

TOWNSHIP OF MANCHESTER

COUNTY OF OCEAN

NEW JERSEY

REPORT ON

EXAMINATION OF ACCOUNTS

FOR THE STATE FISCAL YEAR ENDED JUNE 30, 2011

**SAMUEL KLEIN AND COMPANY
CERTIFIED PUBLIC ACCOUNTANTS**

TOWNSHIP OF MANCHESTER
COUNTY OF OCEAN, NEW JERSEY

CONTENTS

<u>PART I</u>	<u>PAGE</u>
Independent Auditor's Report	2

FINANCIAL STATEMENTS

CURRENT FUND

EXHIBIT

A	Comparative Balance Sheets.....	4
A-1	Comparative Operations and Change in Fund Balance.....	6
A-2	Revenue	7
A-2a	Revenue - Analysis of Realized Tax Collections.....	8
A-2b	Revenue - Analysis of Other Licenses and Permits.....	9
A-2c	Revenue - Analysis of Nonbudget Revenue	10
A-3	Expenditures.....	11

TRUST FUND

B	Comparative Balance Sheets.....	18
---	---------------------------------	----

GENERAL CAPITAL FUND

C	Comparative Balance Sheets.....	19
C-1	Fund Balance	20

WATER UTILITY EASTERN SERVICE

D	Comparative Balance Sheets.....	21
D-1	Comparative Operations and Change in Fund Balance.....	23
D-2	Capital Fund Balance	24
D-3	Revenue - Operating Fund.....	25
D-4	Expenditures.....	26

FINANCIAL STATEMENTS
(Continued)

PUBIC ASSISTANCE TRUST FUND

<u>EXHIBIT</u>		<u>PAGE</u>
E	Comparative Balance Sheets.....	27

SEWER UTILITY EASTERN SERVICE

F	Comparative Balance Sheets.....	28
F-1	Comparative Operations and Change in Fund Balance.....	30
F-2	Capital Fund Balance.....	31
F-3	Revenue - Operating Fund.....	32
F-4	Expenditures.....	33

PAYROLL FUND

G	Comparative Balance Sheets.....	34
---	---------------------------------	----

WATER UTILITY WESTERN SERVICE

H	Comparative Balance Sheets.....	35
H-1	Comparative Operations and Change in Fund Balance.....	37
H-2	Revenue - Operating Fund.....	38
H-3	Expenditures.....	39

SEWER UTILITY WESTERN SERVICE

I	Comparative Balance Sheets.....	40
I-1	Comparative Operations and Change in Fund Balance.....	41
I-2	Revenue - Operating Fund.....	42
I-3	Expenditures.....	43

CAPITAL FIXED ASSETS

J	Comparative Balance Sheets.....	44
---	---------------------------------	----

	<u>NOTES TO FINANCIAL STATEMENTS</u>	45 - 65
--	---	---------

SUPPLEMENTARY INFORMATION

CURRENT FUND

<u>EXHIBIT</u>		<u>PAGE</u>
A-4	Cash Receipts and Disbursements - Collector and Treasurer.....	66
A-5	Cash Receipts and Disbursements - Tax Collector	67
A-6	Change Fund - Collector	68
A-7	Due from State of New Jersey - Chapter 129, P.L. 1976	69
A-8	Taxes Receivable and Analysis of Property Tax Levy	70
A-9	Tax Title Liens	71
A-10	Property Acquired for Taxes at Assessed Valuations	71
A-11	Interfunds Receivable.....	72
A-12	Revenue Accounts Receivable	73
A-13	Deferred Charges - Special Emergency Authorization	74
A-14	Federal and State Grant Receivables	75
A-15	SFY 2010 Appropriation Reserves.....	76
A-16	Interfunds Payable.....	80
A-17	Due to State of New Jersey.....	81
A-18	Reserve for Tax Appeals	81
A-19	Reserve for Unappropriated State Aid - PILOT.....	82
A-20	Accounts Payable.....	82
A-21	Special Emergency Note Payable.....	82
A-22	County Taxes Payable	83
A-23	Local School District Taxes Payable	83
A-24	Prepaid Taxes	84
A-25	Reserve for Federal and State Grants - Appropriated	85
A-26	Reserve for Federal and State Aid Unappropriated	86

TRUST FUND

B-1	Cash Receipts and Disbursements - Checking Accounts.....	87
B-2	Community Development Block Grant Receivable	88
B-3	Animal Control Trust Fund - Due to State of New Jersey	89
B-4	Animal Control Trust Fund - Prepaid Dog Licenses.....	89
B-5	Animal Control Fund - Interfunds Payable	90
B-6	Animal Control Trust Fund - Reserve for Animal Control Expenditures.....	91
B-7	General Trust Fund - Interfunds Payable	92
B-8	Reserve for Manchester Day Trust Fund	92
B-9	Deposits for Redemption of Tax Title Liens	93
B-10	Special Escrow Deposits	94
B-11	State Unemployment Compensation Insurance Trust Fund	95
B-12	Police Drug Enforcement Trust Account	96
B-13	Municipal Drug Alliance Discretionary Reserves	96
B-14	Reserve for Public Defender Trust Fund.....	96
B-15	Reserve for Open Space Trust Fund	97
B-16	Reserve for Recreation Trust Fund	97
B-17	Community Development Block Grant Reserves.....	98
B-18	Reserve for Retirement Pay	99

SUPPLEMENTARY INFORMATION
(Continued)

GENERAL CAPITAL FUND

<u>EXHIBIT</u>		<u>PAGE</u>
C-2	Cash Receipts and Disbursements.....	100
C-3	Analysis of General Capital Cash.....	101
C-4	Interfunds Receivable.....	102
C-5	Due from State of New Jersey.....	102
C-6	Deferred Charges to Future Taxation - Funded.....	103
C-7	Deferred Charges to Future Taxation - Unfunded.....	104
C-8	Interfunds Payable.....	105
C-9	Green Acres Loan Payable.....	105
C-10	N.J. Economic Development Authority Bonds Payable.....	106
C-11	Capital Improvement Fund.....	106
C-12	Improvement Authorizations.....	107
C-13	Bond Anticipation Notes.....	108
C-14	Serial Bonds.....	109
C-15	Bonds and Notes Authorized but Not Issued.....	110

WATER UTILITY EASTERN SERVICE

D-5	Cash Receipts and Disbursements - Checking Accounts.....	111
D-6	Analysis of Water Capital Cash and Investments.....	112
D-7	Consumer Accounts Receivable.....	113
D-8	Water Liens.....	113
D-9	Reserve for Inventory.....	115
D-10	Fixed Capital.....	114
D-11	Fixed Capital Authorized and Uncompleted.....	114
D-12	Appropriation Reserves.....	115
D-13	Accrued Interest on Bonds.....	116
D-14	Reserve for Escrow Deposits.....	116
D-15	Capital Improvement Fund.....	117
D-16	Reserve for Amortization.....	117
D-17	Deferred Reserve for Amortization.....	117
D-18	Improvement Authorizations.....	118
D-19	Serial Bonds.....	119

PUBLIC ASSISTANCE TRUST FUND

E-1	Cash Receipts and Disbursements - Public Assistance Accounts.....	120
E-2	Reserve for Public Assistance Expenditures.....	121
E-3	Reserve for Discretionary Trust Expenditures.....	122

SUPPLEMENTARY INFORMATION
(Continued)

SEWER UTILITY EASTERN SERVICE

<u>EXHIBIT</u>		<u>PAGE</u>
F-5	Cash Receipts and Disbursements - Checking Accounts.....	123
F-6	Analysis of Sewer Capital Cash and Investments.....	124
F-7	Sewer Operating Eastern Service - Due from Sewer Capital Eastern Service	125
F-8	Consumer Accounts Receivable	126
F-9	Reserve for Inventory	126
F-10	Fixed Capital.....	127
F-11	Fixed Capital Authorized and Uncompleted.....	127
F-12	Appropriation Reserves	128
F-13	Reserve for Escrow Deposits	129
F-14	Accrued Interest on Bonds	130
F-15	Accrued Interest on Waste Water Loan	130
F-16	Investment.....	131
F-17	Sewer Capital Eastern Service - Due to Sewer Operating Eastern Service	131
F-18	Capital Improvement Fund	132
F-19	Deferred Reserve for Amortization.....	132
F-20	Due to State of New Jersey - Waste Water Treatment Loan Payable.....	133
F-21	Reserve for Amortization	133
F-22	Improvement Authorizations.....	134
F-23	Serial Bonds	135

PAYROLL FUND

G-1	Cash Receipts and Disbursements.....	136
G-2	Payroll Deductions Payable - FY 2011.....	137

WATER UTILITY WESTERN SERVICE

H-4	Cash Receipts and Disbursements - Checking Accounts.....	138
H-5	Analysis of Water Capital Western Service - Cash and Investments	139
H-6	Change Fund.....	140
H-7	Consumer Accounts Receivable	140
H-8	Fixed Capital.....	141
H-9	Fixed Capital Authorized and Uncompleted.....	141
H-10	Water Capital Fund - Due from Sewer Operating Western Service.....	142
H-11	Water Capital Fund - Due from Water Operating Western Service	142
H-12	Water Capital Fund - Due to General Capital Fund	143
H-13	Appropriation Reserves	144
H-14	Water Operating Fund - Due to Water Capital Western Service.....	145
H-15	Water Capital Fund - Due to Sewer Capital Western Service.....	145
H-16	Accrued Interest on Bonds	146

SUPPLEMENTARY INFORMATION
(Continued)

WATER UTILITY WESTERN SERVICE

<u>EXHIBIT</u>		<u>PAGE</u>
H-17	Accrued Interest on Notes	146
H-18	Improvement Authorizations	147
H-19	Bond Anticipation Notes	148
H-20	Serial Bonds	149

SEWER UTILITY WESTERN SERVICE

I-4	Cash Receipts and Disbursements	150
I-5	Analysis of Sewer Capital Western Service - Cash and Investments	151
I-6	Consumer Accounts Receivable	152
I-7	Fixed Capital	152
I-8	Fixed Capital Authorized and Uncompleted	153
I-9	Sewer Operating Fund - Due from Sewer Capital Western Service	153
I-10	Sewer Capital Fund - Due from Water Capital Western Service	154
I-11	Sewer Operating Fund - Due to Water Capital Western Service	154
I-12	Appropriation Reserves	155
I-13	Accrued Interest on Bonds	156
I-14	Accrued Interest on Notes	156
I-15	Sewer Capital Fund - Due to Sewer Operating Western Service	157
I-16	Improvement Authorizations	157
I-17	Bond Anticipation Notes	158
I-18	Serial Bonds	159

PART II

Report on Internal Control Over Financial Reporting and on Compliance and Other Matters Based on an Audit of Statutory Basis Financial Statements Performed in Accordance with <i>Government Auditing Standards</i>	161
---	-----

**ROSTER OF OFFICIALS AND SURETY BONDS, LETTER OF TRANSMITTAL,
COMMENTS AND RECOMMENDATIONS**

Officials in Office and Surety Bonds	163
Comments	164
Recommendations	168

PART I
REPORT ON EXAMINATION
FINANCIAL STATEMENTS
NOTES TO FINANCIAL STATEMENTS
AND
SUPPLEMENTARY EXHIBITS
FISCAL YEAR ENDED JUNE 30, 2011

SAMUEL KLEIN AND COMPANY

CERTIFIED PUBLIC ACCOUNTANTS

550 BROAD STREET, 11TH FLOOR
NEWARK, N.J. 07102-4543
PHONE (973) 624-6100
FAX (973) 624-6101

36 WEST MAIN STREET, SUITE 301
FREEHOLD, N.J. 07728-2291
PHONE (732) 780-2600
FAX (732) 780-1030

INDEPENDENT AUDITOR'S REPORT

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

We have audited the accompanying statutory basis financial statements of the various funds of the

TOWNSHIP OF MANCHESTER COUNTY OF OCEAN

as of and for the fiscal year ended June 30, 2011, as listed in the foregoing table of contents, and for the fiscal year ended June 30, 2010. These statutory basis financial statements are the responsibility of the municipality's management. Our responsibility is to express an opinion on these financial statements based on our audit.

We conducted our audit in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States; and audit requirements as prescribed by the Division of Local Government Services, Department of Community Affairs, State of New Jersey. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

These statutory basis financial statements have been prepared in conformity with accounting practices prescribed by the Division of Local Government Services, Department of Community Affairs, State of New Jersey which 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. These practices differ in certain respects, which in some instances may be material, from generally accepted accounting principles applicable to local government units. The more significant of these practices are described in Note 1 to the financial statements.

In our opinion, because of the Municipality's policy to prepare its financial statements on the basis of accounting discussed in the third paragraph of this report, the financial statements referred to above do not present fairly, in conformity with accounting principles generally accepted in the United States of America, the financial position of the Township of Manchester as of June 30, 2011 and 2010 or the results of its operations for the years then ended.

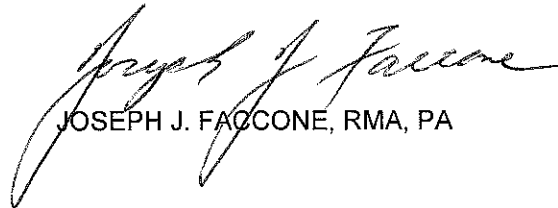
However, in our opinion, the statutory basis financial statements referred to above present fairly, in all material respects, the financial position of the Township of Manchester in the County of Ocean, as of June 30, 2011 and June 30, 2010, and the results of operations of such funds for the years then ended, in accordance with accounting principles and practices prescribed by the Division of Local Government Services, Department of Community Affairs, State of New Jersey and described in Note 1 to the financial statements.

In accordance with *Government Auditing Standards*, we have also issued a report dated March 5, 2012 on our consideration of the Township of Manchester's internal control over financial reporting and our test of its compliance with certain provisions of laws, regulations, contracts, grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing and not to provide an opinion on the internal control over financial reporting or compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be considered in conjunction with this report in considering the results of our audit.

Our audit was conducted for the purpose of forming an opinion on the statutory basis financial statements of the Township of Manchester taken as a whole. The accompanying supplemental schedules presented in the "Supplementary" sections are not required parts of the financial statements and are presented for purposes of additional analysis as required by the New Jersey State Division of Local Government Services. Such information has been subjected to the auditing procedures applied in the audit of the statutory basis financial statements and, in our opinion, is fairly presented in all material respects in relation to the statutory basis financial statements taken as a whole.



SAMUEL KLEIN AND COMPANY
CERTIFIED PUBLIC ACCOUNTANTS



JOSEPH J. FACCONI, RMA, PA

March 5, 2012
Newark, New Jersey

TOWNSHIP OF MANCHESTER
CURRENT FUND

COMPARATIVE BALANCE SHEETS

A
Sheet #1

<u>ASSETS AND DEFERRED CHARGES</u>	Ref.	Balance <u>June 30, 2011</u>	Balance <u>June 30, 2010</u>
Cash - Treasurer	A-4	\$ 2,602,865.05	\$ 849,897.50
Change Fund	A-6	630.00	630.00
Due from State of New Jersey (Ch. 129, P.L. 1976)	A-7	838,519.64	960,971.44
		<u>3,442,014.69</u>	<u>1,811,498.94</u>
Receivables and Other Assets with Full Reserves:			
Taxes Receivable	A-8	833,799.86	1,014,151.18
Tax Title Liens	A-9	93,940.62	26,300.84
Property Acquired for Taxes at Assessed Valuations	A-10	942,474.28	942,423.37
Interfunds Receivable	A-11	30,847.70	15,752.10
Revenue Accounts Receivable	A-12	40,826.39	47,345.01
		<u>1,941,888.85</u>	<u>2,045,972.50</u>
Deferred Charges:			
Special Emergency Authorization	A-13	525,000.00	
		<u>5,908,903.54</u>	<u>3,857,471.44</u>
<u>Federal and State Grant Fund</u>			
Cash	A-4	349,023.20	329,956.56
Federal and State Grant Receivables	A-14	140,745.90	121,813.89
		<u>489,769.10</u>	<u>451,770.45</u>
		<u>\$ 6,398,672.64</u>	<u>\$ 4,309,241.89</u>

TOWNSHIP OF MANCHESTER
CURRENT FUND

COMPARATIVE BALANCE SHEETS

A
Sheet #2

<u>LIABILITIES, RESERVES AND FUND BALANCE</u>	<u>Ref.</u>	<u>Balance June 30, 2011</u>	<u>Balance June 30, 2010</u>
Expenditure Accounts:			
Appropriation Reserves:			
Encumbered	A-3,15	\$ 678,344.25	\$ 254,674.71
Unencumbered	A-3,15	1,060,421.22	256,128.87
Due to State of New Jersey:			
DCA Surcharge	A-17	5,893.00	2,746.00
Marriage License Fees	A-17	687.00	911.00
Interfunds Payable	A-16	61,975.00	
Reserves For:			
Tax Appeals	A-18		32,202.62
Unappropriated State Aid - Pilot	A-19	159,227.00	238,840.61
Accounts Payable	A-20	33,581.73	33,581.73
Special Emergency Note Payable	A-21	525,000.00	
County Taxes Payable	A-22		0.01
Prepaid Taxes	A-24	77,812.33	4,471.40
		<u>2,602,941.53</u>	<u>823,556.95</u>
Reserve for Receivables and Other			
Assets		1,941,888.85	2,045,972.50
Fund Balance	A-1	1,364,073.16	987,941.99
		<u>5,908,903.54</u>	<u>3,857,471.44</u>
 <u>Federal and State Grant Fund</u>			
Reserve for Federal and State Grants -			
Appropriated	A-25	350,069.81	360,791.29
Reserve for Federal and State Aid			
Unappropriated	A-26	139,699.29	90,979.16
		<u>489,769.10</u>	<u>451,770.45</u>
		<u>\$ 6,398,672.64</u>	<u>\$ 4,309,241.89</u>

See accompanying notes to financial statements.

TOWNSHIP OF MANCHESTER
CURRENT FUND

COMPARATIVE STATEMENTS OF OPERATIONS AND
CHANGE IN FUND BALANCE

A-1

	<u>Ref.</u>	State Fiscal Year <u>June 30, 2011</u>	State Fiscal Year <u>June 30, 2010</u>
<u>Revenue and Other Income Realized</u>			
Fund Balance Utilized	A-2	\$ 780,000.00	\$ 1,600,000.00
Miscellaneous Revenue Anticipated	A-2	8,386,860.95	8,896,439.80
Receipts from Delinquent Taxes	A-2a	976,496.27	691,375.56
Receipts from Current Taxes	A-2a	73,071,500.40	69,038,444.42
Nonbudget Revenue	A-2c	1,121,769.20	405,336.01
Other Credits to Income:			
Reserve for Revaluation Cancelled			18,700.93
Unexpended Balances of Appropriation Reserves	A-15	112,236.05	606,501.92
		<u>84,448,862.87</u>	<u>81,256,798.64</u>
 <u>Expenditures</u>			
Budget Appropriations:			
Operations		22,263,696.57	23,273,056.71
Capital Improvements		60,000.00	80,202.63
Debt Service		2,803,160.16	2,839,008.50
Deferred Charges and Statutory Expenditures		3,260,625.03	1,085,574.13
	A-3	<u>28,387,481.76</u>	<u>27,277,841.97</u>
Municipal Open Space Taxes	A-8	408,524.00	408,379.00
Refund of Prior Year Revenues	A-4	1.19	14,888.69
Due from State of New Jersey Senior Citizens Cancelled			12,575.04
Interfunds Established	A-11	15,095.60	4,989.22
County Taxes Payable	A-22	14,758,322.88	14,768,162.07
Local School District Taxes Payable	A-23	39,723,306.27	37,813,209.00
		<u>83,292,731.70</u>	<u>80,300,044.99</u>
Excess in Revenue		1,156,131.17	956,753.65
 <u>Fund Balance</u>			
Balance July 1	A	987,941.99	1,631,188.34
		<u>2,144,073.16</u>	<u>2,587,941.99</u>
Decreased by:			
Utilized as Anticipated Revenue	Above	780,000.00	1,600,000.00
Balance June 30	A	<u>\$ 1,364,073.16</u>	<u>\$ 987,941.99</u>

See accompanying notes to financial statements.

TOWNSHIP OF MANCHESTER
CURRENT FUND

STATEMENT OF REVENUE

A-2

	<u>Ref.</u>	<u>Budget</u>	<u>Realized</u>	<u>Excess or (Deficit)</u>
Surplus Anticipated		\$ 26,970.00	\$ 26,970.00	\$
Surplus Anticipated with Prior Written Consent of Director of Local Government Services		<u>753,030.00</u>	<u>753,030.00</u>	
Total Surplus Anticipated	A-1	<u>780,000.00</u>	<u>780,000.00</u>	
Miscellaneous Revenue:				
Licenses:				
Alcoholic Beverages	A-12	35,000.00	25,765.00	(9,235.00)
Other	A-2b	13,850.00	16,791.00	2,941.00
Other Fees and Permits	A-2b	637,400.00	717,832.39	80,432.39
Municipal Court	A-12	587,000.00	474,756.41	(112,243.59)
Interest and Costs on Taxes	A-5	161,000.00	202,360.52	41,360.52
Interest on Investments	A-12	81,500.00	59,159.43	(22,340.57)
Energy Receipts Tax	A-12	2,609,779.00	2,609,779.00	
Host Community Benefits	A-12	956,300.00	888,307.52	(67,992.48)
Cable TV Franchise Fees	A-12	173,753.00	167,028.71	(6,724.29)
Uniform Fire Safety Act	A-12	53,600.00	26,377.31	(27,222.69)
Supplemental Energy Relief Tax	A-12	126,578.00	126,578.00	
Uniform Construction Fees	A-12	394,800.00	585,006.00	190,206.00
Consolidated Municipal Property Tax Relief Act	A-12	321,883.00	321,883.00	
Unappropriated Reserve - Pilot Garden State Trust	A-19	238,840.61	238,840.61	
Police Body Armor Grant	A-14	2,835.42	2,835.42	
Senior Outreach Grant	A-14	125,000.00	125,000.00	
Unappropriated Reserve Senior Outreach Grant	A-14	7,550.00	7,550.00	
Municipal Drug Alliance	A-14	16,840.00	16,840.00	
Clean Communities Grant	A-14	80,593.74	80,593.74	
Drunk Driving Enforcement Fund	A-14	13,848.33	13,848.33	
Transportation Assistance Agreement	A-14	2,850.00	2,850.00	
FY 2011 966 Reimbursement Program	A-14	16,189.00	16,189.00	
Open Space Share of Debt	A-12	387,040.50	375,780.00	(11,260.50)
Tower Rental	A-12	44,900.00	44,634.08	(265.92)
Senior Citizens' and Veterans' Post Year Statements	A-12	43,275.00	41,825.18	(1,449.82)
Hotel Tax	A-12	24,025.00	24,842.34	817.34
Reimbursement for In-Kind Facilities and Security Services	A-12	743,336.00	725,636.00	(17,700.00)
Utility Surplus Anticipated	A-12	400,000.00	400,000.00	
Ocean County Recycling Revenue Fund	A-12	26,500.00	47,971.96	21,471.96
Total Miscellaneous Revenue	A-1	<u>8,326,066.60</u>	<u>8,386,860.95</u>	<u>60,794.35</u>
Receipts from Delinquent Taxes	A-2a	<u>980,000.00</u>	<u>976,496.27</u>	<u>(3,503.73)</u>
		9,306,066.60	9,363,357.22	57,290.62
Amount to be Raised by Taxation	A-2a,8	<u>19,459,127.26</u>	<u>19,329,686.25</u>	<u>(129,441.01)</u>
		28,765,193.86	28,693,043.47	(72,150.39)
Nonbudget Revenue	A-2c	<u>1,121,769.20</u>	<u>1,121,769.20</u>	<u>1,121,769.20</u>
	A-3	<u>\$ 29,545,193.86</u>	<u>\$ 30,594,812.67</u>	<u>\$ 1,049,618.81</u>

See accompanying notes to financial statements.

TOWNSHIP OF MANCHESTER
CURRENT FUND

STATEMENT OF REVENUE (Continued)
ANALYSIS OF REALIZED TAX COLLECTIONS

A-2a

	<u>Ref.</u>		
<u>Current Tax Collections</u>			
SFY 2011 Collections	A-8	\$ 71,098,221.84	
Prepaid Applied	A-8	4,471.40	
Due from State of New Jersey (Ch. 129, P.L. 1976)	A-8	<u>1,968,807.16</u>	
	A-1		\$ 73,071,500.40
 Allocated to:			
Municipal Open Space	A-1,8	408,524.00	
County Taxes	A-22	14,758,322.88	
Local School District Tax	A-23	<u>39,723,306.27</u>	
			<u>54,890,153.15</u>
 Balance for Support of Municipal Budget Appropriations			
			18,181,347.25
 Plus: Reserve for Uncollected Taxes			
	A-3		<u>1,148,339.00</u>
 Amount for Support of Municipal Budget Appropriations			
	A-2		<u>\$ 19,329,686.25</u>
 <u>Receipts from Delinquent Taxes</u>			
Delinquent Tax Collections	A-1,2,8		<u>\$ 976,496.27</u>

See accompanying notes to financial statements.

