

TOWNSHIP OF MANCHESTER

COUNTY OF OCEAN

NEW JERSEY

REPORT ON

EXAMINATION OF ACCOUNTS

FOR THE YEAR ENDED DECEMBER 31, 2015

**SAMUEL KLEIN AND COMPANY
CERTIFIED PUBLIC ACCOUNTANTS**

PART I
REPORT ON EXAMINATION
FINANCIAL STATEMENTS
NOTES TO FINANCIAL STATEMENTS
AND
SUPPLEMENTARY EXHIBITS
YEAR ENDED DECEMBER 31, 2015

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INDEPENDENT AUDITOR'S REPORT

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

Report on the Financial Statements

We have audited the financial statements - regulatory basis of the various funds and account groups of the Township of Manchester, in the County of Ocean, as of and for the years then ended December 31, 2015 and December 31, 2014 and the related notes to the financial statements, as listed in the foregoing table of contents.

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

Our responsibility is to express opinions on these financial statements - regulatory basis based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America, audit requirements prescribed by the Division of Local Government Services, Department of Community Affairs, State of New Jersey and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements - regulatory basis are free from material misstatement.

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

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

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

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

Adverse Opinion on U.S. Generally Accepted Accounting Principles

In our opinion, because of the significance of the matter discussed in the "*Basis for the Adverse Opinion on U.S. Generally Accepted Accounting Principles*" paragraph, the financial statements - regulatory basis referred to in the first paragraph, do not present fairly, in conformity with accounting principles generally accepted in the United States of America, the financial position of the Township as of December 31, 2015 and 2014, and the results of its operations for the years then ended.

Opinion on Regulatory Basis of Accounting

In our opinion, the financial statements - regulatory basis referred to above, present fairly, in all material respects, the financial position of the various funds of the Township of Manchester at December 31, 2015 and 2014, and the results of operations and changes in fund balance, where applicable, of such funds, thereof for the years then ended, in accordance with accounting principles on the basis of financial reporting provisions prescribed by the Division of Local Government Services, Department of Community Affairs, State of New Jersey, as described in Note 1.

Other Matters

Supplementary Information

Our audit was conducted for the purpose of forming opinions on the financial statements - regulatory basis that collectively comprise the Township's financial statements. The supplementary schedules listed in the table of contents are presented for purposes of additional analysis and are not a required part of the basic financial statements.

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

Basis for Disclaimer of Opinion on Length of Service Award Program Fund ("LOSAP")

As discussed in Note 1, the financial statements of the Length of Service Award Program Fund ("LOSAP") have not been audited, and we are not required by the Division to audit nor were we engaged to audit the LOSAP financial statements as part of our audit of the Township's financial statements. The LOSAP financial activities are included in the Township's Trust Fund and represent 16.41% and 15.76% of the assets and liabilities, respectively, of the Township's Trust Funds as of December 31, 2015 and 2014.

Disclaimer of Opinion on Length of Service Award Program Fund ("LOSAP")

Due to the fact that we were not required by the Division to audit nor were we engaged to audit the LOSAP financial statements as part of our audit of the Township's financial statements, we do not express an opinion of the LOSAP financial statements.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated September 2, 2016 on our consideration of the Township of Manchester's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Township of Manchester's internal control over financial reporting and compliance.


SAMUEL KLEIN AND COMPANY
CERTIFIED PUBLIC ACCOUNTANTS


JOSEPH J. FACCONI, RMA, PA

Newark, New Jersey
September 2, 2016

TOWNSHIP OF MANCHESTER
CURRENT FUND

COMPARATIVE BALANCE SHEET - REGULATORY BASIS

A
Sheet #1

<u>ASSETS AND DEFERRED CHARGES</u>	<u>Ref.</u>	<u>Balance</u> <u>Dec. 31, 2015</u>	<u>Balance</u> <u>Dec. 31, 2014</u>
Cash - Treasurer	A-4	\$10,473,111.56	\$ 8,789,395.18
Change Fund	A-6	1,050.00	850.00
		<u>10,474,161.56</u>	<u>8,790,245.18</u>
Receivables and Other Assets with Full Reserves:			
Taxes Receivable	A-7	1,032,702.70	842,234.58
Tax Title Liens	A-8	250,658.47	324,783.76
Property Acquired for Taxes at Assessed Valuations	A-9	9,762,200.00	9,611,700.00
Interfunds Receivable	A-10		28,139.52
Revenue Accounts Receivable	A-11	31,275.72	30,725.08
		<u>11,076,836.89</u>	<u>10,837,582.94</u>
Deferred Charges:			
Special Emergency Authorization	A-12	100,000.00	265,000.00
		<u>21,650,998.45</u>	<u>19,892,828.12</u>
<u>Federal and State Grant Fund</u>			
Cash	A-4		155,905.46
Federal and State Grant Receivables	A-13	589,839.94	70,900.11
Interfund Receivable	A-14	249,396.97	
		<u>839,236.91</u>	<u>226,805.57</u>
		<u>\$22,490,235.36</u>	<u>\$20,119,633.69</u>

TOWNSHIP OF MANCHESTER
CURRENT FUND

COMPARATIVE BALANCE SHEET - REGULATORY BASIS

A
Sheet #2

<u>LIABILITIES, RESERVES AND FUND BALANCE</u>	<u>Ref.</u>	<u>Balance Dec. 31, 2015</u>	<u>Balance Dec. 31, 2014</u>
Expenditure Accounts:			
Appropriation Reserves:			
Encumbered	A-3,15	\$ 792,275.47	\$ 449,031.05
Unencumbered	A-3,15	2,229,560.94	2,400,501.50
Interfunds Payable	A-16	317,362.97	101,613.67
Due to State of New Jersey:			
(Ch. 129, P.L. 1976)	A-17	41,315.17	33,941.14
DCA Surcharge	A-18	12,541.00	11,879.00
Marriage License Fees	A-18	900.00	4,139.40
Tax Overpayments	A-19	175,931.23	243,113.52
Accounts Payable	A-20	374,797.77	169,431.39
Special Emergency Note Payable	A-21	100,000.00	265,000.00
County Taxes Payable	A-22	81,184.08	68,221.02
Reserve for Tax Appeals	A-24	374,033.41	403,438.53
Reserve for Revaluation	A-25	77,327.00	77,327.00
Prepaid Taxes	A-26	562,157.60	573,860.48
		5,062,059.64	4,801,497.70
Reserve for Receivables and Other Assets		11,076,836.89	10,837,582.94
Fund Balance	A-1	5,512,101.92	4,253,747.48
		21,650,998.45	19,892,828.12
 <u>Federal and State Grant Fund</u>			
Reserve for Federal and State Grants -			
Appropriated	A-27	783,045.00	167,536.47
Reserve for Federal and State Aid -			
Unappropriated	A-28	56,191.91	59,269.10
		839,236.91	226,805.57
		\$22,490,235.36	\$20,119,633.69

See accompanying notes to financial statements.

TOWNSHIP OF MANCHESTER
CURRENT FUND

COMPARATIVE STATEMENTS OF OPERATIONS AND
CHANGE IN FUND BALANCE - REGULATORY BASIS

A-1

	<u>Ref.</u>	<u>Year 2015</u>	<u>Year 2014</u>
<u>Revenue and Other Income Realized</u>			
Fund Balance Utilized	A-2	\$ 1,712,681.00	\$ 1,250,000.00
Miscellaneous Revenue Anticipated	A-2	8,633,287.70	8,366,764.96
Receipts from Delinquent Taxes	A-2a	1,347,216.56	1,442,374.49
Receipts from Current Taxes	A-2a	79,657,151.87	77,674,976.62
Nonbudget Revenue	A-2c	749,656.05	773,078.04
Other Credits to Income:			
Interfunds Liquidated	A-10	28,139.52	
Unexpended Balances of Appropriation			
Reserves	A-15	1,575,896.02	1,131,722.50
Overpayments Cancelled	A-19	191,413.31	
Reserve for Revaluation Cancelled	A-25	77,327.00	
		<u>93,972,769.03</u>	<u>90,638,916.61</u>
<u>Expenditures</u>			
Budget Appropriations:			
Operations		26,000,658.53	25,166,630.17
Debt Service		1,503,159.08	1,576,469.23
Deferred Charges and Statutory Expenditures		3,702,568.00	3,474,614.00
	A-3	<u>31,206,385.61</u>	<u>30,217,713.40</u>
Municipal Open Space Taxes	A-2a	323,639.00	322,722.00
Refund of Prior Year Revenues	A-4	34,429.42	53,664.63
Interfunds Established			17,686.33
Prior Year Senior Citizens/Veterans Disallowed	A-17	312,864.67	199,436.96
Senior Citizens/Vets Cancelled			107,314.00
County Taxes Payable	A-22	15,160,303.89	14,617,248.76
Local School District Taxes Payable	A-23	43,964,111.00	42,667,228.00
		<u>91,001,733.59</u>	<u>88,203,014.08</u>
Statutory Excess in Revenue		2,971,035.44	2,435,902.53
<u>Fund Balance</u>			
Balance June 30	A	<u>4,253,747.48</u>	<u>3,067,844.95</u>
		7,224,782.92	5,503,747.48
Decreased by:			
Utilized as Anticipated Revenue	A-2	<u>1,712,681.00</u>	<u>1,250,000.00</u>
Balance December 31	A	<u>\$ 5,512,101.92</u>	<u>\$ 4,253,747.48</u>

See accompanying notes to financial statements.

TOWNSHIP OF MANCHESTER
CURRENT FUND

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

A-2a

	<u>Ref.</u>		
<u>Current Tax Collections</u>			
2015 Collections	A-7	\$77,307,318.78	
Prepaid Applied	A-7	573,860.48	
Due from State of New Jersey: (Ch. 129, P.L. 1976)	A-7	<u>1,775,972.61</u>	
	A-1		\$79,657,151.87
 Allocated to:			
Municipal Open Space	A-1,7	323,639.00	
County Taxes	A-22	15,160,303.89	
Local School District Tax	A-23	<u>43,964,111.00</u>	
			<u>59,448,053.89</u>
 Balance for Support of Municipal Budget Appropriations			
			20,209,097.98
Plus: Reserve for Uncollected Taxes	A-3		<u>1,009,374.86</u>
 Amount for Support of Municipal Budget Appropriations			
	A-2		<u>\$21,218,472.84</u>
 <u>Receipts from Delinquent Taxes</u>			
Delinquent Tax Collections	A-7	\$ 1,220,998.95	
Tax Title Liens	A-8	<u>126,217.61</u>	
	A-1,2		<u>\$ 1,347,216.56</u>

See accompanying notes to financial statements.

TOWNSHIP OF MANCHESTER
CURRENT FUND

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

A-2b

	<u>Ref.</u>		
<u>Other Licenses</u>			
Township Clerk	A-11	\$ 29,253.00	
Health Officer	A-11	<u>1,770.00</u>	
	A-2		<u>\$ 31,023.00</u>
 <u>Other Fees and Permits</u>			
Township Clerk	A-11	\$173,313.00	
Tax Collector	A-11	15,146.46	
Land Use	A-11	6,120.00	
Recreation Department	A-11	92,203.00	
Zoning Board	A-11	28,782.00	
Registrar of Vital Statistics	A-11	63,373.00	
Housing	A-11	149,605.00	
Engineering Department	A-11	27,195.00	
Building Inspector	A-11	76,255.00	
Police Department	A-11	17,500.09	
Beach Badges	A-11	<u>101,975.00</u>	
	A-2		<u>\$751,467.55</u>

See accompanying notes to financial statements.

TOWNSHIP OF MANCHESTER
CURRENT FUND

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

A-2c

	<u>Ref.</u>	
<u>Miscellaneous Revenue Not Anticipated</u>		
DMV Inspection Fines		\$ 5,917.50
Sale of Assets		27,283.75
Bank Fees		40.00
Tax Premiums Over 5 Years Old		4,500.00
Hepatitis B Reimbursement		1,325.00
Copies		629.32
Administrative Fees for Police Off-Duty		15,860.92
Senior Outreach Donations		7,884.00
Sale of Scrap Metal		19,468.53
Restitution		1,050.23
Miscellaneous		1,559.69
CBS Outdoor Billboard		6,000.00
HIF Dividend		195,792.91
Concession Stand		2,001.00
Recycling Tonnage		42,974.13
Energy Curtailment Rebate		14,487.22
Homestead Administrative Fee		4,935.60
Lakehurst-Manchester Shared Service Reimbursement		23,000.00
Cash Performance Escrows Cancelled		140,154.14
Prior Year Budget Refund		21,565.49
Presby - PILOT		46,314.00
ARC - PILOT		6,461.44
SERV - PILOT		10,245.45
Beckerville - PILOT		79,657.96
JIF Dividend		<u>70,547.77</u>
 Realized Revenue	 A-1,2,4	 <u><u>\$749,656.05</u></u>

See accompanying notes to financial statements.

TOWNSHIP OF MANCHESTER
CURRENT FUND

STATEMENT OF EXPENDITURES - REGULATORY BASIS

A-3
Sheet #1

Appropriations	Appropriations		Paid or Charged	Reserved		Unexpended Balance Cancelled
	Budget	Modified Budget		Encumbered	Unencumbered	
APPROPRIATIONS WITHIN "CAPS"						
OFFICE OF THE MAYOR						
Office of the Mayor:						
Salaries and Wages	\$ 55,000.00	\$ 55,575.44	\$ 55,575.44	\$	\$ 5,650.01	\$
Other Expenses	6,000.00	6,000.00	349.99			
Environmental Commission:						
Salaries and Wages	1,000.00	1,000.00	1,000.00		100.00	
Other Expenses	100.00	100.00				
Veterans' Advisory Committee:						
Other Expenses	2,000.00	2,000.00	551.01		1,448.99	
Office of the Clerk:						
Salaries and Wages	121,000.00	133,000.00	121,951.67		11,048.33	
Other Expenses	43,000.00	49,000.00	40,912.90	3,300.80	4,786.30	
Municipal Audit:						
Other Expenses	46,920.00	46,920.00	46,920.00			
Zoning Board of Adjustments:						
Other Expenses	35,000.00	16,424.56	6,021.33		10,403.23	
DEPARTMENT OF ADMINISTRATION						
Office of the Tax Assessor:						
Salaries and Wages	322,000.00	322,000.00	291,776.62		30,223.38	
Other Expenses	16,000.00	16,000.00	6,720.41	3,232.54	6,047.05	
Division of Administration, Purchasing and Personnel:						
Salaries and Wages	260,000.00	260,000.00	196,554.39		63,445.61	
Other Expenses	230,000.00	230,000.00	210,805.69	13,262.55	5,931.76	
Division of Recreation:						
Salaries and Wages	320,000.00	370,000.00	354,190.33		15,809.67	
Other Expenses	120,000.00	105,000.00	63,384.33	7,467.14	34,148.53	
Division of Data Processing:						
Salaries and Wages	110,000.00	140,000.00	125,795.09		14,204.91	
Other Expenses	68,000.00	53,000.00	40,292.43	6,663.34	6,044.23	
Aid to 3 Volunteer Fire Companies:						
Other Expenses	90,000.00	90,000.00	60,000.00	30,000.00		
Aid to 2 First Aid Organizations:						
Other Expenses	60,000.00	60,000.00	60,000.00			

TOWNSHIP OF MANCHESTER
CURRENT FUND

STATEMENT OF EXPENDITURES - REGULATORY BASIS

A-3
Sheet #2

Appropriations	Appropriations		Paid or Charged	Reserved		Unexpended Balance Cancelled
	Budget	Modified Budget		Encumbered	Unencumbered	
APPROPRIATIONS WITHIN "CAPS"						
DEPARTMENT OF PUBLIC WORKS						
Division of Administration and Streets:						
Salaries and Wages	\$ 1,800,000.00	\$ 1,785,000.00	\$ 1,441,301.59	\$ 30,501.18	\$ 343,698.41	\$
Other Expenses	205,000.00	240,000.00	198,228.59		11,270.23	
Division of Building and Grounds:						
Salaries and Wages	150,000.00	160,000.00	118,916.69		41,083.31	
Other Expenses	100,000.00	105,000.00	80,760.10	14,967.17	9,272.73	
Division of Sanitation and Recycling:						
Salaries and Wages	58,000.00	58,000.00	44,962.05		13,037.95	
Other Expenses	500,000.00	505,000.00	446,394.60	46,082.54	12,522.86	
Division of Central Maintenance:						
Salaries and Wages	285,000.00	295,000.00	277,262.13		17,737.87	
Other Expenses	225,000.00	265,000.00	210,722.70	43,927.28	10,350.02	
Division of Lakes, Parks and Playgrounds:						
Salaries and Wages	120,000.00	120,000.00	95,968.90		24,031.10	
Other Expenses	40,000.00	40,000.00	36,854.86	1,689.86	1,455.28	
DEPARTMENT OF PUBLIC SAFETY						
Police:						
Salaries and Wages	7,790,000.00	7,790,000.00	7,305,812.19		484,187.81	
Other Expenses	550,000.00	560,000.00	462,457.34	89,515.25	8,027.41	
Police Clerical and Computer:						
Salaries and Wages	755,000.00	770,000.00	716,459.36		53,540.64	
Division of Animal Control:						
Salaries and Wages	54,000.00	56,000.00	51,906.55		4,093.45	
Other Expenses	50,000.00	40,000.00	16,014.53	2,830.47	21,155.00	
Division of Emergency Management:						
Salaries and Wages	9,000.00	9,000.00	1,884.54		7,115.46	
Other Expenses	5,000.00	5,000.00	2,496.02	761.68	1,742.30	

TOWNSHIP OF MANCHESTER
CURRENT FUND

STATEMENT OF EXPENDITURES - REGULATORY BASIS

A-3
Sheet #3

<u>Appropriations</u>	<u>Appropriations</u>		<u>Paid or</u>	<u>Reserved</u>		<u>Unexpended</u>
	<u>Budget</u>	<u>Modified</u>	<u>Charged</u>	<u>Encumbered</u>	<u>Unencumbered</u>	<u>Balance</u>
		<u>Budget</u>				<u>Cancelled</u>
<u>APPROPRIATIONS WITHIN "CAPS"</u>						
<u>DEPARTMENT OF LAND USE AND PLANNING</u>						
Division of Zoning and Planning:						
Salaries and Wages	\$ 122,500.00	\$ 132,500.00	\$ 118,311.85		\$ 14,188.15	\$
Other Expenses	60,000.00	50,000.00	32,401.50	70.00	17,528.50	
Uniform Fire Safety Act:						
Salaries and Wages	30,000.00	30,000.00	30,000.00			
Other Expenses	1,200.00	1,200.00	1,200.00			
<u>DEPARTMENT OF FINANCE</u>						
Financial Administration:						
Salaries and Wages	113,000.00	113,000.00	89,682.47		23,317.53	
Other Expenses	35,000.00	27,000.00	22,360.05	2,290.25	2,349.70	
Division of Revenue Collection:						
Salaries and Wages	168,000.00	168,000.00	154,857.78		13,142.22	
Other Expenses	63,000.00	60,000.00	42,296.80	2,544.50	15,158.70	
<u>DEPARTMENT OF ENGINEERING</u>						
Engineering:						
Other Expenses	63,000.00	143,000.00	120,592.51		22,407.49	
<u>DEPARTMENT OF LAW</u>						
Township Attorney:						
Other Expenses	165,000.00	215,000.00	177,538.54	7,500.00	29,961.46	
Municipal Prosecutor:						
Other Expenses	40,000.00	40,000.00	36,663.00		3,337.00	
Closing Costs for Foreclosed Properties:						
Other Expenses	10,000.00	10,000.00	10,000.00			
<u>OTHER</u>						
Municipal Court:						
Salaries and Wages	340,000.00	340,000.00	330,248.35		9,751.65	
Other Expenses	28,000.00	28,000.00	14,027.63	344.32	13,628.05	

TOWNSHIP OF MANCHESTER
CURRENT FUND

STATEMENT OF EXPENDITURES - REGULATORY BASIS

A-3
Sheet #4

Appropriations	Appropriations		Paid or Charged	Reserved		Unexpended Balance Cancelled
	Budget	Modified Budget		Encumbered	Unencumbered	
APPROPRIATIONS WITHIN "CAPS"						
OTHER						
Hepatitis Inoculation Program:						
Other Expenses	\$ 5,000.00	\$ 5,000.00	\$ 420.00	\$ 60.00	\$ 4,520.00	\$
OSHA Requirements - Respirator Testing:						
Other Expenses	7,500.00	7,500.00	225.00		7,275.00	
Insurance:						
General Liability	675,000.00	675,000.00	618,228.43		56,771.57	
Workers' Compensation	900,000.00	794,000.00	773,581.05		20,418.95	
Employee Group Health	4,700,000.00	4,700,000.00	4,260,653.68	399,925.02	39,421.30	
Employee Opt-Out Payments	200,000.00	200,000.00	200,000.00			
DEPARTMENT OF UNIFORM CONSTRUCTION CODE						
Uniform Construction Code:						
Salaries and Wages	370,000.00	450,000.00	440,802.63		9,197.37	
Other Expenses	100,000.00	100,000.00	77,021.44	13,646.03	9,332.53	
UNCLASSIFIED						
Utilities:						
Gasoline	500,000.00	350,000.00	253,917.70	41,703.91	54,378.39	
Electricity	220,000.00	220,000.00	194,131.78	13,802.08	12,066.14	
Telephone	150,000.00	150,000.00	120,927.78	10,270.36	18,801.86	
Natural Gas	40,000.00	40,000.00	22,011.71		17,988.29	
Heating Oil	12,000.00	12,000.00	4,168.40		7,831.60	
Street Lighting	115,000.00	115,000.00	61,185.59	5,917.20	47,897.21	
Condominium Service Act	500,000.00	400,000.00	340,711.08		59,288.92	
Celebration of Public Events	50,000.00	50,000.00	50,000.00			
Accumulated Leave Compensation	45,000.00	45,000.00			45,000.00	
Reserve for Snow Removal	50,000.00	50,000.00			50,000.00	
Total Operations	24,480,220.00	24,480,220.00	21,789,371.12	792,275.47	1,898,573.41	

TOWNSHIP OF MANCHESTER
CURRENT FUND

STATEMENT OF EXPENDITURES - REGULATORY BASIS

A-3
Sheet #5

Appropriations	Appropriations		Paid or Charged	Reserved		Unexpended Balance Cancelled
	Budget	Modified Budget		Encumbered	Unencumbered	
<u>APPROPRIATIONS WITHIN "CAPS"</u>						
Detail:						
Salaries and Wages	\$ 13,448,500.00	\$ 13,653,075.44	\$ 12,365,220.62		\$ 1,287,854.82	\$
Other Expenses	11,031,720.00	10,827,144.56	9,424,150.50		610,718.59	
	1,625,076.00	1,625,076.00	1,625,076.00			
<u>STATUTORY EXPENDITURES</u>						
Contribution to:						
Police and Firemen's Retirement System of N.J.	20,000.00	20,000.00	20,000.00			
Unemployment Insurance	4,500.00	4,500.00	3,782.03		717.97	
Defined Contribution Retirement Program	687,992.00	687,992.00	687,992.00			
Public Employees' Retirement System	1,200,000.00	1,200,000.00	923,480.44		276,519.56	
Social Security System (OASI)	3,537,568.00	3,537,568.00	3,260,330.47		277,237.53	
	28,017,788.00	28,017,788.00	25,049,701.59		792,275.47	2,175,810.94
Total Appropriations Within "CAPS"						
<u>APPROPRIATIONS EXCLUDED FROM "CAPS"</u>						
<u>OTHER OPERATIONS</u>						
LOSAP	140,000.00	140,000.00	86,250.00		53,750.00	
<u>STATE AND FEDERAL PROGRAMS</u>						
<u>OFFSET BY REVENUES</u>						
Senior Outreach Program:						
Salaries and Wages	135,100.00	135,100.00	135,100.00			
Unappropriated Reserve - Federal Share	6,067.19	6,067.19	6,067.19			
Local Match	402,000.00	402,000.00	402,000.00			
Drunk Driving Enforcement Fund	19,900.00	19,900.00	19,900.00			
Clean Communities Grant:						
Salaries and Wages	110,711.33	110,711.33	110,711.33			
Municipal Drug Alliance:						
Other Expenses	19,720.00	19,720.00	19,720.00			
Local Match	6,468.00	6,468.00	6,468.00			

TOWNSHIP OF MANCHESTER
CURRENT FUND

STATEMENT OF EXPENDITURES - REGULATORY BASIS

A-3
Sheet #6

Appropriations	Appropriations		Paid or Charged	Reserved		Unexpended Balance Cancelled
	Budget	Modified Budget		Encumbered	Unencumbered	
	\$	\$	\$	\$	\$	\$
APPROPRIATIONS EXCLUDED FROM "CAPS"						
STATE AND FEDERAL PROGRAMS						
OFFSET BY REVENUES						
USDOJ - Bulletproof Vest Program	5,471.81	5,471.81	5,471.81			
State Forestry Grant	5,000.00	5,000.00	5,000.00			
COPS in Shops	1,200.00	1,200.00	1,200.00			
Click It or Ticket	3,700.00	3,700.00	3,700.00			
Drive Sober or Get Pulled Over	12,000.00	12,000.00	12,000.00			
FEMA - Hazard Mitigation:						
Federal Share	516,337.00	516,337.00	516,337.00			
Local Match	51,538.00	51,538.00	51,538.00			
Body Armor Grant	6,225.20	6,225.20	6,225.20			
Child Passenger Safety Grant	4,000.00	4,000.00	4,000.00			
Total Public and Private Programs Offset by Revenues	1,305,438.53	1,305,438.53	1,305,438.53			
Total Operations Excluded from "CAPS"	1,445,438.53	1,445,438.53	1,391,688.53	53,750.00		
Detail:						
Salaries and Wages	694,678.52	694,678.52	694,678.52			
Other Expenses	750,760.01	750,760.01	697,010.01		53,750.00	
Capital Improvements	75,000.00	75,000.00	75,000.00			
MUNICIPAL DEBT SERVICE						
Payment of Bond Principal	750,000.00	669,355.55	588,711.10			80,644.45
Interest on Bonds	389,937.50	470,581.95	470,581.95			200.00
Payment of Bond Anticipation and Capital Notes	227,585.00	227,585.00	227,385.00			1,674.64
Interest on Notes	68,035.00	68,035.00	66,360.36			
Green Trust Loan Program:						
Loan Repayment for Principal and Interest	150,120.67	150,120.67	150,120.67			
	1,585,678.17	1,585,678.17	1,503,159.08			82,519.09

TOWNSHIP OF MANCHESTER
CURRENT FUND

STATEMENT OF EXPENDITURES - REGULATORY BASIS

A-3
Sheet #7

	Appropriations		Paid or Charged	Reserved		Unexpended Balance Cancelled
Appropriations	Budget	Modified Budget		Encumbered	Unencumbered	
APPROPRIATIONS EXCLUDED FROM "CAPS"						
Deferred Charges:						
Special Emergency Authorizations:						
5 Years (N.J.S. 40A:4-55)	\$ 105,000.00	\$ 105,000.00	\$ 105,000.00			\$
3 Years (N.J.S. 40A:4-55.1 and 40A:4-55.13)	60,000.00	60,000.00	60,000.00			
Total General Appropriations for Municipal Purposes Excluded from "CAPS"	3,271,116.70	3,271,116.70	3,134,847.61		53,750.00	82,519.09
Sub-Total General Appropriations	31,288,904.70	31,288,904.70	28,184,549.20	792,275.47	2,229,560.94	82,519.09
Reserve for Uncollected Taxes	1,009,374.86	1,009,374.86	1,009,374.86			
Total General Appropriations	\$ 32,298,279.56	\$ 32,298,279.56	\$ 29,193,924.06	\$ 792,275.47	\$ 2,229,560.94	\$ 82,519.09
		Below	Below	A	A	Below
	Ref.					
Adopted Budget	A-2	\$ 32,153,971.22	\$			
Added by 40A:4-87	A-2	144,308.34				
Reserve for Uncollected Taxes	A-2a	(1,009,374.86)	1,009,374.86			
Cash Expended	A-4		26,714,110.67			
Matching Funds for Federal and State Grants	A-4,27		460,006.00			
Deferred Charges	A-12		165,000.00			
Reserve for Federal and State Grants Cancelled	A-27		845,432.53			
	Above	(82,519.09)				
	Above, A-1	\$ 31,206,385.61	\$ 29,193,924.06			

See accompanying notes to financial statements.

