

TOWNSHIP OF MANCHESTER

COUNTY OF OCEAN

NEW JERSEY

REPORT ON

EXAMINATION OF ACCOUNTS

FOR THE STATE FISCAL YEAR ENDED JUNE 30, 2012

**SAMUEL KLEIN AND COMPANY
CERTIFIED PUBLIC ACCOUNTANTS**

TOWNSHIP OF MANCHESTER
COUNTY OF OCEAN, NEW JERSEY

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PART I
REPORT ON EXAMINATION
FINANCIAL STATEMENTS
NOTES TO FINANCIAL STATEMENTS
AND
SUPPLEMENTARY EXHIBITS
STATE FISCAL YEAR ENDED JUNE 30, 2012

SAMUEL KLEIN AND COMPANY

CERTIFIED PUBLIC ACCOUNTANTS

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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, 2012, as listed in the foregoing table of contents, and for the fiscal year ended June 30, 2011. 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 consideration of internal control over financial reporting as a basis for designing audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Municipality's internal control over financial reporting. Accordingly, we express no such opinion. 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 the significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinions.

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, 2012 and 2011 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, 2012 and June 30, 2011, 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 February 8, 2013 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

February 8, 2013
Newark, New Jersey

TOWNSHIP OF MANCHESTER
CURRENT FUND

COMPARATIVE BALANCE SHEETS

A
Sheet #1

<u>ASSETS AND DEFERRED CHARGES</u>	<u>Ref.</u>	<u>Balance</u> <u>June 30, 2012</u>	<u>Balance</u> <u>June 30, 2011</u>
Cash - Treasurer	A-4	\$ 3,155,427.35	\$ 2,602,865.05
Change Fund	A-6	630.00	630.00
Due from State of New Jersey (Ch. 129, P.L. 1976)	A-7	830,494.54	838,519.64
		<u>3,986,551.89</u>	<u>3,442,014.69</u>
Receivables and Other Assets with Full Reserves:			
Taxes Receivable	A-8	898,257.57	833,799.86
Tax Title Liens	A-9	135,960.07	93,940.62
Property Acquired for Taxes at Assessed Valuations	A-10	942,474.28	942,474.28
Interfunds Receivable	A-11	20,424.33	30,847.70
Revenue Accounts Receivable	A-12	57,870.88	40,826.39
		<u>2,054,987.13</u>	<u>1,941,888.85</u>
Deferred Charges:			
Special Emergency Authorization	A-13	595,000.00	525,000.00
		<u>6,636,539.02</u>	<u>5,908,903.54</u>
<u>Federal and State Grant Fund</u>			
Cash	A-4	288,301.61	349,023.20
Federal and State Grant Receivables	A-14	96,474.60	140,745.90
		<u>384,776.21</u>	<u>489,769.10</u>
		<u>\$ 7,021,315.23</u>	<u>\$ 6,398,672.64</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, 2012</u>	<u>Balance June 30, 2011</u>
Expenditure Accounts:			
Appropriation Reserves:			
Encumbered	A-3,15	\$ 655,209.93	\$ 678,344.25
Unencumbered	A-3,15	1,540,985.39	1,060,421.22
Interfunds Payable	A-16	95,000.00	61,975.00
Due to State of New Jersey:			
DCA Surcharge	A-17	8,438.00	5,893.00
Marriage License Fees	A-17	587.00	687.00
Tax Overpayments	A-18	53,322.88	
Reserve for Unappropriated State Aid - Pilot	A-19	159,227.00	159,227.00
Accounts Payable	A-20	33,581.73	33,581.73
Special Emergency Note Payable	A-21	595,000.00	525,000.00
Prepaid Taxes	A-24	20,870.44	77,812.33
		<u>3,162,222.37</u>	<u>2,602,941.53</u>
Reserve for Receivables and Other			
Assets		2,054,987.13	1,941,888.85
Fund Balance	A-1	1,419,329.52	1,364,073.16
		<u>6,636,539.02</u>	<u>5,908,903.54</u>
 <u>Federal and State Grant Fund</u>			
Reserve for Federal and State Grants -			
Appropriated	A-25	282,516.29	350,069.81
Reserve for Federal and State Aid			
Unappropriated	A-26	102,259.92	139,699.29
		<u>384,776.21</u>	<u>489,769.10</u>
		<u>\$ 7,021,315.23</u>	<u>\$ 6,398,672.64</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 June 30, 2012	State Fiscal Year June 30, 2011
<u>Revenue and Other Income Realized</u>			
Fund Balance Utilized	A-2	\$ 1,275,000.00	\$ 780,000.00
Miscellaneous Revenue Anticipated	A-2	8,459,908.08	8,386,860.95
Receipts from Delinquent Taxes	A-2a	813,327.23	976,496.27
Receipts from Current Taxes	A-2a	74,549,237.43	73,071,500.40
Nonbudget Revenue	A-2c	643,273.65	1,121,769.20
Other Credits to Income:			
Federal and State Grants Cancelled	A-4	171,072.04	
Prior Year Senior Citizens/Veterans	A-7	21,250.00	
Interfunds Liquidated	A-11	10,423.37	
Unexpended Balances of Appropriation Reserves	A-15	580,271.70	112,236.05
		<u>86,523,763.50</u>	<u>84,448,862.87</u>
<u>Expenditures</u>			
Budget Appropriations:			
Operations		23,359,385.42	22,263,696.57
Capital Improvements		125,795.00	60,000.00
Debt Service		2,919,877.86	2,803,160.16
Deferred Charges and Statutory Expenditures		3,310,998.00	3,260,625.03
	A-3	<u>29,716,056.28</u>	<u>28,387,481.76</u>
Municipal Open Space Taxes	A-2a	407,936.00	408,524.00
Federal and State Grants Cancelled	A-4	38,984.67	
Prior Year Senior Citizens/Veterans Cancelled	A-7	19,250.00	
Refund of Prior Year Revenues			1.19
Interfunds Established			15,095.60
County Taxes Payable	A-22	14,524,119.19	14,758,322.88
Local School District Taxes Payable	A-23	40,662,161.00	39,723,306.27
		<u>85,368,507.14</u>	<u>83,292,731.70</u>
Excess in Revenue		1,155,256.36	1,156,131.17
Adjustment to Income Before Fund Balance:			
Expenditures Included Above Which Are By Statute			
Deferred Charges to Budget of Succeeding Year		175,000.00	
Statutory Excess to Fund Balance		1,330,256.36	1,156,131.17
<u>Fund Balance</u>			
Balance July 1	A	<u>1,364,073.16</u>	<u>987,941.99</u>
		2,694,329.52	2,144,073.16
Decreased by:			
Utilized as Anticipated Revenue	Above	1,275,000.00	780,000.00
Balance June 30	A	<u>\$ 1,419,329.52</u>	<u>\$ 1,364,073.16</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		\$ 525,000.00	\$ 525,000.00	\$
Surplus Anticipated with Prior Written Consent of Director of Local Government Services		<u>750,000.00</u>	<u>750,000.00</u>	
Total Surplus Anticipated	A-1	<u>1,275,000.00</u>	<u>1,275,000.00</u>	
Miscellaneous Revenue:				
Licenses:				
Alcoholic Beverages	A-12	25,765.00	35,500.00	9,735.00
Other	A-2b	16,791.00	21,069.00	4,278.00
Other Fees and Permits	A-2b	717,000.00	770,810.74	53,810.74
Municipal Court	A-12	474,500.00	492,004.23	17,504.23
Interest and Costs on Taxes	A-5	202,360.00	199,260.06	(3,099.94)
Interest on Investments	A-12	56,600.00	52,972.19	(3,627.81)
Energy Receipts Tax	A-12	2,795,974.00	2,795,974.00	
Host Community Benefits	A-12	888,300.00	844,779.68	(43,520.32)
Cable TV Franchise Fees	A-12	167,000.00	163,392.05	(3,607.95)
Uniform Fire Safety Act	A-12	26,000.00	25,710.41	(289.59)
Uniform Construction Fees	A-12	585,000.00	660,507.00	75,507.00
Consolidated Municipal Property Tax Relief Act	A-12	262,266.00	262,266.00	
Unappropriated Reserve - Pilot Garden State Trust	A-19	159,227.00	159,227.00	
Police Body Armor Grant - Unappropriated	A-14	14,508.06	14,508.06	
Senior Outreach Grant	A-14	125,000.00	125,000.00	
Unappropriated Reserve Senior Outreach Grant	A-14	17,100.00	17,100.00	
Municipal Drug Alliance	A-14	16,840.00	16,840.00	
Clean Communities Grant - Unappropriated	A-14	94,242.90	94,242.90	
Drunk Driving Enforcement Fund	A-14	9,983.06	9,983.06	
DOT - Colonial Drive	A-14	130,000.00	130,000.00	
FY 2011 966 Reimbursement Program	A-14	5,661.40	5,661.40	
Open Space Share of Debt	A-12	390,000.00	382,771.50	(7,228.50)
Tower Rental	A-12	44,600.00	48,637.45	4,037.45
Senior Citizens' and Veterans' Post Year Statements	A-12	41,800.00	39,364.65	(2,435.35)
Hotel Tax	A-12	24,800.00	27,651.36	2,851.36
Reimbursement for In-Kind Facilities and Security Services	A-12	743,336.00	743,336.00	
Utility Surplus Anticipated	A-12	250,000.00	250,000.00	
Ocean County Recycling Revenue Fund	A-12	47,900.00	71,339.34	23,439.34
Total Miscellaneous Revenue	A-1	<u>8,332,554.42</u>	<u>8,459,908.08</u>	<u>127,353.66</u>
Receipts from Delinquent Taxes	A-2a	<u>825,000.00</u>	<u>813,327.23</u>	<u>(11,672.77)</u>
		9,157,554.42	9,273,235.31	115,680.89
Amount to be Raised by Taxation	A-2a,8	<u>20,552,118.27</u>	<u>19,865,555.01</u>	<u>(686,563.26)</u>
		29,709,672.69	29,138,790.32	(570,882.37)
Nonbudget Revenue	A-2c	<u>643,273.65</u>	<u>643,273.65</u>	<u>643,273.65</u>
	A-3	<u>\$ 30,984,672.69</u>	<u>\$ 31,057,063.97</u>	<u>\$ 72,391.28</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 2012 Collections	A-8	\$ 72,513,217.72	
Prepaid Applied	A-8	77,812.33	
Due from State of New Jersey (Ch. 129, P.L. 1976)	A-8	<u>1,958,207.38</u>	
	A-1		\$ 74,549,237.43
Allocated to:			
Municipal Open Space	A-1,8	407,936.00	
County Taxes	A-22	14,524,119.19	
Local School District Tax	A-23	<u>40,662,161.00</u>	
			<u>55,594,216.19</u>
Balance for Support of Municipal Budget Appropriations			18,955,021.24
Plus: Reserve for Uncollected Taxes	A-3		<u>910,533.77</u>
Amount for Support of Municipal Budget Appropriations	A-2		<u>\$ 19,865,555.01</u>
<u>Receipts from Delinquent Taxes</u>			
Delinquent Tax Collections	A-8	\$ 807,631.32	
Tax Title Liens	A-9	<u>5,695.91</u>	
	A-1,2		<u>\$ 813,327.23</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	\$ 19,389.00	
Health Officer	A-12	<u>1,680.00</u>	
	A-2		<u>\$ 21,069.00</u>
 <u>Other Fees and Permits</u>			
Township Clerk	A-12	\$ 218,050.34	
Tax Collector	A-12	15,282.82	
Land Use	A-12	88,613.86	
Recreation Department	A-12	120,620.00	
Zoning Board	A-12	21,625.00	
Registrar of Vital Statistics	A-12	72,576.00	
Housing	A-12	52,770.00	
Engineering Department	A-12	10,397.00	
Building Inspector	A-12	78,378.00	
Police Department	A-12	22,902.72	
Beach Badges	A-12	<u>69,595.00</u>	
	A-2		<u>\$ 770,810.74</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 - Worker's Compensation		\$ 2,680.10
Sale of Assets		60,280.43
Recycling		44,735.80
Copies		1,362.25
Restitution		417.94
Cell Phone Recycling		59.65
CBS Outdoor Billboard		6,000.00
Administrative Fees for Police Off-Duty		14,831.73
Senior Outreach Donations		8,056.00
Concession Stand		3,919.60
Sale of Scrap Metal		45,572.90
NJ Energy Rebate		7,677.15
Tax Redemptions		6,950.00
Bank Charges		60.00
Miscellaneous		880.35
SERV - Pilot		23,200.65
DMV Inspection Fines		10,144.75
Prior Year Budget Refund		21,196.75
Insurance Claim - Property Damage		13,841.72
HIF Dividend		260,019.00
Homestead Administrative Fee		5,414.40
Miscellaneous Court Fees		977.50
Firing Range		1,500.00
Beckerville Pilot		44,792.75
JIF Dividend		<u>53,067.91</u>
	A-4	\$ 637,639.33
Excess in Animal Control Fund	A-11	<u>5,634.32</u>
Realized Revenue	A-1,2	<u><u>\$ 643,273.65</u></u>

See accompanying notes to financial statements.

TOWNSHIP OF MANCHESTER
CURRENT FUND

STATEMENT OF EXPENDITURES

A-3
Sheet #1

	Appropriations		Paid or Charged	Expended		Unexpended Balance Cancelled
	Budget	Modified Budget		Reserved		
				Encumbered	Unencumbered	
APPROPRIATIONS WITHIN "CAPS"						
<u>OFFICE OF THE MAYOR</u>						
Office of the Mayor:						
Salaries and Wages	\$ 68,000.00	\$ 68,000.00	\$ 68,000.00	\$	\$	\$
Other Expenses	2,600.00	2,600.00	569.55	91.00	1,939.45	
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	791.18		1,208.82	
Office of the Clerk:						
Salaries and Wages	97,000.00	87,000.00	82,103.60		4,896.40	
Other Expenses	93,000.00	93,000.00	35,224.61	250.00	57,525.39	
Municipal Audit:						
Other Expenses	46,000.00	46,000.00			46,000.00	
Zoning Board of Adjustments:						
Other Expenses	26,000.00	26,000.00	9,801.61		16,198.39	
<u>DEPARTMENT OF ADMINISTRATION</u>						
Office of the Tax Assessor:						
Salaries and Wages	285,000.00	315,000.00	307,824.71		7,175.29	
Other Expenses	10,000.00	15,000.00	11,580.84	3,044.26	374.90	
Reassessment		175,000.00	5,000.00	37,500.00	132,500.00	
Division of Administration, Purchasing and Personnel:						
Salaries and Wages	140,000.00	130,000.00	123,291.42		6,708.58	
Other Expenses	180,000.00	190,000.00	168,151.31	18,535.90	3,312.79	
Division of Recreation:						
Salaries and Wages	325,000.00	325,000.00	300,967.48		24,032.52	
Other Expenses	100,000.00	100,000.00	74,248.49	23,954.31	1,797.20	
Division of Data Processing:						
Salaries and Wages	70,000.00	70,000.00	59,704.37		10,295.63	
Other Expenses	42,000.00	42,000.00	37,464.76	1,865.92	2,669.32	
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		Unencumbered
APPROPRIATIONS WITHIN "CAPS"							
DEPARTMENT OF PUBLIC WORKS							
Division of Administration and Streets:							
Salaries and Wages	\$ 1,275,000.00	\$ 1,260,000.00	\$ 1,141,584.15	\$ 51,582.95	\$ 118,415.85	\$	
Other Expenses	200,000.00	180,000.00	127,961.58		455.47		
Division of Building and Grounds:							
Salaries and Wages	90,000.00	90,000.00	89,635.46		364.54		
Other Expenses	86,500.00	96,500.00	79,110.06	6,626.23	10,763.71		
Division of Sanitation and Recycling:							
Salaries and Wages	43,000.00	43,000.00	41,540.95		1,459.05		
Other Expenses	480,000.00	480,000.00	467,449.80	3,780.00	8,770.20		
Division of Central Maintenance:							
Salaries and Wages	217,000.00	217,000.00	184,441.30		32,558.70		
Other Expenses	180,000.00	188,000.00	164,996.32	20,397.13	2,606.55		
Division of Lakes, Parks and Playgrounds:							
Salaries and Wages	96,500.00	96,500.00	86,597.05		9,902.95		
Other Expenses	40,000.00	40,000.00	35,311.01	4,440.66	248.33		
DEPARTMENT OF PUBLIC SAFETY							
Police:							
Salaries and Wages	7,000,000.00	7,045,000.00	7,040,963.79		4,036.21		
Other Expenses	485,000.00	485,000.00	426,013.18	51,874.90	7,111.92		
Police Clerical and Computer:							
Salaries and Wages	675,000.00	661,000.00	650,754.65		10,245.35		
Division of Animal Control:							
Salaries and Wages	50,000.00	50,000.00	45,518.70		4,481.30		
Other Expenses	40,000.00	35,000.00	26,215.02	614.53	8,170.45		
Division of Emergency Management:							
Salaries and Wages	9,000.00	9,000.00	2,024.92		6,975.08		
Other Expenses	5,000.00	5,000.00	1,452.05	191.54	3,356.41		

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	
<u>APPROPRIATIONS WITHIN "CAPS"</u>						
DEPARTMENT OF LAND USE AND PLANNING						
Division of Zoning and Planning:						
Salaries and Wages	\$ 76,000.00	\$ 76,000.00	\$ 76,000.00	\$ 2,179.90	\$ 20,228.23	\$
Other Expenses	40,000.00	70,000.00	47,591.87			
Uniform Fire Safety Act:						
Salaries and Wages	26,000.00	26,000.00	26,000.00			
Other Expenses	1,000.00	1,000.00			1,000.00	
DEPARTMENT OF FINANCE						
Financial Administration:						
Salaries and Wages	75,000.00	75,000.00	75,000.00			
Other Expenses	26,000.00	18,000.00	13,164.34	3,005.43	1,830.23	
Division of Revenue Collection:						
Salaries and Wages	140,000.00	144,000.00	138,522.02		5,477.98	
Other Expenses	55,000.00	55,000.00	43,416.13	10,749.32	834.55	
DEPARTMENT OF ENGINEERING						
Engineering:						
Other Expenses	100,000.00	130,000.00	114,011.64		15,988.36	
DEPARTMENT OF LAW						
Township Attorney:						
Other Expenses	175,000.00	175,000.00	153,192.35	2,500.00	19,307.65	
Municipal Prosecutor:						
Other Expenses	40,000.00	40,000.00	37,366.58		2,633.42	
Closing Costs for Foreclosed Properties:						
Other Expenses	10,000.00	10,000.00	10,000.00			
OTHER						
Municipal Court:						
Salaries and Wages	275,000.00	275,000.00	250,180.29	555.51	24,264.20	
Other Expenses	21,000.00	21,000.00	7,615.98	99.70	13,284.32	

TOWNSHIP OF MANCHESTER
CURRENT FUND

STATEMENT OF EXPENDITURES

A-3
Sheet #4

	Appropriations		Paid or Charged	Expended		Unexpended Balance Cancelled	
	Budget	Modified Budget		Encumbered	Reserved		Unencumbered
<u>APPROPRIATIONS WITHIN "CAPS"</u>							
OTHER							
Public Defender (P.L. 1997, C.256):							
Salaries and Wages	\$ 18,500.00	\$ 18,500.00	\$	\$	\$ 3,500.00	\$ 15,000.00	
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	1,000.00		6,500.00		
Insurance:							
General Liability	627,300.00	592,300.00	581,363.34		10,936.66		
Worker's Compensation	922,000.00	887,000.00	873,569.01		13,430.99		
Employee Group Health	4,651,250.00	4,651,250.00	3,778,770.30	363,655.78	108,823.92	400,000.00	
Employee Opt Out Payments	88,000.00	88,000.00	2,881.80		85,118.20		
DEPARTMENT OF UNIFORM CONSTRUCTION CODE							
Uniform Construction Code:							
Salaries and Wages	350,000.00	350,000.00	330,028.52		19,971.48		
Other Expenses	87,600.00	67,600.00	41,247.28	10,221.69	16,131.03		
UNCLASSIFIED							
Utilities:							
Gasoline	450,000.00	450,000.00	394,995.58	37,493.27	17,511.15		
Electricity	245,000.00	245,000.00	193,238.61		51,761.39		
Telephone	145,000.00	145,000.00	133,785.86		11,214.14		
Natural Gas	40,000.00	40,000.00	13,978.93		26,021.07		
Heating Oil	8,000.00	8,000.00			8,000.00		
Street Lighting	170,000.00	170,000.00	150,103.13		19,896.87		
Condominium Services Act	475,000.00	475,000.00	342,397.47		132,602.53		
Accumulated Leave Compensation	125,000.00	125,000.00	16,601.24		108,398.76		
<u>CONTINGENT</u>	5,000.00	5,000.00			5,000.00		
Total Operations	22,089,850.00	22,264,850.00	19,892,316.19	655,209.93	1,302,323.88	415,000.00	

TOWNSHIP OF MANCHESTER
CURRENT FUND

STATEMENT OF EXPENDITURES

A-3
Sheet #5

Appropriations	Appropriations		Paid or Charged	Expended		Unexpended Balance Cancelled
	Budget	Modified Budget		Encumbered	Reserved	
Detail:						
Salaries and Wages	\$ 11,402,000.00	\$ 11,432,000.00	\$ 11,120,683.38	\$ 404,159.87		\$ 415,000.00
Other Expenses	10,687,850.00	10,832,850.00	8,771,632.81	655,209.93	898,164.01	
STATUTORY EXPENDITURES						
Contribution to:						
Reserve for N.J. Unemployment Trust	30,000.00	30,000.00	30,000.00			
Police and Firemen's Retirement System of N.J.	1,620,495.00	1,620,495.00	1,620,495.00			
Public Employees' Retirement System:						
Other Expense	675,503.00	675,503.00	675,503.00			
Social Security System (OASDI)	980,000.00	980,000.00	801,849.50		78,150.50	100,000.00
	3,305,998.00	3,305,998.00	3,127,847.50		78,150.50	100,000.00
Total Appropriations Within "CAPS"	25,395,848.00	25,570,848.00	23,020,163.69	655,209.93	1,380,474.38	515,000.00
APPROPRIATIONS EXCLUDED FROM "CAPS"						
OTHER OPERATIONS						
LOSAP:						
Other Expenses	130,000.00	130,000.00	111,550.00		18,450.00	
Insurance - Group	218,750.00	218,750.00	218,750.00			
Reserve for Tax Appeals	375,000.00	375,000.00	232,938.99		142,061.01	
Total Other Operations - Excluded from "CAPS"	723,750.00	723,750.00	563,238.99		160,511.01	
STATE AND FEDERAL PROGRAMS						
OFFSET BY REVENUES						
Senior Outreach Program:						
Salaries and Wages	125,000.00	125,000.00	125,000.00			
Unappropriated Reserve - Federal Share	17,100.00	17,100.00	17,100.00			
Local Match	371,450.00	371,450.00	371,450.00			