TOWNSHIP OF MANCHESTER
CURRENT FUND

STATEMENT OF REVENUE (Continued)
ANALYSIS OF OTHER LICENSES AND PERMITS

A-2b

	<u>Ref.</u>		
<u>Other Licenses</u>			
Township Clerk	A-12	\$ 15,051.00	
Health Officer	A-12	<u>1,740.00</u>	
	A-2		<u>\$ 16,791.00</u>
 <u>Other Fees and Permits</u>			
Township Clerk	A-12	\$ 289,607.30	
Tax Collector	A-12	12,509.78	
Recreation Department	A-12	133,145.00	
Zoning Board	A-12	26,830.00	
Registrar of Vital Statistics	A-12	69,536.00	
Building Inspector	A-12	81,031.00	
Police Department	A-12	32,058.31	
Beach Badges	A-12	<u>73,115.00</u>	
	A-2		<u>\$ 717,832.39</u>

See accompanying notes to financial statements.

TOWNSHIP OF MANCHESTER
CURRENT FUND

STATEMENT OF REVENUE (Continued)
ANALYSIS OF NONBUDGET REVENUE

A-2c

	<u>Ref.</u>	
<u>Miscellaneous Revenue Not Anticipated</u>		
Insurance Claims - Trucks		\$ 3,280.21
Sale of Assets		387,041.06
Recycling		44,232.52
Copies		957.73
Restitution		450.90
Cell Phone Recycling		80.06
CBS Outdoor Billboard		6,000.00
Administrative Fees for Police Off-Duty		33,258.28
Senior Outreach Donations		7,501.00
Concession Stand		1,550.00
Sale of Scrap Metal		46,274.80
NJ Energy Rebate		13,565.28
Tax Redemptions		1,642.11
Bank Charges		60.00
Miscellaneous		5,013.52
Stale Checks		247.46
DMV Inspection Fines		24,516.60
Prior Year Budget Refund		151,234.17
AFLAC FLEX		1,818.55
HIF Dividend		263,886.00
Homestead Administrative Fee		5,698.20
Miscellaneous Court Fees		16,421.50
Firing Range		100.00
Deckerville Pilot		48,457.86
JIF Dividend		<u>50,807.36</u>
	A-4	\$ 1,114,095.17
Excess in Animal Control Fund	A-11	<u>7,674.03</u>
Realized Revenue	A-1,2	<u><u>\$ 1,121,769.20</u></u>

See accompanying notes to financial statements.

TOWNSHIP OF MANCHESTER
CURRENT FUND

STATEMENT OF EXPENDITURES

A-3
Sheet #1

Appropriations	Appropriations		Paid or Charged	Expended		Reserved	Unexpended Balance Cancelled
	Budget	Modified Budget		Encumbered	Unencumbered		
APPROPRIATIONS WITHIN "CAPS"							
OFFICE OF THE MAYOR							
Office of the Mayor:							
Salaries and Wages	\$ 70,135.00	\$ 63,338.60	\$ 63,338.60	\$	\$	\$	\$
Other Expenses	2,500.00	2,538.00	2,538.00				
Environmental Commission:							
Salaries and Wages	1,000.00	1,000.00			1,000.00		
Other Expenses	100.00	100.00			100.00		
Veterans' Advisory Committee:							
Other Expenses	2,000.00	2,000.00	235.31		1,764.69		
Office of the Clerk:							
Salaries and Wages	84,978.00	92,583.19	92,583.19				
Other Expenses	53,600.00	42,600.00	31,995.09	664.00	9,940.91		
Municipal Audit:							
Other Expenses	42,174.00	42,174.00			42,174.00		
Zoning Board of Adjustments:							
Other Expenses	28,000.00	23,000.00	17,607.97		5,392.03		
DEPARTMENT OF ADMINISTRATION							
Office of the Tax Assessor:							
Salaries and Wages	265,000.00	275,000.00	265,015.70		9,984.30		
Other Expenses	8,500.00	8,500.00	5,667.40	407.99	2,424.61		
Division of Administration, Purchasing and Personnel:							
Salaries and Wages	115,000.00	110,000.00	109,406.69		593.31		
Other Expenses	180,000.00	170,000.00	154,890.36	8,729.36	6,380.28		
Division of Recreation:							
Salaries and Wages	295,000.00	310,000.00	310,000.00				
Other Expenses	90,000.00	82,000.00	61,922.65	15,993.27	4,084.08		
Division of Data Processing:							
Salaries and Wages	42,000.00	50,000.00	49,231.04		768.96		
Other Expenses	43,000.00	30,000.00	25,086.99	270.93	4,642.08		
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

A-3
Sheet #2

Appropriations	Appropriations		Paid or Charged	Expended		Unexpended Balance Cancelled
	Budget	Modified Budget		Encumbered	Reserved	
APPROPRIATIONS WITHIN "CAPS:"						
DEPARTMENT OF PUBLIC WORKS						
Division of Administration and Streets:						
Salaries and Wages	\$ 1,206,000.00	\$ 1,206,000.00	\$ 1,158,312.06	\$ 47,687.94	\$	
Other Expenses	185,000.00	191,000.00	170,276.44	14,451.88	6,271.68	
Division of Building and Grounds:						
Salaries and Wages	75,000.00	90,000.00	90,000.00		5,207.97	
Other Expenses	90,000.00	90,000.00	72,465.66	12,326.37		
Division of Sanitation and Recycling:						
Salaries and Wages	42,000.00	42,000.00	42,000.00			
Other Expenses	475,000.00	472,000.00	461,850.71	3,506.95	6,642.34	
Division of Central Maintenance:						
Salaries and Wages	217,000.00	214,000.00	199,795.57		14,204.43	
Other Expenses	180,000.00	180,000.00	156,420.10	20,487.53	3,092.37	
Division of Lakes, Parks and Playgrounds:						
Salaries and Wages	96,500.00	96,500.00	77,679.73		18,820.27	
Other Expenses	40,000.00	40,000.00	35,356.77	3,025.04	1,618.19	
DEPARTMENT OF PUBLIC SAFETY						
Police:						
Salaries and Wages	7,125,000.00	7,125,000.00	7,123,186.31		1,813.69	
Other Expenses	485,000.00	415,000.00	215,094.50	164,590.51	35,314.99	
Police Clerical and Computer:						
Salaries and Wages	665,000.00	665,000.00	659,206.90		5,793.10	
Division of Animal Control:						
Salaries and Wages	48,000.00	48,000.00	44,236.50		3,763.50	
Other Expenses	40,000.00	35,500.00	26,099.93	172.00	9,228.07	
Division of Emergency Management:						
Salaries and Wages	9,000.00	9,000.00	2,662.04		6,337.96	
Other Expenses	5,000.00	5,000.00	2,644.58		2,355.42	

TOWNSHIP OF MANCHESTER
CURRENT FUND

STATEMENT OF EXPENDITURES

A-3
Sheet #3

	Appropriations		Paid or Charged	Expended		Unexpended Balance Cancelled
	Budget	Modified Budget		Encumbered	Reserved	
APPROPRIATIONS WITHIN "CAPS"						
DEPARTMENT OF LAND USE AND PLANNING						
Division of Zoning and Planning:						
Salaries and Wages	\$ 65,000.00	\$ 65,000.00	\$ 65,000.00	\$	\$	\$
Other Expenses	40,000.00	46,000.00	44,552.79	320.00		1,127.21
Uniform Fire Safety Act:						
Salaries and Wages	53,600.00	53,600.00	53,600.00			
Other Expenses	1,000.00	1,000.00				1,000.00
DEPARTMENT OF FINANCE						
Financial Administration:						
Salaries and Wages	63,000.00	71,300.00	71,125.66			174.34
Other Expenses	22,000.00	22,000.00	16,422.37	4,322.48		1,255.15
Division of Revenue Collection:						
Salaries and Wages	136,000.00	124,100.00	120,146.56			3,953.44
Other Expenses	50,000.00	50,000.00	38,071.42	11,103.02		825.56
DEPARTMENT OF ENGINEERING						
Engineering:						
Other Expenses	75,000.00	100,000.00	79,032.43			20,967.57
DEPARTMENT OF LAW						
Township Attorney:						
Other Expenses	150,000.00	176,000.00	151,520.59			24,479.41
Municipal Prosecutor:						
Other Expenses	40,000.00	40,000.00	38,166.67			1,833.33
Closing Costs for Foreclosed Properties:						
Other Expenses	20,000.00	20,000.00	20,000.00			
OTHER						
Municipal Court:						
Salaries and Wages	271,000.00	271,743.83	271,660.31			83.52
Other Expenses	21,000.00	20,256.17	8,227.15			123.50
						11,905.52

TOWNSHIP OF MANCHESTER
CURRENT FUND

STATEMENT OF EXPENDITURES

A-3
Sheet #4

Appropriations	Appropriations		Paid or Charged	Expended		Unexpended Balance Cancelled
	Budget	Modified Budget		Encumbered	Reserved	
<u>APPROPRIATIONS WITHIN "CAPS"</u>						
OTHER						
Public Defender (P.L. 1997, C.256):						
Salaries and Wages	\$ 18,500.00	\$ 18,500.00	\$ (766.60)	\$ 1,800.00	\$ 17,466.60	\$
Hepatitis Inoculation Program:						
Other Expenses	5,000.00	5,000.00			5,000.00	
OSHA Requirements - Respirator Testing:						
Other Expenses	7,500.00	7,500.00	1,569.02		5,930.98	
Insurance:						
General Liability	596,800.00	591,800.00	572,189.99		19,610.01	
Worker's Compensation	900,000.00	870,000.00	870,000.00			
Employee Group Health	4,330,626.00	4,330,626.00	3,945,729.86	333,039.80	51,856.34	
DEPARTMENT OF UNIFORM CONSTRUCTION CODE						
Uniform Construction Code:						
Salaries and Wages	305,000.00	340,000.00	317,483.74		22,516.26	
Other Expenses	60,000.00	60,000.00	29,646.39	2,818.00	27,535.61	
UNCLASSIFIED						
Utilities:						
Gasoline	450,000.00	450,000.00	401,361.40	35,213.50	13,425.10	
Electricity	225,000.00	237,286.58	219,542.22		17,744.36	
Telephone	125,000.00	145,000.00	134,610.20		10,389.80	
Natural Gas	40,000.00	40,000.00	22,747.80		17,252.20	
Heating Oil	8,000.00	8,066.63	7,546.03	520.60	0.00	
Street Lighting	160,000.00	170,000.00	161,680.56		8,319.44	
Condominium Services Act	430,000.00	408,000.00	343,721.56		64,278.44	
Celebration of Public Events	11,000.00	8,400.00	8,400.00			
Accumulated Leave Compensation	702,103.08	702,103.08	472,464.08		229,639.00	
CONTINGENT	5,000.00	5,000.00			5,000.00	
Total Operations	21,843,616.08	21,837,116.08	20,272,258.99	633,970.25	930,886.84	

TOWNSHIP OF MANCHESTER
CURRENT FUND

STATEMENT OF EXPENDITURES

A-3
Sheet #5

	Appropriations		Paid or Charged	Expended		Unexpended Balance Cancelled
	Budget	Modified Budget		Encumbered	Reserved	
<u>Appropriations</u>						
<u>APPROPRIATIONS WITHIN "CAPS"</u>						
Detail:						
Salaries and Wages	\$ 11,445,816.08	\$	\$	\$	\$	\$
Other Expenses	10,397,800.00	21,837,116.08	20,272,258.99	633,970.25	384,517.10	546,369.74
<u>STATUTORY EXPENDITURES</u>						
Contribution to:						
Reserve for NJ Unemployment Trust	20,000.00	20,000.00	20,000.00			
Police and Firemen's Retirement System of N.J.	1,631,425.00	1,631,425.00	1,631,425.00			
Public Employees' Retirement System:						
Other Expense	617,364.00	617,364.00	617,364.00			
Social Security System (OASI)	991,836.03	991,836.03	862,301.65		129,534.38	
	3,260,625.03	3,260,625.03	3,131,090.65		129,534.38	
Total Appropriations Within "CAPS"	25,104,241.11	25,097,741.11	23,403,349.64	633,970.25	1,060,421.22	
<u>APPROPRIATIONS EXCLUDED FROM "CAPS"</u>						
<u>OTHER OPERATIONS</u>						
LOSAP:						
Other Expenses	120,000.00	126,500.00	126,500.00			
Insurance - Group	44,374.00	44,374.00		44,374.00		
Reserve for Tax Appeals	75,000.00	75,000.00	75,000.00			
Total Other Operations - Excluded from "CAPS"	239,374.00	245,874.00	201,500.00	44,374.00		
<u>STATE AND FEDERAL PROGRAMS</u>						
<u>OFFSET BY REVENUES</u>						
Senior Outreach Program:						
Salaries and Wages	125,000.00	125,000.00	125,000.00			
Unappropriated Reserve - Federal Share	7,550.00	7,550.00	7,550.00			
Local Match	440,000.00	440,000.00	440,000.00			

TOWNSHIP OF MANCHESTER
CURRENT FUND

STATEMENT OF EXPENDITURES

A-3
Sheet #6

Appropriations	Appropriations		Paid or Charged	Expended		Unexpended Balance Cancelled
	Budget	Modified Budget		Encumbered	Reserved	
APPROPRIATIONS EXCLUDED FROM "CAPS"						
STATE AND FEDERAL PROGRAMS OFFSET BY REVENUES						
Drunk Driving Enforcement Fund:						
Other Expenses	\$ 13,848.33	\$ 13,848.33	\$ 13,848.33	\$	\$	\$
Unappropriated Reserve - Body Armor Grant:						
Other Expenses	2,835.42	2,835.42	2,835.42			
FY 11 966 Reimbursement Program - Ocean County	16,189.00	16,189.00	16,189.00			
Clean Communities Grant:						
Salaries and Wages	80,593.74	80,593.74	80,593.74			
Municipal Drug Alliance:						
Other Expenses	16,840.00	16,840.00	16,840.00			
Transportation Assistance Grant	2,850.00	2,850.00	2,850.00			
Total Public and Private Programs Offset by Revenues	705,706.49	705,706.49	705,706.49			
Total Operations Excluded from "CAPS"	945,080.49	951,580.49	907,206.49	44,374.00		
Detail:						
Salaries and Wages	653,143.74	205,593.74	205,593.74			
Other Expenses	291,936.75	745,986.75	701,612.75	44,374.00		
Capital Improvements						
Capital Improvement Fund	25,000.00	25,000.00	25,000.00			
Payment of Ord. #02-027	35,000.00	35,000.00	35,000.00			
	60,000.00	60,000.00	60,000.00			
MUNICIPAL DEBT SERVICE						
Payment of Bond Principal	1,970,000.00	1,970,000.00	1,970,000.00			
Interest on Bonds	643,415.00	659,665.00	659,665.00			
Interest on Notes	53,166.66	53,166.66	53,166.66			
Green Trust Loan Program:						
Loan Repayment for Principal and Interest	140,451.60	124,201.60	114,828.50			
EPA-UST Loan	5,500.00	5,500.00	5,500.00			
	2,812,533.26	2,812,533.26	2,803,160.16			
						9,373.10
						<u>9,373.10</u>

TOWNSHIP OF MANCHESTER
CURRENT FUND

STATEMENT OF EXPENDITURES

A-3
Sheet #7

	Appropriations		Paid or Charged	Expended		Unexpended Balance Cancelled
	Budget	Modified Budget		Encumbered	Reserved	
APPROPRIATIONS EXCLUDED FROM "CAPS"						
Total General Appropriations for Municipal Purposes Excluded from "CAPS"	\$ 3,817,613.75	\$ 3,824,113.75	\$ 3,770,366.65	\$ 44,374.00	\$	\$ 9,373.10
Sub-Total General Appropriations	28,921,854.86	28,921,854.86	27,173,716.29	678,344.25	1,060,421.22	9,373.10
Reserve for Uncollected Taxes	1,148,339.00	1,148,339.00	1,148,339.00			
Total General Appropriations	\$ 30,070,193.86	\$ 30,070,193.86	\$ 28,322,055.29	\$ 678,344.25	\$ 1,060,421.22	\$ 9,373.10
		<u>Below</u>	<u>Below</u>	<u>A</u>	<u>A</u>	
Reference	Ref.					
Adopted Budget	A-2	\$ 29,545,193.86	\$			
Added by N.J.S. 40A:4-87	A-13	525,000.00				
Reserve for Uncollected Taxes	A-2a		1,148,339.00			
Cash Expended	A-4		26,443,009.80			
Matching Funds for Federal and State Grants	A-4,25		440,000.00			
Interfunds Payable	A-16		25,000.00			
Reserve for Federal and State Grants	A-25		265,706.49			
	Above	\$ 30,070,193.86	\$ 28,322,055.29			

See accompanying notes to financial statements.

TOWNSHIP OF MANCHESTER
TRUST FUND

COMPARATIVE BALANCE SHEETS

B

<u>ASSETS</u>	<u>Ref.</u>	<u>Balance</u> <u>June 30, 2011</u>	<u>Balance</u> <u>June 30, 2010</u>
<u>Animal Control Trust Fund</u>			
Cash	B-1	\$ 57,017.30	\$ 48,720.07
<u>General Trust Fund</u>			
Cash:			
Special Deposits/Performance Bonds Redemption Trust Fund	B-1	4,037,834.94	4,535,826.03
State Unemployment Compensation Insurance Trust Fund	B-1	259,447.43	176,766.93
Police Drug Enforcement Trust Account	B-1	168,119.79	170,759.27
Municipal Drug Alliance	B-1	38,557.98	26,968.24
Public Defender Trust Fund	B-1	5,726.69	4,281.84
Manchester Day Trust Fund	B-1	41,897.93	58,440.93
Open Space Trust Fund	B-1	5,830.80	5,900.80
Recreation Trust Fund	B-1	1,269,595.30	51,323.64
		<u>16,230.71</u>	<u>15,327.68</u>
		5,843,241.57	5,045,595.36
Community Development Block Grant Receivable	B-2	65,000.00	65,000.00
		<u>5,908,241.57</u>	<u>5,110,595.36</u>
		<u>\$ 5,965,258.87</u>	<u>\$ 5,159,315.43</u>
 <u>LIABILITIES, RESERVES AND FUND BALANCE</u>			
<u>Animal Control Trust Fund</u>			
Due to State of New Jersey	B-3	\$ 1,951.20	\$ 1,681.20
Prepaid Licenses	B-4	15,905.60	15,133.40
Due to Current Fund	B-5	14,479.90	6,805.87
Reserve for Animal Control Expenditures	B-6	24,680.60	25,099.60
		<u>57,017.30</u>	<u>48,720.07</u>
 <u>General Trust Fund</u>			
Interfunds Payable	B-7	16,367.80	8,946.23
Manchester Day Trust Fund	B-8	5,830.80	5,900.80
Deposits for Redemption of Tax Title Liens	B-9	259,447.43	176,766.93
Special Deposits	B-10	3,951,853.64	4,457,266.30
State Unemployment Compensation Insurance Trust Fund	B-11	168,119.79	170,759.27
Police Drug Enforcement Trust Account	B-12	38,557.98	26,968.24
Municipal Drug Alliance	B-13	5,726.69	4,281.84
Public Defender Fees	B-14	41,897.93	58,440.93
Open Space Trust Fund	B-15	1,269,595.30	51,323.64
Recreation Trust Fund	B-16	16,230.71	15,327.68
Community Development Block Grant Reserves	B-17	56,750.00	56,750.00
Retirement Pay	B-18	77,863.50	77,863.50
		<u>5,908,241.57</u>	<u>5,110,595.36</u>
		<u>\$ 5,965,258.87</u>	<u>\$ 5,159,315.43</u>

TOWNSHIP OF MANCHESTER
GENERAL CAPITAL FUND

COMPARATIVE BALANCE SHEETS

C

<u>ASSETS AND DEFERRED CHARGES</u>	<u>Ref.</u>	<u>Balance June 30, 2011</u>	<u>Balance June 30, 2010</u>
Cash	C-2	\$ 1,926,469.17	\$ 2,520,984.59
Interfunds Receivable	C-4	61,975.00	
Due from State of New Jersey	C-5	150,000.00	150,000.00
Deferred Charges to Future Taxation:			
Funded	C-6	14,545,968.25	16,631,408.15
Unfunded	C-7	7,421,592.00	7,456,592.00
		<u>\$ 24,106,004.42</u>	<u>\$ 26,758,984.74</u>
<u>LIABILITIES, RESERVES AND FUND BALANCE</u>			
General Serial Bonds	C-14	\$ 13,753,000.00	\$ 15,723,000.00
Bond Anticipation Notes	C-13	6,000,000.00	6,000,000.00
Interfunds Payable	C-8	414,800.00	
Green Acres Loan Payable	C-9	792,968.25	902,908.15
N.J. Economic Development Loan Payable	C-10		5,500.00
Capital Improvement Fund	C-11	350,410.45	325,410.45
Improvement Authorizations:			
Funded	C-12	406,829.05	666,722.24
Unfunded	C-12	2,265,532.86	3,049,955.09
Fund Balance	C-1	122,463.81	85,488.81
		<u>\$ 24,106,004.42</u>	<u>\$ 26,758,984.74</u>
Bonds and Notes Authorized but Not Issued	C-15	<u>\$ 1,421,592.00</u>	<u>\$ 1,456,592.00</u>

See accompanying notes to financial statements.

TOWNSHIP OF MANCHESTER
GENERAL CAPITAL FUND

STATEMENT OF FUND BALANCE

C-1

	<u>Ref.</u>	
Balance June 30, 2010	C	\$ 85,488.81
Increased by:		
Premium on Sale of Notes	C-4	<u>36,975.00</u>
Balance June 30, 2011	C	<u><u>\$122,463.81</u></u>

See accompanying notes to financial statements.

TOWNSHIP OF MANCHESTER
WATER UTILITY EASTERN SERVICE

COMPARATIVE BALANCE SHEETS

D
Sheet #1

<u>ASSETS</u>	<u>Ref.</u>	<u>Balance</u> <u>June 30, 2011</u>	<u>Balance</u> <u>June 30, 2010</u>
<u>Operating Fund</u>			
Cash:			
Checking	D-5	\$ 1,177,324.42	\$ 1,590,012.74
Escrow	D-5	294,471.75	266,196.13
		<u>1,471,796.17</u>	<u>1,856,208.87</u>
Receivables and Inventory with Full Reserves:			
Consumer Accounts Receivable	D-7	107,052.22	73,404.05
Water Liens	D-8	3,118.29	2,152.91
Inventory	D-9	112,357.08	110,432.11
		<u>222,527.59</u>	<u>185,989.07</u>
		<u>1,694,323.76</u>	<u>2,042,197.94</u>
<u>Capital Fund</u>			
Cash - Checking	D-5	2,629,376.31	2,629,376.31
Fixed Capital	D-10	9,657,941.81	9,493,967.81
Fixed Capital Authorized and Uncompleted	D-11	524,741.37	888,292.19
		<u>12,812,059.49</u>	<u>13,011,636.31</u>
		<u>\$14,506,383.25</u>	<u>\$15,053,834.25</u>

TOWNSHIP OF MANCHESTER
WATER UTILITY EASTERN SERVICE

COMPARATIVE BALANCE SHEETS

D
Sheet #2

<u>LIABILITIES, RESERVES AND FUND BALANCE</u>	<u>Ref.</u>	<u>Balance June 30, 2011</u>	<u>Balance June 30, 2010</u>
<u>Operating Fund</u>			
Liabilities:			
Appropriation Reserves:			
Encumbered	D-4	\$ 13,273.71	\$
Unencumbered	D-4,12	123,103.11	73,045.88
Reserve for Accrued Interest on Bonds	D-13	42,523.17	32,825.94
Reserve for Escrow Deposits	D-14	294,471.75	266,196.13
		<u>473,371.74</u>	<u>372,067.95</u>
Reserve for Receivables and Inventory		222,527.59	185,989.07
Fund Balance	D-1	998,424.43	1,484,140.92
		<u>1,694,323.76</u>	<u>2,042,197.94</u>
 <u>Capital Fund</u>			
Serial Bonds	D-19	2,680,000.00	3,075,000.00
Capital Improvement Fund	D-15	2,067,889.94	1,868,313.12
Reserve for Amortization	D-16	6,340,760.00	5,945,760.00
Deferred Reserve for Amortization	D-17	1,161,923.18	1,361,500.00
Improvement Authorizations:			
Funded	D-18	524,741.37	724,318.19
Fund Balance	D-2	36,745.00	36,745.00
		<u>12,812,059.49</u>	<u>13,011,636.31</u>
		<u>\$14,506,383.25</u>	<u>\$15,053,834.25</u>

See accompanying notes to financial statements.

