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

Opinion on Each Major Federal Program

In our opinion, the Township of Manchester complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended December 31, 2013.

Report on Internal Control Over Compliance

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

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

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

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

Report on Schedule of Expenditures of Federal Awards Required by OMB Circular A-133

We have audited the financial statements of the Township of Manchester - regulatory basis as of and for the year ended December 31, 2013, and have issued our report thereon dated August 1, 2014, which contained an unmodified opinion on those financial statements. Our audit was conducted for the purpose of forming an opinion on the financial statements as a whole. The accompanying schedule of expenditures of federal awards is presented for purposes of additional analysis as required by OMB Circular A-133 and is not a required part of the financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the schedule of expenditures of federal awards is fairly stated in all material respects in relation to the financial statements as a whole.



SAMUEL KLEIN AND COMPANY
CERTIFIED PUBLIC ACCOUNTANTS



JOSEPH J. FACCONI, RMA, PA

Newark, New Jersey
August 1, 2014

TOWN OF MANCHESTER
COUNTY OF OCEAN

SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE YEAR ENDED DECEMBER 31, 2013

SCHEDULE A

Federal Funding Department and Description	Grant Number	CFDA Number	Program Amount	2013 Funds Received	Disbursements	
					Fiscal Year	Total
<u>Housing and Urban Development</u> Community Development Block Grant: Passed-Through County of Ocean: Sidewalks - Route 530		14.218	\$ 42,000.00	\$ 42,000.00	\$ 42,000.00	\$ 42,000.00
<u>Department of Transportation</u> Federal Highway Administration: Passed-Through State of New Jersey: Colonial Drive First and Second Avenues	078-6320-480-AK3	20.205	250,000.00 200,000.00 450,000.00	162,159.85 200,000.00 362,159.85	256,346.83 179,494.31 435,841.14	256,346.83 179,494.31 435,841.14
<u>Department of Health and Human Services</u> Passed-Through State of New Jersey: Senior Outreach		93.747	125,000.00	125,000.00	125,000.00	125,000.00
			\$ 617,000.00	\$ 529,159.85	\$ 602,841.14	\$ 602,841.14

TOWNSHIP OF MANCHESTER

NOTES TO THE SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS

DECEMBER 31, 2013

1. GENERAL

The accompanying Schedule of Expenditures of Federal Awards presents the activity of all federal programs of the Township of Manchester. The Township of Manchester is defined in Note 1(A) to the Township's regulatory basis financial statements. All federal financial assistance received directly from federal agencies, as well as federal financial assistance, passed-through other government agencies, is included on the Schedule of Expenditures of Federal Awards.

2. BASIS OF ACCOUNTING

The accompanying Schedule of Expenditures of Federal Awards is presented on the prescribed basis of accounting, modified accrual basis with certain exceptions, prescribed by the Division of Local Government Services, Department of Community Affairs, State of New Jersey, that demonstrates compliance with the budget laws of New Jersey, which is a comprehensive basis of accounting other than generally accepted accounting principles. This basis of accounting is described in Note 1(C) and 1(D) to the Township's regulatory basis financial statements.

3. RELATIONSHIP TO FEDERAL FINANCIAL REPORTS

Amounts reported in the accompanying schedule agree with amounts reported in the related federal financial reports.

4. RELATIONSHIP TO REGULATORY BASIS FINANCIAL STATEMENTS

Amounts reported in the accompanying schedule agree with amounts reported in the Township's regulatory basis financial statements. Matching contributions expended by the Township in accordance with terms of the various grants are not reported in the accompanying schedule.