TOWNSHIP OF MANCHESTER
TRUST FUND

COMPARATIVE BALANCE SHEET - REGULATORY BASIS

B
Sheet #1

<u>ASSETS</u>	<u>Ref.</u>	<u>Balance</u> <u>Dec. 31, 2015</u>	<u>Balance</u> <u>Dec. 31, 2014</u>
<u>Animal Control Trust Fund</u>			
Cash	B-1	\$ 30,023.96	\$ 25,118.45
<u>General Trust Fund</u>			
Cash:			
Special Deposits/Performance Bonds	B-1	1,878,963.59	2,230,213.50
Affordable Housing Trust Fund	B-1	1,014,512.51	948,741.32
Redemption Trust Fund	B-1	694,269.56	748,032.52
State Unemployment Compensation			
Insurance Trust Fund	B-1	211,852.58	193,958.78
Police Drug Enforcement Trust Account	B-1	38,933.58	26,696.13
Municipal Drug Alliance	B-1	11,840.34	8,148.64
Public Defender Trust Fund	B-1	40,998.82	46,683.32
Manchester Day Trust Fund	B-1	9,142.71	4,133.80
Open Space Trust Fund	B-1	536,963.77	589,324.23
Recreation Trust Fund	B-1	13,978.33	11,117.49
Lakehurst - Manchester Construction			
Code Account	B-1	1,242.59	
		4,452,698.38	4,807,049.73
Community Development Block Grant			
Receivable	B-2	33,000.00	37,000.00
Due (To)/From Current Fund	B-7	67,966.00	
		4,553,664.38	4,844,049.73
<u>Length of Service Award Programs - Unaudited</u>			
Investments		899,701.16	911,038.66
		\$ 5,483,389.50	\$ 5,780,206.84

TOWNSHIP OF MANCHESTER
TRUST FUND

COMPARATIVE BALANCE SHEET - REGULATORY BASIS

B
Sheet #2

<u>LIABILITIES, RESERVES AND FUND BALANCE</u>	<u>Ref.</u>	<u>Balance</u> <u>Dec. 31, 2015</u>	<u>Balance</u> <u>Dec. 31, 2014</u>
<u>Animal Control Trust Fund</u>			
Due to State of New Jersey	B-3	\$ 157.80	\$ 61.80
Prepaid Licenses	B-4	16,953.40	13,345.80
Reserve for Animal Control Expenditures	B-6	12,912.76	11,710.85
		30,023.96	25,118.45
 <u>General Trust Fund</u>			
Due (To)/From Current Fund	B-7		28,139.52
Manchester Day Trust Fund	B-8	9,142.71	4,133.80
Deposits for Redemption of Tax Title Liens	B-9	694,269.56	748,032.52
Special Deposits	B-10	1,865,137.58	2,217,597.70
State Unemployment Compensation			
Insurance Trust Fund	B-11	211,852.58	193,958.78
Police Drug Enforcement Trust Account	B-12	38,933.58	26,696.13
Municipal Drug Alliance	B-13	11,840.34	8,148.64
Public Defender Fees	B-14	40,998.82	46,683.32
Open Space Trust Fund	B-15	536,963.77	589,324.23
Recreation Trust Fund	B-16	13,978.33	11,117.49
Community Development Block Grant			
Reserves	B-17	33,000.00	4,813.68
Retirement Pay	B-18	45,863.50	863.50
Affordable Housing Trust	B-19	1,030,311.61	964,540.42
Lakehurst - Manchester Construction			
Code Trust	B-20	1,242.59	
Snow Removal Trust	B-21	20,129.41	
		4,553,664.38	4,844,049.73
 <u>Length of Service Award Programs - Unaudited</u>			
Reserve for Length of Service Award Programs		899,701.16	911,038.66
		\$ 5,483,389.50	\$ 5,780,206.84

See accompanying notes to financial statements.

TOWNSHIP OF MANCHESTER
GENERAL CAPITAL FUND

COMPARATIVE BALANCE SHEET - REGULATORY BASIS

C

<u>ASSETS AND DEFERRED CHARGES</u>	<u>Ref.</u>	<u>Balance</u> <u>Dec. 31, 2015</u>	<u>Balance</u> <u>Dec. 31, 2014</u>
Cash	C-2	\$ 1,301,670.95	\$ 1,244,623.97
Interfunds Receivable	C-4		95,000.00
Deferred Charges to Future Taxation:			
Funded	C-5	9,746,292.01	10,480,812.05
Unfunded	C-6	9,212,916.21	5,653,601.21
		<u>\$ 20,260,879.17</u>	<u>\$ 17,474,037.23</u>
<u>LIABILITIES, RESERVES AND FUND BALANCE</u>			
General Serial Bonds	C-11	\$ 8,935,000.00	\$ 9,550,000.00
Bond Anticipation Notes	C-10	4,975,445.00	5,202,830.00
Green Acres Loan Payable	C-7	811,292.01	930,812.05
Capital Improvement Fund	C-8	201,905.45	626,205.45
Improvement Authorizations:			
Funded	C-9	546,412.30	68,228.57
Unfunded	C-9	4,363,744.30	670,755.03
Fund Balance	C-1	427,080.11	425,206.13
		<u>\$ 20,260,879.17</u>	<u>\$ 17,474,037.23</u>
Bonds and Notes Authorized but Not Issued	C-12	<u>\$ 4,242,918.57</u>	<u>\$ 456,218.57</u>

See accompanying notes to financial statements.

TOWNSHIP OF MANCHESTER
GENERAL CAPITAL FUND

STATEMENT OF FUND BALANCE - REGULATORY BASIS

C-1

	<u>Ref.</u>	
Balance December 31, 2014	C	\$ 425,206.13
Increased by:		
Premium on Sale of Bonds - Net	C-2	<u>1,873.98</u>
Balance December 31, 2015	C	<u>\$ 427,080.11</u>

See accompanying notes to financial statements.

TOWNSHIP OF MANCHESTER
WATER UTILITY EASTERN SERVICE

COMPARATIVE BALANCE SHEET - REGULATORY BASIS

D
Sheet #1

<u>ASSETS</u>	<u>Ref.</u>	<u>Balance</u> <u>Dec. 31, 2015</u>	<u>Balance</u> <u>Dec. 31, 2014</u>
<u>Operating Fund</u>			
Cash:			
Checking	D-5	\$ 731,278.12	\$ 670,596.10
Escrow	D-5	<u>306,267.37</u>	<u>321,162.18</u>
		<u>1,037,545.49</u>	<u>991,758.28</u>
Receivables and Inventory with Full Reserves:			
Consumer Accounts Receivable	D-7	159,797.48	111,642.47
Water Liens	D-8	104.20	3,437.39
Connection Fees Receivable	D-9		1,010.00
Inventory	D-10	<u>145,139.41</u>	<u>134,999.83</u>
		<u>305,041.09</u>	<u>251,089.69</u>
		<u>1,342,586.58</u>	<u>1,242,847.97</u>
<u>Capital Fund</u>			
Cash - Checking	D-5	2,258,740.39	2,258,740.39
Fixed Capital	D-11	9,978,577.73	9,978,577.73
Fixed Capital Authorized and Uncompleted	D-12	<u>819,605.45</u>	<u>204,105.45</u>
		<u>13,056,923.57</u>	<u>12,441,423.57</u>
		<u>\$ 14,399,510.15</u>	<u>\$ 13,684,271.54</u>

TOWNSHIP OF MANCHESTER
WATER UTILITY EASTERN SERVICE

COMPARATIVE BALANCE SHEET - REGULATORY BASIS

D
Sheet #2

<u>LIABILITIES, RESERVES AND FUND BALANCE</u>	<u>Ref.</u>	<u>Balance Dec. 31, 2015</u>	<u>Balance Dec. 31, 2014</u>
<u>Operating Fund</u>			
Liabilities:			
Appropriation Reserves:			
Encumbered	D-4,13	\$ 92,032.96	\$ 62,686.26
Unencumbered	D-4,13	181,818.31	169,349.33
Interfunds Payable	D-14		606.75
Reserve for Accrued Interest on Bonds	D-15	5,585.94	9,804.69
Reserve for Escrow Deposits	D-16	306,267.37	321,162.18
		<u>585,704.58</u>	<u>563,609.21</u>
Reserve for Receivables and Inventory		305,041.09	251,089.69
Fund Balance	D-1	451,840.91	428,149.07
		<u>1,342,586.58</u>	<u>1,242,847.97</u>
<u>Capital Fund</u>			
Serial Bonds	D-21	495,000.00	965,000.00
Capital Improvement Fund	D-17	1,402,389.94	2,017,889.94
Reserve for Amortization	D-18	8,525,760.00	8,055,760.00
Deferred Reserve for Amortization	D-19	1,777,423.18	1,161,923.18
Improvement Authorizations:			
Funded	D-20	819,605.45	204,105.45
Fund Balance	D-2	36,745.00	36,745.00
		<u>13,056,923.57</u>	<u>12,441,423.57</u>
		<u>\$ 14,399,510.15</u>	<u>\$ 13,684,271.54</u>

See accompanying notes to financial statements.

TOWNSHIP OF MANCHESTER
WATER UTILITY EASTERN SERVICE

COMPARATIVE STATEMENT OF OPERATIONS AND
CHANGE IN FUND BALANCE - REGULATORY BASIS

D-1

	<u>Ref.</u>	<u>Year 2015</u>	<u>Year 2014</u>
<u>Revenue and Other Income</u>			
Fund Balance Utilized	D-3	\$ 350,000.00	\$ 200,000.00
Water Rents and Liens	D-3	2,170,808.14	2,193,167.19
Miscellaneous Revenue	D-3	154,969.11	147,534.12
Other Credits to Income:			
Appropriation Reserves Lapsed	D-13	147,937.79	143,781.43
		<u>2,823,715.04</u>	<u>2,684,482.74</u>
 <u>Expenditures</u>			
Budget Appropriations:			
Operating:			
Salaries and Wages		650,000.00	700,000.00
Other Expenses		1,237,000.00	1,017,000.00
Debt Service		505,000.00	508,011.97
Statutory Expenditures		58,000.00	58,000.00
	D-4	<u>2,450,000.00</u>	<u>2,283,011.97</u>
Prior Year Refunds	D-5	23.20	306.61
		<u>2,450,023.20</u>	<u>2,283,318.58</u>
 Excess in Revenue		 373,691.84	 401,164.16
 <u>Fund Balance</u>			
Balance December 31, 2014	D	<u>428,149.07</u>	<u>226,984.91</u>
		801,840.91	628,149.07
 Decreased by:			
Utilized as Anticipated Revenue	D-3	<u>350,000.00</u>	<u>200,000.00</u>
 Balance December 31, 2015	D	 <u>\$ 451,840.91</u>	 <u>\$ 428,149.07</u>

See accompanying notes to financial statements.

TOWNSHIP OF MANCHESTER
WATER UTILITY EASTERN SERVICE

STATEMENT OF CAPITAL FUND BALANCE - REGULATORY BASIS

D-2

	<u>Ref.</u>	
Balance December 31, 2014	D	<u>\$ 36,745.00</u>
Balance December 31, 2015	D	<u><u>\$ 36,745.00</u></u>

See accompanying notes to financial statements.

TOWNSHIP OF MANCHESTER
WATER UTILITY EASTERN SERVICE

STATEMENT OF REVENUE
OPERATING FUND - REGULATORY BASIS

D-3

	<u>Ref.</u>	<u>Anticipated</u>	<u>Realized</u>	<u>Excess</u>
Fund Balance Utilized	D-1	\$ 350,000.00	\$ 350,000.00	\$
Rents and Liens	D-1,7	2,100,000.00	2,170,808.14	70,808.14
Miscellaneous	D-1,Below	<u>100,000.00</u>	<u>154,969.11</u>	<u>54,969.11</u>
Total Budget	D-4	<u>\$ 2,550,000.00</u>	<u>\$ 2,675,777.25</u>	<u>\$ 125,777.25</u>
<u>Analysis of Miscellaneous Revenue</u>				
Other Revenue:				
Connection Fees	D-9	\$	\$ 99,288.00	
Interest on Deposits		5,854.85		
Meter Fees		1,800.00		
Turn Off Fees		1,991.00		
Water Permit Fees		3,800.00		
Interest on Delinquent Accounts		11,692.01		
Service Line		3,500.00		
Water Application		500.00		
Escrow Charges		<u>26,543.25</u>		
	D-5		<u>55,681.11</u>	
	Above		<u>\$ 154,969.11</u>	

See accompanying notes to financial statements.

TOWNSHIP OF MANCHESTER
WATER UTILITY EASTERN SERVICE

D-4

STATEMENT OF EXPENDITURES - REGULATORY BASIS

	CY 2015				Expended		Balance Cancelled
	Budget Appropriation	Modified Budget	Paid or Charged	Reserved			
				Encumbered	Unencumbered		
<u>Operating</u>							
Salaries and Wages	\$ 750,000.00	\$ 750,000.00	\$ 539,710.42		\$ 110,289.58	\$ 100,000.00	
Other Expenses	1,237,000.00	1,237,000.00	1,090,150.44		54,816.60		
	<u>1,987,000.00</u>	<u>1,987,000.00</u>	<u>1,629,860.86</u>		<u>165,106.18</u>		<u>100,000.00</u>
<u>Debt Service</u>							
Bond Principal	470,000.00	470,000.00	470,000.00				
Interest on Bonds	35,000.00	35,000.00	35,000.00				
	<u>505,000.00</u>	<u>505,000.00</u>	<u>505,000.00</u>				
<u>Statutory Expenditures</u>							
Contribution to:							
Social Security System	58,000.00	58,000.00	41,287.87		16,712.13		
	<u>\$ 2,550,000.00</u>	<u>\$ 2,550,000.00</u>	<u>\$ 2,176,148.73</u>	Below	<u>\$ 92,032.96</u>	D	<u>\$ 181,818.31</u>
				Below		D	Below
<u>Reference</u>	D-3	Below					
<u>Ref.</u>							
Modified Budget	Above	\$ 2,550,000.00					
Cancelled	Above	(100,000.00)					
Cash Disbursed	D-5		2,141,148.73				
Accrued Interest on Bonds	D-15		<u>35,000.00</u>				
	D-1, Above		<u>\$ 2,176,148.73</u>				

See accompanying notes to financial statements.

TOWNSHIP OF MANCHESTER
PUBLIC ASSISTANCE TRUST FUND

COMPARATIVE BALANCE SHEET - REGULATORY BASIS

E

<u>ASSETS</u>	<u>Ref.</u>	<u>Balance</u> <u>Dec. 31, 2015</u>	<u>Balance</u> <u>Dec. 31, 2014</u>
<u>Trust Fund Account #1</u>			
Cash	E-1	<u>\$2,649.47</u>	<u>\$2,644.16</u>
<u>Discretionary Fund</u>			
Cash	E-1	<u>178.13</u>	<u>138.13</u>
		<u>\$2,827.60</u>	<u>\$2,782.29</u>
<u>LIABILITIES AND FUND BALANCE</u>			
<u>Trust Fund Account #1</u>			
Reserve for Public Assistance Expenditures	E-2	<u>\$2,649.47</u>	<u>\$2,644.16</u>
<u>Discretionary Fund</u>			
Reserve for Discretionary Trust Expenditures	E-3	<u>178.13</u>	<u>138.13</u>
		<u>\$2,827.60</u>	<u>\$2,782.29</u>

See accompanying notes to financial statements.

TOWNSHIP OF MANCHESTER
SEWER UTILITY EASTERN SERVICE

COMPARATIVE BALANCE SHEET - REGULATORY BASIS

F
Sheet #1

<u>ASSETS</u>	<u>Ref.</u>	<u>Balance</u> <u>Dec. 31, 2015</u>	<u>Balance</u> <u>Dec. 31, 2014</u>
<u>Operating Fund</u>			
Cash - Checking	F-5	\$ 3,391,987.06	\$ 3,231,722.95
Cash - Escrow	F-5	176,001.09	197,237.45
		3,567,988.15	3,428,960.40
 Interfunds Receivable	 F-8	 644.49	 1,682.95
 Receivables and Inventory with Full Reserves:			
Consumer Accounts Receivable	F-9	91,851.41	69,425.61
Connection Fees Receivable	F-10		1,435.00
Inventory	F-11	76,069.88	50,664.22
		167,921.29	121,524.83
		3,736,553.93	3,552,168.18
 <u>Capital Fund</u>			
Cash - Checking	F-5	2,822,096.59	2,657,528.30
Investment	F-6	100,000.00	265,000.00
Fixed Capital	F-12	11,794,342.18	
Fixed Capital Authorized and Uncompleted	F-13	100,500.00	11,794,342.18
		14,816,938.77	14,716,870.48
		\$ 18,553,492.70	\$ 18,269,038.66

TOWNSHIP OF MANCHESTER
SEWER UTILITY EASTERN SERVICE

COMPARATIVE BALANCE SHEET - REGULATORY BASIS

F
Sheet #2

<u>LIABILITIES, RESERVES AND FUND BALANCE</u>	<u>Ref.</u>	<u>Balance Dec. 31, 2015</u>	<u>Balance Dec. 31, 2014</u>
<u>Operating Fund</u>			
Liabilities:			
Appropriation Reserves:			
Encumbered	F-4,14	\$ 37,806.50	\$ 18,462.19
Unencumbered	F-4,14	839,679.79	185,056.49
Reserve for Escrow Deposits	F-15	176,001.09	197,237.45
Accounts Payable	F-16	-	50,000.00
Accrued Interest on Bonds	F-17	6,468.95	12,182.81
		1,059,956.33	462,938.94
Reserve for Receivables and Inventory		167,921.29	121,524.83
Fund Balance	F-1	2,508,676.31	2,967,704.41
		3,736,553.93	3,552,168.18
 <u>Capital Fund</u>			
Serial Bonds	F-23	545,000.00	1,070,000.00
Interfunds Payable	F-18	644.49	1,076.20
Capital Improvement Fund	F-19	2,817,137.10	2,917,637.10
Improvement Authorizations:			
Funded	F-20	100,500.00	
Reserve for Amortization	F-21	11,249,342.18	10,724,342.18
Reserve for Deferred Amortization	F-22	100,500.00	
Fund Balance	F-2	3,815.00	3,815.00
		14,816,938.77	14,716,870.48
		\$ 18,553,492.70	\$ 18,269,038.66

See accompanying notes to financial statements.

TOWNSHIP OF MANCHESTER
SEWER UTILITY EASTERN SERVICE

COMPARATIVE STATEMENT OF OPERATIONS AND
CHANGE IN FUND BALANCE - REGULATORY BASIS

F-1

	<u>Ref.</u>	<u>Year 2015</u>	<u>Year 2014</u>
<u>Revenue and Other Income</u>			
Fund Balance Utilized	F-3	\$ 1,000,000.00	\$ 1,000,000.00
Sewer Rents	F-3	3,517,078.85	3,701,354.51
Miscellaneous Revenue	F-3	145,685.50	163,388.31
Other Credits:			
Appropriation Reserves Lapsed	F-13	168,983.45	516,441.48
Accounts Payable Cancelled	F-15	50,000.00	50,000.00
Accrued Interest Cancelled		10,232.61	15,317.77
		4,891,980.41	5,446,502.07
 <u>Expenditures</u>			
Budget Appropriations:			
Operating:			
Salaries and Wages		595,000.00	605,000.00
Other Expenses		3,107,000.00	2,420,100.00
Debt Service		573,000.00	622,181.78
Statutory Expenditures		75,000.00	64,000.00
	F-4	4,350,000.00	3,711,281.78
Prior Year Refunds	F-5	1,008.51	492.00
		4,351,008.51	3,711,773.78
 Excess in Revenue		540,971.90	1,734,728.29
 <u>Fund Balance</u>			
Balance June 30	F	2,967,704.41	2,232,976.12
		3,508,676.31	3,967,704.41
 Decreased by:			
Fund Balance Utilized	F-3	1,000,000.00	1,000,000.00
Balance December 31	F	\$ 2,508,676.31	\$ 2,967,704.41

See accompanying notes to financial statements.

TOWNSHIP OF MANCHESTER
SEWER UTILITY EASTERN SERVICE

STATEMENT OF CAPITAL FUND BALANCE - REGULATORY BASIS

F-2

	<u>Ref.</u>	
Balance December 31, 2014	F	<u>\$ 3,815.00</u>
Balance December 31, 2015	F	<u>\$ 3,815.00</u>

See accompanying notes to financial statements.

TOWNSHIP OF MANCHESTER
SEWER UTILITY EASTERN SERVICE

STATEMENT OF REVENUE
OPERATING FUND - REGULATORY BASIS

F-3

	<u>Ref.</u>	<u>Anticipated</u>	<u>Realized</u>	<u>Excess or (Deficit)</u>
Fund Balance Utilized	F-1	\$ 1,000,000.00	\$ 1,000,000.00	\$
User Fees	F-1,9	3,600,000.00	3,517,078.85	(82,921.15)
Miscellaneous	F-1,Below	<u>125,000.00</u>	<u>145,685.50</u>	<u>20,685.50</u>
Total Budget	F-4	<u>\$ 4,725,000.00</u>	<u>\$ 4,662,764.35</u>	<u>\$(62,235.65)</u>
 <u>Analysis of Miscellaneous Revenue</u>				
Other Revenue:				
Interest Earned in Sewer Capital Eastern Service Fund	F-8		\$ 644.49	
Connection Fees	F-10		97,380.00	
Permit Fees		\$ 3,350.00		
Interest Earned		12,493.18		
Interest on Delinquent Accounts		9,565.49		
Escrow Charges		<u>22,252.34</u>		
	F-5		<u>47,661.01</u>	
	Above		<u>\$ 145,685.50</u>	

See accompanying notes to financial statements.

TOWNSHIP OF MANCHESTER
SEWER UTILITY EASTERN SERVICE

STATEMENT OF EXPENDITURES - REGULATORY BASIS

F-4

	CY 2015 Budget Appropriation	Expended		Reserved		Balance Cancelled
		Paid or Charged	Encumbered	Encumbered	Unencumbered	
<u>Operating</u>						
Salaries and Wages	\$ 870,000.00	\$ 518,228.64	\$	\$ 76,771.36	\$ 275,000.00	
Other Expenses	3,107,000.00	2,341,639.77	37,806.50	727,553.73	275,000.00	
	<u>3,977,000.00</u>	<u>2,859,868.41</u>	<u>37,806.50</u>	<u>804,325.09</u>		
<u>Capital Improvements</u>						
Capital Improvement Fund	100,000.00				100,000.00	
<u>Debt Service</u>						
Payment of Bond Principal	525,000.00	525,000.00				
Interest on Bonds	48,000.00	48,000.00				
	<u>573,000.00</u>	<u>573,000.00</u>				
<u>Statutory Expenditures</u>						
Contribution to:						
Social Security System (OASI)	75,000.00	39,645.30		35,354.70		
	<u>\$ 4,725,000.00</u>	<u>\$ 3,472,513.71</u>	<u>\$ 37,806.50</u>	<u>\$ 839,679.79</u>	<u>\$ 375,000.00</u>	
	Reference Below	Below	F	F	Below	
<u>Ref.</u>						
Adopted Budget	\$ 4,725,000.00	\$				
Cancelled	(375,000.00)					
Cash Disbursed		3,424,513.71				
Accrued Interest on Bonds		48,000.00				
	<u>\$ 4,350,000.00</u>	<u>\$ 3,472,513.71</u>				
	Reference F-1	Above				

See accompanying notes to financial statements.

TOWNSHIP OF MANCHESTER
PAYROLL FUND

COMPARATIVE BALANCE SHEET - REGULATORY BASIS

G

<u>ASSETS</u>	<u>Ref.</u>	<u>Balance</u> <u>Dec. 31, 2015</u>	<u>Balance</u> <u>Dec. 31, 2014</u>
Cash	G-1	<u>\$120,950.26</u>	<u>\$10,969.04</u>
 <u>LIABILITIES</u>			
Payroll Deductions Payable	G-2	<u>\$120,950.26</u>	<u>\$10,969.04</u>

See accompanying notes to financial statements.