TOWNSHIP OF MANCHESTER
WATER UTILITY EASTERN SERVICE

COMPARATIVE STATEMENTS OF OPERATIONS
AND CHANGE IN FUND BALANCE

D-1

	<u>Ref.</u>	<u>Fiscal</u> <u>Year 2011</u>	<u>Fiscal</u> <u>Year 2010</u>
<u>Revenue and Other Income</u>			
Fund Balance Utilized	D-3	\$ 1,000,000.00	\$ 750,000.00
Water Rents and Liens	D-3	2,171,347.24	1,862,081.78
Miscellaneous Revenue	D-3	128,977.28	195,389.69
Other Credits to Income:			
Appropriation Reserves Lapsed	D-12	21,040.99	53,991.02
		<u>3,321,365.51</u>	<u>2,861,462.49</u>
 <u>Expenditures</u>			
Budget Appropriations:			
Operating:			
Salaries and Wages	D-4	617,816.99	620,725.43
Other Expenses	D-4	1,609,893.15	1,620,428.04
Debt Service	D-4	510,668.48	511,456.61
Statutory Expenditures	D-4	68,703.38	54,050.92
Prior Year Refund			17,631.50
		<u>2,807,082.00</u>	<u>2,824,292.50</u>
 Excess in Revenue		 514,283.51	 37,169.99
 <u>Fund Balance</u>			
Balance July 1	D	1,484,140.92	2,196,970.93
		<u>1,998,424.43</u>	<u>2,234,140.92</u>
 Decreased by:			
Utilized as Anticipated Revenue	Above	1,000,000.00	750,000.00
Balance June 30	D	<u>\$ 998,424.43</u>	<u>\$ 1,484,140.92</u>

See accompanying notes to financial statements.

TOWNSHIP OF MANCHESTER
WATER UTILITY EASTERN SERVICE

STATEMENT OF CAPITAL FUND BALANCE

D-2

	<u>Ref.</u>	
Balance June 30, 2010	D	<u>\$ 36,745.00</u>
Balance June 30, 2011	D	<u>\$ 36,745.00</u>

See accompanying notes to financial statements.

TOWNSHIP OF MANCHESTER
WATER UTILITY EASTERN SERVICE

STATEMENT OF REVENUE
OPERATING FUND

D-3

	<u>Ref.</u>	<u>Anticipated</u>	<u>Realized</u>	<u>Excess or (Deficit)</u>
Fund Balance Utilized	D-1	\$ 1,000,000.00	\$ 1,000,000.00	\$
Rents and Liens	D-1,Below	1,862,082.00	2,171,347.24	309,265.24
Miscellaneous	D-1,Below	<u>195,000.00</u>	<u>128,977.28</u>	<u>(66,022.72)</u>
Total Budget	D-4	<u>\$ 3,057,082.00</u>	<u>\$ 3,300,324.52</u>	<u>\$ 243,242.52</u>
 <u>Analysis of Rents and Liens</u>				
Consumer Accounts	D-7	\$ 2,171,324.04		
Liens	D-8	<u>23.20</u>		
	Above		<u>\$ 2,171,347.24</u>	
 <u>Analysis of Miscellaneous Revenue</u>				
Other Revenue:				
Connection Fees		\$ 46,494.00		
Interest on Deposits		9,837.96		
Service Charges		3,025.00		
Meter Fees		3,050.00		
Lateral Installation Fees		5,600.00		
Interest on Delinquent Accounts		12,437.90		
Water Application		600.00		
Escrow Charges		<u>47,932.42</u>		
	D-5,Above		<u>\$ 128,977.28</u>	

See accompanying notes to financial statements.

TOWNSHIP OF MANCHESTER
WATER UTILITY EASTERN SERVICE

STATEMENT OF EXPENDITURES

D-4

	<u>SFY 2011</u> <u>Budget</u> <u>Appropriation</u>	<u>SFY 2011</u> <u>Modified</u> <u>Budget</u>	<u>Expended</u> <u>Paid or</u> <u>Charged</u>	<u>Encumbered</u>	<u>Unencumbered</u>	<u>Balance</u> <u>Cancelled</u>
<u>Operating</u>						
Salaries and Wages	\$ 550,000.00	\$ 617,816.99	\$ 617,816.99	\$ 13,273.71	\$ 123,103.11	\$ 250,000.00
Other Expenses	1,929,148.24	1,859,893.15	1,473,516.33	13,273.71	123,103.11	250,000.00
	<u>2,479,148.24</u>	<u>2,477,710.14</u>	<u>2,091,333.32</u>	<u>13,273.71</u>	<u>123,103.11</u>	<u>250,000.00</u>
<u>Debt Service</u>						
Bond Principal	395,000.00	395,000.00	395,000.00			
Interest on Bonds	115,668.48	115,668.48	115,668.48			
	<u>510,668.48</u>	<u>510,668.48</u>	<u>510,668.48</u>			
<u>Statutory Expenditures</u>						
Contribution to:						
PERS System	15,000.00	15,000.00	15,000.00			
Social Security System	47,000.00	48,438.10	48,438.10			
Accumulated Leave	5,265.28	5,265.28	5,265.28			
	<u>67,265.28</u>	<u>68,703.38</u>	<u>68,703.38</u>			
	<u>\$3,057,082.00</u>	<u>\$3,057,082.00</u>	<u>\$2,670,705.18</u>	<u>\$ 13,273.71</u>	<u>\$ 123,103.11</u>	<u>\$ 250,000.00</u>
<u>Reference</u>	<u>D-3</u>		<u>Below</u>	<u>D</u>	<u>D</u>	
		<u>Ref.</u>				
	Cash Disbursed	D-5	\$2,555,036.70			
	Accrued Interest on Bonds	D-13	115,668.48			
		Above	<u>\$2,670,705.18</u>			

See accompanying notes to financial statements.

TOWNSHIP OF MANCHESTER
PUBLIC ASSISTANCE TRUST FUND

COMPARATIVE BALANCE SHEETS

E

<u>ASSETS</u>	<u>Ref.</u>	<u>Balance</u> <u>June 30, 2011</u>	<u>Balance</u> <u>June 30, 2010</u>
<u>Trust Fund Account #1</u>			
Cash	E-1	\$ 2,621.45	\$ 2,610.47
<u>Discretionary Fund</u>			
Cash	E-1	<u>52.95</u>	<u>375.95</u>
		<u>\$ 2,674.40</u>	<u>\$ 2,986.42</u>
<u>LIABILITIES AND FUND BALANCE</u>			
<u>Trust Fund Account #1</u>			
Reserve for Public Assistance Expenditures	E-2	\$ 2,621.45	\$ 2,610.47
<u>Discretionary Fund</u>			
Reserve for Discretionary Trust Expenditures	E-3	<u>52.95</u>	<u>375.95</u>
		<u>\$ 2,674.40</u>	<u>\$ 2,986.42</u>

See accompanying notes to financial statements.

TOWNSHIP OF MANCHESTER
SEWER UTILITY EASTERN SERVICE

COMPARATIVE BALANCE SHEETS

F
Sheet #1

<u>ASSETS</u>	<u>Ref.</u>	<u>Balance</u> <u>June 30, 2011</u>	<u>Balance</u> <u>June 30, 2010</u>
<u>Operating Fund</u>			
Cash - Checking	F-5	\$ 3,448,956.32	\$ 4,504,359.04
Cash - Escrow	F-5	175,424.21	195,354.97
		<u>3,624,380.53</u>	<u>4,699,714.01</u>
 Due from Sewer Capital Eastern Service	 F-7	 <u>554.43</u>	 <u>5,876.43</u>
 Receivables and Inventory with Full Reserves:			
Consumer Accounts Receivable	F-8	93,976.52	60,575.21
Inventory	F-9	29,996.40	13,791.00
		<u>123,972.92</u>	<u>74,366.21</u>
		<u>3,748,907.88</u>	<u>4,779,956.65</u>
 <u>Capital Fund</u>			
Cash - Checking	F-5	2,447,006.53	2,977,328.53
Fixed Capital	F-10	11,805,092.90	11,805,092.90
Fixed Capital Authorized and Uncompleted Investment	F-11 F-16	525,000.00	82,189.62
		<u>14,777,099.43</u>	<u>14,864,611.05</u>
		<u>\$18,526,007.31</u>	<u>\$19,644,567.70</u>

TOWNSHIP OF MANCHESTER
SEWER UTILITY EASTERN SERVICE

COMPARATIVE BALANCE SHEETS

F
Sheet #2

<u>LIABILITIES, RESERVES AND FUND BALANCE</u>	<u>Ref.</u>	<u>Balance June 30, 2011</u>	<u>Balance June 30, 2010</u>
<u>Operating Fund</u>			
Liabilities:			
Appropriation Reserves:			
Encumbered	F12	\$	\$ 2,009.00
Unencumbered	F-4, 12	200,438.61	396,389.83
Reserve for Escrow Deposits	F-13	175,424.21	195,354.97
Accrued Interest on Bonds	F-14	38,078.13	43,040.64
Accrued Interest on Waste Water Loan	F-15	25,550.38	25,550.38
		439,491.33	662,344.82
Reserve for Receivables and Inventory		123,972.92	74,366.21
Fund Balance	F-1	3,185,443.63	4,043,245.62
		3,748,907.88	4,779,956.65
 <u>Capital Fund</u>			
Serial Bonds	F-23	2,975,000.00	3,410,000.00
Due to Sewer Operating Eastern Service	F-17	554.43	5,876.43
Capital Improvement Fund	F-18	2,988,280.62	2,906,091.00
Deferred Reserve for Amortization	F-19		510,000.00
Due to State of New Jersey - Waste Water Treatment Loan Payable	F-20	567,971.86	672,435.79
Reserve for Amortization	F-21	8,241,477.52	7,274,203.21
Improvement Authorizations:			
Funded	F-22		82,189.62
Fund Balance	F-2	3,815.00	3,815.00
		14,777,099.43	14,864,611.05
		<u>\$18,526,007.31</u>	<u>\$19,644,567.70</u>

See accompanying notes to financial statements.

TOWNSHIP OF MANCHESTER
SEWER UTILITY EASTERN SERVICE

COMPARATIVE STATEMENTS OF OPERATIONS
AND CHANGE IN FUND BALANCE

F-1

	<u>Ref.</u>	<u>Fiscal</u> <u>Year 2011</u>	<u>Fiscal</u> <u>Year 2010</u>
<u>Revenue and Other Income</u>			
Fund Balance Utilized	F-3	\$ 1,000,000.00	\$ 632,026.22
Sewer Rents	F-3	3,402,071.38	3,290,189.77
Miscellaneous Revenue	F-3	120,719.07	238,812.39
Cedar Glen Hook-Up Fees			35,100.00
Other Credits:			
Appropriation Reserves Lapsed	F-12	209,407.56	34,609.23
		<u>4,732,198.01</u>	<u>4,230,737.61</u>
 <u>Expenditures</u>			
Budget Appropriations:			
Operating:			
Salaries and Wages	F-4	625,000.00	515,875.00
Other Expenses	F-4	2,814,558.57	2,799,125.00
Debt Service	F-4	668,441.43	657,515.97
Statutory Expenditures	F-4	82,000.00	45,800.00
		<u>4,190,000.00</u>	<u>4,018,315.97</u>
 Excess in Revenue		 542,198.01	 212,421.64
 <u>Fund Balance</u>			
Balance July 1	F	<u>4,043,245.62</u>	<u>4,462,850.20</u>
		4,585,443.63	4,675,271.84
 Decreased by:			
Fund Balance Utilized in Current Fund	F-5	400,000.00	
Fund Balance Utilized	Above	<u>1,000,000.00</u>	<u>632,026.22</u>
 Balance June 30	F	 <u>\$3,185,443.63</u>	 <u>\$4,043,245.62</u>

See accompanying notes to financial statements.

TOWNSHIP OF MANCHESTER
SEWER UTILITY EASTERN SERVICE

STATEMENT OF CAPITAL FUND BALANCE

F-2

	<u>Ref.</u>	
Balance June 30, 2010	F	<u>\$3,815.00</u>
Balance June 30, 2011	F	<u><u>\$3,815.00</u></u>

See accompanying notes to financial statements.

TOWNSHIP OF MANCHESTER
SEWER UTILITY EASTERN SERVICE

STATEMENT OF REVENUE
OPERATING FUND

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	\$
Rents	F-1,8	3,290,000.00	3,402,071.38	112,071.38
Miscellaneous	F-1,Below	<u>200,000.00</u>	<u>120,719.07</u>	<u>(79,280.93)</u>
Total Budget	F-4	<u>\$ 4,490,000.00</u>	<u>\$ 4,522,790.45</u>	<u>\$ 32,790.45</u>

Analysis of Miscellaneous
Revenue

Other Revenue:

Interest Earned in Sewer
Capital Eastern Service
Fund

F-7

\$ 21,094.84

Permit Fees

\$ 1,825.00

Connection Fees

28,139.50

Application Fees

600.00

Interest on Delinquent
Accounts

8,425.06

Escrow Charges

60,634.67

F-5

99,624.23

Above

\$ 120,719.07

See accompanying notes to financial statements.

TOWNSHIP OF MANCHESTER
SEWER UTILITY EASTERN SERVICE

F-4

STATEMENT OF EXPENDITURES

	<u>SFY 2011</u> <u>Budget</u> <u>Appropriation</u>	<u>Paid or</u> <u>Charged</u>	<u>Reserved</u> <u>Unencumbered</u>	<u>Balance</u> <u>Cancelled</u>
<u>Operating</u>				
Salaries and Wages	\$ 625,000.00	\$ 534,514.94	\$ 90,485.06	\$ 300,000.00
Other Expenses	3,114,558.57	2,738,714.63	75,843.94	300,000.00
	<u>3,739,558.57</u>	<u>3,273,229.57</u>	<u>166,329.00</u>	<u>300,000.00</u>
<u>Debt Service</u>				
Payment of Bond Principal	435,000.00	435,000.00		
Interest on Bonds	123,082.50	123,082.50		
Waste Water Loan - Principal	104,463.93	104,463.93		
Waste Water Loan - Interest	5,895.00	5,895.00		
	<u>668,441.43</u>	<u>668,441.43</u>		
<u>Statutory Expenditures</u>				
Contribution to:				
Public Employees' Retirement System	18,000.00	5,000.00	13,000.00	
Accumulated Leave Compensation	15,000.00	2,000.00	13,000.00	
Social Security System (OASI)	49,000.00	40,890.39	8,109.61	
	<u>82,000.00</u>	<u>47,890.39</u>	<u>34,109.61</u>	
	<u>\$ 4,490,000.00</u>	<u>\$ 3,989,561.39</u>	<u>\$ 200,438.61</u>	<u>\$ 300,000.00</u>
<u>Reference</u>	<u>F-3</u>	<u>Below</u>	<u>F</u>	
	<u>Ref.</u>			
Cash Disbursed		\$ 3,860,583.89		
Accrued Interest on Bonds	F-5	123,082.50		
Accrued Interest on Waste Water Loan	F-14 F-15	5,895.00		
	Above	<u>\$ 3,989,561.39</u>		

See accompanying notes to financial statements.

TOWNSHIP OF MANCHESTER
PAYROLL FUND

COMPARATIVE BALANCE SHEETS

G

<u>ASSETS</u>	<u>Ref.</u>	Balance <u>June 30, 2011</u>	Balance <u>June 30, 2010</u>
Cash	G-1	<u>\$ 5,808.63</u>	<u>\$ 4,763.58</u>
 <u>LIABILITIES</u>			
Payroll Deductions Payable	G-2	<u>\$ 5,808.63</u>	<u>\$ 4,763.58</u>

See accompanying notes to financial statements.

TOWNSHIP OF MANCHESTER
WATER UTILITY WESTERN SERVICE

COMPARATIVE BALANCE SHEETS

H
Sheet #1

<u>ASSETS</u>	<u>Ref.</u>	<u>Balance</u> <u>June 30, 2011</u>	<u>Balance</u> <u>June 30, 2010</u>
<u>Operating Fund</u>			
Cash:			
Checking	H-4	\$ 1,203,521.07	\$ 281,085.39
Change Fund	H-6	60.00	60.00
		<u>1,203,581.07</u>	<u>281,145.39</u>
Receivables and Inventory with Full Reserves:			
Consumer Accounts Receivable	H-7	4,489.21	19,898.41
Inventory	Reserve	49,165.09	
		<u>53,654.30</u>	<u>19,898.41</u>
<u>Capital Fund</u>			
Cash - Checking	H-4	71,010.52	681,601.96
Fixed Capital	H-8	14,929,961.17	
Fixed Capital Authorized and Uncompleted	H-9	625,038.83	15,555,000.00
Due from Sewer Operating Western Service	H-10	34,709.67	163,183.90
Due from Water Operating Western Service	H-11	104,518.64	8,298.20
Due from General Capital Fund	H-12	414,800.00	
		<u>16,180,038.83</u>	<u>16,408,084.06</u>
		<u>\$17,437,274.20</u>	<u>\$16,709,127.86</u>

TOWNSHIP OF MANCHESTER
WATER UTILITY WESTERN SERVICE

COMPARATIVE BALANCE SHEETS

H
Sheet #2

<u>LIABILITIES, RESERVES AND FUND BALANCE</u>	<u>Ref.</u>	<u>Balance June 30, 2011</u>	<u>Balance June 30, 2010</u>
<u>Operating Fund</u>			
Liabilities:			
Appropriation Reserves:			
Encumbered	H-3,13	\$ 32,873.80	\$ 22,848.18
Unencumbered	H-3,13	536,986.14	194,030.53
Due to Water Capital Western Service	H-14	104,518.64	8,298.20
		<u>674,378.58</u>	<u>225,176.91</u>
Reserve for Receivables and Inventory		53,654.30	19,898.41
Fund Balance	H-1	529,202.49	55,968.48
		<u>1,257,235.37</u>	<u>301,043.80</u>
<u>Capital Fund</u>			
Serial Bonds Payable	H-20	15,555,000.00	
Bond Anticipation Note	H-19		15,555,000.00
Due to Sewer Capital Western Service	H-15		158,410.61
Improvement Authorizations:			
Funded	H-18	625,038.83	
Unfunded	H-18		694,673.45
		<u>16,180,038.83</u>	<u>16,408,084.06</u>
		<u>\$17,437,274.20</u>	<u>\$16,709,127.86</u>

See accompanying notes to financial statements.

TOWNSHIP OF MANCHESTER
WATER UTILITY WESTERN SERVICE

COMPARATIVE STATEMENTS OF OPERATIONS
AND CHANGE IN FUND BALANCE

H-1

	<u>Ref.</u>	<u>Fiscal</u> <u>Year 2011</u>	<u>Fiscal</u> <u>Year 2011</u>
<u>Revenue and Other Income</u>			
Fund Balance Utilized	H-2	\$ 25,000.00	\$
Water Rents	H-2	2,128,125.06	398,477.64
Nonbudget Revenue	H-2	11,309.53	57,490.84
Other Credits to Income:			
Appropriation Reserve Lapsed	H-13	207,927.41	
		<u>2,372,362.00</u>	<u>455,968.48</u>
<u>Expenditures</u>			
<u>Budget Appropriations:</u>			
<u>Operating:</u>			
Salaries and Wages	H-3	525,000.00	92,000.00
Other Expenses	H-3	949,180.99	295,950.00
Debt Service	H-3	296,819.01	
Capital Outlay	H-3	40,000.00	5,000.00
Statutory Expenditures	H-3	48,000.00	7,050.00
Prior Year Refunds	H-1	15,127.99	
		<u>1,874,127.99</u>	<u>400,000.00</u>
Excess in Revenue		498,234.01	55,968.48
<u>Fund Balance</u>			
Balance July 1	H	55,968.48	
		<u>554,202.49</u>	<u>55,968.48</u>
<u>Decreased by:</u>			
Utilized as Anticipated Revenue	Above	25,000.00	
Balance June 30	H	<u>\$ 529,202.49</u>	<u>\$ 55,968.48</u>

See accompanying notes to financial statements.

TOWNSHIP OF MANCHESTER
WATER UTILITY WESTERN SERVICE

STATEMENT OF REVENUE
OPERATING FUND

H-2

	<u>Ref.</u>	<u>Anticipated</u>	<u>Realized</u>	<u>Excess or (Deficit)</u>
Fund Balance Utilized	H-1	\$ 25,000.00	\$ 25,000.00	\$
Rents and Liens	H-1,7	398,000.00	2,128,125.06	1,730,125.06
Additional Fees		1,436,000.00		(1,436,000.00)
Nonbudget Revenue	H-1,Below	<u> </u>	<u>11,309.53</u>	<u>11,309.53</u>
Total Budget	H-3	<u>\$1,859,000.00</u>	<u>\$2,164,434.59</u>	<u>\$ 305,434.59</u>
Nonbudget Revenue				
Cash Receipts	H-4	\$ 9,967.75		
Interest Earned in Water Capital Western Service	H-14	<u>1,341.78</u>		
	Above		<u>\$ 11,309.53</u>	

See accompanying notes to financial statements.

TOWNSHIP OF MANCHESTER
WATER UTILITY WESTERN SERVICE

STATEMENT OF EXPENDITURES

H-3

	<u>SFY 2011 Budget Appropriation</u>	<u>SFY 2011 Modified Budget</u>	<u>Expended</u>	
			<u>Paid or Charged</u>	<u>Encumbered</u>
				<u>Unencumbered</u>
<u>Operating</u>				
Salaries and Wages	\$ 525,000.00	\$ 525,000.00	\$ 500,187.00	\$ 24,813.00
Other Expenses	949,180.99	949,180.99	463,434.08	452,873.11
	<u>1,474,180.99</u>	<u>1,474,180.99</u>	<u>963,621.08</u>	<u>477,686.11</u>
<u>Debt Service</u>				
Interest on Notes	105,860.42	105,860.42	105,860.42	
Interest on Bonds	190,958.59	190,958.59	190,958.59	
	<u>296,819.01</u>	<u>296,819.01</u>	<u>296,819.01</u>	
<u>Capital Improvements</u>				
Capital Improvement Fund	25,000.00	25,000.00		25,000.00
Capital Outlay	15,000.00	15,000.00		15,000.00
	<u>40,000.00</u>	<u>40,000.00</u>		<u>40,000.00</u>
<u>Statutory Expenditures</u>				
Contribution to:				
PERS System	5,000.00	5,000.00		5,000.00
Social Security System	41,000.00	41,000.00	28,699.97	12,300.03
Accumulated Leave	2,000.00	2,000.00		2,000.00
	<u>48,000.00</u>	<u>48,000.00</u>	<u>28,699.97</u>	<u>19,300.03</u>
	<u>\$ 1,859,000.00</u>	<u>\$ 1,859,000.00</u>	<u>\$ 1,289,140.06</u>	<u>\$ 536,986.14</u>
<u>Reference</u>	<u>H-2</u>	<u>Ref.</u>	<u>Below</u>	<u>H</u>
				<u>H</u>
			\$ 992,321.05	
			190,958.59	
			105,860.42	
			<u>\$ 1,289,140.06</u>	
				<u>\$ 536,986.14</u>

See accompanying notes to financial statements.

TOWNSHIP OF MANCHESTER
SEWER UTILITY WESTERN SERVICE

COMPARATIVE BALANCE SHEETS

!

<u>ASSETS</u>	<u>Ref.</u>	<u>Balance</u> <u>June 30, 2011</u>	<u>Balance</u> <u>June 30, 2010</u>
<u>Operating Fund</u>			
Cash	I-4	\$ 581,963.18	\$ 348,180.37
Receivables and Inventory with Full Reserves:			
Consumer Accounts Receivable	I-6	64,234.51	5,663.62
Inventory	Reserve	21,205.99	
Due from Sewer Capital Western Service	I-9	24.48	
		<u>667,428.16</u>	<u>353,843.99</u>
 <u>Capital Fund</u>			
Cash:			
Checking	I-4	158,435.09	
Fixed Capital	I-7	5,026,589.39	
Fixed Capital Authorized and Uncompleted	I-8	158,410.61	5,185,000.00
Due from Water Capital Western Service	I-10		158,410.61
		<u>5,343,435.09</u>	<u>5,343,410.61</u>
		<u>\$ 6,010,863.25</u>	<u>\$ 5,697,254.60</u>
 <u>LIABILITIES, RESERVES AND FUND BALANCE</u>			
<u>Operating Fund</u>			
Liabilities:			
Appropriation Reserves:			
Encumbered	I-3,12	\$ 1,374.03	\$ 177,576.01
Reserved	I-3	374,367.69	
Due to Water Capital Western Service	I-11	34,709.67	163,183.90
Accrued Interest on Bonds	I-13	576.14	
		<u>411,027.53</u>	<u>340,759.91</u>
Reserve for Receivables and Inventory		85,440.50	5,663.62
Fund Balance	I-1	170,960.13	7,420.46
		<u>667,428.16</u>	<u>353,843.99</u>
 <u>Capital Fund</u>			
Bonds Payable	I-18	5,185,000.00	
Bond Anticipation Notes	I-17		5,185,000.00
Due to Sewer Operating Western Service	I-15	24.48	
Improvement Authorizations:			
Funded	I-16	158,410.61	
Unfunded			158,410.61
		<u>5,343,435.09</u>	<u>5,343,410.61</u>
		<u>\$ 6,010,863.25</u>	<u>\$ 5,697,254.60</u>

See accompanying notes to financial statements.

