

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

**REPORT ON
EXAMINATION OF ACCOUNTS
FOR THE YEAR ENDED DECEMBER 31, 2020**

**SAMUEL KLEIN AND COMPANY, LLP
CERTIFIED PUBLIC ACCOUNTANTS**

TOWNSHIP OF MANCHESTER
COUNTY OF OCEAN, NEW JERSEY

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PART II

**INDEPENDENT AUDITOR'S REPORT ON INTERNAL CONTROL,
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**INDEPENDENT AUDITOR’S REPORT ON INTERNAL CONTROL,
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PART I
REPORT ON EXAMINATION
FINANCIAL STATEMENTS
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AND
SUPPLEMENTARY EXHIBITS
YEAR ENDED DECEMBER 31, 2020

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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, 2020 and 2019 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, 2020 and 2019, 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, 2020 and 2019, 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 19.76% and 21.29% of the assets and liabilities of the Township's Trust Funds as of December 31, 2020 and 2019, respectively.

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 15, 2021 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 solely describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the Township of Manchester's 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, LLP
CERTIFIED PUBLIC ACCOUNTANTS



JOSEPH J. FACCONI, RMA, PA

Newark, New Jersey
September 15, 2021

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, 2020</u>	<u>Balance</u> <u>Dec. 31, 2019</u>
Cash - Treasurer	A-4	\$ 9,411,071.75	\$11,960,020.48
Change Fund	A-6	1,025.00	1,025.00
		<u>9,412,096.75</u>	<u>11,961,045.48</u>
Due from State of New Jersey: (Ch. 129, P.L. 1976)	A-18	<u>155,306.03</u>	<u>14,229.68</u>
Receivables and Other Assets with Full Reserves:			
Taxes Receivable	A-7	1,303,470.97	1,019,366.73
Municipal Liens	A-8	638,034.71	582,476.73
Property Acquired for Taxes at Assessed Valuations	A-9	9,788,802.02	9,788,802.02
Interfunds Receivable	A-10	264,795.99	264,795.99
Revenue Accounts Receivable	A-11	10,485.45	21,589.69
		<u>12,005,589.14</u>	<u>11,677,031.16</u>
Deferred Charges:			
Special Emergency Authorization	A-12	<u>350,000.00</u>	<u>467,500.00</u>
		<u>21,922,991.92</u>	<u>24,119,806.32</u>
<u>Federal and State Grant Fund</u>			
Federal and State Grant Receivables	A-13	719,501.85	483,586.35
Interfunds Receivable	A-14	764,043.39	813,331.37
		<u>1,483,545.24</u>	<u>1,296,917.72</u>
		<u>\$23,406,537.16</u>	<u>\$25,416,724.04</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, 2020</u>	<u>Balance Dec. 31, 2019</u>
Expenditure Accounts:			
Appropriation Reserves:			
Encumbered	A-3,15	\$ 617,292.48	\$ 509,270.43
Unencumbered	A-3,15	1,273,402.74	1,658,430.36
Reserve for Revaluation	A-16	73,699.25	180,414.43
Interfunds Payable	A-17	1,260,145.65	1,193,586.76
DCA Surcharge	A-19	24,312.00	13,053.00
Marriage License Fees	A-19	3,592.00	3,642.00
Tax Overpayments	A-20	24,020.96	82,165.91
Accounts Payable	A-21	6,170.37	6,170.37
County Taxes Payable	A-22	105,621.21	149,345.27
Reserve for Tax Appeals	A-24	237,082.34	237,082.34
Prepaid Taxes	A-25	657,494.39	659,092.29
		<u>4,282,833.39</u>	<u>4,692,253.16</u>
Reserve for Receivables and Other Assets		12,005,589.14	11,677,031.16
Special Emergency Note Payable	A-26	350,000.00	467,500.00
Fund Balance	A-1	5,284,569.39	7,283,022.00
		<u>21,922,991.92</u>	<u>24,119,806.32</u>
<u>Federal and State Grant Fund</u>			
Reserve for Federal and State Grants -			
Appropriated	A-27	1,330,303.04	1,228,610.23
Reserve for Federal and State Aid -			
Unappropriated	A-28	153,242.20	68,307.49
		<u>1,483,545.24</u>	<u>1,296,917.72</u>
		<u>\$23,406,537.16</u>	<u>\$25,416,724.04</u>

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 2020</u>	<u>Year 2019</u>
<u>Revenue and Other Income Realized</u>			
Fund Balance Utilized	A-2	\$ 4,075,000.00	\$ 3,500,000.00
Miscellaneous Revenue Anticipated	A-2	10,426,607.57	11,494,640.26
Receipts from Delinquent Taxes	A-2a	1,204,008.30	1,063,686.59
Receipts from Current Taxes	A-2a	87,581,180.47	85,046,704.65
Nonbudget Revenue	A-2c	542,836.48	904,328.58
Other Credits to Income:			
Unexpended Balances of Appropriation			
Reserves	A-15	1,225,312.83	1,426,887.70
		<u>105,054,945.65</u>	<u>103,436,247.78</u>
<u>Expenditures</u>			
Budget Appropriations:			
Operations		29,270,461.33	28,155,323.95
Capital Improvements		75,000.00	150,000.00
Debt Service		1,981,794.90	1,939,032.53
Deferred Charges and Statutory Expenditures		4,881,406.00	4,788,209.41
	A-3	<u>36,208,662.23</u>	<u>35,032,565.89</u>
Municipal Open Space Taxes	A-2a	419,070.00	332,784.00
Cash Disbursed	A-4	92,611.41	48,159.11
Prior Year Senior Citizens/Veterans Disallowed	A-18	60,750.00	51,500.00
County Taxes Payable	A-22	16,862,210.62	15,959,940.49
Local School District Taxes Payable	A-23	49,335,094.00	48,481,628.00
		<u>102,978,398.26</u>	<u>99,906,577.49</u>
Statutory Excess to Fund Revenue		2,076,547.39	3,529,670.29
<u>Fund Balance</u>			
Balance January 1	A	<u>7,283,022.00</u>	<u>7,253,351.71</u>
		9,359,569.39	10,783,022.00
Decreased by:			
Utilized as Anticipated Revenue	A-2	<u>4,075,000.00</u>	<u>3,500,000.00</u>
Balance December 31	A	<u>\$ 5,284,569.39</u>	<u>\$ 7,283,022.00</u>

See accompanying notes to financial statements.

TOWNSHIP OF MANCHESTER
CURRENT FUND

STATEMENT OF REVENUE - REGULATORY BASIS

A-2

	<u>Ref.</u>	<u>Budget</u>	<u>Realized</u>	<u>Excess or (Deficit)</u>
Surplus Anticipated	A-1	<u>\$ 4,075,000.00</u>	<u>\$ 4,075,000.00</u>	\$
Miscellaneous Revenue:				
Licenses:				
Alcoholic Beverages	A-11	32,500.00	32,500.00	
Other	A-2b	13,000.00	15,070.00	2,070.00
Other Fees and Permits	A-2b	1,200,000.00	864,135.41	(335,864.59)
Municipal Court	A-11	288,000.00	208,848.49	(79,151.51)
Interest and Costs on Taxes	A-5	175,000.00	197,083.75	22,083.75
Interest on Investments	A-11	165,000.00	64,483.51	(100,516.49)
Energy Receipts Tax	A-11	3,058,240.00	3,058,240.00	
Host Community Benefits	A-11	1,253,216.75	1,253,216.75	
Cable TV Franchise Fees	A-11	304,128.90	304,128.90	
Uniform Fire Safety Act	A-11	35,000.00	28,601.97	(6,398.03)
Uniform Construction Fees	A-11	1,000,000.00	864,135.41	(135,864.59)
PILOT - Garden State Trust	A-11	159,227.00	159,227.00	
Clean Communities Grant	A-13	103,562.84	103,562.84	
Senior Outreach Grant - Unappropriated	A-13	12,000.00	12,000.00	
Senior Outreach Grant	A-13	135,100.00	135,100.00	
Municipal Drug Alliance	A-13	16,840.00	16,840.00	
Municipal Drug Alliance - Unappropriated	A-13	2,525.14	2,525.14	
Senior Services CARES Act III-B	A-13	26,268.00	26,268.00	
Senior Services CARES Act III-E	A-13	12,996.00	12,996.00	
COPS in Shops - Unappropriated	A-13	2,640.00	2,640.00	
NJ DOT - Lake Road - Unappropriated	A-13	34,009.85	34,009.85	
NJ DOT - Schoolhouse Road	A-13	430,837.00	430,837.00	
Click It or Ticket It - Unappropriated	A-13	5,500.00	5,500.00	
Distracted Driver Grant - Unappropriated	A-13	5,500.00	5,500.00	
Child Passenger Safety Grant - Unappropriated	A-13	6,132.50	6,132.50	
Open Space Share of Debt	A-11	353,007.00	353,007.00	
Tower Rental	A-11	29,000.00	56,351.80	27,351.80
Senior Citizens' and Veterans' Post Year Statements	A-11	29,000.00	28,953.88	(46.12)
Hotel Tax	A-11	29,000.00	24,796.53	(4,203.47)
Reimbursement for In-Kind Facilities and Security Services	A-11	725,636.00	725,636.00	
EMS Revenues	A-11	1,000,000.00	1,394,279.84	394,279.84
Total Miscellaneous Revenue	A-1	<u>10,642,866.98</u>	<u>10,426,607.57</u>	<u>(216,259.41)</u>
Receipts from Delinquent Taxes	A-2a	<u>850,000.00</u>	<u>1,204,008.30</u>	<u>354,008.30</u>
		11,492,866.98	11,630,615.87	137,748.89
Amount to be Raised by Taxation	A-2a,7	<u>21,902,071.14</u>	<u>22,226,081.74</u>	<u>324,010.60</u>
		33,394,938.12	33,856,697.61	461,759.49
Nonbudget Revenue	A-2c	<u>542,836.48</u>	<u>542,836.48</u>	<u>542,836.48</u>
	A-3	<u>\$37,469,938.12</u>	<u>\$38,474,534.09</u>	<u>\$1,004,595.97</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>			
2020 Collections	A-7	\$85,333,317.62	
Prepaid Applied	A-7	659,092.29	
Due from State of New Jersey:			
(Ch. 129, P.L. 1976)	A-7	<u>1,588,770.56</u>	
	A-1		\$87,581,180.47
Allocated to:			
Municipal Open Space	A-1,7	419,070.00	
County Taxes	A-22	16,862,210.62	
Local School District Tax	A-23	<u>49,335,094.00</u>	
			<u>66,616,374.62</u>
Balance for Support of Municipal Budget Appropriations			20,964,805.85
Plus: Reserve for Uncollected Taxes	A-3		<u>1,261,275.89</u>
Amount for Support of Municipal Budget Appropriations	A-2		<u>\$22,226,081.74</u>
<u>Receipts from Delinquent Taxes</u>			
Delinquent Tax Collections	A-7	\$ 1,188,314.03	
Tax Title Liens	A-8	<u>15,694.27</u>	
	A-1,2		<u>\$ 1,204,008.30</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	\$ 13,390.00	
Health Officer	A-11	<u>1,680.00</u>	
	A-2		<u>\$ 15,070.00</u>
<u>Other Fees and Permits</u>			
Township Clerk	A-11	\$255,260.55	
Tax Collector	A-11	21,571.12	
Land Use	A-11	17,595.00	
Recreation Department	A-11	1,950.01	
Zoning Board	A-11	38,445.00	
Registrar of Vital Statistics	A-11	15,116.00	
Housing	A-11	71,917.48	
Code Enforcement	A-11	178,500.00	
Engineering Department	A-11	50,900.00	
Building Inspector	A-11	95,644.50	
Police Department	A-11	12,165.75	
Beach Badges	A-11	<u>105,070.00</u>	
	A-2		<u>\$864,135.41</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		\$ 1,390.00
GovDeals Auctions/Sales		1,000.00
Administration - Off-Duty Fees		31,787.73
Bank Fees		20.00
Tax Premiums Over 5 Years Old		23,014.66
Insurance Reimbursements		12,695.24
Copies		1,784.05
Manchester Pines PILOT		53,084.40
Senior Outreach Donations		3,705.00
Sale of Scrap Metal		26,443.20
Restitution		1,283.91
Miscellaneous		2,885.57
CBS Outdoor Billboard		6,000.00
HIF Dividend		36,544.00
Recycling Tonnage		2,505.18
Shared Services		40,075.00
Cell Phone Recycling		19.00
Employee T-Shirt Sales		1,790.93
NJ Clean Energy		8,195.00
Vacant Lot Fees		500.00
ARC PILOT		3,043.68
Land Sales		80,580.00
Senior Citizens Pilot		38,413.90
Hep B Reimbursement		1,410.00
Prior Year Voided Checks		220.60
Prior Year Budget Refund		68.08
SERV - PILOT		6,164.37
Springfield Manchester Senior Housing PILOT		16,789.78
Property Change Request		700.00
Beckerville - PILOT		62,175.64
JIF Dividend		74,993.00
	A-4	\$539,281.92
Labor Liens	A-8	<u>3,554.56</u>
Realized Revenue	A-1,2	<u><u>\$542,836.48</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	
	Budget	Modified Budget		Encumbered	Unencumbered
<u>APPROPRIATIONS WITHIN "CAPS"</u>					
<u>OFFICE OF THE MAYOR</u>					
Office of the Mayor:					
Salaries and Wages	\$ 62,500.00	\$ 62,500.00	\$ 62,401.04	\$	\$ 98.96
Other Expenses	4,000.00	4,000.00	435.00	185.00	3,380.00
Environmental Commission:					
Salaries and Wages	1,000.00	1,000.00			1,000.00
Other Expenses	100.00	100.00			100.00
Veterans' Advisory Committee:					
Other Expenses	2,000.00	2,000.00	375.00		1,625.00
Office of the Clerk:					
Salaries and Wages	175,000.00	195,000.00	194,596.68		403.32
Other Expenses	73,000.00	73,000.00	65,674.77	7,249.29	75.94
Municipal Audit:					
Other Expenses	40,000.00	40,000.00	40,000.00		
Zoning Board of Adjustments:					
Other Expenses	20,000.00	5,000.00	699.80	2,422.35	1,877.85
<u>DEPARTMENT OF ADMINISTRATION</u>					
Office of the Tax Assessor:					
Salaries and Wages	380,000.00	370,000.00	368,164.82		1,835.18
Other Expenses	30,000.00	30,000.00	15,029.05	6,684.95	8,286.00
Division of Administration, Purchasing and Personnel:					
Salaries and Wages	253,000.00	285,000.00	280,609.24		4,390.76
Other Expenses	275,000.00	287,000.00	239,342.42	46,628.63	1,028.95
Division of Recreation:					
Salaries and Wages	350,000.00	320,000.00	310,804.74		9,195.26
Other Expenses	125,000.00	85,000.00	56,846.91	3,545.70	24,607.39
Division of Data Processing:					
Salaries and Wages	148,000.00	168,000.00	158,212.46		9,787.54
Other Expenses	62,000.00	62,000.00	44,695.89	8,393.56	8,910.55
Aid to 3 Volunteer Fire Companies:					
Other Expenses	90,000.00	90,000.00	90,000.00		