TOWNSHIP OF MANCHESTER
CURRENT FUND

STATEMENT OF EXPENDITURES

A-3
Sheet #6

	Appropriations		Paid or Charged	Expended		Unexpended Balance Cancelled
	Budget	Modified Budget		Encumbered	Reserved	
<u>APPROPRIATIONS EXCLUDED FROM "CAPS"</u>						
STATE AND FEDERAL PROGRAMS OFFSET BY REVENUES						
Drunk Driving Enforcement Fund:						
Other Expenses	\$ 9,983.06	\$ 9,983.06	\$ 9,983.06	\$	\$	\$
Unappropriated Reserve - Body Armor Grant:						
Other Expenses	14,508.06	14,508.06	14,508.06			
FY 11 966 Reimbursement Program - Ocean County	5,661.40	5,661.40	5,661.40			
Clean Communities Grant:						
Salaries and Wages	94,242.90	94,242.90	94,242.90			
Municipal Drug Alliance:						
Other Expenses	16,840.00	16,840.00	16,840.00			
Local Share	1,000.00	1,000.00	1,000.00			
Colonial Drive NJDOT	130,000.00	130,000.00	130,000.00			
Total Public and Private Programs Offset by Revenues	785,785.42	785,785.42	785,785.42			
Total Operations Excluded from "CAPS"	1,509,535.42	1,509,535.42	1,349,024.41		160,511.01	
Detail:						
Salaries and Wages	125,000.00	219,242.90	219,242.90			
Other Expenses	1,384,535.42	1,290,292.52	1,129,781.51		160,511.01	
Capital Improvements Capital Improvement Fund	125,795.00	125,795.00	125,795.00			
MUNICIPAL DEBT SERVICE						
Payment of Bond Principal	2,005,000.00	2,005,000.00	2,005,000.00			
Interest on Bonds	579,295.00	579,295.00	572,127.50			7,167.50
Interest on Bond and Capital Notes	115,000.00	115,000.00	115,000.00			
Interest on Notes	92,625.00	92,625.00	92,375.00			250.00
Green Trust Loan Program: Loan Repayment for Principal and Interest	146,040.50	146,040.50	135,375.36			10,665.14
	2,937,960.50	2,937,960.50	2,919,877.86			18,082.64

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 Unencumbered	
Appropriations						
Deferred Charges:						
Special Emergency Authorizations						
5 Years (N.J.S. 40A:4-55)	\$ 105,000.00	\$ 105,000.00	\$ 105,000.00	\$	\$	\$
Total General Appropriations for Municipal Purposes Excluded from "CAPS"	4,678,290.92	4,678,290.92	4,499,697.27	160,511.01	18,082.64	
Sub-Total General Appropriations	30,074,138.92	30,249,138.92	27,519,860.96	1,540,985.39	533,082.64	
Reserve for Uncollected Taxes	910,533.77	910,533.77	910,533.77			
Total General Appropriations	\$ 30,984,672.69	\$ 31,159,672.69	\$ 28,430,394.73	\$ 655,209.93	\$ 1,540,985.39	\$ 533,082.64
Reference		Below	Below	A	A	
Adopted Budget						
Added by N.J.S. 40A:4-87		\$ 30,854,672.69	\$			
Reserve for Uncollected Taxes		130,000.00				
Cash Expended		(910,533.77)	910,533.77			
Cancelled		(533,082.64)	26,629,075.54			
Matching Funds for Federal and State Grants			372,450.00			
Emergency Appropriation		175,000.00	105,000.00			
Reserve for Federal and State Grants			413,335.42			
A-1,Above		\$ 29,716,056.28	\$ 28,430,394.73			

APPROPRIATIONS EXCLUDED FROM "CAPS"

Deferred Charges:
Special Emergency Authorizations
5 Years (N.J.S. 40A:4-55)

Total General Appropriations for Municipal Purposes Excluded from "CAPS"

Sub-Total General Appropriations

Reserve for Uncollected Taxes

Total General Appropriations

Ref.

Adopted Budget
Added by N.J.S. 40A:4-87
Reserve for Uncollected Taxes
Cash Expended
Cancelled
Matching Funds for Federal and State Grants
Emergency Appropriation
Reserve for Federal and State Grants

See accompanying notes to financial statements.

TOWNSHIP OF MANCHESTER
TRUST FUND

COMPARATIVE BALANCE SHEETS

B

<u>ASSETS</u>	<u>Ref.</u>	<u>Balance June 30, 2012</u>	<u>Balance June 30, 2011</u>
<u>Animal Control Trust Fund</u>			
Cash	B-1	\$ 45,570.52	\$ 57,017.30
<u>General Trust Fund</u>			
Cash:			
Special Deposits/Performance Bonds	B-1	3,209,441.84	4,037,834.94
Redemption Trust Fund	B-1	218,532.43	259,447.43
State Unemployment Compensation Insurance Trust Fund	B-1	183,213.49	168,119.79
Police Drug Enforcement Trust Account	B-1	39,994.67	38,557.98
Municipal Drug Alliance	B-1	3,420.14	5,726.69
Public Defender Trust Fund	B-1	47,931.93	41,897.93
Manchester Day Trust Fund	B-1	2,430.80	5,830.80
Open Space Trust Fund	B-1	57,274.64	1,269,595.30
Recreation Trust Fund	B-1	13,429.44	16,230.71
		<u>3,775,669.38</u>	<u>5,843,241.57</u>
Community Development Block Grant Receivable	B-2	65,000.00	65,000.00
		<u>3,840,669.38</u>	<u>5,908,241.57</u>
		<u>\$ 3,886,239.90</u>	<u>\$ 5,965,258.87</u>
 <u>LIABILITIES, RESERVES AND FUND BALANCE</u>			
<u>Animal Control Trust Fund</u>			
Due to State of New Jersey	B-3	\$ 1,411.80	\$ 1,951.20
Prepaid Licenses	B-4	14,526.20	15,905.60
Due to Current Fund	B-5	5,634.32	14,479.90
Reserve for Animal Control Expenditures	B-6	23,998.20	24,680.60
		<u>45,570.52</u>	<u>57,017.30</u>
<u>General Trust Fund</u>			
Interfunds Payable	B-7	14,790.01	16,367.80
Manchester Day Trust Fund	B-8	2,430.80	5,830.80
Deposits for Redemption of Tax Title Liens	B-9	218,532.43	259,447.43
Special Deposits	B-10	3,202,038.33	3,951,853.64
State Unemployment Compensation Insurance Trust Fund	B-11	183,213.49	168,119.79
Police Drug Enforcement Trust Account	B-12	39,994.67	38,557.98
Municipal Drug Alliance	B-13	3,420.14	5,726.69
Public Defender Fees	B-14	47,931.93	41,897.93
Open Space Trust Fund	B-15	57,274.64	1,269,595.30
Recreation Trust Fund	B-16	13,429.44	16,230.71
Community Development Block Grant Reserves	B-17	56,750.00	56,750.00
Retirement Pay	B-18	863.50	77,863.50
		<u>3,840,669.38</u>	<u>5,908,241.57</u>
		<u>\$ 3,886,239.90</u>	<u>\$ 5,965,258.87</u>

See accompanying notes to financial statements.

TOWNSHIP OF MANCHESTER
GENERAL CAPITAL FUND

COMPARATIVE BALANCE SHEETS

C

<u>ASSETS AND DEFERRED CHARGES</u>	Ref.	Balance <u>June 30, 2012</u>	Balance <u>June 30, 2011</u>
Cash	C-2	\$ 2,117,623.36	\$ 1,926,469.17
Interfunds Receivable	C-4	95,000.00	61,975.00
Due from State of New Jersey	C-5		150,000.00
Deferred Charges to Future Taxation:			
Funded	C-6	12,997,334.43	14,545,968.25
Unfunded	C-7	6,423,482.18	7,421,592.00
		<u>\$ 21,633,439.97</u>	<u>\$ 24,106,004.42</u>
<u>LIABILITIES, RESERVES AND FUND BALANCE</u>			
General Serial Bonds	C-13	\$ 11,748,000.00	\$ 13,753,000.00
Bond Anticipation Notes	C-12	5,885,000.00	6,000,000.00
Interfunds Payable	C-8		414,800.00
Green Acres Loan Payable	C-9	1,249,334.43	792,968.25
Capital Improvement Fund	C-10	476,205.45	350,410.45
Improvement Authorizations:			
Funded	C-11	272,833.64	406,829.05
Unfunded	C-11	1,692,725.11	2,265,532.86
Fund Balance	C-1	309,341.34	122,463.81
		<u>\$ 21,633,439.97</u>	<u>\$ 24,106,004.42</u>
Bonds and Notes Authorized but Not Issued	C-14	\$ 538,606.50	\$ 1,421,592.00

See accompanying notes to financial statements.

TOWNSHIP OF MANCHESTER
GENERAL CAPITAL FUND

STATEMENT OF FUND BALANCE

C-1

	<u>Ref.</u>		
Balance June 30, 2011	C		\$122,463.81
Increased by:			
Premium on Sale of Notes	C-1	\$ 15,597.00	
Improvement Authorizations Cancelled	C-11	<u>171,280.53</u>	
			<u>186,877.53</u>
Balance June 30, 2012	C		<u>\$309,341.34</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, 2012</u>	<u>Balance</u> <u>June 30, 2011</u>
<u>Operating Fund</u>			
Cash:			
Checking	D-5	\$ 808,903.78	\$ 1,177,324.42
Escrow	D-5	315,187.01	294,471.75
		<u>1,124,090.79</u>	<u>1,471,796.17</u>
Receivables and Inventory with Full Reserves:			
Consumer Accounts Receivable	D-7	98,348.24	107,052.22
Water Liens	D-8	3,261.49	3,118.29
Connection Fees Receivable	D-9	1,010.00	
Inventory	D-10	36,419.40	112,357.08
		<u>139,039.13</u>	<u>222,527.59</u>
		<u>1,263,129.92</u>	<u>1,694,323.76</u>
<u>Capital Fund</u>			
Cash - Checking	D-5	2,295,361.11	2,629,376.31
Fixed Capital	D-11	9,941,957.01	9,657,941.81
Fixed Capital Authorized and Uncompleted	D-12	240,726.17	524,741.37
		<u>12,478,044.29</u>	<u>12,812,059.49</u>
		<u>\$13,741,174.21</u>	<u>\$14,506,383.25</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, 2012</u>	<u>Balance June 30, 2011</u>
<u>Operating Fund</u>			
Liabilities:			
Appropriation Reserves:			
Encumbered	D-4,13	\$ 95,680.54	\$ 13,273.71
Unencumbered	D-4,13	184,170.01	123,103.11
Reserve for Accrued Interest on Bonds	D-14	29,244.23	42,523.17
Reserve for Escrow Deposits	D-15	<u>315,187.01</u>	<u>294,471.75</u>
		624,281.79	473,371.74
Reserve for Receivables and Inventory		139,039.13	222,527.59
Fund Balance	D-1	<u>499,809.00</u>	<u>998,424.43</u>
		<u>1,263,129.92</u>	<u>1,694,323.76</u>
 <u>Capital Fund</u>			
Serial Bonds	D-20	2,275,000.00	2,680,000.00
Capital Improvement Fund	D-16	2,017,889.94	2,067,889.94
Reserve for Amortization	D-17	6,745,760.00	6,340,760.00
Deferred Reserve for Amortization	D-18	1,161,923.18	1,161,923.18
Improvement Authorizations:			
Funded	D-19	240,726.17	524,741.37
Fund Balance	D-2	<u>36,745.00</u>	<u>36,745.00</u>
		<u>12,478,044.29</u>	<u>12,812,059.49</u>
		<u>\$13,741,174.21</u>	<u>\$14,506,383.25</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 2012</u>	<u>Fiscal</u> <u>Year 2011</u>
<u>Revenue and Other Income</u>			
Fund Balance Utilized	D-3	\$ 800,000.00	\$ 1,000,000.00
Water Rents and Liens	D-3	2,122,926.05	2,171,347.24
Miscellaneous Revenue	D-3	84,943.33	128,977.28
Other Credits to Income:			
Appropriation Reserves Lapsed	D-13	18,849.11	21,040.99
		<u>3,026,718.49</u>	<u>3,321,365.51</u>
 <u>Expenditures</u>			
Budget Appropriations:			
Operating:			
Salaries and Wages		650,000.00	617,816.99
Other Expenses		1,461,905.93	1,609,893.15
Debt Service		490,094.07	510,668.48
Capital Improvements		50,000.00	
Statutory Expenditures		73,000.00	68,703.38
	D-4	<u>2,725,000.00</u>	<u>2,807,082.00</u>
Prior Year Revenue Refunds	D-5	<u>333.92</u>	
Excess in Revenue		301,384.57	514,283.51
 <u>Fund Balance</u>			
Balance July 1	D	<u>998,424.43</u>	<u>1,484,140.92</u>
		1,299,809.00	1,998,424.43
 Decreased by:			
Utilized as Anticipated Revenue	Above	<u>800,000.00</u>	<u>1,000,000.00</u>
Balance June 30	D	<u>\$ 499,809.00</u>	<u>\$ 998,424.43</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, 2011	D	<u>\$ 36,745.00</u>
Balance June 30, 2012	D	<u><u>\$ 36,745.00</u></u>

See accompanying notes to financial statements.

TOWNSHIP OF MANCHESTER
WATER UTILITY EASTERN SERVICE

STATEMENT OF REVENUE
OPERATING FUND

D-3

	<u>Ref.</u>	<u>Anticipated</u>	<u>Realized</u>	<u>Excess or (Deficit)</u>
Fund Balance Utilized	D-1	\$ 800,000.00	\$ 800,000.00	\$
Rents and Liens	D-1,7	2,000,000.00	2,122,926.05	122,926.05
Miscellaneous	D-1,Below	<u>125,000.00</u>	<u>84,943.33</u>	<u>(40,056.67)</u>
Total Budget	D-4	<u>\$ 2,925,000.00</u>	<u>\$ 3,007,869.38</u>	<u>\$ 82,869.38</u>
 <u>Analysis of Miscellaneous Revenue</u>				
Other Revenue:				
Connection Fees	D-9	\$	\$ 23,938.00	
Interest on Deposits		4,347.18		
Service Charges		1,325.00		
Meter Fees		3,150.00		
Lateral Installation Fees		1,400.00		
Interest on Delinquent Accounts		15,553.28		
Water Application		300.00		
Escrow Charges		<u>34,929.87</u>		
	D-5		<u>61,005.33</u>	
	Above		<u>\$ 84,943.33</u>	

See accompanying notes to financial statements.

TOWNSHIP OF MANCHESTER
WATER UTILITY EASTERN SERVICE

STATEMENT OF EXPENDITURES

D-4

	SFY 2012 Budget Appropriation	SFY 2012 Modified _Budget_	Paid or Charged	Expended	Encumbered	Unencumbered	Balance Cancelled
<u>Operating</u>							
Salaries and Wages	\$ 750,000.00	\$ 750,000.00	\$ 628,366.52	\$	95,680.54	\$ 21,633.48	\$ 100,000.00
Other Expenses	1,561,905.93	1,561,905.93	1,213,886.58		95,680.54	152,338.81	100,000.00
	<u>2,311,905.93</u>	<u>2,311,905.93</u>	<u>1,842,253.10</u>		<u>95,680.54</u>	<u>173,972.29</u>	<u>200,000.00</u>
<u>Debt Service</u>							
Bond Principal	405,000.00	405,000.00	405,000.00				
Interest on Bonds	85,094.07	85,094.07	85,094.07				
	<u>490,094.07</u>	<u>490,094.07</u>	<u>490,094.07</u>				
<u>Capital Improvements</u>							
Capital Improvement Fund	50,000.00	50,000.00	50,000.00				
<u>Statutory Expenditures</u>							
Contribution to:							
PERS System	10,000.00	10,000.00	10,000.00				
Social Security System	58,000.00	58,000.00	47,802.28			10,197.72	
Accumulated Leave	5,000.00	5,000.00	5,000.00				
	<u>73,000.00</u>	<u>73,000.00</u>	<u>62,802.28</u>			<u>10,197.72</u>	
	<u>\$2,925,000.00</u>	<u>\$2,925,000.00</u>	<u>\$2,445,149.45</u>		<u>\$ 95,680.54</u>	<u>\$ 184,170.01</u>	<u>\$ 200,000.00</u>
Reference	D-3	Below	Below		D	D	Reserve
Ref.							
Modified Budget		\$2,925,000.00		\$			
Cancelled		Above (200,000.00)					
Cash Disbursed		Above	2,360,055.38				
Accrued Interest on Bonds		D-5 D-14	85,094.07				
		D-1, Above	<u>\$2,445,149.45</u>				

TOWNSHIP OF MANCHESTER
PUBLIC ASSISTANCE TRUST FUND

COMPARATIVE BALANCE SHEETS

E

<u>ASSETS</u>	<u>Ref.</u>	<u>Balance June 30, 2012</u>	<u>Balance June 30, 2011</u>
<u>Trust Fund Account #1</u>			
Cash	E-1	\$ 2,630.72	\$ 2,621.45
<u>Discretionary Fund</u>			
Cash	E-1	<u>207.95</u>	<u>52.95</u>
		<u>\$ 2,838.67</u>	<u>\$ 2,674.40</u>
<u>LIABILITIES AND FUND BALANCE</u>			
<u>Trust Fund Account #1</u>			
Reserve for Public Assistance Expenditures	E-2	\$ 2,630.72	\$ 2,621.45
<u>Discretionary Fund</u>			
Reserve for Discretionary Trust Expenditures	E-3	<u>207.95</u>	<u>52.95</u>
		<u>\$ 2,838.67</u>	<u>\$ 2,674.40</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, 2012</u>	<u>Balance</u> <u>June 30, 2011</u>
<u>Operating Fund</u>			
Cash - Checking	F-5	\$ 3,076,946.08	\$ 3,448,956.32
Cash - Escrow	F-5	202,502.61	175,424.21
		<u>3,279,448.69</u>	<u>3,624,380.53</u>
 Due from Sewer Capital Eastern Service	 F-8	 <u>387.16</u>	 <u>554.43</u>
 Receivables and Inventory with Full Reserves:			
Consumer Accounts Receivable	F-9	75,824.48	93,976.52
Connection Fees Receivable	F-10	1,435.00	
Inventory	F-11	50,825.78	29,996.40
		<u>128,085.26</u>	<u>123,972.92</u>
		 <u>3,407,921.11</u>	 <u>3,748,907.88</u>
 <u>Capital Fund</u>			
Cash - Checking	F-5	2,357,524.26	2,447,006.53
Investment	F-6	595,000.00	525,000.00
Fixed Capital	F-12	11,874,407.90	11,805,092.90
Fixed Capital Authorized and Uncompleted	F-13	30,685.00	
		<u>14,857,617.16</u>	<u>14,777,099.43</u>
		 <u>\$18,265,538.27</u>	 <u>\$18,526,007.31</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, 2012</u>	<u>Balance June 30, 2011</u>
<u>Operating Fund</u>			
Liabilities:			
Appropriation Reserves:			
Encumbered	F-4	\$ 38,773.83	\$
Unencumbered	F-4, 14	326,212.24	200,438.61
Reserve for Escrow Deposits	F-15	202,502.61	175,424.21
Accrued Interest on Bonds	F-16	28,909.32	38,078.13
Accrued Interest on Waste Water Loan	F-17	25,550.38	25,550.38
		<u>621,948.38</u>	<u>439,491.33</u>
Reserve for Receivables and Inventory		128,085.26	123,972.92
Fund Balance	F-1	2,657,887.47	3,185,443.63
		<u>3,407,921.11</u>	<u>3,748,907.88</u>
<u>Capital Fund</u>			
Serial Bonds	F-24	2,525,000.00	2,975,000.00
Due to Sewer Operating Eastern Service	F-18	387.16	554.43
Capital Improvement Fund	F-19	2,938,280.62	2,988,280.62
Deferred Reserve for Amortization	F-20	100,000.00	
Due to State of New Jersey - Waste Water Treatment Loan Payable	F-21	471,689.32	567,971.86
Reserve for Amortization	F-22	8,787,760.06	8,241,477.52
Improvement Authorizations:			
Funded	F-23	30,685.00	
Fund Balance	F-2	3,815.00	3,815.00
		<u>14,857,617.16</u>	<u>14,777,099.43</u>
		<u>\$ 18,265,538.27</u>	<u>\$ 18,526,007.31</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 2012</u>	<u>Fiscal</u> <u>Year 2011</u>
<u>Revenue and Other Income</u>			
Fund Balance Utilized	F-3	\$1,000,000.00	\$1,000,000.00
Sewer Rents	F-3	3,474,862.38	3,402,071.38
Miscellaneous Revenue	F-3	76,750.85	120,719.07
Other Credits:			
Appropriation Reserves Lapsed	F-14	172,083.15	209,407.56
		<u>4,723,696.38</u>	<u>4,732,198.01</u>
 <u>Expenditures</u>			
Budget Appropriations:			
Operating:			
Salaries and Wages		602,000.00	625,000.00
Other Expenses		2,617,703.06	2,814,558.57
Capital Improvements		50,000.00	
Debt Service		649,549.48	668,441.43
Statutory Expenditures		82,000.00	82,000.00
	F-4	<u>4,001,252.54</u>	<u>4,190,000.00</u>
Excess in Revenue		722,443.84	542,198.01
 <u>Fund Balance</u>			
Balance July 1	F	<u>3,185,443.63</u>	<u>4,043,245.62</u>
		3,907,887.47	4,585,443.63
 Decreased by:			
Fund Balance Utilized in Current			
Fund	F-5	250,000.00	400,000.00
Fund Balance Utilized	Above	<u>1,000,000.00</u>	<u>1,000,000.00</u>
Balance June 30	F	<u>\$2,657,887.47</u>	<u>\$3,185,443.63</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, 2011	F	<u>\$3,815.00</u>
Balance June 30, 2012	F	<u>\$3,815.00</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-1,9	3,300,000.00	3,474,862.38	174,862.38
Miscellaneous	F-1,Below	<u>125,000.00</u>	<u>76,750.85</u>	<u>(48,249.15)</u>
Total Budget	F-4	<u>\$ 4,425,000.00</u>	<u>\$ 4,551,613.23</u>	<u>\$ 126,613.23</u>
 <u>Analysis of Miscellaneous Revenue</u>				
Other Revenue:				
Interest Earned in Sewer Capital Eastern Service Fund	F-8		\$ 4,295.42	
Connection Fees	F-10		25,525.00	
Permit Fees		\$ 1,475.00		
Interest Earned		3,899.18		
Application Fees		520.00		
Interest on Delinquent Accounts		11,383.28		
Escrow Charges		<u>29,652.97</u>		
	F-5		<u>46,930.43</u>	
	Above		<u>\$ 76,750.85</u>	

See accompanying notes to financial statements.