TOWNSHIP OF MANCHESTER
WATER UTILITY WESTERN SERVICE

COMPARATIVE BALANCE SHEET - REGULATORY BASIS

H
Sheet #1

<u>ASSETS</u>	<u>Ref.</u>	<u>Balance</u> <u>Dec. 31, 2015</u>	<u>Balance</u> <u>Dec. 31, 2014</u>
<u>Operating Fund</u>			
Cash:			
Checking	H-4	\$ 2,331,937.76	\$ 2,142,312.95
Change Fund	H-6	60.00	60.00
Interfunds Receivable	H-7	<u>7,406.78</u>	<u>7,406.78</u>
		<u>2,331,997.76</u>	<u>2,149,779.73</u>
Receivables and Inventory with Full Reserves:			
Consumer Accounts Receivable	H-8	119,701.31	108,013.98
Water Liens	H-9	128.77	128.77
Inventory	Reserve	<u>71,491.81</u>	<u>72,142.68</u>
		<u>191,321.89</u>	<u>180,285.43</u>
Total Operating Fund		<u>2,523,319.65</u>	<u>2,330,065.16</u>
<u>Capital Fund</u>			
Cash - Checking	H-4	596,257.27	615,089.34
Fixed Capital	H-10	14,958,742.73	14,940,703.77
Fixed Capital Authorized and Uncompleted	H-11	<u>596,257.27</u>	<u>614,296.23</u>
		<u>16,151,257.27</u>	<u>16,170,089.34</u>
		<u>\$18,674,576.92</u>	<u>\$18,500,154.50</u>

TOWNSHIP OF MANCHESTER
WATER UTILITY WESTERN SERVICE

COMPARATIVE BALANCE SHEET - REGULATORY BASIS

H
Sheet #2

<u>LIABILITIES, RESERVES AND FUND BALANCE</u>	<u>Ref.</u>	<u>Balance Dec. 31, 2015</u>	<u>Balance Dec. 31, 2014</u>
<u>Operating Fund</u>			
Liabilities:			
Appropriation Reserves:			
Encumbered	H-3,12	\$ 78,919.78	\$ 38,560.25
Unencumbered	H-3,12	497,341.70	389,986.65
Interfunds Payable	H-13		4,862.88
Reserve for Accrued Interest on Bonds	H-14	258,427.00	254,864.50
		834,688.48	688,274.28
Reserve for Receivables and Inventory		191,321.89	180,285.43
Fund Balance	H-1	1,497,309.28	1,461,505.45
		2,523,319.65	2,330,065.16
 <u>Capital Fund</u>			
Serial Bonds Payable	H-18	14,905,000.00	15,154,000.00
Interfunds Payable	H-15		793.11
Improvement Authorizations:			
Funded	H-16	596,257.27	614,296.23
Reserve for Amortization	H-17	650,000.00	401,000.00
		16,151,257.27	16,170,089.34
		\$18,674,576.92	\$18,500,154.50

See accompanying notes to financial statements.

TOWNSHIP OF MANCHESTER
WATER UTILITY WESTERN SERVICE

COMPARATIVE STATEMENT OF OPERATIONS AND
CHANGE IN FUND BALANCE - REGULATORY BASIS

H-1

	<u>Ref.</u>	<u>Year 2015</u>	<u>Year 2014</u>
<u>Revenue and Other Income</u>			
Fund Balance Utilized	H-2	\$ 700,000.00	\$ 700,000.00
Water Rents	H-2	2,153,436.35	2,135,519.41
Nonbudget Revenue	H-2	24,349.68	43,733.37
Other Credits to Income:			
Appropriation Reserve Lapsed	H-12	358,017.80	131,324.41
		<u>3,235,803.83</u>	<u>3,010,577.19</u>
 <u>Expenditures</u>			
Budget Appropriations:			
Operating:			
Salaries and Wages		640,000.00	575,000.00
Other Expenses		931,000.00	873,400.00
Debt Service		879,000.00	881,000.00
Statutory Expenditures		50,000.00	50,000.00
	H-3	<u>2,500,000.00</u>	<u>2,379,400.00</u>
Prior Year Refunds		<u>2,500,000.00</u>	<u>110.23</u>
		<u>2,500,000.00</u>	<u>2,379,510.23</u>
Excess in Revenue		735,803.83	631,066.96
 <u>Fund Balance</u>			
Balance December 31	H	1,461,505.45	1,530,438.49
		<u>2,197,309.28</u>	<u>2,161,505.45</u>
 Decreased by:			
Utilized as Anticipated Revenue	H-2	<u>700,000.00</u>	<u>700,000.00</u>
Balance December 31	H	<u>\$1,497,309.28</u>	<u>\$1,461,505.45</u>

See accompanying notes to financial statements.

TOWNSHIP OF MANCHESTER
WATER UTILITY WESTERN SERVICE

STATEMENT OF REVENUE
OPERATING FUND - REGULATORY BASIS

H-2

	<u>Ref.</u>	<u>Anticipated</u>	<u>Realized</u>	<u>Excess</u>
Fund Balance Utilized	H-1	\$ 700,000.00	\$ 700,000.00	\$
Rents and Liens	H-1,8	2,100,000.00	2,153,436.35	53,436.35
Nonbudget Revenue	H-1,4	<u> </u>	<u>24,349.68</u>	<u>24,349.68</u>
Total Budget	H-3	<u>\$2,800,000.00</u>	<u>\$2,877,786.03</u>	<u>\$77,786.03</u>

See accompanying notes to financial statements.

TOWNSHIP OF MANCHESTER
WATER UTILITY WESTERN SERVICE

STATEMENT OF EXPENDITURES - REGULATORY BASIS

H-3

	CY 2015				Expended		Balance Cancelled
	Budget Appropriation	Modified Budget	Paid or Charged	Reserved			
				Encumbered	Unencumbered		
<u>Operating</u>							
Salaries and Wages	\$ 640,000.00	\$ 640,000.00	\$ 536,065.63		\$ 103,934.37	\$ 300,000.00	
Other Expenses	1,231,000.00	1,231,000.00	467,601.72		78,919.78	384,478.50	
	<u>1,871,000.00</u>	<u>1,871,000.00</u>	<u>1,003,667.35</u>		<u>78,919.78</u>	<u>488,412.87</u>	<u>300,000.00</u>
<u>Debt Service</u>							
Serial Bonds	249,000.00	249,000.00	249,000.00				
Interest on Bonds	630,000.00	630,000.00	630,000.00				
	<u>879,000.00</u>	<u>879,000.00</u>	<u>879,000.00</u>				
<u>Statutory Expenditures</u>							
Contribution to:							
Social Security System	50,000.00	50,000.00	41,071.17			8,928.83	
	<u>\$ 2,800,000.00</u>	<u>\$ 2,800,000.00</u>	<u>\$ 1,923,738.52</u>		<u>\$ 78,919.78</u>	<u>\$ 497,341.70</u>	<u>\$ 300,000.00</u>
	<u>H-2</u>		<u>Below H-1</u>		<u>H, H-1</u>	<u>H, H-1</u>	
		<u>Ref.</u>					
Cash Disbursed		H-4	\$ 1,293,738.52				
Accrued Interest on Bonds		H-14	<u>630,000.00</u>				
		Above	<u>\$ 1,923,738.52</u>				

See accompanying notes to financial statements.

TOWNSHIP OF MANCHESTER
SEWER UTILITY WESTERN SERVICE

COMPARATIVE BALANCE SHEET - REGULATORY BASIS

!

<u>ASSETS</u>	<u>Ref.</u>	<u>Balance</u> <u>Dec. 31, 2015</u>	<u>Balance</u> <u>Dec. 31, 2014</u>
<u>Operating Fund</u>			
Cash	I-4	\$ 889,191.63	\$ 922,654.03
Receivables and Inventory with Full Reserves:			
Consumer Accounts Receivable	I-6	125,991.45	126,344.62
Utility Western Liens	I-7	364.81	364.81
Inventory	Reserve	21,129.65	24,330.59
Interfunds Receivable	I-8	5,045.86	5,045.86
		<u>1,036,677.54</u>	<u>1,078,739.91</u>
 <u>Capital Fund</u>			
Cash - Checking	I-4	92,304.61	127,908.59
Fixed Capital	I-9	5,092,695.39	5,057,274.39
Fixed Capital Authorized and Uncompleted	I-10	92,304.61	127,725.61
		<u>5,277,304.61</u>	<u>5,312,908.59</u>
		<u>\$ 6,313,982.15</u>	<u>\$ 6,391,648.50</u>
 <u>LIABILITIES, RESERVES AND FUND BALANCE</u>			
<u>Operating Fund</u>			
Liabilities:			
Appropriation Reserves:			
Encumbered	I-3,11	\$ 38,162.62	\$ 15,824.59
Reserved	I-3,11	179,175.95	140,401.54
Accrued Interest on Bonds	I-12	85,810.00	88,765.00
		303,148.57	244,991.13
Reserve for Receivables and Inventory		147,485.91	151,040.02
Fund Balance	I-1	586,043.06	682,708.76
		<u>1,036,677.54</u>	<u>1,078,739.91</u>
 <u>Capital Fund</u>			
Serial Bonds Payable	I-16	4,911,000.00	5,025,000.00
Reserve for Amortization	I-15	274,000.00	160,000.00
Interfunds Payable	I-13		182.98
Improvement Authorizations:			
Funded	I-14	92,304.61	127,725.61
		<u>5,277,304.61</u>	<u>5,312,908.59</u>
		<u>\$ 6,313,982.15</u>	<u>\$ 6,391,648.50</u>

TOWNSHIP OF MANCHESTER
SEWER UTILITY WESTERN SERVICE

COMPARATIVE STATEMENT OF OPERATIONS AND
CHANGE IN FUND BALANCE - REGULATORY BASIS

I-1

	<u>Ref.</u>	<u>Year 2015</u>	<u>Year 2014</u>
<u>Revenue and Other Income</u>			
Fund Balance Utilized	I-2	\$ 500,000.00	\$ 325,000.00
Sewer Rents and Liens	I-2	2,230,554.85	2,369,585.99
Miscellaneous Revenue	I-2	55,413.99	59,223.09
Other Credits:			
Appropriation Reserve Lapsed	I-11	117,365.46	58,545.68
		<u>2,903,334.30</u>	<u>2,812,354.76</u>
 <u>Expenditures</u>			
Budget Appropriations:			
Operating:			
Salaries and Wages		455,000.00	320,000.00
Other Expenses		1,698,755.00	1,716,000.00
Debt Service		312,045.00	309,000.00
Statutory Expenditures		34,200.00	25,000.00
	I-3	<u>2,500,000.00</u>	<u>2,370,000.00</u>
Prior Year Refunds		<u>2,500,000.00</u>	<u>152.00</u>
		<u>2,500,000.00</u>	<u>2,370,152.00</u>
Excess in Revenue		403,334.30	442,202.76
 <u>Fund Balance</u>			
Balance December 31	I	682,708.76	565,506.00
		<u>1,086,043.06</u>	<u>1,007,708.76</u>
 Decreased by:			
Utilized as Anticipated Revenue	I-2	<u>500,000.00</u>	<u>325,000.00</u>
Balance December 31	I	<u>\$ 586,043.06</u>	<u>\$ 682,708.76</u>

See accompanying notes to financial statements.

TOWNSHIP OF MANCHESTER
SEWER UTILITY WESTERN SERVICE

STATEMENT OF REVENUE
OPERATING FUND - REGULATORY BASIS

I-2

	<u>Ref.</u>	<u>Anticipated</u>	<u>Realized</u>	<u>Excess</u>
Fund Balance Utilized	I-1	\$ 500,000.00	\$ 500,000.00	\$
User Fees	I-1,6	2,150,000.00	2,230,554.85	80,554.85
Miscellaneous	I-1,4	<u>50,000.00</u>	<u>55,413.99</u>	<u>5,413.99</u>
Total Budget	I-3	<u>\$ 2,700,000.00</u>	<u>\$ 2,785,968.84</u>	<u>\$ 85,968.84</u>

See accompanying notes to financial statements.

TOWNSHIP OF MANCHESTER
SEWER UTILITY WESTERN SERVICE

STATEMENT OF EXPENDITURES - REGULATORY BASIS

I-3

	CY 2015		Expended		Balance Cancelled
	Budget Appropriation	Modified Budget	Paid or Charged	Reserved Unencumbered	
Operating					
Salaries and Wages	\$ 455,000.00	\$ 455,000.00	\$ 342,206.20	\$ 112,793.80	\$ 200,000.00
Other Expenses	1,898,755.00	1,898,755.00	1,602,231.45	58,360.93	200,000.00
	<u>2,353,755.00</u>	<u>2,353,755.00</u>	<u>1,944,437.65</u>	<u>171,154.73</u>	<u>200,000.00</u>
Debt Service					
Payment of Bonds	114,000.00	114,000.00	114,000.00		
Interest on Bonds	198,045.00	198,045.00	198,045.00		
	<u>312,045.00</u>	<u>312,045.00</u>	<u>312,045.00</u>		
Statutory Expenditures					
Contribution to:					
Social Security System	34,200.00	34,200.00	26,178.78	8,021.22	
	<u>\$ 2,700,000.00</u>	<u>\$ 2,700,000.00</u>	<u>\$ 2,282,661.43</u>	<u>\$ 179,175.95</u>	<u>\$ 200,000.00</u>
Reference	I-2	Below	Below	I	Below
Ref.					
Modified Budget	Above	\$ 2,700,000.00	\$		
Cancelled	Above	(200,000.00)			
Cash Disbursed	I-4		2,084,616.43		
Accrued Interest on Bonds	I-12		198,045.00		
	Above	<u>\$ 2,500,000.00</u>	<u>\$ 2,282,661.43</u>		

See accompanying notes to financial statements.

TOWNSHIP OF MANCHESTER
CAPITAL FIXED ASSETS

COMPARATIVE BALANCE SHEET - REGULATORY BASIS

J

<u>ASSETS</u>	<u>Balance</u> <u>Dec. 31, 2015</u>	<u>Balance</u> <u>Dec. 31, 2014</u>
Buildings and Improvements	\$ 24,935,191.00	\$ 30,367,242.62
Machinery and Equipment	<u>20,358,057.52</u>	<u>14,648,709.95</u>
	<u>\$ 45,293,248.52</u>	<u>\$ 45,015,952.57</u>
 <u>RESERVE</u>		
Investments in Capital Fixed Assets	<u>\$ 45,293,248.52</u>	<u>\$ 45,015,952.57</u>

See accompanying notes to financial statements.

NOTES TO FINANCIAL STATEMENTS

TOWNSHIP OF MANCHESTER

NOTES TO FINANCIAL STATEMENTS YEAR ENDED DECEMBER 31, 2015

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.

From 1990 through 2012 the Township operated on a fiscal year with the year end of June 30th. Effective 2013 the Township converted back to a calendar year with a year end of December 31st.

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

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

Governmental Accounting Standards Board (GASB) Statements No. 14 and 34 establish certain standards for defining and reporting on the financial reporting entity. In accordance with these standards, the reporting entity should include the primary government and those component units which are fiscally accountable to the primary government. The financial statements - regulatory basis 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 three fund types and two account groups to be used by governmental units when reporting financial position and results of operations in accordance with accounting principles accepted in the United States of America (GAAP).

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

B. Description of Funds (Continued)

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

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

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

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

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

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

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

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

C. Basis of Accounting

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

Property Taxes and Other Revenue

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

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

C. Basis of Accounting (Continued)

Grant Revenue

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

Expenditures

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

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.

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.

Encumbrances

As of January 1, 1986 all local units were required by Technical Accounting Directive No. 85-1, as promulgated by the Division of Local Government Services, to maintain an encumbrance accounting system. The directive states that contractual orders outstanding at December 31 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.

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

C. Basis of Accounting (Continued)

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.

Self-Insurance Contributions

Contributions to self-insurance funds are charged to budget appropriations. GAAP requires that payments be accounted for as an operating transfer and not as an expenditure.

Interfunds Receivable

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

Inventories of Supplies

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

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

Capital Fixed Assets

General:

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

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

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

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

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

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

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

C. Basis of Accounting (Continued)

Capital Fixed Assets

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.

Volunteer Length of Service Award Plan (LOSAP)

The Township has established a Volunteer Length of Service Award Plan ("LOSAP") ("Plan") to ensure retention of the Township's volunteer fire department. The Plan shall be construed under the laws of the State of New Jersey and is established with the intent that it meets the requirements of a "Length of Service Award Plan under Section 457(c)11 of the Internal Revenue Code". The LOSAP financial statements have not been nor are they required to be audited.

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.

2. CASH, CASH EQUIVALENTS AND INVESTMENTS (Continued)

A. Cash and Cash Equivalents (Continued)

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.
- . Bonds or other obligations of the local unit or school districts of which the local unit is a part.
- . Any other obligations with maturities not exceeding 397 days, as permitted by the Division of Investments.
- . Local government investment pools, such as New Jersey CLASS, and the New Jersey Arbitrage Rebate Management Program.
- . New Jersey State Cash Management Fund.
- . Repurchase agreements of fully collateralized securities, subject to special conditions.

As of December 31, 2015, the Township had funds invested and on deposit in checking, savings and money market accounts. The amount on deposit of the Township's cash and cash equivalents as of December 31, 2015 was \$29,327,469.38. 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.

3. TAXES AND TAX TITLE LIENS RECEIVABLE (Continued)

The tax bills are mailed by the Tax Collector annually in June and are payable in four quarterly installments due the first of August and November of the current year and a preliminary billing due the first of February and May of the subsequent year. The August and November billings represent the third and fourth quarter installments and are calculated by taking the total year tax levy less the preliminary first and second quarter installments due February and May. The preliminary levy is based on one-half of the current year's total tax.

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.

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

Comparative Schedule of Tax Rate

	Calendar Year <u>2015</u>	Calendar Year <u>2014</u>	Calendar Year <u>2013</u>	Fiscal Year <u>2012</u>	Fiscal Year <u>2011</u>
Tax Rate (Per \$100 of Assessed Valuations*)	<u>\$ 2.487</u>	<u>\$ 2.436</u>	<u>\$ 2.351</u>	<u>\$ 1.922</u>	<u>\$ 1.857</u>
Apportionment of Tax Rate:					
Municipal	\$ 0.652	\$ 0.653	\$ 0.635	\$ 0.520	\$ 0.504
Municipal Open Space	0.010	0.010	0.009	0.010	0.010
County	0.467	0.451	0.409	0.356	0.358
Local School	1.358	1.322	1.298	1.036	0.985

*Tax rates are reflected on calendar year.

Assessed Valuations

<u>Year</u>	<u>Amount</u>
2015	\$ 3,236,390,561.00
2014	3,227,220,311.00
2013	3,224,288,516.00
2012	3,964,272,258.00
2011	4,079,359,820.00

3. TAXES AND TAX TITLE LIENS RECEIVABLE (Continued)

Comparison of Tax Levies

<u>Date</u>	<u>Tax Levy</u>		<u>Cash Collection</u>	<u>Percentage of Collection</u>
December 31, 2015	\$ 80,722,514.76	**	\$ 79,657,151.87	98.68 %
December 31, 2014	78,984,537.23		77,974,976.62	98.72
December 31, 2013	75,918,323.33	**	74,562,773.18	98.21
December 31, 2012*	37,256,548.55	**	36,608,258.59	98.25
June 30, 2012	76,310,606.83		74,549,237.43	97.69

*Transition Year 6 Month Budget.

**Net of Reduction due to tax appeals.

Delinquent Taxes and Tax Title Liens

<u>Date</u>	<u>Amount of Municipal Liens</u>	<u>Amount of Delinquent Taxes</u>	<u>Total Delinquent</u>	<u>Percentage of Tax Levy</u>
December 31, 2015	\$250,658.47	\$1,032,702.70	\$1,283,361.17	1.59 %
December 31, 2014	324,783.76	842,234.58	1,167,018.34	1.48
December 31, 2013	303,657.25	1,114,880.66	1,418,537.91	1.87
December 31, 2012**	208,274.98	526,437.95	734,712.93	1.97
June 30, 2012	135,960.07	898,257.57	1,034,217.64	1.36

**Transition Six Month Year.

4. PROPERTY ACQUIRED BY TAX TITLE LIEN LIQUIDATION

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

<u>Year</u>	<u>Amount</u>
CY 2015	\$ 9,762,200.00
CY 2014	9,611,700.00
CY 2013	9,611,700.00
TY 2012	942,474.28
SFY 2012	942,474.28

5. WATER AND SEWER CHARGE ACCOUNTS RECEIVABLE

<u>Date</u>	<u>Water Utility Eastern Service</u>		<u>Sewer Utility Eastern Service</u>	
	<u>Billing</u>	<u>Collection*</u>	<u>Billing</u>	<u>Collection*</u>
December 31, 2015	\$ 2,219,084.25	\$ 2,170,808.14	\$ 3,539,504.65	\$ 3,517,078.85
December 31, 2014	2,128,237.45	2,193,167.19	3,639,686.36	3,701,354.51
December 31, 2013	2,030,503.51	1,978,609.79	3,338,586.91	3,281,577.74
December 31, 2012**	1,279,401.15	1,252,895.00	1,744,782.51	1,746,522.40
June 30, 2012	2,114,365.27	2,122,926.05	3,456,710.34	3,474,862.38

*Includes collection of prior year receivables.

**Transition Six Month Budget.

<u>Date</u>	<u>Water Utility Western Service</u>		<u>Sewer Utility Western Service</u>	
	<u>Billing</u>	<u>Collection*</u>	<u>Billing</u>	<u>Collection*</u>
December 31, 2015	\$ 2,165,123.68	\$ 2,153,436.35	\$ 2,230,201.68	\$ 2,230,554.85
December 31, 2014	1,992,985.11	2,135,519.41	2,208,204.13	2,369,585.99
December 31, 2013	2,176,060.29	2,079,384.70	2,264,964.50	2,151,275.74
December 31, 2012**	1,127,879.45	1,129,933.75	1,148,187.78	1,157,797.43
June 30, 2012	2,287,727.43	2,136,160.88	2,405,822.06	2,286,044.39

*Includes collection of prior year receivable.

**Transition Six Month Budget.

6. FUND BALANCES APPROPRIATED

	<u>Date</u>	<u>Balance</u>	<u>Utilized in Budgets of Succeeding Year General Budget</u>
Current Fund:	December 31, 2015	\$ 5,512,101.92	\$ 2,750,000.00
	December 31, 2014	4,253,747.48	1,712,681.00
	December 31, 2013	3,067,844.95	1,250,000.00
	December 31, 2012*	2,815,395.31	1,420,000.00
	June 30, 2012	1,419,329.52	525,000.00
Water Utility Eastern Service:	December 31, 2015	451,840.91	350,000.00
	December 31, 2014	428,149.07	350,000.00
	December 31, 2013	226,984.91	200,000.00
	December 31, 2012*	646,332.57	500,000.00
	June 30, 2012	499,809.00	440,000.00
Sewer Utility Eastern Service:	December 31, 2015	2,508,676.31	1,000,000.00
	December 31, 2014	2,967,704.41	1,000,000.00
	December 31, 2013	2,232,976.12	1,000,000.00
	December 31, 2012*	2,737,205.44	1,000,000.00
	June 30, 2012	2,657,887.47	518,000.00
Water Utility Western Service:	December 31, 2015	1,497,309.28	700,000.00
	December 31, 2014	1,461,505.45	700,000.00
	December 31, 2013	1,530,438.49	700,000.00
	December 31, 2012*	1,451,405.94	200,000.00
	June 30, 2012	1,252,119.71	50,000.00
Sewer Utility Western Service:	December 31, 2015	586,043.06	400,000.00
	December 31, 2014	682,708.76	500,000.00
	December 31, 2013	565,506.00	325,000.00
	December 31, 2012*	598,956.49	325,000.00
	June 30, 2012	634,283.61	499,000.00

*Transition Year.

7. MUNICIPAL DEBT

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

	<u>Calendar Year 2015</u>	<u>Calendar Year 2014</u>	<u>Calendar Year 2013</u>
<u>Issued</u>			
General:			
Bonds and Notes	\$ 13,910,445.00	\$ 14,752,830.00	\$ 15,730,215.00
Green Acres Loan	811,292.01	930,812.05	1,060,125.71
Water Utility Eastern Service:			
Bonds and Notes	495,000.00	965,000.00	1,420,000.00
Water Utility Western Service:			
Bonds and Notes	14,905,000.00	15,154,000.00	15,400,000.00
Sewer Utility Eastern Service:			
Bonds and Notes	545,000.00	1,070,000.00	1,575,000.00
Due to State of New Jersey			175,000.00
Sewer Utility Western Service:			
Bonds and Notes	4,911,000.00	5,025,000.00	5,124,000.00
Net Debt Issued	<u>35,577,737.01</u>	<u>37,897,642.05</u>	<u>40,484,340.71</u>
 <u>Authorized but Not Issued</u>			
General:			
Bonds and Notes	<u>4,242,918.57</u>	<u>456,218.57</u>	<u>456,218.57</u>
Bonds and Notes Issued and Authorized but Not Issued	<u>\$ 39,820,655.58</u>	<u>\$ 38,353,860.62</u>	<u>\$ 40,940,559.28</u>

Summary of Statutory Debt Condition - Annual Debt Statement

The summarized statement of debt condition which follows is prepared in accordance with the required method of setting up the Annual Debt Statement and indicates a statutory net debt of 0.522%.

	<u>Gross Debt</u>	<u>Deductions</u>	<u>Net Debt</u>
Local School District Debt	\$ 29,540,000.00	\$ 29,540,000.00	\$
Water Utility Eastern Service	495,000.00	495,000.00	
Water Utility Western Service	14,905,000.00	14,905,000.00	
Sewer Utility Eastern Service	545,000.00	545,000.00	
Sewer Utility Western Service	4,911,000.00	4,911,000.00	
General Debt	<u>18,964,655.58</u>		<u>18,964,655.58</u>
	<u>\$ 69,360,655.58</u>	<u>\$ 50,396,000.00</u>	<u>\$ 18,964,655.58</u>

Net debt, \$18,964,655.58 divided by Average Equalized Valuation Basis per N.J.S. 40A:2-2 as amended, \$3,626,817,815.33 equals 0.522%.

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	\$ 126,938,623.54
Net Debt	<u>18,964,655.58</u>
Remaining Borrowing Power	<u>\$ 107,973,967.96</u>

School Debt Deductions

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

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

Fund Balance and Cash Receipts from Fees, Rents and Other Charges for Year		\$2,675,777.25
Deductions:		
Operating and Maintenance Cost	\$ 1,887,000.00	
Debt Service for Obligations Issued	<u>505,000.00</u>	
		<u>2,392,000.00</u>
Excess in Revenue		<u>\$ 283,777.25</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		\$ 4,662,764.35
Deductions:		
Operating and Maintenance Cost	\$ 3,702,000.00	
Debt Service for Obligations Issued	<u>573,000.00</u>	
		<u>4,275,000.00</u>
Excess in Revenue		<u>\$ 387,764.35</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		\$ 2,877,786.03
Deductions:		
Operating and Maintenance Cost	\$ 1,571,000.00	
Debt Service for Obligations Issued	<u>879,000.00</u>	
		<u>2,450,000.00</u>
Excess in Revenue		<u>\$ 427,786.03</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		\$ 2,785,968.84
Deductions:		
Operating and Maintenance Cost	\$ 2,153,755.00	
Debt Service for Obligations Issued	<u>312,045.00</u>	
		<u>2,465,800.00</u>
Excess in Revenue		<u>\$ 320,168.84</u>

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

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

As of December 31, 2015, the Township's long-term debt is as follows:

General Obligation Bonds

\$14,350,000, 2006 Bonds due in an annual installment of \$800,000 through March, 2016, interest at 4.250%.	\$ 800,000.00
\$8,135,000, 2015 Refunding Bonds due in annual installments of \$110,000 to \$840,000 through March, 2026, interest at 2.125% to 4.000%	<u>8,135,000.00</u>
	<u>\$ 8,935,000.00</u>

Water Utility Eastern Service Refunding Bonds

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

Sewer Utility Eastern Service Refunding Bonds

\$6,190,000, 2003 Bonds due in an annual installment of \$545,000 through October, 2016, interest at 4.125%.