TOWNSHIP OF MANCHESTER
CURRENT FUND

STATEMENT OF EXPENDITURES - REGULATORY BASIS

A-3
Sheet #2

Appropriations	Appropriations		Paid or Charged	Reserved	
	Budget	Modified Budget		Encumbered	Unencumbered
APPROPRIATIONS WITHIN "CAPS"					
DEPARTMENT OF PUBLIC WORKS					
Division of Administration and Streets:					
Salaries and Wages	\$ 1,880,000.00	\$ 1,580,000.00	\$ 1,573,716.14	\$	\$ 6,283.86
Other Expenses	245,000.00	245,000.00	159,825.02	51,617.27	33,557.71
Division of Building and Grounds:					
Salaries and Wages	150,000.00	140,000.00	137,211.93		2,788.07
Other Expenses	118,000.00	118,000.00	96,261.77	21,102.82	635.41
Division of Sanitation and Recycling:					
Salaries and Wages	100,000.00	100,000.00	98,329.55		1,670.45
Other Expenses	700,000.00	700,000.00	686,828.86	1,124.00	12,047.14
Division of Central Maintenance:					
Salaries and Wages	225,000.00	225,000.00	224,448.61		551.39
Other Expenses	300,000.00	323,000.00	279,285.62	41,242.93	2,471.45
Division of Lakes, Parks and Playgrounds:					
Salaries and Wages	92,000.00	92,000.00	47,062.91		44,937.09
Other Expenses	40,000.00	40,000.00	35,982.60	3,856.39	161.01
DEPARTMENT OF PUBLIC SAFETY					
Police:					
Salaries and Wages	9,350,000.00	9,765,000.00	9,706,926.98		58,073.02
Other Expenses	500,000.00	500,000.00	391,926.83	98,998.58	9,074.59
Police Clerical and Communications:					
Salaries and Wages	1,200,000.00	1,220,000.00	1,217,433.93		2,566.07
Division of Animal Control:					
Salaries and Wages	68,000.00	68,000.00	67,974.74		25.26
Other Expenses	36,000.00	36,000.00	8,733.10	1,310.00	25,956.90
Division of Emergency Management:					
Salaries and Wages	900,000.00	1,100,000.00	1,096,089.79		3,910.21
Other Expenses	150,000.00	185,000.00	124,134.00	45,366.56	15,499.44

TOWNSHIP OF MANCHESTER
CURRENT FUND

STATEMENT OF EXPENDITURES - REGULATORY BASIS

A-3
Sheet #3

Appropriations	Appropriations		Paid or Charged	Reserved	
	Budget	Modified Budget		Encumbered	Unencumbered
<u>APPROPRIATIONS WITHIN "CAPS"</u>					
<u>DEPARTMENT OF LAND USE AND PLANNING</u>					
Division of Zoning and Planning:					
Salaries and Wages	\$ 220,000.00	\$ 270,000.00	\$ 261,236.37	\$	8,763.63
Other Expenses	50,000.00	35,000.00	23,241.28	3,854.19	7,904.53
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	125,000.00	120,000.00	117,673.50		2,326.50
Other Expenses	24,000.00	24,000.00	13,972.02	499.20	9,528.78
Division of Revenue Collection:					
Salaries and Wages	185,000.00	185,000.00	183,459.89		1,540.11
Other Expenses	38,000.00	38,000.00	20,907.95	1,888.94	15,203.11
<u>DEPARTMENT OF ENGINEERING</u>					
Engineering:					
Other Expenses	200,000.00	248,000.00	198,199.40	5,100.68	44,699.92
<u>DEPARTMENT OF LAW</u>					
Township Attorney:					
Other Expenses	200,000.00	250,000.00	208,663.62	4,540.50	36,795.88
Municipal Prosecutor:					
Other Expenses	46,000.00	46,000.00	41,250.00	3,750.00	1,000.00
Closing Costs for Foreclosed Properties:					
Other Expenses	10,000.00	10,000.00	10,000.00		
<u>OTHER</u>					
Municipal Court:					
Salaries and Wages	365,000.00	380,000.00	370,094.72		9,905.28
Other Expenses	28,000.00	28,000.00	13,718.30	249.70	14,032.00

TOWNSHIP OF MANCHESTER
CURRENT FUND

STATEMENT OF EXPENDITURES - REGULATORY BASIS

A-3
Sheet #4

Appropriations	Appropriations		Paid or Charged	Reserved	
	Budget	Modified Budget		Encumbered	Unencumbered
APPROPRIATIONS WITHIN "CAPS"					
OTHER					
Hepatitis Inoculation Program:					
Other Expenses	\$ 2,500.00	\$ 2,500.00	\$ 270.00	\$ 330.00	\$ 1,900.00
Public Defender (P.L. 1997, C. 256):					
Salaries and Wages	15,000.00	25,000.00	21,500.00	2,000.00	1,500.00
OSHA Requirements - Respirator Testing:					
Other Expenses:					
Hearing	5,000.00	5,000.00			5,000.00
Fit Testing	8,000.00	8,000.00			8,000.00
Insurance:					
General Liability	675,000.00	635,000.00	608,995.00		26,005.00
Workers' Compensation	700,000.00	680,000.00	673,762.00		6,238.00
Employee Group Health	3,500,000.00	3,400,000.00	3,362,518.33	2,119.12	35,362.55
Employee Opt-Out Payments	180,000.00	180,000.00	130,232.23		49,767.77
DEPARTMENT OF UNIFORM					
CONSTRUCTION CODE					
Uniform Construction Code:					
Salaries and Wages	700,000.00	700,000.00	686,583.60		13,416.40
Other Expenses	325,000.00	295,000.00	124,295.00	152,047.42	18,657.58
UNCLASSIFIED					
Utilities:					
Gasoline	350,000.00	210,000.00	145,601.93	40,716.87	23,681.20
Electricity	220,000.00	220,000.00	191,325.26		28,674.74
Telephone	200,000.00	200,000.00	195,078.69	4,782.41	138.90
Natural Gas	40,000.00	40,000.00	26,099.06	5,289.45	8,611.49
Heating Oil	12,000.00	7,000.00		5,288.29	1,711.71
Street Lighting	150,000.00	80,000.00	71,543.21		8,456.79
Condominium Service Act	400,000.00	288,000.00	276,356.09	10,833.89	810.02
Accumulated Leave Compensation	250,000.00	407,000.00	292,108.40		114,891.60
Total Operations	27,399,300.00	27,564,300.00	26,148,746.05	583,018.69	832,535.26

TOWNSHIP OF MANCHESTER
CURRENT FUND

STATEMENT OF EXPENDITURES - REGULATORY BASIS

A-3
Sheet #5

	Appropriations		Paid or Charged	Reserved	
	Budget	Modified Budget		Encumbered	Unencumbered
<u>APPROPRIATIONS WITHIN "CAPS"</u>					
Detail:					
Salaries and Wages	\$ 17,209,500.00	\$ 17,783,500.00	\$ 17,455,140.04	\$ 583,018.69	\$ 328,359.96
Other Expenses	10,189,800.00	9,780,800.00	8,693,606.01		504,175.30
<u>STATUTORY EXPENDITURES</u>					
Contribution to:					
Police and Firemen's Retirement System of N.J.	2,308,856.00	2,308,856.00	2,308,856.00		5,000.00
Unemployment Insurance	5,000.00	5,000.00			4,523.22
Defined Contribution Retirement Program	10,000.00	10,000.00	5,476.78		
Public Employees' Retirement System	1,055,050.00	1,055,050.00	1,055,050.00		
Social Security System (OASI)	1,500,000.00	1,335,000.00	1,281,083.77		53,916.23
	4,878,906.00	4,713,906.00	4,650,466.55		63,439.45
Total Appropriations Within "CAPS"	32,278,206.00	32,278,206.00	30,799,212.60	583,018.69	895,974.71
<u>APPROPRIATIONS EXCLUDED FROM "CAPS"</u>					
<u>OTHER OPERATIONS</u>					
Reserve for Tax Appeals	25,000.00	25,000.00			25,000.00
COVID Expenses	322,250.00	322,250.00	748.18	34,273.79	287,228.03
LOSAP	125,000.00	125,000.00	59,800.00		65,200.00
	472,250.00	472,250.00	60,548.18	34,273.79	377,428.03
<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	12,000.00	12,000.00	12,000.00		
Local Match	440,000.00	440,000.00	440,000.00		
Clean Communities Grant:					
Salaries and Wages	103,562.84	103,562.84	103,562.84		
NJ DOT - Lake Road	34,009.85	34,009.85	34,009.85		
NJ DOT - Schoolhouse Road	430,837.00	430,837.00	430,837.00		
Municipal Drug Alliance:					
Other Expenses	16,840.00	16,840.00	16,840.00		
Unappropriated	2,525.14	2,525.14	2,525.14		

TOWNSHIP OF MANCHESTER
CURRENT FUND

STATEMENT OF EXPENDITURES - REGULATORY BASIS

A-3
Sheet #6

	<u>Appropriations</u>		<u>Paid or Charged</u>	<u>Reserved</u>	
	<u>Budget</u>	<u>Modified Budget</u>		<u>Encumbered</u>	<u>Unencumbered</u>
<u>APPROPRIATIONS EXCLUDED FROM "CAPS"</u>					
<u>STATE AND FEDERAL PROGRAMS</u>					
<u>OFFSET BY REVENUES</u>					
Distracted Driving Grant	\$ 5,500.00	\$ 5,500.00	\$ 5,500.00	\$	\$
COPS in Shops	2,640.00	2,640.00	2,640.00		
Senior Services CARES Act III-B	26,268.00	26,268.00	26,268.00		
Senior Services CARES Act III-E	12,996.00	12,996.00	12,996.00		
Click It or Ticket	5,500.00	5,500.00	5,500.00		
Child Passenger Safety Grant	6,132.50	6,132.50	6,132.50		
Total Public and Private Programs Offset by Revenues	1,233,911.33	1,233,911.33	1,233,911.33		
Total Operations Excluded from "CAPS"	1,706,161.33	1,706,161.33	1,294,459.51	34,273.79	377,428.03
Detail:					
Salaries and Wages	690,662.84	690,662.84	690,662.84		
Other Expenses	1,015,498.49	1,015,498.49	603,796.67	34,273.79	377,428.03
<u>CAPITAL IMPROVEMENT FUND</u>					
Capital Improvement Fund	75,000.00	75,000.00	75,000.00		
	75,000.00	75,000.00	75,000.00		
<u>MUNICIPAL DEBT SERVICE</u>					
Payment of Bond Principal	1,580,000.00	1,580,000.00	1,580,000.00		
Interest on Bonds	322,887.52	322,887.52	322,887.52		
Interest on Notes	43,615.20	43,615.20	43,615.20		
Green Trust Loan Program:					
Loan Repayment for Principal and Interest	35,292.18	35,292.18	35,292.18		
	1,981,794.90	1,981,794.90	1,981,794.90		

TOWNSHIP OF MANCHESTER
CURRENT FUND

STATEMENT OF EXPENDITURES - REGULATORY BASIS

A-3
Sheet #7

Appropriations	Appropriations		Paid or Charged	Reserved	
	Budget	Modified Budget		Encumbered	Unencumbered
<u>APPROPRIATIONS EXCLUDED FROM "CAPS"</u>					
Deferred Charges:					
Special Emergency Authorization	\$ 117,500.00	\$ 117,500.00	\$ 117,500.00	\$	\$
Pay-Down of Unfunded Ordinances	50,000.00	50,000.00	50,000.00		
	<u>167,500.00</u>	<u>167,500.00</u>	<u>167,500.00</u>		
Total General Appropriations for Municipal Purposes Excluded from "CAPS"	<u>3,930,456.23</u>	<u>3,930,456.23</u>	<u>3,518,754.41</u>	<u>34,273.79</u>	<u>377,428.03</u>
Sub-Total General Appropriations	36,208,662.23	36,208,662.23	34,317,967.01	617,292.48	1,273,402.74
Reserve for Uncollected Taxes	<u>1,261,275.89</u>	<u>1,261,275.89</u>	<u>1,261,275.89</u>		
Total General Appropriations	<u>\$ 37,469,938.12</u>	<u>\$ 37,469,938.12</u>	<u>\$ 35,579,242.90</u>	<u>\$ 617,292.48</u>	<u>\$ 1,273,402.74</u>
Reference		<u>Below</u>	<u>Below</u>	<u>A</u>	<u>A</u>
	<u>Ref.</u>				
Adopted Budget	A-2	\$ 37,094,938.12	\$		
Added by 40A:4-87	A-2	375,000.00			
Reserve for Uncollected Taxes	A-2a	(1,261,275.89)	1,261,275.89		
Cash Expended	A-4		32,966,555.68		
Matching Funds for Federal and State Grants	A-4,27		440,000.00		
Deferred Charges	A-12		117,500.00		
Reserve for Federal and State Grants	A-27		793,911.33		
	Above,A-1	<u>\$ 36,208,662.23</u>	<u>\$ 35,579,242.90</u>		

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, 2020</u>	<u>Balance</u> <u>Dec. 31, 2019</u>
<u>Animal Control Trust Fund</u>			
Cash	B-1	<u>\$ 32,382.61</u>	<u>\$ 28,963.03</u>
<u>General Trust Fund</u>			
Cash:			
Special Deposits/Performance Bonds	B-1	1,491,064.95	1,413,688.68
Affordable Housing Trust Fund	B-1	376,586.28	181,993.48
Redemption Trust Fund	B-1	932,667.60	832,538.72
State Unemployment Compensation			
Insurance Trust Fund	B-1	218,875.96	251,559.47
Police Drug Enforcement Trust Account	B-1	37,038.51	51,433.97
Municipal Drug Alliance	B-1	12,300.00	13,671.50
Public Defender Trust Fund	B-1	236.07	1,023.32
Manchester Day Trust Fund	B-1	2,896.83	1,969.83
Snow Removal Trust Fund	B-1	20,000.00	20,000.00
Accumulated Absences Trust Fund	B-1	25,018.05	25,018.05
Recreation Trust Fund	B-1	13,114.81	14,671.62
Lakehurst - Manchester Construction Code			
Account	B-1	3,682.46	3,924.01
Due from Current Fund	B-6	<u>138,006.01</u>	<u>139,659.14</u>
		<u>3,271,487.53</u>	<u>2,951,151.79</u>
<u>Open Space Trust Fund</u>			
Cash	B-1	<u>1,716,203.04</u>	<u>1,237,681.80</u>
<u>Community Development Block Grant</u>			
Grants Receivable	B-2	<u>32,000.00</u>	<u>32,000.00</u>
<u>Length of Service Award Programs - Unaudited</u>			
Investments		<u>1,243,817.67</u>	<u>1,149,622.95</u>
		<u>\$6,295,890.85</u>	<u>\$5,399,419.57</u>