TOWNSHIP OF MANCHESTER
SEWER UTILITY EASTERN SERVICE

STATEMENT OF EXPENDITURES

F-4

	SFY 2012 Budget Appropriation	Paid or Charged	Encumbered	Reserved Unencumbered	Balance Cancelled
Operating					
Salaries and Wages	\$ 802,000.00	\$ 527,044.93		\$ 74,955.07	\$200,000.00
Other Expenses	2,817,703.06	2,349,620.85	38,773.83	229,308.38	200,000.00
	<u>3,619,703.06</u>	<u>2,876,665.78</u>	<u>38,773.83</u>	<u>304,263.45</u>	<u>400,000.00</u>
<u>Capital Improvements</u>					
Capital Improvement Fund	<u>50,000.00</u>	<u>50,000.00</u>			
Debt Service					
Payment of Bond Principal	465,000.00	450,000.00			15,000.00
Interest on Bonds	97,401.94	97,401.94			
Waste Water Loan - Principal	105,000.00	96,282.54			8,717.46
Waste Water Loan - Interest	5,895.00	5,865.00			30.00
	<u>673,296.94</u>	<u>649,549.48</u>			<u>23,747.46</u>
<u>Statutory Expenditures</u>					
Contribution to:					
Public Employees' Retirement System	20,000.00	20,000.00			
Social Security System (OASI)	62,000.00	40,051.21		21,948.79	
	<u>82,000.00</u>	<u>60,051.21</u>		<u>21,948.79</u>	
	<u>\$4,425,000.00</u>	<u>\$3,636,266.47</u>	<u>\$38,773.83</u>	<u>\$ 326,212.24</u>	<u>\$423,747.46</u>
Reference	Below	Below	F	F	
Ref.					
Adopted Budget	\$4,425,000.00				
Cancelled	(423,747.46)				
Cash Disbursed		\$3,532,999.53			
Accrued Interest on Bonds		97,401.94			
Accrued Interest on Waste Water Loan		5,865.00			
	<u>\$4,001,252.54</u>	<u>\$3,636,266.47</u>			
Reference	F-1	Above			

33 See accompanying notes to financial statements.

TOWNSHIP OF MANCHESTER
PAYROLL FUND

COMPARATIVE BALANCE SHEETS

G

<u>ASSETS</u>	<u>Ref.</u>	<u>Balance</u> <u>June 30, 2012</u>	<u>Balance</u> <u>June 30, 2011</u>
Cash	G-1	<u>\$ 3,472.97</u>	<u>\$ 5,808.63</u>
 <u>LIABILITIES</u>			
Payroll Deductions Payable	G-2	<u>\$ 3,472.97</u>	<u>\$ 5,808.63</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, 2012</u>	<u>Balance</u> <u>June 30, 2011</u>
<u>Operating Fund</u>			
Cash:			
Checking	H-4	\$ 1,500,507.57	\$ 1,203,521.07
Change Fund	H-6	60.00	60.00
Due from Water Capital Western Service Fund	H-7	3,339.63	
		<u>1,503,907.20</u>	<u>1,203,581.07</u>
Receivables and Inventory with Full Reserves:			
Consumer Accounts Receivable	H-8	155,872.39	4,489.21
Water Liens	H-9	183.37	
Inventory	Reserve	46,688.05	49,165.09
		<u>202,743.81</u>	<u>53,654.30</u>
Total Operating Fund		<u>1,706,651.01</u>	<u>1,257,235.37</u>
<u>Capital Fund</u>			
Cash - Checking	H-4	627,851.95	71,010.52
Fixed Capital	H-10	14,930,487.68	14,929,961.17
Fixed Capital Authorized and Uncompleted	H-11	624,512.32	625,038.83
Due from Sewer Operating Western Service	H-12		34,709.67
Due from Water Operating Western Service	H-13		104,518.64
Due from General Capital Fund	H-14		414,800.00
		<u>16,182,851.95</u>	<u>16,180,038.83</u>
		<u>\$17,889,502.96</u>	<u>\$17,437,274.20</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, 2012</u>	<u>Balance June 30, 2011</u>
<u>Operating Fund</u>			
Liabilities:			
Appropriation Reserves:			
Encumbered	H-3,15	\$ 49,069.67	\$ 32,873.80
Unencumbered	H-3,15	103,894.51	536,986.14
Interfunds Payable	H-16	94.77	104,518.64
Reserve for Accrued Interest on Bonds	H-17	98,728.54	
		251,787.49	674,378.58
Reserve for Receivables and Inventory		202,743.81	53,654.30
Fund Balance	H-1	1,252,119.71	529,202.49
		1,706,651.01	1,257,235.37
 <u>Capital Fund</u>			
Serial Bonds Payable	H-20	15,555,000.00	15,555,000.00
Due to Water Operating Western Service Fund	H-18	3,339.63	
Improvement Authorizations:			
Funded	H-19	624,512.32	625,038.83
		16,182,851.95	16,180,038.83
		<u>\$17,889,502.96</u>	<u>\$17,437,274.20</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 2012</u>	<u>Fiscal</u> <u>Year 2011</u>
<u>Revenue and Other Income</u>			
Fund Balance Utilized	H-2	\$ 150,000.00	\$ 25,000.00
Water Rents	H-2	2,136,160.88	2,128,125.06
Nonbudget Revenue	H-2	35,429.57	11,309.53
Other Credits to Income:			
Appropriation Reserve Lapsed	H-15	535,326.77	207,927.41
		<u>2,856,917.22</u>	<u>2,372,362.00</u>
 <u>Expenditures</u>			
Budget Appropriations:			
Operating:			
Salaries and Wages		530,000.00	525,000.00
Other Expenses		669,863.33	949,180.99
Debt Service		736,136.67	296,819.01
Capital Outlay			40,000.00
Statutory Expenditures		48,000.00	48,000.00
Prior Year Refunds			15,127.99
	H-3	<u>1,984,000.00</u>	<u>1,874,127.99</u>
 Excess in Revenue		 872,917.22	 498,234.01
 <u>Fund Balance</u>			
Balance July 1	H	<u>529,202.49</u>	<u>55,968.48</u>
		1,402,119.71	554,202.49
 Decreased by:			
Utilized as Anticipated Revenue	Above	<u>150,000.00</u>	<u>25,000.00</u>
Balance June 30	H	<u>\$ 1,252,119.71</u>	<u>\$ 529,202.49</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	\$ 150,000.00	\$ 150,000.00	\$
Rents and Liens	H-1,8	1,834,000.00	2,136,160.88	302,160.88
Nonbudget Revenue	H-1,Below	<u> </u>	<u>35,429.57</u>	<u>35,429.57</u>
Total Budget	H-3	<u>\$ 1,984,000.00</u>	<u>\$ 2,321,590.45</u>	<u>\$ 337,590.45</u>
Nonbudget Revenue:				
Cash Receipts	H-4	\$ 33,432.72		
Interest Earned in Water Capital Western Service	H-16	<u>1,996.85</u>		
	Above		<u>\$ 35,429.57</u>	

See accompanying notes to financial statements.

TOWNSHIP OF MANCHESTER
WATER UTILITY WESTERN SERVICE

H-3

STATEMENT OF EXPENDITURES

	<u>SFY 2012</u> <u>Budget</u> <u>Appropriation</u>	<u>SFY 2012</u> <u>Modified</u> <u>Budget</u>	<u>Expended</u> <u>Paid or</u> <u>Charged</u>	<u>Encumbered</u>	<u>Unencumbered</u>
<u>Operating</u>					
Salaries and Wages	\$ 530,000.00	\$ 530,000.00	\$ 529,430.07	\$ 49,069.67	\$ 569.93
Other Expenses	669,863.33	669,863.33	518,074.78	49,069.67	102,718.88
	<u>1,199,863.33</u>	<u>1,199,863.33</u>	<u>1,047,504.85</u>	<u>49,069.67</u>	<u>103,288.81</u>
<u>Debt Service</u>					
Interest on Bonds	<u>736,136.67</u>	<u>736,136.67</u>	<u>736,136.67</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	40,394.30		605.70
Accumulated Leave	2,000.00	2,000.00	2,000.00		
	<u>48,000.00</u>	<u>48,000.00</u>	<u>47,394.30</u>		<u>605.70</u>
	<u>\$ 1,984,000.00</u>	<u>\$ 1,984,000.00</u>	<u>\$ 1,831,035.82</u>	<u>\$ 49,069.67</u>	<u>\$ 103,894.51</u>
<u>Reference</u>	<u>H-2</u>	<u>H-1</u>	<u>Below</u>	<u>H</u>	<u>H</u>
		<u>Ref.</u>			
Cash Disbursed		H-4	\$ 1,094,899.15		
Accrued Interest on Bonds		H-17	<u>736,136.67</u>		
		Above	<u>\$ 1,831,035.82</u>		

See accompanying notes to financial statements.

TOWNSHIP OF MANCHESTER
SEWER UTILITY WESTERN SERVICE

COMPARATIVE BALANCE SHEETS

1

<u>ASSETS</u>	<u>Ref.</u>	<u>Balance</u> <u>June 30, 2012</u>	<u>Balance</u> <u>June 30, 2011</u>
<u>Operating Fund</u>			
Cash	I-4	\$ 837,908.02	\$ 581,963.18
Receivables and Inventory with Full Reserves:			
Consumer Accounts Receivable	I-6	183,647.37	64,234.51
Utility Western Liens	I-7	364.81	
Inventory	Reserve	20,809.45	21,205.99
Due from Sewer Capital Western Service	I-10	585.69	24.48
		<u>1,043,315.34</u>	<u>667,428.16</u>
 <u>Capital Fund</u>			
Cash:			
Checking	I-4	158,996.30	158,435.09
Fixed Capital	I-8	5,026,589.39	5,026,589.39
Fixed Capital Authorized and Uncompleted	I-9	158,410.61	158,410.61
		<u>5,343,996.30</u>	<u>5,343,435.09</u>
		<u>\$ 6,387,311.64</u>	<u>\$ 6,010,863.25</u>
 <u>LIABILITIES, RESERVES AND FUND BALANCE</u>			
<u>Operating Fund</u>			
Liabilities:			
Appropriation Reserves:			
Encumbered	I-3,12	\$ 11,343.44	\$ 1,374.03
Reserved	I-3,12	128,969.36	374,367.69
Due to Water Capital Western Service	I-11		34,709.67
Accrued Interest on Bonds	I-13	63,897.30	576.14
		<u>204,210.10</u>	<u>411,027.53</u>
Reserve for Receivables and Inventory		204,821.63	85,440.50
Fund Balance	I-1	634,283.61	170,960.13
		<u>1,043,315.34</u>	<u>667,428.16</u>
 <u>Capital Fund</u>			
Bonds Payable	I-16	5,185,000.00	5,185,000.00
Due to Sewer Operating Western Service	I-14	585.69	24.48
Improvement Authorizations:			
Funded	I-15	158,410.61	158,410.61
		<u>5,343,996.30</u>	<u>5,343,435.09</u>
		<u>\$ 6,387,311.64</u>	<u>\$ 6,010,863.25</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 2012</u>	<u>Fiscal</u> <u>Year 2011</u>
<u>Revenue and Other Income</u>			
Fund Balance Utilized	I-2	\$ 125,000.00	\$ 7,000.00
Sewer Rents and Liens	I-2	2,286,044.39	2,087,866.58
Miscellaneous Revenue	I-2	52,044.70	54,270.91
Other Credits:			
Appropriation Reserve Lapsed	I-12	365,234.39	172,878.05
		<u>2,828,323.48</u>	<u>2,322,015.54</u>
 <u>Expenditures</u>			
Budget Appropriations:			
Operating:			
Salaries and Wages		346,000.00	276,000.00
Other Expenses		1,584,409.47	1,727,228.17
Capital Outlay			7,000.00
Debt Service		275,790.53	96,930.70
Statutory Expenditures		33,800.00	29,000.00
Prior Year Revenue Refunds		15,317.00	15,317.00
	I-3	<u>2,240,000.00</u>	<u>2,151,475.87</u>
 Excess in Revenue		 588,323.48	 170,539.67
 <u>Fund Balance</u>			
Balance July 1	I	<u>170,960.13</u>	<u>7,420.46</u>
		759,283.61	177,960.13
 Decreased by:			
Utilized as Anticipated Revenue	Above	<u>125,000.00</u>	<u>7,000.00</u>
 Balance June 30	I	 <u>\$ 634,283.61</u>	 <u>\$ 170,960.13</u>

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	\$ 125,000.00	\$ 125,000.00	\$
User Fees	I-1,6	2,075,000.00	2,286,044.39	211,044.39
Miscellaneous	I-1,Below	<u>40,000.00</u>	<u>52,044.70</u>	<u>12,044.70</u>
Total Budget	I-3	<u>\$ 2,240,000.00</u>	<u>\$ 2,463,089.09</u>	<u>\$ 223,089.09</u>

Analysis of Miscellaneous Revenue

	<u>Ref.</u>	
Cash Receipts	I-4	\$ 51,483.49
Interest Earned on Sewer Utility Western Service	I-10	<u>561.21</u>
	Above	<u>\$ 52,044.70</u>

See accompanying notes to financial statements.

TOWNSHIP OF MANCHESTER
SEWER UTILITY WESTERN SERVICE

I-3

STATEMENT OF EXPENDITURES

	SFY 2012		Expended		Reserved
	<u>Budget</u> <u>Appropriation</u>	<u>Modified</u> <u>Budget</u>	<u>Paid or</u> <u>Charged</u>	<u>Encumbered</u>	
<u>Operating</u>					
Salaries and Wages	\$ 276,000.00	\$ 346,000.00	\$ 345,915.08	\$ 11,343.44	\$ 84.92
Other Expenses	1,659,409.47	1,584,409.47	1,445,940.03	11,343.44	127,126.00
	<u>1,935,409.47</u>	<u>1,930,409.47</u>	<u>1,791,855.11</u>	<u>11,343.44</u>	<u>127,210.92</u>
<u>Debt Service</u>					
Interest on Bonds	<u>275,790.53</u>	<u>275,790.53</u>	<u>275,790.53</u>		
<u>Statutory Expenditures</u>					
Contribution to:					
Public Employees' Retirement System	5,000.00	5,000.00	5,000.00		1,758.44
Social Security System	22,000.00	27,000.00	25,241.56		
Accumulated Absences	1,800.00	1,800.00	1,800.00		
	<u>28,800.00</u>	<u>33,800.00</u>	<u>32,041.56</u>		<u>1,758.44</u>
	<u>\$2,240,000.00</u>	<u>\$2,240,000.00</u>	<u>\$2,099,687.20</u>	<u>\$ 11,343.44</u>	<u>\$128,969.36</u>
<u>Reference</u>	<u>I-2</u>	<u>I-1</u>	<u>Below</u>	<u>I</u>	<u>I</u>
Cash Disbursed		<u>Ref.</u>	\$1,823,896.67		
Accrued Interest on Bonds		I-4 I-13	<u>275,790.53</u>		
		Above	<u>\$2,099,687.20</u>		

See accompanying notes to financial statements.

TOWNSHIP OF MANCHESTER
CAPITAL FIXED ASSETS

COMPARATIVE BALANCE SHEETS

J

<u>ASSETS</u>	Balance <u>June 30, 2012</u>	Balance <u>June 30, 2011</u>
Machinery and Equipment	<u>\$14,588,998.00</u>	<u>\$15,511,989.00</u>
 <u>RESERVE</u>		
Investments in Capital Fixed Assets	<u>\$14,588,998.00</u>	<u>\$15,511,989.00</u>

See accompanying notes to financial statements.

NOTES TO FINANCIAL STATEMENTS

TOWNSHIP OF MANCHESTER

NOTES TO FINANCIAL STATEMENTS FISCAL YEAR ENDED JUNE 30, 2012

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

A. Reporting Entity

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

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

The Mayor is 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 30th 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, 2012, 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, 2012 was \$21,810,771.48. 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

	Fiscal Year <u>2012</u>	Fiscal Year <u>2011</u>	Fiscal Year <u>2010</u>	Fiscal Year <u>2009*</u>	Fiscal Year <u>2008</u>
Tax Rate (Per \$100 of Assessed Valuations**	<u>\$ 1.922</u>	<u>\$ 1.857</u>	<u>\$ 1.757</u>	<u>\$ 1.672</u>	<u>\$ 3.156</u>
Apportionment of Tax Rate:					
Municipal	\$ 0.520	\$ 0.504	\$ 0.444	\$ 0.391	\$ 0.799
Municipal Open Space	0.010	0.010	0.010	0.010	0.010
County	0.356	0.358	0.361	0.360	0.687
Local School	1.036	0.985	0.942	0.911	1.660

*The Township conducted a revaluation for 2009.

**Tax rates are reflected on calendar year.

Assessed Valuations

<u>Year</u>	<u>Amount</u>
2012	\$ 3,964,272,258.00
2011	4,079,359,820.00
2010	4,085,245,172.00
2009	4,083,795,739.00 *
2008	2,152,824,758.00

*Revaluation

Comparison of Tax Levies

<u>Date</u>	<u>Tax Levy</u>	<u>Cash Collection</u>	<u>Percentage of Collection</u>
June 30, 2012	\$ 76,310,606.83	\$ 74,549,237.43	97.69 %
June 30, 2011	73,936,280.16	73,071,500.04	98.83
June 30, 2010	70,679,200.31	69,038,444.42	97.67
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

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, 2012	\$135,960.07	\$ 898,257.57	\$1,034,217.64	1.36 %
June 30, 2011	93,940.62	833,799.86	927,740.48	1.25
June 30, 2010	26,300.84	1,014,151.18	1,040,452.02	1.47
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

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>
2012	\$ 942,474.28
2011	942,474.28
2010	942,423.37
2009	942,423.37
2008	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, 2012	\$ 2,114,365.27	\$ 2,122,926.05	\$ 3,456,710.34	\$ 3,474,862.38
June 30, 2011	2,205,960.79	2,171,324.04	3,435,472.69	3,402,071.38
June 30, 2010	1,865,285.74	1,862,081.78	3,297,434.60	3,290,189.77
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

*Includes collection of prior year receivables.

<u>Date</u>	<u>Water Utility Western Service</u>		<u>Sewer Utility Western Service</u>	
	<u>Billing</u>	<u>Collection*</u>	<u>Billing</u>	<u>Collection*</u>
June 30, 2012	\$ 2,287,727.43	\$ 2,136,160.88	\$ 2,405,822.06	\$ 2,286,044.39
June 30, 2011	2,112,715.86	2,128,125.06	2,146,437.47	2,087,866.58
June 30, 2010**	418,376.05	398,477.64	445,705.38	440,086.76

**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, 2012	\$ 1,419,329.52	\$ 525,000.00
	June 30, 2011	1,364,073.16	1,275,000.00
	June 30, 2010	987,941.99	780,000.00
	June 30, 2009	1,631,188.34	1,600,000.00
	June 30, 2008	3,302,630.90	3,098,215.91
Water Utility Eastern Service:	June 30, 2012	499,809.00	440,000.00
	June 30, 2011	998,424.43	800,000.00
	June 30, 2010	1,484,140.92	1,000,000.00
	June 30, 2009	2,196,970.93	750,000.00
	June 30, 2008	2,433,604.80	600,000.00
Sewer Utility Eastern Service:	June 30, 2012	2,657,887.47	518,000.00
	June 30, 2011	3,185,443.63	1,000,000.00
	June 30, 2010	4,043,245.62	1,000,000.00
	June 30, 2009	4,462,850.20	632,026.22
	June 30, 2008	4,444,275.41	235,000.00
Water Utility Western Service:	June 30, 2012	1,252,119.71	50,000.00
	June 30, 2011	529,202.49	150,000.00
	June 30, 2010	55,968.48	25,000.00
Sewer Utility Western Service:	June 30, 2012	634,283.61	499,000.00
	June 30, 2011	170,960.13	125,000.00
	June 30, 2010	7,420.46	7,000.00

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 2012</u>	<u>Fiscal Year 2011</u>	<u>Fiscal Year 2010</u>
<u>Issued</u>			
General:			
Bonds and Notes	\$ 17,633,000.00	\$ 19,753,000.00	\$ 21,723,000.00
Green Acres Loan	1,249,334.43	792,968.25	902,908.15
New Jersey Economic Development Authority			5,500.00
Water Utility Eastern Service:			
Bonds and Notes	2,275,000.00	2,680,000.00	3,075,000.00
Water Utility Western Service:			
Bonds and Notes	15,555,000.00	15,555,000.00	15,555,000.00
Sewer Utility Eastern Service:			
Bonds and Notes	2,525,000.00	2,975,000.00	3,410,000.00
Due to State of New Jersey	471,689.32	567,971.86	672,435.79
Sewer Utility Western Service:			
Bonds and Notes	<u>5,185,000.00</u>	<u>5,185,000.00</u>	<u>5,185,000.00</u>
Net Debt Issued	<u>44,894,023.75</u>	<u>47,508,940.11</u>	<u>50,528,843.94</u>
<u>Authorized but Not Issued</u>			
General:			
Bonds and Notes	<u>538,606.50</u>	<u>1,421,592.00</u>	<u>1,456,592.00</u>
Bonds and Notes Issued and Authorized but Not Issued	<u>\$ 45,432,630.25</u>	<u>\$ 48,930,532.11</u>	<u>\$ 51,985,435.94</u>

Summary of Statutory Debt Condition - Annual Debt Statement

The summarized statement of debt condition which follows is prepared in accordance with the required method of setting up the Annual Debt Statement and indicates a statutory net debt of .456%.