**TOWNSHIP OF MANCHESTER
COUNTY OF OCEAN, NEW JERSEY**

**SCHEDULE OF FINDINGS AND QUESTIONED COSTS
YEAR ENDED DECEMBER 31, 2013**

Section I - Summary of Auditor's Results

Financial Statements

Type of auditor's report issued:		<u>Modified</u>	
Internal control over financial reporting:			
Material weakness (is) identified?	_____	Yes <input checked="" type="checkbox"/>	No
Significant deficiency(ies) identified?	_____	Yes <input checked="" type="checkbox"/>	None Reported
Noncompliance material to financial statements noted?	_____	Yes <input checked="" type="checkbox"/>	No

Federal Awards

Internal control over major federal programs:			
Material weakness(es) identified?	_____	Yes <input checked="" type="checkbox"/>	No
Significant deficiency(ies) identified?	_____	Yes <input checked="" type="checkbox"/>	None Reported
Type of auditor's report issued on compliance for major programs:		<u>Unmodified</u>	
Any audit findings disclosed that are required to be reported in accordance with Section .510(a) of Circular A-133?	_____	Yes <input checked="" type="checkbox"/>	No

Identification of major federal programs:

<u>CFDA Number(s)</u>	<u>Name of Federal Program</u>
20.205	Federal Highway Program

Dollar threshold used to distinguish between Type A and Type B Programs:		<u>\$ 300,000.00</u>	
--	--	----------------------	--

Auditee qualified as low-risk auditee?	_____	Yes <input checked="" type="checkbox"/>	No
--	-------	---	----

Section II - Financial Statement Findings

None Reported

**TOWNSHIP OF MANCHESTER
COUNTY OF OCEAN, NEW JERSEY**

**SCHEDULE OF FINDINGS AND QUESTIONED COSTS
YEAR ENDED DECEMBER 31, 2013
(Continued)**

Section III - Federal Awards - Findings and Questioned Costs

There were no audit findings for the Federal Awards Program.

**TOWNSHIP OF MANCHESTER
COUNTY OF OCEAN, NEW JERSEY**

**SUMMARY SCHEDULE OF PRIOR YEAR AUDIT FINDINGS
YEAR ENDED DECEMBER 31, 2013**

Federal Awards

There were no prior year audit findings for Federal Award Programs.

OFFICIALS IN OFFICE AND SURETY BONDS

The following officials were in office during the year 2013:

<u>Name</u>	<u>Title</u>	<u>Amount of Bond</u>
Michael Fressola	Mayor	\$
Craig Wallis	Council President	
Brendan Weiner	Council Vice President	
Samuel Fusaro	Council Member	
Charles L. Frattini, Sr.	Council Member	
James A. Vaccaro, Sr.	Council Member	
Elena Zsoldos	Business Administrator	
Sabina T. Skibo	Township Clerk Registrar	
Andrea Gaskill	Tax Collector/Utility Collector	1,000,000.00
Nancy Ciccone	Tax Search Officer	
Cindy Walulak	Deputy Tax Collector	
Diane Lapp	Chief Financial Officer/Director of Finance	
Martin W. Lynch	Tax Assessor	
Raymond Hall	Deputy Tax Assessor	
Steven Secare	Township Attorney	
Charles F. Starkey	Utilities Attorney	
Albert Yodakis	Engineer	
Daniel J. Sahin	Magistrate	
Tracy Barcus	Court Administrator	
Catherine Smith	Deputy Court Administrator	
Michael Martin	Construction Code Official	

All employees were covered by a \$1,000,000.00 Blanket Employee Fidelity Bond issued by the Municipal Excess Liability Joint Insurance Fund.

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The Honorable Mayor and Members
of the Township Council
Township of Manchester
Manchester, New Jersey 08759

Gentlemen:

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

**TOWNSHIP OF MANCHESTER
COUNTY OF OCEAN**

for the year ended December 31, 2013 and have issued our report thereon. As part of our audit, we reviewed and tested the Municipality's system of internal accounting control to the extent we considered necessary to evaluate the system as required by auditing standards generally accepted in the United States of America; by the Division of Local Government Services, Department of Community Affairs, State of New Jersey; by the *Government Auditing Standards* issued by the U.S. General Accounting Office; and by the provisions of the "Single Audit Act of 1984". Compliance requirements were also reviewed in accordance with the requirements of the aforementioned standards and guidelines or, where applicable, the terms and conditions of particular grant agreements and as approved by the Cognizant Audit Agency.