\$ 545,000.00

Water Utility Western Service Bonds

\$15,555,000, 2010 Bonds due in annual installments of \$263,000 to \$1,318,000 through August 2041, interest at 4.00% to 4.25%.

\$ 14,905,000.00

Sewer Utility Western Service Bonds

\$5,185,000, 2010 Bonds due in annual installments of \$118,000 to \$523,000 through August 2032, interest at 4.00%.

\$ 4,911,000.00

7. MUNICIPAL DEBT (Continued)

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

Year	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
2016	\$ 714,083.50	\$ 535,200.00	\$ 178,883.50	\$ 354,229.00	\$ 264,800.00	\$ 89,429.00	\$ 515,418.75	\$ 495,000.00	\$ 20,418.75	\$ 875,477.50	\$ 263,000.00	\$ 616,477.50	\$ 587,481.25	\$ 545,000.00	\$ 22,481.25	\$ 314,440.00	\$ 116,000.00	\$ 198,440.00
2017	734,349.50	575,200.00	159,149.50	344,363.00	264,800.00	79,563.00	870,957.50	861,357.50	89,600.00	970,557.50	266,000.00	704,557.50	605,957.50	545,000.00	60,557.50	327,720.00	136,000.00	191,720.00
2018	709,815.50	570,200.00	139,615.50	334,597.00	264,800.00	69,797.00	856,717.50	848,717.50	8,000.00	905,517.50	274,000.00	631,517.50	581,357.50	545,000.00	36,517.50	341,280.00	155,000.00	186,280.00
2019	687,547.50	570,200.00	117,347.50	323,465.00	264,800.00	58,665.00	848,757.50	848,757.50	0.00	848,757.50	276,000.00	572,757.50	573,757.50	545,000.00	28,757.50	363,320.00	169,000.00	194,320.00
2020	665,279.50	570,200.00	95,079.50	312,333.00	264,800.00	47,533.00	847,717.50	847,717.50	0.00	847,717.50	276,000.00	571,717.50	562,717.50	545,000.00	16,717.50	369,720.00	204,000.00	165,720.00
2021	638,078.50	565,200.00	72,878.50	301,234.00	264,800.00	36,434.00	845,317.50	845,317.50	0.00	845,317.50	284,000.00	561,317.50	551,317.50	545,000.00	16,317.50	376,560.00	221,000.00	155,560.00
2022	616,511.50	560,200.00	56,311.50	293,951.00	264,800.00	29,151.00	836,557.50	836,557.50	0.00	836,557.50	297,000.00	539,557.50	539,557.50	545,000.00	1,557.50	392,720.00	244,000.00	148,720.00
2023	625,565.32	540,200.00	85,365.32	307,486.36	264,800.00	42,686.36	824,677.50	824,677.50	0.00	824,677.50	297,000.00	527,677.50	527,677.50	545,000.00	1,677.50	409,960.00	271,000.00	138,960.00
2024	585,280.25	530,200.00	55,080.25	294,341.00	264,800.00	29,541.00	819,797.50	819,797.50	0.00	819,797.50	304,000.00	515,797.50	515,797.50	545,000.00	1,797.50	421,120.00	293,000.00	128,120.00
2025	529,003.13	510,200.00	18,803.13	274,200.00	264,800.00	9,400.00	812,637.50	812,637.50	0.00	812,637.50	309,000.00	503,637.50	503,637.50	545,000.00	1,637.50	435,400.00	319,000.00	116,400.00
2026	501,534.00	495,200.00	6,334.00	267,966.00	264,800.00	3,166.00	809,277.50	809,277.50	0.00	809,277.50	309,000.00	491,277.50	491,277.50	545,000.00	1,277.50	454,640.00	351,000.00	103,640.00
2027							793,917.50	793,917.50	0.00	793,917.50	315,000.00	478,917.50	478,917.50	545,000.00	1,917.50	468,600.00	379,000.00	89,600.00
2028							784,917.50	784,917.50	0.00	784,917.50	318,000.00	466,917.50	466,917.50	545,000.00	1,917.50	485,440.00	411,000.00	74,440.00
2029							774,597.50	774,597.50	0.00	774,597.50	321,000.00	453,597.50	453,597.50	545,000.00	1,597.50	504,000.00	446,000.00	58,000.00
2030							764,757.50	764,757.50	0.00	764,757.50	324,000.00	440,757.50	440,757.50	545,000.00	1,757.50	524,160.00	481,000.00	43,160.00
2031							751,797.50	751,797.50	0.00	751,797.50	324,000.00	427,797.50	427,797.50	545,000.00	1,797.50	543,920.00	523,000.00	20,920.00
2032							1,305,837.50	1,305,837.50	0.00	1,305,837.50	891,000.00	414,837.50	414,837.50	545,000.00	1,837.50			
2033							1,315,197.50	1,315,197.50	0.00	1,315,197.50	936,000.00	379,197.50	379,197.50	545,000.00	1,197.50			
2034							1,325,587.50	1,325,587.50	0.00	1,325,587.50	985,000.00	340,587.50	340,587.50	545,000.00	587.50			
2035							1,334,710.00	1,334,710.00	0.00	1,334,710.00	1,035,000.00	299,710.00	299,710.00	545,000.00	710.00			
2036							1,343,722.50	1,343,722.50	0.00	1,343,722.50	1,088,000.00	255,722.50	255,722.50	545,000.00	722.50			
2037							1,353,482.50	1,353,482.50	0.00	1,353,482.50	1,144,000.00	209,482.50	209,482.50	545,000.00	482.50			
2038							1,363,862.50	1,363,862.50	0.00	1,363,862.50	1,203,000.00	160,862.50	160,862.50	545,000.00	862.50			
2039							1,373,735.00	1,373,735.00	0.00	1,373,735.00	1,264,000.00	109,735.00	109,735.00	545,000.00	735.00			
2040							1,374,015.00	1,374,015.00	0.00	1,374,015.00	1,318,000.00	56,015.00	56,015.00	545,000.00	15.00			
Total	\$7,011,078.40	\$6,022,200.00	\$988,878.40	\$3,407,165.36	\$2,912,800.00	\$494,365.36	\$515,418.75	\$495,000.00	\$20,418.75	\$26,066,787.50	\$14,905,000.00	\$11,161,787.50	\$567,481.25	\$545,000.00	\$22,481.25	\$7,091,080.00	\$4,911,000.00	\$2,170,080.00

7. MUNICIPAL DEBT (Continued)

Green Trust Loans

Two Green Trust Loans, in the sum of \$373,000.45, for the Improvement to Holly Oak Park Project were approved by the New Jersey Department of Environmental Protection in 1993 and consummated in 1997 at an interest rate of 2%. The following Debt Schedule was prepared by the New Jersey Department of Environmental Protection and shows that the balance due as of December 31, 2015 is \$22,851.03:

<u>Year</u>	<u>Totals</u>	<u>Principal</u>	<u>Interest</u>
2016	<u>\$ 23,194.36</u>	<u>\$ 22,851.03</u>	<u>\$ 343.33</u>

A Green Trust Loan, in the sum of \$411,226.00, for improvements to Harry Wright Lake was consummated on March 22, 2000 at an interest rate of 2%. The following Debt Schedule was prepared by the New Jersey Department of Environmental Protection and shows that the balance due as of December 31, 2015 is \$97,831.84:

<u>Year</u>	<u>Totals</u>	<u>Principal</u>	<u>Interest</u>
2016	\$ 25,571.34	\$ 23,732.78	\$ 1,838.56
2017	25,571.34	24,209.81	1,361.53
2018	25,571.34	24,696.43	874.91
2019	<u>25,571.34</u>	<u>25,192.82</u>	<u>378.52</u>
	<u>\$ 102,285.36</u>	<u>\$ 97,831.84</u>	<u>\$ 4,453.52</u>

A Green Trust Loan, in the sum of \$1,062,390.00, for acquisition of land at Pine Lake Park was consummated on November 11, 1999 at an interest rate of 2%. The following Debt Schedule was prepared by the New Jersey Department of Environmental Protection and shows that the balance due as of December 31, 2015 is \$222,241.68:

<u>Year</u>	<u>Totals</u>	<u>Principal</u>	<u>Interest</u>
2016	\$ 66,062.80	\$ 61,926.05	\$ 4,136.75
2017	66,062.80	63,170.77	2,892.03
2018	66,062.80	64,440.50	1,622.30
2019	<u>33,031.40</u>	<u>32,704.36</u>	<u>327.04</u>
	<u>\$ 231,219.80</u>	<u>\$ 222,241.68</u>	<u>\$ 8,978.12</u>

7. MUNICIPAL DEBT (Continued)

Green Trust Loans (Continued)

A Green Trust Loan, in the sum of \$218,028.19 for Pine Lake Park Phase II was consummated on August 9, 2011 at an interest rate of 2%. The following Debt Schedule was prepared by the New Jersey Department of Environmental Protection and shows that the balance due as of December 31, 2015 is \$179,926.02:

<u>Year</u>	<u>Totals</u>	<u>Principal</u>	<u>Interest</u>
2016	\$ 13,557.68	\$ 10,008.96	\$ 3,548.72
2017	13,557.68	10,210.14	3,347.54
2018	13,557.69	10,415.37	3,142.32
2019	13,557.70	10,624.72	2,932.98
2020	13,557.70	10,838.28	2,719.42
2021	13,557.69	11,056.12	2,501.57
2022	13,557.68	11,278.35	2,279.33
2023	13,557.68	11,505.04	2,052.64
2024	13,557.68	11,736.29	1,821.39
2025	13,557.69	11,972.20	1,585.49
2026	13,557.69	12,212.84	1,344.85
2027	13,557.70	12,458.32	1,099.38
2028	13,557.69	12,708.73	848.96
2029	13,557.70	12,964.18	593.52
2030	13,557.68	13,224.75	332.93
2031	<u>6,778.85</u>	<u>6,711.73</u>	<u>67.12</u>
	<u>\$ 210,144.18</u>	<u>\$ 179,926.02</u>	<u>\$ 30,218.16</u>

7. MUNICIPAL DEBT (Continued)

Green Trust Loans (Continued)

A Green Trust Loan, in the sum of \$349,523.44 for Manchester Soccer Complex was consummated on August 9, 2011 at an interest rate of 2%. The following Debt Schedule was prepared by the New Jersey Department of Environmental Protection and shows that the balance due as of December 31, 2015 is \$288,441.41:

<u>Year</u>	<u>Totals</u>	<u>Principal</u>	<u>Interest</u>
2016	\$ 21,734.49	\$ 16,045.49	\$ 5,689.00
2017	21,734.48	16,367.99	5,366.49
2018	21,734.48	16,696.99	5,037.49
2019	21,734.48	17,032.60	4,701.88
2020	21,734.48	17,374.96	4,359.52
2021	21,734.48	17,724.20	4,010.28
2022	21,734.48	18,080.45	3,654.03
2023	21,734.48	18,443.86	3,290.62
2024	21,731.48	18,814.59	2,916.89
2025	21,734.48	19,192.76	2,541.72
2026	21,734.49	19,578.54	2,155.95
2027	21,734.49	19,972.07	1,762.42
2028	21,734.48	20,373.50	1,360.98
2029	21,734.49	20,783.02	951.47
2030	21,734.48	21,200.75	533.73
2031	<u>10,867.24</u>	<u>10,759.64</u>	<u>107.60</u>
	<u>\$ 336,881.48</u>	<u>\$ 288,441.41</u>	<u>\$ 48,440.07</u>

Bond Anticipation Notes

The following Bond Anticipation Notes were outstanding as of December 31, 2015:

General Capital Fund	<u>\$ 4,975,445.00</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>\$ 4,242,918.57</u>
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TOWNSHIP OF MANCHESTER
COUNTY OF OCEAN, NEW JERSEY

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PART II

**REPORT ON INTERNAL CONTROL, ROSTER OF OFFICIALS AND SURETY BONDS.
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8. INTERFUND RECEIVABLES AND PAYABLES

As of December 31, 2015, 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	\$	\$ 317,362.97
Federal and State Grant Funds	249,396.97	
General Trust Fund	67,966.00	
Sewer Operating Utility - Eastern Service	644.49	
Sewer Capital Utility - Eastern Service		644.49
	<u>\$ 318,007.46</u>	<u>\$ 318,007.46</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.

The Plan was subject to a review only as defined by the New Jersey Division of Local Government Services and the American Institute of Certified Public Accountants. A review consists principally of inquiries of Township officials and analytical procedures applied to financial data. It is substantially less in scope than an examination in accordance with generally accepted auditing standards. The audit of the program lies within the scope of the audit of the independent accountants of the Hartford Variable Annuity Life Insurance Company and the Variable Annuity Life Insurance Company (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 are considered a cost sharing multiple-employer plan.

10. PENSION PLANS (Continued)

Description of Systems (Continued)

The amount of the Township's contribution is certified each year by PERS and PFRS on the recommendation of the actuary, who makes an annual actuarial valuation. The valuation is based on a determination of the financial condition of the retirement system. It includes the computation of the present dollar value of benefits payable to former and present members and the present dollar value of future employer and employee contributions, giving effect to mortality among active and retired members and also to the rates of disability, retirement, withdrawal, former service, salary and interest. In accordance with State statute, the long-term expected rate of return on plan investments is determined by the State Treasurer, after consultation with the Directors of the Division of Investments and Division of Pensions and Benefits, the board of trustees and the actuaries. Specific information on actuarial assumptions and rates of return can be found at www.state.nj.us/treasury/pensions/annrpts.shtml.

The actuarially determined employer contribution includes funding for cost-of-living adjustments and noncontributory death benefits in the PERS and PFRS. In the PERS and PFRS the employer contribution includes funding for post-retirement medical premiums.

	PERS		
	<u>2015</u>	<u>2014</u>	<u>2013</u>
Covered Employee Payroll	\$ 6,340,829.00	\$ 6,019,710.00	\$ 5,588,981.00
Total Payroll	15,266,006.28	15,421,771.35	14,554,523.62
Actuarial Contribution			
Requirements	759,246.00	660,588.00	625,882.00
Total Contributions	1,214,049.24	1,085,562.64	1,009,418.76
Employer Share	759,246.00	660,588.00	625,882.00
% of Covered Payroll	11.97%	10.97%	11.20%
Employee's Share	454,803.24	424,974.64	383,536.76
% of Covered Payroll	7.17%	7.06%	6.86%
	PFRS		
	<u>2015</u>	<u>2014</u>	<u>2013</u>
Covered Employee Payroll	\$ 6,424,271.00	\$ 6,539,778.00	\$ 6,385,724.00
Total Payroll	15,266,006.28	15,421,771.35	14,554,523.62
Actuarial Contribution			
Requirements	1,686,725.00	1,538,547.00	1,449,605.00
Total Contributions	2,333,476.54	2,202,004.19	2,092,237.04
Employer Share	1,686,725.00	1,538,547.00	1,449,605.00
% of Covered Payroll	26.26%	23.53%	22.70%
Employee's Share	646,751.54	663,457.19	642,632.04
% of Covered Payroll	10.07%	10.14%	10.06%

Assumptions

The total PERS and PFRS pension liability for June 30, 2015 measurement date was determined by an actuarial valuation as of July 1, 2014 using an actuarial experience study for the period July 1, 2010 to June 30, 2012. The pension liability was rolled forward to June 30, 2015. The actuarial valuation used an inflation rate of 3.04%, projected salary increases from 2012 to 2021 of 2.15% to 4.40% for PERS and 2.60% to 9.48% for PFRS based on age and thereafter 3.15% to 5.40% for PERS and 3.60% to 10.48% for PFRS based on age and an investment rate of return of 7.90%.

10. PENSION PLANS (Continued)

Description of Systems (Continued)

Assumptions (Continued)

The discount rate used to measure the total pension liability was 4.90% for PERS and 5.79% for PFRS as of June 30, 2015. The projection of cash flows used to determine the discount rate assumed that contributions from plan members will be made at the current member contribution rates and that contributions from employers will be made based on the average of the last five years of contributions made in relation to the last five years of recommended contributions. Based on those assumptions, the plan's fiduciary net position was projected to be available to make projected future benefit payments of current plan members through 2033. Therefore, the long-term expected rate of return on plan investments was applied to projected benefit payments through 2033, and the municipal bond rate was applied to projected benefit payments after that date in determining the total pension liability. More information on mortality rates and other assumptions, and investment policies, can be found at www.state.nj.us/treasury/pensions/annrpts.shtml.

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 of 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. 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 of each month that the member is under age 65.
- The eligibility age to qualify for a service retirement in the PERS is increased from age 62 to 65 for Tier 5 members.
- Active member contribution rates will increase. PERS active member rates increase from 5.5 percent of annual compensation to 6.5 percent plus an additional 1 percent phased-in over 7 years. For Fiscal Year 2013, the member contribution rates increased in July 2013. 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 law.

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

The following presents the Township's proportionate share of the PERS net pension liability calculated using the discount rate of 4.90% and 5.39% as of June 30, 2015 and 2014, respectively, as well as what the PERS net pension liability would be if it were calculated using a discount rate that is one percentage point lower or one percentage point higher than the assumed rate.

10. PENSION PLANS (Continued)

Significant Legislation (Continued)

**Sensitivity of the Township's Proportionate Share of the PERS Local Share
Net Pension Liability to Changes in the Discount Rate**

	At 1% Decrease <u>(3.90%)</u>	At Current Discount Rate <u>(4.90%)</u>	At 1% Increase <u>(5.90%)</u>
2015	<u>\$ 24,639,136</u>	<u>\$ 19,824,265</u>	<u>\$ 15,787,512</u>
	At 1% Decrease <u>(4.39%)</u>	At Current Discount Rate <u>(5.39%)</u>	At 1% Increase <u>(6.39%)</u>
2014	<u>\$ 18,873,914</u>	<u>\$ 15,002,706</u>	<u>\$ 11,751,875</u>

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 and 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.

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

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

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

The following presents the Township's proportionate share of the PFRS net pension liability calculated using the discount rate of 5.79% and 6.32% as of June 30, 2015 and 2014, respectively, as well as what the PFRS net pension liability would be if it were calculated using a discount rate of one percentage point lower or one percentage point higher than the assumed rate.

10. PENSION PLANS (Continued)

Significant Legislation (Continued)

**Sensitivity of the Township's Proportionate Share of the PFRS Local Share
Net Pension Liability to Changes in the Discount Rate**

	At 1% Decrease (4.79%)	At Current Discount Rate (5.79%)	At 1% Increase (6.79%)
2015	<u>\$ 49,561,602</u>	<u>\$ 34,563,486</u>	<u>\$ 27,836,557</u>
	At 1% Decrease (5.32%)	At Current Discount Rate (6.32%)	At 1% Increase (7.32%)
2014	<u>\$ 37,613,599</u>	<u>\$ 25,197,596</u>	<u>\$ 19,891,955</u>

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

Although the Division administers one cost-sharing multiple-employer defined benefit pension plan, separate (sub) actuarial valuations are prepared to determine the actuarially determined contribution rate by group. Following this method, the measurement of the collective net pension liability, deferred outflows of resources, deferred inflows of resources and pension expense excluding that attributable to employer-paid member contributions are determined separately for each individual employer of the State and local groups.

To facilitate the separate (sub) actuarial valuations, the Division maintains separate accounts to identify additions, deductions, and fiduciary net position applicable to each group. The allocation percentages presented for each group in the schedule of employer allocations are applied to amounts presented in the schedules of pension amount by employer. The allocation percentages for each group as of June 30, 2015 and 2014 are based on the ratio of each employer's contributions total employer contributions of the group for the fiscal years ended June 30, 2015 and 2014, respectively.

Following is the total of the Township's portion of the PERS and PFRS net pension liabilities, deferred outflows of resources and deferred inflows of resources related to pensions and the pension expense and expenditures for the fiscal year ended June 30, 2015.

	<u>PERS</u>	<u>PFRS</u>
Net Pension Liabilities	\$ 19,824,265	\$ 34,563,486
Deferred Outflow of Resources	3,901,410	7,316,153
Deferred Inflow of Resources	705,416	899,668
Pension Expense	732,808	1,504,837
Contributions Made After Measurement Date	759,246	1,686,725

10. PENSION PLANS (Continued)

Pension Liabilities, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pension (Continued)

GASB Statement No. 68, *Accounting and Financial Reporting for Pensions*, requires participating employers in PERS to recognize their proportionate share of the collective net pension liability, collected deferred outflows of resources, collective deferred inflows of resources and collective pension expense excluding that attributable to employer-paid member contributions. The employer allocation percentages presented in the PERS schedule of employer allocations and applied to amounts presented in the PERS schedule of pension amounts by employer are based on the ratio of the contributions as an individual employer to total contributions to the PERS and PFRS during the years ended June 30, 2015 and 2014. The Township's proportionate share of the collective net pension liability as of June 30, 2015 and 2014 was .0883119592% and .0801309507% for PERS .2075073198% and .2003136262 for PFRS, respectively.

It is important to note that New Jersey's municipalities and counties do not follow GAAP accounting principles and, as such, do not follow GASB requirements with respect to recording the net pension liability as a liability on their balance sheets. However, N.J.A.C. 5:30-6.1(c)(2) requires municipalities and counties to disclose GASB 68 information in the Notes to the Financial Statements.

At June 30, 2015, the amount determined as the Township's proportionate share of the PERS net pension liability was \$19,824,265. For the year ended June 30, 2015 the Township would have recognized PERS pension expense of \$732,808. At June 30, 2015, deferred outflows of resources and deferred inflows of resources related to the PERS pension are as follows:

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Difference Between Expected and Actual Experience	\$ 472,937	\$
Change of Assumptions	2,128,968	
Net Change in Proportions	1,299,505	386,680
Net Difference Between Projected and Actual Investment Earnings		318,736
Total Contributions and Proportionate Share of Contributions After the Measurement Date	<u>759,246</u>	
	<u>\$ 4,660,656</u>	<u>\$ 705,416</u>

10. PENSION PLANS (Continued)

Pension Liabilities, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pension (Continued)

At June 30, 2015 the amount determined as the Township's proportionate share of the PFRS net pension liability was \$34,563,486. For the year ended June 30, 2015 the Township would have recognized PFRS pension expense of \$1,504,837. At June 30, 2015 deferred outflows of resources and deferred inflows of resources related to the PFRS pension are as follows:

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Difference Between Expected and Actual Experience	\$	\$ 298,121
Change of Assumptions	6,381,278	
Net Difference Between Projected and Actual Investment Earnings		601,547
Net Change in Proportions	934,875	
Total Contributions and Proportionate Share of Contributions After the Measurement Date	<u>1,686,725</u>	
	<u>\$ 9,002,878</u>	<u>\$ 899,668</u>

Long-Term Expected Rate of Return

The arithmetic mean return on the portfolio was determined using a building-block method in which best-estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. Best estimates of arithmetic rates of return for each major asset class included in the pension plan's target asset allocation as of June 30, 2015 are summarized in the following table:

<u>Asset Class</u>	<u>Target Allocation</u>	<u>Long-Term Expected Real Rate of Return</u>
Cash	5.00%	1.04%
U.S. Treasuries	1.75%	1.64%
Investment Grade Credit	10.00%	1.79%
Mortgages	2.10%	1.62%
High Yield Bonds	2.00%	4.03%
Inflation-Indexed Bonds	1.50%	3.25%
Broad US Equities	27.25%	8.52%
Developed Foreign Equities	12.00%	6.88%
Emerging Market Equities	6.40%	10.00%
Private Equity	9.25%	12.41%
Hedge Funds/Absolute Return	12.00%	4.72%
Real Estate (Property)	2.00%	6.83%
Commodities	1.00%	5.32%
Global Debt ex US	3.50%	-0.40%
REIT	4.25%	5.12%

10. PENSION PLANS (Continued)

Contributions Required and Made

Contributions made by employees for PERS were 6.92% for January 1, 2015 - June 30, 2015 and 7.06% for July 1, 2015 - December 31, 2015 and PFRS is currently 10.0% of their base wages, respectively. Employer contributions are actuarially determined on an annual basis by the Division of Pensions.

Employee contribution rates for PERS employees will be increased from 6.5% to 7.5% to be phased in equally over a 7 year period beginning July 2012. The contribution rate will increase by 0.14% each year with the first payroll of July until the 7.5% contribution rate is reached in July 2018. Contributions to the plan for the past three (3) years are as follows:

Year	PERS		PFRS	
	Township	Employees*	Township	Employees*
CY 2013	\$ 652,551.00	\$ 524,227.12	\$ 1,656,176.00	\$ 827,883.34
CY 2014	652,671.00	561,076.10	1,534,443.00	849,150.75
CY 2015	687,992.00	568,680.37	1,625,076.00	842,973.10

*Includes loan repayments.

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 and started in April 2012.

11. DEFINED CONTRIBUTION RETIREMENT PROGRAM

Description of System

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

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

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

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

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

- All elected officials taking office on or after July 1, 2007, except that a person who is reelected to an elected office held prior to that date without a break in service may remain in the Public Employees' Retirement System (PERS).
- A Governor appointee with the advice and consent of the Legislature or who serves at the pleasure of the Governor only during that Governor's term of office.
- Employees enrolled in the PERS on or after July 1, 2007 or employees enrolled in the PFRS after May 21, 2010 who earn salary in excess of established "maximum compensation" limits.

11. DEFINED CONTRIBUTION RETIREMENT PROGRAM (Continued)

Description of System (Continued)

- Employees otherwise eligible to enroll in the PERS on or after November 2, 2008 who do not earn the minimum salary for PERS Tier 3, but who earn salary of at least \$5,000.00.
- Employees otherwise eligible to enroll in the PERS after May 21, 2010, who do not work the minimum number of hours per week required for PERS Tier 4 or Tier 5 enrollment (32 hours per week) but who earn salary of at least \$5,000.00 annually.

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

Contributions Required and Made

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

During the year 2015, there were two (2) officials or employees enrolled in the DCRP.

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

Certain expenditures are required to be deferred to budgets of succeeding years. At December 31, 2015, the Township had the following deferred charges:

	Balance Dec. 31, 2015	To be Raised in 2016 <u>Budget</u>
Special Emergency: Accumulated Sick/Vacation	<u>\$ 100,000.00</u>	<u>\$ 100,000.00</u>

13. CONTINGENT LIABILITIES

a. Compensated Absences

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

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

It is estimated that the sum of \$1,164,887.20 would be payable to the employees of the Township of Manchester as of December 31, 2015. 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 \$45,863.50 reserved as of December 31, 2015. Also, the amount of \$45,000.00 is available in the CY 2015 Appropriation Reserves and \$25,000.00 in the CY 2016 Adopted Budget.

b. Tax Appeals

As of December 31, 2015, there were several tax appeals pending before the New Jersey Tax Court. Potential liability was undeterminable.