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, 2020</u>	<u>Balance</u> <u>Dec. 31, 2019</u>
<u>Animal Control Trust Fund</u>			
Due to State of New Jersey	B-3	\$ 49.20	\$ 61.80
Prepaid Dog Licenses	B-4	24,002.80	26,747.40
Reserve for Animal Control Expenditures	B-5	8,330.61	2,153.83
		<u>32,382.61</u>	<u>28,963.03</u>
<u>General Trust Fund</u>			
Manchester Day Trust Fund	B-8	2,896.83	1,969.83
Deposits for Redemption of Tax Title Liens	B-9	932,667.60	832,538.72
Special Escrow Deposits	B-10	1,469,933.88	1,394,210.74
State Unemployment Compensation Insurance Trust Fund	B-11	218,875.96	251,559.47
Police Drug Enforcement Trust Account	B-12	37,038.51	51,433.97
Municipal Drug Alliance	B-13	12,300.00	13,671.50
Public Defender Fees	B-14	236.07	1,023.32
Recreation Trust Fund	B-15	13,114.81	14,671.62
Retirement Pay	B-16	148,236.67	148,236.67
Affordable Housing Trust	B-17	392,385.38	197,792.58
Lakehurst - Manchester Construction Code Trust	B-18	3,682.46	3,924.01
Snow Removal Trust	B-19	40,119.36	40,119.36
		<u>3,271,487.53</u>	<u>2,951,151.79</u>
<u>Open Space Trust Fund</u>			
Due to General Capital Fund	B-7	89,149.65	
Open Space Trust Fund	B-20	1,627,053.39	1,237,681.80
		<u>1,716,203.04</u>	<u>1,237,681.80</u>
<u>Community Development Block Grant</u>			
Community Development Block Grant Reserves	B-21	32,000.00	32,000.00
<u>Length of Service Award Programs - Unaudited</u>			
Reserve for Length of Service Award Programs		1,243,817.67	1,149,622.95
		<u>\$6,295,890.85</u>	<u>\$5,399,419.57</u>

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, 2020</u>	<u>Balance</u> <u>Dec. 31, 2019</u>
Cash	C-2	\$ 5,788,556.83	\$ 3,494,299.15
Interfunds Receivable	C-4	185,069.66	95,920.01
Deferred Charges to Future Taxation:			
Funded	C-5	22,919,751.93	14,665,965.17
Unfunded	C-6	<u>806,068.74</u>	<u>4,367,993.74</u>
		<u>\$ 29,699,447.16</u>	<u>\$ 22,624,178.07</u>
 <u>LIABILITIES, RESERVES AND FUND BALANCE</u>			
General Serial Bonds	C-12	\$ 22,587,000.00	\$ 14,305,000.00
Green Acres Loan Payable	C-7	332,751.93	360,965.17
Bond Anticipation Notes	C-8		3,207,000.00
Interfunds Payable	C-9	4,308.66	1,031,242.00
Capital Improvement Fund	C-10	221,889.45	420,314.45
Improvement Authorizations:			
Funded	C-11	5,443,222.62	949,795.04
Unfunded	C-11	365,863.66	1,913,619.29
Fund Balance	C-1	<u>744,410.84</u>	<u>436,242.12</u>
		<u>\$ 29,699,447.16</u>	<u>\$ 22,624,178.07</u>
 Bonds and Notes Authorized but Not Issued	 C-13	 <u>\$ 806,068.74</u>	 <u>\$ 1,160,993.74</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, 2019	C		\$ 436,242.12
Increased by:			
Premium on Sale of Bonds	C-2	\$ 4,444.47	
Funded Improvement Authorizations Cancelled	C-11	<u>303,724.25</u>	
			<u>308,168.72</u>
Balance December 31, 2020	C		<u>\$ 744,410.84</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, 2020</u>	<u>Balance</u> <u>Dec. 31, 2019</u>
<u>Operating Fund</u>			
Cash:			
Checking	D-5	\$ 1,420,771.57	\$ 1,453,317.68
Escrow	D-5	157,195.48	344,553.58
		<u>1,577,967.05</u>	<u>1,797,871.26</u>
Interfunds Receivable	D-7	<u>27,176.01</u>	<u>27,176.01</u>
Receivables and Inventory with Full Reserves:			
Consumer Accounts Receivable	D-8	110,654.02	71,704.52
Water Liens	D-9	879.73	698.73
Inventory	D-10	118,417.89	118,417.89
		<u>229,951.64</u>	<u>190,821.14</u>
		<u>1,835,094.70</u>	<u>2,015,868.41</u>
<u>Capital Fund</u>			
Cash - Checking	D-5	5,982,898.88	682,241.60
Interfund Accounts Receivable	D-11	4,308.66	1,131,242.00
Fixed Capital	D-12	16,520,267.88	13,681,652.16
Fixed Capital Authorized and Uncompleted	D-13	4,529,809.85	1,412,425.57
		<u>27,037,285.27</u>	<u>16,907,561.33</u>
		<u>\$ 28,872,379.97</u>	<u>\$ 18,923,429.74</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, 2020</u>	<u>Balance Dec. 31, 2019</u>
<u>Operating Fund</u>			
Liabilities:			
Appropriation Reserves:			
Encumbered	D-4, 14	\$ 221,773.01	\$ 247,356.24
Unencumbered	D-4, 14	189,935.36	78,205.31
Interfund Accounts Payable	D-15		100,000.00
Reserve for Escrow Deposits	D-16	157,195.48	344,553.58
		568,903.85	770,115.13
Reserve for Receivables and Inventory		229,951.64	190,821.14
Fund Balance	D-1	1,036,239.21	1,054,932.14
		<u>1,835,094.70</u>	<u>2,015,868.41</u>
<u>Capital Fund</u>			
Serial Bonds Payable	D-23	5,478,000.00	
Interfunds Payable	D-17	736,246.89	736,246.89
Capital Improvement Fund	D-18	1,716,495.39	1,806,495.39
Reserve for Amortization	D-19	10,216,577.73	9,978,577.73
Deferred Reserve for Amortization	D-20	855,500.00	615,500.00
NJEIT Loan Payable	D-21	3,439,175.00	2,297,144.00
Improvement Authorizations:			
Funded	D-22	3,855,994.53	191,635.52
Unfunded	D-22	698,242.07	1,245,216.80
Fund Balance	D-2	41,053.66	36,745.00
		<u>27,037,285.27</u>	<u>16,907,561.33</u>
		<u>\$ 28,872,379.97</u>	<u>\$ 18,923,429.74</u>
 Bonds and Notes Authorized but Not Issued	 D-24	 <u>\$ 1,060,825.00</u>	 <u>\$ 2,202,856.00</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 2020</u>	<u>Year 2019</u>
<u>Revenue and Other Income</u>			
Fund Balance Utilized	D-3	\$ 500,000.00	\$ 350,000.00
Water Rents and Liens	D-3	2,331,833.10	2,052,852.83
Miscellaneous Revenue	D-3	32,215.35	60,060.55
Other Credits to Income:			
Appropriation Reserves Lapsed	D-14	217,008.62	95,725.99
		<u>3,081,057.07</u>	<u>2,558,639.37</u>
<u>Expenditures</u>			
Budget Appropriations:			
Operating:			
Salaries and Wages		800,000.00	650,000.00
Other Expenses		1,587,750.00	1,641,800.00
Capital Improvements		150,000.00	100,000.00
Statutory Expenditures		62,000.00	58,000.00
	D-4	<u>2,599,750.00</u>	<u>2,449,800.00</u>
Excess in Revenue		481,307.07	108,839.37
<u>Fund Balance</u>			
Balance December 31, 2019	D	1,054,932.14	1,296,092.77
		<u>1,536,239.21</u>	<u>1,404,932.14</u>
Decreased by:			
Utilized as Anticipated Revenue	Above	500,000.00	350,000.00
Balance December 31, 2020	D	<u>\$1,036,239.21</u>	<u>\$1,054,932.14</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, 2019	D		\$ 36,745.00
Increased by:			
Premium on Sale of Bonds:			
Cash Receipt	D-5	\$238,000.00	
Due from General Capital Fund	D-11	<u>4,308.66</u>	
			<u>242,308.66</u>
			279,053.66
Decreased by:			
Serial Bonds Redeemed at Time of Sale	D-19		<u>238,000.00</u>
Balance December 31, 2020	D		<u>\$ 41,053.66</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	\$ 500,000.00	\$ 500,000.00	\$
Rents and Liens	D-1,8	2,040,000.00	2,331,833.10	291,833.10
Miscellaneous	D-1,Below	<u>60,000.00</u>	<u>32,215.35</u>	<u>(27,784.65)</u>
Total Budget	D-4	<u>\$ 2,600,000.00</u>	<u>\$ 2,864,048.45</u>	<u>\$ 264,048.45</u>

Analysis of Miscellaneous
Revenue

Other Revenue:

Interest on Deposits	\$ 7,692.26
Turn On/Off Fees	200.00
Interest on Delinquent	
Accounts	8,459.67
Miscellaneous	981.36
Escrow Charges	14,282.06
Water Application	<u>600.00</u>

D-5,Above \$ 32,215.35

See accompanying notes to financial statements.

TOWNSHIP OF MANCHESTER
WATER UTILITY EASTERN SERVICE

STATEMENT OF EXPENDITURES - REGULATORY BASIS

D-4

	CY 2020		Expended		Balance Cancelled
	<u>Budget Appropriation</u>	<u>Modified Budget</u>	<u>Paid or Charged</u>	<u>Encumbered</u> <u>Reserved</u> <u>Unencumbered</u>	
<u>Operating</u>					
Salaries and Wages	\$ 800,000.00	\$ 800,000.00	\$ 607,394.00	\$ 192,606.00	\$
Other Expenses	1,587,750.00	1,587,750.00	1,385,384.00	12,430.64	
	<u>2,387,750.00</u>	<u>2,387,750.00</u>	<u>1,992,778.00</u>	<u>205,036.64</u>	
<u>Capital Improvements</u>					
Capital Improvement Fund	150,000.00	150,000.00			
<u>Debt Service</u>					
NJEIT Principal and Interest	250.00	250.00			250.00
<u>Statutory Expenditures</u>					
Contribution to:					
Social Security System	62,000.00	62,000.00	45,263.63	16,736.37	
	<u>\$2,600,000.00</u>	<u>\$2,600,000.00</u>	<u>\$2,188,041.63</u>	<u>\$ 221,773.01</u>	<u>\$ 250.00</u>
<u>Reference</u>	<u>D-3</u>	<u>Below</u>	<u>D-5</u>	<u>D</u>	<u>Below</u>
<u>Ref.</u>					
Modified Budget	Above	\$2,600,000.00			
Cancelled	Above	(250.00)			
	D-1, Above	<u>\$2,599,750.00</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, 2020</u>	<u>Balance</u> <u>Dec. 31, 2019</u>
<u>Trust Fund Account #1</u>			
Cash	E-1	\$2,735.67	\$2,726.19
<u>Discretionary Fund</u>			
Cash	E-1	<u>2,875.92</u>	<u>2,429.67</u>
		<u>\$5,611.59</u>	<u>\$5,155.86</u>
 <u>LIABILITIES AND FUND BALANCE</u>			
<u>Trust Fund Account #1</u>			
Reserve for Public Assistance Expenditures	E-2	\$2,735.67	\$2,726.19
<u>Discretionary Fund</u>			
Reserve for Discretionary Trust Expenditures	E-3	<u>2,875.92</u>	<u>2,429.67</u>
		<u>\$5,611.59</u>	<u>\$5,155.86</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, 2020</u>	<u>Balance</u> <u>Dec. 31, 2019</u>
<u>Operating Fund</u>			
Cash - Checking	F-5	\$ 5,463,393.15	\$ 5,355,833.95
Cash - Escrow	F-5	123,502.19	227,230.15
		<u>5,586,895.34</u>	<u>5,583,064.10</u>
Interfunds Receivable	F-8	<u>549.20</u>	<u>0.23</u>
Receivables and Inventory with Full Reserves:			
Consumer Accounts Receivable	F-9	82,025.78	67,648.12
Sewer Liens	F-10	7,468.83	400.36
Inventory	F-11	81,035.52	82,181.50
		<u>170,530.13</u>	<u>150,229.98</u>
		<u>5,757,974.67</u>	<u>5,733,294.31</u>
<u>Capital Fund</u>			
Cash - Checking	F-5	1,981,860.80	1,780,797.11
Cash - Investment	F-7	350,000.00	467,500.00
Interfunds Receivable	F-12	706,450.90	689,465.62
Fixed Capital	F-13	11,878,031.55	11,878,031.55
		<u>14,916,343.25</u>	<u>14,815,794.28</u>
		<u>\$ 20,674,317.92</u>	<u>\$ 20,549,088.59</u>

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, 2020</u>	<u>Balance Dec. 31, 2019</u>
<u>Operating Fund</u>			
Liabilities:			
Appropriation Reserves:			
Encumbered	F-4,14	\$ 24,151.01	\$ 30,179.53
Unencumbered	F-4,14	860,968.79	441,869.81
Reserve for Escrow Deposits	F-15	123,502.19	227,230.15
Interfunds Payable	F-16		100,514.72
		<u>1,008,621.99</u>	<u>799,794.21</u>
Reserve for Receivables and Inventory		170,530.13	150,229.98
Fund Balance	F-1	<u>4,578,822.55</u>	<u>4,783,270.12</u>
		<u>5,757,974.67</u>	<u>5,733,294.31</u>
<u>Capital Fund</u>			
Interfunds Payable	F-17	548.97	
Capital Improvement Fund	F-18	3,033,947.73	2,933,947.73
Reserve for Amortization	F-19	11,878,031.55	11,878,031.55
Fund Balance	F-2	<u>3,815.00</u>	<u>3,815.00</u>
		<u>14,916,343.25</u>	<u>14,815,794.28</u>
		<u>\$ 20,674,317.92</u>	<u>\$ 20,549,088.59</u>

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 2020</u>	<u>Year 2019</u>
<u>Revenue and Other Income</u>			
Fund Balance Utilized	F-3	\$ 800,000.00	\$ 800,000.00
Sewer Rents	F-3	3,686,365.83	3,609,143.64
Miscellaneous Revenue	F-3	31,925.33	89,022.17
Other Credits:			
Appropriation Reserves Lapsed	F-14	407,261.27	454,503.12
		<u>4,925,552.43</u>	<u>4,952,668.93</u>
<u>Expenditures</u>			
Budget Appropriations:			
Operating:			
Salaries and Wages		870,000.00	670,000.00
Other Expenses		3,280,000.00	3,080,000.00
Capital Outlay		100,000.00	100,000.00
Statutory Expenditures		80,000.00	75,000.00
	F-4	<u>4,330,000.00</u>	<u>3,925,000.00</u>
Excess in Revenue		595,552.43	1,027,668.93
<u>Fund Balance</u>			
Balance June 30	F	4,783,270.12	4,555,601.19
		<u>5,378,822.55</u>	<u>5,583,270.12</u>
Decreased by:			
Fund Balance Utilized	Above	<u>800,000.00</u>	<u>800,000.00</u>
Balance December 31	F	<u>\$ 4,578,822.55</u>	<u>\$ 4,783,270.12</u>

See accompanying notes to financial statements.

TOWNSHIP OF MANCHESTER
SEWER UTILITY EASTERN SERVICE

STATEMENT OF CAPITAL FUND BALANCE - REGULATORY BASIS

F-2

	<u>Ref.</u>	
Balance December 31, 2019	F	<u>\$3,815.00</u>
Balance December 31, 2020	F	<u><u>\$3,815.00</u></u>

See accompanying notes to financial statements.