TOWNSHIP OF MANCHESTER
SEWER UTILITY WESTERN SERVICE

COMPARATIVE STATEMENT OF OPERATIONS AND CHANGE IN FUND BALANCE

I-1

	<u>Ref.</u>	<u>Fiscal</u> <u>Year 2011</u>	<u>Fiscal</u> <u>Year 2010</u>
<u>Revenue and Other Income</u>			
Fund Balance Utilized	I-2	\$ 7,000.00	\$
Sewer Rents and Liens	I-2	2,087,866.58	440,086.76
Miscellaneous Revenue	I-2	54,270.91	17,333.70
Other Credits:			
Appropriation Reserve Lapsed	I-12	172,878.05	
		<u>2,322,015.54</u>	<u>457,420.46</u>
 <u>Expenditures</u>			
Budget Appropriations:			
Operating:			
Salaries and Wages	I-3	276,000.00	92,000.00
Other Expenses	I-3	1,727,228.17	337,950.00
Capital Outlay	I-3	7,000.00	13,000.00
Debt Service	I-3	96,930.70	
Statutory Expenditures	I-3	29,000.00	7,050.00
Prior Year Revenue Refunds	I-4	15,317.00	
		<u>2,151,475.87</u>	<u>450,000.00</u>
 Excess in Revenue		 170,539.67	 7,420.46
 <u>Fund Balance</u>			
Balance July 1	I	7,420.46	
		<u>177,960.13</u>	<u>7,420.46</u>
 Decreased by:			
Utilized as Anticipated Revenue	I-1	7,000.00	
		<u>7,000.00</u>	<u>7,000.00</u>
 Balance June 30	 I	 \$ 170,960.13	 \$ 7,420.46

See accompanying notes to financial statements.

TOWNSHIP OF MANCHESTER
SEWER UTILITY WESTERN SERVICE

STATEMENT OF REVENUE
OPERATING FUND

I-2

	<u>Ref.</u>	<u>Anticipated</u>	<u>Realized</u>	<u>Excess or (Deficit)</u>
Fund Balance Utilized	I-1	\$ 7,000.00	\$ 7,000.00	\$
User Fees	I-1,6	2,218,158.87	2,087,866.58	(130,292.29)
Miscellaneous	I-1	<u>36,000.00</u>	<u>54,270.91</u>	<u>18,270.91</u>
Total Budget	I-3	<u>\$2,261,158.87</u>	<u>\$2,149,137.49</u>	<u>\$ (112,021.38)</u>

See accompanying notes to financial statements.

TOWNSHIP OF MANCHESTER
SEWER UTILITY WESTERN SERVICE

STATEMENT OF EXPENDITURES

I-3

	<u>SFY 2011</u> <u>Budget</u> <u>Appropriation</u>	<u>Expended</u>			
		<u>Paid or</u> <u>Charged</u>	<u>Encumbered</u>	<u>Reserved</u>	<u>Balance</u> <u>Cancelled</u>
<u>Operating</u>					
Salaries and Wages	\$ 276,000.00	\$ 268,126.59	\$ 1,374.03	\$ 7,873.41	\$ 125,000.00
Other Expenses	1,852,228.17	1,376,562.57	1,374.03	349,291.57	125,000.00
	<u>2,128,228.17</u>	<u>1,644,689.16</u>	<u>1,374.03</u>	<u>357,164.98</u>	<u>125,000.00</u>
<u>Capital Improvements</u>					
Capital Improvement Fund	7,000.00			7,000.00	
<u>Debt Service</u>					
Interest on Bonds	61,643.89	61,643.89			
Interest on Notes	35,286.81	35,286.81			
	<u>96,930.70</u>	<u>96,930.70</u>			
<u>Statutory Expenditures</u>					
Contribution to:					
Public Employees' Retirement System	5,000.00			5,000.00	
Social Security System	22,000.00	18,797.29		3,202.71	
Accumulated Absences	2,000.00			2,000.00	
	<u>29,000.00</u>	<u>18,797.29</u>		<u>10,202.71</u>	
	<u>\$ 2,261,158.87</u>	<u>\$ 1,760,417.15</u>	<u>\$ 1,374.03</u>	<u>\$ 374,367.69</u>	<u>\$ 125,000.00</u>
<u>Reference</u>	<u>I-2</u>	<u>Below</u>	<u>I</u>	<u>I</u>	
	<u>Ref.</u>				
Cash Disbursed		\$ 1,628,776.78			
Cash Disbursed in Water Capital Western Service		34,709.67			
Accrued Interest on Bonds		61,643.89			
Accrued Interest on Notes		35,286.81			
	Above	<u>\$ 1,760,417.15</u>			

TOWNSHIP OF MANCHESTER
CAPITAL FIXED ASSETS

COMPARATIVE BALANCE SHEETS

J

<u>ASSETS</u>	Balance <u>June 30, 2011</u>	Balance <u>June 30, 2010</u>
Machinery and Equipment	<u>\$ 15,511,989.00</u>	<u>\$ 15,000,555.00</u>
<u>RESERVE</u>		
Investments in Capital Fixed Assets	<u>\$ 15,511,989.00</u>	<u>\$ 15,000,555.00</u>

See accompanying notes to financial statements.

NOTES TO FINANCIAL STATEMENTS

TOWNSHIP OF MANCHESTER

NOTES TO FINANCIAL STATEMENTS FISCAL YEAR ENDED JUNE 30, 2011

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. All elections are held in May and are non-partisan.

The Mayor is 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).

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.

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

B. Description of Funds (Continued)

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 - 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.

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 June 30th of each year, under the title of "Appropriation Reserves".

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

C. Basis of Accounting (Continued)

Expenditures (Continued)

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 June 30, 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.

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.

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

C. Basis of Accounting (Continued)

Inventories of Supplies (Continued)

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.

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.

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

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.

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.

2. CASH, CASH EQUIVALENTS AND INVESTMENTS (Continued)

B. Investments (Continued)

- . 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 June 30, 2011, 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 June 30, 2011 was \$23,037,705.70. 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

	<u>Year</u> <u>2011</u>	<u>Year</u> <u>2010</u>	<u>Year</u> <u>2009*</u>	<u>Year</u> <u>2008</u>	<u>Year</u> <u>2007</u>
Tax Rate (Per \$100 of Assessed Valuations**	<u>\$ 0.872</u>	<u>\$ 1.757</u>	<u>\$ 1.672</u>	<u>\$ 3.156</u>	<u>\$ 2.939</u>
Apportionment of Tax Rate:					
Municipal	\$ 0.504	\$ 0.444	\$ 0.391	\$ 0.799	\$ 0.691
Municipal Open Space	0.010	0.010	0.010	0.010	0.010
County	0.358	0.361	0.360	0.687	0.632
Local School	0.985	0.942	0.911	1.660	1.606

*The Township conducted a revaluation for 2009.

**Tax rates are reflected on calendar year.

Assessed Valuations

<u>Year</u>	<u>Amount</u>
2011	\$ 4,079,359,820.00
2010	4,085,245,172.00
2009	4,083,795,739.00 *
2008	2,152,824,758.00
2007	2,099,812,765.00

*Revaluation

Comparison of Tax Levies

<u>Date</u>	<u>Tax Levy</u>	<u>Cash Collection</u>	<u>Percentage of Collection</u>
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
June 30, 2009	68,078,263.01	67,232,496.17	98.75
June 30, 2008	66,577,713.53	65,928,445.48	99.02
June 30, 2007	60,715,643.14	60,074,402.42	98.94

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>
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
June 30, 2009	20,794.35	690,404.19	711,198.54	1.04
June 30, 2008	19,831.98	639,868.23	659,700.21	0.99
June 30, 2007	20,855.26	582,628.67	603,483.93	0.99

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>Fiscal Year</u>	<u>Amount</u>
2011	\$ 942,474.28
2010	942,423.37
2009	942,423.37
2008	942,423.37
2007	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>
June 30, 2011	\$ 2,205,960.79	\$ 2,171,347.24	\$ 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
June 30, 2009	2,074,892.43	2,071,661.04	3,179,375.70	3,167,472.44
June 30, 2008	2,017,950.74	1,984,968.63	3,149,187.85	3,137,329.36
June 30, 2007	1,989,403.40	2,002,809.90	3,136,887.83	3,134,098.28

*Includes collection of prior year receivables.

<u>Date</u>	<u>Billing</u>	<u>Collection*</u>	<u>Billing</u>	<u>Collection*</u>
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

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

6. FUND BALANCES APPROPRIATED

	<u>Date</u>	<u>June 30</u>	<u>Utilized in Budgets of Succeeding Year General Budget</u>
Current Fund:	June 30, 2011	\$ 1,364,073.16	\$ 1,275,000.00
	June 30, 2010	987,941.99	780,000.00
	June 30, 2009	1,631,188.34	1,600,000.00
	June 30, 2008	3,302,630.90	3,098,215.91
	June 30, 2007	2,710,422.01	2,600,000.00
Water Utility Eastern Service:	June 30, 2011	998,424.43	800,000.00
	June 30, 2010	1,484,140.92	1,000,000.00
	June 30, 2009	2,196,970.93	750,000.00
	June 30, 2008	2,433,604.80	600,000.00
	June 30, 2007	2,757,500.79	1,600,000.00
Sewer Utility Eastern Service:	June 30, 2011	3,185,443.63	1,000,000.00
	June 30, 2010	4,043,245.62	1,000,000.00
	June 30, 2009	4,462,850.20	632,026.22
	June 30, 2008	4,444,275.41	235,000.00
	June 30, 2007	3,854,467.12	830,000.00
Water Utility Western Service:	June 30, 2011	529,202.49	150,000.00
	June 30, 2010	55,968.48	25,000.00
Sewer Utility Western Service:	June 30, 2011	170,960.13	125,000.00
	June 30, 2010	7,420.46	7,000.00

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>Fiscal Year 2011</u>	<u>Fiscal Year 2010</u>	<u>Fiscal Year 2009</u>
<u>Issued</u>			
General:			
Bonds and Notes	\$ 19,753,000.00	\$ 21,723,000.00	\$ 20,613,000.00
Green Acres Loan	792,968.25	902,908.15	998,251.71
New Jersey Economic Development Authority		5,500.00	11,000.00
Water Utility Eastern Service:			
Bonds and Notes	2,680,000.00	3,075,000.00	3,455,000.00
Water Utility Western Service:			
Bonds and Notes	15,555,000.00	15,555,000.00	
Sewer Utility Eastern Service:			
Bonds and Notes	2,975,000.00	3,410,000.00	3,835,000.00
Due to State of New Jersey	567,971.86	672,435.79	769,177.14
Sewer Utility Western Service:			
Bonds and Notes	5,185,000.00	5,185,000.00	
Net Debt Issued	<u>47,508,940.11</u>	<u>50,528,843.94</u>	<u>29,681,428.85</u>
<u>Authorized but Not Issued</u>			
General:			
Bonds and Notes	<u>1,421,592.00</u>	<u>1,456,592.00</u>	<u>4,486,794.63</u>
Bonds and Notes Issued and Authorized but Not Issued	<u>\$ 48,930,532.11</u>	<u>\$ 51,985,435.94</u>	<u>\$ 34,168,223.48</u>

7. MUNICIPAL DEBT (Continued)

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 .480%.

	<u>Gross Debt</u>	<u>Deductions</u>	<u>Net Debt</u>
Local School District Debt	\$ 26,349,000.00	\$ 26,349,000.00	\$
Water Utility Eastern Service	2,680,000.00	2,680,000.00	
Water Utility Western Service	15,555,000.00	15,555,000.00	
Sewer Utility Eastern Service	3,542,971.86	3,542,971.86	
Sewer Utility Western Service	5,185,000.00	5,185,000.00	
General Debt	<u>21,967,560.25</u>	<u>305,000.00</u>	<u>21,662,560.25</u>
	<u>\$ 75,279,532.11</u>	<u>\$ 53,616,971.86</u>	<u>\$ 21,662,560.25</u>

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

3 1/2% of Equalized Valuation Basis of Real Property	\$ 157,915,444.76
Net Debt	<u>21,662,560.25</u>
Remaining Borrowing Power	<u>\$ 136,252,884.51</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		\$ 3,300,324.52
Deductions:		
Operating and Maintenance Cost	\$ 2,296,413.52	
Debt Service for Obligations Issued	<u>510,668.48</u>	
		<u>2,807,082.00</u>
Excess in Revenue		<u>\$ 493,242.52</u>

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

7. MUNICIPAL DEBT (Continued)

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		\$ 4,522,790.45
Deductions:		
Operating and Maintenance Cost	\$ 3,521,558.57	
Debt Service for Obligations Issued	<u>668,441.43</u>	
		<u>4,190,000.00</u>
Excess in Revenue		<u>\$ 332,790.45</u>

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

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		\$ 2,164,434.59
Deductions:		
Operating and Maintenance Cost	\$ 1,562,180.99	
Debt Service for Obligations Issued	<u>296,819.01</u>	
		<u>1,859,000.00</u>
Excess in Revenue		<u>\$ 305,434.59</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		\$ 2,149,137.49
Deductions:		
Operating and Maintenance Cost	\$ 2,039,228.17	
Debt Service for Obligations Issued	<u>96,930.70</u>	
		<u>2,136,158.87</u>
Excess in Revenue		<u>\$ 12,978.62</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.

7. MUNICIPAL DEBT (Continued)

As of June 30, 2011, the Township's long-term debt is as follows:

General Obligation Bonds

\$9,357,000, 1996 Bonds due in annual installments of \$650,000 through December, 2011, interest at 5.00%	\$ 650,000.00
\$3,198,000, 2001 Bonds due in annual installments of \$398,000 to \$400,000 through October, 2014, interest at 3.875%	1,198,000.00
\$1,795,000, 2003 Refunding Pension Bonds due in annual installments of \$305,000 through October, 2011, interest at 4.70%	305,000.00
\$14,350,000, 2006 Bonds due in annual installments of \$650,000 to \$800,000 through September, 2026, interest at 4.250%	<u>11,600,000.00</u>
	<u>\$ 13,753,000.00</u>

Water Utility Eastern Service Refunding Bonds

\$5,565,000, 2003 Bonds due in annual installments of \$405,000 to \$495,000 through October, 2016, interest at 3.50% to 4.125%	<u>\$ 2,680,000.00</u>
---	------------------------

Sewer Utility Eastern Service Refunding Bonds

\$6,190,000, 2003 Bonds due in annual installments of \$450,000 to \$545,000 through October, 2016, interest at 3.50% to 4.125%	<u>\$ 2,975,000.00</u>
---	------------------------

Water Utility Western Service Bonds

\$15,555,000, 2010 Bonds due in annual installments of \$75,000 to \$3,785,000.00 through August 2041, interest at 4.00% to 4.25%	<u>\$ 15,555,000.00</u>
---	-------------------------

Sewer Utility Western Service Bonds

\$5,185,000, 2010 Bonds due in annual installments of \$25,000 to \$1,338,000 through August 2032, interest at 4.00%	<u>\$ 5,185,000.00</u>
--	------------------------

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 loan was for \$3,381,462.00. 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. On December 18, 1995, the loan was revised to \$2,163,981.00. The Fund Portion, which is interest free, is \$994,116.00, and the Trust Portion is \$1,169,865.00. The following is a schedule of repayment for the Fund and Trust Portion of the loan:

<u>Year</u>	<u>Trust Principal</u>	<u>Trust Interest (Credits)</u>	<u>Administration Fee</u>	<u>Totals</u>
FY 2012	\$ 137,078.65	\$ (38,137.02)	\$ 5,865.00	\$ 104,806.63
FY 2013	144,169.61	(44,675.55)	5,865.00	105,359.06
FY 2014	155,363.04	(52,066.48)	5,865.00	109,161.56
	<u>\$ 436,611.30</u>	<u>\$ (134,879.05)</u>	<u>\$ 17,595.00</u>	<u>\$ 319,327.25</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 June 30, 2011 is \$120,235.26:

<u>Year</u>	<u>Totals</u>	<u>Principal</u>	<u>Interest</u>
FY 2012	\$ 23,194.35	\$ 20,893.60	\$ 2,300.75
FY 2013	23,194.36	21,313.56	1,880.80
FY 2014	23,194.36	21,741.97	1,452.39
FY 2015	23,194.36	22,178.98	1,015.38
FY 2016	23,194.36	22,624.78	569.58
FY 2017	11,597.19	11,482.37	114.82
	<u>\$ 127,568.98</u>	<u>\$ 120,235.26</u>	<u>\$ 7,333.72</u>

7. MUNICIPAL DEBT (Continued)

Green Trust Loans (Continued)

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 June 30, 2011 is \$217,643.52:

<u>Year</u>	<u>Totals</u>	<u>Principal</u>	<u>Interest</u>
FY 2012	\$ 25,571.34	\$ 21,699.82	\$ 3,871.52
FY 2013	25,571.34	22,135.99	3,435.35
FY 2014	25,571.34	22,580.92	2,990.42
FY 2015	25,571.34	23,034.80	2,536.54
FY 2016	25,571.34	23,497.80	2,073.54
FY 2017	25,571.34	23,970.11	1,601.23
FY 2018	25,571.34	24,451.91	1,119.43
FY 2019	25,571.34	24,943.39	627.95
FY 2020	13,072.80	12,946.19	126.61
	<u>\$ 217,643.52</u>	<u>\$ 199,260.93</u>	<u>\$ 18,382.59</u>

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 June 30, 2011 is \$486,152.00:

<u>Year</u>	<u>Totals</u>	<u>Principal</u>	<u>Interest</u>
FY 2012	\$ 66,062.80	\$ 56,621.46	\$ 9,441.34
FY 2013	66,062.80	57,759.55	8,303.25
FY 2014	66,062.80	58,920.52	7,142.28
FY 2015	66,062.80	60,104.82	5,957.98
FY 2016	66,062.80	61,312.92	4,749.88
FY 2017	66,062.80	62,545.31	3,517.49
FY 2018	66,062.80	63,802.48	2,260.32
FY 2019	66,062.80	65,084.94	977.86
	<u>\$ 528,502.40</u>	<u>\$ 486,152.00</u>	<u>\$ 42,350.40</u>

Bond Anticipation Notes

The following Bond Anticipation Notes were outstanding as of June 30, 2011:

General Capital Fund	<u>\$ 6,000,000.00</u>
----------------------	------------------------

Bonds and Notes Authorized but Not Issued

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

General Capital Fund	<u>\$ 1,421,592.00</u>
----------------------	------------------------

8. INTERFUND RECEIVABLES AND PAYABLES

As of June 30, 2011, 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	\$ 30,847.70	\$ 61,975.00
Animal Control Fund		14,479.90
General Trust Fund		16,367.80
General Capital Fund	61,975.00	414,800.00
Sewer Operating Utility		
Eastern Service	554.43	
Sewer Capital Utility		
Eastern Service		554.43
Water Operating Utility		
Western Service		104,518.64
Water Capital Utility		
Western Service	554,028.31	
Sewer Operating Utility		
Western Service	24.48	34,709.67
Sewer Capital Utility		
Western Service		24.48
	<u>\$ 647,429.92</u>	<u>\$ 647,429.92</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.

Public Employees' Retirement System:

The Public Employees' Retirement System (PERS) was established in January, 1955 under the provisions of N.J.S.A. 43:15A to provide coverage including post-retirement health care to substantially all full-time employees of the State or any county, municipality, school district or public agency provided the employee is not a member of another State-administered retirement system. Membership is mandatory for such employees and vesting occurs after 8 to 10 years of service and 25 years for health care coverage. Members are eligible for retirement at age 60 with an annual benefit generally determined to be 1/55th of the average annual compensation for the highest three fiscal years' compensation for each year of membership during years of creditable service. Pension benefits for members enrolled in the system after May 21, 2010 would be based on 1/60th of the average annual compensation for the last five years of service or any five fiscal years of membership that provide the largest benefit to the member or the member's beneficiary. Early retirement is available to those under age 60 with 25 or more years of credited service. Anyone who retires early and is under age 55 receives retirement benefits as calculated in the above mentioned formula but at a reduced rate (one quarter of one percent for each month the member lacks of attaining age 55).

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.

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.

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.

10. PENSION PLANS (Continued)

Contributions Required and Made

Contributions made by employees for PERS and PFRS are currently 5.5% and 8.5% 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 2009	\$ 414,841.00	\$ 408,763.50	\$ 1,317,842.00	\$ 744,028.95
FY 2010	260,553.00	386,355.12	736,762.00	698,651.91
FY 2011	617,364.00	388,122.24	1,631,425.00	718,722.17

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.

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.
- Other employees commencing service after July 1, 2007, pursuant to an appointment by an elected official or elected governing body which include the statutory untenured chief administrative officer such as the Business Administrator, County Administrator or Municipal or County Manager, Department Heads, Legal Counsel, Municipal or County Engineer, Municipal Prosecutor and the Municipal Court Judge.

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.

11. DEFINED CONTRIBUTION RETIREMENT PROGRAM (Continued)

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 State Fiscal Year 2011 there were no 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 June 30, 2011, there were no deferred charges.

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 \$4,511,480.00 would be payable to 168 employees of the Township of Manchester as of June 30, 2011. 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 \$77,863.50 reserved as of June 30, 2011. Also, the amount of \$229,639.00 is available in the SFY 11 Budget.

b. Tax Appeals

As of June 30, 2011, 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 June 30, 2011 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. Litigation

Negligence and other types of claims would be defended by counsel of insurance carriers in amounts believed to be within the scope of policy coverage.

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 June 30, 2010	A	\$ 849,897.50	\$ 329,956.56
Increased by Receipts:			
Nonbudget Revenue	A-2c	\$ 1,114,095.17	\$
Tax Collector	A-5	72,354,890.96	
Change Fund Returned	A-6	360.00	
Due from State of New Jersey (Ch. 128, P.L. 1976)	A-7	2,091,258.96	
Interfunds Receivable	A-11	107,112.17	
Revenue Accounts Receivable	A-12	7,677,422.39	
Federal and State Grants Receivable	A-14		155,795.32
Interfunds Payable	A-16	5,728,598.41	
Due to State of New Jersey:			
DCA Surcharge	A-17	30,172.00	
Marriage Licenses	A-17	3,026.00	
Reserve for Unappropriated State Aid	A-19	159,227.00	
Special Emergency Note	A-21	525,000.00	
Matching Funds for State and Federal Grants	A-25		440,000.00
Unappropriated Federal and State Funds	A-26		139,699.29
		89,791,163.06	735,494.61
		90,641,060.56	1,065,451.17
Decreased by Disbursements:			
Prior Year Revenue Refunded	A-1	1.19	
Budget Appropriations	A-3	26,443,009.80	
Matching Funds for State and Federal Grants	A-3	440,000.00	
Change Fund Established	A-6	360.00	
Open Space Municipal Tax	A-8	408,524.00	
Interfunds Receivable	A-11	112,002.80	
Appropriation Reserves	A-15	398,567.53	
Interfunds Payable	A-16	5,691,623.41	
Due to State of New Jersey:			
DCA Surcharge	A-17	27,025.00	
Marriage Licenses	A-17	3,250.00	
Reserve for Tax Appeals	A-18	32,202.62	
County Tax Payable	A-22	14,758,322.89	
Local School District Taxes Payable	A-23	39,723,306.27	
Reserve for Federal and State Grants	A-25		716,427.97
		88,038,195.51	716,427.97
Balance June 30, 2011	A	\$ 2,602,865.05	\$ 349,023.20

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	\$ 202,360.52	
Taxes Receivable	A-8	72,074,718.11	
Prepaid Taxes	A-24	<u>77,812.33</u>	
			\$ 72,354,890.96
Decreased by Disbursements:			
Turnover to Treasurer	A-4		<u>72,354,890.96</u>
			<u><u>\$ -</u></u>

TOWNSHIP OF MANCHESTER
CURRENT FUND

CHANGE FUND - COLLECTOR

A-6

	<u>Balance</u> <u>June 30, 2010</u>	<u>Increase</u>	<u>Decrease</u>	<u>Balance</u> <u>June 30, 2011</u>
Collector	<u>\$ 630.00</u>	<u>\$ 360.00</u>	<u>\$ 360.00</u>	<u>\$ 630.00</u>
<u>Reference</u>	<u>A</u>	<u>A-4</u>	<u>A-4</u>	<u>A</u>

TOWNSHIP OF MANCHESTER
CURRENT FUND

DUE FROM STATE OF NEW JERSEY
CHAPTER 129, P.L. 1976

A-7

	<u>Ref.</u>	
Balance June 30, 2010	A	\$ 960,971.44
Increased by:		
Deductions per Tax Billings:		
Senior Citizens/Veterans		\$ 2,164,750.00
Plus: Deductions Allowed by Tax Collector:		
Senior Citizens/Veterans		24,000.00
		<u>2,188,750.00</u>
Less: Senior Citizens' and Veterans' Disallowed by Tax Collector		<u>219,942.84</u>
	A-8	1,968,807.16
		<u>2,929,778.60</u>
Decreased by:		
Cash Received - Current Year	A-4	<u>2,091,258.96</u>
Balance June 30, 2011	A	<u><u>\$ 838,519.64</u></u>