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).

13. CONTINGENT LIABILITIES (Continued)

c. Federal and State Awards

The Township participates in several federal and state grant programs which are governed by various rules and regulations of the grantor agencies; therefore to the extent that the Township has not complied with the rules and regulations governing the grants, refunds of any money received may be required and the collectability of any related receivable at December 31, 2015 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. Payments in Lieu of Taxes (PILOT)

Under N.J.S.A. 40A:20-12, each municipality is required to annually remit to the County five percent (5%) of the annual service charge for each long-term PILOT financial agreement entered into by the municipality.

f. Litigation

The Township Attorney's letter did not indicate any litigation, claims or contingent liabilities that would have a material financial impact on the Township.

14. SECONDARY MARKET DISCLOSURE

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

15. SUBSEQUENT EVENT

The Township of Manchester has evaluated subsequent events that occurred after the balance sheet date, but before September 2, 2016 and has determined that there are no items that need to be disclosed.

TOWNSHIP OF MANCHESTER
CURRENT FUND

CASH RECEIPTS AND DISBURSEMENTS
COLLECTOR AND TREASURER

A-4

	<u>Ref.</u>	<u>Regular Fund</u>	<u>Federal and State Grant Fund</u>
Balance December 31, 2014	A	\$ 8,789,395.18	\$ 155,905.46
Increased by Receipts:			
Nonbudget Revenue	A-2c	\$ 749,656.05	\$
Tax Collector	A-5	79,437,915.64	
Change Fund Returned	A-6	600.00	
Interfunds Receivable	A-10	37,000.00	
Revenue Accounts Receivable	A-11	7,565,422.26	
Federal and State Grants Receivable	A-13		300,525.51
Interfunds Payable	A-16	12,561,357.00	
Due from State of New Jersey:			
(Ch. 129, P.L. 1976)	A-17	1,470,481.97	
Due to State of New Jersey:			
DCA Surcharge	A-18	49,393.00	
Marriage Licenses	A-18	3,675.00	
Tax Overpayments	A-19	175,931.23	
Special Emergency Note	A-21	100,000.00	
Matching Funds for State and			
Federal Grants	A-27		460,006.00
Unappropriated Federal and State			
Funds	A-28		22,890.00
		102,151,432.15	783,421.51
		110,940,827.33	939,326.97
Decreased by Disbursements:			
Prior Year Refunds	A-1	34,429.42	
Budget Appropriations	A-3	26,714,110.67	
Matching Funds for State and			
Federal Grants	A-3	460,006.00	
Change Fund Established	A-6	800.00	
Open Space Municipal Tax	A-7	323,639.00	
Interfunds Receivable	A-10	4,813.68	
Interfunds Payable	A-14		249,396.97
Appropriation Reserves	A-15	960,392.19	
Interfunds Payable	A-16	12,413,573.70	
Due to State of New Jersey:			
DCA Surcharge	A-18	48,731.00	
Marriage Licenses	A-18	6,914.40	
Tax Overpayments	A-19	51,700.21	
Accounts Payable	A-20	264.10	
Special Emergency Note Payable	A-21	265,000.00	
County Tax Payable	A-22	15,147,340.83	
Local School District Taxes Payable	A-23	43,964,111.00	
Reserve for Tax Appeals	A-24	71,889.57	
Reserve for Federal and State Grants	A-27		689,930.00
		100,467,715.77	939,326.97
Balance December 31, 2015	A	\$ 10,473,111.56	\$

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	\$ 221,222.70	
Taxes Receivable	A-7	78,528,317.73	
Tax Title Liens	A-8	126,217.61	
Prepaid Taxes	A-26	<u>562,157.60</u>	
			\$79,437,915.64
Decreased by Disbursements:			
Turnover to Treasurer	A-4		<u>79,437,915.64</u>
			<u>\$ -</u>

TOWNSHIP OF MANCHESTER
CURRENT FUND

CHANGE FUND - COLLECTOR

A-6

	<u>Balance</u> <u>Dec. 31, 2014</u>	<u>Increase</u>	<u>Decrease</u>	<u>Balance</u> <u>Dec. 31, 2015</u>
Collector	<u>\$ 850.00</u>	<u>\$800.00</u>	<u>\$600.00</u>	<u>\$ 1,050.00</u>
<u>Reference</u>	<u>A</u>	<u>A-4</u>	<u>A-4</u>	<u>A</u>

TOWNSHIP OF MANCHESTER
CURRENT FUND

TAXES RECEIVABLE AND ANALYSIS OF PROPERTY TAX LEVY

A-7

<u>Year</u>	<u>Balance</u> <u>Dec. 31, 2014</u>	<u>2015</u> <u>Levy</u>	<u>Added</u> <u>Taxes</u>	<u>Prepaid</u> <u>Taxes</u> <u>Applied</u>	<u>Collected</u>	<u>Due from</u> <u>State of</u> <u>New Jersey</u>	<u>Transferred</u> <u>to Tax</u> <u>Title Liens</u>	<u>Cancelled</u>	<u>Balance</u> <u>Dec. 31, 2015</u>
Bankruptcy Taxes			5,082.53	\$	5,903.87	\$	250.00	\$	11,920.21
SFY 2011	18,101.51		152.87		9.04		0.95	5,359.96	53.34
TY 2012	303.34		9,589.91		2,512.24		4.70		2,451.23
CY 2013	2,308.35		437,711.72		1,212,573.80		4,636.72	36,255.93	5,294.12
CY 2014	(1,778.85)		452,537.03		1,220,998.95		4,892.37	41,615.89	7,545.50
CY 2015	842,234.58	80,880,849.51	\$ 452,537.03	573,860.48	77,307,318.78	1,775,972.61	59,924.59	158,334.75	1,005,438.30
	<u>\$ 842,234.58</u>	<u>\$ 80,880,849.51</u>	<u>\$ 452,537.03</u>	<u>\$ 573,860.48</u>	<u>\$ 78,528,317.73</u>	<u>\$ 1,775,972.61</u>	<u>\$ 64,816.96</u>	<u>\$ 199,950.64</u>	<u>\$ 1,032,702.70</u>
<u>Reference</u>	<u>A</u>	<u>Below</u>	<u>Reserve</u>	<u>A-2a,26</u>	<u>A-2a,5</u>	<u>A-2a,17</u>	<u>A-8</u>	<u>Reserve</u>	<u>A</u>

ANALYSIS OF YEAR 2015 TAX LEVY

<u>Ref.</u>	<u>Ref.</u>
Tax Levy	Tax Levy
County Taxes:	County Taxes:
CY 2015	CY 2015
Added and Omitted	Added and Omitted
Taxes	Taxes
\$ 15,079,119.81	\$ 15,079,119.81
<u>81,184.08</u>	<u>81,184.08</u>
\$ 15,160,303.89	\$ 15,160,303.89
Local School District	Local School District
Tax	Tax
A-22	A-22
43,964,111.00	43,964,111.00
Municipal Open Space	Municipal Open Space
Taxes	Taxes
A-2a,4	A-2a,4
323,639.00	323,639.00
Local Tax for Municipal	Local Tax for Municipal
Purposes	Purposes
A-2	A-2
21,116,544.03	21,116,544.03
Tax Adjustment	Tax Adjustment
639,890.59	639,890.59
<u>21,756,434.62</u>	<u>21,756,434.62</u>
\$ 80,880,849.51	\$ 80,880,849.51
Above	Above

TOWNSHIP OF MANCHESTER
CURRENT FUND

MUNICIPAL LIENS

A-8

	<u>Ref.</u>		
Balance December 31, 2014	A		\$ 324,783.76
Increased by:			
Transferred from Taxes Receivable	A-7	\$ 64,816.96	
Billings	Reserve	<u>2,303.53</u>	
			<u>67,120.49</u>
			391,904.25
Decreased by:			
Cancelled	Reserve	15,028.17	
Cash Receipts	A-2a,5	<u>126,217.61</u>	
			<u>141,245.78</u>
Balance December 31, 2015	A, Below		<u>\$ 250,658.47</u>
<u>Analysis of Balance</u>			
Tax Title Liens			\$ 248,354.94
Labor Liens			<u>2,303.53</u>
	Above		<u>\$ 250,658.47</u>

PROPERTY ACQUIRED FOR TAXES
AT ASSESSED VALUATIONS

A-9

	<u>Ref.</u>		
Balance December 31, 2014	A		\$9,611,700.00
Increased by:			
Property Acquired	Reserve		<u>150,500.00</u>
Balance December 31, 2015	A		<u>\$9,762,200.00</u>

TOWNSHIP OF MANCHESTER
CURRENT FUND

INTERFUNDS RECEIVABLE

A-10

	<u>Balance</u> <u>Dec. 31, 2014</u>	<u>Increase</u>	<u>Decrease</u>
General Trust Fund	<u>\$ 28,139.52</u>	<u>\$73,989.89</u>	<u>\$ 102,129.41</u>
<u>Reference</u>	<u>A</u>	<u>Below</u>	<u>Below</u>
	<u>Ref.</u>		
Cash Disbursed	A-4	\$ 4,813.68	\$
Cash Receipts	A-4		37,000.00
Revenue Accounts Receivable	A-11	1,210.21	
Appropriation Reserve	A-15		65,129.41
Transfer to Interfunds Payable	A-16	<u>67,966.00</u>	<u> </u>
	Above	<u>\$73,989.89</u>	<u>\$102,129.41</u>
		<u>Ref.</u>	
<u>Analysis of Net Credit to Fund Balance</u>			
Balance December 31, 2014		Above	\$ 28,139.52
Balance December 31, 2015		Above	<u> </u>
Net Credit to Operations		A-1	<u>\$ 28,139.52</u>

TOWNSHIP OF MANCHESTER
CURRENT FUND

REVENUE ACCOUNTS RECEIVABLE

A-11

		<u>Balance</u>			<u>Balance</u>
<u>Ref.</u>		<u>Dec. 31, 2014</u>	<u>Accrued</u>	<u>Collected</u>	<u>Dec. 31, 2015</u>
<u>Budget Revenue</u>					
Township Clerk:					
Alcoholic Beverage Licenses	A-2	\$	\$ 32,500.00	\$ 32,500.00	\$
Other Licenses	A-2b		29,253.00	29,253.00	
Other Fees and Permits	A-2b		173,313.00	173,313.00	
Health Officer:					
Other Licenses	A-2b		1,770.00	1,770.00	
Other Fees and Permits:					
Tax Collector	A-2b		15,146.46	15,146.46	
Zoning Board	A-2b		28,782.00	28,782.00	
Registrar of Vital Statistics	A-2b		63,373.00	63,373.00	
Building Inspector	A-2b		76,255.00	76,255.00	
Recreation Department	A-2b		92,203.00	92,203.00	
Land Use	A-2b		6,120.00	6,120.00	
Housing	A-2b		149,605.00	149,605.00	
Engineering	A-2b		27,195.00	27,195.00	
Police Department	A-2b		17,500.09	17,500.09	
Beach Badges	A-2b		101,975.00	101,975.00	
Municipal Court:					
Fines and Costs	A-2	30,725.08	382,101.02	381,550.38	31,275.72
Interest on Investments	A-2		26,975.11	26,975.11	
Uniform Construction Fees	A-2		825,529.00	825,529.00	
Host Community Fees	A-2		873,163.19	873,163.19	
Cable TV Franchise Fees	A-2		171,173.17	171,173.17	
Ocean County Recycling Revenue	A-2		19,462.76	19,462.76	
Hotel Tax	A-2		29,191.68	29,191.68	
Open Space Share of Debt	A-2		377,319.00	377,319.00	
Reimbursement for In-Kind Services	A-2		743,336.00	743,336.00	
Senior Citizens' and Veterans' Post Year Statement	A-2		29,364.64	29,364.64	
Tower Rental	A-2		29,417.71	29,417.71	
PILOT - Garden State Trust	A-2		159,227.00	159,227.00	
State Aid:					
Consolidated Municipal Property Tax Relief Act	A-2		35,048.00	35,048.00	
Uniform Fire Safety Act	A-2		27,692.28	27,692.28	
Energy Receipts Tax	A-2		3,023,192.00	3,023,192.00	
		<u>\$ 30,725.08</u>	<u>\$ 7,567,183.11</u>	<u>\$ 7,566,632.47</u>	<u>\$ 31,275.72</u>

Reference

A

Reserve

Below

A

Ref.

Cash Receipt
Interfunds Receivable

A-4 \$ 7,565,422.26
A-10 1,210.21

Above \$ 7,566,632.47

TOWNSHIP OF MANCHESTER
CURRENT FUND

DEFERRED CHARGES
SPECIAL EMERGENCY AUTHORIZATION

A-12

	<u>Ref.</u>	
Balance December 31, 2014	A	\$265,000.00
Decreased by:		
CY 2015 Budget Appropriation	A-3	<u>165,000.00</u>
Balance December 31, 2015	A, Below	<u>\$100,000.00</u>
<u>Analysis of Balance</u>		
5/23/11 - Accumulated Sick/Vacation Leave	Above	<u>\$100,000.00</u>

TOWNSHIP OF MANCHESTER
CURRENT FUND

FEDERAL AND STATE GRANT RECEIVABLES

A-13

	<u>Balance</u> <u>Dec. 31, 2014</u>	<u>2015</u> <u>Awards</u>	<u>Collected</u>	<u>Balance</u> <u>Dec. 31, 2015</u>
Senior Outreach Grant	\$	\$ 6,067.19	\$ 6,067.19	\$
Senior Outreach Grant		135,100.00	135,100.00	
N.J. Forestry Grant		5,000.00	5,000.00	
Drunk Driving Enforcement Grant		19,900.00	19,900.00	
Click It or Ticket Grant		3,700.00	3,700.00	
Bulletproof Vest Program		5,471.81		5,471.81
FEMA Hazard Mitigation		516,337.00		516,337.00
COPS in Shops		1,200.00	1,200.00	
Municipal Drug Alliance	20,160.72	19,720.00	22,588.98	17,291.74
Body Armor Grant		6,225.20	6,225.20	
Clean Communities Grant		110,711.33	110,711.33	
Drive Sober or Get Pulled Over	4,400.00	12,000.00	12,000.00	4,400.00
Child Passenger Safety Education Grant		4,000.00	4,000.00	
EOC Renovation Grant:				
SFY 2001	18,843.39			18,843.39
SFY 2002	27,496.00			27,496.00
	<u>\$70,900.11</u>	<u>\$845,432.53</u>	<u>\$326,492.70</u>	<u>\$589,839.94</u>
<u>Reference</u>	<u>A</u>	<u>A-2</u>	<u>Below</u>	<u>A</u>
		<u>Ref.</u>		
Cash Received		A-4	\$300,525.51	
Unappropriated Reserves Applied		A-28	<u>25,967.19</u>	
		Above	<u>\$326,492.70</u>	

TOWNSHIP OF MANCHESTER
CURRENT FUND

FEDERAL AND STATE GRANT FUND
INTERFUND RECEIVABLE

A-14

Current
Fund

Ref.

Increased by:		
Cash Disbursed	A-4	<u>\$ 249,396.97</u>
Balance December 31, 2015	A	<u><u>\$ 249,396.97</u></u>

TOWNSHIP OF MANCHESTER
CURRENT FUND

CY 2014 APPROPRIATION RESERVES

A-15
Sheet #1

<u>Appropriation</u>	<u>Balance</u> Dec. 31, 2014	<u>Balance</u> After <u>Transfers</u>	<u>Paid or</u> <u>Charged</u>	<u>Balance</u> <u>Lapsed</u>
	<u>Encumbered</u>	<u>Unencumbered</u>		
<u>APPROPRIATIONS WITHIN "CAPS"</u>				
<u>Office of the Mayor</u>				
Office of the Mayor:				
Salaries and Wages	\$ 500.00	\$ 218.48	\$ 218.48	\$ 218.48
Other Expenses		4,568.40	509.13	4,559.27
<u>Veteran's Advisory Committee:</u>				
Other Expenses		2,000.00		2,000.00
<u>Office of the Clerk:</u>				
Salaries and Wages	7,138.31	2,157.68		2,157.68
Other Expenses		27,408.49	7,958.76	26,588.04
<u>Zoning Board of Adjustments:</u>				
Other Expenses		30,799.62		30,799.62
<u>Municipal Audit:</u>				
Other Expenses	46,000.00	46,000.00	46,000.00	
	<u>53,638.31</u>	<u>120,790.98</u>	<u>54,467.89</u>	<u>66,323.09</u>
<u>Department of Administration</u>				
Office of the Tax Assessor:				
Salaries and Wages		13,025.79		13,025.79
Other Expenses	3,436.81	4,124.84	3,592.81	3,968.84
<u>Division of Data Processing:</u>				
Salaries and Wages		4,930.57		4,930.57
Other Expenses	2,944.65	21,710.35	2,944.65	21,710.35
<u>Division of Administration, Purchasing and Personnel:</u>				
Salaries and Wages		1,360.27		1,360.27
Other Expenses	21,144.34	14,678.61	18,009.32	17,813.63
<u>Division of Recreation:</u>				
Salaries and Wages		7,273.10		7,273.10
Other Expenses	2,055.44	21,604.93	1,837.52	21,822.85
	<u>29,581.24</u>	<u>118,289.70</u>	<u>26,384.30</u>	<u>91,905.40</u>

TOWNSHIP OF MANCHESTER
CURRENT FUND

CY 2014 APPROPRIATION RESERVES

A-15
Sheet #2

<u>Appropriation</u>	<u>Balance</u> <u>Dec. 31, 2014</u>	<u>Balance</u> <u>After</u> <u>Transfers</u>	<u>Paid or</u> <u>Charged</u>	<u>Balance</u> <u>Lapsed</u>
	<u>Encumbered</u>	<u>Unencumbered</u>		
<u>APPROPRIATIONS WITHIN "CAPS"</u>				
<u>Department of Finance</u>				
Financial Administration:				
Salaries and Wages	\$ 1,350.22	\$ 5,371.55	\$ 1,704.74	\$ 5,371.55
Other Expenses		4,996.12		4,641.60
Revenue Collection:				
Salaries and Wages	600.00	2,029.35	600.00	2,029.35
Other Expenses	<u>1,950.22</u>	<u>18,521.76</u>	<u>2,304.74</u>	<u>18,521.76</u>
		<u>30,918.78</u>		<u>30,564.26</u>
<u>Department of Law</u>				
Municipal Prosecutor:				
Other Expenses		3,333.37	3,333.37	
Closing Costs for Foreclosed Properties:				
Other Expenses		8,000.00		8,000.00
Township Attorney:				
Other Expenses		<u>48,855.72</u>	<u>35,183.21</u>	<u>13,672.51</u>
		<u>60,189.09</u>	<u>38,516.58</u>	<u>21,672.51</u>
<u>Department of Public Works</u>				
Division of Administration and Streets:				
Salaries and Wages		73,420.64		73,420.64
Other Expenses	31,020.28	13,116.22	22,432.06	21,704.44
Division of Sanitation and Recycling:				
Salaries and Wages		10,847.90		10,847.90
Other Expenses	40,832.91	27,453.89	40,832.91	27,453.89
Division of Building and Grounds:				
Salaries and Wages		5,448.79		5,448.79
Other Expenses	7,599.52	12,164.20	8,350.31	11,413.41
Division of Central Maintenance:				
Salaries and Wages		4,133.96		4,133.96
Other Expenses	54,130.58	504.38	45,935.12	8,699.84
Division of Lakes, Parks and Playgrounds:				
Salaries and Wages		13,933.90		13,933.90
Other Expenses	2,478.98	91.56	1,331.59	1,238.95
	<u>136,062.27</u>	<u>161,115.44</u>	<u>118,881.99</u>	<u>178,295.72</u>

TOWNSHIP OF MANCHESTER
CURRENT FUND

CY 2014 APPROPRIATION RESERVES

A-15
Sheet #3

<u>Appropriation</u>	<u>Balance</u> <u>Dec. 31, 2014</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>		
	\$	\$ 19,145.23	\$ 15,509.60	\$ 3,635.63
<u>APPROPRIATIONS WITHIN "CAPS"</u>				
<u>Department of Engineering</u>				
Engineering:				
Other Expenses	126,404.09	325,638.42	180,000.00	145,638.42
		3,795.15	127,110.71	3,088.53
		6,963.58		6,963.58
<u>Department of Public Safety</u>				
Police:				
Salaries and Wages		2,097.24		2,097.24
Other Expenses	22,616.60	6,777.91	22,941.09	6,453.42
Police Clerical and Computer:				
Salaries and Wages		2,077.00		2,077.00
Animal Control:		1,074.94		1,074.94
Salaries and Wages		348,424.24		167,393.13
Other Expenses	149,020.69	497,444.93	330,051.80	167,393.13
<u>Department of Land Use and Planning</u>				
Division of Zoning and Planning:				
Salaries and Wages		2,607.64		2,607.64
Other Expenses		22,795.79	3,189.00	19,606.79
		25,403.43	3,189.00	22,214.43

TOWNSHIP OF MANCHESTER
CURRENT FUND

CY 2014 APPROPRIATION RESERVES

A-15
Sheet #4

<u>Appropriation</u>	<u>Balance</u> Dec. 31, 2014	<u>Balance</u> After Transfers	<u>Paid or</u> <u>Charged</u>	<u>Balance</u> <u>Lapsed</u>
	<u>Encumbered</u>	<u>Unencumbered</u>		
<u>Other</u>				
Municipal Court:				
Salaries and Wages	\$ 300.00	\$ 745.59		\$ 745.59
Other Expenses		10,893.23	1,650.00	9,543.23
Public Defender (P.L. 1997, C.256):				
Salaries and Wages		18,500.00		18,500.00
Insurance:				
General Liability		97,204.47	37,050.01	60,154.46
Workers' Compensation		24,829.05		24,829.05
Employee Group Health	905.08	608,180.76	403,044.11	206,041.73
Employee Opt-Out Payments		110,051.27		110,051.27
Hepatitis Inoculation Program:				
Other Expenses		5,000.00		5,000.00
OSHA Requirement - Respirator Testing:				
Other Expenses	50.00	7,216.00	50.00	7,216.00
	<u>1,255.08</u>	<u>882,620.37</u>	<u>441,794.12</u>	<u>442,081.33</u>
<u>Uniform Construction Code</u>				
Uniform Construction Code:				
Salaries and Wages	27,373.67	4,280.89		4,280.89
Other Expenses	<u>27,373.67</u>	<u>20,432.56</u>	27,345.71	20,460.52
		<u>24,713.45</u>	<u>27,345.71</u>	<u>24,741.41</u>
<u>Unclassified</u>				
Utilities:				
Gasoline	48,149.57	51,451.72		75,849.59
Electricity		44,161.13	18,866.21	25,294.92
Telephone and Telegraph		14,169.56	14,080.28	89.28
Natural Gas		13,913.33	3,336.77	10,576.56
Heating Oil	2,000.00	10,000.00	3,510.61	8,489.39
Street Lighting		73,015.00	6,551.97	66,463.03
Accumulated Leave Compensation		45,000.00	45,000.00	
Reserve for Snow Removal		50,000.00	50,000.00	
Condominium Service Act	<u>50,149.57</u>	<u>9,230.16</u>	<u>165,097.54</u>	<u>9,230.16</u>
		<u>310,940.90</u>		<u>195,992.93</u>

TOWNSHIP OF MANCHESTER
CURRENT FUND

CY 2014 APPROPRIATION RESERVES

A-15
Sheet #5

<u>Appropriation</u>	<u>Balance</u> <u>Dec. 31, 2014</u>	<u>Encumbered</u>	<u>Unencumbered</u>	<u>Balance</u> <u>After</u> <u>Transfers</u>	<u>Paid or</u> <u>Charged</u>	<u>Balance</u> <u>Lapsed</u>
<u>Statutory Expenditures</u>						
Contribution to:						
Defined Contribution Retirement Program	\$ 526.88			526.88	93.26	\$ 433.62
Social Security System (OASI)	194,646.31			194,646.31		194,646.31
Total Appropriations Within "CAPS"	<u>449,031.05</u>		<u>2,214,505.25</u>	<u>2,663,536.30</u>	<u>1,223,636.53</u>	<u>1,439,899.77</u>
<u>APPROPRIATIONS EXCLUDED FROM "CAPS"</u>						
Reserve for Tax Appeals	50,000.00			50,000.00	50,000.00	42,250.00
LOSAP	42,250.00			42,250.00		
Total Appropriations Excluded from "CAPS"	<u>92,250.00</u>			<u>92,250.00</u>	<u>50,000.00</u>	<u>42,250.00</u>
<u>SHARED SERVICE AGREEMENTS</u>						
Ocean County Superstorm Sandy - Debris Removal	93,746.25			93,746.25		93,746.25
	<u>\$ 449,031.05</u>		<u>\$ 2,400,501.50</u>	<u>\$ 2,849,532.55</u>	<u>\$ 1,273,636.53</u>	<u>\$ 1,575,896.02</u>
<u>Reference</u>	A	A			<u>Below</u>	A-1
				<u>Ref.</u>		
Cash Disbursed				A-4	\$ 960,392.19	
Interfunds Receivable - General Trust Fund				A-10	65,129.41	
Accounts Payable				A-20	205,630.48	
Reserve for Tax Appeals				A-24	42,484.45	
				Above	<u>\$ 1,273,636.53</u>	

TOWNSHIP OF MANCHESTER
CURRENT FUND

INTERFUNDS PAYABLE

A-16

	<u>Balance</u> <u>Dec. 31, 2014</u>	<u>Increase</u>	<u>Decrease</u>	<u>Balance</u> <u>Dec. 31, 2015</u>
General Capital Fund	\$ 95,000.00	\$	\$ 95,000.00	\$
General Trust Fund		67,966.00		67,966.00
Federal and State Grant Fund		249,396.97		249,396.97
Water Eastern Operating Fund		2,293,379.15	2,293,379.15	
Sewer Western Operating Fund		2,238,312.33	2,238,312.33	
Sewer Eastern Operating Fund		5,607,204.34	5,607,204.34	
Water Western Operating Fund	<u>6,613.67</u>	<u>2,173,064.21</u>	<u>2,179,677.88</u>	<u> </u>
	<u>\$101,613.67</u>	<u>\$12,629,323.00</u>	<u>\$12,413,573.70</u>	<u>\$317,362.97</u>

Reference

A

Below

A-4

A

Ref.