TOWNSHIP OF MANCHESTER
SEWER UTILITY EASTERN SERVICE

STATEMENT OF REVENUE
OPERATING FUND - REGULATORY BASIS

F-3

	<u>Ref.</u>	<u>Anticipated</u>	<u>Realized</u>	<u>Excess</u>
Fund Balance Utilized	F-1	\$ 800,000.00	\$ 800,000.00	\$
User Fees	F-1,9	3,450,000.00	3,686,365.83	236,365.83
Miscellaneous	F-1,Below	<u>80,000.00</u>	<u>31,925.33</u>	<u>(48,074.67)</u>
Total Budget	F-4	<u>\$ 4,330,000.00</u>	<u>\$ 4,518,291.16</u>	<u>\$188,291.16</u>
 <u>Analysis of Miscellaneous</u> <u>Revenue</u>				
Other Revenue:				
Permit Fees		\$ 500.00		
Interest Earned		20,477.20		
Capping		200.00		
Application Fees		200.00		
Interest on Delinquent				
Accounts		4,384.87		
Escrow Charges		<u>5,614.29</u>		
	F-5	31,376.36		
Interfunds Receivable	F-8	<u>548.97</u>		
	Above		<u>\$ 31,925.33</u>	

See accompanying notes to financial statements.

TOWNSHIP OF MANCHESTER
SEWER UTILITY EASTERN SERVICE

STATEMENT OF EXPENDITURES - REGULATORY BASIS

F-4

	CY 2020 Budget <u>Appropriation</u>	Paid or <u>Charged</u>	<u>Expended</u>	
			<u>Encumbered</u>	<u>Reserved Unencumbered</u>
<u>Operating</u>				
Salaries and Wages	\$ 870,000.00	\$ 616,649.27	\$	\$ 253,350.73
Other Expenses	<u>3,280,000.00</u>	<u>2,683,190.77</u>	<u>24,151.01</u>	<u>572,658.22</u>
	<u>4,150,000.00</u>	<u>3,299,840.04</u>	<u>24,151.01</u>	<u>826,008.95</u>
<u>Capital Improvements</u>				
Capital Improvement Fund	<u>100,000.00</u>	<u>100,000.00</u>		
<u>Statutory Expenditures</u>				
Contribution to:				
Social Security System (OASI)	<u>80,000.00</u>	<u>45,040.16</u>		<u>34,959.84</u>
	<u>\$ 4,330,000.00</u>	<u>\$ 3,444,880.20</u>	<u>\$ 24,151.01</u>	<u>\$ 860,968.79</u>
<u>Reference</u>	<u>F-1,3</u>	<u>F-5</u>	<u>F</u>	<u>F</u>

See accompanying notes to financial statements.

TOWNSHIP OF MANCHESTER
PAYROLL FUND

COMPARATIVE BALANCE SHEET - REGULATORY BASIS

G

<u>ASSETS</u>	<u>Ref.</u>	Balance <u>Dec. 31, 2020</u>	Balance <u>Dec. 31, 2019</u>
Cash	G-1	<u>\$ 224,534.65</u>	<u>\$ 157,250.87</u>
 <u>LIABILITIES</u>			
Payroll Deductions Payable	G-2	<u>\$ 224,534.65</u>	<u>\$ 157,250.87</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, 2020</u>	<u>Balance</u> <u>Dec. 31, 2019</u>
<u>Operating Fund</u>			
Cash:			
Checking	H-4	\$ 2,542,129.98	\$ 2,604,471.67
Change Fund	H-6	60.00	60.00
		<u>2,542,189.98</u>	<u>2,604,531.67</u>
Receivables and Inventory with Full Reserves:			
Consumer Accounts Receivable	H-7	58,243.49	70,252.60
Connection Fees Receivable	H-8	2,109.80	
Inventory	H-9	62,815.51	62,815.51
		<u>123,168.80</u>	<u>133,068.11</u>
Total Operating Fund		<u>2,665,358.78</u>	<u>2,737,599.78</u>
<u>Capital Fund</u>			
Cash - Checking	H-4	133,455.02	233,455.02
Fixed Capital	H-10	15,481,544.98	15,381,544.98
Fixed Capital Authorized and Uncompleted	H-11	73,455.02	173,455.02
		<u>15,688,455.02</u>	<u>15,788,455.02</u>
		<u>\$18,353,813.80</u>	<u>\$18,526,054.80</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, 2020</u>	<u>Balance Dec. 31, 2019</u>
<u>Operating Fund</u>			
Liabilities:			
Appropriation Reserves:			
Encumbered	H-3,12	\$ 98,164.21	\$ 139,888.10
Unencumbered	H-3,12	367,208.20	266,305.26
Reserve for Accrued Interest on Bonds	H-13	<u>301,928.35</u>	<u>240,993.30</u>
		767,300.76	647,186.66
Reserve for Receivables and Inventory		123,168.80	133,068.11
Fund Balance	H-1	<u>1,774,889.22</u>	<u>1,957,345.01</u>
		<u>2,665,358.78</u>	<u>2,737,599.78</u>
<u>Capital Fund</u>			
Serial Bonds Payable	H-17	14,205,000.00	13,837,000.00
Capital Improvement Fund	H-14	60,000.00	60,000.00
Improvement Authorizations:			
Funded	H-15	73,455.02	173,455.02
Reserve for Amortization	H-16	<u>1,350,000.00</u>	<u>1,718,000.00</u>
		<u>15,688,455.02</u>	<u>15,788,455.02</u>
		<u>\$18,353,813.80</u>	<u>\$18,526,054.80</u>

See accompanying notes to financial statements.

TOWNSHIP OF MANCHESTER
WATER UTILITY WESTERN SERVICE

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

H-1

	<u>Ref.</u>	<u>Year 2020</u>	<u>Year 2019</u>
<u>Revenue and Other Income</u>			
Fund Balance Utilized	H-2,Below	\$ 600,000.00	\$ 700,000.00
Water Rents	H-2	2,127,197.71	2,025,727.73
Nonbudget Revenue	H-2	20,652.96	51,962.03
Other Credits to Income:			
Appropriation Reserve Lapsed	H-12	314,693.54	260,333.41
		<u>3,062,544.21</u>	<u>3,038,023.17</u>
<u>Expenditures</u>			
Budget Appropriations:			
Operating:			
Salaries and Wages		560,000.00	600,000.00
Other Expenses		1,174,000.00	886,000.00
Debt Service		856,000.00	864,000.00
Statutory Expenditures		55,000.00	50,000.00
	H-3	<u>2,645,000.00</u>	<u>2,400,000.00</u>
Excess in Revenue		417,544.21	638,023.17
<u>Fund Balance</u>			
Balance December 31	H	1,957,345.01	2,019,321.84
		<u>2,374,889.22</u>	<u>2,657,345.01</u>
Decreased by:			
Utilized as Anticipated Revenue	Above	600,000.00	700,000.00
Balance December 31	H	<u>\$1,774,889.22</u>	<u>\$1,957,345.01</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 (Deficit)</u>
Fund Balance Utilized	H-1	\$ 600,000.00	\$ 600,000.00	\$
Rents and Liens	H-1,7	2,000,000.00	2,127,197.71	127,197.71
Nonbudget Revenue	H-1,4	<u>45,000.00</u>	<u>20,652.96</u>	<u>(24,347.04)</u>
Total Budget	H-3	<u>\$ 2,645,000.00</u>	<u>\$ 2,747,850.67</u>	<u>\$ 102,850.67</u>

See accompanying notes to financial statements.

TOWNSHIP OF MANCHESTER
WATER UTILITY WESTERN SERVICE

STATEMENT OF EXPENDITURES - REGULATORY BASIS

H-3

	<u>CY 2020</u>		<u>Paid or Charged</u>	<u>Expended</u>	
	<u>Budget Appropriation</u>	<u>Modified Budget</u>		<u>Encumbered</u>	<u>Reserved Unencumbered</u>
<u>Operating</u>					
Salaries and Wages	\$ 560,000.00	\$ 560,000.00	\$ 501,692.86	\$	\$ 58,307.14
Other Expenses	1,174,000.00	1,174,000.00	784,251.08	98,164.21	291,584.71
	<u>1,734,000.00</u>	<u>1,734,000.00</u>	<u>1,285,943.94</u>	<u>98,164.21</u>	<u>349,891.85</u>
<u>Debt Service</u>					
Serial Bonds	276,000.00	556,000.00	556,000.00		
Interest on Bonds	580,000.00	300,000.00	300,000.00		
	<u>856,000.00</u>	<u>856,000.00</u>	<u>856,000.00</u>		
<u>Statutory Expenditures</u>					
Contribution to:					
Social Security System	55,000.00	55,000.00	37,683.65		17,316.35
	<u>\$2,645,000.00</u>	<u>\$2,645,000.00</u>	<u>\$2,179,627.59</u>	<u>\$98,164.21</u>	<u>\$367,208.20</u>
<u>Reference</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	\$1,879,627.59		
	Accrued Interest on Bonds	H-13	300,000.00		
	Above		<u>\$2,179,627.59</u>		

See accompanying notes to financial statements.

TOWNSHIP OF MANCHESTER
SEWER UTILITY WESTERN SERVICE

COMPARATIVE BALANCE SHEET - REGULATORY BASIS

I

<u>ASSETS</u>	<u>Ref.</u>	<u>Balance</u> <u>Dec. 31, 2020</u>	<u>Balance</u> <u>Dec. 31, 2019</u>
<u>Operating Fund</u>			
Cash	I-4	\$ 462,131.30	\$ 579,535.98
Receivables and Inventory with Full Reserves:			
Consumer Accounts Receivable	I-6	71,431.93	70,715.76
Utility Western Liens	I-7	7,068.47	6,668.11
Connection Fees Receivable	I-8	705.60	
Inventory	I-9	25,661.92	25,661.92
		<u>566,999.22</u>	<u>682,581.77</u>
<u>Capital Fund</u>			
Cash - Checking	I-4	5,042.58	5,042.58
Fixed Capital	I-10	5,179,957.42	5,179,957.42
Fixed Capital Authorized and Uncompleted	I-11	5,042.58	5,042.58
		<u>5,190,042.58</u>	<u>5,190,042.58</u>
		<u>\$5,757,041.80</u>	<u>\$5,872,624.35</u>

LIABILITIES, RESERVES AND FUND BALANCE

Operating Fund

Liabilities:

Appropriation Reserves:			
Encumbered	I-3,12	\$ 20,080.86	\$ 18,634.58
Reserved	I-3,12	43,928.06	169,429.09
Accrued Interest on Bonds	I-13	117,456.77	95,123.25
		<u>181,465.69</u>	<u>283,186.92</u>
Reserve for Receivables and Inventory	Reserve	104,867.92	103,045.79
Fund Balance	I-1	280,665.61	296,349.06
		<u>566,999.22</u>	<u>682,581.77</u>

Capital Fund

Serial Bonds Payable	I-16	4,324,000.00	4,333,000.00
Reserve for Amortization	I-15	861,000.00	852,000.00
Improvement Authorizations:			
Funded	I-14	5,042.58	
Unfunded			5,042.58
		<u>5,190,042.58</u>	<u>5,190,042.58</u>
		<u>\$5,757,041.80</u>	<u>\$5,872,624.35</u>

See accompanying notes to financial statements.

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 2020</u>	<u>Year 2019</u>
<u>Revenue and Other Income</u>			
Fund Balance Utilized	I-2,Below	\$ 275,000.00	\$ 405,000.00
Sewer Rents and Liens	I-2	2,280,619.46	2,306,661.42
Miscellaneous Revenue	I-2	67,878.55	68,620.42
Other Credits:			
Appropriation Reserve Lapsed	I-12	170,818.54	83,139.67
		<u>2,794,316.55</u>	<u>2,863,421.51</u>
<u>Expenditures</u>			
Budget Appropriations:			
Operating:			
Salaries and Wages		500,000.00	525,000.00
Other Expenses		1,631,000.00	1,728,000.00
Debt Service		365,000.00	369,000.00
Statutory Expenditures		39,000.00	40,000.00
	I-3	<u>2,535,000.00</u>	<u>2,662,000.00</u>
Excess in Revenue		259,316.55	201,421.51
<u>Fund Balance</u>			
Balance December 31	I	296,349.06	499,927.55
		<u>555,665.61</u>	<u>701,349.06</u>
Decreased by:			
Utilized as Anticipated Revenue	Above	275,000.00	405,000.00
Balance December 31	I	<u>\$ 280,665.61</u>	<u>\$ 296,349.06</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	\$ 275,000.00	\$ 275,000.00	\$
User Fees	I-1,6	2,200,000.00	2,280,619.46	80,619.46
Miscellaneous	I-1,4	<u>60,000.00</u>	<u>67,878.55</u>	<u>7,878.55</u>
Total Budget	I-3	<u><u>\$ 2,535,000.00</u></u>	<u><u>\$ 2,623,498.01</u></u>	<u><u>\$88,498.01</u></u>

See accompanying notes to financial statements.

TOWNSHIP OF MANCHESTER
SEWER UTILITY WESTERN SERVICE

STATEMENT OF EXPENDITURES - REGULATORY BASIS

I-3

	CY 2020		Paid or Charged	Expended	
	Budget Appropriation	Modified Budget		Encumbered	Reserved Unencumbered
<u>Operating</u>					
Salaries and Wages	\$ 500,000.00	\$ 500,000.00	\$ 483,782.41	\$	\$ 16,217.59
Other Expenses	1,631,000.00	1,631,000.00	1,586,429.06	43,928.06	642.88
	<u>2,131,000.00</u>	<u>2,131,000.00</u>	<u>2,070,211.47</u>	<u>43,928.06</u>	<u>16,860.47</u>
<u>Debt Service</u>					
Payment of Bonds	190,000.00	275,000.00	275,000.00		
Interest on Bonds	175,000.00	90,000.00	90,000.00		
	<u>365,000.00</u>	<u>365,000.00</u>	<u>365,000.00</u>		
<u>Statutory Expenditures</u>					
Contribution to:					
Social Security System	39,000.00	39,000.00	35,779.61		3,220.39
	<u>\$2,535,000.00</u>	<u>\$2,535,000.00</u>	<u>\$2,470,991.08</u>	<u>\$43,928.06</u>	<u>\$ 20,080.86</u>
<u>Reference</u>	<u>I-2</u>	<u>Below</u>	<u>Below</u>	<u>I</u>	<u>I</u>
<u>Ref.</u>					
Modified Budget					
Cash Disbursed	Above	\$2,535,000.00	\$		
Accrued Interest on Bonds	I-4		2,380,991.08		
	I-13		90,000.00		
	A-1,Above	<u>\$2,535,000.00</u>	<u>\$2,470,991.08</u>		

TOWNSHIP OF MANCHESTER
CAPITAL FIXED ASSETS

COMPARATIVE BALANCE SHEET - REGULATORY BASIS

J

<u>ASSETS</u>	Balance <u>Dec. 31, 2020</u>	Balance <u>Dec. 31, 2019</u>
Buildings and Improvements	\$ 24,935,191.00	\$24,935,191.00
Machinery and Equipment	<u>21,721,409.37</u>	<u>20,258,573.31</u>
	<u>\$ 46,656,600.37</u>	<u>\$45,193,764.31</u>
 <u>RESERVE</u>		
Investments in Capital Fixed Assets	<u>\$ 46,656,600.37</u>	<u>\$45,193,764.31</u>

See accompanying notes to financial statements.