TOWNSHIP OF MANCHESTER
CURRENT FUND

TAXES RECEIVABLE AND ANALYSIS OF PROPERTY TAX LEVY

A-8

<u>Year</u>	<u>Balance June 30, 2010</u>	<u>2011 Levy</u>	<u>Added Taxes</u>	<u>Prepaid Taxes Applied</u>	<u>Collected</u>	<u>Due from State of New Jersey</u>	<u>Adjustments</u>	<u>Transferred to Tax Title Liens</u>	<u>Cancelled</u>	<u>Balance June 30, 2011</u>
Bankruptcy Taxes	\$ 3,803.26		\$ 6,196.38	\$ 4,056.99	\$ -	\$ 3,644.31	\$ 1,042.45	\$ 8,544.51		
SFY 2009	1,567.69		7,445.61	575.53		(1,305.07)	992.16	3,772.67		
SFY 2010	1,008,780.23		13,641.99	976,496.27		2,339.24	5,379.86	12,317.18		
	<u>1,014,151.18</u>	<u>74,147,324.20</u>	<u>13,641.99</u>	<u>4,471.40</u>	<u>71,096,221.84</u>	<u>1,968,807.16</u>	<u>2,339.24</u>	<u>40,957.84</u>	<u>7,414.47</u>	<u>821,482.68</u>
SFY 2011	\$ 1,014,151.18	\$ 74,147,324.20	\$ 13,641.99	\$ 4,471.40	\$ 72,074,718.11	\$ 1,968,807.16	\$ -	\$ 74,862.33	\$ 218,458.51	\$ 833,799.86
<u>Reference</u>	A	Below	Reserve	A-2a,24	A-2a,5	A-2a,7		A-9	Reserve	A

ANALYSIS OF STATE FISCAL YEAR 2011 TAX LEVY

<u>Ref.</u>	<u>Ref.</u>																																												
<table border="0" style="width: 100%;"> <tr> <td style="width: 50%; vertical-align: top;"> <table border="0" style="width: 100%;"> <tr> <td style="width: 50%;"><u>Tax Yield</u></td> <td style="width: 50%;"></td> </tr> <tr> <td>General Property Tax</td> <td style="text-align: right;">\$ 74,004,506.12</td> </tr> <tr> <td>Added and Omitted</td> <td style="text-align: right;">142,818.08</td> </tr> <tr> <td></td> <td style="text-align: right;"><u>\$ 74,147,324.20</u></td> </tr> </table> </td> <td style="width: 50%; vertical-align: top;"> <table border="0" style="width: 100%;"> <tr> <td style="width: 50%;"><u>Tax Levy</u></td> <td style="width: 50%;"></td> </tr> <tr> <td>County Taxes:</td> <td></td> </tr> <tr> <td>2010/2011</td> <td style="text-align: right;">\$ 14,709,900.18</td> </tr> <tr> <td>Added and Omitted Taxes</td> <td style="text-align: right;">48,422.70</td> </tr> <tr> <td></td> <td style="text-align: right;"><u>\$ 14,758,322.88</u></td> </tr> <tr> <td>Local School District Tax</td> <td style="text-align: right;">39,723,306.27</td> </tr> <tr> <td>Municipal Open Space Taxes</td> <td style="text-align: right;">408,524.00</td> </tr> <tr> <td>Local Tax for Municipal Purposes</td> <td style="text-align: right;">19,459,127.26</td> </tr> <tr> <td>Tax Adjustment</td> <td style="text-align: right;">(201,956.21)</td> </tr> <tr> <td></td> <td style="text-align: right;"><u>19,257,171.05</u></td> </tr> <tr> <td></td> <td style="text-align: right;"><u>\$ 74,147,324.20</u></td> </tr> </table> </td> </tr> </table>	<table border="0" style="width: 100%;"> <tr> <td style="width: 50%;"><u>Tax Yield</u></td> <td style="width: 50%;"></td> </tr> <tr> <td>General Property Tax</td> <td style="text-align: right;">\$ 74,004,506.12</td> </tr> <tr> <td>Added and Omitted</td> <td style="text-align: right;">142,818.08</td> </tr> <tr> <td></td> <td style="text-align: right;"><u>\$ 74,147,324.20</u></td> </tr> </table>	<u>Tax Yield</u>		General Property Tax	\$ 74,004,506.12	Added and Omitted	142,818.08		<u>\$ 74,147,324.20</u>	<table border="0" style="width: 100%;"> <tr> <td style="width: 50%;"><u>Tax Levy</u></td> <td style="width: 50%;"></td> </tr> <tr> <td>County Taxes:</td> <td></td> </tr> <tr> <td>2010/2011</td> <td style="text-align: right;">\$ 14,709,900.18</td> </tr> <tr> <td>Added and Omitted Taxes</td> <td style="text-align: right;">48,422.70</td> </tr> <tr> <td></td> <td style="text-align: right;"><u>\$ 14,758,322.88</u></td> </tr> <tr> <td>Local School District Tax</td> <td style="text-align: right;">39,723,306.27</td> </tr> <tr> <td>Municipal Open Space Taxes</td> <td style="text-align: right;">408,524.00</td> </tr> <tr> <td>Local Tax for Municipal Purposes</td> <td style="text-align: right;">19,459,127.26</td> </tr> <tr> <td>Tax Adjustment</td> <td style="text-align: right;">(201,956.21)</td> </tr> <tr> <td></td> <td style="text-align: right;"><u>19,257,171.05</u></td> </tr> <tr> <td></td> <td style="text-align: right;"><u>\$ 74,147,324.20</u></td> </tr> </table>	<u>Tax Levy</u>		County Taxes:		2010/2011	\$ 14,709,900.18	Added and Omitted Taxes	48,422.70		<u>\$ 14,758,322.88</u>	Local School District Tax	39,723,306.27	Municipal Open Space Taxes	408,524.00	Local Tax for Municipal Purposes	19,459,127.26	Tax Adjustment	(201,956.21)		<u>19,257,171.05</u>		<u>\$ 74,147,324.20</u>	<table border="0" style="width: 100%;"> <tr> <td style="width: 50%;"><u>Ref.</u></td> <td style="width: 50%;"></td> </tr> <tr> <td>A-22</td> <td style="text-align: center;">Above</td> </tr> <tr> <td>A-23</td> <td style="text-align: center;">Above</td> </tr> <tr> <td>A-1,2a,4</td> <td style="text-align: center;">Above</td> </tr> <tr> <td>A-2</td> <td style="text-align: center;">Above</td> </tr> <tr> <td></td> <td style="text-align: center;">Above</td> </tr> </table>	<u>Ref.</u>		A-22	Above	A-23	Above	A-1,2a,4	Above	A-2	Above		Above
<table border="0" style="width: 100%;"> <tr> <td style="width: 50%;"><u>Tax Yield</u></td> <td style="width: 50%;"></td> </tr> <tr> <td>General Property Tax</td> <td style="text-align: right;">\$ 74,004,506.12</td> </tr> <tr> <td>Added and Omitted</td> <td style="text-align: right;">142,818.08</td> </tr> <tr> <td></td> <td style="text-align: right;"><u>\$ 74,147,324.20</u></td> </tr> </table>	<u>Tax Yield</u>		General Property Tax	\$ 74,004,506.12	Added and Omitted	142,818.08		<u>\$ 74,147,324.20</u>	<table border="0" style="width: 100%;"> <tr> <td style="width: 50%;"><u>Tax Levy</u></td> <td style="width: 50%;"></td> </tr> <tr> <td>County Taxes:</td> <td></td> </tr> <tr> <td>2010/2011</td> <td style="text-align: right;">\$ 14,709,900.18</td> </tr> <tr> <td>Added and Omitted Taxes</td> <td style="text-align: right;">48,422.70</td> </tr> <tr> <td></td> <td style="text-align: right;"><u>\$ 14,758,322.88</u></td> </tr> <tr> <td>Local School District Tax</td> <td style="text-align: right;">39,723,306.27</td> </tr> <tr> <td>Municipal Open Space Taxes</td> <td style="text-align: right;">408,524.00</td> </tr> <tr> <td>Local Tax for Municipal Purposes</td> <td style="text-align: right;">19,459,127.26</td> </tr> <tr> <td>Tax Adjustment</td> <td style="text-align: right;">(201,956.21)</td> </tr> <tr> <td></td> <td style="text-align: right;"><u>19,257,171.05</u></td> </tr> <tr> <td></td> <td style="text-align: right;"><u>\$ 74,147,324.20</u></td> </tr> </table>	<u>Tax Levy</u>		County Taxes:		2010/2011	\$ 14,709,900.18	Added and Omitted Taxes	48,422.70		<u>\$ 14,758,322.88</u>	Local School District Tax	39,723,306.27	Municipal Open Space Taxes	408,524.00	Local Tax for Municipal Purposes	19,459,127.26	Tax Adjustment	(201,956.21)		<u>19,257,171.05</u>		<u>\$ 74,147,324.20</u>														
<u>Tax Yield</u>																																													
General Property Tax	\$ 74,004,506.12																																												
Added and Omitted	142,818.08																																												
	<u>\$ 74,147,324.20</u>																																												
<u>Tax Levy</u>																																													
County Taxes:																																													
2010/2011	\$ 14,709,900.18																																												
Added and Omitted Taxes	48,422.70																																												
	<u>\$ 14,758,322.88</u>																																												
Local School District Tax	39,723,306.27																																												
Municipal Open Space Taxes	408,524.00																																												
Local Tax for Municipal Purposes	19,459,127.26																																												
Tax Adjustment	(201,956.21)																																												
	<u>19,257,171.05</u>																																												
	<u>\$ 74,147,324.20</u>																																												
<u>Ref.</u>																																													
A-22	Above																																												
A-23	Above																																												
A-1,2a,4	Above																																												
A-2	Above																																												
	Above																																												

TOWNSHIP OF MANCHESTER
CURRENT FUND

TAX TITLE LIENS

A-9

	<u>Ref.</u>		
Balance June 30, 2010	A		\$ 26,300.84
Increased by:			
Transferred from Taxes Receivable	A-8	\$ 74,862.33	
Interest and Cost	Reserve	<u>5,398.52</u>	
			<u>80,260.85</u>
			<u>106,561.69</u>
Decreased by:			
Transferred to Foreclosed Tax			
Title Liens	A-10	50.91	
Cancelled	Reserve	<u>12,570.16</u>	
			<u>12,621.07</u>
Balance June 30, 2011	A		<u>\$ 93,940.62</u>

PROPERTY ACQUIRED FOR TAXES
AT ASSESSED VALUATIONS

A-10

	<u>Ref.</u>		
Balance June 30, 2010	A		\$ 942,423.37
Increased by:			
Transferred from Tax Title Liens	A-9		<u>50.91</u>
Balance June 30, 2011	A		<u>\$ 942,474.28</u>

TOWNSHIP OF MANCHESTER
CURRENT FUND

INTERFUNDS RECEIVABLE

A-11

	<u>Balance</u> <u>June 30, 2010</u>	<u>Increase</u>	<u>Cash</u> <u>Receipts</u>	<u>Balance</u> <u>June 30, 2011</u>
General Trust Fund	\$ 8,946.23	\$ 114,533.74	\$ 107,112.17	\$ 16,367.80
Animal Control Fund	<u>6,805.87</u>	<u>7,674.03</u>	<u> </u>	<u>14,479.90</u>
Totals	<u>\$ 15,752.10</u>	<u>\$ 122,207.77</u>	<u>\$ 107,112.17</u>	<u>\$ 30,847.70</u>

Reference

A

Below

A-4

A

Ref.

Excess in Animal Control Fund	A-2c	\$ 7,674.03
Cash Disbursed	A-4	112,002.80
Interest Earned in General Trust	A-12	<u>2,530.94</u>
	Above	<u>\$ 122,207.77</u>

Ref.

Analysis of Net Debit to Fund Balance

Balance December 31, 2011	Above	\$ 30,847.70
Balance December 31, 2010	Above	<u>15,752.10</u>
Net Debit to Operations	A-1	<u>\$ 15,095.60</u>

TOWNSHIP OF MANCHESTER
CURRENT FUND

REVENUE ACCOUNTS RECEIVABLE

A-12

	<u>Ref.</u>	<u>Balance June 30, 2010</u>	<u>Accrued</u>	<u>Collected</u>	<u>Balance June 30, 2011</u>
<u>Budget Revenue</u>					
Township Clerk:					
Alcoholic Beverage Licenses	A-2	\$	\$ 25,765.00	\$ 25,765.00	\$
Other Licenses	A-2b		15,051.00	15,051.00	
Other Fees and Permits	A-2b		289,607.30	289,607.30	
Health Officer:					
Other Licenses	A-2b		1,740.00	1,740.00	
Other Fees and Permits:					
Tax Collector	A-2b		12,509.78	12,509.78	
Zoning Board	A-2b		26,830.00	26,830.00	
Registrar of Vital Statistics	A-2b		69,536.00	69,536.00	
Building Inspector	A-2b		81,031.00	81,031.00	
Recreation Department	A-2b		133,145.00	133,145.00	
Police Department	A-2b		32,058.31	32,058.31	
Beach Badges	A-2b		73,115.00	73,115.00	
Municipal Court:					
Fines and Costs	A-2	47,345.01	468,237.79	474,756.41	40,826.39
Interest on Investments	A-2		59,159.43	59,159.43	
Uniform Construction Fees	A-2		585,006.00	585,006.00	
Host Community Fees	A-2		888,307.52	888,307.52	
Cable TV Franchise Fees	A-2		167,028.71	167,028.71	
Ocean County Recycling Revenue	A-2		47,971.96	47,971.96	
Hotel Tax	A-2		24,842.34	24,842.34	
Open Space Share of Debt	A-2		375,780.00	375,780.00	
Reimbursement for In-Kind Services	A-2		725,636.00	725,636.00	
Senior Citizens' and Veterans' Post Year Statement	A-2		41,825.18	41,825.18	
Tower Rental	A-2		44,634.08	44,634.08	
Utility Surplus Anticipated	A-2		400,000.00	400,000.00	
State Aid:					
Supplemental Energy Receipts					
Taxes	A-2		126,578.00	126,578.00	
Consolidated Municipal Property					
Tax Relief Act	A-2		321,883.00	321,883.00	
Uniform Fire Safety Act	A-2		26,377.31	26,377.31	
Energy Receipts Tax	A-2		2,609,779.00	2,609,779.00	
		<u>\$ 47,345.01</u>	<u>\$ 7,673,434.71</u>	<u>\$ 7,679,953.33</u>	<u>\$ 40,826.39</u>

<u>Reference</u>	<u>A</u>	<u>Reserve</u>	<u>Below</u>	<u>A</u>
------------------	----------	----------------	--------------	----------

	<u>Ref.</u>	
Interest Earned in General Trust Fund	A-11	\$ 2,530.94
Cash Receipts	A-4	<u>7,677,422.39</u>
	Above	<u>\$ 7,679,953.33</u>

TOWNSHIP OF MANCHESTER
CURRENT FUND

DEFERRED CHARGES
SPECIAL EMERGENCY AUTHORIZATION

A-13

	<u>Ref.</u>	
Increased by: Emergency Appropriation	A-3	<u>\$ 525,000.00</u>
Balance June 30, 2011	A	<u><u>\$ 525,000.00</u></u>

TOWNSHIP OF MANCHESTER
CURRENT FUND

FEDERAL AND STATE GRANT RECEIVABLES

A-14

	<u>Balance</u> <u>June 30, 2010</u>	<u>SFY</u> <u>2011</u> <u>Awards</u>	<u>Collected</u>	<u>Balance</u> <u>June 30, 2011</u>
Senior Outreach Grant:				
SFY 2011	\$	\$ 132,550.00	\$ 132,550.00	\$
Municipal Drug Alliance:				
SFY 2009	7,075.66			7,075.66
SFY 2010	16,840.00		15,895.32	944.68
SFY 2011		16,840.00		16,840.00
Victim/Witness Grant	2,590.40			2,590.40
Drunk Driving Enforcement Grant		13,848.33		13,848.33
Body Armor Grant		2,835.42	2,835.42	
Clean Communities Grant		80,593.74	80,593.74	
O.C. Senior Citizen and Disabled Resident Transportation	450.00	2,850.00	2,400.00	900.00
Recovery Act 2009	10,425.00			10,425.00
FY 2011 966 Reimbursement Program		16,189.00	12,500.00	3,689.00
Child Passenger Safety Education Grant:				
SFY 2007	1,720.74			1,720.74
EOC Renovation Grant:				
SFY 2000	216.09			216.09
SFY 2001	55,000.00			55,000.00
SFY 2002	27,496.00			27,496.00
	<u>\$ 121,813.89</u>	<u>\$ 265,706.49</u>	<u>\$ 246,774.48</u>	<u>\$ 140,745.90</u>

<u>Reference</u>	<u>A</u>	<u>A-2</u>	<u>Below</u>	<u>A</u>
------------------	----------	------------	--------------	----------

Ref.

Cash Received	A-4	\$ 155,795.32	
Unappropriated Reserves Applied	A-26	90,979.16	
	Above	<u>\$ 246,774.48</u>	

TOWNSHIP OF MANCHESTER
CURRENT FUND

A-15
Sheet #1

SFY 2010 APPROPRIATION RESERVES

<u>Appropriation</u>	<u>Balance</u> <u>June 30, 2010</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>				
<u>Office of the Mayor</u>				
Office of the Clerk:				
Other Expenses	\$ 7,616.50	\$ 67,967.35	\$ 64,766.17	\$ 10,817.68
Zoning Board of Adjustments				
Other Expenses		8,846.08	3,574.50	5,271.58
Municipal Audit:				
Other Expenses	<u>7,616.50</u>	<u>42,174.00</u>	<u>42,174.00</u>	<u>16,089.26</u>
		<u>118,987.43</u>	<u>110,514.67</u>	
<u>Department of Administration</u>				
Office of the Tax Assessor:				
Other Expenses	729.30	729.30	729.30	
Division of Data Processing:				
Other Expenses	8,168.82	2,117.44	8,151.79	2,134.47
Division of Administration and Purchasing:				
Other Expenses	7,128.53	2,498.75	9,462.28	165.00
Division of Recreation:				
Other Expenses	<u>48,769.17</u>	<u>50,867.67</u>	<u>37,109.69</u>	<u>13,757.98</u>
	<u>64,795.82</u>	<u>71,510.51</u>	<u>55,453.06</u>	<u>16,057.45</u>
<u>Department of Finance</u>				
Financial Administration:				
Other Expenses	120.00	913.09	45.00	988.09
Revenue Collection:				
Other Expenses	<u>12,584.92</u>	<u>15,761.34</u>	<u>12,589.66</u>	<u>3,171.68</u>
	<u>12,704.92</u>	<u>16,794.43</u>	<u>12,634.66</u>	<u>4,159.77</u>

TOWNSHIP OF MANCHESTER
CURRENT FUND

A-15
Sheet #2

SFY 2010 APPROPRIATION RESERVES

Appropriation	Balance June 30, 2010	Balance After Transfers	Paid or Charged	Balance Lapsed
	<u>Encumbered</u>	<u>Unencumbered</u>		
\$	\$	\$	\$	\$
	3,158.10	0.13		3,158.10
	<u>3,158.23</u>	<u>3,158.23</u>		<u>3,158.23</u>
<u>APPROPRIATIONS WITHIN "CAPS"</u>				
<u>Department of Law</u>				
Municipal Prosecutor:				
Other Expenses				
Closing Costs for Foreclosed Properties:				
Other Expenses	28,895.92	3,701.80	31,669.56	928.16
<u>Department of Public Works</u>				
Division of Administration and Streets:				
Other Expenses	10.00	10.00	10.00	10.00
Division of Sanitation and Recycling:	1,440.00	5,946.37	1,280.00	6,106.37
Salaries and Wages				
Other Expenses				
Division of Building and Grounds:	7,567.70	380.37	6,644.44	380.37
Salaries and Wages		5.01		928.27
Other Expenses				
Division of Central Maintenance:	13,275.80	234.32	12,855.59	654.53
Other Expenses				
Division of Lakes, Parks and Playgrounds:	3,441.93	3,441.93	2,864.48	577.45
Other Expenses	<u>54,631.35</u>	<u>10,277.87</u>	<u>55,324.07</u>	<u>9,585.15</u>
<u>Department of Engineering</u>				
Engineering:				
Other Expenses		13,180.54	6,194.54	6,986.00
<u>Department of Public Safety</u>				
Police:				
Other Expenses	81,746.98	25,395.21	79,725.81	27,416.38

TOWNSHIP OF MANCHESTER
CURRENT FUND

A-15
Sheet #3

SFY 2010 APPROPRIATION RESERVES

Appropriation	Balance June 30, 2010	Balance After Transfers	Paid or Charged	Balance Lapsed
	<u>Encumbered</u>	<u>Unencumbered</u>		<u>Lapsed</u>
<u>APPROPRIATIONS WITHIN "CAPS"</u>				
<u>Department of Public Safety</u>				
Animal Control:				
Salaries and Wages	\$ 348.64	\$ 348.64	\$ 348.64	\$ 622.73
Other Expenses		2,683.73	2,061.00	
Division of Emergency Management:				
Other Expenses	1,728.26	1,728.26	1,676.36	51.90
	<u>83,823.88</u>	<u>28,078.94</u>	<u>83,811.81</u>	<u>28,091.01</u>
<u>Department of Land Use and Planning</u>				
Division of Zoning and Planning:				
Other Expenses	849.00	2,769.69	2,769.69	849.00
<u>Other</u>				
Municipal Court:				
Salaries and Wages		1.15		1.15
Other Expenses	1,319.30	7,467.52	4,475.30	4,311.52
Public Defender (P.L. 1997, c.256):				
Salaries and Wages		6,874.99		6,874.99
Insurance:				
General Liability		454.25		454.25
Employee Group Health		4,871.09	639.50	4,231.59
OSHA Requirement - Respirator Testing:				
Other Expenses	5,870.00	5,870.00		5,870.00
	<u>7,189.30</u>	<u>19,669.00</u>	<u>5,114.80</u>	<u>21,743.50</u>
<u>Uniform Construction Code</u>				
Uniform Construction Code:				
Salaries and Wages		116.00		116.00
Other Expenses	2,151.98	2,187.98	2,187.98	116.00
	<u>2,151.98</u>	<u>2,303.98</u>	<u>2,187.98</u>	<u>116.00</u>

TOWNSHIP OF MANCHESTER
CURRENT FUND

INTERFUNDS PAYABLE

A-16

	<u>Increase</u>	<u>Decrease</u>	<u>Balance</u> <u>June 30, 2011</u>
Water Utility Fund	\$ 2,250,562.50	\$ 2,250,562.50	\$
General Capital Fund	61,975.00		61,975.00
Sewer Utility Fund	<u>3,441,060.91</u>	<u>3,441,060.91</u>	<u> </u>
Totals	<u>\$ 5,753,598.41</u>	<u>\$ 5,691,623.41</u>	<u>\$ 61,975.00</u>

Reference

Below

A-4

A

Ref.