	<u>Gross Debt</u>	<u>Deductions</u>	<u>Net Debt</u>
Local School District Debt	\$ 24,929,000.00	\$ 24,929,000.00	\$
Water Utility Eastern Service	2,275,000.00	2,275,000.00	
Water Utility Western Service	15,555,000.00	15,555,000.00	
Sewer Utility Eastern Service	2,996,689.32	2,996,689.32	
Sewer Utility Western Service	5,185,000.00	5,185,000.00	
General Debt	<u>19,420,940.93</u>		<u>19,420,940.93</u>
	<u>\$ 70,361,630.25</u>	<u>\$ 50,940,689.32</u>	<u>\$ 19,420,940.93</u>

7. MUNICIPAL DEBT (Continued)

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

3 1/2% of Equalized Valuation Basis of Real Property	\$148,937,343.60
Net Debt	<u>19,515,940.93</u>
Remaining Borrowing Power	<u><u>\$129,421,402.67</u></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		\$ 3,007,869.38
Deductions:		
Operating and Maintenance Cost	\$ 2,234,905.93	
Debt Service for Obligations Issued	<u>490,094.07</u>	
		<u>2,725,000.00</u>
Excess in Revenue		<u><u>\$ 282,869.38</u></u>

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

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

Fund Balance and Cash Receipts from Fees, Rents and Other Charges for Year		\$ 4,551,613.23
Deductions:		
Operating and Maintenance Cost	\$ 3,366,733.06	
Debt Service for Obligations Issued	<u>649,549.48</u>	
		<u>4,016,282.54</u>
Excess in Revenue		<u><u>\$ 535,330.69</u></u>

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

7. MUNICIPAL DEBT (Continued)

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

Fund Balance and Cash Receipts from Fees, Rents and Other Charges for Year		\$ 2,321,590.45
Deductions:		
Operating and Maintenance Cost	\$ 1,247,863.33	
Debt Service for Obligations Issued	<u>736,136.67</u>	
		<u>1,984,000.00</u>
Excess in Revenue		<u>\$ 337,590.45</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		\$ 2,463,089.09
Deductions:		
Operating and Maintenance Cost	\$ 1,964,209.47	
Debt Service for Obligations Issued	<u>275,790.53</u>	
		<u>2,240,000.00</u>
Excess in Revenue		<u>\$ 223,089.09</u>

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

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

As of June 30, 2012, the Township's long-term debt is as follows:

General Obligation Bonds

\$3,198,000, 2001 Bonds due in annual installments of \$398,000 to \$400,000 through October, 2014, interest at 3.875%	\$ 798,000.00
\$14,350,000, 2006 Bonds due in annual installments of \$650,000 to \$800,000 through September, 2026, interest at 4.250%	<u>10,950,000.00</u>
	<u>\$ 11,748,000.00</u>

Water Utility Eastern Service Refunding Bonds

\$5,565,000, 2003 Bonds due in annual installments of \$420,000 to \$495,000 through October, 2016, interest at 3.625% to 4.125%	<u>\$ 2,275,000.00</u>
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7. MUNICIPAL DEBT (Continued)

Sewer Utility Eastern Service Refunding Bonds

\$6,190,000, 2003 Bonds due in annual installments of \$465,000 to \$545,000 through October, 2016, interest at 3.625% to 4.125%

\$ 2,525,000.00

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%

\$ 15,555,000.00

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%

\$ 5,185,000.00

MUNICIPAL DEBT (Continued)

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

Year	Cash Basis				Cash Basis				Cash Basis																	
	General Capital				Open Space				Water Utility Eastern Service				Water Utility Western Service				Sewer Utility Eastern Service				Sewer Utility Western Service					
	Total	Principal	Interest	Total	Principal	Interest	Total	Principal	Interest	Total	Principal	Interest	Total	Principal	Interest	Total	Principal	Interest	Total	Principal	Interest	Total	Principal	Interest	Total	
12 - 2013	\$ 1,169,359.38	\$ 834,850.00	\$ 334,608.38	\$ 369,189.13	\$ 215,150.00	\$ 154,039.13	\$ 472,045.31	\$ 420,000.00	\$ 52,045.31	\$ 715,877.50	\$ 75,000.00	\$ 840,877.50	\$ 522,820.32	\$ 485,000.00	\$ 57,820.32	\$ 231,900.00	\$ 26,000.00	\$ 206,900.00								
13 - 2014	1,200,316.00	899,750.00	300,666.00	393,145.25	248,250.00	144,895.25	473,170.31	435,000.00	38,170.31	877,577.50	80,000.00	957,577.50	527,275.01	485,000.00	42,275.01	241,680.00	36,000.00	205,680.00								
14 - 2015	773,280.38	501,750.00	271,630.38	382,594.63	248,250.00	134,344.63	479,654.06	465,000.00	24,654.06	877,357.50	246,000.00	1,123,357.50	532,360.94	505,000.00	27,360.94	301,680.00	96,000.00	205,680.00								
15 - 2016	785,406.00	535,200.00	250,206.00	385,584.00	264,800.00	123,784.00	480,454.06	470,000.00	10,454.06	870,457.50	249,000.00	1,119,457.50	535,410.94	525,000.00	10,410.94	312,720.00	114,000.00	198,720.00								
16 - 2017	762,680.00	535,200.00	227,460.00	377,340.00	264,800.00	112,540.00	495,000.00	495,000.00		874,217.50	263,000.00	1,137,217.50	545,000.00	545,000.00		312,080.00	116,000.00	196,080.00								
17 - 2018	739,914.00	535,200.00	204,714.00	366,086.00	264,800.00	101,286.00				865,657.50	265,000.00	1,130,657.50				325,000.00	136,000.00	189,000.00								
18 - 2019	717,188.00	535,200.00	181,968.00	354,832.00	264,800.00	90,032.00				856,037.50	266,000.00	1,122,037.50				338,180.00	165,000.00	173,180.00								
19 - 2020	694,422.00	535,200.00	159,222.00	343,978.00	264,800.00	78,778.00				848,237.50	274,000.00	1,122,237.50				345,700.00	190,000.00	155,700.00								
20 - 2021	646,930.00	535,200.00	136,476.00	332,324.00	264,800.00	67,524.00				842,037.50	276,000.00	1,118,037.50				359,520.00	204,000.00	155,520.00								
21 - 2022	626,184.00	535,200.00	113,730.00	321,070.00	264,800.00	56,270.00				839,437.50	284,800.00	1,124,237.50				374,140.00	221,000.00	153,140.00								
22 - 2023	603,438.00	535,200.00	90,984.00	309,816.00	264,800.00	45,016.00				839,437.50	294,000.00	1,133,437.50				387,840.00	244,000.00	143,840.00								
23 - 2024	580,692.00	535,200.00	68,238.00	298,562.00	264,800.00	33,762.00				839,437.50	309,000.00	1,148,437.50				404,840.00	271,000.00	133,840.00								
24 - 2025	557,946.00	535,200.00	45,492.00	287,308.00	264,800.00	22,508.00				839,437.50	319,000.00	1,158,437.50				429,020.00	293,000.00	126,020.00								
25 - 2026			22,746.00	276,054.00	264,800.00	11,254.00				839,437.50	331,000.00	1,189,437.50				447,620.00	319,000.00	118,620.00								
26 - 2027										839,437.50	343,000.00	1,232,437.50				461,020.00	343,000.00	118,020.00								
27 - 2028										839,437.50	355,000.00	1,287,437.50				477,220.00	375,000.00	122,220.00								
28 - 2029										839,437.50	367,000.00	1,344,437.50				485,080.00	406,000.00	129,080.00								
29 - 2030										839,437.50	379,000.00	1,403,437.50				495,080.00	441,000.00	134,080.00								
30 - 2031										839,437.50	391,000.00	1,463,437.50				505,080.00	481,000.00	134,080.00								
31 - 2032										839,437.50	403,000.00	1,524,437.50				515,080.00	521,000.00	134,080.00								
32 - 2033										839,437.50	415,000.00	1,586,437.50				525,080.00	561,000.00	134,080.00								
33 - 2034										839,437.50	427,000.00	1,649,437.50				535,080.00	601,000.00	134,080.00								
34 - 2035										839,437.50	439,000.00	1,713,437.50				545,080.00	641,000.00	134,080.00								
35 - 2036										839,437.50	451,000.00	1,778,437.50				555,080.00	681,000.00	134,080.00								
36 - 2037										839,437.50	463,000.00	1,844,437.50				565,080.00	721,000.00	134,080.00								
37 - 2038										839,437.50	475,000.00	1,911,437.50				575,080.00	761,000.00	134,080.00								
38 - 2039										839,437.50	487,000.00	1,979,437.50				585,080.00	801,000.00	134,080.00								
39 - 2040										839,437.50	499,000.00	2,048,437.50				595,080.00	841,000.00	134,080.00								
40 - 2041										839,437.50	511,000.00	2,118,437.50				605,080.00	881,000.00	134,080.00								
41 - 2042										839,437.50	523,000.00	2,189,437.50				615,080.00	921,000.00	134,080.00								
	\$ 10,531,380.76	\$ 8,123,550.00	\$ 2,407,840.76	\$ 4,800,493.01	\$ 3,624,450.00	\$ 1,176,043.01	\$ 2,400,343.74	\$ 2,275,000.00	\$ 129,343.74	\$ 29,170,113.75	\$ 15,955,000.00	\$ 19,615,113.75	\$ 2,663,867.21	\$ 2,525,000.00	\$ 139,857.21	\$ 8,071,140.00	\$ 5,165,000.00	\$ 2,896,140.00								

7. MUNICIPAL DEBT (Continued)

New Jersey Waste Water Treatment Financing Program

The Township, on November 10, 1994, entered into an agreement with the State of New Jersey to obtain financing under the New Jersey Waste Water Treatment Financing Program. The original 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 2013	\$ 172,156.67	\$ (38,137.02)	\$ 5,865.00	\$ 139,884.65
FY 2014	144,169.61	(44,675.55)	5,865.00	105,359.06
FY 2015	<u>155,363.04</u>	<u>(52,066.48)</u>	<u>5,865.00</u>	<u>109,161.56</u>
	<u>\$ 471,689.32</u>	<u>\$ (134,879.05)</u>	<u>\$ 17,595.00</u>	<u>\$ 354,405.27</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, 2012 is \$99,341.66:

<u>Year</u>	<u>Totals</u>	<u>Principal</u>	<u>Interest</u>
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	<u>11,597.19</u>	<u>11,482.37</u>	<u>114.82</u>
	<u>\$ 104,374.63</u>	<u>\$ 99,341.66</u>	<u>\$ 5,032.97</u>

A Green Trust Loan, in the sum of \$411,226.00, for improvements to Harry Wright Lake was consummated on March 22, 2000 at an interest rate of 2%. The following Debt Schedule was prepared by the New Jersey Department of Environmental Protection and shows that the balance due as of June 30, 2012 is \$177,561.11:

<u>Year</u>	<u>Totals</u>	<u>Principal</u>	<u>Interest</u>
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	<u>13,072.80</u>	<u>12,946.19</u>	<u>126.61</u>
	<u>\$ 192,072.18</u>	<u>\$ 177,561.11</u>	<u>\$ 14,511.07</u>

7. MUNICIPAL DEBT (Continued)

Green Trust Loans (Continued)

A Green Trust Loan, in the sum of \$1,062,390.00, for acquisition of land was consummated on November 11, 1999 at an interest rate of 2%. The following Debt Schedule was prepared by the New Jersey Department of Environmental Protection and shows that the balance due as of June 30, 2012 is \$429,530.54:

<u>Year</u>	<u>Totals</u>	<u>Principal</u>	<u>Interest</u>
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	<u>66,062.80</u>	<u>65,084.94</u>	<u>977.86</u>
	<u>\$ 462,439.60</u>	<u>\$ 429,530.54</u>	<u>\$ 32,909.06</u>

Bond Anticipation Notes

The following Bond Anticipation Notes were outstanding as of June 30, 2012:

General Capital Fund	<u>\$ 5,885,000.00</u>
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Bonds and Notes Authorized but Not Issued

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

General Capital Fund	<u>\$ 633,606.50</u>
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8. INTERFUND RECEIVABLES AND PAYABLES

As of June 30, 2012, 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	\$ 20,424.33	\$ 95,000.00
Animal Control Fund		5,634.32
General Trust Fund		14,790.01
General Capital Fund	95,000.00	
Sewer Operating Utility Eastern Service	387.16	
Sewer Capital Utility Eastern Service		387.16
Water Operating Utility Western Service	3,339.63	
Water Capital Utility Western Service		3,339.63
Sewer Operating Utility Western Service	585.69	
Sewer Capital Utility Western Service		585.69
	<u>\$ 119,736.81</u>	<u>\$ 119,736.81</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 as of January 1, 1955 under the provisions of N.J.S.A. 43:15A to provide retirement, death, disability and medical benefits to certain qualified members. The Public Employees' Retirement System is a cost-sharing multiple-employer plan. Membership is mandatory for substantially all full-time employees of the State of New Jersey or any county, municipality, school district or public agency, provided the employee is not required to be a member of another State-administered retirement system or other state or local jurisdiction.

Significant Legislation

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

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

- New members of PERS hired on or after June 28, 2011 (Tier 5 members), will need 30 years of creditable service and age 65 for receipt of the early retirement benefit without a reduction of $\frac{1}{4}$ to 1 percent for each month that the member is under age 65.
- The eligibility age to qualify for a service retirement in the PERS is increased from age 62 to 65 for Tier 5 members.
- The annual benefit under special retirement for new PERS members enrolled after June 28, 2011 (Tier 3 members), will be 60 percent instead of 65 percent of the member's final compensation plus 1 percent for each year of creditable service over 25 years but not to exceed 30 years.
- Active member contribution rates will increase. PERS active member rates increase from 5.5 percent of annual compensation to 6.5 percent plus an additional 1 percent phased-in over 7 years. For Fiscal Year 2012, the member contribution rates increased in October 2011. The phase-in of the additional incremental member contributions for PERS members will take place in July of each subsequent fiscal year.
- The payment of automatic cost-of-living adjustment (COLA) additional increases to current and future retirees and beneficiaries is suspended until reactivated as permitted by this law.

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

10. PENSION PLANS (Continued)

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 (CPFPF) is a closed system with no active members and was established in January 1952 to provide coverage to municipal police and firemen who were appointed prior to July 1, 1944.

Contributions Required and Made

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

Year	PERS		PFRS	
	Township	Employees	Township	Employees
FY 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
FY 2012	675,503.00	469,926.77	1,620,495.00	775,662.14

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.

11. DEFINED CONTRIBUTION RETIREMENT PROGRAM (Continued)

Description of System (Continued)

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.
- Employees enrolled in the PERS on or after July 1, 2007 or employees enrolled in the PFR&S after May 21, 2010 who earn salary in excess of established "maximum compensation" limits.
- Employees otherwise eligible to enroll in the PERS on or after November 2, 2008 who do not earn the minimum salary for PERS Tier 3, but who earn salary of at least \$5,000.00.
- Employees otherwise eligible to enroll in the PERS after May 21, 2010, who do not work the minimum number of hours per week required for PERS Tier 4 or Tier 5 enrollment (32 hours per week) but who earn salary of at least \$5,000.00 annually.

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

Contributions Required and Made

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

During the State Fiscal Year 2012, there were two (2) officials or employees enrolled in the DCRP.

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

Certain expenditures are required to be deferred to budgets of succeeding years. At June 30, 2012, the Township had the following deferred charges:

	Balance <u>June 30, 2012</u>	To be Raised in Subsequent <u>Budget</u>
Special Emergency:		
Accumulated Sick/Vacation	\$ 420,000.00	\$ 105,000.00
Reassessment	<u>175,000.00</u>	<u>60,000.00</u>
	<u>\$ 595,000.00</u>	<u>\$ 165,000.00</u>

13. CONTINGENT LIABILITIES

a. Compensated Absences

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

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

It is estimated that the sum of \$4,511,480.00 would be payable to 168 employees of the Township of Manchester as of June 30, 2012. The contingency for liability is not included in the financial statements of the Township. This amount was not verified by audit. It is noted that the Township has the amount of \$863.50 reserved as of June 30, 2012. Also, the amount of \$133,800.00 is available in the SFY 12 Budget.

b. Tax Appeals

As of June 30, 2012, 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, 2012 may be impaired. In the opinion of management, there are no significant contingent liabilities relating to compliance with the rules and regulations governing the respective grants; therefore, no provisions have been recorded in the accompanying statutory basis financial statements for such contingencies.

d. Arbitrage Rebate Calculation

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

e. Litigation

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.

14. SECONDARY MARKET DISCLOSURE

Solely for purposes of complying with Rule 1602-12 of the Securities and Exchange Commission, as amended and interpreted from time to time (the "Rule"), and provided that the Bonds are not exempt from the Rule and provided that the Bonds are not exempt from the requirements in accordance with Paragraph (d) of the Rule, for so long as the Bonds remain outstanding (unless the Bonds have been wholly defeased), the municipality shall provide for the benefit of the holders of the Bonds and the beneficial owners thereof various financial documents relating to the financial conditions of the Municipal Securities Rulemaking Board through the Electronic Municipal Access Data Port (the "MSRB").

15. SUBSEQUENT EVENT

The Township approved and operated on a six (6) month Transition Budget for the period of July 1, 2012 to December 31, 2012. Subsequently, the Township will operate under a calendar year budget.

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, 2011	A	\$ 2,602,865.05	\$ 349,023.20
Increased by Receipts:			
Grants Cancelled	A-1	\$ 171,072.04	\$
Nonbudget Revenue	A-2c	637,639.33	
Tax Collector	A-5	73,599,998.33	
Change Fund Returned	A-6	380.00	
Due from State of New Jersey (Ch. 128, P.L. 1976)	A-7	1,968,232.48	
Interfunds Receivable	A-11	19,850.74	
Revenue Accounts Receivable	A-12	7,684,292.55	
Federal and State Grants Receivable	A-14		278,922.76
Cancelled Federal and State Grants Receivable	A-14		38,984.67
Interfunds Payable	A-16	95,000.00	
Due to State of New Jersey:			
DCA Surcharge	A-17	39,426.00	
Marriage Licenses	A-17	3,375.00	
Reserve for Unappropriated State Aid	A-19	159,227.00	
Special Emergency Note	A-21	595,000.00	
Matching Funds for State and Federal Grants	A-25		372,450.00
Unappropriated Federal and State Funds	A-26		102,259.92
		<u>84,973,493.47</u>	<u>792,617.35</u>
		87,576,358.52	1,141,640.55
Decreased by Disbursements:			
Prior Year Grants Cancelled	A-1	38,984.67	
Budget Appropriations	A-3	26,629,075.54	
Matching Funds for State and Federal Grants	A-3	372,450.00	
Change Fund Established	A-6	380.00	
Open Space Municipal Tax	A-8	407,936.00	
Appropriation Reserves	A-15	1,158,493.77	
Interfunds Payable	A-16	61,975.00	
Due to State of New Jersey:			
DCA Surcharge	A-17	36,881.00	
Marriage Licenses	A-17	3,475.00	
Special Emergency Note	A-21	525,000.00	
County Tax Payable	A-22	14,524,119.19	
Local School District Taxes Payable	A-23	40,662,161.00	
Cancelled Federal and State Grants	A-25		171,072.04
Reserve for Federal and State Grants	A-25		682,266.90
		<u>84,420,931.17</u>	<u>853,338.94</u>
Balance June 30, 2012	A	<u>\$ 3,155,427.35</u>	<u>\$ 288,301.61</u>

TOWNSHIP OF MANCHESTER
CURRENT FUND

CASH RECEIPTS AND DISBURSEMENTS
TAX COLLECTOR

A-5

	<u>Ref.</u>		
Increased by Receipts:			
Interest and Costs on Taxes	A-2	\$ 199,260.06	
Taxes Receivable	A-8	73,320,849.04	
Tax Title Liens	A-9	5,695.91	
Tax Overpayments	A-18	53,322.88	
Prepaid Taxes	A-24	<u>20,870.44</u>	
			\$73,599,998.33
Decreased by Disbursements:			
Turnover to Treasurer	A-4		<u>73,599,998.33</u>
			<u>\$ -</u>

TOWNSHIP OF MANCHESTER
CURRENT FUND

CHANGE FUND - COLLECTOR

A-6

	<u>Balance</u> <u>June 30, 2011</u>	<u>Increase</u>	<u>Decrease</u>	<u>Balance</u> <u>June 30, 2012</u>
Collector	<u>\$ 630.00</u>	<u>\$380.00</u>	<u>\$380.00</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, 2011	A			\$ 838,519.64
Increased by:				
Deductions per Tax Billings:				
Senior Citizens/Veterans		\$2,136,000.00		
Plus: Deductions Allowed by Tax Collector:				
Senior Citizens/Veterans		2,125.00		
		<u>2,138,125.00</u>		
Less: Senior Citizens and Veterans Disallowed by Tax Collector		<u>179,917.62</u>		
	A-8		\$1,958,207.38	
Add: Prior Year Allowances	A-1		<u>21,250.00</u>	
				<u>1,979,457.38</u>
				2,817,977.02
Decreased by:				
Cash Received - Current Year	A-4	1,968,232.48		
Cancelled	A-1,4	<u>19,250.00</u>		
				<u>1,987,482.48</u>
Balance June 30, 2012	A			<u>\$ 830,494.54</u>

TOWNSHIP OF MANCHESTER
CURRENT FUND

TAXES RECEIVABLE AND ANALYSIS OF PROPERTY TAX LEVY

Year	Balance June 30, 2011	2012 Levy	Added Taxes	Prepaid Taxes Applied	Collected	Due from State of New Jersey	Adjustments	Transferred to Tax Title Liens	Cancelled	Balance June 30, 2012
Bankruptcy Taxes	\$ 8,544.51				\$ 602.72	\$ 4,237.49				\$ 12,179.28
SFY 2010	3,772.67		171,961.83	1,482.98	1,482.98	4.80		891.16		1,603.63
SFY 2011	821,482.68		171,961.83	805,545.92	807,631.32	(475.62)		2,678.62	179,135.94	5,608.41
SFY 2012	833,799.86	76,310,606.83	171,961.83	77,812.33	72,513,217.72	1,958,207.38	3,766.67	2,678.62	179,827.10	19,391.32
	833,799.86	76,310,606.83	171,961.83	77,812.33	72,513,217.72	1,958,207.38	(3,766.67)	44,418.59	834,317.89	878,866.25
Reference	A	Below	Reserve	A-2a.24	A-2a.5	A-2a.7	-	A-9	Reserve	A
	\$ 833,799.86	\$ 76,310,606.83	\$ 171,961.83	\$ 77,812.33	\$ 73,320,849.04	\$ 1,958,207.38	\$ -	\$ 47,087.21	\$ 1,014,144.99	\$ 888,257.57

ANALYSIS OF STATE FISCAL YEAR 2012 TAX LEVY

Tax Yield	Ref.	Ref.
General Property Tax	\$ 76,157,980.02	Tax Levy
Added and Omitted	152,628.81	County Taxes:
		2011/2012
		Added and Omitted Taxes
		Local School District Tax
		Municipal Open Space Taxes
		Local Tax for Municipal Purposes
		Tax Adjustment
		A-22
		A-23
		A-2a.4
		A-2
		Above
		\$ 14,524,119.19
		40,662,161.00
		407,936.00
		20,552,118.27
		164,272.37
		20,716,390.64
		\$ 76,310,606.83

TOWNSHIP OF MANCHESTER
CURRENT FUND

TAX TITLE LIENS

A-9

	<u>Ref.</u>		
Balance June 30, 2011	A		\$ 93,940.62
Increased by:			
Transferred from Taxes Receivable	A-8	\$ 47,097.21	
Interest and Cost	Reserve	<u>618.15</u>	
			<u>47,715.36</u>
			<u>141,655.98</u>
Decreased by:			
Cash Receipts	A-2a,5		<u>5,695.91</u>
Balance June 30, 2012	A		<u><u>\$ 135,960.07</u></u>

PROPERTY ACQUIRED FOR TAXES
AT ASSESSED VALUATIONS

A-10

	<u>Ref.</u>		
Balance June 30, 2011	A		<u>\$ 942,474.28</u>
Balance June 30, 2012	A		<u><u>\$ 942,474.28</u></u>

TOWNSHIP OF MANCHESTER
CURRENT FUND

INTERFUNDS RECEIVABLE

A-11

	<u>Balance</u> <u>June 30, 2011</u>	<u>Increase</u>	<u>Cash</u> <u>Receipts</u>	<u>Balance</u> <u>June 30, 2012</u>
General Trust Fund	\$ 16,367.80	\$ 3,793.05	\$ 5,370.84	\$ 14,790.01
Animal Control Fund	<u>14,479.90</u>	<u>5,634.32</u>	<u>14,479.90</u>	<u>5,634.32</u>
Totals	<u>\$ 30,847.70</u>	<u>\$ 9,427.37</u>	<u>\$ 19,850.74</u>	<u>\$ 20,424.33</u>

Reference

A

Below

A-4

A

Ref.