NOTES TO FINANCIAL STATEMENTS

TOWNSHIP OF MANCHESTER

NOTES TO FINANCIAL STATEMENTS YEAR ENDED DECEMBER 31, 2020

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 in 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. Measurement Focus, Basis of Accounting and Basis of Presentation

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 generally accepted in the United States of America (GAAP).

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

B. Measurement Focus, Basis of Accounting and Basis of Presentation (Continued)

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 Trust 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".

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)

B. Measurement Focus, Basis of Accounting and Basis of Presentation (Continued)

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)

B. Measurement Focus, Basis of Accounting and Basis of Presentation (Continued)

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)

B. Measurement Focus, Basis of Accounting and Basis of Presentation (Continued)

Basis of Accounting (Continued)

Capital Fixed Assets (Continued)

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 Trust Fund has not been audited, and we were not required by the Division of Local Government Services, Department of Community Affairs, State of New Jersey, to audit nor were we engaged to audit the LOSAP Trust Fund financial statements as part of our audit of the Township's financial statements.

N.J.A.C.5:30-14.49 requires that the Township perform a separate review report of the Plan in accordance with the American Institute of Certified Public Accountants Statements for Accounting and Auditing Review Services.

C. 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.

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

D. Recent Accounting Pronouncements Not Yet Effective

In June 2017, the Governmental Accounting Standards Board issued GASB Statement No. 87, "Leases". The object of this Statement is to better meet the information needs of financial statement users by improving accounting and financial reporting for leases by governments. This Statement increases the usefulness of government's financial statements by requiring recognition of certain lease assets and liabilities for leases that previously were classified as operating leases and recognized as inflows of resources or outflows of resources based on the payment provisions of the contract and is effective for reporting periods beginning after December 15, 2019. The Township is currently reviewing what effect, if any, this Statement might have on future financial statements. GASB Statement No. 95 was issued in May 2020, which postponed the effective date of this GASB by eighteen months.

In June 2018, the Governmental Accounting Standards Board issued GASB Statement No. 89, "Accounting for Interest Cost Incurred before the End of a Construction Period". The objectives of this Statement are (1) to enhance the relevance and comparability of information about capital assets and the cost of borrowing for a reporting period and (2) to simplify accounting for interest cost incurred before the end of a construction period. The requirements of this Statement are effective for reporting periods beginning after December 15, 2019. The requirements of this Statement should be applied prospectively. The Township is currently reviewing what effect, if any, this Statement might have on future financial statements. GASB Statement No. 95 was issued in May 2020, which postponed the effective date of this GASB by one year.

In May 2019, the Governmental Accounting Standards Board issued GASB Statement No. 91, "Conduit Debt Obligations". The primary objectives of this Statement are to provide a single method of reporting conduit debt obligations by issuers and eliminate diversity in practice associated with (1) commitments extended by issuers, (2) arrangements associated with conduit debt obligations, and (3) related note disclosures. The requirements of this Statement are effective for reporting periods beginning after December 15, 2020. The Township is currently reviewing what effect, if any, this Statement might have on future financial statements. GASB Statement No. 95 was issued in May 2020, which postponed the effective date of this GASB by one year.

In January 2020, the Governmental Accounting Standards Board issued GASB Statement No. 92, "Omnibus 2020". The primary objective of this Statement is to enhance comparability in accounting and financial reporting and to improve the consistency of authoritative literature by addressing practice issues that have been identified during implementation and adoption of certain GASB statements and is effective for reporting periods beginning after June 15, 2020. The Township is currently reviewing what effect, if any, this Statement might have on future financial statements. GASB Statement No. 95 was issued in May 2020, which postponed the effective date of this GASB by one year.

In March 2020, the Governmental Accounting Standards Board issued GASB Statement No. 93, "Replacement of Interbank Offered Rates". The primary objective of this Statement is to address those and other accounting and financial reporting implications that result from the replacement of an Interbank Offered Rate (IBOR) and is effective for reporting periods beginning after June 15, 2020. The Township is currently reviewing what effect, if any, this Statement might have on future financial statements. GASB Statement No. 95 was issued in May 2020, which postponed the effective date of this GASB by one year.

In March 2020, the Governmental Accounting Standards Board issued GASB Statement No. 94, "Public-Private and Public-Public Partnerships and Availability Payment Arrangements". The primary objective of this Statement is to improve financial reporting by addressing issues related to public-private and public-public partnership arrangements (PPPs). As used in this Statement, a PPP is an arrangement in which a government (the transferor) contracts with an operator (a governmental or nongovernmental entity) to provide public services by conveying control of the right to operate or use a nonfinancial asset, such as infrastructure or other capital asset (the underlying PPP asset), for a period of time in exchange or exchange-like transaction and is effective for reporting periods beginning after June 15, 2022. The Township is currently reviewing what effect, if any, this Statement might have on future financial statements.

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

D. Recent Accounting Pronouncements Not Yet Effective

In May 2020, the Governmental Accounting Standards Board issued GASB Statement No. 96, "*Subscription-Based Information Technology Arrangements*". This Statement provides guidance on the accounting and financial reporting for subscriptions-based information technology arrangements (SBITAs) for government end users (governments). This Statement (1) defines a SBITA; (2) establishes that a SBITA results in a right-to-use subscription asset - an intangible asset - and a corresponding subscription liability; (3) provides the capitalization criteria for outlays other than subscription payments, including implementation costs of a SBITA; and (4) requires note disclosures regarding a SBITA and is effective for reporting periods beginning after June 15, 2022. The Township is currently reviewing what effect, if any, this Statement might have on future financial statements.

In June 2020, the Governmental Accounting Standards Board issued GASB Statement No. 97, "*Certain Component Unit Criteria and Accounting and Financial Reporting for Internal Revenue Code Section 457 Deferred Compensation Plans*". The primary objectives of this Statement are to (1) increase consistency and comparability related to the reporting of fiduciary component units in circumstances in which a potential component unit does not have a governing board and the primary government performs the duties that a governing board typically would perform; (2) mitigate costs associated with the reporting of certain defined contribution pension plans, defined contribution other postemployment benefit (OPEB) plans, and employee benefit plans other than pension plans or OPEB plans (other employee benefit plans) as fiduciary component units in fiduciary fund financial statements; and (3) enhance the relevance, consistency, and comparability of the accounting and financial reporting for Internal Revenue Code (IRC) Section 457 deferred compensation plans (Section 457 plans) that meet the definition of a pension plan and for benefits provided through those plans and is effective for reporting periods beginning after June 15, 2021. The Township is currently reviewing what effect, if any, this Statement might have on future financial statements.

2. CASH, CASH EQUIVALENTS AND INVESTMENTS

A. Cash and Cash Equivalents

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

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

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

The Township considers petty cash, change funds and cash in banks as cash and cash equivalents.

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.

2. CASH, CASH EQUIVALENTS AND INVESTMENTS (Continued)

A. Cash and Cash Equivalents (Continued)

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.

Cash equivalents include money market funds, mutual funds, cash management funds and certificates of deposit with maturity dates of less than three months. Investments include certificates of deposit with maturity dates of more than three months. Cash equivalents and investments are stated at cost, which approximates market. Cash equivalents and investments were held by the Township's trustee in the Township's name.

Custodial Credit Risk - This is the risk that in the event of the failure of the counterparty (e.g., broker-dealer) to a transaction, the Township will not be able to recover the value of its investment or collateral securities that are in the possession of another party. The Township does not have a policy for custodial credit risk. Federal depository insurance and New Jersey's Governmental Unit Deposit Protection Act mitigate this risk.

Interest Rate Risk - This is the risk that changes in market interest rates that will adversely affect the fair value of an investment. Generally, the longer the maturity of an investment the greater the sensitivity of its fair value to change in market interest rates. The Township's investment policy does not include limits on investment maturities as a means of managing its exposure to fair value losses arising from increasing interest rates.

Concentrations - The Township's policy is to maintain a diversified portfolio to minimize the risk of loss resulting from over concentration of assets.

As of December 31, 2020 and 2019, the Township's cash, cash equivalents and investments consisted of:

	<u>2020</u>	<u>2019</u>
TD Bank	\$ 39,397,219.80	\$ 33,173,773.17
Ocean First Bank	<u>327,562.55</u>	<u>327,260.19</u>
	<u>\$ 39,724,782.35</u>	<u>\$ 33,501,033.36</u>

The carrying amount of the Township's cash, cash equivalents and investments at December 31, 2020 was \$39,724,782.35. Of the bank balance, \$500,000.00 was covered by Federal Depository Insurance and \$39,224,782.35 was covered by the Governmental Unit Deposit Protection Act (GUDPA), N.J.S.A. 17:9-41, et seq., for all New Jersey governmental units' deposits in excess of the Federal deposit maximums.

During the year, the Township had none of its idle funds invested in repurchase agreements collateralized by eligible securities. At the close of 2020 and 2019, no such investments were held by the Township.

As of December 31, 2020, the Township had only one investment for the purchase of a special emergency note.

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.

2. CASH, CASH EQUIVALENTS AND INVESTMENTS (Continued)

B. Investments (Continued)

- 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.
- In addition, a variety of State laws permit local governments to invest in a wide range of obligations issued by State governments and its agencies.

C. Risk Category

As of December 31, 2020, the Township had funds on deposit in checking, sweep accounts and governmental money market funds and New Jersey Cash Management Accounts. The amount of the Township's cash and cash equivalents on deposit as of December 31, 2020 was \$39,724,782.35. These funds constitute "deposits with financial institutions" as defined by GASB Statement No. 40. There were no securities categorized as investments 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.

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.

3. TAXES AND TAX TITLE LIENS RECEIVABLE (Continued)

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

Comparative Schedule of Tax Rate

	Year <u>2020</u>	Year <u>2019</u>	Year <u>2018</u>	Year <u>2017</u>	Year <u>2016</u>
Tax Rate (Per \$100 of Assessed Valuations)	<u>\$2.110</u>	<u>\$2.565</u>	<u>\$2.555</u>	<u>\$2.565</u>	<u>\$ 2.534</u>
Apportionment of Tax Rate:					
Municipal	\$0.523	\$0.623	\$0.626	\$0.651	\$ 0.654
Municipal Open Space	0.010	0.010	0.010	0.010	0.010
County	0.400	0.475	0.478	0.485	0.479
Local School	1.177	1.457	1.441	1.419	1.391

Assessed Valuations

<u>Year</u>	<u>Amount</u>
2020	\$ 4,191,700,406.00
2019	3,327,843,117.00
2018	3,290,002,763.00
2017	3,254,213,582.00
2016	3,248,976,987.00

Comparison of Tax Levies

<u>Date</u>	<u>Tax Levy</u>	<u>Cash Collection</u>	<u>Percentage of Collection</u>
December 31, 2020	\$88,971,104.42	\$87,581,180.47	98.43 %
December 31, 2019	86,363,523.05 *	85,046,704.65	98.47
December 31, 2018	84,795,259.51 *	83,745,236.83	98.76
December 31, 2017	84,177,129.95	83,067,494.66	98.68
December 31, 2016	82,723,757.67	81,453,468.07	98.46

*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, 2020	\$634,157.36	\$ 1,303,470.97	\$1,937,628.33	2.18 %
December 31, 2019	579,791.09	1,019,366.73	1,599,157.82	1.85
December 31, 2018	421,573.33	868,314.68	1,289,888.01	1.52
December 31, 2017	355,336.10	781,352.68	1,136,688.78	1.35
December 31, 2016	323,983.52	948,816.66	1,272,800.18	1.54

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>
2020	\$9,788,802.02
2019	9,788,802.02
2018	9,788,802.02
2017	9,781,812.99
2016	9,762,200.00

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, 2020	\$2,371,720.31	\$2,331,833.10	\$3,700,743.49	\$3,686,365.83
December 31, 2019	2,005,786.17	2,052,852.83	3,599,064.68	3,609,143.64
December 31, 2018	2,033,979.75	2,044,840.84	3,640,223.01	3,639,626.03
December 31, 2017	2,144,711.65	2,135,644.13	3,576,907.80	3,593,259.91
December 31, 2016	2,152,902.67	2,161,488.76	3,556,976.76	3,554,945.60

*Includes collection of prior year receivables.

<u>Date</u>	<u>Water Utility Western Service</u>		<u>Sewer Utility Western Service</u>	
	<u>Billing</u>	<u>Collection*</u>	<u>Billing</u>	<u>Collection*</u>
December 31, 2020	\$2,115,188.60	\$2,127,197.71	\$2,281,735.99	\$2,280,619.46
December 31, 2019	2,030,163.12	2,025,727.73	2,305,152.49	2,306,661.42
December 31, 2018	2,049,561.36	2,070,898.57	2,261,278.28	2,276,639.01
December 31, 2017	2,093,363.03	2,112,069.88	2,254,266.39	2,274,887.41
December 31, 2016	2,120,252.81	2,134,092.85	2,238,022.79	2,249,139.69

*Includes collection of prior year receivables.

6. FUND BALANCES APPROPRIATED

	<u>Date</u>	<u>Balance</u>	Utilized in Budgets of <u>Succeeding Year</u> General <u>Budget</u>
Current Fund:	December 31, 2020	\$5,284,569.39	\$4,075,000.00
	December 31, 2019	7,283,022.00	4,075,000.00
	December 31, 2018	7,253,351.71	3,500,000.00
	December 31, 2017	7,432,646.88	3,300,000.00
	December 31, 2016	5,744,258.05	2,750,000.00
Water Utility Eastern Service:	December 31, 2020	1,036,239.21	500,000.00
	December 31, 2019	1,054,932.14	500,000.00
	December 31, 2018	1,296,092.77	350,000.00
	December 31, 2017	1,296,092.77	350,000.00
	December 31, 2016	923,966.67	350,000.00
Sewer Utility Eastern Service:	December 31, 2020	4,578,273.58	800,000.00
	December 31, 2019	4,783,270.12	800,000.00
	December 31, 2018	4,555,601.19	800,000.00
	December 31, 2017	3,953,762.17	700,000.00
	December 31, 2016	3,039,664.00	800,000.00
Water Utility Western Service:	December 31, 2020	1,774,889.22	750,000.00
	December 31, 2019	1,957,345.01	600,000.00
	December 31, 2018	2,019,321.84	700,000.00
	December 31, 2017	2,011,425.27	600,000.00
	December 31, 2016	1,737,584.64	700,000.00
Sewer Utility Western Service:	December 31, 2020	280,665.61	250,000.00
	December 31, 2019	296,349.96	275,000.00
	December 31, 2018	499,927.55	405,000.00
	December 31, 2017	647,069.53	350,000.00
	December 31, 2016	632,024.68	485,000.00

7. MUNICIPAL DEBT

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

7. MUNICIPAL DEBT (Continued)

	<u>Year 2020</u>	<u>Year 2019</u>	<u>Year 2018</u>
<u>Issued</u>			
General:			
Bonds and Notes	\$22,587,000.00	\$17,512,000.00	\$15,780,000.00
Green Acres Loan	332,751.93	360,965.17	446,519.67
Water Utility Eastern Service:			
Bonds and Notes	5,478,000.00		
NJEIT Loan	3,439,175.00	2,297,144.00	
Water Utility Western Service:			
Bonds and Notes	14,205,000.00	13,837,000.00	14,111,000.00
Sewer Utility Western Service:			
Bonds and Notes	4,324,000.00	4,333,000.00	4,502,000.00
Net Debt Issued	<u>50,365,926.93</u>	<u>38,340,109.17</u>	<u>34,839,519.67</u>
<u>Authorized but Not Issued</u>			
General:			
Bonds and Notes	806,068.74	1,160,993.74	3,067,993.74
Water Utility Eastern Service:			
Bonds and Notes	1,060,825.00	2,202,856.00	4,500,000.00
	<u>1,866,893.74</u>	<u>3,363,849.74</u>	<u>7,567,993.74</u>
Bonds and Notes Issued and Authorized but Not Issued	<u>\$52,232,820.67</u>	<u>\$41,703,958.91</u>	<u>\$42,407,513.41</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 0.581%.