To Charge Out Capital
Improvement Fund
Cash Receipts

A-3

\$ 25,000.00

A-4

5,728,598.41

Above

\$ 5,753,598.41

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 June 30, 2010	A	\$ 2,746.00	\$ 911.00
Increased by:			
Collection of State Fees	A-4	<u>30,172.00</u>	<u>3,026.00</u>
		32,918.00	3,937.00
Decreased by:			
Payments	A-4	<u>27,025.00</u>	<u>3,250.00</u>
Balance June 30, 2011	A	<u>\$ 5,893.00</u>	<u>\$ 687.00</u>

RESERVE FOR TAX APPEALS

A-18

	<u>Ref.</u>	
Balance June 30, 2010	A	\$ 32,202.62
Decreased by:		
Disbursed to Appellants	A-4	<u>32,202.62</u>
		<u>\$ -</u>

TOWNSHIP OF MANCHESTER
CURRENT FUND

RESERVE FOR UNAPPROPRIATED STATE AID - PILOT

A-19

	<u>Ref.</u>	
Balance June 30, 2010	A	\$ 238,840.61
Increased by:		
Cash Receipt	A-4	<u>159,227.00</u> 398,067.61
Decreased by:		
Anticipated as Current Year Revenue	A-2	<u>238,840.61</u>
Balance June 30, 2011	A	<u><u>\$ 159,227.00</u></u>

ACCOUNTS PAYABLE

A-20

	<u>Ref.</u>	
Balance June 30, 2010	A	<u>\$ 33,581.73</u>
Balance June 30, 2011	A	<u><u>\$ 33,581.73</u></u>

SPECIAL EMERGENCY NOTE PAYABLE

A-21

	<u>Ref.</u>	
Increased by:		
Cash Receipt	A-4	<u>\$ 525,000.00</u>
Balance June 30, 2011	A	<u><u>\$ 525,000.00</u></u>

TOWNSHIP OF MANCHESTER
CURRENT FUND

COUNTY TAXES PAYABLE

A-22

	<u>Ref.</u>		
Balance June 30, 2010	A		\$ 0.01
Increased by:			
2010/2011 Levy		\$ 14,709,900.18	
Added and Omitted Taxes		<u>48,422.70</u>	
	A-1,2a,8		<u>14,758,322.88</u>
			<u>14,758,322.89</u>
Decreased by:			
Payments to County	A-4		<u>14,758,322.89</u>
			<u>\$ -</u>

LOCAL SCHOOL DISTRICT TAXES PAYABLE

A-23

	<u>Ref.</u>		
Increased by:			
Levy School Year July 1, 2010 - June 30, 2011	A-1,2a,8		\$ 39,723,306.27
Decreased by:			
Payments	A-4		<u>39,723,306.27</u>
			<u>\$ -</u>

TOWNSHIP OF MANCHESTER
CURRENT FUND

PREPAID TAXES

A-24

	<u>Ref.</u>	
Balance June 30, 2010	A	\$ 4,471.40
Increased by:		
Collections	A-5	<u>77,812.33</u>
		82,283.73
Decreased by:		
Applied to Taxes Receivable	A-8	<u>4,471.40</u>
Balance June 30, 2011	A	<u><u>\$ 77,812.33</u></u>

TOWNSHIP OF MANCHESTER
CURRENT FUND

RESERVE FOR FEDERAL AND STATE GRANTS - APPROPRIATED

A-25

	<u>Balance</u> <u>June 30, 2010</u>	<u>Transfer from</u> <u>SFY 2011</u>	<u>Expenditures</u>	<u>Balance</u> <u>June 30, 2011</u>
	<u>Reserved</u>	<u>Budget</u>		<u>Reserved</u>
Recycling Mini Grant	\$ 477.05	\$	\$	\$ 477.05
Senior Outreach Program:				
State Grant - 2007	3,792.33			3,792.33
State Grant - 2008	1,187.75		1,187.75	0.00
State Grant - 2009	568.95		123.25	445.70
State Grant - 2010	27,240.51			27,240.51
State Grant - 2011		572,550.00	468,126.26	104,423.74
Drunk Driving Enforcement Fund	12,801.34	13,848.33	16,295.59	10,354.08
Municipal Alliance Grant:				
SFY 2006	3,821.33			3,821.33
SFY 2007	1,408.21			1,408.21
SFY 2008	278.76			278.76
SFY 2009	4,288.65		2,597.24	1,691.41
SFY 2010	12,021.40			12,021.40
SFY 2011		16,840.00	13,937.48	2,902.52
Body Armor Grant	9,354.94	2,835.42	10,920.00	1,270.36
O.C. Senior Citizen and Disabled Resident Transportation	2,850.00	2,850.00		5,700.00
Clean Communities Grant:				
SFY 2004	2,300.74			2,300.74
SFY 2009	0.27			0.27
SFY 2011		80,593.74	80,593.74	
EOC Renovation	17,205.09			17,205.09
FY 966 Grant		16,189.00	12,500.00	3,689.00
Department of Transportation:				
Colonial Drive North	99,488.86			99,488.86
Stop Violence Against Women	394.36			394.36
Storm Water Management:				
SFY 2005	210.75			210.75
2009 Recovery Act	25.00			25.00
Department of Energy Grant	161,075.00		110,146.66	50,928.34
	<u>\$ 360,791.29</u>	<u>\$ 705,706.49</u>	<u>\$ 716,427.97</u>	<u>\$ 350,069.81</u>

Reference

A

Below

A-4

A

Ref.

Transferred from SFY 2011 Budget
Matching Funds

A-3

\$ 265,706.49

A-3.4

440,000.00

Above

\$ 705,706.49

TOWNSHIP OF MANCHESTER
CURRENT FUND

RESERVE FOR FEDERAL AND STATE AID UNAPPROPRIATED

A-26

	<u>Ref.</u>	
Balance June 30, 2010	A	\$ 90,979.16
Increased by:		
Cash Received	A-4	139,699.29
		<u>230,678.45</u>
Decreased by:		
Anticipated as Current Year Revenue	A-14	90,979.16
		<u>90,979.16</u>
Balance June 30, 2011	A, Below	<u>\$ 139,699.29</u>
 <u>Analysis of Balance - June 30, 2011</u>		
Body Armor Grant		\$ 14,508.06
Drunk Driving Enforcement Fund		13,848.33
Senior Outreach		17,100.00
Clean Communities Program		94,242.90
		<u>\$ 139,699.29</u>

Reference

Above

TOWNSHIP OF MANCHESTER
TRUST FUND

CASH RECEIPTS AND DISBURSEMENTS - CHECKING ACCOUNTS

B-1

Ref.	Animal Control Trust Fund	Special Deposits/ Performance Bonds	Redemption Trust Fund	State Unemployment Compensation 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
B	\$ 48,720.07	\$ 4,535,826.03	\$ 176,766.93	\$ 170,759.27	\$ 26,968.24	\$ 4,281.84	\$ 5,900.80	\$ 51,323.64	\$ 15,327.68	
Increased by:										
B-3	3,000.00									
B-4	10,012.80									
B-6	2,412.20									
B-6	330.00									
B-7		7,421.57		561.98		20.70	15.86			62.87
B-8							9,080.00			
B-9			448,022.11							
B-10		315,948.15								
B-11				38,469.94	19,652.04	9,001.70				
B-12										
B-13										
B-14									1,613,031.66	44,406.45
B-15										44,489.32
B-16	15,755.00	323,369.72	448,022.11	39,031.92	19,652.04	9,022.40	9,085.86	1,613,031.66		
	64,475.07	4,859,195.75	624,789.04	209,791.19	46,620.28	13,304.24	14,986.66	1,684,355.30		59,797.00
Decreased by:										
B-3	2,730.00									
B-6	4,727.77									
B-7										
B-8				561.98		20.70	15.86			62.87
B-9							9,150.00			
B-10		821,360.81	365,341.61	41,109.42	8,062.30					
B-11										
B-12										
B-13										
B-14									394,760.00	43,503.42
B-15										43,566.29
B-16	7,457.77	821,360.81	365,341.61	41,671.40	8,062.30	7,577.55	9,165.86	394,760.00		
B	\$ 57,017.30	\$ 4,037,834.94	\$ 259,447.43	\$ 168,119.79	\$ 38,557.98	\$ 5,726.69	\$ 5,830.80	\$ 1,269,595.30	\$ 16,230.71	

TOWNSHIP OF MANCHESTER
TRUST FUND

COMMUNITY DEVELOPMENT BLOCK GRANT RECEIVABLE

B-2

<u>Grant Number</u>	<u>Project Description</u>	<u>Balance June 30, 2010</u>	<u>Balance June 30, 2011</u>
CT-780-06	Curbs and Sidewalks	\$ 30,000.00	\$ 30,000.00
CT-820-07	Curbs and Sidewalks	<u>35,000.00</u>	<u>35,000.00</u>
		<u>\$ 65,000.00</u>	<u>\$ 65,000.00</u>
	<u>Reference</u>	<u>B</u>	<u>B</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 June 30, 2010	B	\$ 1,681.20
Increased by:		
State of New Jersey Fees	B-1	<u>3,000.00</u> 4,681.20
Decreased by:		
Payments to State of New Jersey	B-1	<u>2,730.00</u>
Balance June 30, 2011	B	<u>\$ 1,951.20</u>

ANIMAL CONTROL TRUST FUND
PREPAID DOG LICENSES

B-4

	<u>Ref.</u>	
Balance June 30, 2010	B	\$ 15,133.40
Increased by:		
Prepaid Collections	B-1	<u>10,012.80</u> 25,146.20
Decreased by:		
Prepaid Licenses Applied	B-6	<u>9,240.60</u>
Balance June 30, 2011	B	<u>\$ 15,905.60</u>

TOWNSHIP OF MANCHESTER
TRUST FUND

ANIMAL CONTROL FUND
INTERFUNDS PAYABLE

B-5

	<u>Ref.</u>	<u>Current Fund</u>
Balance June 30, 2010	B	\$ 6,805.87
Increased by:		
Excess Fund Balance in Animal Control Fund	B-6	<u>7,674.03</u>
Balance June 30, 2011	B	<u>\$ 14,479.90</u>

TOWNSHIP OF MANCHESTER
TRUST FUND

ANIMAL CONTROL TRUST FUND
RESERVE FOR ANIMAL CONTROL EXPENDITURES

B-6

	<u>Ref.</u>		
Balance June 30, 2010	B		\$ 25,099.60
Increased by:			
Dog License Fees	B-1	\$ 2,412.20	
Late Fees	B-1	330.00	
Prepaid Licenses Applied	B-4	<u>9,240.60</u>	
			<u>11,982.80</u>
			<u>37,082.40</u>
Decreased by:			
Expenditures Under N.J.S. 40A:4-39	B-1	4,727.77	
Excess Due to Current Fund	B-5	<u>7,674.03</u>	
			<u>12,401.80</u>
Balance June 30, 2011	B		<u><u>\$ 24,680.60</u></u>

License Fees Collected

<u>Year</u>	<u>Amount</u>
SFY 2010	\$ 12,345.40
SFY 2009	<u>12,335.20</u>
Maximum Balance	<u><u>\$ 24,680.60</u></u>

TOWNSHIP OF MANCHESTER
TRUST FUND

GENERAL TRUST FUND
INTERFUNDS PAYABLE

B-7

	<u>Ref.</u>	<u>Due to Current Fund</u>
Balance June 30, 2010	B	\$ 8,946.23
Increased by:		
Interest Earned	B-1	8,285.68
		<u>17,231.91</u>
Decreased by:		
Cash Disbursed	B-1	864.11
		<u>864.11</u>
Balance June 30, 2011	B	<u><u>\$16,367.80</u></u>

RESERVE FOR MANCHESTER DAY TRUST FUND

B-8

	<u>Ref.</u>	
Balance June 30, 2010	B	\$ 5,900.80
Increased by:		
Collections	B-1	9,080.00
		<u>14,980.80</u>
Decreased by:		
Expenditures	B-1	9,150.00
		<u>9,150.00</u>
Balance June 30, 2011	B	<u><u>\$ 5,830.80</u></u>

TOWNSHIP OF MANCHESTER
TRUST FUND

DEPOSITS FOR REDEMPTION OF TAX TITLE LIENS

B-9

	<u>Ref.</u>	
Balance June 30, 2010	B	\$ 176,766.93
Increased by:		
Collections	B-1	<u>448,022.11</u>
		624,789.04
Decreased by:		
Expenditures	B-1	<u>365,341.61</u>
Balance June 30, 2011	B	<u><u>\$ 259,447.43</u></u>

TOWNSHIP OF MANCHESTER
TRUST FUND

SPECIAL ESCROW DEPOSITS

B-10

	<u>Ref.</u>	
Balance June 30, 2010	B	\$ 4,457,266.30
Increased by:		
Collections	B-1	<u>315,948.15</u>
		4,773,214.45
Decreased by:		
Refunds and Expenditures	B-1	<u>821,360.81</u>
Balance June 30, 2011	B	<u><u>\$ 3,951,853.64</u></u>

TOWNSHIP OF MANCHESTER
TRUST FUND

STATE UNEMPLOYMENT COMPENSATION
INSURANCE TRUST FUND

B-11

	<u>Ref.</u>	
Balance June 30, 2010	B	\$ 170,759.27
Increased by:		
Quarterly Credits	B-1	38,469.94
		<u>209,229.21</u>
Decreased by:		
Claims	B-1	41,109.42
		<u>41,109.42</u>
Balance June 30, 2011	B	<u>\$ 168,119.79</u>

POLICE DRUG ENFORCEMENT TRUST ACCOUNT

B-12

	<u>Ref.</u>	
Balance June 30, 2010	B	\$ 26,968.24
Increased by:		
Cash Receipts	B-1	19,652.04
		<u>46,620.28</u>
Decreased by:		
Expenditures	B-1	8,062.30
		<u>8,062.30</u>
Balance June 30, 2011	B	<u>\$ 38,557.98</u>

TOWNSHIP OF MANCHESTER
TRUST FUND

MUNICIPAL DRUG ALLIANCE DISCRETIONARY RESERVES

B-13

	<u>Ref.</u>	
Balance June 30, 2010	B	\$ 4,281.84
Increased by:		
Donations	B-1	9,001.70
		<u>13,283.54</u>
Decreased by:		
Expenditures	B-1	<u>7,556.85</u>
Balance June 30, 2011	B	<u>\$ 5,726.69</u>

RESERVE FOR PUBLIC DEFENDER TRUST FUND

B-14

	<u>Ref.</u>	
Balance June 30, 2010	B	\$ 58,440.93
Increased by:		
Fees Collected	B-1	26,657.00
		<u>85,097.93</u>
Decreased by:		
Expenditures	B-1	<u>43,200.00</u>
Balance June 30, 2011	B	<u>\$ 41,897.93</u>

TOWNSHIP OF MANCHESTER
TRUST FUND

RESERVE FOR OPEN SPACE TRUST FUND

B-15

	<u>Ref.</u>	
Balance June 30, 2010	B	\$ 51,323.64
Increased by:		
Open Space Tax Levy		\$ 408,524.00
DEP - Green Acres Trust		1,200,000.00
Interest on Investments		<u>4,507.66</u>
	B-1	1,613,031.66
		<u>1,664,355.30</u>
Decreased by:		
Expenditures	B-1	<u>394,760.00</u>
Balance June 30, 2011	B	<u><u>\$1,269,595.30</u></u>

RESERVE FOR RECREATION TRUST FUND

B-16

	<u>Ref.</u>	
Balance June 30, 2010	B	\$ 15,327.68
Increased by:		
Cash Receipts	B-1	44,406.45
		<u>59,734.13</u>
Decreased by:		
Expenditures	B-1	<u>43,503.42</u>
Balance June 30, 2011	B	<u><u>\$ 16,230.71</u></u>

TOWNSHIP OF MANCHESTER
TRUST FUND

COMMUNITY DEVELOPMENT BLOCK GRANT RESERVES

B-17

<u>Grant Number</u>	<u>Project Description</u>	<u>Balance June 30, 2010</u>	<u>Balance June 30, 2011</u>
CT-780-06	Curbs and Sidewalks	\$ 21,750.00	\$ 21,750.00
CT-820-07	Curbs and Sidewalks	<u>35,000.00</u>	<u>35,000.00</u>
		<u>\$ 56,750.00</u>	<u>\$ 56,750.00</u>
	<u>Reference</u>	<u>B</u>	<u>B</u>

TOWNSHIP OF MANCHESTER
TRUST FUND

RESERVE FOR RETIREMENT PAY

B-18

	<u>Ref.</u>	
Balance June 30, 2010	B	<u>\$77,863.50</u>
Balance June 30, 2011	B	<u><u>\$77,863.50</u></u>

TOWNSHIP OF MANCHESTER
GENERAL CAPITAL FUND

CASH RECEIPTS AND DISBURSEMENTS

C-2

	<u>Ref.</u>		
Balance June 30, 2010	C		\$2,520,984.59
Increased by Receipts:			
Interfunds Receivable	C-8	\$ 414,800.00	
Deferred Charges - Unfunded	C-7	35,000.00	
Bond Anticipation Notes	C-13	<u>6,000,000.00</u>	
			<u>6,449,800.00</u>
			<u>8,970,784.59</u>
Decreased by Disbursements:			
Improvement Authorizations	C-12	1,044,315.42	
Bond Anticipation Notes	C-13	<u>6,000,000.00</u>	
			<u>7,044,315.42</u>
Balance June 30, 2011	C		<u><u>\$1,926,469.17</u></u>

TOWNSHIP OF MANCHESTER
GENERAL CAPITAL FUND

ANALYSIS OF GENERAL CAPITAL CASH

C-3

Ordinance Number	Balance June 30, 2010	Receipts		Disbursements Improvement Authorizations	Transfers		Balance June 30, 2011
		Other			From	To	
	\$ (303,131.71)	\$ 35,000.00		\$ 141,847.00		\$	\$ (409,978.71)
Improvement Authorizations - General							
02-027 Pine Lake Park Walkway	28,425.93			248.50			28,177.43
02-028-2 Various Paving Projects	72,565.35						72,565.35
02-028-4 Harry Wright Lake Bike Path	1,123.54						1,123.54
02-028-5 Microfilming	143,541.69			75,000.00			68,541.69
04-005 Police Communication Systems	(10,916.85)			23,397.04			(34,313.89)
04-007 Road Improvements to Colonial Drive	(477,155.43)			557.25			(477,712.68)
05-001 Improvements to Soccer Complex	14,000.00						14,000.00
05-009 Acquisition of Open Space Properties	(91,275.32)						(91,275.32)
05-057 Reconstruction of Northampton Boulevard	203,394.85						203,394.85
05-058-1 Police Department Projects	8,725.23			1,388.57			7,336.66
05-058-4 Acquisition of Microfilming Equipment	39,271.46			39,271.46			
05-058-5 Various Road Projects	11,689.53						11,689.53
05-058-6 Recreation Projects Including Johnson Avenue Park	7,700.93			7,700.93			
05-058-7 Emergency Management Projects	228,768.52			61,685.28			167,083.24
08-028-1 Acquisition of Public Works Vehicles	120,369.75			68,265.73			52,104.02
08-028-2 Various Park Improvements	141,033.65			1,704.72			139,328.93
08-028-3 Various Environmental Improvements	598,006.25			73,453.60			524,552.65
08-028-4 Various Capital Improvements	504,686.33			157,879.76			346,806.57
08-028-5 Paving of Various Roads	467,115.50			83,247.70			383,867.80
08-028-6 Various Improvements	138,656.40			67,004.08			71,652.32
08-028-7 Purchase of Police Vehicles/Weapons	158,000.00			204,082.12			158,000.00
08-028-9 Purchase of Various Land	67,783.73			37,581.68			(136,298.39)
08-037 Paving of Alexander Avenue	37,706.00						124.32
09-001 Acquisition of Fire Truck							
Other Accounts							
Capital Improvement Fund	325,410.45				25,000.00		350,410.45
Interfunds Payable		414,800.00					414,800.00
Interfunds Receivable					61,975.00		(61,975.00)
Fund Balance	85,488.81						122,463.81
	\$ 2,520,984.59	\$ 449,800.00		\$ 1,044,315.42		\$ 61,975.00	\$ 1,926,469.17
Reference	C	C-2		C-2		Contra	C

TOWNSHIP OF MANCHESTER
GENERAL CAPITAL FUND

INTERFUNDS RECEIVABLE

C-4

	<u>Ref.</u>	<u>Current Fund</u>
Increased by:		
Premium on Sale of Notes	C-1	\$ 36,975.00
Budget Appropriations	C-11	<u>25,000.00</u>
Balance June 30, 2011	C	<u>\$ 61,975.00</u>

DUE FROM STATE OF NEW JERSEY

C-5

	<u>Ref.</u>	
Balance June 30, 2010	C	<u>\$ 150,000.00</u>
Balance June 30, 2011	C	<u>\$ 150,000.00</u>
 <u>Analysis of Balance - June 30, 2011</u>		
Ordinance #08-037 - Paving of Alexander Avenue		<u>\$ 150,000.00</u>

TOWNSHIP OF MANCHESTER
GENERAL CAPITAL FUND

DEFERRED CHARGES TO FUTURE TAXATION
FUNDED

C-6

	<u>Ref.</u>		
Balance June 30, 2010	C		\$16,631,408.15
Decreased by:			
2011 Budget Appropriations:			
Green Acres Payment	C-9	\$ 109,939.90	
N.J. Economic Development Authority			
Bonds Redeemed	C-10	5,500.00	
Serial Bonds Redeemed	C-14	<u>1,970,000.00</u>	
			<u>2,085,439.90</u>
Balance June 30, 2011	C		<u><u>\$14,545,968.25</u></u>

TOWNSHIP OF MANCHESTER
GENERAL CAPITAL FUND

INTERFUNDS PAYABLE

C-8

Water Capital
Western Service

Ref.

Increased by:		
Cash Receipt	C-2	<u>\$ 414,800.00</u>
Balance June 30, 2011	C	<u><u>\$ 414,800.00</u></u>

GREEN ACRES LOAN PAYABLE

C-9

Ref.

Balance June 30, 2010	C	\$ 902,908.15
Decreased by:		
Payments	C-6	<u>109,939.90</u>
Balance June 30, 2011	C	<u><u>\$ 792,968.25</u></u>

TOWNSHIP OF MANCHESTER
GENERAL CAPITAL FUND

N.J. ECONOMIC DEVELOPMENT AUTHORITY BONDS PAYABLE

C-10

	<u>Ref.</u>	
Balance June 30, 2010	C	\$ 5,500.00
Decreased by:		
Payments	C-6	<u>5,500.00</u>
		<u>\$ -</u>

CAPITAL IMPROVEMENT FUND

C-11

	<u>Ref.</u>	
Balance June 30, 2010	C	\$ 325,410.45
Increased by:		
Budget Appropriation	C-4	<u>25,000.00</u>
Balance June 30, 2011	C	<u>\$ 350,410.45</u>

TOWNSHIP OF MANCHESTER
GENERAL CAPITAL FUND

C-12

IMPROVEMENT AUTHORIZATIONS

Ordinance Number	Balance June 30, 2010		Expended	Balance June 30, 2011	
	Funded	Unfunded		Funded	Unfunded
General Improvements					
Pine Lake Park Walkway	\$ 28,425.93	\$ 258,710.29	\$ 141,847.00	\$ 28,177.43	\$ 116,863.29
Paving Projects	72,565.35		248.50	72,565.35	
Harry Wright Lake Bike Path	1,123.54			1,123.54	
Microfilming	143,541.69			68,541.69	
Police Communications System		104,083.15	75,000.00		80,686.11
Road Improvements to Colonial Drive		122,844.57	23,397.04		122,287.32
Improvement to Soccer Complex	14,000.00		557.25	14,000.00	
Acquisition of Open Space Properties					
Reconstruction of Northampton Boulevard		74,974.68			74,974.68
Police Department Projects	203,394.85			203,394.85	
Acquisition of Microfilming Equipment	8,725.23		1,388.57	7,336.66	
Various Road Projects	39,271.46		39,271.46		
Recreation Projects Including Johnson Avenue Park	11,689.53			11,689.53	
Emergency Management Projects	7,700.93		7,700.93		
Acquisition of Public Works Vehicles		228,768.52	61,685.28		167,083.24
Various Park Improvements		120,369.75	68,265.73		52,104.02
Various Environmental Improvements		141,033.65	1,704.72		139,328.93
Various Capital Improvements		598,006.25	73,453.60		524,552.65
Paving of Various Roads		504,686.33	157,879.76		346,806.57
Various Improvements		467,115.50	83,247.70		383,867.80
Purchase of Police Vehicles/Weapons		138,656.40	67,004.08		71,652.32
Purchase of Various Land		158,000.00			158,000.00
Paving of Alexander Avenue	136,283.73		204,082.12		27,201.61
Acquisition of Fire Truck		37,706.00	37,581.68		124.32
	\$ 666,722.24	\$ 3,049,955.09	\$ 1,044,315.42	\$ 406,829.05	\$ 2,265,532.86

Reference

C

C

C-2

C

C

TOWNSHIP OF MANCHESTER
GENERAL CAPITAL FUND

C-13

BOND ANTICIPATION NOTES

<u>Description</u>	<u>Ordinance Number</u>	<u>Date of Issue</u>	<u>Original</u>		<u>Date of Issue</u>	<u>Date of Maturity</u>	<u>Rate of Interest</u>	<u>Balance June 30, 2010</u>	<u>Bond Anticipation Notes Issued</u>	<u>Bond Anticipation Notes Redeemed</u>	<u>Balance June 30, 2011</u>
			<u>Amount</u>	<u>Amount</u>							
Various Capital Improvements	08-028	12-18-08	\$ 3,000,000.00		12-10-09 10-29-10	10-29-10 10-28-11	1.00% 1.50%	\$ 3,000,000.00	\$ 3,000,000.00		\$ 3,000,000.00
Various Capital Improvements	08-028	12-10-09	2,353,250.00		12-10-09 10-29-10	10-29-10 10-28-11	1.00% 1.50%	2,353,250.00	2,353,250.00		2,353,250.00
Paving of Alexander Avenue	08-037	12-10-09	81,500.00		12-10-09 10-29-10	10-29-10 10-28-11	1.00% 1.50%	81,500.00	81,500.00		81,500.00
Purchase of Fire Truck	09-001	12-10-09	565,250.00		12-10-09 10-29-10	10-29-10 10-28-11	1.00% 1.50%	565,250.00	565,250.00		565,250.00
								<u>\$ 6,000,000.00</u>	<u>\$ 6,000,000.00</u>		<u>\$ 6,000,000.00</u>

Reference

C

C-2

C-2

C

TOWNSHIP OF MANCHESTER
GENERAL CAPITAL FUND

C-14

SERIAL BONDS

<u>Date of Issue</u>	<u>Issue</u>	<u>Maturities of Bonds Outstanding</u>		<u>Interest Rate</u>	<u>Balance June 30, 2010</u>	<u>Bonds Paid</u>	<u>Balance June 30, 2011</u>
		<u>Date</u>	<u>Amount</u>				
12-01-96	\$ 9,357,000.00	12-01-11	\$ 650,000.00	5.000 %	\$ 1,300,000.00	\$ 650,000.00	\$ 650,000.00
10-15-01	3,198,000.00	10-15-11/13 10-15-14	400,000.00 398,000.00	3.875 3.875	1,598,000.00	400,000.00	1,198,000.00
10-01-02	1,795,000.00	10-01-11	305,000.00	4.700	575,000.00	270,000.00	305,000.00
3-01-06	14,350,000.00	3-01-12/13 3-01-14/15 3-01-16/26	650,000.00 750,000.00 800,000.00	4.250 4.250 4.250	12,250,000.00	650,000.00	11,600,000.00
					<u>\$ 15,723,000.00</u>	<u>\$ 1,970,000.00</u>	<u>\$ 13,753,000.00</u>
				<u>Reference</u>	<u>C</u>	<u>C-6</u>	<u>C</u>