Excess in Animal Control Fund
Interest Earned in General Trust

A-2c

\$5,634.32

A-12

3,793.05

Above

\$9,427.37

Ref.

Analysis of Net Debit to Fund Balance

Balance December 31, 2011

Above

\$ 30,847.70

Balance December 31, 2012

Above

20,424.33

Net Debit to Operations

A-1

\$ 10,423.37

TOWNSHIP OF MANCHESTER
CURRENT FUND

REVENUE ACCOUNTS RECEIVABLE

A-12

	<u>Ref.</u>	<u>Balance</u> <u>June 30, 2011</u>	<u>Accrued</u>	<u>Collected</u>	<u>Balance</u> <u>June 30, 2012</u>
<u>Budget Revenue</u>					
Township Clerk:					
Alcoholic Beverage Licenses	A-2	\$	\$ 35,500.00	\$ 35,500.00	\$
Other Licenses	A-2b		19,389.00	19,389.00	
Other Fees and Permits	A-2b		218,050.34	218,050.34	
Health Officer:					
Other Licenses	A-2b		1,680.00	1,680.00	
Other Fees and Permits:					
Tax Collector	A-2b		15,282.82	15,282.82	
Zoning Board	A-2b		21,625.00	21,625.00	
Registrar of Vital Statistics	A-2b		72,576.00	72,576.00	
Building Inspector	A-2b		78,378.00	78,378.00	
Recreation Department	A-2b		120,620.00	120,620.00	
Land Use	A-2b		88,613.86	88,613.86	
Housing	A-2b		52,770.00	52,770.00	
Engineering	A-2b		10,397.00	10,397.00	
Police Department	A-2b		22,902.72	22,902.72	
Beach Badges	A-2b		69,595.00	69,595.00	
Municipal Court:					
Fines and Costs	A-2	40,826.39	509,048.72	492,004.23	57,870.88
Interest on Investments	A-2		52,972.19	52,972.19	
Uniform Construction Fees	A-2		660,507.00	660,507.00	
Host Community Fees	A-2		844,779.68	844,779.68	
Cable TV Franchise Fees	A-2		163,392.05	163,392.05	
Ocean County Recycling Revenue	A-2		71,339.34	71,339.34	
Hotel Tax	A-2		27,651.36	27,651.36	
Open Space Share of Debt	A-2		382,771.50	382,771.50	
Reimbursement for In-Kind Services	A-2		743,336.00	743,336.00	
Senior Citizens' and Veterans' Post Year Statement	A-2		39,364.65	39,364.65	
Tower Rental	A-2		48,637.45	48,637.45	
Utility Surplus Anticipated	A-2		250,000.00	250,000.00	
State Aid:					
Consolidated Municipal Property					
Tax Relief Act	A-2		262,266.00	262,266.00	
Uniform Fire Safety Act	A-2		25,710.41	25,710.41	
Energy Receipts Tax	A-2		2,795,974.00	2,795,974.00	
		<u>\$ 40,826.39</u>	<u>\$ 7,705,130.09</u>	<u>\$ 7,688,085.60</u>	<u>\$ 57,870.88</u>

Reference

A

Reserve

Below

A

Ref.

Cash Receipts
Interest Earned in General Trust Fund

A-4 \$ 7,684,292.55
A-11 3,793.05

Above \$ 7,688,085.60

TOWNSHIP OF MANCHESTER
CURRENT FUND

DEFERRED CHARGES
SPECIAL EMERGENCY AUTHORIZATION

A-13

	<u>Ref.</u>	
Balance June 30, 2011	A	\$ 525,000.00
Increased by:		
Emergency Appropriation	A-3	175,000.00
		<u>700,000.00</u>
Decreased by:		
SFY 12 Budget Appropriation	A-3	105,000.00
		<u>105,000.00</u>
Balance June 30, 2012	A, Below	<u>\$ 595,000.00</u>
 <u>Analysis of Balance</u>		
5/23/11 - Accumulated Sick/Vacation Leave		\$ 420,000.00
4/15/12 - Reassessment		<u>175,000.00</u>
	Above	<u>\$ 595,000.00</u>

TOWNSHIP OF MANCHESTER
CURRENT FUND

FEDERAL AND STATE GRANT RECEIVABLES

A-14

	<u>Balance</u> <u>June 30, 2011</u>	<u>SFY</u> <u>2012</u> <u>Awards</u>	<u>Collected</u>	<u>Cancelled</u>	<u>Balance</u> <u>June 30, 2012</u>
Senior Outreach Grant	\$	\$ 125,000.00	\$ 125,000.00	\$	\$
Senior Outreach Grant		17,100.00	17,100.00		
Municipal Drug Alliance:					
SFY 2009	7,075.66			7,075.66	
SFY 2010	944.68			944.68	
SFY 2011	16,840.00		8,291.90	8,548.10	
SFY 2012		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		
Drunk Driving Enforcement Grant		9,983.06	9,983.06		
Body Armor Grant		14,508.06	14,508.06		
Clean Communities Grant		94,242.90	94,242.90		
O.C. Senior Citizen and Disabled Resident Transportation	900.00			900.00	
Recovery Act 2009	10,425.00				10,425.00
FY 2011 966 Reimbursement Program	3,689.00				3,689.00
FY 2012 966 Reimbursement Program		5,661.40	5,647.80		13.60
Department of Transportation: Colonial Drive		130,000.00	130,000.00		
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			16,989.00	38,011.00
SFY 2002	27,496.00				27,496.00
	<u>\$ 140,745.90</u>	<u>\$ 413,335.42</u>	<u>\$ 418,622.05</u>	<u>\$ 38,984.67</u>	<u>\$ 96,474.60</u>

<u>Reference</u>	<u>A</u>	<u>A-2</u>	<u>Below</u>	<u>A-4</u>	<u>A</u>
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Ref.

Cash Received	A-4	\$ 278,922.76
Unappropriated Reserves Applied	A-26	<u>139,699.29</u>
	Above	<u>\$ 418,622.05</u>

TOWNSHIP OF MANCHESTER
CURRENT FUND

SEY 2011 APPROPRIATION RESERVES

A-15
Sheet #1

<u>Appropriation</u>	<u>Balance</u> <u>June 30, 2011</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>Office of the Mayor</u>				
Environmental Commission:				
Salaries and Wages		1,000.00		1,000.00
Other Expenses		100.00		100.00
Veteran's Advisory Committee:				
Other Expenses		1,764.69		1,764.69
Office of the Clerk:				
Other Expenses	664.00	9,940.91	6,111.87	4,493.04
Zoning Board of Adjustments:				
Other Expenses		5,392.03	271.25	5,120.78
Municipal Audit:				
Other Expenses	664.00	42,174.00	35,845.00	6,329.00
		<u>60,371.63</u>	<u>42,228.12</u>	<u>18,807.51</u>
<u>Department of Administration</u>				
Office of the Tax Assessor:				
Salaries and Wages		9,984.30		9,984.30
Other Expenses	407.99	2,424.61	332.99	2,499.61
Aid to 3 Volunteer Fire Companies:				
Other Expenses		90,000.00	90,000.00	
Division of Data Processing:				
Salaries and Wages		768.96		768.96
Other Expenses	270.93	4,642.08	270.93	4,642.08
Division of Administration and Purchasing:				
Salaries and Wages		593.31		593.31
Other Expenses	8,729.36	15,109.64	7,121.69	7,987.95
Division of Recreation:				
Other Expenses	15,993.27	20,077.35	12,090.82	7,986.53
	<u>25,401.55</u>	<u>144,279.17</u>	<u>109,816.43</u>	<u>34,462.74</u>

APPROPRIATIONS WITHIN "CAPS"

TOWNSHIP OF MANCHESTER
CURRENT FUND

SEY 2011 APPROPRIATION RESERVES

A-15
Sheet #2

Appropriation	Balance June 30, 2011		Balance After Transfers	Paid or Charged	Balance Lapsed
	Encumbered	Unencumbered			
<u>APPROPRIATIONS WITHIN "CAPS"</u>					
<u>Department of Finance</u>					
<u>Financial Administration:</u>					
Salaries and Wages	\$ 4,322.48	\$ 174.34	\$ 174.34	\$ 174.34	\$ 174.34
Other Expenses		1,255.15	5,577.63	4,302.48	1,275.15
Revenue Collection:					
Salaries and Wages		3,953.44	3,953.44		3,953.44
Other Expenses	11,103.02	825.56	11,928.58	11,096.58	832.00
	15,425.50	6,208.49	21,633.99	15,399.06	6,234.93
<u>Department of Law</u>					
<u>Municipal Prosecutor:</u>					
Other Expenses		1,833.33	1,833.33	1,833.33	
Township Attorney:					
Other Expenses		24,479.41	24,479.41	15,670.35	8,809.06
		26,312.74	26,312.74	17,503.68	8,809.06
<u>Department of Public Works</u>					
<u>Division of Administration and Streets:</u>					
Salaries and Wages		47,687.94	47,687.94		47,687.94
Other Expenses	14,451.88	6,271.68	20,723.56	7,396.22	13,327.34
Division of Sanitation and Recycling:					
Other Expenses	3,506.95	6,642.34	10,149.29	3,200.00	6,949.29
Division of Building and Grounds:					
Other Expenses	12,326.37	5,207.97	17,534.34	13,051.73	4,482.61
Division of Central Maintenance:					
Salaries and Wages		14,204.43	14,204.43		14,204.43
Other Expenses	20,487.53	3,092.37	23,579.90	17,466.16	6,113.74
Division of Lakes, Parks and Playgrounds:					
Salaries and Wages		18,820.27	18,820.27		18,820.27
Other Expenses	3,025.04	1,618.19	4,643.23	3,084.04	1,559.19
	53,797.77	103,545.19	157,342.96	44,198.15	113,144.81

TOWNSHIP OF MANCHESTER
CURRENT FUND

A-15
Sheet #3

SFY 2011 APPROPRIATION RESERVES

<u>Appropriation</u>	<u>Balance</u> <u>June 30, 2011</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>			
	\$ 20,967.57	\$ 20,967.57	\$ 15,373.11	\$ 5,594.46
<u>APPROPRIATIONS WITHIN "CAPS"</u>				
<u>Department of Engineering</u>				
Engineering:				
Other Expenses	1,813.69	1,813.69		1,813.69
	35,314.99	199,905.50	158,594.16	41,311.34
<u>Department of Public Safety</u>				
Police:				
Salaries and Wages	5,793.10	5,793.10		5,793.10
Other Expenses	3,763.50	3,763.50		3,763.50
<u>Police Clerical and Computer:</u>	9,228.07	9,400.07	5,686.60	3,713.47
Salaries and Wages				
Animal Control:				
Salaries and Wages	6,337.96	6,337.96		6,337.96
Other Expenses	2,355.42	2,355.42		2,355.42
<u>Division of Emergency Management:</u>	64,606.73	229,369.24	164,280.76	65,088.48
Salaries and Wages				
Other Expenses				
<u>Department of Land Use and Planning</u>				
<u>Division of Zoning and Planning:</u>	1,127.21	1,447.21	689.00	758.21
Other Expenses				
<u>Uniform Fire Safety:</u>	1,000.00	1,000.00		1,000.00
Other Expenses				

TOWNSHIP OF MANCHESTER
CURRENT FUND

SFY 2011 APPROPRIATION RESERVES

A-15
Sheet #4

<u>Appropriation</u>	<u>Balance</u> <u>June 30, 2011</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>Other</u>				
<u>Municipal Court:</u>				
Salaries and Wages	\$ 83.52	\$ 83.52	\$ 83.52	\$ 10,118.82
Other Expenses	123.50	12,029.02	1,910.20	
Public Defender (P.L. 1997, c.256):				
Salaries and Wages	1,800.00	17,466.60	4,416.68	14,849.92
Insurance:				
General Liability		19,610.01		19,610.01
Employee Group Health		51,856.34	332,952.40	51,943.74
Hepatitis Inoculation Program:				
Other Expenses		5,000.00		5,000.00
OSHA Requirement - Respirator Testing:				
Other Expenses	<u>335,046.82</u>	<u>5,930.98</u>	<u>339,362.80</u>	<u>5,930.98</u>
		<u>111,769.45</u>		<u>107,453.47</u>
<u>Uniform Construction Code</u>				
Uniform Construction Code:				
Salaries and Wages		22,516.26		22,516.26
Other Expenses	<u>2,818.00</u>	<u>27,535.61</u>	<u>1,071.00</u>	<u>29,282.61</u>
	<u>2,818.00</u>	<u>50,051.87</u>	<u>1,071.00</u>	<u>51,798.87</u>
<u>Unclassified</u>				
Utilities:				
Gasoline	35,213.50	13,425.10	40,017.75	8,620.85
Electricity		17,744.36	15,562.18	2,182.18
Telephone and Telegraph		10,389.80	7,508.88	2,880.92
Natural Gas		17,252.20	426.94	16,825.26
Heating Oil	520.60	520.60		520.60
Street Lighting		8,319.44	7,212.07	1,107.37
Condominium Services Act		64,278.44	63,830.84	447.60
Accumulated Leave Compensation	<u>35,734.10</u>	<u>229,639.00</u>	<u>229,639.00</u>	<u>32,584.78</u>
		<u>361,048.34</u>	<u>364,197.66</u>	

TOWNSHIP OF MANCHESTER
CURRENT FUND

A-15
Sheet #5

SFY 2011 APPROPRIATION RESERVES

<u>Appropriation</u>	<u>Encumbered</u>	<u>Balance June 30, 2011</u>	<u>Unencumbered</u>	<u>Balance After Transfers</u>	<u>Paid or Charged</u>	<u>Balance Lapsed</u>
<u>Contingent</u>	\$	\$ 5,000.00		\$ 5,000.00	\$	\$ 5,000.00
<u>Statutory Expenditures</u>						
<u>Social Security System (OASI)</u>		129,534.38		129,534.38		129,534.38
<u>Total Appropriations Within "CAPS"</u>	633,970.25	1,060,421.22		1,694,391.47	1,114,119.77	580,271.70
<u>APPROPRIATIONS EXCLUDED FROM "CAPS"</u>						
<u>Insurance - Group</u>	44,374.00			44,374.00	44,374.00	
<u>Total Appropriations Excluded from "CAPS"</u>	44,374.00			44,374.00	44,374.00	
<u>Reference</u>	\$ 678,344.25	\$ 1,060,421.22		\$ 1,738,765.47	\$ 1,158,493.77	\$ 580,271.70
	A	A			A-4	A-1

TOWNSHIP OF MANCHESTER
CURRENT FUND

INTERFUNDS PAYABLE

A-16

	<u>Balance</u> <u>June 30, 2011</u>	<u>Cash</u> <u>Receipts</u>	<u>Cash</u> <u>Disbursed</u>	<u>Balance</u> <u>June 30, 2012</u>
General Capital Fund	<u>\$ 61,975.00</u>	<u>\$95,000.00</u>	<u>\$61,975.00</u>	<u>\$ 95,000.00</u>
<u>Reference</u>	<u>A</u>	<u>A-4</u>	<u>A-4</u>	<u>A</u>

TOWNSHIP OF MANCHESTER
CURRENT FUND

DUE TO STATE OF NEW JERSEY

A-17

	<u>Ref.</u>	<u>DCA Surcharges</u>	<u>Marriage License Fees</u>
Balance June 30, 2011	A	\$ 5,893.00	\$ 687.00
Increased by:			
Collection of State Fees	A-4	<u>39,426.00</u> 45,319.00	<u>3,375.00</u> 4,062.00
Decreased by:			
Payments	A-4	<u>36,881.00</u>	<u>3,475.00</u>
Balance June 30, 2012	A	<u>\$ 8,438.00</u>	<u>\$ 587.00</u>

TAX OVERPAYMENTS

A-18

	<u>Ref.</u>	
Increased by:		
Tax Collector Receipts	A-5	<u>\$ 53,322.88</u>
Balance June 30, 2012	A	<u>\$ 53,322.88</u>

TOWNSHIP OF MANCHESTER
CURRENT FUND

RESERVE FOR UNAPPROPRIATED STATE AID - PILOT

A-19

	<u>Ref.</u>	
Balance June 30, 2011	A	\$ 159,227.00
Increased by:		
Cash Receipt	A-4	159,227.00
		<u>318,454.00</u>
Decreased by:		
Anticipated as Current Year Revenue	A-2	159,227.00
		<u>159,227.00</u>
Balance June 30, 2012	A	<u>\$ 159,227.00</u>

ACCOUNTS PAYABLE

A-20

	<u>Ref.</u>	
Balance June 30, 2011	A	\$ 33,581.73
Balance June 30, 2012	A	<u>\$ 33,581.73</u>

SPECIAL EMERGENCY NOTE PAYABLE

A-21

	<u>Ref.</u>	
Balance June 30, 2011	A	\$ 525,000.00
Increased by:		
Cash Receipt	A-4	595,000.00
		<u>1,120,000.00</u>
Decreased by:		
Cash Disbursed	A-4	525,000.00
		<u>525,000.00</u>
Balance June 30, 2012	A	<u>\$ 595,000.00</u>

TOWNSHIP OF MANCHESTER
CURRENT FUND

COUNTY TAXES PAYABLE

A-22

	<u>Ref.</u>		
Increased by:			
2011/2012 Levy		\$ 14,494,464.92	
Added and Omitted Taxes		29,654.27	
	A-1,2a,8		\$ 14,524,119.19
Decreased by:			
Payments to County	A-4		14,524,119.19
			\$ -

LOCAL SCHOOL DISTRICT TAXES PAYABLE

A-23

	<u>Ref.</u>		
Increased by:			
Levy School Year July 1, 2011 - June 30, 2012	A-1,2a,8		\$40,662,161.00
Decreased by:			
Payments	A-4		40,662,161.00
			\$ -

TOWNSHIP OF MANCHESTER
CURRENT FUND

PREPAID TAXES

A-24

	<u>Ref.</u>	
Balance June 30, 2011	A	\$77,812.33
Increased by:		
Collections	A-5	<u>20,870.44</u>
		98,682.77
Decreased by:		
Applied to Taxes Receivable	A-8	<u>77,812.33</u>
Balance June 30, 2012	A	<u>\$20,870.44</u>

TOWNSHIP OF MANCHESTER
CURRENT FUND

RESERVE FOR FEDERAL AND STATE GRANTS - APPROPRIATED

A-25

	<u>Balance</u> June 30, 2011 <u>Reserved</u>	<u>Transfer from</u> SFY 2012 <u>Budget</u>	<u>Expenditures</u>	<u>Cancelled</u>	<u>Balance</u> June 30, 2012 <u>Reserved</u>
Recycling Mini Grant	\$ 477.05	\$	\$	\$ 477.05	\$
Senior Outreach Program:					
State Grant - 2007	3,792.33			3,792.33	
State Grant - 2009	445.70			445.70	
State Grant - 2010	27,240.51			27,240.51	
State Grant - 2011	104,423.74		2,886.94	101,536.80	
State Grant - 2012		513,550.00	447,813.77		65,736.23
Drunk Driving Enforcement Fund	10,354.08	9,983.06	13,564.10		6,773.04
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	1,691.41			1,691.41	
SFY 2010	12,021.40			9,368.73	2,652.67
SFY 2011	2,902.52		2,902.52		
SFY 2012		17,840.00	10,336.48		7,503.52
Body Armor Grant	1,270.36	14,508.06	6,045.00		9,733.42
O.C. Senior Citizen and Disabled					
Resident Transportation	5,700.00			900.00	4,800.00
Clean Communities Grant:					
SFY 2004	2,300.74			2,300.74	
SFY 2009	0.27			0.27	
SFY 2012		94,242.90	62,655.46		31,587.44
EOC Renovation	17,205.09			17,205.09	
FY 966 Grant	3,689.00				3,689.00
FY 2012 966 Reimbursement		5,661.40			5,661.40
Department of Transportation:					
Colonial Drive North	99,488.86		99,089.35		399.51
Colonial Drive		130,000.00			130,000.00
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	50,928.34		36,973.28		13,955.06
	<u>\$ 350,069.81</u>	<u>\$ 785,785.42</u>	<u>\$ 682,266.90</u>	<u>\$ 171,072.04</u>	<u>\$ 282,516.29</u>

Reference

A

Below

A-4

A-4

A

Ref.