	<u>Gross Debt</u>	<u>Deductions</u>	<u>Net Debt</u>
Local School District Debt	\$18,680,000.00	\$18,680,000.00	\$
Water Utility Eastern Service	9,978,000.00	9,978,000.00	
Water Utility Western Service	14,205,000.00	14,205,000.00	
Sewer Utility Western Service	4,324,000.00	4,324,000.00	
General Debt	<u>23,725,820.67</u>		<u>23,725,820.67</u>
	<u>\$70,912,820.67</u>	<u>\$47,187,000.00</u>	<u>\$23,725,820.67</u>

Net debt, \$23,725,820.67 divided by Average Equalized Valuation Basis per N.J.S. 40A:2-2 as amended, \$4,080,883,226.33 equals 0.581%.

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

3 1/2% of Equalized Valuation Basis of Real Property	\$ 142,830,912.92
Net Debt	<u>23,725,820.67</u>
Remaining Borrowing Power	<u>\$ 119,105,092.25</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.

7. MUNICIPAL DEBT (Continued)

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	\$2,864,048.45
Deductions:	
Operating and Maintenance Cost	<u>2,599,750.00</u>
Excess in Revenue	<u>\$ 264,298.45</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 - 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		\$2,747,850.67
Deductions:		
Operating and Maintenance Cost	\$1,789,000.00	
Debt Service for Obligations Issued	<u>856,000.00</u>	
		<u>2,645,000.00</u>
Excess in Revenue		<u>\$ 102,850.67</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		\$2,623,498.01
Deductions:		
Operating and Maintenance Cost	\$2,170,000.00	
Debt Service for Obligations Issued	<u>365,000.00</u>	
		<u>2,535,000.00</u>
Excess in Revenue		<u>\$ 88,498.01</u>

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

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

7. MUNICIPAL DEBT (Continued)

As of December 31, 2020, the Township's long-term debt is as follows:

General Obligation Bonds

\$8,135,000, 2015 Refunding Bonds due in annual installments of \$100,000 to \$830,000 through March, 2026, interest at 2.125% to 4.000%.

\$ 4,790,000.00

\$9,800,000, 2017 Bonds due in annual installments of \$795,000 to \$960,000 through October, 2029, interest at 2.000% to 2.500%.

7,935,000.00

\$7,447,000, 2020 Bonds due in annual installments of \$780,000 to \$910,000 through December 2029, interest at 1.00% to 4.00%.

7,447,000.00

\$2,415,000, 2020 Open Space Bonds due in annual installments of \$100,000 to \$145,000 through December 2040, interest at 1.00% to 4.00%.

2,415,000.00

\$22,587,000.00

Water Utility Eastern Service Bonds

\$5,478,000, 2020 Bonds due in annual installments of \$225,000 to \$335,000 through December 2040, interest at 1.00% to 4.00%.

\$ 5,478,000.00

Water Utility Western Service Bonds

\$15,555,000, 2010 Bonds due in annual installments of \$285,000, interest at 4.00%.

\$ 285,000.00

\$14,200,000, 2020 Refunding Bonds due in annual installments of \$75,000 to \$1,275,000 through August 2041, interest at 1.872% to 3.415%.

13,920,000.00

\$ 14,205,000.00

Sewer Utility Western Service Bonds

\$5,185,000, 2010 Bonds due in annual installments of \$204,000, interest at 4.00%.

\$ 204,000.00

\$4,205,000, 2020 Refunding Bonds due in annual installments of \$35,000 to \$510,000 through August 2032, interest at 1.872% to 2.863%.

4,120,000.00

\$ 4,324,000.00

7. MUNICIPAL DEBT (Continued)

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

	General Capital			Open Space - General Capital			Cash Basis			Water Utility Western Service			Sewer Utility Western Service		
	Total	Principal	Interest	Total	Principal	Interest	Total	Principal	Interest	Total	Principal	Interest	Total	Principal	Interest
2021	\$ 2,866,842.39	\$ 2,407,000.00	\$ 459,842.39	\$ 150,029.31	\$ 100,000.00	\$ 50,029.31	\$ 792,445.86	\$ 360,000.00	\$ 432,445.86	\$ 347,722.40	\$ 239,000.00	\$ 108,722.40			
2022	2,836,837.50	2,425,000.00	411,837.50	150,356.26	100,000.00	50,356.26	789,641.86	370,000.00	419,641.86	359,907.20	260,000.00	99,907.20			
2023	2,809,603.13	2,440,000.00	369,603.13	149,356.26	100,000.00	49,356.26	782,530.46	370,000.00	412,530.46	369,910.00	275,000.00	94,910.00			
2024	2,790,250.00	2,465,000.00	325,250.00	148,356.26	100,000.00	48,356.26	770,204.46	365,000.00	405,204.46	389,465.00	300,000.00	89,465.00			
2025	2,755,728.13	2,475,000.00	280,728.13	147,356.26	100,000.00	47,356.26	762,619.76	365,000.00	397,619.76	398,231.00	315,000.00	83,231.00			
2026	2,726,643.75	2,500,000.00	226,643.75	150,356.26	105,000.00	45,356.26	754,670.06	365,000.00	389,670.06	416,370.30	340,000.00	76,370.30			
2027	1,928,156.25	1,765,000.00	163,156.25	151,156.26	110,000.00	41,156.26	746,318.86	365,000.00	381,318.86	433,591.10	365,000.00	68,591.10			
2028	1,932,275.00	1,825,000.00	107,275.00	151,756.26	115,000.00	36,756.26	737,602.66	365,000.00	372,602.66	449,874.90	390,000.00	59,874.90			
2029	1,918,400.00	1,870,000.00	48,400.00	147,156.26	115,000.00	32,156.26	728,430.20	365,000.00	363,430.20	465,074.20	415,000.00	50,074.20			
2030				147,556.26	120,000.00	27,556.26	719,075.26	365,000.00	354,075.26	484,437.76	445,000.00	39,437.76			
2031				150,906.26	125,000.00	25,906.26	709,355.30	365,000.00	344,355.30	497,587.40	470,000.00	27,587.40			
2032				149,031.26	125,000.00	24,031.26	694,270.36	360,000.00	334,270.36	524,601.30	510,000.00	14,601.30			
2033				152,000.00	130,000.00	22,000.00	1,248,963.56	925,000.00	323,963.56						
2034				149,400.00	130,000.00	19,400.00	1,256,555.80	960,000.00	296,555.80						
2035				151,800.00	135,000.00	16,800.00	1,267,631.00	1,000,000.00	267,631.00						
2036				149,100.00	135,000.00	14,100.00	1,277,001.00	1,040,000.00	237,001.00						
2037				151,400.00	140,000.00	11,400.00	1,286,485.00	1,085,000.00	201,485.00						
2038				148,600.00	140,000.00	8,600.00	1,294,432.26	1,130,000.00	164,432.26						
2039				150,800.00	145,000.00	5,800.00	1,305,842.76	1,180,000.00	125,842.76						
2040				147,900.00	145,000.00	2,900.00	1,315,545.76	1,230,000.00	85,545.76						
2041							1,318,541.26	1,275,000.00	43,541.26						
	<u>\$22,564,736.15</u>	<u>\$20,172,000.00</u>	<u>\$2,392,736.15</u>	<u>\$2,994,373.17</u>	<u>\$2,415,000.00</u>	<u>\$ 579,373.17</u>	<u>\$20,558,163.50</u>	<u>\$14,205,000.00</u>	<u>\$6,353,163.50</u>	<u>\$5,136,772.56</u>	<u>\$4,324,000.00</u>	<u>\$812,772.56</u>			

7. MUNICIPAL DEBT (Continued)

Green Trust Loans

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, 2020 is \$127,828.55:

<u>Year</u>	<u>Totals</u>	<u>Principal</u>	<u>Interest</u>
2021	\$ 13,557.69	\$ 11,056.12	\$ 2,501.57
2022	13,557.68	11,278.35	2,279.33
2023	13,557.68	11,505.04	2,052.64
2024	13,557.68	11,736.29	1,821.39
2025	13,557.69	11,972.20	1,585.49
2026	13,557.69	12,212.84	1,344.85
2027	13,557.70	12,458.32	1,099.38
2028	13,557.69	12,708.73	848.96
2029	13,557.70	12,964.18	593.52
2030	13,557.68	13,224.75	332.93
2031	6,778.85	6,711.73	67.12
	<u>\$ 142,355.73</u>	<u>\$ 127,828.55</u>	<u>\$ 14,527.18</u>

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, 2020 is \$204,923.38:

<u>Year</u>	<u>Totals</u>	<u>Principal</u>	<u>Interest</u>
2021	\$ 21,734.48	\$ 17,724.20	\$ 4,010.28
2022	21,734.48	18,080.45	3,654.03
2023	21,734.48	18,443.86	3,290.62
2024	21,731.48	18,814.59	2,916.89
2025	21,734.48	19,192.76	2,541.72
2026	21,734.49	19,578.54	2,155.95
2027	21,734.49	19,972.07	1,762.42
2028	21,734.48	20,373.50	1,360.98
2029	21,734.49	20,783.02	951.47
2030	21,734.48	21,200.75	533.73
2031	10,867.24	10,759.64	107.60
	<u>\$ 228,209.07</u>	<u>\$ 204,923.38</u>	<u>\$ 23,285.69</u>

NJEIT Loan Payable

The Township has applied to the I-Bank for reimbursement for eligible projects. The Township has received the amount of \$3,439,175.00 as of December 31, 2020 and is being reflected as a loan payable in the Water Eastern Capital Fund. The I-Bank has formally provided reimbursement schedules of \$3,361,318.00, as shown below:

7. MUNICIPAL DEBT (Continued)

NJEIT Loan Payable (Continued)

Year	W1518005-002				S340 650-08				Series 2021A-1 Fund Loan 08				Series 2021A-11 Fund Loan 08				Total		
	Principal	Interest	DEP Fee	NJEIT Fee	Principal	Interest	DEP Fee	NJEIT Fee	Principal	Interest	DEP Fee	NJEIT Fee	Principal	Interest	DEP Fee	NJEIT Fee			
2021	\$	\$ 2,080.10	\$ 10,882.00	\$ 375.00	\$	\$ 4,421.25	\$ 24,425.00	\$ 840.00	\$	\$ 62,098.61	\$ 1,844.37	\$ 63,942.98	\$	\$ 6,501.35	\$ 35,307.00	\$ 1,215.00			
2022	40,000.00	9,586.07		750.00	20,000.00	19,650.00		1,680.00	93,147.91	2,766.55		155,914.46	29,236.07			2,430.00			
2023	40,000.00	9,213.52		750.00	20,000.00	18,650.00		1,680.00	93,147.91	2,766.55		155,914.46	27,863.52			2,430.00			
2024	40,000.00	9,162.30		750.00	20,000.00	17,650.00		1,680.00	93,147.91	2,766.55		155,914.46	26,812.30			2,430.00			
2025	40,000.00	9,067.60		750.00	25,000.00	16,650.00		1,680.00	93,147.91	2,766.55		160,914.46	25,717.60			2,430.00			
2026	40,000.00	8,928.00		750.00	25,000.00	15,400.00		1,680.00	93,147.91	2,766.55		160,914.46	24,328.00			2,430.00			
2027	45,000.00	8,748.80		750.00	25,000.00	14,150.00		1,680.00	93,147.91	2,766.55		165,914.46	22,898.80			2,430.00			
2028	45,000.00	8,476.72		750.00	25,000.00	12,900.00		1,680.00	93,147.91	2,766.55		165,914.46	21,376.72			2,430.00			
2029	45,000.00	8,148.28		750.00	25,000.00	11,650.00		1,680.00	93,147.91	2,766.55		165,914.46	19,798.28			2,430.00			
2030	50,000.00	7,774.42		750.00	30,000.00	10,400.00		1,680.00	93,147.91	2,766.55		175,914.46	18,174.42			2,430.00			
2031	50,000.00	7,367.34		750.00	30,000.00	9,200.00		1,680.00	93,147.91	2,766.55		175,914.46	16,567.34			2,430.00			
2032	50,000.00	6,883.06		750.00	30,000.00	8,300.00		1,680.00	93,147.91	2,766.55		175,914.46	15,183.06			2,430.00			
2033	50,000.00	6,324.68		750.00	30,000.00	7,400.00		1,680.00	93,147.91	2,766.55		175,914.46	13,724.68			2,430.00			
2034	50,000.00	5,704.50		750.00	35,000.00	6,500.00		1,680.00	93,147.91	2,766.55		180,914.46	12,204.50			2,430.00			
2035	55,000.00	5,034.50		750.00	35,000.00	5,450.00		1,680.00	93,147.91	2,766.55		185,914.46	10,484.50			2,430.00			
2036	55,000.00	4,222.54		750.00	35,000.00	4,400.00		1,680.00	93,147.91	2,766.55		185,914.46	8,622.54			2,430.00			
2037	55,000.00	3,471.46		750.00	35,000.00	3,700.00		1,680.00	93,147.91	2,766.55		185,914.46	7,171.46			2,430.00			
2038	55,000.00	2,584.36		750.00	35,000.00	2,650.00		1,680.00	93,147.91	2,766.55		185,914.46	5,234.36			2,430.00			
2039	55,000.00	1,500.00		750.00	40,000.00	1,600.00		1,680.00	93,147.91	2,766.55		190,914.46	3,100.00			2,430.00			
2040	55,000.00	700.00		750.00	40,000.00	800.00		1,680.00	93,148.01	2,766.73		190,914.74	1,500.00			2,430.00			
	\$ 915,000.00	\$ 124,978.25	\$ 10,882.00	\$ 14,625.00	\$ 560,000.00	\$ 191,521.25	\$ 24,425.00	\$ 32,760.00	\$ 1,831,909.00	\$ 54,409.00	\$ 3,361,318.00	\$ 35,307.00	\$ 47,385.00						

7. MUNICIPAL DEBT (Continued)

Bond Anticipation Notes

The Township had no outstanding Bond Anticipation Notes.