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

Contracts and Agreements Required to be Advertised for (N.J.S. 40A:11-4)

N.J.S.A. 40A:11-4a states "Every contract awarded by the contracting agent for the provision or performance of any goods or services, the cost of which in the aggregate exceeds the bid threshold, shall be awarded only by resolution of the governing body of the contracting unit to the lowest responsible bidder after public advertising for bids and bidding therefor, except as is provided otherwise in this act or specifically by any other law. The governing body of a contracting unit may, by resolution approved by a majority of the governing body, disqualify a bidder who would otherwise be determined to be the lowest responsible bidder, if the governing body finds that it has had prior negative experience with the bidder.

It is pointed out that the Township Council has the responsibility of determining whether the expenditures in any category will exceed the threshold set for the fiscal year and, where question arises as to whether any contract or agreement might result in violation of the statute, the opinion of the Township Attorney should be sought before a commitment is made.

The statutory bidding threshold for the year 2013 was the sum of \$36,000.00, effective July 1, 2011 in accordance with the provisions of N.J.S.A. 40A:11-3a, based on the appointment of a qualified purchasing agent.

Notwithstanding N.J.S.A. 40:11-3a, P.L. 2005, Chapter 51 and N.J.S.A. 19:44A-20.5, known as the "Pay to Play Law" provides that a municipality is prohibited from executing any contract in excess of \$17,500.00, on or after January 1, 2006, to a business entity that made certain reportable contributions to any municipal committee of a political party if a member of that party is in office as a member of the governing body of the municipality when the contract is awarded unless proposals or qualifications are solicited through a fair and open process.

It is further noted that contracts between \$17,500.00 and the municipal bidding threshold known as "window contracts" can be issued by resolution of the governing body without competitive bidding if a non-fair and open process is implemented which prohibits reportable contributions by the business entity.

The minutes indicate that bids were requested by public advertising for the following items:

Colonial Drive South - Phase II
Installation of Cellular Antennae
Uniform Rentals - Public Works and Senior Outreach
Harry Wright Lake Concession Stand
Curbside Recycling Collection

Our examination of expenditures did not reveal any individual payments in excess of the statutory thresholds "for the performance of any work, or the furnishing or hiring of any materials", other than those where bids had been previously sought by public advertisement under the provisions of N.J.S. 40A:11-3.

Inasmuch as the system of records did not provide for an accumulation of payments or categories of material and supplies or related work or labor, the results of such an accumulation could not reasonably be ascertained. Disbursements were reviewed, however, to determine whether any clear-cut violations existed.

Purchases, Contracts or Agreements Not Required to be Advertised by N.J.S. 40A:11-6.1

N.J.S. 40A:11-6.1 states, "Except contracts which require the performance of professional services, all contracts or agreements which do not require public advertising for bids and the estimated cost or price exceeds \$5,400.00, at least two quotations as to the cost or price are required. Quotations whenever practicable shall be solicited by the contracting agent, and the contract or agreement shall be made with and awarded to the lowest responsible bidder."

Our examination indicated that quotes are obtained on a consistent basis with the provisions of N.J.S. 40A:11-6.1.

Collection of Interest on Delinquent Taxes and Utility Charges

The statutes (N.J.S. 54:4-67, as amended) provide the method authorizing interest and the maximum rate to be charged for the nonpayment of taxes or assessments on or before the date when they would become delinquent.

The Governing Body, on July 1, 2003, adopted the following resolution authorizing interest to be charged on delinquent taxes and utility charges:

“RESOLVED, that the interest rate on delinquent taxes be fixed at 8% per annum on the first \$1,500.00 of the delinquency and 18% per annum on any amount in excess of \$1,500.00 becoming delinquent after due date and if a delinquency is in excess of \$10,000.00 and remains in arrears beyond June 30, an additional penalty of 6% shall be charged against the delinquency.”

The resolutions also provide a 10 day grace period for taxes and a 20 day grace period for water and/or sewer payments.

Our tests of the Collector’s records indicated that interest was collected in accordance with the terms of the foregoing resolution.

Delinquent Taxes and Tax Title Liens

Tax and lien records are maintained on a computer system.