Transferred from SFY 2012 Budget
Matching Funds

A-3

\$ 413,335.42

A-3,4

372,450.00

Above

\$ 785,785.42

TOWNSHIP OF MANCHESTER
CURRENT FUND

RESERVE FOR FEDERAL AND STATE AID UNAPPROPRIATED

A-26

	<u>Ref.</u>	
Balance June 30, 2011	A	\$ 139,699.29
Increased by:		
Cash Received	A-4	<u>102,259.92</u> 241,959.21
Decreased by:		
Anticipated as Current Year Revenue	A-14	<u>139,699.29</u>
Balance June 30, 2012	A, Below	<u><u>\$ 102,259.92</u></u>
 <u>Analysis of Balance - June 30, 2012</u>		
Body Armor Grant		\$ 7,647.66
Senior Outreach		12,100.00
Clean Communities Program		<u>82,512.26</u>
		<u><u>\$ 102,259.92</u></u>
	<u>Reference</u>	<u>Above</u>

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	\$ 57,017.30	\$ 4,037,834.94	\$ 259,447.43	\$ 168,119.79	\$ 38,557.98	\$ 5,726.69	\$ 41,897.93	\$ 5,830.80	\$ 1,269,595.30	\$ 19,230.71
Increased by:										
B-3	2,340.00									
B-4	7,960.60									
B-6	2,222.40									
B-6	145.00									
B-6	1.00									
B-7		3,793.05						8,400.00		
B-8			703,364.74							
B-9										
B-10		655,181.24								
B-11				48,463.83	5,757.12	11,445.00	23,834.00		1,087,139.84	39,209.30
B-12										
B-13										
B-14										
B-15										
B-16	12,669.00	658,974.29	703,364.74	48,463.83	5,757.12	11,445.00	23,834.00	8,400.00	1,087,139.84	39,209.30
	69,686.30	4,696,809.23	962,812.17	216,593.62	44,315.10	17,171.69	65,731.93	14,230.80	2,356,735.14	55,440.01
Decreased by:										
B-3	2,879.40									
B-5	14,479.90									
B-6	6,756.48									
B-7		5,370.84								
B-8			744,279.74					11,800.00		
B-9										
B-10		1,481,996.55								
B-11				33,370.13						
B-12					4,320.43	13,751.55	17,800.00		2,299,460.50	42,010.57
B-13										
B-14										
B-15										
B-16	24,115.78	1,487,367.39	744,279.74	33,370.13	4,320.43	13,751.55	17,800.00	11,800.00	2,299,460.50	42,010.57
B	\$ 45,570.52	\$ 3,209,441.84	\$ 218,532.43	\$ 183,213.49	\$ 39,994.67	\$ 3,420.14	\$ 47,931.93	\$ 2,430.80	\$ 57,274.64	\$ 13,429.44
Balance June 30, 2012										

TOWNSHIP OF MANCHESTER
TRUST FUND

COMMUNITY DEVELOPMENT BLOCK GRANT RECEIVABLE

B-2

<u>Grant Number</u>	<u>Project Description</u>	<u>Balance June 30, 2011</u>	<u>Balance June 30, 2012</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, 2011	B	\$ 1,951.20
Increased by:		
State of New Jersey Fees	B-1	<u>2,340.00</u> 4,291.20
Decreased by:		
Payments to State of New Jersey	B-1	<u>2,879.40</u>
Balance June 30, 2012	B	<u><u>\$ 1,411.80</u></u>

ANIMAL CONTROL TRUST FUND
PREPAID DOG LICENSES

B-4

	<u>Ref.</u>	
Balance June 30, 2011	B	\$ 15,905.60
Increased by:		
Prepaid Collections	B-1	<u>7,960.60</u> 23,866.20
Decreased by:		
Prepaid Licenses Applied	B-6	<u>9,340.00</u>
Balance June 30, 2012	B	<u><u>\$ 14,526.20</u></u>

TOWNSHIP OF MANCHESTER
TRUST FUND

ANIMAL CONTROL FUND
INTERFUNDS PAYABLE

B-5

	<u>Ref.</u>	<u>Current Fund</u>
Balance June 30, 2011	B	\$ 14,479.90
Increased by:		
Excess Fund Balance in Animal Control Fund	B-6	<u>5,634.32</u> 20,114.22
Decreased by:		
Interfund Settlement	B-1	<u>14,479.90</u>
Balance June 30, 2012	B	<u>\$ 5,634.32</u>

TOWNSHIP OF MANCHESTER
TRUST FUND

ANIMAL CONTROL TRUST FUND
RESERVE FOR ANIMAL CONTROL EXPENDITURES

B-6

	<u>Ref.</u>		
Balance June 30, 2011	B		\$ 24,680.60
Increased by:			
Dog License Fees	B-1	\$ 2,222.40	
Late Fees	B-1	145.00	
Replacement Fees	B-1	1.00	
Prepaid Licenses Applied	B-4	<u>9,340.00</u>	
			<u>11,708.40</u>
			36,389.00
Decreased by:			
Expenditures Under N.J.S. 40A:4-39	B-1	6,756.48	
Excess Due to Current Fund	B-5	<u>5,634.32</u>	
			<u>12,390.80</u>
Balance June 30, 2012	B		<u>\$ 23,998.20</u>

License Fees Collected

	<u>Year</u>	<u>Amount</u>
SFY 2011		\$ 11,652.80
SFY 2010		<u>12,345.40</u>
Maximum Balance		<u>\$ 23,998.20</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, 2011	B	\$ 16,367.80
Increased by:		
Interest Earned	B-1	<u>3,793.05</u> 20,160.85
Decreased by:		
Cash Disbursed	B-1	<u>5,370.84</u>
Balance June 30, 2012	B	<u><u>\$14,790.01</u></u>

RESERVE FOR MANCHESTER DAY TRUST FUND

B-8

	<u>Ref.</u>	
Balance June 30, 2011	B	\$ 5,830.80
Increased by:		
Collections	B-1	<u>8,400.00</u> 14,230.80
Decreased by:		
Expenditures	B-1	<u>11,800.00</u>
Balance June 30, 2012	B	<u><u>\$ 2,430.80</u></u>

TOWNSHIP OF MANCHESTER
TRUST FUND

DEPOSITS FOR REDEMPTION OF TAX TITLE LIENS

B-9

	<u>Ref.</u>	
Balance June 30, 2011	B	\$ 259,447.43
Increased by:		
Collections	B-1	<u>703,364.74</u>
		962,812.17
Decreased by:		
Expenditures	B-1	<u>744,279.74</u>
Balance June 30, 2012	B	<u><u>\$ 218,532.43</u></u>

TOWNSHIP OF MANCHESTER
TRUST FUND

SPECIAL ESCROW DEPOSITS

B-10

	<u>Ref.</u>	
Balance June 30, 2011	B	\$ 3,951,853.64
Increased by:		
Collections	B-1	\$ 655,181.24
Reserve for Retirement Pay	B-18	<u>77,000.00</u>
		<u>732,181.24</u>
		4,684,034.88
Decreased by:		
Refunds and Expenditures	B-1	<u>1,481,996.55</u>
Balance June 30, 2012	B, Below	<u><u>\$ 3,202,038.33</u></u>
 <u>Analysis of Balance</u>		
Performance Escrow Deposits		\$ 2,136,417.09
Veterans Committee		17,558.45
Affordable Housing Deposits		1,001,747.95
Recreation Trust		9,947.44
POAA Trust		606.00
Police Off-Duty		31,649.64
Sanitary Landfill		<u>4,111.76</u>
Total	Above	<u><u>\$ 3,202,038.33</u></u>

TOWNSHIP OF MANCHESTER
TRUST FUND

STATE UNEMPLOYMENT COMPENSATION
INSURANCE TRUST FUND

B-11

	<u>Ref.</u>	
Balance June 30, 2011	B	\$ 168,119.79
Increased by:		
Quarterly Credits	B-1	48,463.83
		<u>216,583.62</u>
Decreased by:		
Claims	B-1	33,370.13
		<u>33,370.13</u>
Balance June 30, 2012	B	<u>\$ 183,213.49</u>

POLICE DRUG ENFORCEMENT TRUST ACCOUNT

B-12

	<u>Ref.</u>	
Balance June 30, 2011	B	\$ 38,557.98
Increased by:		
Cash Receipts	B-1	5,757.12
		<u>44,315.10</u>
Decreased by:		
Expenditures	B-1	4,320.43
		<u>4,320.43</u>
Balance June 30, 2012	B	<u>\$ 39,994.67</u>

TOWNSHIP OF MANCHESTER
TRUST FUND

MUNICIPAL DRUG ALLIANCE DISCRETIONARY RESERVES

B-13

	<u>Ref.</u>	
Balance June 30, 2011	B	\$ 5,726.69
Increased by:		
Donations	B-1	<u>11,445.00</u> 17,171.69
Decreased by:		
Expenditures	B-1	<u>13,751.55</u>
Balance June 30, 2012	B	<u><u>\$ 3,420.14</u></u>

RESERVE FOR PUBLIC DEFENDER TRUST FUND

B-14

	<u>Ref.</u>	
Balance June 30, 2011	B	\$ 41,897.93
Increased by:		
Fees Collected	B-1	<u>23,834.00</u> 65,731.93
Decreased by:		
Expenditures	B-1	<u>17,800.00</u>
Balance June 30, 2012	B	<u><u>\$ 47,931.93</u></u>

TOWNSHIP OF MANCHESTER
TRUST FUND

RESERVE FOR OPEN SPACE TRUST FUND

B-15

	<u>Ref.</u>					
Balance June 30, 2011	B	\$ 1,269,595.30				
Increased by:						
Open Space Tax Levy		\$ 407,936.00				
State of N.J. - Administrative Operations		675,000.00				
Interest on Investments		4,203.84				
	B-1	<table style="width: 100%; border-collapse: collapse;"> <tr> <td style="width: 80%;"></td> <td style="border-top: 1px solid black; text-align: right;">1,087,139.84</td> </tr> <tr> <td></td> <td style="text-align: right;">2,356,735.14</td> </tr> </table>		1,087,139.84		2,356,735.14
	1,087,139.84					
	2,356,735.14					
Decreased by:						
Expenditures	B-1	<table style="width: 100%; border-collapse: collapse;"> <tr> <td style="width: 80%;"></td> <td style="border-top: 1px solid black; text-align: right;">2,299,460.50</td> </tr> </table>		2,299,460.50		
	2,299,460.50					
Balance June 30, 2012	B	<table style="width: 100%; border-collapse: collapse;"> <tr> <td style="width: 80%;"></td> <td style="border-top: 1px solid black; border-bottom: 3px double black; text-align: right;">\$ 57,274.64</td> </tr> </table>		\$ 57,274.64		
	\$ 57,274.64					

RESERVE FOR RECREATION TRUST FUND

B-16

	<u>Ref.</u>					
Balance June 30, 2011	B	\$ 16,230.71				
Increased by:						
Cash Receipts	B-1	<table style="width: 100%; border-collapse: collapse;"> <tr> <td style="width: 80%;"></td> <td style="border-top: 1px solid black; text-align: right;">39,209.30</td> </tr> <tr> <td></td> <td style="text-align: right;">55,440.01</td> </tr> </table>		39,209.30		55,440.01
	39,209.30					
	55,440.01					
Decreased by:						
Expenditures	B-1	<table style="width: 100%; border-collapse: collapse;"> <tr> <td style="width: 80%;"></td> <td style="border-top: 1px solid black; text-align: right;">42,010.57</td> </tr> </table>		42,010.57		
	42,010.57					
Balance June 30, 2012	B	<table style="width: 100%; border-collapse: collapse;"> <tr> <td style="width: 80%;"></td> <td style="border-top: 1px solid black; border-bottom: 3px double black; text-align: right;">\$ 13,429.44</td> </tr> </table>		\$ 13,429.44		
	\$ 13,429.44					

TOWNSHIP OF MANCHESTER
TRUST FUND

COMMUNITY DEVELOPMENT BLOCK GRANT RESERVES

B-17

<u>Grant Number</u>	<u>Project Description</u>	<u>Balance June 30, 2011</u>	<u>Balance June 30, 2012</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, 2011	B	\$77,863.50
Decreased by:		
Expenditures	B-10	<u>77,000.00</u>
Balance June 30, 2012	B	<u>\$ 863.50</u>

TOWNSHIP OF MANCHESTER
GENERAL CAPITAL FUND

CASH RECEIPTS AND DISBURSEMENTS

C-2

	<u>Ref.</u>		
Balance June 30, 2011	C		\$ 1,926,469.17
Increased by Receipts:			
Premium on Sale of Notes	C-1	\$ 15,597.00	
Interfunds Receivable	C-4	61,975.00	
Due from State of New Jersey	C-5	150,000.00	
Deferred Charges - Unfunded	C-7	189,183.87	
Green Acres Loan Payable	C-9	567,551.63	
Capital Improvement Fund	C-10	125,795.00	
Bond Anticipation Notes	C-12	<u>5,885,000.00</u>	
			<u>6,995,102.50</u>
			8,921,571.67
Decreased by Disbursements:			
Interfunds Payable	C-8	414,800.00	
Improvement Authorizations	C-11	504,148.31	
Bond Anticipation Notes	C-12	<u>5,885,000.00</u>	
			<u>6,803,948.31</u>
Balance June 30, 2012	C		<u><u>\$2,117,623.36</u></u>

TOWNSHIP OF MANCHESTER
GENERAL CAPITAL FUND

ANALYSIS OF GENERAL CAPITAL CASH

C-3

Ordinance Number	Balance June 30, 2011	Receipts		Disbursements Improvement Authorizations	Transfers		Balance June 30, 2012
		Other			From	To	
	\$ (409,978.71)	\$ 72,676.06		\$ 22,985.36	\$ 226,859.94	\$ (133,428.07)	
02-027	28,177.43				28,177.43		
02-028-2	72,565.35				72,565.35		
02-028-4	1,123.54				1,123.54		
02-028-5	68,541.69					68,541.69	
04-005	(34,313.89)			38,365.11		(72,679.00)	
04-007	(477,712.68)					(60,513.18)	
05-001	14,000.00	116,507.81			235,000.00		
05-009	(91,275.32)				14,000.00		
05-057	203,394.85				43,724.68	135,000.00	
05-058-1	7,336.66			6,439.56		203,394.85	
05-058-4	11,689.53				11,689.53	897.10	
05-058-6	167,083.24			15,125.00		151,958.24	
08-028-1	52,104.02			12,064.63		40,039.39	
08-028-2	139,328.93			50,684.53		88,644.40	
08-028-3	524,552.65			41,040.45		483,512.20	
08-028-4	346,806.57			130,582.03		216,224.54	
08-028-5	383,867.80			110,087.94		273,779.86	
08-028-6	71,652.32			68,395.13		3,257.19	
08-028-7	158,000.00					158,000.00	
08-028-9	(136,298.39)	150,000.00		8,378.57		5,323.04	
08-037						124.32	
09-001	124.32						
	\$ 350,410.45	\$ 125,795.00		\$ 414,800.00		\$ 476,205.45	
Other Accounts	414,800.00						
Capital Improvement Fund							
Interfunds Payable							
Green Acres Loan	(61,975.00)	567,551.63			567,551.63	(95,000.00)	
Interfunds Receivable	122,463.81	15,597.00			95,000.00	309,341.34	
Fund Balance							
	\$ 1,926,469.17	\$ 1,110,102.50		\$ 918,948.31	\$ 1,068,832.16	\$ 2,117,623.36	
Reference	C	C-2		C-2	Contra	C	
					Contra		

TOWNSHIP OF MANCHESTER
GENERAL CAPITAL FUND

INTERFUNDS RECEIVABLE

C-4

	<u>Ref.</u>	<u>Current Fund</u>
Balance June 30, 2011	C	\$ 61,975.00
Increased by:		
Deferred Charges - Unfunded	C-7	95,000.00
		<u>156,975.00</u>
Decreased by:		
Cash Receipt	C-2	<u>61,975.00</u>
Balance June 30, 2012	C	<u><u>\$ 95,000.00</u></u>

DUE FROM STATE OF NEW JERSEY

C-5

	<u>Ref.</u>	
Balance June 30, 2011	C	\$ 150,000.00
Decreased by:		
Cash Receipt	C-2	<u>150,000.00</u>
		<u><u>\$ -</u></u>

TOWNSHIP OF MANCHESTER
GENERAL CAPITAL FUND

DEFERRED CHARGES TO FUTURE TAXATION
FUNDED

C-6

	<u>Ref.</u>		
Balance June 30, 2011	C		\$ 14,545,968.25
Increased by:			
Green Acres Loans	C-7		<u>567,551.63</u>
			15,113,519.88
Decreased by:			
2012 Budget Appropriations:			
Green Acres Payment	C-9	\$ 111,185.45	
Serial Bonds Redeemed	C-13	<u>2,005,000.00</u>	
			<u>2,116,185.45</u>
Balance June 30, 2012	C		<u>\$ 12,997,334.43</u>

TOWNSHIP OF MANCHESTER
GENERAL CAPITAL FUND

DEFERRED CHARGES TO FUTURE TAXATION - UNFUNDED

C-7

<u>Ordinance Number</u>	<u>Description</u>	<u>Balance June 30, 2011</u>	<u>Decrease</u>	<u>Balance June 30, 2012</u>	<u>Analysis of Balance</u>		
					<u>Bond Anticipation Notes</u>	<u>Expenditures</u>	<u>Unexpended Improvement Authorization</u>
02-027	Pine Lake Park Walkway	\$ 526,842.00	\$299,536.00	\$ 227,306.00	\$	\$ 133,428.07	\$ 93,877.93
04-007	Road Improvements to Colonial Drive	115,000.00		115,000.00		72,679.00	42,321.00
05-001	Improvements to Soccer Complex	600,000.00	417,199.50	182,800.50		60,513.18	122,287.32
05-057	Reconstruction of Northampton Boulevard	166,250.00	166,250.00				
08-028	Various Capital Improvements	5,353,250.00	115,000.00	5,238,250.00	5,238,250.00		13,500.00
08-037	Paving of Alexander Avenue	95,000.00		95,000.00	81,500.00		
09-01	Purchase of Fire Truck	565,250.00	124.32	565,125.68	565,250.00	(124.32)	
		<u>\$7,421,592.00</u>	<u>\$998,109.82</u>	<u>\$6,423,482.18</u>	<u>\$5,885,000.00</u>	<u>\$ 266,495.93</u>	<u>\$271,986.25</u>
	<u>Reference</u>	<u>C</u>	<u>Below</u>	<u>C</u>	<u>C-12</u>	<u>C-3</u>	<u>Below</u>
	<u>Ref.</u>						
	Cash Receipts		\$189,183.87			\$	
	Due from Current Fund		95,000.00				
	Improvement Authorizations - Unfunded		31,374.32			1,692,725.11	
	Less: Unexpended Proceeds of Bond Anticipation Notes Issued - Various						
	Deferred Charges - Funded		567,551.63			1,420,738.86	
	Bond Anticipation Notes Budgeted		115,000.00				
		<u>Above</u>	<u>\$998,109.82</u>				<u>\$271,986.25</u>

TOWNSHIP OF MANCHESTER
GENERAL CAPITAL FUND

INTERFUNDS PAYABLE

C-8

Water Capital
Western Service

	<u>Ref.</u>	
Balance June 30, 2011	C	\$ 414,800.00
Decreased by:		
Cash Disbursed	C-2	<u>414,800.00</u>
		<u>\$ -</u>

GREEN ACRES LOAN PAYABLE

C-9

	<u>Ref.</u>	
Balance June 30, 2011	C	\$ 792,968.25
Increased by:		
Cash Receipts	C-2	<u>567,551.63</u>
		1,360,519.88
Decreased by:		
Payments	C-6	<u>111,185.45</u>
Balance June 30, 2012	C	<u>\$ 1,249,334.43</u>

TOWNSHIP OF MANCHESTER
GENERAL CAPITAL FUND

CAPITAL IMPROVEMENT FUND

C-10

	<u>Ref.</u>	
Balance June 30, 2011	C	\$350,410.45
Increased by:		
Budget Appropriation	C-2	<u>125,795.00</u>
Balance June 30, 2012	C	<u><u>\$476,205.45</u></u>

TOWNSHIP OF MANCHESTER
GENERAL CAPITAL FUND

IMPROVEMENT AUTHORIZATIONS

C-11

Ordinance <u>Number</u>	Balance June 30, 2011		Expended	Cancelled	Balance June 30, 2012	
	Funded	Unfunded			Funded	Unfunded
<u>General Improvements</u>						
Pine Lake Park Walkway	\$	\$ 116,863.29	\$ 22,985.36	\$ 28,177.43	\$	\$ 93,877.93
Paving Projects		28,177.43		72,565.35		
Harry Wright Lake Bike Path		72,565.35		1,123.54		
Microfilming		1,123.54				
Police Communications System		68,541.69			68,541.69	
Road Improvements to Colonial Drive		80,686.11	38,365.11			42,321.00
Improvement to Soccer Complex		122,287.32				122,287.32
Acquisition of Open Space Properties		14,000.00		14,000.00		
Reconstruction of Northampton Boulevard		74,974.68		74,974.68		
Police Department Projects		203,394.85			203,394.85	
Acquisition of Microfilming Equipment		7,336.66	6,439.56		897.10	
Recreation Projects Including Johnson Avenue Park		11,689.53		11,689.53		
Acquisition of Public Works Vehicles		167,083.24	15,125.00			151,958.24
Various Park Improvements		52,104.02	12,064.63			40,039.39
Various Environmental Improvements		139,328.93	50,684.53			88,644.40
Various Capital Improvements		524,552.65	41,040.45			483,512.20
Paving of Various Roads		346,806.57	130,582.03			216,224.54
Various Improvements		383,867.80	110,087.94			273,779.86
Purchase of Police Vehicles/Weapons		71,652.32	68,395.13			3,257.19
Purchase of Various Land		158,000.00				158,000.00
Paving of Alexander Avenue		27,201.61	8,378.57			18,823.04
Acquisition of Fire Truck		124.32		124.32		
		\$ 406,829.05	\$ 504,148.31	\$ 202,654.85	\$ 272,833.64	\$ 1,692,725.11
<u>Reference</u>		C	C-2	Below	C	C
			<u>Ref.</u>			
		Fund Balance	C-1	\$ 171,280.53		
		Deferred Charges - Unfunded	C-7	31,374.32		
			Above	\$ 202,654.85		

TOWNSHIP OF MANCHESTER
GENERAL CAPITAL FUND

SERIAL BONDS

C-13

<u>Date of Issue</u>	<u>Issue</u>	<u>Maturities of Bonds Outstanding June 30, 2012</u>		<u>Interest Rate</u>	<u>Balance June 30, 2011</u>	<u>Bonds Paid</u>	<u>Balance June 30, 2012</u>
		<u>Date</u>	<u>Amount</u>				
12-01-96	\$ 9,357,000.00	12-01-11	\$ 650,000.00	5.000 %	\$ 650,000.00	\$ 650,000.00	\$
10-15-01	3,198,000.00	10-15-12/13 10-15-14	400,000.00 398,000.00	3.875 3.875	1,198,000.00	400,000.00	798,000.00
10-01-02	1,795,000.00	10-01-11	305,000.00	4.700	305,000.00	305,000.00	
3-01-06	14,350,000.00	3-01-13 3-01-14/15 3-01-16/26	650,000.00 750,000.00 800,000.00	4.250 4.250 4.250	11,600,000.00	650,000.00	10,950,000.00
					<u>\$ 13,753,000.00</u>	<u>\$ 2,005,000.00</u>	<u>\$ 11,748,000.00</u>
		<u>Reference</u>			C	C-6	C

TOWNSHIP OF MANCHESTER
GENERAL CAPITAL FUND

BONDS AND NOTES AUTHORIZED BUT NOT ISSUED

C-14

<u>Description</u>	<u>Ordinance Number</u>	<u>Amount</u>	<u>Balance June 30, 2011</u>	<u>Decreased by</u>	<u>Adjustment</u>	<u>Balance June 30, 2012</u>
Pine Lake Park Walkway	02-027	\$570,000.00	\$ 526,842.00	\$199,536.00	\$(100,000.00)	\$227,306.00
Road Improvements to Colonial Drive	04-007	245,000.00	115,000.00			115,000.00
Improvements to Soccer Complex	05-001	700,000.00	600,000.00	652,199.50	235,000.00	182,800.50
Reconstruction of Northhampton Boulevard	05-057	166,250.00	166,250.00	31,250.00	(135,000.00)	13,500.00
Paving of Alexander Avenue	08-037	95,000.00	13,500.00			13,500.00
			<u>\$1,421,592.00</u>	<u>\$882,985.50</u>	<u>\$ -</u>	<u>\$538,606.50</u>