Bonds and Notes Authorized but Not Issued

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

General Capital Fund	<u>\$ 806,068.74</u>
Water Utility Eastern Capital Fund	<u>\$1,060,825.00</u>

8. CAPITAL ASSETS

Capital asset activity for the years ended December 31, 2020 and 2019 was as follows:

	Balance <u>Dec. 31, 2019</u>	Additions	Retirement	Balance <u>Dec. 31, 2020</u>
Buildings and Improvements	\$ 24,935,191.00	\$ -	\$ -	\$ 24,935,191.00
Vehicles, Machinery and Equipment	<u>20,258,573.31</u>	<u>1,466,554.34</u>	<u>3,718.28</u>	<u>21,721,409.37</u>
	<u>\$ 45,193,764.31</u>	<u>\$ 1,466,554.34</u>	<u>\$ 3,718.28</u>	<u>\$ 46,656,600.37</u>
	Balance <u>Dec. 31, 2018</u>	Additions	Retirement	Balance <u>Dec. 31, 2019</u>
Buildings and Improvements	\$ 24,935,191.00	\$ -	\$ -	\$ 24,935,191.00
Vehicles, Machinery and Equipment	<u>19,823,163.26</u>	<u>435,410.05</u>		<u>20,258,573.31</u>
	<u>\$ 44,758,354.26</u>	<u>\$ 435,410.05</u>	<u>\$ -</u>	<u>\$ 45,193,764.31</u>

9. INTERFUND RECEIVABLES AND PAYABLES

As of December 31, 2020, 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	\$ 264,795.99	\$1,260,145.65
Federal and State Grant Funds	764,043.39	
General Trust Fund	138,006.01	
Open Space Trust Fund		89,149.65
General Capital Fund	185,069.66	4,308.66
Sewer Operating Utility - Eastern Service	549.20	548.97
Sewer Capital Utility - Eastern Service	706,450.90	
Water Operating Utility - Eastern Service	27,176.01	
Water Capital Fund - Eastern Service	<u>4,308.66</u>	<u>736,246.89</u>
	<u>\$2,090,399.82</u>	<u>\$2,090,399.82</u>

10. 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 termination, 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 resolution 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).

11. 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.

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.

11 PENSION PLANS (Continued)

Description of Systems (Continued)

	PERS		
	<u>2020</u>	<u>2019</u>	<u>2018</u>
Covered Employee Payroll	\$ 8,217,788.00	\$ 7,241,593.00	\$ 7,310,631.00
Total Payroll	22,706,575.92	19,255,943.21	18,173,460.39
Actuarial Contribution			
Requirements	1,077,676.00	1,020,574.00	1,024,754.00
Total Contributions	1,712,524.55	1,575,946.04	53,679.00
Employer Share	1,077,676.00	1,020,574.00	1,024,754.00
% of Covered Payroll	13.11%	14.09%	14.02%
Employee's Share	634,848.55	555,372.04	550,132.50
% of Covered Payroll	7.73%	7.50%	7.53%

	PFRS		
	<u>2020</u>	<u>2019</u>	<u>2018</u>
Covered Employee Payroll	\$ 8,367,849.00	\$ 7,829,874.00	\$ 7,557,814.00
Total Payroll	22,706,575.92	19,255,943.21	18,173,460.39
Actuarial Contribution			
Requirements	2,563,232.00	2,219,492.00	2,207,392.00
Total Contributions	3,404,167.50	231,899.00	2,966,732.08
Employer Share	2,563,232.00	2,219,492.00	2,207,392.00
% of Covered Payroll	30.63%	28.35%	29.21%
Employee's Share	840,935.50	786,516.74	759,340.08
% of Covered Payroll	10.05%	10.05%	10.05%

Assumptions

The collective total PERS and PFRS pension liability for June 30, 2020 measurement date was determined by an actuarial valuation as of July 1, 2019 using an actuarial experience study for the period July 1, 2014 to June 30, 2018 for PERS and for the period July 1, 2013 to June 30, 2018 for PFRS. The pension liability was rolled forward to June 30, 2020. The actuarial valuation used an inflation rate of 2.75% for price and 3.25% for wage, projected salary increases through 2026 of 2.00% to 6.00% for PERS and thereafter 3.00% to 7.00% based on years of service and through all future years 3.25% to 15.25% for PFRS based on years of service and through all future years 3.25% to 15.25% for PFRS based on years of service and an investment rate of return 7.00%.

For PERS, preretirement mortality rates were based on the Pub-2010 General Below-Median Income Employee mortality table with an 82.2% adjustment for males and 101.4% adjustment for females, and with future improvement from the base year of 2010 on a generational basis. Post-retirement mortality rates were based on the Pub-2010 General Below-Median Income Healthy Retiree mortality table with a 91.4% adjustment for males and 99.7% adjustment for females, and with future improvement from the base year of 2010 on a generational basis. Disability retirement rates used to value disabled retirees were based on the Pub-2010 Non-Safety Disabled Retiree mortality table with a 127.7% adjustment for males and 117.2% adjustment for females, and with future improvement from the base year of 2010 on a generational basis. Mortality improvement is based on Scale MP-2019.

11. PENSION PLANS (Continued)

Description of Systems (Continued)

For PFRS, preretirement mortality rates were based on the Pub-2010 Safety Employee mortality table with a 105.6% adjustment for males and 102.5% adjustment for females, and with future improvement from the base year of 2010 on a generational basis. Post-retirement mortality rates were based on the Pub-2010 Safety Retiree Below-Median Income Weighted mortality table with a 96.7% adjustment for males and 96.0% adjustment for females, and with future improvement from the base year of 2010 on a generational basis. For beneficiaries the Pub-2010 General Retiree Below-Median Income Weighted mortality table was used, unadjusted, and with future improvement from the base year of 2010 on a generational basis. Disability rates were based on the Pub-2010 Safety Disabled Retiree mortality table with a 152.0% adjustment for males and 109.3% adjustment for females, and with future improvement from the base year of 2010 on a generational basis. Mortality improvement is based on Scale MP-2020.

The discount rate used to measure the total pension liability was 7.00% for PERS and 7.00% for PFRS as of June 30, 2020. 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 and the nonemployer contributing entity will be based on 78% of the actuarially determined contributions for the State employer and 100% of actuarially determined contributions for the local employers. Based on those assumptions, the plan's fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on plan investments was applied to all projected benefit payments to determine 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).

11. PENSION PLANS (Continued)

Significant Legislation

The following presents the Township's proportionate share of the collective PERS net pension liability calculated using the discount rate of 7.00% and 6.28% as of June 30, 2020 and 2019, 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.

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

	PERS		
	At 1% Decrease (6.00%)	At Current Discount Rate (7.00%)	At 1% Increase (8.00%)
2020	<u>\$20,381,920</u>	<u>\$ 16,064,797</u>	<u>\$ 12,735,113</u>
	At 1% Decrease (5.28%)	At Current Discount Rate (6.28%)	At 1% Increase (7.28%)
2019	<u>\$24,046,474</u>	<u>\$ 18,905,205</u>	<u>\$ 14,815,297</u>

Under N.J.S.A. 43:15A-15, local participating employers are responsible for their own contributions based on actuarially determined amounts, except where legislation was passed that legally obligated the State if certain circumstances occurred. The legislation which legally obligates the State, is Chapter 366, P.L. 2001. The amounts contributed on behalf of the local participating employers under this legislation is considered to be a special funding situation as defined by GASB Statement No. 68 and the State is treated as a nonemployer contributing entity. Since the local participating employers do not contribute under the legislation directly to the plan (except for employer specific financed amounts), there is no net pension liability or deferred outflows or inflows to report in the financial statements of the local participating employers related to this legislation. Below is the portion of the nonemployer contribution entities' total proportionate share of the collective net pension liability that is associated with the local participating employers:

	<u>2020</u>	<u>2019</u>
Employer Net Pension Liability	\$ 16,064,797	\$ 18,905,205
Nonemployer Proportional Share of the Net Pension Liability	<u>126,324</u>	<u>114,851</u>
	<u>\$ 16,191,121</u>	<u>\$ 19,020,056</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.

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.

11. PENSION PLANS (Continued)

Police and Firemen's Retirement System: (Continued)

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.

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 Collective PFRS net pension liability calculated using the discount rate of 7.00% and 6.85% as of June 30, 2020 and 2019, 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.

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

	PFRS		
	At 1% Decrease (6.00%)	At Current Discount Rate (7.00%)	At 1% Increase (8.00%)
2020	<u>\$45,542,310</u>	<u>\$29,646,618</u>	<u>\$24,866,551</u>
	At 1% Decrease (5.85%)	At Current Discount Rate (6.85%)	At 1% Increase (7.85%)
2019	<u>\$37,838,534</u>	<u>\$26,889,868</u>	<u>\$17,828,635</u>

Special Funding Situation

Under N.J.S.A. 43:16A-15, local participating employers are responsible for their own contributions based on actuarially determined amounts, except where legislation was passed that legally obligated the State if certain circumstances occurred. The legislation, which legally obligates the State, is as follows: Chapter 8, P.L. 2000, Chapter 318, P.L. 2001, Chapter 86, P.L. 2001, Chapter 511, P.L. 1991, Chapter 109, P.L. 1979, Chapter 247, P.L. 1993 and Chapter 201, P.L. 2001. The amounts contributed on behalf of the local participating employers under this legislation is considered to be a special funding situation as defined by GASB Statement No. 68 and the State is treated as a non-employer contributing entity. Since the local participating employers do not contribute under this legislation directly to the plan, (except for employer specific financed amounts), there is no net pension liability or deferred outflows or inflows to report in the financial statements of the local participating employers related to this legislation. Below is the portion of the non-employer contributing entities' total proportionate share of the collective net pension liability that is associated with the local participating employer.

11. PENSION PLANS (Continued)

Special Funding Situation (Continued)

	<u>2020</u>	<u>2019</u>
Employer Net Pension Liability	\$ 29,646,618	\$ 26,889,868
Non-employer Proportionate Share of the Net Pension Liability	<u>4,601,020</u>	<u>4,245,962</u>
	<u>\$ 34,247,638</u>	<u>\$ 31,135,830</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, 2020 and 2019 are based on the ratio of each employer's contributions to total employer contributions of the group for the fiscal years ended June 30, 2020 and 2019, 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, 2020.

	<u>PERS</u>	<u>PFRS</u>
Net Pension Liabilities	\$ 16,064,797	\$ 29,646,618
Deferred Outflow of Resources	2,455,608	4,847,567
Deferred Inflow of Resources	7,946,542	8,824,592
Pension Expense	926,519	2,358,853
Contributions Made After Measurement Date	1,077,676	2,563,232

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, 2020 and 2019. The Township's proportionate share of the collective net pension liability as of June 30, 2020 and 2019 was 0.0985124028% and 0.1049211778% for PERS and 0.2294395697% and 0.2197276228% 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.

11. PENSION PLANS (Continued)

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

At June 30, 2020, the amount determined as the Township's proportionate share of the PERS net pension liability was \$16,064,797. For the year ended June 30, 2020, the Township would have recognized PERS pension expense of \$926,519. At June 30, 2020, deferred outflows of resources related to the PERS pension are as follows:

	Deferred Outflows of <u>Resources</u>	Deferred Inflows of <u>Resources</u>
Difference Between Expected and Actual Experience	\$ 292,514	\$ 56,812
Change of Assumptions	521,160	6,726,482
Net Difference Between Projected and Actual Investment Earnings	549,108	
Net Change in Proportions	1,092,826	1,163,248
Total Contributions and Proportionate Share of Contributions After the Measurement Date	<u>1,077,676</u>	
	<u>\$ 3,533,284</u>	<u>\$ 7,946,542</u>

At June 30, 2020, the amount determined as the Township's proportionate share of the PFRS net pension liability was \$29,646,618. For the year ended June 30, 2020, the Township would have recognized PFRS pension expense of \$2,358,853. At June 30, 2020, deferred outflows of resources and deferred inflows of resources related to the PFRS pension are as follows:

	Deferred Outflows of <u>Resources</u>	Deferred Inflows of <u>Resources</u>
Difference Between Expected and Actual Experience	\$ 298,888	\$ 106,398
Change of Assumptions	74,606	7,948,081
Net Difference Between Projected and Actual Investment Earnings	1,738,320	
Net Change in Proportions	2,735,753	770,113
Total Contributions and Proportionate Share of Contributions After the Measurement Date	<u>2,563,232</u>	
	<u>\$ 7,410,799</u>	<u>\$ 8,824,592</u>

Long-Term Expected Rate of Return

In accordance with State statute, the long-term expected rate of return on plan investments (7.00% at June 30, 2020) is determined by the State Treasurer, after consultation with the Directors of the Division of Investment and Division of Pensions and Benefits, the board of trustees and the actuaries. The long-term expected rate of return 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, 2020 are summarized in the following table:

11. PENSION PLANS (Continued)

Long-Term Expected Rate of Return (Continued)

<u>Asset Class</u>	<u>Target Allocation</u>	<u>Expected Real Rate of Return</u>
US Equity	27.00%	7.71%
Non-U.S. Developed Market Equity	13.50%	8.57%
Emerging Market Equity	5.50%	10.23%
Private Equity	13.00%	11.42%
Real Assets	3.00%	9.73%
Real Estate	8.00%	9.56%
High Yield	2.00%	5.95%
Private Credit	8.00%	7.59%
Investment Grade Credit	8.00%	2.67%
Cash Equivalents	4.00%	0.50%
U.S. Treasuries	5.00%	1.94%
Risk Mitigation Strategies	3.00%	3.40%

Contributions Required and Made

Contributions made by employees for PERS were 7.50% and PFRS is 10.0% of their base wages, respectively. Employer contributions are actuarially determined on an annual basis by the Division of Pensions.

Contributions to the plan for the past three (3) years are as follows:

<u>Year</u>	<u>PERS</u>		<u>PFRS</u>	
	<u>Township</u>	<u>Employees*</u>	<u>Township</u>	<u>Employees*</u>
2018	\$ 1,043,503.58	\$ 711,976.43	\$ 2,112,678.49	\$ 938,318.82
2019	1,059,524.00	676,946.10	2,355,185.41	965,319.77
2020	1,055,050.00	782,314.13	2,308,856.00	1,067,609.50

*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.

12. OTHER POSTEMPLOYMENT BENEFITS (OPEB)

In addition to the pension described in Note 10, the Township provides post employment health care benefits as part of the State Health Benefits Local Government Retired Employments Plan.

General Information about the OPEB Plan

The State Health Benefit Local Government Retired Employees Plan (the Plan) is a cost-sharing multiple-employer defined benefit other postemployment benefit (OPEB) plan with a special funding situation. It covers employees of local government employers that have adopted a resolution to participate in the Plan. The plan meets the definition of an equivalent arrangement as defined in paragraph 4 of GASB Statement No. 75, *Accounting and Financial Reporting for the Postemployment Benefits Other Than Pensions* (GASB Statement No. 75); therefore, assets are accumulated to pay associated benefits. For additional information about the Plan, please refer to the State of New Jersey (the State), Division of Pensions and Benefits (the Division) Comprehensive Annual Financial Report (CAFR), which can be found at <https://www.state.nj.us/treasury/pensions/financial-reports.shtml>.