Cash Receipts
Transfer to Interfunds Receivable

A-4

\$12,561,357.00

A-10

67,966.00

Above

\$12,629,323.00

TOWNSHIP OF MANCHESTER
CURRENT FUND

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

A-17

	<u>Ref.</u>	
Balance December 31, 2014	A	\$ 33,941.14
Increased by:		
Cash Received - Current Year	A-4	<u>1,470,481.97</u> 1,504,423.11
Decreased by:		
Deductions per Tax Billings:		
Veterans		\$ 1,759,000.00
Plus: Deductions Allowed by Tax Collector		<u>26,000.00</u> 1,785,000.00
Less: Senior Citizens and Veterans - Disallowed by Tax Collector	A-7	<u>9,027.39</u> 1,775,972.61
Prior Year Senior Citizens and Veterans Allowed by Tax Collector	A-1	<u>312,864.67</u>
		<u>1,463,107.94</u>
Balance December 31, 2015	A	<u>\$ 41,315.17</u>

TOWNSHIP OF MANCHESTER
CURRENT FUND

DUE TO STATE OF NEW JERSEY

A-18

	<u>Ref.</u>	<u>DCA</u> <u>Surcharges</u>	<u>Marriage</u> <u>License</u> <u>Fees</u>
Balance December 31, 2014	A	\$ 11,879.00	\$ 4,139.40
Increased by:			
Collection of State Fees	A-4	49,393.00	3,675.00
		<u>61,272.00</u>	<u>7,814.40</u>
Decreased by:			
Cash Disbursed	A-4	48,731.00	6,914.40
Balance December 31, 2015	A	<u>\$ 12,541.00</u>	<u>\$ 900.00</u>

TAX OVERPAYMENTS

A-19

	<u>Ref.</u>		
Balance December 31, 2014	A		\$243,113.52
Increased by:			
Cash Receipts	A-4		175,931.23
			<u>419,044.75</u>
Decreased by:			
Cancelled	A-1	\$191,413.31	
Cash Disbursed	A-4	51,700.21	
		<u>243,113.52</u>	
Balance December 31, 2015	A		<u>\$175,931.23</u>

TOWNSHIP OF MANCHESTER
CURRENT FUND

ACCOUNTS PAYABLE

A-20

	<u>Ref.</u>	
Balance December 31, 2014	A	\$169,431.39
Increased by:		
Transfer from Appropriation Reserves	A-15	<u>205,630.48</u> 375,061.87
Decreased by:		
Cash Disbursed	A-4	<u>264.10</u>
Balance December 31, 2015	A	<u><u>\$374,797.77</u></u>

SPECIAL EMERGENCY NOTE PAYABLE

A-21

	<u>Ref.</u>	
Balance December 31, 2014	A	\$265,000.00
Increased by:		
Cash Receipt	A-4	<u>100,000.00</u> 365,000.00
Decreased by:		
Cash Disbursed	A-4	<u>265,000.00</u>
Balance December 31, 2015	A	<u><u>\$100,000.00</u></u>

TOWNSHIP OF MANCHESTER
CURRENT FUND

COUNTY TAXES PAYABLE

A-22

	<u>Ref.</u>		
Balance December 31, 2014	A		\$ 68,221.02
Increased by:			
2015 Levy		\$15,079,119.81	
Added and Omitted Taxes		<u>81,184.08</u>	
	A-1,2a,7		<u>15,160,303.89</u>
			<u>15,228,524.91</u>
Decreased by:			
Payments to County	A-4		<u>15,147,340.83</u>
Balance December 31, 2015	A		<u>\$ 81,184.08</u>

LOCAL SCHOOL DISTRICT TAXES PAYABLE

A-23

	<u>Ref.</u>		
Increased by:			
2015 Levy	A-1,2a,7		\$43,964,111.00
Decreased by:			
Payments	A-4		<u>43,964,111.00</u>
			<u>\$ -</u>

TOWNSHIP OF MANCHESTER
CURRENT FUND

RESERVE FOR TAX APPEALS

A-24

	<u>Ref.</u>	
Balance December 31, 2014	A	\$ 403,438.53
Increased by:		
Transferred from Appropriation Reserve	A-15	42,484.45
		<u>445,922.98</u>
Decreased by:		
Payments	A-4	71,889.57
		<u>71,889.57</u>
Balance December 31, 2015	A	<u>\$ 374,033.41</u>

RESERVE FOR REVALUATION

A-25

	<u>Ref.</u>	
Balance December 31, 2014	A	\$ 77,327.00
Decreased by:		
Cancelled	A-1	77,327.00
		<u>77,327.00</u>
		<u>\$ -</u>

PREPAID TAXES

A-26

	<u>Ref.</u>	
Balance December 31, 2014	A	\$ 573,860.48
Increased by:		
Collections	A-5	562,157.60
		<u>1,136,018.08</u>
Decreased by:		
Applied to Taxes Receivable	A-7	573,860.48
		<u>573,860.48</u>
Balance December 31, 2015	A	<u>\$ 562,157.60</u>

TOWNSHIP OF MANCHESTER
CURRENT FUND

RESERVE FOR FEDERAL AND STATE GRANTS - APPROPRIATED

A-27

	<u>Balance</u> Dec. 31, 2014 <u>Reserved</u>	<u>Transfer</u> from 2015 <u>Budget</u>	<u>Expenditures</u>	<u>Balance</u> Dec. 31, 2015 <u>Reserved</u>
Senior Outreach Program:				
State Grant	\$ 90,678.64	\$ 543,167.19	\$ 563,544.29	\$ 70,301.54
Drunk Driving Enforcement Fund	1,186.43	19,900.00	2,654.89	18,431.54
Municipal Alliance Grant:				
CY 2013	832.07		832.07	
CY 2014	7,528.53		7,528.53	
CY 2015		26,188.00	14,840.93	11,347.07
Body Armor Grant	6,899.76	6,225.20	6,538.00	6,586.96
Bulletproof Vest Program	396.57			396.57
Child Passenger Safety Grant	400.00	4,000.00	725.00	3,675.00
N.J. Forestry Grant		5,000.00		5,000.00
O.C. Senior Citizen and Disabled Resident Transportation	4,800.00			4,800.00
Clean Communities Grant:				
CY 2014	30,558.08			30,558.08
CY 2015		110,711.33	89,766.29	20,945.04
Click It or Ticket Grant		3,700.00	3,500.00	200.00
FEMA Hazard Mitigation Grant		567,875.00		567,875.00
Department of Transportation:				
Colonial Drive North	399.51			399.51
Colonial Drive	351.19			351.19
First and Second Avenues	20,505.69			20,505.69
Bulletproof Vest Program		5,471.81		5,471.81
COPS in Shops Grant		1,200.00		1,200.00
Drive Sober or Get Pulled Over	3,000.00	12,000.00		15,000.00
	<u>\$ 167,536.47</u>	<u>\$ 1,305,438.53</u>	<u>\$ 689,930.00</u>	<u>\$ 783,045.00</u>

Reference

A

Below

A-4

A

Ref.

Transferred from 2015 Budget
Matching Funds

A-3

\$ 845,432.53

A-3,4

460,006.00

Above

\$ 1,305,438.53

TOWNSHIP OF MANCHESTER
CURRENT FUND

RESERVE FOR FEDERAL AND STATE AID UNAPPROPRIATED

A-28

	<u>Ref.</u>	
Balance December 31, 2014	A	\$ 59,269.10
Increased by:		
Cash Received	A-4	<u>22,890.00</u>
		82,159.10
Decreased by:		
Anticipated as Current Year Revenue	A-13	<u>25,967.19</u>
Balance December 31, 2015	A, Below	<u><u>\$ 56,191.91</u></u>
 <u>Analysis of Balance</u>		
Driving While Intoxicated		\$ 10,890.00
Senior Outreach		12,000.00
NJ DOT - First and Second Avenues Grant		<u>33,301.91</u>
		<u><u>\$ 56,191.91</u></u>

Reference

Above

TOWNSHIP OF MANCHESTER
TRUST FUND

CASH RECEIPTS AND DISBURSEMENTS - CHECKING ACCOUNTS

B-1

Ref.	Animal Control Trust Fund	Special Deposits/ Performance Bonds	Affordable Housing Trust Fund	Redemption Trust Fund	State Unemployment Compensation Insurance Trust Fund	Police Drug Enforcement Trust Account	Municipal Drug Alliance	Public Defender Trust Fund	Manchester Day Trust Fund	Open Space Trust Fund	Recreation Trust Fund	Construction Code Trust Account
B	\$ 25,118.45	\$ 2,230,213.50	\$ 948,741.32	\$ 748,032.52	\$ 193,958.78	\$ 26,696.13	\$ 8,148.64	\$ 46,683.32	\$ 4,133.80	\$ 569,324.23	\$ 11,117.49	\$
B-3	3,028.80											
B-4	8,856.60											
B-5	5,904.40											
B-6	4,793.60											
B-6	150.00											
B-7		1,210.21							69,198.00			
B-8												
B-9												
B-10		306,933.37		1,599,654.96	41,891.80							
B-11						30,931.44	10,507.00	25,865.50		323,639.00		
B-12										1,319.54		
B-13												
B-14												
B-15											36,963.45	
B-16												
B-19			120,081.50									27,084.09
B-20	22,733.40	308,143.58	122,062.02	1,599,654.96	41,891.80	30,931.44	10,507.00	25,865.50	69,198.00	324,958.54	36,963.45	27,084.09
	47,851.85	2,538,357.08	1,070,803.34	2,347,687.48	235,850.58	57,827.57	18,655.64	72,548.82	73,331.80	914,282.77	48,080.94	27,084.09
B-3	2,932.80											
B-5	5,904.40											
B-6	8,990.69											
B-8												
B-9				1,653,417.92								
B-10		659,393.49			23,898.00	16,693.99	6,815.30					
B-11												
B-12												
B-13												
B-14												
B-15												
B-16			56,290.83							377,319.00		
B-19			56,290.83									25,841.50
B-20	17,827.89	659,393.49	56,290.83	1,653,417.92	23,998.00	16,693.99	6,815.30	31,550.00	64,189.09	377,319.00	34,102.61	25,841.50
	\$ 30,023.96	\$ 1,878,963.59	\$ 1,014,512.51	\$ 694,269.56	\$ 211,852.58	\$ 38,933.58	\$ 11,840.34	\$ 40,998.82	\$ 9,142.71	\$ 536,963.77	\$ 13,978.33	\$ 1,242.59
B												

Increased by:

Decreased by:

TOWNSHIP OF MANCHESTER
TRUST FUND

COMMUNITY DEVELOPMENT BLOCK GRANT RECEIVABLE

B-2

<u>Grant Number</u>	<u>Project Description</u>	<u>Balance Dec. 31, 2014</u>	<u>Increase</u>	<u>Decrease</u>	<u>Balance Dec. 31, 2015</u>
CT-1519-13	Harry Wright Park Improvements	\$ 37,000.00	\$	\$ 37,000.00	\$
CT-1519-15	Parks and Recreation Improvements	<u>33,000.00</u>	<u>33,000.00</u>	<u>37,000.00</u>	<u>33,000.00</u>
	<u>Reference</u>	<u>\$ 37,000.00</u>	<u>\$ 33,000.00</u>	<u>\$ 37,000.00</u>	<u>\$ 33,000.00</u>
		<u>B</u>	<u>B-17</u>	<u>B-7</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 December 31, 2014	B	\$ 61.80
Increased by:		
State of New Jersey Fees	B-1	<u>3,028.80</u> 3,090.60
Decreased by:		
Payments to State of New Jersey	B-1	<u>2,932.80</u>
Balance December 31, 2015	B	<u><u>\$ 157.80</u></u>

ANIMAL CONTROL TRUST FUND
PREPAID DOG LICENSES

B-4

	<u>Ref.</u>	
Balance December 31, 2014	B	\$ 13,345.80
Increased by:		
Prepaid Collections	B-1	<u>8,856.60</u> 22,202.40
Decreased by:		
Prepaid Licenses Applied	B-6	<u>5,249.00</u>
Balance December 31, 2015	B	<u><u>\$ 16,953.40</u></u>

TOWNSHIP OF MANCHESTER
TRUST FUND

ANIMAL CONTROL TRUST FUND
DUE TO CURRENT FUND

B-5

	<u>Ref.</u>	
Increased by:		
Cash Receipt	B-1	\$ 5,904.40
Decreased by:		
Cash Disbursed	B-1	<u>5,904.40</u>
		<u>\$ -</u>

ANIMAL CONTROL TRUST FUND
RESERVE FOR ANIMAL CONTROL EXPENDITURES

B-6

	<u>Ref.</u>	
Balance December 31, 2014	B	\$ 11,710.85
Increased by:		
Dog License Fees	B-1	\$ 4,793.60
Late Fees	B-1	150.00
Prepaid Licenses Applied	B-4	<u>5,249.00</u>
		<u>10,192.60</u>
		21,903.45
Decreased by:		
Expenditures Under N.J.S. 40A:4-39	B-1	<u>8,990.69</u>
Balance December 31, 2015	B	<u>\$ 12,912.76</u>

License Fees Collected

<u>Year</u>	<u>Amount</u>
CY 2014	\$ 18,004.80
CY 2013	<u>10,487.40</u>
Maximum Balance	<u>\$ 28,492.20</u>

TOWNSHIP OF MANCHESTER
TRUST FUND

GENERAL TRUST FUND
DUE (TO)/FROM CURRENT FUND

B-7

	<u>Ref.</u>		
Balance December 31, 2014	B		\$ (28,139.52)
Increased by:			
CDBG Cash Receipt in Current Fund	B-2	\$ 37,000.00	
Retirement Pay Transferred from 2014 Appropriations	B-18	45,000.00	
Snow Removal Transferred from 2014 Appropriations	B-21	<u>20,129.41</u>	
			<u>102,129.41</u>
			73,989.89
Decreased by:			
Municipal Share of Developers' Interest	B-1	1,210.21	
CDBG Expenditures Disbursed in Current Fund	B-17	<u>4,813.68</u>	
			<u>6,023.89</u>
Balance December 31, 2015	B		<u>\$ 67,966.00</u>

RESERVE FOR MANCHESTER DAY TRUST FUND

B-8

	<u>Ref.</u>		
Balance December 31, 2014	B		\$ 4,133.80
Increased by:			
Collections	B-1		<u>69,198.00</u>
			73,331.80
Decreased by:			
Expenditures	B-1		<u>64,189.09</u>
Balance December 31, 2015	B		<u>\$ 9,142.71</u>

TOWNSHIP OF MANCHESTER
TRUST FUND

DEPOSITS FOR REDEMPTION OF TAX TITLE LIENS

B-9

	<u>Ref.</u>	
Balance December 31, 2014	B	\$ 748,032.52
Increased by:		
Collections	B-1	<u>1,599,654.96</u>
		2,347,687.48
Decreased by:		
Expenditures	B-1	<u>1,653,417.92</u>
Balance December 31, 2015	B	<u><u>\$ 694,269.56</u></u>

SPECIAL ESCROW DEPOSITS

B-10

	<u>Ref.</u>	
Balance December 31, 2014	B	\$ 2,217,597.70
Increased by:		
Collections	B-1	<u>306,933.37</u>
		2,524,531.07
Decreased by:		
Refunds and Expenditures	B-1	<u>659,393.49</u>
Balance December 31, 2015	B	<u><u>\$ 1,865,137.58</u></u>

TOWNSHIP OF MANCHESTER
TRUST FUND

STATE UNEMPLOYMENT COMPENSATION
INSURANCE TRUST FUND

B-11

	<u>Ref.</u>	
Balance December 31, 2014	B	\$ 193,958.78
Increased by:		
Quarterly Credits	B-1	<u>41,891.80</u>
		235,850.58
Decreased by:		
Claims	B-1	<u>23,998.00</u>
Balance December 31, 2015	B	<u>\$ 211,852.58</u>

POLICE DRUG ENFORCEMENT TRUST ACCOUNT

B-12

	<u>Ref.</u>	
Balance December 31, 2014	B	\$ 26,696.13
Increased by:		
Cash Receipt	B-1	<u>30,931.44</u>
		57,627.57
Decreased by:		
Expenditures	B-1	<u>18,693.99</u>
Balance December 31, 2015	B	<u>\$ 38,933.58</u>

TOWNSHIP OF MANCHESTER
TRUST FUND

MUNICIPAL DRUG ALLIANCE DISCRETIONARY RESERVES

B-13

	<u>Ref.</u>	
Balance December 31, 2014	B	\$ 8,148.64
Increased by:		
Donations	B-1	<u>10,507.00</u>
		18,655.64
Decreased by:		
Expenditures	B-1	<u>6,815.30</u>
Balance December 31, 2015	B	<u>\$ 11,840.34</u>

RESERVE FOR PUBLIC DEFENDER TRUST FUND

B-14

	<u>Ref.</u>	
Balance December 31, 2014	B	\$ 46,683.32
Increased by:		
Fees Collected	B-1	<u>25,865.50</u>
		72,548.82
Decreased by:		
Expenditures	B-1	<u>31,550.00</u>
Balance December 31, 2015	B	<u>\$ 40,998.82</u>

TOWNSHIP OF MANCHESTER
TRUST FUND

RESERVE FOR OPEN SPACE TRUST FUND

B-15

	<u>Ref.</u>		
Balance December 31, 2014	B		\$ 589,324.23
Increased by:			
Open Space Tax Levy	B-1	\$ 323,639.00	
Interest on Investments	B-1	<u>1,319.54</u>	
			<u>324,958.54</u>
			914,282.77
Decreased by:			
Expenditures	B-1		<u>377,319.00</u>
Balance December 31, 2015	B		<u><u>\$ 536,963.77</u></u>

RESERVE FOR RECREATION TRUST FUND

B-16

	<u>Ref.</u>		
Balance December 31, 2014	B		\$ 11,117.49
Increased by:			
Cash Receipts	B-1		<u>36,963.45</u>
			48,080.94
Decreased by:			
Expenditures	B-1		<u>34,102.61</u>
Balance December 31, 2015	B		<u><u>\$ 13,978.33</u></u>

TOWNSHIP OF MANCHESTER
TRUST FUND

B-17

COMMUNITY DEVELOPMENT BLOCK GRANT RESERVES

<u>Grant Number</u>	<u>Project Description</u>	<u>Balance</u> <u>Dec. 31, 2014</u>	<u>Increase</u>	<u>Decrease</u>	<u>Balance</u> <u>Dec. 31, 2015</u>
CT-1519-13	Harry Wright Park Improvements	\$ 4,813.68	\$	\$ 4,813.68	\$
CT-1519-15	Park and Recreation Improvements	<u>33,000.00</u>	<u>33,000.00</u>	<u>33,000.00</u>	<u>33,000.00</u>
	<u>Reference</u>	<u>\$ 4,813.68</u>	<u>\$ 33,000.00</u>	<u>\$ 4,813.68</u>	<u>\$ 33,000.00</u>
		<u>B</u>	<u>B-2</u>	<u>B-7</u>	<u>B</u>

TOWNSHIP OF MANCHESTER
TRUST FUND

RESERVE FOR RETIREMENT PAY

B-18

	<u>Ref.</u>		
Balance December 31, 2014	B		\$ 863.50
Increased by:			
Raised in Current Fund	B-7		<u>45,000.00</u>
Balance December 31, 2015	B		<u>\$ 45,863.50</u>

RESERVE FOR AFFORDABLE HOUSING TRUST FUND

B-19

	<u>Ref.</u>		
Balance December 31, 2014	B		\$ 964,540.42
Increased by:			
Receipts	B-1	\$ 120,081.50	
Interest Earned	B-1	<u>1,980.52</u>	
			<u>122,062.02</u>
			1,086,602.44
Decreased by:			
Expenditures	B-1		<u>56,290.83</u>
Balance December 31, 2015	B		<u>\$ 1,030,311.61</u>

TOWNSHIP OF MANCHESTER
TRUST FUND

RESERVE FOR LAKEHURST CONSTRUCTION CODE TRUST FUND

B-20

	<u>Ref.</u>	
Increased by:		
Receipts	B-1	\$ 27,084.09
Decreased by:		
Expenditures	B-1	<u>25,841.50</u>
Balance December 31, 2015	B	<u>\$ 1,242.59</u>

RESERVE FOR SNOW REMOVAL TRUST FUND

B-21

	<u>Ref.</u>	
Increased by:		
Receipts	B-7	<u>\$ 20,129.41</u>
Balance December 31, 2015	B	<u>\$ 20,129.41</u>

TOWNSHIP OF MANCHESTER
GENERAL CAPITAL FUND

CASH RECEIPTS AND DISBURSEMENTS

C-2

	<u>Ref.</u>		
Balance December 31, 2014	C		\$ 1,244,623.97
Increased by Receipts:			
Premium on Sale of Bonds - Net	C-1	\$ 1,873.98	
Interfunds Receivable	C-4	95,000.00	
Capital Improvement Fund	C-8	<u>75,000.00</u>	
			<u>171,873.98</u>
			1,416,497.95
Decreased by Disbursements:			
Improvement Authorizations	C-9		<u>114,827.00</u>
Balance December 31, 2015	C		<u><u>\$ 1,301,670.95</u></u>

TOWNSHIP OF MANCHESTER
GENERAL CAPITAL FUND

ANALYSIS OF GENERAL CAPITAL CASH

C-3

Ordinance Number	Description	Balance Dec. 31, 2014	Receipts		Disbursements Improvement Authorizations	Transfers		Balance Dec. 31, 2015
			Other			From	To	
	Capital Improvement Fund	\$ 626,205.45	\$ 75,000.00		\$	\$ 499,300.00	\$	\$ 201,905.45
	Interfunds Receivable	(95,000.00)	95,000.00					
	Fund Balance	425,206.13	1,873.98					427,080.11
	<u>Improvement Authorizations - General</u>							
02-027	Pine Lake Park Walkway	(158,418.07)						(158,418.07)
04-007	Road Improvements to Colonial Drive	(107,575.66)						(107,575.66)
05-001	Improvements to Soccer Complex	(85,880.66)						(85,880.66)
05-058-1	Police Department Projects	68,228.57		21,116.27				47,112.30
08-028-2	Various Park Improvements	7,842.81		1,000.00				6,842.81
08-028-3	Various Environmental Improvements	38,951.55		18,540.00				20,411.55
08-028-4	Various Capital Improvements	224,493.93		22,429.37				202,064.56
08-028-5	Paving of Various Roads	13,867.99		11,049.29				2,818.70
08-028-6	Various Improvements	119,997.38		40,692.07				79,305.31
08-028-7	Purchase of Police Vehicles/Weapons	3,257.19						3,257.19
08-028-9	Purchase of Various Land	158,000.00						158,000.00
08-037	Paving of Alexander Avenue - Cash on Hand	5,323.04						5,323.04
09-001	Acquisition of Fire Truck - Cash on Hand	124.32						124.32
15-012	Acquisition of CAD Software for Police					300,000.00		300,000.00
15-016	Acquisition of a Platform Aerial Truck and Related Equipment					75,750.00		75,750.00
15-022	Acquisition of Mobile Video Recorders and Related Equipment for Police					10,000.00		10,000.00
15-023-1	Acquisition of Various Vehicles for Public Works					77,009.00		77,009.00
15-023-2	Acquisition of Tools and Versa-Pro Diagnostic and Information System					1,812.00		1,812.00
15-023-3	Acquisition of Fire Alarm System Upgrades and a John Deere Gator					4,278.00		4,278.00
15-023-4	Roadway Repair Plan Including Roosevelt City Paving, Eastern Township Area Paving Including Pine Lake Park, Whiting Avenue Paving and Various Drainage Repairs to the Eastern Area					25,166.00		25,166.00
15-023-5	Acquisition and Installation of Township Wi-Fi Project					5,285.00		5,285.00
		<u>\$ 1,244,623.97</u>	<u>\$ 171,873.98</u>		<u>\$ 114,827.00</u>	<u>\$ 499,300.00</u>		<u>\$ 1,301,670.95</u>
	Reference	C	C-2	C-2	Contra	Contra	C	C

TOWNSHIP OF MANCHESTER
GENERAL CAPITAL FUND

INTERFUNDS RECEIVABLE

C-4

Current
Fund

	<u>Ref.</u>		
Balance December 31, 2014	C		\$ 95,000.00
Decreased by:			
Cash Receipt	C-2		<u>95,000.00</u>
			<u>\$ -</u>

DEFERRED CHARGES TO FUTURE TAXATION
FUNDED

C-5

	<u>Ref.</u>		
Balance December 31, 2014	C		\$ 10,480,812.05
Increased by:			
Refunding Bonds Issued	C-11		<u>8,135,000.00</u>
			18,615,812.05
Decreased by:			
2015 Budget Appropriations:			
Green Acres Payment	C-7	\$ 119,520.04	
Serial Bonds Refunded	C-11	8,000,000.00	
Serial Bonds Redeemed	C-11	<u>750,000.00</u>	
			<u>8,869,520.04</u>
Balance December 31, 2015	C		<u>\$ 9,746,292.01</u>

TOWNSHIP OF MANCHESTER
GENERAL CAPITAL FUND

DEFERRED CHARGES TO FUTURE TAXATION - UNFUNDED

C-6

Ordinance Number	Description	Balance Dec. 31, 2014	2015 Authorizations	Decrease	Balance Dec. 31, 2015	Analysis of Balance		
						Bond Anticipation Notes	Expenditures	Unexpended Improvement Authorization
02-027	Pine Lake Park Walkway	\$ 158,418.07	\$	\$	\$ 158,418.07	\$	\$ 158,418.07	\$
04-007	Road Improvements to Colonial Drive	115,000.00			115,000.00		107,575.66	7,424.34
05-001	Improvements to Soccer Complex	182,800.50			182,800.50		85,880.66	96,919.84
08-028	Various Capital Improvements	4,658,200.00		193,345.00	4,464,855.00	4,464,855.00		
08-037	Paving of Alexander Avenue	63,306.96		4,290.00	59,016.96	59,016.96		
09-01	Purchase of Fire Truck	475,875.68		29,750.00	446,125.68	446,125.68		
15-016	Acquisition of a Platform Aerial Truck and Related Equipment		1,439,250.00		1,439,250.00			1,439,250.00
15-022	Acquisition of Mobile Video Recorders and Related Equipment for Police		190,000.00		190,000.00			190,000.00
15-023	Various Capital Improvements		2,157,450.00		2,157,450.00			2,157,450.00
		<u>\$ 5,653,601.21</u>	<u>\$ 3,786,700.00</u>	<u>\$ 227,385.00</u>	<u>\$ 9,212,916.21</u>	<u>\$ 4,969,997.64</u>	<u>\$ 351,874.39</u>	<u>\$ 3,891,044.18</u>
	Reference	C	C-9	C-10	C	Below	C-3	Below
	Bond Anticipation Notes					\$ 4,975,445.00		
	Less: Cash on Hand to Pay Note					5,447.36		
					Above	<u>\$ 4,969,997.64</u>		
	Ref.				Ref.			
	Improvement Authorization - Unfunded							\$ 4,363,744.30
	Less: Unexpended Proceeds of Bond							
	Anticipation Notes Issued -							472,700.12
	Various							<u>\$ 3,891,044.18</u>
								Above

TOWNSHIP OF MANCHESTER
GENERAL CAPITAL FUND

GREEN ACRES LOAN PAYABLE

C-7

	<u>Ref.</u>	
Balance December 31, 2014	C	\$ 930,812.05
Decreased by:		
Payments/Adjustments	C-5	<u>119,520.04</u>
Balance December 31, 2015	C	<u><u>\$ 811,292.01</u></u>

CAPITAL IMPROVEMENT FUND

C-8

	<u>Ref.</u>	
Balance December 31, 2014	C	\$ 626,205.45
Increased by:		
Budget Appropriation	C-2	<u>75,000.00</u> 701,205.45
Decreased by:		
Appropriated to Finance Improvement Authorizations	C-9	<u>499,300.00</u>
Balance December 31, 2015	C	<u><u>\$ 201,905.45</u></u>

TOWNSHIP OF MANCHESTER
GENERAL CAPITAL FUND

C-9

IMPROVEMENT AUTHORIZATIONS

Ordinance Number	Balance Dec. 31, 2014		2015 Authorizations	Expended	Balance Dec. 31, 2015	
	Funded	Unfunded			Funded	Unfunded
04-007	\$	\$ 7,424.34	\$	\$	\$	\$ 7,424.34
05-001		96,919.84				96,919.84
05-058-1	68,228.57			21,116.27	47,112.30	6,842.81
08-028-2		7,842.81		1,000.00		20,411.55
08-028-3		38,951.55		18,540.00		202,064.56
08-028-4		224,493.93		22,429.37		2,818.70
08-028-5		13,867.99		11,049.29		79,305.31
08-028-6		119,997.38		40,692.07		3,257.19
08-028-7		3,257.19				158,000.00
08-028-9		158,000.00				
15-012			300,000.00		300,000.00	
15-016			1,515,000.00		75,750.00	1,439,250.00
15-022			200,000.00		10,000.00	190,000.00
15-023-1			1,540,174.00		77,009.00	1,463,165.00
15-023-2			36,239.00		1,812.00	34,427.00
15-023-3			85,565.00		4,278.00	81,287.00
15-023-4			503,324.00		25,166.00	478,158.00
15-023-5			105,698.00		5,285.00	100,413.00
		\$ 68,228.57	\$ 4,286,000.00	\$ 114,827.00	\$ 546,412.30	\$ 4,363,744.30
<u>Reference</u>		<u>C</u>	<u>Below</u>	<u>C-2</u>	<u>C</u>	<u>C</u>

Ref.