Reference

C

C-7

C

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, 2011	D	\$1,177,324.42	\$294,471.75	\$2,629,376.31
Increased by Receipts:				
Miscellaneous Revenue	D-3	\$ 61,005.33		
Consumer Accounts Receivable	D-7	2,122,926.05		
Connection Fees	D-9	23,938.00		
Escrow Deposits	D-15		70,595.55	
Capital Improvement Fund	D-16			50,000.00
		<u>2,207,869.38</u>	<u>365,067.30</u>	<u>2,679,376.31</u>
		3,385,193.80		
Decreased by Disbursements:				
Prior Year Refund	D-1	333.92		
Budget Appropriations	D-4	2,360,055.38		
Appropriation Reserves	D-13	117,527.71		
Accrued Interest on Bonds	D-14	98,373.01		
Escrow Deposits Returned	D-15		49,880.29	
Improvement Authorizations	D-19			384,015.20
		<u>2,576,290.02</u>		
Balance June 30, 2012	D	<u>\$ 808,903.78</u>	<u>\$315,187.01</u>	<u>\$2,295,361.11</u>

TOWNSHIP OF MANCHESTER
WATER UTILITY EASTERN SERVICE

ANALYSIS OF WATER CAPITAL CASH AND INVESTMENTS

D-6

	<u>Balance</u> <u>June 30, 2011</u>	<u>Receipts</u>	<u>Disbursed</u>	<u>Transfers</u>		<u>Balance</u> <u>June 30, 2012</u>
				<u>From</u>	<u>To</u>	
<u>Other Accounts</u>						
Capital Improvement Fund	\$ 2,067,889.94	\$ 50,000.00	\$	\$ 100,000.00	\$	\$ 2,017,889.94
Fund Balance	36,745.00					36,745.00
<u>Improvement Authorizations</u>						
Ordinance #02-036:						
Redevelopment of Wells	323,715.37		284,015.20			39,700.17
Ordinance #08-026:						
Various Capital Improvements	201,026.00					201,026.00
Ordinance #11-010:						
Purchase of Equipment			100,000.00		100,000.00	
	<u>\$ 2,629,376.31</u>	<u>\$ 50,000.00</u>	<u>\$ 384,015.20</u>	<u>\$ 100,000.00</u>	<u>\$ 100,000.00</u>	<u>\$ 2,295,361.11</u>
<u>Reference</u>	<u>D</u>	<u>D-5</u>	<u>D-5</u>	<u>Contra</u>	<u>Contra</u>	<u>D</u>

TOWNSHIP OF MANCHESTER
WATER UTILITY EASTERN SERVICE

CONSUMER ACCOUNTS RECEIVABLE

D-7

	<u>Ref.</u>	
Balance June 30, 2011	D	\$ 107,052.22
Increased by:		
Water Rents Levied - Net	Reserve	<u>2,114,365.27</u> 2,221,417.49
Decreased by:		
Collections	D-3,5	\$ 2,122,926.05
Transfer to Water Liens	D-8	<u>143.20</u> <u>2,123,069.25</u>
Balance June 30, 2012	D	<u>\$ 98,348.24</u>

WATER LIENS

D-8

	<u>Ref.</u>	
Balance June 30, 2011	D	\$ 3,118.29
Increased by:		
Transfer from Accounts Receivable	D-7	<u>143.20</u>
Balance June 30, 2012	D	<u>\$ 3,261.49</u>

CONNECTION FEES RECEIVABLE

D-9

	<u>Ref.</u>	
Increased by:		
Connection Fees	Reserve	\$ 24,948.00
Decreased by:		
Cash Receipts	D-3,5	<u>23,938.00</u>
Balance June 30, 2012	D	<u>\$ 1,010.00</u>

TOWNSHIP OF MANCHESTER
WATER UTILITY EASTERN SERVICE

RESERVE FOR INVENTORY

D-10

	<u>Ref.</u>	
Balance June 30, 2011	D	\$ 112,357.08
Decreased by:		
Inventory Adjustment	Reserve	<u>75,937.68</u>
Balance June 30, 2012	D	<u>\$ 36,419.40</u>

FIXED CAPITAL

D-11

	<u>Ref.</u>	
Balance June 30, 2011	D	\$ 9,657,941.81
Increased by:		
Transferred from Fixed Capital Authorized and Uncomplete	D-12	<u>284,015.20</u>
Balance June 30, 2012	D	<u>\$ 9,941,957.01</u>

FIXED CAPITAL AUTHORIZED AND UNCOMPLETED

D-12

	<u>Ref.</u>	
Balance June 30, 2011	D	\$ 524,741.37
Decreased by:		
Transferred to Fixed Capital	D-11	<u>284,015.20</u>
Balance June 30, 2012	D	<u>\$ 240,726.17</u>

TOWNSHIP OF MANCHESTER
WATER UTILITY EASTERN SERVICE

APPROPRIATION RESERVES

D-13

<u>Appropriations</u>	<u>Balance June 30, 2011</u>		<u>Balance After Transfers</u>	<u>Paid or Charged</u>	<u>Balance Lapsed</u>
	<u>Encumbered</u>	<u>Unencumbered</u>			
<u>Operating Other Expenses</u>	<u>\$ 13,273.71</u>	<u>\$ 123,103.11</u>	<u>\$ 136,376.82</u>	<u>\$ 117,527.71</u>	<u>\$ 18,849.11</u>
<u>Reference</u>	<u>D</u>	<u>D</u>		<u>D-5</u>	<u>D-1</u>

TOWNSHIP OF MANCHESTER
WATER UTILITY EASTERN SERVICE

ACCRUED INTEREST ON BONDS

D-14

	<u>Ref.</u>	
Balance June 30, 2011	D	\$ 42,523.17
Increased by:		
SFY 2012 Budget Appropriation	D-4	85,094.07
		<u>127,617.24</u>
Decreased by:		
Cash Disbursed	D-5	<u>98,373.01</u>
Balance June 30, 2012	D	<u><u>\$ 29,244.23</u></u>

RESERVE FOR ESCROW DEPOSITS

D-15

	<u>Ref.</u>	
Balance June 30, 2011	D	\$ 294,471.75
Increased by:		
Cash Receipts	D-5	70,595.55
		<u>365,067.30</u>
Decreased by:		
Cash Disbursed	D-5	<u>49,880.29</u>
Balance June 30, 2012	D	<u><u>\$ 315,187.01</u></u>

TOWNSHIP OF MANCHESTER
WATER UTILITY EASTERN SERVICE

CAPITAL IMPROVEMENT FUND

D-16

	<u>Ref.</u>	
Balance June 30, 2011	D	\$ 2,067,889.94
Increased by:		
SFY 2012 Budget Appropriation	D-5	50,000.00
		<u>2,117,889.94</u>
Decreased by:		
Appropriated to Finance Improvement Authorizations	D-19	100,000.00
Balance June 30, 2012	D	<u>\$ 2,017,889.94</u>

RESERVE FOR AMORTIZATION

D-17

	<u>Ref.</u>	
Balance June 30, 2011	D	\$ 6,340,760.00
Increased by:		
Payment of Serial Bonds	D-20	405,000.00
Balance June 30, 2012	D	<u>\$ 6,745,760.00</u>

DEFERRED RESERVE FOR AMORTIZATION

D-18

	<u>Ref.</u>	
Balance June 30, 2011	D	<u>\$ 1,161,923.18</u>
Balance June 30, 2012	D	<u>\$ 1,161,923.18</u>

TOWNSHIP OF MANCHESTER
WATER UTILITY EASTERN SERVICE

IMPROVEMENT AUTHORIZATIONS

D-19

	<u>Balance</u> June 30, 2011 <u>Funded</u>	<u>SFY 2012</u> <u>Authorizations</u>	<u>Expended</u>	<u>Balance</u> June 30, 2012 <u>Funded</u>
Ordinance #02-036: Redevelopment of Wells	\$ 323,715.37	\$	\$ 284,015.20	\$ 39,700.17
Ordinance #08-026: Various Capital Improvements	201,026.00			201,026.00
Ordinance #11-010: Purchase of Equipment	<u> </u>	<u>100,000.00</u>	<u>100,000.00</u>	<u> </u>
	<u>\$ 524,741.37</u>	<u>\$ 100,000.00</u>	<u>\$ 384,015.20</u>	<u>\$ 240,726.17</u>
	<u>D</u>	<u>D-16</u>	<u>D-5</u>	<u>D</u>

TOWNSHIP OF MANCHESTER
WATER UTILITY EASTERN SERVICE

SERIAL BONDS

D-20

General Refunding Bonds	<u>Date of Issue</u>	<u>Original Issue</u>	Maturities of Bonds			<u>Interest Rate</u>	<u>Balance June 30, 2011</u>	<u>Bonds Redeemed</u>	<u>Balance June 30, 2012</u>	<u>Reference</u>
			Outstanding							
			<u>Date</u>	<u>Amount</u>	<u>%</u>					
	2-01-03	\$ 5,565,000.00	10-01-12	\$ 420,000.00	3.625	\$ 2,680,000.00		\$ 2,275,000.00	D	
			10-01-13	435,000.00	4.000		D-17		D	
			10-01-14	455,000.00	4.000					
			10-01-15	470,000.00	4.000					
			10-01-16	495,000.00	4.125	\$ 405,000.00				
						\$ 2,680,000.00		\$ 405,000.00	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, 2011	E	\$ 2,621.45	\$ 52.95
Increased by Receipts:			
Interest on Deposits	E-2	9.27	
Private Donations	E-3	<u> </u>	<u>155.00</u>
Balance June 30, 2012	E	<u>\$ 2,630.72</u>	<u>\$ 207.95</u>

TOWNSHIP OF MANCHESTER
PUBLIC ASSISTANCE TRUST FUND

RESERVE FOR PUBLIC ASSISTANCE EXPENDITURES

E-2

	<u>Ref.</u>	
Balance June 30, 2011	E	\$ 2,621.45
Increased by:		
Interest on Deposits	E-1	<u>9.27</u>
Balance June 30, 2012	E	<u>\$ 2,630.72</u>

TOWNSHIP OF MANCHESTER
PUBLIC ASSISTANCE TRUST FUND

RESERVE FOR DISCRETIONARY TRUST EXPENDITURES

E-3

	<u>Ref.</u>	
Balance June 30, 2011	E	\$ 52.95
Increased by:		
Private Donations	E-1	<u>155.00</u>
Balance June 30, 2012	E	<u>\$ 207.95</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, 2011	F	\$ 3,448,956.32	\$ 175,424.21	\$ 2,447,006.53
Increased by Receipts:				
Miscellaneous Revenue	F-3	\$ 46,930.43		
Investment Matures	F-6			\$ 525,000.00
Interfund Receivable	F-8	4,462.69		
Consumer Accounts Receivable	F-9	3,474,862.38		
Connection Fees Receivable	F-10	25,525.00		
Escrow Deposits	F-15		66,639.21	
Interest on Deposits	F-18			4,295.42
Capital Improvement Fund	F-19	3,551,780.50		50,000.00
		<u>7,000,736.82</u>	<u>242,063.42</u>	<u>579,295.42</u>
				<u>3,026,301.95</u>
Decreased by Disbursements:				
Anticipated as Revenue in Current Fund	F-1	250,000.00		
Budget Appropriations	F-4	3,532,999.53		
Investment Purchased	F-6			595,000.00
Appropriation Reserves	F-14	28,355.46		
Reserve for Escrow Deposits	F-15		39,560.81	
Accrued Interest on Bonds	F-16	106,570.75		
Accrued Interest on Waste Water Loan	F-17	5,865.00		
Interfund Payable	F-18			4,462.69
Improvement Authorizations	F-23			69,315.00
		<u>3,923,790.74</u>		<u>668,777.69</u>
Balance June 30, 2012	F	<u>\$ 3,076,946.08</u>	<u>\$ 202,502.61</u>	<u>\$ 2,357,524.26</u>

TOWNSHIP OF MANCHESTER
SEWER UTILITY EASTERN SERVICE

INVESTMENTS

F-6

	<u>Ref.</u>	
Balance June 30, 2011	F	\$ 525,000.00
Increased by:		
Investment Purchased	F-5	<u>595,000.00</u>
		1,120,000.00
Decreased by:		
Investment Matured	F-5	<u>525,000.00</u>
Balance June 30, 2012	F	<u><u>\$ 595,000.00</u></u>

TOWNSHIP OF MANCHESTER
SEWER UTILITY EASTERN SERVICE

F-7

ANALYSIS OF SEWER CAPITAL CASH AND INVESTMENTS

	<u>Balance</u> <u>June 30, 2011</u>	<u>Receipts</u>	<u>Disbursed</u>	<u>Transfers</u>		<u>Balance</u> <u>June 30, 2012</u>
				<u>From</u>	<u>To</u>	
<u>Other Accounts</u>						
Capital Improvement Fund	\$ 2,988,280.62	\$ 50,000.00	\$	\$ 100,000.00	\$	\$ 2,938,280.62
Due to Sewer Operating Fund	554.43	4,295.42	4,462.69			387.16
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)		69,315.00		100,000.00	(20,643.52) 30,685.00
#11-011 Purchase of Equipment						
	<u>\$ 2,972,006.53</u>	<u>\$ 54,295.42</u>	<u>\$ 73,777.69</u>	<u>\$ 100,000.00</u>	<u>\$ 100,000.00</u>	<u>\$ 2,952,524.26</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-8

	<u>Ref.</u>	
Balance June 30, 2011	F	\$ 554.43
Increased by:		
Interest Earned in Sewer Capital Eastern Service Fund	F-3	4,295.42
		<u>4,849.85</u>
Decreased by:		
Interfund Settlement	F-5	4,462.69
		<u>4,462.69</u>
Balance June 30, 2012	F	<u>\$ 387.16</u>

CONSUMER ACCOUNTS RECEIVABLE

F-9

	<u>Ref.</u>	
Balance June 30, 2011	F	\$ 93,976.52
Increased by:		
Sewer Rents Levied - Net	Reserve	3,456,710.34
		<u>3,550,686.86</u>
Decreased by:		
Cash Receipts	F-3,5	3,474,862.38
		<u>3,474,862.38</u>
Balance June 30, 2012	F	<u>\$ 75,824.48</u>

TOWNSHIP OF MANCHESTER
SEWER UTILITY EASTERN SERVICE

CONNECTION FEES RECEIVABLE

F-10

	<u>Ref.</u>	
Increased by:		
Connection Billings	Reserve	\$26,960.00
Decreased by:		
Cash Receipts	F-3,5	<u>25,525.00</u>
Balance June 30, 2012	F	<u>\$ 1,435.00</u>

RESERVE FOR INVENTORY

F-11

	<u>Ref.</u>	
Balance June 30, 2011	F	\$29,996.40
Increased by:		
Inventory Adjustment	Reserve	<u>20,829.38</u>
Balance June 30, 2012	F	<u>\$50,825.78</u>

TOWNSHIP OF MANCHESTER
SEWER UTILITY EASTERN SERVICE

FIXED CAPITAL

F-12

	<u>Ref.</u>	
Balance June 30, 2011	F	\$ 11,805,092.90
Increased by:		
Transfer from Fixed Capital Authorized and Uncompleted	F-13	<u>69,315.00</u>
Balance June 30, 2012	F	<u>\$ 11,874,407.90</u>

FIXED CAPITAL AUTHORIZED AND UNCOMPLETED

F-13

	<u>Ref.</u>	
Increased by:		
SFY 2012 Authorizations	F-20	\$ 100,000.00
Decreased by:		
Transfer to Fixed Capital	F-12	<u>69,315.00</u>
Balance June 30, 2012	F	<u>\$ 30,685.00</u>

TOWNSHIP OF MANCHESTER
SEWER UTILITY EASTERN SERVICE

APPROPRIATION RESERVES

F-14

<u>Appropriation</u>	<u>Balance June 30, 2011 Unencumbered</u>	<u>Balance After Transfers</u>	<u>Paid or Charged</u>	<u>Balance Lapsed</u>
<u>Operating</u>				
Salaries and Wages	\$ 90,485.06	\$ 90,485.06	\$	\$ 90,485.06
Other Expenses	75,843.94	75,843.94	28,355.46	47,488.48
<u>Statutory Expenditures</u>				
Contribution to:				
Public Employees' Retirement System	13,000.00	13,000.00		13,000.00
Accumulated Leave Compensation	13,000.00	13,000.00		13,000.00
Social Security System (OASI)	8,109.61	8,109.61		8,109.61
	<u>\$ 200,438.61</u>	<u>\$ 200,438.61</u>	<u>\$ 28,355.46</u>	<u>\$ 172,083.15</u>
<u>Reference</u>	<u>F</u>		<u>F-5</u>	<u>F-1</u>

TOWNSHIP OF MANCHESTER
SEWER UTILITY EASTERN SERVICE

RESERVE FOR ESCROW DEPOSITS

F-15

	<u>Ref.</u>	
Balance June 30, 2011	F	\$175,424.21
Increased by:		
Escrow Deposits	F-5	<u>66,639.21</u>
		242,063.42
Decreased by:		
Cash Disbursed	F-5	<u>39,560.81</u>
Balance June 30, 2012	F	<u><u>\$202,502.61</u></u>

TOWNSHIP OF MANCHESTER
SEWER UTILITY EASTERN SERVICE

ACCRUED INTEREST ON BONDS

F-16

	<u>Ref.</u>	
Balance June 30, 2011	F	\$ 38,078.13
Increased by:		
Budget Appropriation	F-4	97,401.94
		<u>135,480.07</u>
Decreased by:		
Cash Disbursed	F-5	106,570.75
		<u>106,570.75</u>
Balance June 30, 2012	F	<u>\$ 28,909.32</u>

ACCRUED INTEREST ON WASTE WATER LOAN

F-17

	<u>Ref.</u>	
Balance June 30, 2011	F	\$ 25,550.38
Increased by:		
Budget Appropriation	F-4	5,865.00
		<u>31,415.38</u>
Decreased by:		
Cash Disbursed	F-5	5,865.00
		<u>5,865.00</u>
Balance June 30, 2012	F	<u>\$ 25,550.38</u>

TOWNSHIP OF MANCHESTER
SEWER UTILITY EASTERN SERVICE

SEWER CAPITAL EASTERN SERVICE
DUE TO SEWER OPERATING EASTERN SERVICE

F-18

	<u>Ref.</u>	
Balance June 30, 2011	F	\$ 554.43
Increased by:		
Interest Earned	F-5	4,295.42
		4,849.85
Decreased by:		
Interfund Settlement	F-5	4,462.69
		4,462.69
Balance June 30, 2012	F	\$ 387.16

CAPITAL IMPROVEMENT FUND

F-19

	<u>Ref.</u>	
Balance June 30, 2011	F	\$ 2,988,280.62
Increased by:		
Budget Appropriation	F-5	50,000.00
		3,038,280.62
Decreased by:		
Appropriated to Finance Improvement Authorizations	F-23	100,000.00
		100,000.00
Balance June 30, 2012	F	\$ 2,938,280.62

TOWNSHIP OF MANCHESTER
SEWER UTILITY EASTERN SERVICE

DEFERRED RESERVE FOR AMORTIZATION

F-20

	<u>Ref.</u>	
Increased by:		
SFY 2012 Authorizations	F-13	<u>\$ 100,000.00</u>
Balance June 30, 2012	F	<u><u>\$ 100,000.00</u></u>

DUE TO STATE OF NEW JERSEY
WASTE WATER TREATMENT LOAN PAYABLE

F-21

	<u>Ref.</u>	
Balance June 30, 2011	F	\$ 567,971.86
Decreased by:		
Loan Payments	F-22	<u>96,282.54</u>
Balance June 30, 2012	F	<u><u>\$ 471,689.32</u></u>

TOWNSHIP OF MANCHESTER
SEWER UTILITY EASTERN SERVICE

RESERVE FOR AMORTIZATION

F-22

	<u>Ref.</u>		
Balance June 30, 2011	F		\$ 8,241,477.52
Increased by:			
Payment of Waste Water Loan	F-21	\$ 96,282.54	
Payment of Serial Bonds	F-24	<u>450,000.00</u>	
			<u>546,282.54</u>
Balance June 30, 2012	F		<u><u>\$ 8,787,760.06</u></u>

TOWNSHIP OF MANCHESTER
SEWER UTILITY EASTERN SERVICE

IMPROVEMENT AUTHORIZATIONS

F-23

<u>Ordinance Number</u>		<u>SFY 2012 Authorizations</u>	<u>Expended</u>	<u>Balance June 30, 2012 Funded</u>
11-011	Purchase of Equipment	<u>\$ 100,000.00</u>	<u>\$ 69,315.00</u>	<u>\$ 30,685.00</u>
	<u>Reference</u>	<u>F-19</u>	<u>F-5</u>	<u>F</u>

TOWNSHIP OF MANCHESTER
SEWER UTILITY EASTERN SERVICE

F-24

SERIAL BONDS

<u>Date of Issue</u>	<u>Original Issue</u>	<u>Maturities of Bonds Outstanding</u> <u>June 30, 2012</u>	<u>Interest Rate</u>	<u>Balance June 30, 2011</u>	<u>Bonds Redeemed</u>	<u>Balance June 30, 2012</u>
<u>Date</u>	<u>Amount</u>	<u>Amount</u>	<u>%</u>	<u>June 30, 2011</u>	<u>June 30, 2012</u>	<u>June 30, 2012</u>
General Refunding Bonds						
2-01-03	\$ 6,190,000.00		3.625	\$ 2,975,000.00	\$ 450,000.00	\$ 2,525,000.00
		10-01-12 \$ 465,000.00		<u>2,975,000.00</u>	<u>450,000.00</u>	<u>2,525,000.00</u>
		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			
			<u>Reference</u>	<u>F</u>	<u>F-22</u>	<u>F</u>

TOWNSHIP OF MANCHESTER
PAYROLL FUND

CASH RECEIPTS AND DISBURSEMENTS

G-1

	<u>Ref.</u>		
Balance June 30, 2011	G		\$ 5,808.63
Increased by:			
Payrolls	G-2	\$ 14,456,845.25	
Employers' Share of Social Security	G-2	<u>1,007,131.10</u>	
			<u>15,463,976.35</u>
			15,469,784.98
Decreased by:			
Payroll Disbursements	G-2		<u>15,466,312.01</u>
Balance June 30, 2012	G		<u><u>\$ 3,472.97</u></u>