TOWNSHIP OF MANCHESTER
GENERAL CAPITAL FUND

C-15

BONDS AND NOTES AUTHORIZED BUT NOT ISSUED

<u>Description</u>	<u>Ordinance Number</u>	<u>Amount</u>	<u>Balance June 30, 2010</u>	<u>Decreased by</u>	<u>Balance June 30, 2011</u>
Pine Lake Park Walkway	02-027	\$ 570,000.00	\$ 561,842.00	\$ 35,000.00	\$ 526,842.00
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	600,000.00		600,000.00
Reconstruction of Northampton Boulevard	05-057	166,250.00	166,250.00		166,250.00
Paving of Alexander Avenue	08-037	95,000.00	13,500.00		13,500.00
			<u>\$ 1,456,592.00</u>	<u>\$ 35,000.00</u>	<u>\$ 1,421,592.00</u>
		<u>Reference</u>	<u>C</u>	<u>C-7</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 June 30, 2010	D	\$ 1,590,012.74	\$ 266,196.13	\$ 2,629,376.31
Increased by Receipts:				
Miscellaneous Revenue	D-3	\$ 128,977.28		
Consumer Accounts Receivable	D-7	2,171,324.04		
Water Liens Receivable	D-8	23.20		
Escrow Deposits	D-14	2,300,324.52	68,714.85	
		<u>3,890,337.26</u>	<u>334,910.98</u>	<u>2,629,376.31</u>
Decreased by Disbursements:				
Budget Appropriations	D-4	2,555,036.70		
Appropriation Reserves	D-12	52,004.89		
Accrued Interest on Bonds	D-13	105,971.25		
Escrow Deposits Returned	D-14	2,713,012.84	40,439.23	
		<u>5,426,025.68</u>	<u>40,439.23</u>	
Balance June 30, 2011	D	<u>\$ 1,177,324.42</u>	<u>\$ 294,471.75</u>	<u>\$ 2,629,376.31</u>

TOWNSHIP OF MANCHESTER
WATER UTILITY EASTERN SERVICE

ANALYSIS OF WATER CAPITAL CASH AND INVESTMENTS

D-6

	<u>Balance</u> <u>June 30, 2010</u>	<u>Transfers</u>		<u>Balance</u> <u>June 30, 2011</u>
		<u>From</u>	<u>To</u>	
<u>Other Accounts</u>				
Capital Improvement Fund	\$2,233,313.12	\$	\$199,576.82	\$2,432,889.94
Fund Balance	36,745.00			36,745.00
 <u>Improvement Authorizations</u>				
Ordinance #96-038:				
Various Capital Improvements	155,224.57	155,224.57		
Ordinance #02-036:				
Redevelopment of Wells	44,352.25	44,352.25		
Ordinance #02-023:				
Relocation of Underground Water Utilities at Route 571	<u>159,741.37</u>			<u>159,741.37</u>
	<u>\$2,629,376.31</u>	<u>\$199,576.82</u>	<u>\$199,576.82</u>	<u>\$2,629,376.31</u>
<u>Reference</u>	<u>D</u>			<u>D</u>

TOWNSHIP OF MANCHESTER
WATER UTILITY EASTERN SERVICE

CONSUMER ACCOUNTS RECEIVABLE

D-7

	<u>Ref.</u>	
Balance June 30, 2010	D	\$ 73,404.05
Increased by:		
Water Rents Levied - Net	Reserve	<u>2,205,960.79</u>
		2,279,364.84
Decreased by:		
Collections	D-3,5	\$ 2,171,324.04
Transfer to Water Liens	D-8	<u>988.58</u>
		<u>2,172,312.62</u>
Balance June 30, 2011	D	<u><u>\$ 107,052.22</u></u>

WATER LIENS

D-8

	<u>Ref.</u>	
Balance June 30, 2010	D	\$ 2,152.91
Increased by:		
Transfer from Accounts Receivable	D-7	<u>988.58</u>
		3,141.49
Decreased by:		
Collections	D-3,5	<u>23.20</u>
Balance June 30, 2011	D	<u><u>\$ 3,118.29</u></u>

TOWNSHIP OF MANCHESTER
WATER UTILITY EASTERN SERVICE

RESERVE FOR INVENTORY

D-9

	<u>Ref.</u>	
Balance June 30, 2010	D	\$ 110,432.11
Increased by:		
Inventory Adjustment	Reserve	<u>1,924.97</u>
Balance June 30, 2011	D	<u>\$ 112,357.08</u>

FIXED CAPITAL

D-10

	<u>Ref.</u>	
Balance June 30, 2010	D	\$ 9,493,967.81
Increased by:		
Transferred from Fixed Capital Authorized and Uncomplete	D-11	<u>163,974.00</u>
Balance June 30, 2011	D	<u>\$ 9,657,941.81</u>

FIXED CAPITAL AUTHORIZED AND UNCOMPLETED

D-11

	<u>Ref.</u>	
Balance June 30, 2010	D	\$ 888,292.19
Decreased by:		
Improvement Authorizations Cancelled	D-17	\$199,576.82
Transferred to Fixed Capital	D-10	<u>163,974.00</u>
		<u>363,550.82</u>
Balance June 30, 2011	D	<u>\$ 524,741.37</u>

TOWNSHIP OF MANCHESTER
WATER UTILITY EASTERN SERVICE

APPROPRIATION RESERVES

D-12

<u>Appropriations</u>	<u>Balance June 30, 2010 Unencumbered</u>	<u>Balance After Transfers</u>	<u>Paid or Charged</u>	<u>Balance Lapsed</u>
<u>Operating Other Expenses</u>	<u>\$ 73,045.88</u>	<u>\$73,045.88</u>	<u>\$ 52,004.89</u>	<u>\$21,040.99</u>
<u>Reference</u>	<u>D</u>		<u>D-5</u>	<u>D-1</u>

TOWNSHIP OF MANCHESTER
WATER UTILITY EASTERN SERVICE

ACCRUED INTEREST ON BONDS

D-13

	<u>Ref.</u>	
Balance June 30, 2010	D	\$ 32,825.94
Increased by:		
SFY 2011 Budget Appropriation	D-4	115,668.48
		<u>148,494.42</u>
Decreased by:		
Cash Disbursed	D-5	<u>105,971.25</u>
Balance June 30, 2011	D	<u><u>\$ 42,523.17</u></u>

RESERVE FOR ESCROW DEPOSITS

D-14

	<u>Ref.</u>	
Balance June 30, 2010	D	\$ 266,196.13
Increased by:		
Cash Receipts	D-5	68,714.85
		<u>334,910.98</u>
Decreased by:		
Cash Disbursed	D-5	<u>40,439.23</u>
Balance June 30, 2011	D	<u><u>\$ 294,471.75</u></u>

TOWNSHIP OF MANCHESTER
WATER UTILITY EASTERN SERVICE

CAPITAL IMPROVEMENT FUND

D-15

	<u>Ref.</u>	
Balance June 30, 2010	D	\$ 1,868,313.12
Increased by:		
Improvement Authorizations Cancelled	D-18	<u>199,576.82</u>
Balance June 30, 2011	D	<u>\$ 2,067,889.94</u>

RESERVE FOR AMORTIZATION

D-16

	<u>Ref.</u>	
Balance June 30, 2010	D	\$ 5,945,760.00
Increased by:		
Payment of Serial Bonds	D-19	<u>395,000.00</u>
Balance June 30, 2011	D	<u>\$ 6,340,760.00</u>

DEFERRED RESERVE FOR AMORTIZATION

D-17

	<u>Ref.</u>	
Balance June 30, 2010	D	\$ 1,361,500.00
Decreased by:		
Improvement Authorizations Cancelled	D-11	<u>199,576.82</u>
Balance June 30, 2011	D	<u>\$ 1,161,923.18</u>

TOWNSHIP OF MANCHESTER
WATER UTILITY EASTERN SERVICE

IMPROVEMENT AUTHORIZATIONS

D-18

	<u>Balance</u> June 30, 2010 <u>Funded</u>	<u>Cancellations</u>	<u>Balance</u> June 30, 2011 <u>Funded</u>
Ordinance #96-038: Various Capital Improvements	\$155,224.57	\$155,224.57	\$
Ordinance #02-023: Relocation of Underground Water Utilities at Route 571	44,352.25	44,352.25	
Ordinance #02-036: Redevelopment of Wells	323,715.37		323,715.37
Ordinance #08-026: Various Capital Improvements	<u>201,026.00</u>		<u>201,026.00</u>
	<u>\$724,318.19</u>	<u>\$199,576.82</u>	<u>\$524,741.37</u>
<u>Reference</u>	<u>D</u>	<u>D-15</u>	<u>D</u>

TOWNSHIP OF MANCHESTER
WATER UTILITY EASTERN SERVICE

SERIAL BONDS

D-19

	<u>Date of Issue</u>	<u>Original Issue</u>	<u>Maturities of Bonds Outstanding June 30, 2011</u>	<u>Interest Rate</u>	<u>Balance June 30, 2010</u>	<u>Bonds Redeemed</u>	<u>Balance June 30, 2011</u>
			<u>Date</u>				
General Refunding Bonds	2-01-03	\$ 5,565,000.00	10-01-11	3.500 %			
			10-01-12	3.625			
			10-01-13	4.000			
			10-01-14	4.000			
			10-01-15	4.000			
			10-01-16	4.125			
					<u>\$ 3,075,000.00</u>	<u>\$ 395,000.00</u>	<u>\$ 2,680,000.00</u>

Reference

D

D-16

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 June 30, 2010	E	\$ 2,610.47	\$ 375.95
Increased by Receipts:			
Interest on Deposits	E-2	10.98	
Private Donations	E-3	<u>2,621.45</u>	<u>2,852.00</u>
			<u>3,227.95</u>
Decreased by Disbursements:			
Non-State Matching Expenditures	E-3	<u> </u>	<u>3,175.00</u>
Balance June 30, 2011	E	<u>\$ 2,621.45</u>	<u>\$ 52.95</u>

TOWNSHIP OF MANCHESTER
PUBLIC ASSISTANCE TRUST FUND

RESERVE FOR PUBLIC ASSISTANCE EXPENDITURES

E-2

	<u>Ref.</u>	
Balance June 30, 2010	E	\$ 2,610.47
Increased by:		
Interest on Deposits	E-1	<u>10.98</u>
Balance June 30, 2011	E	<u>\$ 2,621.45</u>

TOWNSHIP OF MANCHESTER
PUBLIC ASSISTANCE TRUST FUND

RESERVE FOR DISCRETIONARY TRUST EXPENDITURES

E-3

	<u>Ref.</u>	
Balance June 30, 2010	E	\$ 375.95
Increased by:		
Private Donations	E-1	<u>2,852.00</u>
		3,227.95
Decreased by:		
Non-State Matching Expenditures	E-1	<u>3,175.00</u>
Balance June 30, 2011	E	<u>\$ 52.95</u>

TOWNSHIP OF MANCHESTER
SEWER UTILITY EASTERN SERVICE

F-5

CASH RECEIPTS AND DISBURSEMENTS
CHECKING ACCOUNTS

	<u>Ref.</u>	<u>Operating Fund</u>	<u>Utility Escrow</u>	<u>Capital Fund</u>
Balance June 30, 2010	F	\$ 4,504,359.04	\$ 195,354.97	\$ 2,977,328.53
Increased by Receipts:				
Miscellaneous Revenue	F-3	\$ 99,624.23		
Interfund Receivable	F-7	26,416.84		
Interest on Deposits	F-17			21,094.84
Consumer Accounts Receivable	F-8	3,402,071.38		
Escrow Deposits	F-13		39,522.99	
		<u>3,528,112.45</u>	<u>39,522.99</u>	<u>21,094.84</u>
		8,032,471.49	234,877.96	2,998,423.37
Decreased by Disbursements:				
Budget Appropriations	F-4	3,860,583.89		
Anticipated as Revenue in Current Fund	F-1	400,000.00		
Interfund Payable	F-17			26,416.84
Investment Purchased	F-16			525,000.00
Appropriation Reserves	F-12	188,991.27		
Reserve for Escrow Deposits	F-13		59,453.75	
Accrued Interest on Bonds	F-14	128,045.01		
Accrued Interest on Waste Water Loan	F-15	5,895.00		
		<u>4,583,515.17</u>		<u>551,416.84</u>
Balance June 30, 2011	F	<u>\$ 3,448,956.32</u>	<u>\$ 175,424.21</u>	<u>\$ 2,447,006.53</u>

TOWNSHIP OF MANCHESTER
SEWER UTILITY EASTERN SERVICE

F-6

ANALYSIS OF SEWER CAPITAL CASH AND INVESTMENTS

	<u>Balance</u>	<u>Receipts</u>	<u>Disbursed</u>	<u>Transfers</u>		<u>Balance</u>
	<u>June 30, 2010</u>			<u>From</u>	<u>To</u>	<u>June 30, 2011</u>
<u>Other Accounts</u>						
Capital Improvement Fund	\$ 2,906,091.00					\$ 2,988,280.62
Due to Sewer Operating Fund	5,876.43	\$ 21,094.84	\$ 26,416.84		\$ 82,189.62	554.43
Fund Balance	3,815.00					3,815.00
<u>Improvement Authorizations</u>						
#94-225 Construction of Sanitary Sewer Improvements in Cedar Glen Lakes Area	(20,643.52)					(20,643.52)
#96-009 Expansion of the Sanitary Sewer System	81,397.10			81,397.10		
#08-27A Purchase of Jet Vac	150.00			150.00		
#08-27B Purchase of Infrared Paving	642.52			642.52		
	<u>\$ 2,977,328.53</u>	<u>\$ 21,094.84</u>	<u>\$ 26,416.84</u>	<u>\$ 82,189.62</u>	<u>\$ 82,189.62</u>	<u>\$ 2,972,006.53</u>
<u>Reference</u>	<u>F</u>	<u>F-5</u>	<u>F-5</u>			<u>F</u>

TOWNSHIP OF MANCHESTER
SEWER UTILITY EASTERN SERVICE

SEWER OPERATING EASTERN SERVICE
DUE FROM SEWER CAPITAL EASTERN SERVICE

F-7

	<u>Ref.</u>	
Balance June 30, 2010	F	\$ 5,876.43
Increased by:		
Interest Earned in Sewer Capital Eastern Service Fund	F-3	<u>21,094.84</u> 26,971.27
Decreased by:		
Interfund Settlement	F-5	<u>26,416.84</u>
Balance June 30, 2011	F	<u>\$ 554.43</u>

TOWNSHIP OF MANCHESTER
SEWER UTILITY EASTERN SERVICE

CONSUMER ACCOUNTS RECEIVABLE

F-8

	<u>Ref.</u>	
Balance June 30, 2010	F	\$ 60,575.21
Increased by:		
Sewer Rents Levied - Net	Reserve	3,435,472.69
		<u>3,496,047.90</u>
Decreased by:		
Cash Receipts	F-3,5	3,402,071.38
Balance June 30, 2011	F	<u>\$ 93,976.52</u>

RESERVE FOR INVENTORY

F-9

	<u>Ref.</u>	
Balance June 30, 2010	F	\$ 13,791.00
Increased by:		
Inventory Adjustment	Reserve	16,205.40
		<u>16,205.40</u>
Balance June 30, 2011	F	<u>\$ 29,996.40</u>

TOWNSHIP OF MANCHESTER
SEWER UTILITY EASTERN SERVICE

FIXED CAPITAL

F-10

	<u>Ref.</u>	
Balance June 30, 2010	F	<u>\$ 11,805,092.90</u>
Balance June 30, 2011	F	<u>\$ 11,805,092.90</u>

FIXED CAPITAL AUTHORIZED AND UNCOMPLETED

F-11

	<u>Ref.</u>	
Balance June 30, 2010	F	\$ 82,189.62
Decreased by:		
Improvement Authorizations Cancelled	F-19	<u>82,189.62</u>
		<u>\$ -</u>

TOWNSHIP OF MANCHESTER
SEWER UTILITY EASTERN SERVICE

F-12

APPROPRIATION RESERVES

<u>Appropriation</u>	<u>Balance</u> <u>June 30, 2010</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	\$	2,694.92	\$ 2,694.92	\$	2,694.92
Other Expenses	2,009.00	391,418.63	393,427.63	188,991.27	204,436.36
<u>Statutory Expenditures</u>					
Contribution to:					
Social Security System (OASI)		2,276.28	2,276.28		2,276.28
	\$ 2,009.00	\$ 396,389.83	\$ 398,398.83	\$ 188,991.27	\$ 209,407.56

Reference

F

F-5

F-1

TOWNSHIP OF MANCHESTER
SEWER UTILITY EASTERN SERVICE

RESERVE FOR ESCROW DEPOSITS

F-13

	<u>Ref.</u>	
Balance June 30, 2010	F	\$ 195,354.97
Increased by:		
Escrow Deposits	F-5	<u>39,522.99</u>
		234,877.96
Decreased by:		
Transfer to Escrow Trust Deposits	F-5	<u>59,453.75</u>
Balance June 30, 2011	F	<u><u>\$ 175,424.21</u></u>

TOWNSHIP OF MANCHESTER
SEWER UTILITY EASTERN SERVICE

ACCRUED INTEREST ON BONDS

F-14

	<u>Ref.</u>	
Balance June 30, 2010	F	\$ 43,040.64
Increased by:		
Budget Appropriation	F-4	123,082.50
		<u>166,123.14</u>
Decreased by:		
Cash Disbursed	F-5	128,045.01
		<u>128,045.01</u>
Balance June 30, 2011	F	<u>\$ 38,078.13</u>

ACCRUED INTEREST ON WASTE WATER LOAN

F-15

	<u>Ref.</u>	
Balance June 30, 2010	F	\$ 25,550.38
Increased by:		
Budget Appropriation	F-4	5,895.00
		<u>31,445.38</u>
Decreased by:		
Cash Disbursed	F-5	5,895.00
		<u>5,895.00</u>
Balance June 30, 2011	F	<u>\$ 25,550.38</u>

TOWNSHIP OF MANCHESTER
SEWER UTILITY EASTERN SERVICE

INVESTMENT

F-16

	<u>Ref.</u>	
Increased by:		
Investment Purchased	F-5	<u>\$ 525,000.00</u>
Balance June 30, 2011	F	<u><u>\$ 525,000.00</u></u>

SEWER CAPITAL EASTERN SERVICE
DUE TO SEWER OPERATING EASTERN SERVICE

F-17

	<u>Ref.</u>	
Balance June 30, 2010	F	\$ 5,876.43
Increased by:		
Interest Earned	F-5	<u>21,094.84</u>
		26,971.27
Decreased by:		
Interfund Settlement	F-5	<u>26,416.84</u>
Balance June 30, 2011	F	<u><u>\$ 554.43</u></u>

TOWNSHIP OF MANCHESTER
SEWER UTILITY EASTERN SERVICE

CAPITAL IMPROVEMENT FUND

F-18

	<u>Ref.</u>	
Balance June 30, 2010	F	\$2,906,091.00
Increased by:		
Improvement Authorizations Cancelled	F-22	<u>82,189.62</u>
Balance June 30, 2011	F	<u><u>\$2,988,280.62</u></u>

DEFERRED RESERVE FOR AMORTIZATION

F-19

	<u>Ref.</u>	
Balance June 30, 2010	F	\$ 510,000.00
Decreased by:		
Improvement Authorizations Cancelled	F-11	\$ 82,189.62
Transferred to Reserve for Amortization	F-21	<u>427,810.38</u>
		<u>510,000.00</u>
		<u><u>\$ -</u></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 June 30, 2010	F	\$ 672,435.79
Decreased by:		
Loan Payments	F-21	<u>104,463.93</u>
Balance June 30, 2011	F	<u><u>\$ 567,971.86</u></u>

RESERVE FOR AMORTIZATION

F-21

	<u>Ref.</u>	
Balance June 30, 2010	F	\$ 7,274,203.21
Increased by:		
Payment of Waste Water Loan	F-20	\$104,463.93
Transferred from Deferred Reserve for Amortization	F-19	427,810.38
Payment of Serial Bonds	F-23	<u>435,000.00</u>
		<u>967,274.31</u>
Balance June 30, 2011	F	<u><u>\$ 8,241,477.52</u></u>

TOWNSHIP OF MANCHESTER
SEWER UTILITY EASTERN SERVICE

IMPROVEMENT AUTHORIZATIONS

F-22

<u>Ordinance Number</u>		<u>Balance June 30, 2010 Funded</u>	<u>Cancelled</u>
96-039	Expansion to the Sanitary Sewer System	\$ 81,397.10	\$ 81,397.10
08-27A	Purchase of Jet Vac	150.00	150.00
08-27B	Purchase of Infrared Paving	<u>642.52</u>	<u>642.52</u>
		<u>\$ 82,189.62</u>	<u>\$ 82,189.62</u>
	<u>Reference</u>	<u>E</u>	<u>F-18</u>

TOWNSHIP OF MANCHESTER
SEWER UTILITY EASTERN SERVICE

F-23

SERIAL BONDS

	<u>Date of Issue</u>	<u>Original Issue</u>	<u>Maturities of Bonds Outstanding June 30, 2011</u>		<u>Interest Rate</u>	<u>Balance June 30, 2010</u>	<u>Bonds Redeemed</u>	<u>Balance June 30, 2011</u>
			<u>Date</u>	<u>Amount</u>				
General Refunding Bonds	2-01-03	\$ 6,190,000.00	10-01-11	\$ 450,000.00	3.500 %			
			10-01-12	465,000.00	3.625			
			10-01-13	485,000.00	4.000			
			10-01-14	505,000.00	4.000			
			10-01-15	525,000.00	4.000			
			10-01-16	545,000.00	4.125			
						\$ 3,410,000.00	\$ 435,000.00	\$ 2,975,000.00

Reference

E

F-21

E

TOWNSHIP OF MANCHESTER
PAYROLL FUND

CASH RECEIPTS AND DISBURSEMENTS

G-1

	<u>Ref.</u>		
Balance June 30, 2010	G		\$ 4,763.58
Increased by:			
Payrolls	G-2	\$14,017,853.64	
Employers' Share of Social Security	G-2	<u>1,084,617.18</u>	
			<u>15,102,470.82</u>
			15,107,234.40
Decreased by:			
Payroll Disbursements	G-2		<u>15,101,425.77</u>
Balance June 30, 2011	G		<u>\$ 5,808.63</u>

TOWNSHIP OF MANCHESTER
PAYROLL FUND

G-2

PAYROLL DEDUCTIONS PAYABLE
FY 2011

	<u>Balance</u> <u>June 30, 2010</u>	<u>Receipts</u>	<u>Other</u> <u>Receipts</u>	<u>Disbursements</u>	<u>Balance</u> <u>June 30, 2011</u>
Net Salaries and Wages	\$	\$ 9,051,863.43	\$	\$ 9,051,863.43	\$
Federal Income Tax		1,507,705.42		1,507,705.42	
Social Security Tax		1,084,617.18	1,084,617.18	2,169,234.36	
New Jersey State Income Tax		493,852.80		493,852.80	
Unemployment Insurance Fund		33,190.90		33,190.90	
PERS	141.11	388,122.24		387,063.65	1,199.70
Contributory Insurance	88.95	27,427.63		27,403.12	113.46
PFRS	(578.13)	718,722.17		718,144.04	
VALIC		325,249.52		325,249.52	
Probation		46,936.00		46,936.00	
Garnishee		4,835.50		4,835.50	
PBA Dues		27,400.00		27,400.00	
OPEIU		45,927.97		45,927.97	
Medical		102,744.93		102,744.93	
Hartford		38,157.84		38,157.84	
AFLAC - GA		63,488.22		63,488.22	
AFLAC - Flex		13,343.44		13,944.51	
AFLAC - NY	5,096.54	22,116.00		22,116.00	4,495.47
Bos-Mut		1,227.50		1,227.50	
PFIA	15.11	16,082.95		16,098.06	
Car Allow		4,842.00		4,842.00	
Miscellaneous					
	<u>\$ 4,763.58</u>	<u>\$ 14,017,853.64</u>	<u>\$ 1,084,617.18</u>	<u>\$ 15,101,425.77</u>	<u>\$ 5,808.63</u>