Deferred Charges - Unfunded
Capital Improvement Fund

\$ 3,786,700.00

499,300.00

Above

TOWNSHIP OF MANCHESTER
GENERAL CAPITAL FUND

C-11

SERIAL BONDS

<u>Date of Issue</u>	<u>Issue</u>	<u>Maturities of Bonds Outstanding Dec. 31, 2015</u>		<u>Interest Rate</u>	<u>Balance Dec. 31, 2014</u>	<u>Bonds Issued</u>	<u>Decrease</u>		<u>Balance Dec. 31, 2015</u>
		<u>Date</u>	<u>Amount</u>				<u>Budget Appropriation</u>	<u>Bonds Refunded</u>	
3-01-06	\$ 14,350,000.00	3-01-16	\$ 800,000.00	4.250 %	\$ 9,550,000.00	\$	\$ 750,000.00	\$ 8,000,000.00	\$ 800,000.00
3-01-15	8,135,000.00	3-01-17	840,000.00	3.000					
		3-01-18/20	835,000.00	4.000					
		3-01-21	830,000.00	4.000					
		3-01-22	825,000.00	2.000					
		3-01-23	695,000.00	2.125					
		3-01-23	110,000.00	4.000					
		3-01-24	695,000.00	2.250					
		3-01-24	110,000.00	4.000					
		3-01-25	775,000.00	2.375					
		3-01-26	760,000.00	2.500					
						<u>8,135,000.00</u>			<u>8,135,000.00</u>
					<u>\$ 9,550,000.00</u>	<u>\$ 8,135,000.00</u>	<u>\$ 750,000.00</u>	<u>\$ 8,000,000.00</u>	<u>\$ 8,935,000.00</u>
				<u>Reference</u>	<u>C</u>	<u>C-5</u>	<u>C-5</u>	<u>C-5</u>	<u>C</u>

TOWNSHIP OF MANCHESTER
GENERAL CAPITAL FUND

C-12

BONDS AND NOTES AUTHORIZED BUT NOT ISSUED

<u>Description</u>	<u>Ordinance Number</u>	<u>Amount</u>	<u>Balance Dec. 31, 2014</u>	<u>2015 Authorizations</u>	<u>Balance Dec. 31, 2015</u>
Pine Lake Park Walkway	02-027	\$ 570,000.00	\$ 158,418.07	\$	\$ 158,418.07
Road Improvements to Colonial Drive	04-007	245,000.00	115,000.00		115,000.00
Improvements to Soccer Complex	05-001	700,000.00	182,800.50		182,800.50
Acquisition of a Platform Aerial Truck and Related Equipment	15-016	1,439,250.00		1,439,250.00	1,439,250.00
Acquisition of Mobile Video Recorders and Related Equipment for Police	15-022	190,000.00		190,000.00	190,000.00
Various Capital Improvements	15-023	2,157,450.00		2,157,450.00	2,157,450.00
			<u>\$ 456,218.57</u>	<u>\$ 3,786,700.00</u>	<u>\$ 4,242,918.57</u>

Reference

C

C-6

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 December 31, 2014	D	\$ 670,596.10	\$ 321,162.18	\$ 2,258,740.39
Increased by Receipts:				
Miscellaneous Revenue	D-3	\$ 55,681.11		
Consumer Accounts Receivable	D-7	2,170,808.14		
Connection Fees	D-9	99,288.00		
Escrow Deposits	D-16	<u>2,325,777.25</u>	38,503.77	
		<u>2,996,373.35</u>	<u>359,665.95</u>	<u>2,258,740.39</u>
Decreased by Disbursements:				
Prior Year Refund	D-1	23.20		
Budget Appropriations	D-4	2,141,148.73		
Appropriation Reserves	D-13	84,097.80		
Interfunds Payable	D-14	606.75		
Accrued Interest on Bonds	D-15	39,218.75		
Escrow Deposits Returned	D-16	<u>2,265,095.23</u>	53,398.58	
Balance December 31, 2015	D	<u>\$ 731,278.12</u>	<u>\$ 306,267.37</u>	<u>\$ 2,258,740.39</u>

TOWNSHIP OF MANCHESTER
WATER UTILITY EASTERN SERVICE

ANALYSIS OF WATER CAPITAL CASH AND INVESTMENTS

D-6

	Transfers			Balance
	From	To		Dec. 31, 2015
<u>Other Accounts</u>				
Capital Improvement Fund	\$ 615,500.00		\$	\$ 1,402,389.94
Fund Balance				36,745.00
				<u>3,079.45</u>
<u>Improvement Authorizations</u>				
Ordinance #02-036:				
Redevelopment of Wells				201,026.00
Ordinance #08-026:				
Various Capital Improvements				95,500.00
Ordinance #15-021:				
Acquisition of a Tractor and Generator				520,000.00
Ordinance #15-024:				
Upgrade Wells #10/11				<u>\$ 2,258,740.39</u>
	<u>\$ 615,500.00</u>		<u>\$ 615,500.00</u>	<u>\$ 2,258,740.39</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 December 31, 2014	D		\$ 111,642.47
Increased by:			
Water Rents Levied - Net	Reserve		<u>2,219,084.25</u>
			2,330,726.72
Decreased by:			
Collections	D-3,5	\$ 2,170,808.14	
Transfer to Water Liens	D-8	<u>121.10</u>	
			<u>2,170,929.24</u>
Balance December 31, 2015	D		<u>\$ 159,797.48</u>

WATER LIENS

D-8

	<u>Ref.</u>		
Balance December 31, 2014	D		\$ 3,437.39
Increased by:			
Transfer from Consumer Accounts Receivable	D-7		<u>121.10</u>
			3,558.49
Decreased by:			
Cancelled/Adjusted	Reserve		<u>3,454.29</u>
Balance December 31, 2015	D		<u>\$ 104.20</u>

TOWNSHIP OF MANCHESTER
WATER UTILITY EASTERN SERVICE

CONNECTION RESERVE FEES RECEIVABLE

D-9

	<u>Ref.</u>	
Balance December 31, 2014	D	\$ 1,010.00
Increased by:		
Connection Fees	Reserve	98,278.00
		<u>99,288.00</u>
Decreased by:		
Cash Receipts	D-3,5	99,288.00
		<u>99,288.00</u>
		<u>\$ -</u>

RESERVE FOR INVENTORY

D-10

	<u>Ref.</u>	
Balance December 31, 2014	D	\$ 134,999.83
Increased by:		
Inventory Adjustment	Reserve	10,139.58
		<u>10,139.58</u>
Balance December 31, 2015	D	<u>\$ 145,139.41</u>

TOWNSHIP OF MANCHESTER
WATER UTILITY EASTERN SERVICE

FIXED CAPITAL

D-11

	<u>Ref.</u>	
Balance December 31, 2014	D	<u>\$ 9,978,577.73</u>
Balance December 31, 2015	D	<u><u>\$ 9,978,577.73</u></u>

FIXED CAPITAL AUTHORIZED AND UNCOMPLETED

D-12

	<u>Ref.</u>	
Balance December 31, 2014	D	\$ 204,105.45
Increased by: 2015 Authorizations	D-20	<u>615,500.00</u>
Balance December 31, 2015	D	<u><u>\$ 819,605.45</u></u>

TOWNSHIP OF MANCHESTER
WATER UTILITY EASTERN SERVICE

D-13

APPROPRIATION RESERVES

	<u>Encumbered</u>	<u>Balance Dec. 31, 2014</u>	<u>Unencumbered</u>	<u>Balance After Transfers</u>	<u>Paid or Charged</u>	<u>Balance Lapsed</u>
<u>Appropriations</u>						
<u>Operating</u>						
Salaries and Wages	\$ 62,686.26	\$ 42,663.44	119,906.94	\$ 42,663.44	\$ 84,097.80	\$ 42,663.44
Other Expenses	<u>62,686.26</u>	<u>162,570.38</u>	<u>182,593.20</u>	<u>225,256.64</u>	<u>84,097.80</u>	<u>98,495.40</u>
						<u>141,158.84</u>
<u>Statutory Expenditures</u>						
Social Security System		<u>6,778.95</u>		<u>6,778.95</u>		<u>6,778.95</u>
	<u>\$62,686.26</u>		<u>\$ 169,349.33</u>	<u>\$ 232,035.59</u>	<u>\$ 84,097.80</u>	<u>\$ 147,937.79</u>

Reference D D D-5 D-1

TOWNSHIP OF MANCHESTER
WATER UTILITY EASTERN SERVICE

WATER OPERATING EASTERN SERVICE
INTERFUNDS PAYABLE

D-14

	<u>Ref.</u>	<u>Due to Sewer Operating Eastern Service</u>
Balance December 31, 2014	D	\$ 606.75
Decreased by:		
Cash Disbursed	D-5	<u>606.75</u>
		<u>\$ -</u>

TOWNSHIP OF MANCHESTER
WATER UTILITY EASTERN SERVICE

ACCRUED INTEREST ON BONDS

D-15

	<u>Ref.</u>	
Balance December 31, 2014	D	\$ 9,804.69
Increased by:		
CY 2015 Budget Appropriation	D-4	<u>35,000.00</u>
		44,804.69
Decreased by:		
Cash Disbursed	D-5	<u>39,218.75</u>
Balance December 31, 2015	D	<u>\$ 5,585.94</u>

RESERVE FOR ESCROW DEPOSITS

D-16

	<u>Ref.</u>	
Balance December 31, 2014	D	\$ 321,162.18
Increased by:		
Cash Receipts	D-5	<u>38,503.77</u>
		359,665.95
Decreased by:		
Cash Disbursed	D-5	<u>53,398.58</u>
Balance December 31, 2015	D	<u>\$ 306,267.37</u>

TOWNSHIP OF MANCHESTER
WATER UTILITY EASTERN SERVICE

CAPITAL IMPROVEMENT FUND

D-17

	<u>Ref.</u>	
Balance December 31, 2014	D	\$ 2,017,889.94
Decreased by:		
Appropriated to Finance Improvement Authorizations	D-19	<u>615,500.00</u>
Balance December 31, 2015	D	<u>\$ 1,402,389.94</u>

RESERVE FOR AMORTIZATION

D-18

	<u>Ref.</u>	
Balance December 31, 2014	D	\$ 8,055,760.00
Increased by:		
Payment of Serial Bonds	D-21	<u>470,000.00</u>
Balance December 31, 2015	D	<u>\$ 8,525,760.00</u>

DEFERRED RESERVE FOR AMORTIZATION

D-19

	<u>Ref.</u>	
Balance December 31, 2014	D	\$ 1,161,923.18
Increased by:		
2015 Authorizations	D-17	<u>615,500.00</u>
Balance December 31, 2015	D	<u>\$ 1,777,423.18</u>

TOWNSHIP OF MANCHESTER
WATER UTILITY EASTERN SERVICE

IMPROVEMENT AUTHORIZATIONS

D-20

	<u>Balance</u> <u>Dec. 31, 2014</u> <u>Funded</u>	<u>2015</u> <u>Authorizations</u>	<u>Balance</u> <u>Dec. 31, 2015</u> <u>Funded</u>
Ordinance #02-036: Redevelopment of Wells	\$ 3,079.45	\$	\$ 3,079.45
Ordinance #08-026: Various Capital Improvements	201,026.00		201,026.00
Ordinance #15-021: Acquisition of a Tractor and Generator		95,500.00	95,500.00
Ordinance #15-024: Upgrade Wells #10/11		<u>520,000.00</u>	<u>520,000.00</u>
	<u>\$ 204,105.45</u>	<u>\$ 615,500.00</u>	<u>\$ 819,605.45</u>
<u>Reference</u>	<u>D</u>	<u>D-12</u>	<u>D</u>

TOWNSHIP OF MANCHESTER
WATER UTILITY EASTERN SERVICE

D-21

SERIAL BONDS

		<u>Maturities of Bonds</u>					
		<u>Outstanding</u>					
<u>Date of Issue</u>	<u>Original Issue</u>	<u>Date</u>	<u>Dec. 31, 2015</u>	<u>Interest Rate</u>	<u>Balance Dec. 31, 2014</u>	<u>Bonds Redeemed</u>	<u>Balance Dec. 31, 2015</u>
2-01-03	\$ 5,565,000.00	10-01-16	\$ 495,000.00	4.125 %	\$ 965,000.00	\$ 470,000.00	\$ 495,000.00
		<u>Reference</u>	D	D	D	D-18	D

TOWNSHIP OF MANCHESTER
PUBLIC ASSISTANCE TRUST FUND

CASH RECEIPTS AND DISBURSEMENTS
PUBLIC ASSISTANCE ACCOUNTS

E-1

	<u>Ref.</u>	<u>Trust Fund Account #1</u>	<u>Discretionary Fund</u>
Balance December 31, 2014	E	\$2,644.16	\$ 138.13
Increased by Receipts:			
Interest on Deposits	E-2	5.31	
Private Donations	E-3	<u>1,200.00</u>	<u>1,200.00</u>
		<u>2,649.47</u>	<u>1,338.13</u>
Decreased by Disbursements:			
Non-State Matching Expenditures	E-3	<u>1,160.00</u>	<u>1,160.00</u>
Balance December 31, 2015	E	<u><u>\$2,649.47</u></u>	<u><u>\$ 178.13</u></u>

TOWNSHIP OF MANCHESTER
PUBLIC ASSISTANCE TRUST FUND

RESERVE FOR PUBLIC ASSISTANCE EXPENDITURES

E-2

	<u>Ref.</u>	
Balance December 31, 2014	E	\$2,644.16
Increased by:		
Interest on Deposits	E-1	<u>5.31</u>
Balance December 31, 2015	E	<u>\$2,649.47</u>

RESERVE FOR DISCRETIONARY TRUST EXPENDITURES

E-3

	<u>Ref.</u>	
Balance December 31, 2014	E	\$ 138.13
Increased by:		
Private Donations	E-1	<u>1,200.00</u> 1,338.13
Decreased by:		
Non-State Matching Expenditures	E-1	<u>1,160.00</u>
Balance December 31, 2015	E	<u>\$ 178.13</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 December 31, 2014	F	\$ 3,231,722.95	\$ 197,237.45	\$ 2,657,528.30
Increased by Receipts:				
Miscellaneous Revenue	F-3	\$ 47,661.01		
Investment Matured	F-6		\$ 165,000.00	
Interfunds Receivable	F-8	1,682.95		
Consumer Accounts Receivable	F-9	3,517,078.85		
Connection Fees Receivable	F-10	97,380.00		
Escrow Deposits	F-15		52,672.40	
Interest on Deposits	F-18		644.49	
		<u>3,663,802.81</u>	<u>249,909.85</u>	<u>165,644.49</u>
		6,895,525.76		2,823,172.79
Decreased by Disbursements:				
Prior Year Refunds	F-1	1,008.51		
Budget Appropriations	F-4	3,424,513.71		
Appropriation Reserves	F-13	34,535.23		
Reserve for Escrow Deposits	F-15		73,908.76	
Accrued Interest on Bonds	F-17	43,481.25		
Interfunds Payable	F-18		1,076.20	
		<u>3,503,538.70</u>	<u>1,076.20</u>	<u>1,076.20</u>
Balance December 31, 2015	F	<u>\$ 3,391,987.06</u>	<u>\$ 176,001.09</u>	<u>\$ 2,822,096.59</u>

TOWNSHIP OF MANCHESTER
SEWER UTILITY EASTERN SERVICE

INVESTMENTS

F-6

	<u>Ref.</u>	
Balance December 31, 2014	F	\$ 265,000.00
Decreased by:		
Investment Matured	F-5	<u>165,000.00</u>
Balance December 31, 2015	F	<u><u>\$ 100,000.00</u></u>

TOWNSHIP OF MANCHESTER
SEWER UTILITY EASTERN SERVICE

F-7

ANALYSIS OF SEWER CAPITAL CASH AND INVESTMENTS

	<u>Balance</u> <u>Dec. 31, 2014</u>	<u>Other</u> <u>Receipts</u>	<u>Other</u> <u>Disbursed</u>	<u>Transfers</u>		<u>Balance</u> <u>Dec. 31, 2015</u>
				<u>From</u>	<u>To</u>	
<u>Other Accounts</u>						
Capital Improvement Fund	\$ 2,917,637.10			\$ 100,500.00		\$ 2,817,137.10
Due to Sewer Operating Fund	1,076.20	644.49	1,076.20			644.49
Fund Balance	3,815.00					3,815.00
	<u>100,500.00</u>				<u>100,500.00</u>	
<u>Improvement Authorizations</u>						
Ordinance #15-020:						
Acquisition of a Backhoe	<u>\$ 2,922,528.30</u>	<u>\$ 644.49</u>	<u>\$ 1,076.20</u>	<u>\$ 100,500.00</u>		<u>\$ 2,922,096.59</u>
		<u>F-5</u>	<u>F-5</u>	<u>Contra</u>	<u>Contra</u>	<u>F. Below</u>
					<u>Ref.</u>	
		Checking			F-5	\$2,822,096.59
		Investments			F-6	<u>100,000.00</u>
					Above	<u>\$2,922,096.59</u>

TOWNSHIP OF MANCHESTER
SEWER UTILITY EASTERN SERVICE

SEWER OPERATING EASTERN SERVICE
INTERFUNDS RECEIVABLE

F-8

	<u>Ref.</u>	
Balance December 31, 2014	F	\$ 1,682.95
Increased by:		
Interest Earned in Sewer Capital Eastern Service Fund	F-3	644.49
		<u>2,327.44</u>
Decreased by:		
Interfund Settlement	F-5	1,682.95
		<u>1,682.95</u>
Balance December 31, 2015	F, Below	<u>\$ 644.49</u>
<u>Analysis of Balance</u>		
Due from Sewer Capital Eastern Service	Above	<u>\$ 644.49</u>

CONSUMER ACCOUNTS RECEIVABLE

F-9

	<u>Ref.</u>	
Balance December 31, 2014	F	\$ 69,425.61
Increased by:		
Sewer Rents Levied - Net	Reserve	3,539,504.65
		<u>3,608,930.26</u>
Decreased by:		
Cash Receipts	F-3,5	3,517,078.85
		<u>3,517,078.85</u>
Balance December 31, 2015	F	<u>\$ 91,851.41</u>

TOWNSHIP OF MANCHESTER
SEWER UTILITY EASTERN SERVICE

CONNECTION FEES RECEIVABLE

F-10

	<u>Ref.</u>	
Balance December 31, 2014	F	\$ 1,435.00
Increased by:		
Connection Billings	Reserve	<u>95,945.00</u>
		97,380.00
Decreased by:		
Cash Receipts	F-3,5	<u>97,380.00</u>
		<u>\$ -</u>

RESERVE FOR INVENTORY

F-11

	<u>Ref.</u>	
Balance December 31, 2014	F	\$ 50,664.22
Increased by:		
Adjustments to Inventory Records	Reserve	<u>25,405.66</u>
Balance December 31, 2015	F	<u>\$ 76,069.88</u>

TOWNSHIP OF MANCHESTER
SEWER UTILITY EASTERN SERVICE

FIXED CAPITAL

F-12

	<u>Ref.</u>	
Balance December 31, 2014	F	<u>\$ 11,794,342.18</u>
Balance December 31, 2015	F	<u><u>\$ 11,794,342.18</u></u>

FIXED CAPITAL AUTHORIZED AND UNCOMPLETED

F-13

	<u>Ordinance Number</u>	<u>Increase</u>	<u>Balance Dec. 31, 2015</u>
<u>General Improvement</u>			
Acquisition of a Backhoe	15-020	<u>\$ 100,500.00</u>	<u>\$ 100,500.00</u>
	<u>Reference</u>	<u>F-22</u>	E

TOWNSHIP OF MANCHESTER
SEWER UTILITY EASTERN SERVICE

F-14

APPROPRIATION RESERVES

<u>Appropriation</u>	<u>Balance</u> <u>Dec. 31, 2014</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	\$ 18,462.19	\$ 61,097.87	\$ 34,535.23	\$ 61,097.87
Other Expenses		102,855.56		86,782.52
<u>Statutory Expenditures</u>				
Contribution to:				
Social Security System (OASI)		21,103.06		21,103.06
	<u>\$ 18,462.19</u>	<u>\$ 185,056.49</u>	<u>\$ 34,535.23</u>	<u>\$ 168,983.45</u>
<u>Reference</u>	<u>F</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 December 31, 2014	F	\$ 197,237.45
Increased by:		
Escrow Deposits	F-5	52,672.40
		<u>249,909.85</u>
Decreased by:		
Cash Disbursed	F-5	73,908.76
		<u>73,908.76</u>
Balance December 31, 2015	F	<u>\$ 176,001.09</u>

ACCOUNTS PAYABLE

F-16

	<u>Ref.</u>	
Balance December 31, 2014	F	\$ 50,000.00
Decreased by:		
Cancelled	F-1	50,000.00
		<u>50,000.00</u>
		<u>\$ -</u>

TOWNSHIP OF MANCHESTER
SEWER UTILITY EASTERN SERVICE

ACCRUED INTEREST ON BONDS

F-17

	<u>Ref.</u>		
Balance December 31, 2014	F		\$ 12,182.81
Increased by:			
Budget Appropriation	F-4		<u>48,000.00</u>
			60,182.81
Decreased by:			
Cancelled	F-1	\$ 10,232.61	
Cash Disbursed	F-5	<u>43,481.25</u>	
			<u>53,713.86</u>
Balance December 31, 2015	F		<u><u>\$ 6,468.95</u></u>

TOWNSHIP OF MANCHESTER
SEWER UTILITY EASTERN SERVICE

SEWER CAPITAL EASTERN SERVICE
INTERFUNDS PAYABLE

F-18

	<u>Ref.</u>	<u>Sewer Operating Eastern Service</u>
Balance December 31, 2014	F	\$ 1,076.20
Increased by:		
Interest Earned	F-5	644.49
		<u>1,720.69</u>
Decreased by:		
Cash Disbursed	F-5	1,076.20
		<u>1,076.20</u>
Balance December 31, 2015	F	<u>\$ 644.49</u>

CAPITAL IMPROVEMENT FUND

F-19

	<u>Ref.</u>	
Balance December 31, 2014	F	\$ 2,917,637.10
Decreased by:		
Appropriated to Finance Improvement Authorizations	F-20	100,500.00
		<u>100,500.00</u>
Balance December 31, 2015	F	<u>\$ 2,817,137.10</u>

TOWNSHIP OF MANCHESTER
SEWER UTILITY EASTERN SERVICE

IMPROVEMENT AUTHORIZATIONS

F-20

Balance
Dec. 31, 2015
Funded

2015
Authorizations

Ordinance #15-020:
Acquisition of a Backhoe

\$ 100,500.00

\$ 100,500.00

Reference

F-19

E

TOWNSHIP OF MANCHESTER
SEWER UTILITY EASTERN SERVICE

RESERVE FOR AMORTIZATION

F-21

	<u>Ref.</u>	
Balance December 31, 2014	F	\$ 10,724,342.18
Increased by:		
Payment of Serial Bonds	F-23	<u>525,000.00</u>
Balance December 31, 2015	F	<u>\$ 11,249,342.18</u>

DEFERRED RESERVE FOR AMORTIZATION

F-22

<u>General Improvements</u>	<u>Ordinance Number</u>	<u>Increase</u>	<u>Balance Dec. 31, 2015</u>
Acquisition of a Back Hoe	15-020	<u>\$100,500.00</u>	<u>\$ 100,500.00</u>
	<u>Reference</u>	<u>F-13</u>	<u>E</u>

TOWNSHIP OF MANCHESTER
SEWER UTILITY EASTERN SERVICE

F-23

SERIAL BONDS

<u>Date of Issue</u>	<u>Original Issue</u>	<u>Maturities of Bonds Outstanding</u> <u>Dec. 31, 2015</u>	<u>Interest Rate</u>	<u>Balance Dec. 31, 2014</u>	<u>Bonds Redeemed</u>	<u>Balance Dec. 31, 2015</u>
<u>Date</u>	<u>Amount</u>	<u>Amount</u>	<u>%</u>	<u>\$</u>	<u>\$</u>	<u>\$</u>
General Refunding Bonds	2-01-03	10-01-16	4.125	\$ 1,070,000.00	\$ 525,000.00	\$ 545,000.00
	\$ 6,190,000.00	\$ 545,000.00	Reference	F	F-21	F