Delinquent taxes at December 31, 2013, in the sum of \$1,114,880.66, represent taxes levied in the calendar year 2013 and prior. A tax sale was held on October 11, 2013 and was complete. The balance of \$(8,979.51) for the Transition Year 2012 is being investigated by the Township. Problems with the conversion of the tax system from a fiscal year to a calendar year caused this negative. Because the Township is aware of it, there is no recommendation.

The following comparison is made of the number of Tax Title Liens Receivable on June 30th of the last three years:

<u>Year</u>	<u>Number of Liens</u>
2013 CY	158
2012 TY	137
2012 SFY	121

Recourse of all means provided by the Statutes should be taken to realize or settle Tax Title Liens through collections or foreclosures in order to return such properties to a tax paying basis.

Verification of Delinquent Taxes and Other Charges

A test verification of delinquent charges and current payments was made and consisted of 200 verification notices summarized as follows:

<u>Type</u>	<u>Number of Items</u>
Payment of 2014 and 2013 Taxes	50
Delinquent Taxes	50
Payment of 2014 and 2013 Water and Sewer	50
Delinquent Water and Sewer	<u>50</u>
	<u>200</u>

There were no reportable items developed in our verification tests made in connection with our examination of accounts for the Year 2013.

Payment in Lieu of Taxes (PILOTS)

During 2013, the Township was in receipt of a PILOT payment from Presby in the amount of \$46,570.20. Under the provisions of the New Jersey Long-Term Tax Exemption Law, N.J.S.A. 40A:20-1 et seq., any PILOT entered into after December 31, 2005 requires that the Township must remit 5% of the PILOT payment to Ocean County. The Township is investigating and any payments will be made in 2014.

State Grant Receivable

There are two State Grant Receivables that are over 5 years old as follows:

EOC Renovation Grant:	
SFY 2001	\$ 38,011.00
SFY 2002	<u>27,496.00</u>
	<u>\$ 65,507.00</u>

These amounts are being investigated by the Finance Department and it is expected that corrective action will be taken during 2014 as to collection or cancellation.

Municipal Court

For the audit, the June 2014 Monthly Management Report was examined and the following item was noted:

- A. Tickets Assigned but Not Issued Report indicated that sixty-one (61) tickets were over 181 days old. These tickets should be recalled.

It is recommended that the Monthly Management Report be reviewed by Court personnel and that the appropriate action be taken based on those findings.

Corrective Action Plan

In accordance with the requirements of the Single Audit Act and regulations of the Division of Local Government Services, a Corrective Action Plan must be prepared by the Chief Financial Officer and filed with the Division within sixty days from the date the audit is received by the Governing Body.

A Corrective Action Plan was prepared with regard to the Transition Year 2012 Report of Audit.

Status of Prior Years' Audit Recommendations

A review was performed on all prior years' recommendations and corrective action was taken on all with the exception of the following, which are included in this year's recommendations:

- That the Monthly Management Report be reviewed by Court personnel and that the appropriate action be taken based on those findings.

Miscellaneous

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

Revenue and receipts were established and verified as to source and amount only insofar as the local records permitted.

Individual payments of the Local School District Tax by the municipality were confirmed as received by the Secretary of the Board of Education for the year 2013.

A summary or synopsis of this report was prepared for publication and filed with the Township Clerk.

One copy of this report was filed with the New Jersey Division of Local Government Services.

RECOMMENDATION

Municipal Court

*That the Monthly Management Report be reviewed by Court personnel and that the appropriate action be taken based on those findings.

*Repeated from Prior Year.

* * *

The foregoing comments and resultant recommendation are not of sufficient materiality whereby they would affect our ability to express an opinion on the financial statements taken as a whole.

We shall be pleased to confer on any questions that might arise with respect to any matters in this report.

We desire to express our appreciation for the assistance and courtesies rendered by the Township officials and employees during the course of the examination.


SAMUEL KLEIN AND COMPANY
CERTIFIED PUBLIC ACCOUNTANTS


JOSEPH J. FACCONI, RMA, PA

Newark, New Jersey
August 1, 2014