TOWNSHIP OF MANCHESTER
PAYROLL FUND

PAYROLL DEDUCTIONS PAYABLE
FY 2012

G-2

	<u>Balance</u> <u>June 30, 2011</u>	<u>Receipts</u>	<u>Other</u> <u>Receipts</u>	<u>Disbursements</u>	<u>Balance</u> <u>June 30, 2012</u>
Net Salaries and Wages	\$	\$ 9,248,270.25		\$ 9,248,270.25	\$
Federal Income Tax		1,846,508.94		1,846,508.94	
Social Security Tax		748,380.06	1,007,131.10	1,755,511.16	
New Jersey State Income Tax		496,954.68		496,954.68	
Unemployment Insurance Fund		31,138.20		31,138.20	
PERS	1,199.70	469,766.27		469,926.77	1,039.20
Contributory Insurance	113.46	28,695.84		28,633.15	176.15
PFRS		775,662.30		775,662.14	0.16
VALIC		264,041.50		264,041.50	
Defined Contribution Plan		2,686.50		2,686.50	
Probation		96,360.00		96,360.00	
Garnishee		7,704.51		7,704.51	
PBA Dues		28,780.00		28,780.00	
OPEIU		48,754.03		48,754.03	
Medical		181,483.23		181,483.23	
Hartford		68,209.92		68,209.92	
AFLAC - Ga		71,091.39		71,091.39	
AFLAC - Flex		6,609.33		8,847.72	
AFLAC - NY		16,191.69		16,191.69	
Boston Mutual		1,244.36		1,244.36	
Parkway		13,527.24		13,526.86	0.38
Miscellaneous		4,785.01		4,785.01	
	<u>\$ 5,808.63</u>	<u>\$14,456,845.25</u>	<u>\$ 1,007,131.10</u>	<u>\$ 15,466,312.01</u>	<u>\$ 3,472.97</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, 2011	H	\$ 1,203,521.07	\$ 71,010.52
Increased by Receipts:			
Miscellaneous Revenue Not Anticipated	H-2	\$ 33,432.72	\$
Consumer Accounts Receivable	H-7	2,136,160.88	
Due from Sewer Operating Western Service	H-12		34,709.67
Due from Water Operating Western Service	H-13		107,858.27
Due from General Capital Fund	H-14		414,800.00
Interfunds Payable	H-16	<u>3,919.22</u>	
		<u>2,173,512.82</u>	<u>557,367.94</u>
		<u>3,377,033.89</u>	<u>628,378.46</u>
Decreased by Disbursements:			
Budget Appropriations	H-3	1,094,899.15	
Appropriation Reserves	H-15	34,533.17	
Interfunds Payable	H-16	109,685.87	
Accrued Interest on Bonds	H-17	637,408.13	
Improvement Authorizations	H-19		<u>526.51</u>
		<u>1,876,526.32</u>	<u>526.51</u>
Balance June 30, 2012	H	<u>\$ 1,500,507.57</u>	<u>\$ 627,851.95</u>

TOWNSHIP OF MANCHESTER
WATER UTILITY WESTERN SERVICE

ANALYSIS OF WATER CAPITAL WESTERN SERVICE
CASH AND INVESTMENTS

H-5

	<u>Balance</u> <u>June 30, 2011</u>	<u>Receipts</u>	<u>Disbursements</u>	<u>Balance</u> <u>June 30, 2012</u>
<u>Other Accounts</u>				
Due from General Capital Fund	\$ (414,800.00)	\$ 414,800.00	\$	\$ 3,339.63
Due to Water Operating Western Service	(104,518.64)	107,858.27		
Due from Sewer Operating Western Service	(34,709.67)	34,709.67		
<u>Improvement Authorizations</u>				
Acquisition of Crestwood Water Company	<u>625,038.83</u>		<u>526.51</u>	<u>624,512.32</u>
<u>Reference</u>	<u>\$ 71,010.52</u>	<u>\$ 557,367.94</u>	<u>\$ 526.51</u>	<u>\$ 627,851.95</u>
	<u>H</u>	<u>H-4</u>	<u>H-4</u>	<u>H</u>

TOWNSHIP OF MANCHESTER
WATER UTILITY WESTERN SERVICE

CHANGE FUND

H-6

	<u>Ref.</u>	
Balance June 30, 2011	H	\$ <u>60.00</u>
Balance June 30, 2012	H	\$ <u><u>60.00</u></u>

WATER OPERATING FUND
DUE FROM WATER CAPITAL WESTERN SERVICE FUND

H-7

	<u>Ref.</u>	
Increased by:		
Transfer from Due to Water Capital Western Service Fund	H-16	\$ <u>3,339.63</u>
Balance June 30, 2012	H	\$ <u><u>3,339.63</u></u>

CONSUMER ACCOUNTS RECEIVABLE

H-8

	<u>Ref.</u>	
Balance June 30, 2011	H	\$ 4,489.21
Increased by:		
Water Rents Levied - Net	Reserve	<u>2,287,727.43</u> 2,292,216.64
Decreased by:		
Collections	H-2,4	\$ 2,136,160.88
Transfer to Sewer Liens	H-9	<u>183.37</u>
		<u>2,136,344.25</u>
Balance June 30, 2012	H	\$ <u><u>155,872.39</u></u>

TOWNSHIP OF MANCHESTER
WATER UTILITY WESTERN SERVICE

WATER LIENS

H-9

	<u>Ref.</u>	
Increased by:		
Transfer from Consumer Accounts Receivable	H-8	<u>\$ 183.37</u>
Balance June 30, 2012	H	<u><u>\$ 183.37</u></u>

FIXED CAPITAL

H-10

	<u>Ref.</u>	
Balance June 30, 2011	H	\$ 14,929,961.17
Increased by:		
Transferred from Fixed Capital Authorized and Uncompleted	H-11	<u>526.51</u>
Balance June 30, 2012	H	<u><u>\$ 14,930,487.68</u></u>

FIXED CAPITAL AUTHORIZED AND UNCOMPLETED

H-11

	<u>Ref.</u>	
Balance June 30, 2011	H	\$ 625,038.83
Decreased by:		
Transferred to Fixed Capital	H-10	<u>526.51</u>
Balance June 30, 2012	H	<u><u>\$ 624,512.32</u></u>

TOWNSHIP OF MANCHESTER
WATER UTILITY WESTERN SERVICE

WATER CAPITAL FUND
DUE FROM SEWER OPERATING WESTERN SERVICE

H-12

	<u>Ref.</u>	
Balance June 30, 2011	H	\$ 34,709.67
Decreased by:		
Cash Receipts	H-4	<u>34,709.67</u>
		<u>\$ -</u>

WATER CAPITAL FUND
DUE FROM WATER OPERATING WESTERN SERVICE

H-13

	<u>Ref.</u>	
Balance June 30, 2011	H	\$104,518.64
Increased by:		
Transfer to Due to Water Operating Western Service	H-18	<u>3,339.63</u> 107,858.27
Decreased by:		
Cash Receipts	H-4	<u>107,858.27</u>
		<u>\$ -</u>

TOWNSHIP OF MANCHESTER
WATER UTILITY WESTERN SERVICE

WATER CAPITAL FUND
DUE FROM GENERAL CAPITAL FUND

H-14

	<u>Ref.</u>	
Balance June 30, 2011	H	\$ 414,800.00
Decreased by:		
Cash Receipts	H-4	<u>414,800.00</u>
		<u>\$ -</u>

TOWNSHIP OF MANCHESTER
WATER UTILITY WESTERN SERVICE

H-15

APPROPRIATION RESERVES

<u>Appropriations</u>	<u>Balance</u> <u>June 30, 2011</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	\$ 24,813.00	\$ 24,813.00	\$	\$ 24,813.00
Other Expenses	32,873.80	452,873.11	34,533.17	451,213.74
<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>Statutory Expenditures</u>				
Contribution to:				
PERS System	5,000.00	5,000.00		5,000.00
Accumulated Leave	2,000.00	2,000.00		2,000.00
Social Security System	12,300.03	12,300.03		12,300.03
	<u>\$ 32,873.80</u>	<u>\$ 536,986.14</u>	<u>\$ 34,533.17</u>	<u>\$ 535,326.77</u>

Reference H

H

H-4

H-1

TOWNSHIP OF MANCHESTER
WATER UTILITY WESTERN SERVICE

WATER OPERATING FUND
INTERFUNDS PAYABLE

H-16

	<u>Ref.</u>	<u>Due to Current Fund</u>		<u>Due to Water Capital Western Service Fund</u>
Balance June 30, 2010	H	\$		\$ 104,518.64
Increased by:				
Cash Receipts	H-4	3,919.22		
Transfer to Due from Water Capital Western Service Fund	H-7	<u>3,919.22</u>		<u>3,339.63</u> 107,858.27
Decreased by:				
Interest Earned in Water Capital Fund	H-2		\$ 1,996.85	
Interfund Settled	H-4	<u>3,824.45</u>	<u>105,861.42</u>	<u>107,858.27</u>
Balance June 30, 2011	H	<u>\$ 94.77</u>		<u>\$ -</u>

TOWNSHIP OF MANCHESTER
WATER UTILITY WESTERN SERVICE

ACCRUED INTEREST ON BONDS

H-17

	<u>Ref.</u>	
Increased by:		
SFY 2012 Budget Appropriation	H-3	\$ 736,136.67
Decreased by:		
Cash Disbursed	H-4	<u>637,408.13</u>
Balance June 30, 2012	H	<u>\$ 98,728.54</u>

WATER CAPITAL FUND
DUE TO WATER OPERATING WESTERN SERVICE FUND

H-18

	<u>Ref.</u>	
Increased by:		
Transfer from Due from Water Operating Western Service Fund	H-13	<u>\$ 3,339.63</u>
Balance June 30, 2012	H	<u>\$ 3,339.63</u>

TOWNSHIP OF MANCHESTER
WATER UTILITY WESTERN SERVICE

IMPROVEMENT AUTHORIZATIONS

H-19

	<u>Ordinance Number</u>	<u>Balance June 30, 2011 Unfunded</u>	<u>Expended</u>	<u>Balance June 30, 2012 Funded</u>
Acquisition of Crestwood Water Company	09-026	<u>\$ 625,038.83</u>	<u>\$ 526.51</u>	<u>\$ 624,512.32</u>
	<u>Reference</u>	<u>H</u>	<u>H-4</u>	<u>H</u>

TOWNSHIP OF MANCHESTER
WATER UTILITY WESTERN SERVICE

H-20

SERIAL BONDS

	<u>Date of Issue</u>	<u>Original Issue</u>	<u>Maturities of Bonds Outstanding</u>		<u>Interest Rate</u>	<u>Balance June 30, 2011</u>	<u>Balance June 30, 2012</u>
			<u>Date</u>	<u>Amount</u>			
Water Utility Bonds, Series 2010A	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

H

H

TOWNSHIP OF MANCHESTER
SEWER UTILITY WESTERN SERVICE

14

CASH RECEIPTS AND DISBURSEMENTS

	<u>Ref.</u>	<u>Operating Fund</u>	<u>Capital Fund</u>
Balance June 30, 2011	I	\$ 581,963.18	\$ 158,435.09
Increased by Receipts:			
Miscellaneous Revenue	I-2	\$ 51,483.49	
Consumer Accounts Receivable	I-6	2,286,044.39	
Due to Sewer Operating Western Service	I-15	<u>561.21</u>	
		<u>2,337,527.88</u>	<u>561.21</u>
		2,919,491.06	158,996.30
Decreased by Disbursements:			
Budget Appropriations	I-3	1,823,896.67	
Due to Water Capital Western Service	I-11	34,709.67	
Appropriation Reserves	I-12	10,507.33	
Accrued Interest on Bonds	I-13	<u>212,469.37</u>	
		<u>2,081,583.04</u>	
Balance June 30, 2012	I	<u>\$ 837,908.02</u>	<u>\$ 158,996.30</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, 2011</u>	<u>Cash</u> <u>Receipts</u>	<u>Balance</u> <u>June 30, 2012</u>
<u>Other Accounts</u>			
Due to Sewer Operating Western Service	\$ 24.48	\$ 561.21	\$ 585.69
 <u>Improvement Authorizations</u>			
Acquisition of Crestwood Water Company - 09-027	<u>158,410.61</u>	<u> </u>	<u>158,410.61</u>
	<u>\$ 158,435.09</u>	<u>\$ 561.21</u>	<u>\$ 158,996.30</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, 2011	I	\$ 64,234.51
Increased by:		
Sewer Rents Levied - Net	Reserve	<u>2,405,822.06</u>
		2,470,056.57
Decreased by:		
Collections	I-2,4	\$ 2,286,044.39
Transfer to Liens	I-7	<u>364.81</u>
		<u>2,286,409.20</u>
Balance June 30, 2012	I	<u><u>\$ 183,647.37</u></u>

UTILITY WESTERN LIENS

I-7

	<u>Ref.</u>	
Increased by:		
Transfer from Consumer Accounts Receivable	I-6	<u>\$ 364.81</u>
Balance June 30, 2012	I	<u><u>\$ 364.81</u></u>

FIXED CAPITAL

I-8

	<u>Ref.</u>	
Balance June 30, 2011	I	<u>\$ 5,026,589.39</u>
Balance June 30, 2012	I	<u><u>\$ 5,026,589.39</u></u>

TOWNSHIP OF MANCHESTER
SEWER UTILITY WESTERN SERVICE

FIXED CAPITAL AUTHORIZED AND UNCOMPLETED

I-9

	<u>Ref.</u>	
Balance June 30, 2011	I	<u>\$ 158,410.61</u>
Balance June 30, 2012	I	<u>\$ 158,410.61</u>

SEWER OPERATING FUND
DUE FROM SEWER CAPITAL WESTERN SERVICE

I-10

	<u>Ref.</u>	
Balance June 30, 2011	I	\$ 24.48
Increased by:		
Interest Earned in Capital Fund	I-2	<u>561.21</u>
Balance June 30, 2012	I	<u>\$ 585.69</u>

TOWNSHIP OF MANCHESTER
SEWER UTILITY WESTERN SERVICE

SEWER OPERATING FUND
DUE TO WATER CAPITAL WESTERN SERVICE

I-11

	<u>Ref.</u>	
Balance June 30, 2011	I	\$ 34,709.67
Decreased by:		
Cash Disbursed	I-4	<u>34,709.67</u>
		<u>\$ -</u>

TOWNSHIP OF MANCHESTER
SEWER UTILITY WESTERN SERVICE

I-12

APPROPRIATION RESERVES

<u>Appropriation</u>	<u>Encumbered</u>	<u>Balance June 30, 2011 Unencumbered</u>	<u>Balance After Transfers</u>	<u>Paid or Charged</u>	<u>Balance Lapsed</u>
<u>Operating</u>					
Salaries and Wages	\$ 1,374.03	\$ 7,873.41	\$ 7,873.41	\$ 7,873.41	\$ 7,873.41
Other Expenses		349,291.57	350,665.60	10,507.33	340,158.27
<u>Capital Improvements</u>		7,000.00	7,000.00		7,000.00
Capital Outlay					
<u>Statutory Expenditures</u>					
Contribution to:					
Public Employees' Retirement System		5,000.00	5,000.00		5,000.00
Accumulated Absences		2,000.00	2,000.00		2,000.00
Social Security System (OASI)		3,202.71	3,202.71		3,202.71
	<u>\$ 1,374.03</u>	<u>\$ 374,367.69</u>	<u>\$ 375,741.72</u>	<u>\$ 10,507.33</u>	<u>\$ 365,234.39</u>
<u>Reference</u>	I	I	I	I-4	I-1

TOWNSHIP OF MANCHESTER
SEWER UTILITY WESTERN SERVICE

ACCRUED INTEREST ON BONDS

I-13

	<u>Ref.</u>	
Balance June 30, 2011	I	\$ 576.14
Increased by:		
Budget Appropriation	I-3	<u>275,790.53</u>
		276,366.67
Decreased by:		
Cash Disbursed	I-4	<u>212,469.37</u>
Balance June 30, 2012	I	<u>\$ 63,897.30</u>

SEWER CAPITAL FUND
DUE TO SEWER OPERATING WESTERN SERVICE

I-14

	<u>Ref.</u>	
Balance June 30, 2011	I	\$ 24.48
Increased by:		
Cash Receipts	I-4	<u>561.21</u>
Balance June 30, 2012	I	<u>\$ 585.69</u>

TOWNSHIP OF MANCHESTER
SEWER UTILITY WESTERN SERVICE

IMPROVEMENT AUTHORIZATIONS

I-15

	<u>Ordinance Number</u>	<u>Balance June 30, 2011 Unfunded</u>	<u>Balance June 30, 2012 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

I-16

SERIAL BONDS

Date of <u>Issue</u>	Original <u>Issue</u>	Maturities of Bonds Outstanding June 30, 2012	<u>Date</u>	<u>Amount</u>	<u>Interest Rate</u>	<u>%</u>	<u>Balance June 30, 2011</u>	<u>Balance June 30, 2012</u>
9-30-2010	\$ 5,185,000.00	\$ 25,000.00	8-01-2012	25,000.00	4.00	%	\$	\$
		36,000.00	8-01-2013	36,000.00	4.00			
		99,000.00	8-01-2014	99,000.00	4.00			
		114,000.00	8-01-2015	114,000.00	4.00			
		118,000.00	8-01-2016	118,000.00	4.00			
		136,000.00	8-01-2017	136,000.00	4.00			
		155,000.00	8-01-2018	155,000.00	4.00			
		169,000.00	8-01-2019	169,000.00	4.00			
		190,000.00	8-01-2020	190,000.00	4.00			
		204,000.00	8-01-2021	204,000.00	4.00			
		221,000.00	8-01-2022	221,000.00	4.00			
		808,000.00	8-01-2025	808,000.00	4.00			
		319,000.00	8-01-2026	319,000.00	4.00			
		351,000.00	8-01-2027	351,000.00	4.00			
		379,000.00	8-01-2028	379,000.00	4.00			
		1,338,000.00	8-01-2031	1,338,000.00	4.00			
		523,000.00	8-01-2032	523,000.00	4.00			
							<u>\$ 5,185,000.00</u>	<u>\$ 5,185,000.00</u>

Sewer Utility Bonds,
Series 2010B

I I

PART II
REPORT ON INTERNAL CONTROL
ROSTER OF OFFICIALS
LETTER OF TRANSMITTAL, COMMENTS AND RECOMMENDATIONS
JUNE 30, 2012

SAMUEL KLEIN AND COMPANY

CERTIFIED PUBLIC ACCOUNTANTS

550 BROAD STREET, 11TH FLOOR
NEWARK, N.J. 07102-4548
PHONE (973) 624-6100
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36 WEST MAIN STREET, SUITE 301
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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, 2012 and June 30, 2011, and have issued our report thereon dated February 8, 2013, 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

Management of the Township of Manchester is responsible for establishing and maintaining effective 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, and pass-through entities and 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
February 8, 2013

OFFICIALS IN OFFICE AND SURETY BONDS

The following officials were in office July 1, 2011 to June 30, 2012:

<u>Name</u>	<u>Title</u>	<u>Amount of Bond</u>
Michael Fressola	Mayor	\$
Craig Wallis	Council President	
Frederick F. Trutkoff	Council Vice President	
Samuel Fusaro	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.

SAMUEL KLEIN AND COMPANY

CERTIFIED PUBLIC ACCOUNTANTS

550 BROAD STREET, 11TH FLOOR
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FREEHOLD, N.J. 07728-2291
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FAX (732) 780-1030

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

Gentlemen:

We have audited the statutory basis financial statements, Federal and State Financial Assistance Programs and supplemental schedules and statistical data of the

TOWNSHIP OF MANCHESTER COUNTY OF OCEAN

for the state fiscal years ended June 30, 2012 and June 30, 2011 and have issued our report thereon. As part of our audit, we reviewed and tested the Municipality's system of internal accounting control to the extent we considered necessary to evaluate the system as required by auditing standards generally accepted in the United States of America; by the Division of Local Government Services, Department of Community Affairs, State of New Jersey; by the *Government Auditing Standards* issued by the U.S. General Accounting Office; and by the provisions of the "Single Audit Act of 1984". Compliance requirements were also reviewed in accordance with the requirements of the aforementioned standards and guidelines or, where applicable, the terms and conditions of particular grant agreements and as approved by the Cognizant Audit Agency.

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

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

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

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

The statutory bidding threshold for the year 2012 was the sum of \$17,500.00, effective July 1, 2011 in accordance with the provisions of N.J.S.A. 40A:11-3a, based on the appointment of a qualified purchasing agent.

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

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

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

Heating and Cooling System
Sodium Hypochlorite
Lime Hydrate

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 \$2,625.00, 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, 2012, in the sum of \$898,257.57, represent taxes levied in the fiscal year 2012 and prior. A tax sale was held on April 3, 2012 and was 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>
2012	121
2011	19
2010	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 2013 and 2012 Taxes	50
Delinquent Taxes	50
Payment of 2013 and 2012 Water and Sewer	50
Delinquent Water and Sewer	<u>50</u>
	<u>200</u>

There were no reportable items developed in our verification tests made in connection with our examination of accounts for Fiscal Year 2012.

Treasurer's Office

During our test of transactions, it was noted that Federal Form 1099 Miscellaneous was not issued for all vendors who received \$600.00 or more.

It is recommended that Federal Form 1099 Miscellaneous be issued for all nonincorporated vendors who received payments for goods and services in excess of \$600.00.

Payment in Lieu of Taxes (PILOTS)

During SFY 2012, the Township was in receipt of a PILOT payment from SERV. Under the provisions of the New Jersey Long-Term Tax Exemption Law, N.J.S.A. 40A:20-1 et seq., any PILOT entered into after December 31, 2005 requires that the Township must remit 5% of the PILOT payment to Ocean County. We were unable to verify if this payment occurred.

It is recommended that the Township comply with the provisions of N.J.S.A. 40A:20-1 et seq. as it relates to PILOTS.

Revenue Departments

It was noted that for the following departments, not all receipts were deposited within forty-eight hours of collection:

Health Department
Zoning Department

It is recommended that all receipts collected by the Township be deposited within forty-eight hours of receipt.

Recreation Department

There was a difference of \$165.00 for the sale of beach badges because, in some instances, the wrong fee was charged.

It is recommended that greater care be utilized for the sale and accounting for beach badges.

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 2012 Monthly Management Report was examined and the following items were noted:

- A. Tickets Assigned but Not Issued Report indicated that sixty (60) tickets were over 181 days old. These tickets should be recalled.

- B. Issued Monthly, but Not Assigned Report indicated that seven (7) tickets were on this report.

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 2011 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.

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

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 2012.

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

Treasurer's Office

That Federal Form 1099 Miscellaneous be issued for all nonincorporated vendors who received payments for goods and services in excess of \$600.00.

Payment in Lieu of Taxes (PILOTS)

That the Township comply with the provisions of N.J.S.A. 40A:20-1 et seq. as it relates to PILOTS.

Revenue Departments

That all receipts collected by the Health and Zoning Departments be deposited within forty-eight hours of receipt.

Recreation Departments

That greater care be utilized for the sale and accounting of beach badges.

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.

*Repeated from Prior Year.

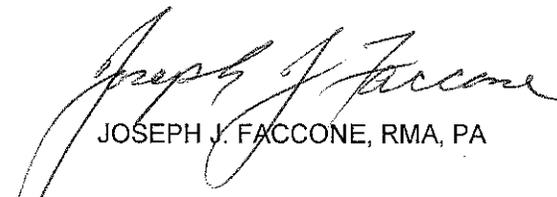
* * *

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
February 8, 2013