TOWNSHIP OF MANCHESTER
PAYROLL FUND

CASH RECEIPTS AND DISBURSEMENTS

G-1

	<u>Ref.</u>		
Balance December 31, 2014	G		\$ 10,969.04
Increased by:			
Payrolls	G-2	\$15,266,006.28	
Other Receipts - Township's Share of FICA/Annual Pension Contribution	G-2	<u>3,384,731.56</u>	
			<u>18,650,737.84</u>
			18,661,706.88
Decreased by:			
Payroll Disbursements	G-2		<u>18,540,756.62</u>
Balance December 31, 2015	G		<u>\$ 120,950.26</u>

TOWNSHIP OF MANCHESTER
PAYROLL FUND

G-2

PAYROLL DEDUCTIONS PAYABLE
YEAR 2015

	<u>Balance</u> <u>Dec. 31, 2014</u>	<u>Receipts</u>	<u>Other</u> <u>Receipts</u>	<u>Disbursements</u>	<u>Balance</u> <u>Dec. 31, 2015</u>
DCRP	\$	7,875.84	\$	7,875.82	\$ 0.02
Net Salaries and Wages		9,405,882.78		9,405,882.78	
Federal/State Income Taxes		3,497,372.31	1,071,663.56	4,568,179.13	856.74
PFRS	162.52	842,973.10	1,625,076.00	2,397,801.14	70,410.48
PERS	11,005.74	568,680.37	687,992.00	1,220,683.97	46,994.14
Unemployment Insurance Fund	(97.79)	32,845.67		30,041.48	2,706.40
VALIC		85,122.00		85,122.00	
Mass Mutual		30,825.76		30,825.76	
OPEIU	0.20	51,533.20		51,551.40	(18.00)
Probation		99,452.00		99,452.00	
PBA Dues		32,000.00		32,000.00	
Medical	(102.21)	493,005.47		492,903.26	
Garnish		16,051.36		16,051.36	
AFLAC - GA		64,774.98		64,774.98	
AFLAC - NY		11,598.02		11,598.02	
Wage Works		8,102.50		8,102.50	
Boston Mutual		1,022.84		1,022.84	
PFIA	0.58	11,188.08		11,188.18	0.48
Car Allowance		5,700.00		5,700.00	
	<u>\$10,969.04</u>	<u>\$15,266,006.28</u>	<u>\$3,384,731.56</u>	<u>\$18,540,756.62</u>	<u>\$120,950.26</u>

Reference G

G-1

G-1

G

TOWNSHIP OF MANCHESTER
WATER UTILITY WESTERN SERVICE

CASH RECEIPTS AND DISBURSEMENTS - CHECKING ACCOUNTS

H-4

	<u>Ref.</u>	<u>Operating Fund</u>	<u>Capital Fund</u>
Balance December 31, 2014	H	\$2,142,312.95	\$615,089.34
Increased by Receipts:			
Miscellaneous Revenue Not Anticipated	H-2	\$ 24,349.68	
Interfunds Receivable	H-7	7,406.78	
Consumer Accounts Receivable	H-8	<u>2,153,436.35</u>	
		2,185,192.81	<u>615,089.34</u>
		<u>4,327,505.76</u>	
Decreased by Disbursements:			
Budget Appropriations	H-3	1,293,738.52	
Appropriation Reserves	H-12	70,529.10	
Interfunds Payable	H-13	4,862.88	
Accrued Interest on Bonds	H-14	626,437.50	
Interfunds Payable	H-15		793.11
Improvement Authorizations	H-16		<u>18,038.96</u>
		<u>1,995,568.00</u>	<u>18,832.07</u>
Balance December 31, 2015	H	<u>\$2,331,937.76</u>	<u>\$596,257.27</u>

TOWNSHIP OF MANCHESTER
WATER UTILITY WESTERN SERVICE

ANALYSIS OF WATER CAPITAL WESTERN SERVICE
CASH AND INVESTMENTS

H-5

	<u>Balance</u> <u>Dec. 31, 2014</u>	<u>Disbursements</u>	<u>Balance</u> <u>Dec. 31, 2015</u>
<u>Other Accounts</u>			
Due to Water Operating Western Service	\$ 793.11	\$ 793.11	\$
<u>Improvement Authorizations</u>			
Acquisition of Crestwood Water Company	<u>614,296.23</u>	<u>18,038.96</u>	<u>596,257.27</u>
	<u>\$ 615,089.34</u>	<u>\$18,832.07</u>	<u>\$ 596,257.27</u>
<u>Reference</u>	<u>H</u>	<u>H-4</u>	<u>H</u>

TOWNSHIP OF MANCHESTER
WATER UTILITY WESTERN SERVICE

CHANGE FUND

H-6

	<u>Ref.</u>		
Balance December 31, 2014	H		<u>\$ 60.00</u>
Balance December 31, 2015	H		<u>\$ 60.00</u>

WATER OPERATING FUND
INTERFUNDS RECEIVABLE

H-7

	<u>Ref.</u>	<u>Total</u>	<u>Due from Current Fund</u>	<u>Due from Water Capital Western</u>
Balance December 31, 2014	H	\$7,406.78	\$6,613.67	\$ 793.11
Decreased by: Cash Receipts	H-4	<u>7,406.78</u>	<u>6,613.67</u>	<u>793.11</u>
		<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

TOWNSHIP OF MANCHESTER
WATER UTILITY WESTERN SERVICE

CONSUMER ACCOUNTS RECEIVABLE

H-8

	<u>Ref.</u>	
Balance December 31, 2014	H	\$ 108,013.98
Increased by:		
Water Rents Levied - Net	Reserve	<u>2,165,123.68</u> 2,273,137.66
Decreased by:		
Collections	H-2,4	<u>2,153,436.35</u>
Balance December 31, 2015	H	<u>\$ 119,701.31</u>

WATER LIENS

H-9

	<u>Ref.</u>	
Balance December 31, 2014	H	<u>\$ 128.77</u>
Balance December 31, 2015	H	<u>\$ 128.77</u>

TOWNSHIP OF MANCHESTER
WATER UTILITY WESTERN SERVICE

FIXED CAPITAL

H-10

	<u>Ref.</u>	
Balance December 31, 2014	H	\$ 14,940,703.77
Increased by:		
Transferred from Fixed Capital Authorized and Uncompleted	H-11	<u>18,038.96</u>
Balance December 31, 2015	H	<u><u>\$ 14,958,742.73</u></u>

FIXED CAPITAL AUTHORIZED AND UNCOMPLETED

H-11

	<u>Ref.</u>	
Balance December 31, 2014	H	\$ 614,296.23
Decreased by:		
Transferred to Fixed Capital	H-10	<u>18,038.96</u>
Balance December 31, 2015	H	<u><u>\$ 596,257.27</u></u>

TOWNSHIP OF MANCHESTER
WATER UTILITY WESTERN SERVICE

APPROPRIATION RESERVES

H-12

	<u>Encumbered</u>	Balance Dec. 31, 2014	<u>Unencumbered</u>	Balance After <u>Transfers</u>	Paid or <u>Charged</u>	Balance <u>Lapsed</u>
<u>Appropriations</u>						
<u>Operating</u>						
Salaries and Wages	\$	38,560.25	\$ 39,579.23	\$ 39,579.23	\$	\$ 39,579.23
Other Expenses			342,504.04	381,064.29	70,529.10	310,535.19
			<u>7,903.38</u>	<u>7,903.38</u>		<u>7,903.38</u>
<u>Statutory Expenditures</u>						
Contribution to:						
Social Security System			\$ 389,986.65	\$ 428,546.90	\$ 70,529.10	\$ 358,017.80
			<u>\$ 38,560.25</u>	<u>\$ 428,546.90</u>	<u>\$ 70,529.10</u>	<u>\$ 358,017.80</u>

Reference

H

H

H-4

H-1

TOWNSHIP OF MANCHESTER
WATER UTILITY WESTERN SERVICE

WATER OPERATING FUND
INTERFUNDS PAYABLE

H-13

Due to
Sewer Operating
Western Service

Ref.

Balance December 31, 2014

H

\$4,862.88

Decreased by:

Cash Disbursed

H-4

4,862.88

\$ -

TOWNSHIP OF MANCHESTER
WATER UTILITY WESTERN SERVICE

ACCRUED INTEREST ON BONDS

H-14

	<u>Ref.</u>	
Balance December 31, 2014	H	\$ 254,864.50
Increased by:		
CY 2015 Budget Appropriation	H-3	630,000.00
		884,864.50
Decreased by:		
Cash Disbursed	H-4	626,437.50
Balance December 31, 2015	H	\$ 258,427.00

WATER CAPITAL FUND
INTERFUNDS PAYABLE

H-15

	<u>Ref.</u>	<u>Water</u> <u>Operating</u> <u>Western Service</u>
Balance December 31, 2014	H	\$ 793.11
Decreased by:		
Cash Disbursed	H-4	793.11
		\$ -

TOWNSHIP OF MANCHESTER
WATER UTILITY WESTERN SERVICE

IMPROVEMENT AUTHORIZATIONS

H-16

	<u>Ordinance Number</u>	<u>Balance Dec. 31, 2014 Funded</u>	<u>Expended</u>	<u>Balance Dec. 31, 2015 Funded</u>
Acquisition of Crestwood Water Company	09-026	<u>\$ 614,296.23</u>	<u>\$ 18,038.96</u>	<u>\$ 596,257.27</u>
	<u>Reference</u>	<u>H</u>	<u>H-4</u>	<u>H</u>

RESERVE FOR AMORTIZATION

H-17

	<u>Ref.</u>	
Balance December 31, 2014	H	\$ 401,000.00
Increased by: Serial Bonds Paid	H-18	<u>249,000.00</u>
Balance December 31, 2015	H	<u>\$ 650,000.00</u>

TOWNSHIP OF MANCHESTER
 WATER UTILITY WESTERN SERVICE

SERIAL BONDS

H-18

Date of Issue	Original Issue	Maturities of Bonds Outstanding		Interest Rate	Balance Dec. 31, 2014	Decrease	Balance Dec. 31, 2015
		Date	Amount				
9-30-2010	\$ 15,555,000.00	8-01-2016	\$ 263,000.00	4.000 %			
		8-01-2017	265,000.00	4.000			
		8-01-2018	266,000.00	4.000			
		8-01-2019	274,000.00	4.000			
		8-01-2020	276,000.00	4.000			
		8-01-2021	285,000.00	4.000			
		8-01-2022	294,000.00	4.000			
		8-01-2023	297,000.00	4.000			
		8-01-2024	297,000.00	4.000			
		8-01-2025	304,000.00	4.000			
		8-01-2026	309,000.00	4.000			
		8-01-2027	309,000.00	4.000			
		8-01-2028	315,000.00	4.000			
		8-01-2029	318,000.00	4.000			
		8-01-2030	321,000.00	4.000			
		8-01-2031	324,000.00	4.000			
		8-01-2032	324,000.00	4.000			
		8-01-2033	891,000.00	4.000			
		8-01-2034	936,000.00	4.125			
		8-01-2035	985,000.00	4.150			
		8-01-2036	1,035,000.00	4.250			
		8-01-2037	1,088,000.00	4.250			
		8-01-2038	1,144,000.00	4.250			
		8-01-2039	1,203,000.00	4.250			
		8-01-2040	1,264,000.00	4.250			
		8-01-2041	1,318,000.00	4.250			
					\$ 15,154,000.00	\$ 249,000.00	\$ 14,905,000.00

Reference

H

H-17

H

TOWNSHIP OF MANCHESTER
SEWER UTILITY WESTERN SERVICE

CASH RECEIPTS AND DISBURSEMENTS

I-4

	<u>Ref.</u>	<u>Operating Fund</u>		<u>Capital Fund</u>
Balance December 31, 2014	I	\$ 922,654.03		\$127,908.59
Increased by Receipts:				
Miscellaneous Revenue	I-2	\$ 55,413.99	\$	
Consumer Accounts Receivable	I-6	2,230,554.85		
Interfunds Receivable	I-8	<u>5,045.86</u>		
		<u>2,291,014.70</u>		
		3,213,668.73		<u>127,908.59</u>
Decreased by Disbursements:				
Budget Appropriations	I-3	2,084,616.43		
Appropriation Reserves	I-11	38,860.67		
Accrued Interest on Bonds	I-12	201,000.00		
Interfunds Payable	I-13		182.98	
Improvement Authorizations	I-14		<u>35,421.00</u>	
		<u>2,324,477.10</u>		<u>35,603.98</u>
Balance December 31, 2015	I	<u>\$ 889,191.63</u>		<u>\$ 92,304.61</u>

TOWNSHIP OF MANCHESTER
SEWER UTILITY WESTERN SERVICE

ANALYSIS OF SEWER CAPITAL WESTERN SERVICE
CASH AND INVESTMENTS

I-5

	<u>Balance</u> <u>Dec. 31, 2014</u>	<u>Cash</u> <u>Disbursements</u>	<u>Balance</u> <u>Dec. 31, 2015</u>
<u>Other Accounts</u>			
Due to Sewer Operating Western Service	\$ 182.98	\$ 182.98	\$
<u>Improvement Authorizations</u>			
Acquisition of Crestwood Water Company - Ordinance #09-027	<u>127,725.61</u>	<u>35,421.000</u>	<u>92,304.61</u>
	<u>\$127,908.59</u>	<u>\$ 35,603.98</u>	<u>\$ 92,304.61</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 December 31, 2014	I	\$ 126,344.62
Increased by:		
Sewer Rents Levied - Net	Reserve	<u>2,230,201.68</u> 2,356,546.30
Decreased by:		
Collections	I-2,4	<u>2,230,554.85</u>
Balance December 31, 2015	I	<u><u>\$ 125,991.45</u></u>

UTILITY WESTERN LIENS

I-7

	<u>Ref.</u>	
Balance December 31, 2014	I	<u>\$ 364.81</u>
Balance December 31, 2015	I	<u><u>\$ 364.81</u></u>

TOWNSHIP OF MANCHESTER
SEWER UTILITY WESTERN SERVICE

SEWER OPERATING FUND
INTERFUNDS RECEIVABLE

I-8

	<u>Ref.</u>	<u>Total</u>	<u>Due from Water Operating Western Service</u>	<u>Due from Sewer Capital Western Service</u>
Balance December 31, 2014	I	\$ 5,045.86	\$ 4,862.88	\$ 182.98
Decreased by:				
Cash Receipts	I-4	<u>5,045.86</u>	<u>4,862.88</u>	<u>182.98</u>
		<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

TOWNSHIP OF MANCHESTER
SEWER UTILITY WESTERN SERVICE

FIXED CAPITAL

I-9

	<u>Ref.</u>	
Balance December 31, 2014	I	\$ 5,057,274.39
Increased by:		
Transfer from Fixed Capital Authorized and Uncompleted	I-10	<u>35,421.00</u>
Balance December 31, 2015	I	<u><u>\$ 5,092,695.39</u></u>

FIXED CAPITAL AUTHORIZED AND UNCOMPLETED

I-10

	<u>Ref.</u>	
Balance December 31, 2014	I	\$ 127,725.61
Decreased by:		
Transfer to Fixed Capital	I-9	<u>35,421.00</u>
Balance December 31, 2015	I	<u><u>\$ 92,304.61</u></u>

TOWNSHIP OF MANCHESTER
SEWER UTILITY WESTERN SERVICE

ACCRUED INTEREST ON BONDS

I-12

	<u>Ref.</u>	
Balance December 31, 2014	I	\$ 88,765.00
Increased by:		
Budget Appropriation	I-3	198,045.00
		<u>286,810.00</u>
Decreased by:		
Cash Disbursed	I-4	201,000.00
		<u>201,000.00</u>
Balance December 31, 2015	I	<u>\$ 85,810.00</u>

SEWER CAPITAL FUND
INTERFUNDS PAYABLE

I-13

	<u>Ref.</u>	<u>Sewer Operating Western Service</u>
Balance December 31, 2014	I	\$ 182.98
Decreased by:		
Cash Disbursed	I-4	182.98
		<u>182.98</u>
		<u>\$ -</u>

TOWNSHIP OF MANCHESTER
SEWER UTILITY WESTERN SERVICE

IMPROVEMENT AUTHORIZATIONS

I-14

	<u>Ordinance Number</u>	<u>Balance Dec. 31, 2014 Unfunded</u>	<u>Expended</u>	<u>Balance Dec. 31, 2015 Funded</u>
Acquisition of Crestwood Sewer Company	09-027	<u>\$ 127,725.61</u>	<u>\$ 35,421.00</u>	<u>\$ 92,304.61</u>
	<u>Reference</u>	I	I-4	I

RESERVE FOR AMORTIZATION

I-15

	<u>Ref.</u>	
Balance December 31, 2014	I	\$ 160,000.00
Increased by: Serial Bonds Paid	I-16	<u>114,000.00</u>
Balance December 31, 2015	I	<u>\$ 274,000.00</u>

TOWNSHIP OF MANCHESTER
SEWER UTILITY WESTERN SERVICE

SERIAL BONDS

I-16

Date of Issue	Original Issue	Maturities of Bonds Outstanding Dec. 31, 2015	Interest Rate	Balance Dec. 31, 2014	Decrease	Balance Dec. 31, 2015
<u>Date</u>	<u>Amount</u>	<u>Rate</u>	<u>Dec. 31, 2014</u>	<u>Dec. 31, 2015</u>	<u>Dec. 31, 2015</u>	
Sewer Utility Bonds, Series 2010B	9-30-2010	\$ 5,185,000.00	4.00 %			
		8-01-2016	4.00			
		8-01-2017	4.00			
		8-01-2018	4.00			
		8-01-2019	4.00			
		8-01-2020	4.00			
		8-01-2021	4.00			
		8-01-2022	4.00			
		8-01-2023	4.00			
		8-01-2024	4.00			
		8-01-2025	4.00			
		8-01-2026	4.00			
		8-01-2027	4.00			
		8-01-2028	4.00			
		8-01-2029	4.00			
		8-01-2030	4.00			
		8-01-2031	4.00			
		8-01-2032	4.00			
				<u>\$ 5,025,000.00</u>	<u>\$ 114,000.00</u>	<u>\$ 4,911,000.00</u>

I I I-15 I

PART II
REPORT ON INTERNAL CONTROL
ROSTER OF OFFICIALS
LETTER OF TRANSMITTAL, COMMENTS AND RECOMMENDATIONS
(MANAGEMENT LETTER)
YEAR ENDED DECEMBER 31, 2015

SAMUEL KLEIN AND COMPANY

CERTIFIED PUBLIC ACCOUNTANTS

550 BROAD STREET, 11TH FLOOR
NEWARK, N.J. 07102-9969
PHONE (973) 624-6100
FAX (973) 624-6101

36 WEST MAIN STREET, SUITE 303
FREEHOLD, N.J. 07728-2291
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REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING AND ON COMPLIANCE AND OTHER MATTERS BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE WITH GOVERNMENT AUDITING STANDARDS

INDEPENDENT AUDITOR'S REPORT

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

We have audited the financial statements - regulatory basis of the various funds of the Township of Manchester, County of Ocean, as of and for the years ended December 31, 2015 and 2014, and the related notes to the financial statements - regulatory basis and have issued our report thereon dated September 2, 2016. These financial statements - regulatory basis have been prepared in conformity with accounting principles prescribed by the Division of Local Government Services, Department of Community Affairs, State of New Jersey, which is a basis of accounting other than accounting principles generally accepted in the United States of America. We conducted our audit in accordance with auditing standards generally accepted in the United States of America, audit requirements prescribed by the Division of Local Government Services, Department of Community Affairs, State of New Jersey, and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States.

Internal Control Over Financial Reporting

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

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

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

Compliance and Other Matters

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

Purpose of this Report

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


SAMUEL KLEIN AND COMPANY
CERTIFIED PUBLIC ACCOUNTANTS


JOSEPH J. FACCONI, RMA, PA

Newark, New Jersey
September 2, 2016

OFFICIALS IN OFFICE AND SURETY BONDS

The following officials were in office during the year 2015:

<u>Name</u>	<u>Title</u>	<u>Amount of Bond</u>
Kenneth P. Palmer	Mayor	\$
Brendan Weiner	Council President	
James A. Vaccaro, Sr.	Council Vice President	
Craig Wallis	Council Member	
Samuel Fusaro	Council Member	
Charles L. Frattini, Sr.	Council Member	
Brian J. Klimakowski	Acting Business Administrator from January 2015 to February 2015	
Donna Markulic	Business Administrator from March 9, 2015	
Sabina T. Skibo	Township Clerk Registrar	
Diane Lapp	Chief Financial Officer/Director of Finance	
Albert Yodakis	Engineer, Director of Public Works	
Donald Somerset	Director of Utilities	
Andrea Gaskill	Tax Collector/Utility Collector	1,000,000.00
Cindy Walulak	Deputy Tax Collector	
Nancy Ciccone	Tax Search Officer	
Martin W. Lynch	Tax Assessor	
Raymond Hall	Deputy Tax Assessor	
Angela Koutsouris	Township Attorney	
Charles F. Starkey	Utilities Attorney	
Daniel J. Sahin	Magistrate	
Tracy Barcus	Court Administrator	
Catherine Smith	Deputy Court Administrator	
Michael Martin	Construction Code Official	

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

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

Gentlemen:

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

TOWNSHIP OF MANCHESTER COUNTY OF OCEAN

for the year ended December 31, 2015 and December 31, 2014 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 2015 was the sum of \$36,000.00, effective July 1, 2015 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:

Emergency Generator
Wilbur Avenue Reconstruction
East Service Area Well Upgrade
Broadway Boulevard Reconstruction - Phase II

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

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

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

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

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

Collection of Interest on Delinquent Taxes and Utility Charges

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

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

“RESOLVED, that the interest rate on delinquent taxes be fixed at 8% per annum on the first \$1,500.00 of the delinquency and 18% per annum on any amount in excess of \$1,500.00 becoming delinquent after due date and if a delinquency is in excess of \$10,000.00 and remains in arrears beyond December 31, an additional penalty of 6% shall be charged against the delinquency.”

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

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

Delinquent Taxes and Tax Title Liens

Tax and lien records are maintained on a computer system.

Delinquent taxes at December 31, 2015, in the sum of \$1,032,702.70, represent taxes levied in the calendar year 2015 and prior. A tax sale was held on October 13, 2015 and was complete.

The following comparison is made of the number of Tax Title Liens Receivable on December 31st of the last three years:

<u>Year</u>	<u>Number of Liens</u>
2015	163
2014	167
2013	158

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.

Trust Funds

The Township maintains a performance escrow and a utilities escrow account. Amounts are determined by Township officials to be deposited into this escrow as a condition that the project is completed in compliance with all applicable permits and laws. A review of these accounts revealed that there are projects that are several years old, and there has been no activity as the amounts have not changed. A review should be conducted to determine the status of each deposit as to completion of the project and if so, the escrow should be closed out. This was a recommendation in the 2014 Audit Report and during 2015 the Township had been reviewing and researching each deposit and have refunded numerous "closed-out" projects. The Township should continue during 2016 to identify any other deposits that are related to a completed project.

General Capital Fund

The Township has three (3) old improvements in which cash has been expended, but the Township has not provided the cash. The projects were properly authorized, but no funding was ever obtained, thus creating a cash unfunded balance.

It is recommended that the Township include in the next note sale or be raised in subsequent budgets the unfunded cash balances in the General Capital Fund.

Revenue Collections

N.J.S. 40A-5-15 provides that "all moneys, including moneys collected by taxation, received from any source by or on behalf of any local unit or any board or department thereof shall, within 48 hours after receipt thereof, either:

- a. Be paid to the officer charged with the custody of the General Funds of the local unit, who shall deposit all such funds within 48 hours after the receipt thereof to the credit of the local unit in its designated legal depository, or
- b. Be deposited to the credit of the local unit in its designated legal depository."

In tracing recorded receipts for conformity with the provisions of this statute, it was noted that deposits or turnovers of monies were not made within 48 hours after receipt for the following department:

Zoning and Housing

It is recommended that the Zoning and Housing deposit funds within 48 hours of collection in accordance with N.J.S. 40A:5-15.

Payment in Lieu of Taxes (PILOTS)

During 2015, the Township was in receipt of PILOT payments and 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 July 9, 2003 requires that 5% of the payment be remitted to the County. Although the Township complied with the law, the postings in the general ledger did not provide a proper trial. The payment to the county should be posted against the revenue posting and the net amount be shown as revenue. The Township has started this procedure in 2016 and therefore no recommendation is needed.

Recreation Department

There was a shortage of \$140.00 between the amount collected for beach badge sales and what should have been collected based on the number of badges sold.

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

Municipal Court

A statutory report on the operations of the Municipal Court has been prepared and copies filed with the New Jersey Administrative Office of the Courts, the Division of Local Government Services, the Municipal Court and the Township Clerk.

For the audit, the August 2016 Monthly Management Report was examined and the following items were noted:

- A. Tickets Assigned but Not Issued Report indicated that thirty-five (35) tickets were over 181 days old. These tickets should be recalled.
- B. Issued Monthly, but Not Assigned Report indicated that sixty (60) tickets were on this report.

It is noted that management is aware of the ticket issues stated above and have implemented procedures to decrease the amount of tickets that are generated on the Monthly Management Report through monthly meetings.

Police Department

The duplicate cash receipt books from January 2015 to October 2015 were not made available for audit.

It is recommended that all duplicate receipt books be made available for audit.

Manchester/Lakehurst Construction Code Interlocal Agreement

It was noted that the Lakehurst DCA Fee for the months of May and June of 2015, which the Township pays on behalf of Lakehurst through an Interlocal Agreement, in the amount of \$604.00, was not remitted to the State until September of 2016.

It is recommended that the Lakehurst DCA Fees, which the Township pays on behalf of Lakehurst, be remitted to the State in a timely manner.

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 and approved by resolution of the Municipal Council.

A Corrective Action Plan was prepared with regard to the Calendar Year 2014 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.

Miscellaneous

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

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

Individual payments of the Local School District Tax by the municipality were confirmed as received by the Secretary of the Board of Education for the year 2015.

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

General Capital Fund

That the Township include in the next note sale or be raised in subsequent budgets the unfunded cash balances in the General Capital Fund.

Revenue Collections

That the Zoning and Housing deposit funds be deposited within 48 hours of collection in accordance with N.J.S. 40A:5-15.

Recreation Department

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

Police Department

That all duplicate receipt books be made available for audit.

Manchester/Lakehurst Construction Code Interlocal Agreement

That the Lakehurst DCA Fees, which the Township pays on behalf of Lakehurst, be remitted to the State in a timely manner.

* * *

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
September 2, 2016