Reference

G

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 June 30, 2010	H	\$ 281,085.39	\$ 681,601.96
Increased by Receipts:			
Miscellaneous Revenue Not Anticipated	H-2	\$ 9,967.75	
Consumer Accounts Receivable	H-7	2,128,125.06	
Due from Sewer Operating Western Service	H-10		163,183.90
Due from Water Operating Western Service	H-11		9,639.98
Serial Bonds Issued	H-20	<u>2,138,092.81</u>	<u>15,313,023.88</u>
		<u>2,419,178.20</u>	<u>15,994,625.84</u>
Decreased by Disbursements:			
Prior Years' Refund	H-1	15,127.99	
Budget Appropriations	H-3	992,321.05	
Due from Sewer Operating Western Service	H-10		34,709.67
Due from Water Operating Western Service	H-11		105,860.42
Appropriation Reserves	H-13	8,951.30	
Due to Water Capital Western Service	H-14	8,298.20	158,410.61
Due to Sewer Capital Western Service	H-15		69,634.62
Accrued Interest on Bonds	H-16	190,958.59	
Improvement Authorizations	H-18		15,555,000.00
Bond Anticipation Notes Redeemed	H-19	<u>1,215,657.13</u>	<u>15,923,615.32</u>
Balance June 30, 2011	H	<u>\$1,203,521.07</u>	<u>\$ 71,010.52</u>

TOWNSHIP OF MANCHESTER
WATER UTILITY WESTERN SERVICE

H-5

ANALYSIS OF WATER CAPITAL WESTERN SERVICE
CASH AND INVESTMENTS

	<u>Balance</u> <u>June 30, 2010</u>	<u>Receipts</u>	<u>Disbursements</u>	<u>Balance</u> <u>June 30, 2011</u>
<u>Other Accounts</u>				
Due to Sewer Capital Western Service	\$ 158,410.61	\$	\$ 158,410.61	\$
Due from General Capital Fund		15,140,200.00	15,555,000.00	(414,800.00)
Due from Water Operating Western Service	(8,298.20)	9,639.98	105,860.42	(104,518.64)
Due from Sewer Operating Western Service	(163,183.90)	163,183.90	34,709.67	(34,709.67)
<u>Improvement Authorizations</u>				
Acquisition of Crestwood Water Company	<u>694,673.45</u>		<u>69,634.62</u>	<u>625,038.83</u>
	<u>\$ 681,601.96</u>	<u>\$ 15,313,023.88</u>	<u>\$ 15,923,615.32</u>	<u>\$ 71,010.52</u>

Reference

H

H-4

H-4

H

TOWNSHIP OF MANCHESTER
WATER UTILITY WESTERN SERVICE

CHANGE FUND

H-6

	<u>Ref.</u>	
Balance June 30, 2010	H	\$ 60.00
Balance June 30, 2011	H	<u>\$ 60.00</u>

CONSUMER ACCOUNTS RECEIVABLE

H-7

	<u>Ref.</u>	
Balance June 30, 2010	H	\$ 19,898.41
Increased by:		
Water Rents Levied - Net	Reserve	<u>2,112,715.86</u>
		2,132,614.27
Decreased by:		
Collections	H-2,4	<u>2,128,125.06</u>
Balance June 30, 2011	H	<u>\$ 4,489.21</u>

TOWNSHIP OF MANCHESTER
WATER UTILITY WESTERN SERVICE

FIXED CAPITAL

H-8

	<u>Ref.</u>	
Increased by:		
Transferred from Fixed Capital Authorized and Uncompleted	H-8	<u>\$14,929,961.17</u>
Balance June 30, 2011	H	<u>\$14,929,961.17</u>

FIXED CAPITAL AUTHORIZED AND UNCOMPLETED

H-9

	<u>Ref.</u>	
Balance June 30, 2010	H	\$15,555,000.00
Decreased by:		
Transferred to Fixed Capital	H-8	<u>14,929,961.17</u>
Balance June 30, 2011	H	<u>\$ 625,038.83</u>

TOWNSHIP OF MANCHESTER
WATER UTILITY WESTERN SERVICE

WATER CAPITAL FUND
DUE FROM SEWER OPERATING WESTERN SERVICE

H-10

	<u>Ref.</u>	
Balance June 30, 2010	H	\$ 163,183.90
Increased by:		
Cash Disbursed	H-4	<u>34,709.67</u> 197,893.57
Decreased by:		
Cash Receipts	H-4	<u>163,183.90</u>
Balance June 30, 2011	H	<u>\$ 34,709.67</u>

WATER CAPITAL FUND
DUE FROM WATER OPERATING WESTERN SERVICE

H-11

	<u>Ref.</u>	
Balance June 30, 2010	H	\$ 8,298.20
Increased by:		
Cash Disbursed	H-4	<u>105,860.42</u> 114,158.62
Decreased by:		
Cash Receipts	H-4	<u>9,639.98</u>
Balance June 30, 2011	H	<u>\$ 104,518.64</u>

TOWNSHIP OF MANCHESTER
WATER UTILITY WESTERN SERVICE

WATER CAPITAL FUND
DUE TO GENERAL CAPITAL FUND

H-12

	<u>Ref.</u>	
Increased by:		
Bond Proceeds Collected in General Capital Fund	H-20	<u>\$ 414,800.00</u>
Balance June 30, 2011	H	<u>\$ 414,800.00</u>

TOWNSHIP OF MANCHESTER
WATER UTILITY WESTERN SERVICE

APPROPRIATION RESERVES

H-13

<u>Appropriations</u>	<u>Balance</u> <u>June 30, 2010</u>	<u>Unencumbered</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>					
Salaries and Wages	\$ 3,656.80	\$ 3,656.80	\$ 3,656.80	\$ 8,951.30	\$ 3,656.80
Other Expenses	22,848.18	185,081.99	207,930.17		198,978.87
<u>Capital Improvements</u>					
Capital Outlay	5,000.00	5,000.00	5,000.00		5,000.00
<u>Statutory Expenditures</u>					
Contribution to:					
Social Security System	291.74	291.74	291.74		291.74
<u>Reference</u>	<u>H</u>	<u>H</u>	<u>H</u>	<u>H-4</u>	<u>H-1</u>
	<u>\$22,848.18</u>	<u>\$ 194,030.53</u>	<u>\$ 216,878.71</u>	<u>\$ 8,951.30</u>	<u>\$207,927.41</u>

TOWNSHIP OF MANCHESTER
WATER UTILITY WESTERN SERVICE

WATER OPERATING FUND
DUE TO WATER CAPITAL WESTERN SERVICE

H-14

	<u>Ref.</u>		
Balance June 30, 2010	H		\$ 8,298.20
Increased by:			
Interest Paid in Water Capital Fund	H-7		105,860.42
			<u>114,158.62</u>
Decreased by:			
Interest Earned in Water Capital Fund	H-2	\$1,341.78	
Interfund Settled	H-4	<u>8,298.20</u>	
			<u>9,639.98</u>
Balance June 30, 2011	H		<u><u>\$ 104,518.64</u></u>

WATER CAPITAL FUND
DUE TO SEWER CAPITAL WESTERN SERVICE

H-15

	<u>Ref.</u>		
Balance June 30, 2010	H		\$ 158,410.61
Decreased by:			
Cash Disbursed	H-4		158,410.61
			<u>\$ -</u>

TOWNSHIP OF MANCHESTER
WATER UTILITY WESTERN SERVICE

ACCRUED INTEREST ON BONDS

H-16

	<u>Ref.</u>	
Increased by:		
SFY 2011 Budget Appropriation	H-3	\$190,958.59
Decreased by:		
Cash Disbursed	H-4	<u>190,958.59</u>
		<u>\$ -</u>

ACCRUED INTEREST ON NOTES

H-17

	<u>Ref.</u>	
Increased by:		
SFY 2011 Budget Appropriation	H-3	\$105,860.42
Decreased by:		
Cash Disbursed	H-14	<u>105,860.42</u>
		<u>\$ -</u>

TOWNSHIP OF MANCHESTER
WATER UTILITY WESTERN SERVICE

IMPROVEMENT AUTHORIZATIONS

H-18

	<u>Ordinance Number</u>	<u>Balance June 30, 2011 Unfunded</u>	<u>Expended</u>	<u>Balance June 30, 2011 Funded</u>
Acquisition of Crestwood Water Company	09-026	<u>\$694,673.45</u>	<u>\$69,634.62</u>	<u>\$625,038.83</u>
	<u>Reference</u>	<u>H</u>	<u>H-4</u>	<u>H</u>

TOWNSHIP OF MANCHESTER
WATER UTILITY WESTERN SERVICE

H-19

BOND ANTICIPATION NOTES

<u>Description</u>	<u>Ordinance Number</u>	<u>Original</u>		<u>Rate of Interest</u>	<u>Balance June 30, 2011</u>	<u>Bond Anticipation Notes Redeemed</u>
		<u>Date of Issue</u>	<u>Amount</u>			
Acquisition of Crestwood Water Company	09-026	2/11/2010	\$ 15,555,000.00	1.00%	<u>\$ 15,555,000.00</u>	<u>\$ 15,555,000.00</u>
					H	<u>H-4</u>

**TOWNSHIP OF MANCHESTER
WATER UTILITY WESTERN SERVICE**

H-20

SERIAL BONDS

Water Utility Bonds Series 2010A	<u>Date of Issue</u>	<u>Original Issue</u>	<u>Date</u>	<u>Amount</u>	<u>Interest Rate</u>	<u>Bonds Issued</u>	<u>Balance June 30, 2011</u>
				<u>Maturities of Bonds Outstanding June 30, 2011</u>	<u>%</u>		
				<u>Amount</u>	<u></u>		
	9-30-2010	\$ 15,555,000.00	8-1-2012	\$ 75,000.00	4.000	\$	\$
			8-1-2013	80,000.00	4.000		
			8-1-2014	246,000.00	4.000		
			8-1-2015	249,000.00	4.000		
			8-1-2016	263,000.00	4.000		
			8-1-2017	265,000.00	4.000		
			8-1-2018	266,000.00	4.000		
			8-1-2019	274,000.00	4.000		
			8-1-2020	276,000.00	4.000		
			8-1-2021	285,000.00	4.000		
			8-1-2022	294,000.00	4.000		
			8-1-2025	898,000.00	4.000		
			8-1-2026	309,000.00	4.000		
			8-1-2027	309,000.00	4.000		
			8-1-2028	315,000.00	4.000		
			8-1-2031	963,000.00	4.000		
			8-1-2032	324,000.00	4.000		
			8-1-2033	891,000.00	4.000		
			8-1-2034	936,000.00	4.125		
			8-1-2035	985,000.00	4.150		
			8-1-2036	1,035,000.00	4.250		
			8-1-2037	1,088,000.00	4.250		
			8-1-2038	1,144,000.00	4.250		
			8-1-2041	3,785,000.00	4.250		
						<u>\$ 15,555,000.00</u>	<u>\$ 15,555,000.00</u>

Reference

Below

D

Ref.

Cash Receipts
Bond Proceeds Collected in General Capital Fund

\$ 15,140,200.00
414,800.00

Above

\$ 15,555,000.00

TOWNSHIP OF MANCHESTER
SEWER UTILITY WESTERN SERVICE

I-4

CASH RECEIPTS AND DISBURSEMENTS

	<u>Ref.</u>	<u>Operating Fund</u>	<u>Capital Fund</u>
Balance June 30, 2010	I	\$ 348,180.37	\$
Increased by Receipts:			
Miscellaneous Revenue	I-2	\$ 54,270.91	\$
Consumer Accounts Receivable	I-6	2,087,866.58	
Due from Water Capital Western Service	I-10		158,410.61
Due to Sewer Operating Western Service	I-15		24.48
Bonds Issued	I-18		<u>5,185,000.00</u>
		<u>2,142,137.49</u>	<u>5,343,435.09</u>
		2,490,317.86	5,343,435.09
Decreased by Disbursements:			
Prior Years' Refund	I-1	15,317.00	
Budget Appropriations	I-3	1,628,776.78	
Due from Sewer Capital Western Service	I-9	24.48	
Due to Water Capital Western Service	I-11	163,183.90	
Appropriation Reserves	I-12	4,697.96	
Accrued Interest on Bonds	I-13	61,067.75	
Accrued Interest on Notes	I-14	35,286.81	
Bond Anticipation Notes Redeemed	I-17		<u>5,185,000.00</u>
		<u>1,908,354.68</u>	<u>5,185,000.00</u>
Balance June 30, 2011	I	<u>\$ 581,963.18</u>	<u>\$ 158,435.09</u>

TOWNSHIP OF MANCHESTER
SEWER UTILITY WESTERN SERVICE

ANALYSIS OF SEWER CAPITAL WESTERN SERVICE
CASH AND INVESTMENTS

I-5

	<u>Balance</u> <u>June 30, 2010</u>	<u>Cash Receipts</u>	<u>Balance</u> <u>June 30, 2011</u>
<u>Other Accounts</u>			
Due from Water Capital Western Service	\$ (158,410.61)	\$ 158,410.61	\$
Due to Sewer Operating Western Service		24.48	24.48
<u>Improvement Authorizations</u>			
Acquisition of Crestwood Water Company	<u>158,410.61</u>	<u> </u>	<u>158,410.61</u>
	<u>\$ -</u>	<u>\$ 158,435.09</u>	<u>\$ 158,435.09</u>
<u>Reference</u>	<u>I</u>	<u>I-4</u>	<u>I</u>

TOWNSHIP OF MANCHESTER
SEWER UTILITY WESTERN SERVICE

CONSUMER ACCOUNTS RECEIVABLE

I-6

	<u>Ref.</u>	
Balance June 30, 2010	I	\$ 5,663.62
Increased by:		
Sewer Rents Levied - Net	Reserve	<u>2,146,437.47</u>
		<u>2,152,101.09</u>
Decreased by:		
Collections	I-2,4	<u>2,087,866.58</u>
Balance June 30, 2011	I	<u>\$ 64,234.51</u>

FIXED CAPITAL

I-7

	<u>Ref.</u>	
Increased by:		
Transferred from Fixed Capital Authorized and Uncompleted	I-8	<u>\$ 5,026,589.39</u>
Balance June 30, 2011	I	<u>\$ 5,026,589.39</u>

TOWNSHIP OF MANCHESTER
SEWER UTILITY WESTERN SERVICE

FIXED CAPITAL AUTHORIZED AND UNCOMPLETED

I-8

	<u>Ref.</u>	
Balance June 30, 2010	I	\$ 5,185,000.00
Decreased by:		
Transferred to Fixed Capital	I-7	<u>5,026,589.39</u>
Balance June 30, 2011	I	<u>\$ 158,410.61</u>

SEWER OPERATING FUND
DUE FROM SEWER CAPITAL WESTERN SERVICE

I-9

	<u>Ref.</u>	
Increased by:		
Cash Disbursed	I-4	<u>\$ 24.48</u>
Balance June 30, 2011	I	<u>\$ 24.48</u>

TOWNSHIP OF MANCHESTER
SEWER UTILITY WESTERN SERVICE

SEWER CAPITAL FUND
DUE FROM WATER CAPITAL WESTERN SERVICE

I-10

	<u>Ref.</u>	
Balance June 30, 2010	I	\$158,410.61
Increased by:		
Cash Receipts	I-4	<u>158,410.61</u>
		<u>\$ -</u>

SEWER OPERATING FUND
DUE TO WATER CAPITAL WESTERN SERVICE

I-11

	<u>Ref.</u>	
Balance June 30, 2010	I	\$163,183.90
Increased by:		
Expenditures Paid in Water Capital Fund	I-3	<u>34,709.67</u>
		<u>197,893.57</u>
Decreased by:		
Cash Disbursed	I-4	<u>163,183.90</u>
Balance June 30, 2011	I	<u>\$ 34,709.67</u>

TOWNSHIP OF MANCHESTER
SEWER UTILITY WESTERN SERVICE

APPROPRIATION RESERVES

I-12

<u>Appropriation</u>	<u>Balance June 30, 2010 Unencumbered</u>	<u>Balance After Transfers</u>	<u>Paid or Charged</u>	<u>Balance Lapsed</u>
<u>Operating</u>				
Salaries and Wages	\$ 1,049.33	\$ 1,049.33	\$	\$ 1,049.33
Other Expenses	163,434.39	163,434.39	4,697.96	158,736.43
<u>Capital Improvements</u>				
Capital Outlay	13,000.00	13,000.00		13,000.00
<u>Statutory Expenditures</u>				
Contribution to:				
Social Security System (OASI)	<u>92.29</u>	<u>92.29</u>		<u>92.29</u>
	<u>\$ 177,576.01</u>	<u>\$ 177,576.01</u>	<u>\$ 4,697.96</u>	<u>\$ 172,878.05</u>

Reference

I

I-4

I-1

TOWNSHIP OF MANCHESTER
SEWER UTILITY WESTERN SERVICE

ACCRUED INTEREST ON BONDS

I-13

	<u>Ref.</u>	
Increased by:		
Budget Appropriation	I-3	\$ 61,643.89
Decreased by:		
Cash Disbursed	I-4	<u>61,067.75</u>
Balance June 30, 2011	I	<u>\$ 576.14</u>

ACCRUED INTEREST ON NOTES

I-14

	<u>Ref.</u>	
Increased by:		
Budget Appropriation	I-3	\$ 35,286.81
Decreased by:		
Cash Disbursed	I-4	<u>35,286.81</u>
		<u>\$ -</u>

TOWNSHIP OF MANCHESTER
SEWER UTILITY WESTERN SERVICE

SEWER CAPITAL FUND
DUE TO SEWER OPERATING WESTERN SERVICE

I-15

	<u>Ref.</u>	
Increased by:		
Cash Receipts	I-4	<u>\$ 24.48</u>
Balance June 30, 2011	I	<u>\$ 24.48</u>

IMPROVEMENT AUTHORIZATIONS

I-16

	<u>Ordinance Number</u>	<u>Balance June 30, 2010 Unfunded</u>	<u>Balance June 30, 2011 Funded</u>
Acquisition of Crestwood Sewer Company	09-027	<u>\$ 158,410.61</u>	<u>\$ 158,410.61</u>
	<u>Reference</u>	!	!

TOWNSHIP OF MANCHESTER
SEWER UTILITY WESTERN SERVICE

BOND ANTICIPATION NOTES

I-17

<u>Description</u>	<u>Ordinance Number</u>	<u>Original</u>		<u>Date of Issue</u>	<u>Date of Maturity</u>	<u>Rate of Interest</u>	<u>Balance Dec. 31, 2010</u>	<u>Bond Anticipation Notes Redeemed</u>
		<u>Date of Issue</u>	<u>Amount</u>					
Acquisition of Crestwood Sewer Company	09-027	2/11/2010	\$ 5,185,000.00	2/11/2010	10/15/2010	1.00%	\$ 5,185,000.00	\$ 5,185,000.00

Reference

I

I-4

TOWNSHIP OF MANCHESTER
SEWER UTILITY WESTERN SERVICE

SERIAL BONDS

I-18

Sewer Utility Bonds Series 2010B	<u>Date of Issue</u>	<u>Original Issue</u>	<u>Maturities of Bonds Outstanding June 30, 2011</u>		<u>Interest Rate</u>	<u>Bonds Issued</u>	<u>Balance June 30, 2011</u>
	<u>Date</u>	<u>Amount</u>	<u>Rate</u>	<u>%</u>			
	9-30-2010	\$ 5,185,000.00	8-01-2012	\$ 25,000.00	4.00	\$	\$
			8-01-2013	36,000.00	4.00		
			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		
			8-01-2025	808,000.00	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		
			8-01-2031	1,338,000.00	4.00		
			8-01-2032	523,000.00	4.00		
						<u>\$ 5,185,000.00</u>	<u>\$ 5,185,000.00</u>

I-4

I

PART II
REPORT ON INTERNAL CONTROL
ROSTER OF OFFICIALS
LETTER OF TRANSMITTAL, COMMENTS AND RECOMMENDATIONS
JUNE 30, 2011

SAMUEL KLEIN AND COMPANY

CERTIFIED PUBLIC ACCOUNTANTS

550 BROAD STREET, 11TH FLOOR
NEWARK, N.J. 07102-4543
PHONE (973) 624-6100
FAX (973) 624-6101

36 WEST MAIN STREET, SUITE 301
FREEHOLD, N.J. 07728-2291
PHONE (732) 780-2600
FAX (732) 780-1030

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

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

We have audited the statutory basis financial statements of the various funds of the Township of Manchester, County of Ocean, as of and for the years ended June 30, 2011 and June 30, 2010, and have issued our report thereon dated March 5, 2012, which was qualified as a result of the Municipality's policy to prepare its financial statements on a basis of accounting prescribed by the Division of Local Government Services, Department of Community Affairs, State of New Jersey, that demonstrates compliance with the modified accrual basis, with certain exceptions, and the budget laws of New Jersey, which is a comprehensive 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 and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and audit requirements as prescribed by the Division of Local Government Services, Department of Community Affairs, State of New Jersey.

Internal Control Over Financial Reporting

In planning and performing our audit, we considered the Municipality's internal control over financial reporting as a basis for designing our auditing procedures for the purpose of expressing our opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the Municipality's internal control over financial reporting. Accordingly, we do not express an opinion on the effectiveness of the Municipality's internal control over financial reporting.

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 entity's financial statements will not be prevented, or detected and corrected on a timely basis.

Our consideration of internal control over financial reporting 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 financial reporting that might be deficiencies, significant deficiencies, or material weaknesses. We did not identify any deficiencies in internal control over financial reporting that we consider to be material weaknesses, as defined above.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the Municipality's financial statements 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 that are required to be reported under *Government Auditing Standards*. We noted certain matters, however, that we have reported and described in Part II of the accompanying "Report on Examination of Accounts".

This report is intended solely for the information and use of the Municipality's governing body and management, State and Federal awarding agencies and the Division of Local Government Services, Department of Community Affairs, State of New Jersey. It is not intended to be and should not be used by anyone other than these specified parties. However, this report is a matter of public record and its distribution is not limited.



SAMUEL KLEIN AND COMPANY
CERTIFIED PUBLIC ACCOUNTANTS

Newark, New Jersey
March 5, 2012

OFFICIALS IN OFFICE AND SURETY BONDS

The following officials were in office July 1, 2010 to June 30, 2011:

<u>Name</u>	<u>Title</u>	<u>Amount of Bond</u>
Michael Fressola	Mayor	\$
Craig Wallis	Council President	
Frederick F. Trutkoff	Council Vice President	
Kenneth H. Vanderziel	Council Member	
Warren E. Reiter	Council Member	
Brendan Weiner	Council Member	
Elena Zsoldos	Business Administrator	
Sabina T. Skibo	Township Clerk	
	Registrar	
Andrea Gaskill	Tax Collector	1,000,000.00
Nancy Ciccone	Tax Search Officer	
Barbara Carter	Deputy Tax Collector/Utility Collector	1,000,000.00
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.

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

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

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 2011 was the sum of \$36,000.00, effective July 1, 2010 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:

- Police Uniforms
- Recycling Services
- Playground Equipment
- Public Works Uniforms

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 June 30, 2011, in the sum of \$833,799.86, represent taxes levied in the fiscal year 2011 and prior. A tax sale was held on April 7, 2011 and June 14, 2011 and both were complete.

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>
2011	19
2010	19
2009	19

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 2011 and 2010 Taxes	50
Delinquent Taxes	50
Payment of 2011 and 2010 Water and Sewer	50
Delinquent Water and Sewer	<u>50</u>
	<u><u>200</u></u>

There were no reportable items developed in our verification tests made in connection with our examination of accounts for State Fiscal Year 2011.

Recreation Department

Wrestling Youth Program fees were not charged according to the resolution on file in the Clerk's Office.

It is recommended that all programs administered by the Recreation Department charge the current fees as established by resolution.

Water and Sewer Utilities Western Section

Accounting software that is currently being utilized is outdated and does not provide a sufficient audit trail that could lead to omitted billings, miscellaneous adjustments or improper recording of receipts.

During September 2011 the Township had purchased and implemented a new software that is in compliance with the State's requirements for the Western Water/Sewer Utilities.

Capital Fixed Assets

The Township maintained a Capital Fixed Asset Report at year end, however, no assets for the newly acquired Water and Sewer Utilities Western Section were tagged or recorded.

It is recommended:

That all Capital Fixed Assets of the Water and Sewer Utilities Western Section be properly recorded.

Municipal Court

For the audit, the December 2011 Monthly Management Report was examined and the following item was noted:

- A. Tickets Assigned but Not Issued Report indicated that 87 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 State Fiscal Year 2010 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 fiscal year 2011.

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.

RECOMMENDATIONS

Recreation Department

That all programs administered by the Recreation Department charge the current fees as established by resolution.

Capital Fixed Assets

That all Capital Fixed Assets of the Water and Sewer Utilities Western Section be properly recorded.

Municipal Court

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

* * *

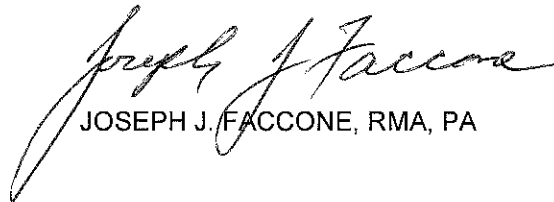
The foregoing comments and resultant recommendations are not of sufficient materiality whereby they would affect our ability to express an opinion on the financial statements taken as a whole.

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
March 5, 2012