12. OTHER POSTEMPLOYMENT BENEFITS (OPEB) (Continued)

General Information about the OPEB Plan (Continued)

The Plan provides medical and prescription drug to retirees and their covered dependents of the employers. Under the provisions of Chapter 88, P.L. 1974 and Chapter 48, P.L. 1999, local government employers electing to provide postretirement medical coverage to their employees must file a resolution with the Division. Under Chapter 88, local employers elect to provide benefit coverage based on the eligibility rules and regulations promulgated by the State Health Benefits Commission. Chapter 48 allows local employers to establish their own age and service eligibility for employer paid health benefits coverage for retired employees. Under Chapter 48, the employer may assume the cost of postretirement medical coverage for employees and their dependents who: 1) retired on a disability pension; or 2) retired with 25 or more years of service credit in a State or locally administered retirement system and a period of service of up to 25 years with the employer at the time of retirement as established by the employer; or 3) retired and reached the age of 65 with 25 or more years of service credit in a State or locally administered retirement system and a period of service of up to 25 years with the employer at the time of retirement as established by the employer; or 4) retired and reached age 62 with at least 15 years of service with the employer. Further, the law provides that the employer paid obligations for retiree coverage may be determined by means of a collective negotiations agreement.

Pursuant to Chapter 78, P.L. 2011, future retirees eligible for postretirement medical coverage who have less than 20 years of creditable service on June 28, 2011 will be required to pay a percentage of the cost of their health care coverage in retirement providing they retire with 25 or more years of pension service credit. The percentage of the premium for which the retiree will be responsible will be determined based on the retiree's annual retirement benefit and level of coverage.

Total OPEB Liability

The information listed below is as of June 30, 2019. No updated numbers were available at the time of this report.

At June 30, 2019, the Township had a liability of \$21,076,603 and \$26,473,295 for its proportionate share of the non-special funding net OPEB liability. The net OPEB liability was measured as of June 30, 2019 and 2018, and the total OPEB liability used to calculate the net OPEB liability was determined by an actuarial valuation as of those dates. The Township's proportion of the net OPEB liability was based on a projection of the Township's long-term share of contributions to the OPEB plan relative to the projected contributions of all participating employers in the plan.

The Township's proportionate share of net OPEB liability as of June 30, 2019 and 2018 was .155592% and .168979%, respectively.

For the year ended December 31, 2019, the Township would have recognized OPEB expense of \$(787,804). At December 31, 2019, deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Changes of Assumptions	\$	\$ 7,469,079
Net Difference Between Projected and Actual Earnings on OPEB Plan Investments	17,361	6,163,620
Changes in Proportion and Differences Between the Township's Contributions and Proportionate Share of Contributions	<u>698,960</u>	<u>4,316,745</u>
Total	<u>\$ 716,321</u>	<u>\$ 17,949,444</u>

12. OTHER POSTEMPLOYMENT BENEFITS (OPEB)

Total OPEB Liability (Continued)

Amounts reported as deferred outflows of resources related to OPEB resulting from contributions subsequent to the measurement date will be recognized as a reduction of the OPEB liability in the subsequent year. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to OPEB (excluding changes in proportion) would be recognized in OPEB expense as follows:

Year Ended June 30:	
2020	\$ (2,217,500)
2021	(2,217,500)
2022	(2,218,860)
2023	(2,221,060)
2024	(2,223,070)
Thereafter	(2,517,348)

Changes in Proportion

The previous amounts do not include employer specific deferred outflows of resources and deferred inflows of resources related to changes in proportion. These amounts should be recognized (amortized) by each employer over the average of the expected remaining service lives of all plan members, which is 8.05, 8.14 and 8.04 years for the 2019, 2018 and 2017 amounts, respectively.

Actual Assumptions and Other Inputs

The total OPEB liability for the June 30, 2019 measurement date was determined by an actuarial valuation as of June 30, 2018, which rolled forward to June 30, 2019. The actuarial assumptions vary for each plan member depending on the pension plan the member is enrolled in. This actuarial valuation used the following actuarial assumptions, applied to all periods in the measurement.

Inflation Rate	2.50%
Salary Increases*:	
Rate Through 2026	2.00% - 6.00%
Rate Thereafter	3.00 - 7.00
Police and Firemen's Retirement System (PFRS):	
Rate for all Future Years	3.25% to 15.25%
Mortality:	
PERS	Pub-2010 General Classification Headcount Weighted mortality with fully generational mortality improvement projections from the central year using Scale MP-2019.
PFRS	Pub-2010 Safety Classification Headcount Weighted mortality with fully generational mortality improvement projections from the central year using Scale MP-2019.

*Salary increases are based on years of service within the respective plan.

Preretirement mortality rates were based on the RP-2006 Headcount-Weighted Healthy Employee Male/Female mortality table with fully generational mortality improvement projections from the central year using the MP-2017 scale. Postretirement mortality rates were based on the RP-2006 Headcount-Weighted Health Annuitant Male/Female mortality table with fully generational improvement projections from the central year using the MP-2017 scale. Disability mortality was based on the RP-2006 Headcount-Weighted Disabled Male/Female mortality table with fully generational improvement projections from the central year using the MP-2017 scale.

12. OTHER POSTEMPLOYMENT BENEFITS (OPEB) (Continued)

Actual Assumptions and Other Inputs (Continued)

Certain actuarial assumptions used in the June 30, 2018 valuation were based on the results of the PFRS and PERS experience studies prepared for July 1, 2013 to June 30, 2018 and July 1, 2014 to June 30, 2018, respectively.

100% of active members are considered to participate in the Plan upon retirement.

Health Care Trend Assumptions

For pre-Medicare medical benefits, the trend is initially 5.7% and decreases to a 4.5% long-term trend rate after eight years. For Post-65 medical benefits, the actual fully-insured Medicare Advantage trend rates for fiscal year 2020 are reflected. The assumed Post-65 medical trend is 4.5% for all future years. For prescription drug benefits, the initial rate is 7.5% and decreases to a 4.5% long-term trend rate after eight years.

Discount Rate

The discount rate for June 30, 2019 and 2018 was 3.50% and 3.87%, respectively. This represents the municipal bond return rate as chosen by the Division. The source is the Bond Buyer Go 20-Bond Municipal Bond Index, which includes tax-exempt general obligation municipal bonds with an average rating of AA/Aa or higher. As the long-term rate of return is less than the municipal bond rate, it is not considered in the calculation of the discount rate, rather the discount rate is set at the municipal bond rate.

Sensitivity of Net OPEB Liability to Changes in the Discount Rate

The following presents the Township's proportionate share of the net OPEB liability as of June 30, as well as what the Township's proportionate share of the net OPEB liability would be if it were calculated using a discount rate that is one percentage point lower or one percentage point higher than the current rate:

	June 30, 2019		
	1% Decrease <u>2.50%</u>	At Current Discount Rate <u>3.50%</u>	1% Increase <u>4.50%</u>
Township's Proportionate Share of Net OPEB Liability	\$ 24,369,915	\$ 21,076,603	\$ 18,400,352
	June 30, 2018		
	1% Decrease <u>2.87%</u>	At Current Discount Rate <u>3.87%</u>	1% Increase <u>4.87%</u>
Township's Proportionate Share of Net OPEB Liability	\$ 31,060,174	\$ 26,473,295	\$ 22,809,416

Sensitivity of Net OPEB Liability to Changes in the Healthcare Trend Rates

The following presents the Township's proportionate share of the net OPEB liability as of June 30, as well as what the Township's proportionate share of the net OPEB liability would be if it were calculated using a healthcare trend rate that is one percentage point lower or one percentage point higher than the current rate:

12. OTHER POSTEMPLOYMENT BENEFITS (OPEB)

Sensitivity of Net OPEB Liability to Changes in the Healthcare Trend Rates (Continued)

	June 30, 2019		
	<u>1% Decrease</u>	<u>Healthcare Cost Trend Rate</u>	<u>1% Increase</u>
Township's Proportionate Share of Net OPEB Liability	\$ 17,786,055	\$ 21,076,603	\$ 25,274,250

	June 30, 2018		
	<u>1% Decrease</u>	<u>Healthcare Cost Trend Rate</u>	<u>1% Increase</u>
Township's Proportionate Share of Net OPEB Liability	\$ 22,082,972	\$ 26,473,295	\$ 32,155,024

Special Funding Situation

Under Chapter 330, P.L. 1997, the State shall pay the premium or periodic charges for the qualified local police and firefighter retirees and dependents equal to 80 percent of the premium or periodic charge for the category of coverage elected by the qualified retiree under the State managed care plan or a health maintenance organization participating in the program providing the lowest premium or periodic charge. The State also provides funding for retiree health benefits to survivors of local police officers and firefighters who die in the line of duty under Chapter 271, P.L. 1989.

Therefore, these employers are considered to be in a special funding situation as defined by GASB Statement No. 75 and the State is treated as a nonemployer contributing entity. Since the local participating employers do not contribute under this legislation directly to the plan, there is no net OPEB liability, deferred outflows of resources or deferred inflows of resources to report in the financial statements of the local participating employers related to this legislation.

The Township as of December 31, 2019 has 85 members under the Special Funding Situation. The State proportionate share of the net OPEB liability attributed to the Township is \$15,754,929.

13. 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.

13. DEFINED CONTRIBUTION RETIREMENT PROGRAM (Continued)

Description of System (Continued)

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.
- 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. The employer contribution is 4.05% which includes a member contribution match of 3.0%, Group Life Insurance is .74% of gross wages and Long-Term Disability is .31% of gross wages.

During the year 2020, there were five (5) officials or employees enrolled in the DCRP.

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

Certain expenditures are required to be deferred to budgets of succeeding years. At December 31, 2020, there were the following deferred charges on the balance sheet of the Current Fund:

Special Emergency Authorizations:

	Balance <u>Dec. 31, 2020</u>	Raised in <u>2021 Budget</u>	To be Raised in Subsequent <u>Budgets</u>
Property Revaluation Program	<u>\$ 350,000.00</u>	<u>\$ 117,500.00</u>	<u>\$ 232,500.00</u>

15. LENGTH OF SERVICE AWARD PROGRAM ("LOSAP") - UNAUDITED

The Township has established a Volunteer Length of Service Award Plan ("LOSAP") ("Plan") to ensure retention of the Township's Volunteer First Aid and Fire Department Squads. 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(e)11 of the Internal Revenue Code.

Annual Contributions - The annual contribution to be made by the Township for each active volunteer member shall be \$1,150 per year of active emergency service, commencing with the year 2005.

Appropriations - Appropriations for the purpose of funding the Township's LOSAP shall be included as a separate line item in the Township's budget, commencing with the year 2005.

Periodic Increases - Notwithstanding the provisions above, the annual contribution to be made by the Township for each active volunteer member shall be subject to periodic increases based upon the "consumer price index factor" pursuant to subsection f. of section 3 of P.L. 1997, c. 388 (N.J.S.A. 40A:14-185).

Criteria for Eligibility; Contributions; Points - Any active volunteer member shall be eligible to participate in the LOSAP Plan immediately upon commencement of the member's performance of active voluntary services in the emergency service organization. Annual contributions shall only be made by the Township, however, for those active volunteer members who have earned the minimum number of points for performing certain volunteer services on a yearly basis.

Determination as to Eligibility - Each emergency service organization shall provide to the Township Administrator, acting as the Plan Administrator of LOSAP Plan, a certified list as to the active volunteer members who are initially eligible to participate in the Plan and those who are eligible to participate at each January 1 thereafter. The Plan Administrator shall forward said certified list to the Township Committee for approval, in accordance with the provision of N.J.A.C. 5:30-14.10. The decision of the Township Committee as to such active member's eligibility shall be binding upon the Plan Administrator, participants, beneficiaries and any and all other persons having an interest hereunder, subject to appropriate judicial review.

Terms of Participation - The Plan Administrator shall have the right to require any active volunteer member at the time of his or her becoming a participant to agree, in writing, to be bound by the terms, covenants and conditions of the LOSAP and accompanying trust. Each participant shall furnish to the Plan Administrator all pertinent information required for the administration of the LOSAP. The Plan Administrator shall rely upon all such information furnished.

Vesting - The active volunteer member shall not be permitted to receive a distribution of the fund in his or her LOSAP account until the completion of a five-year vesting period.

Termination of Service - Any participant who terminates service as an active volunteer member shall cease to participate hereunder. A former participant may resume participation immediately upon returning to the service of the emergency service organization as an active volunteer member. Any active volunteer member who terminates service with the emergency service organization, subsequently returns to service and again becomes a participant shall be treated as a new participant for purposes of eligibility unless said participant was fully vested prior to his or her termination from service.

Reporting Requirements - N.J.A.C. 5:30-14.49 requires that the Township perform a separate review report of the Plan in accordance with the American Institute of Certified Public Accountants Statements for Accounting and Auditing Review Services.

16. TAX ABATEMENT

The Township of Manchester is authorized by the New Jersey Housing and Mortgage Financing Act Law of 1983, N.J.S.A. 55:14K-1 et seq. (hereinafter "HMFA Law"), and resolutions of the Committee as dated in the table shown below to enter into property tax abatement agreements for the purpose of attracting affordable housing. The exemption of the projects from real property taxation subject to this law shall not extend beyond the date on which the Agency Mortgage is paid in full, which according to the HMFA Law, may not exceed fifty (50) years. All the units in the project qualify as low or moderate income units under the Fair Housing Act, N.J.S.A. 52:270-301 et seq. the regulations of the Council on Affordable Housing, N.J.A.C. 5:94 et seq. and N.J.A.C. 5:95 et seq. and the Uniform Housing Affordability Controls, N.J.A.C. 5:94 et seq. Tax abatements may be granted to any affordable housing, as deemed appropriate by the Township.

For the year ended December 31, 2020, the Township abated property taxes totaling \$295,053.42 under this program.

<u>Date</u>	<u>Recipient</u>	<u>Purpose</u>	<u>Amount Abated</u>
April 18, 1998	Beckerville B79 L31	Affordable Housing	\$ 15,894.36
February 13, 2012	AR B99.112 L8	Affordable Housing	2,495.07
August 17, 2011	SERV B411 L22.01	Affordable Housing	2,804.19
April 9, 2012	SERV B99.86 L8	Affordable Housing	2,288.29
	Presby Homes B82.09 L14.01	Affordable Housing	170,763.39
	Manchester Senior Housing B100 L10.02	Affordable Housing	100,808.12
			<u>\$ 295,053.42</u>

17. 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 \$2,275,278.00 would be payable to the employees of the Township of Manchester as of December 31, 2020. 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 \$148,236.67 reserved as of December 31, 2020.

b. Tax Appeals

As of December 31, 2020, 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).

17. 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, 2020 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.

18. 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").

19. SUBSEQUENT EVENT

The Township of Manchester has evaluated subsequent events that occurred after the balance sheet date, but before September 15, 2021 and it was determined that the following item requires disclosure:

Due to the impact of the COVID-19 pandemic, the Township of Manchester implemented several policies to protect the health and safety of its employees and citizens. Certain revenues may not be realized to the extent it was budgeted for in fiscal year 2021.

On March 11, 2021, President Biden signed the American Rescue Plan Act of 2021, (the ARP), which includes \$1.9 trillion in mandatory funding aimed at mitigating the continuing effects of the COVID-19 Pandemic. The Plan provides for \$130.2 billion to Local Governments. The Township has been notified as to the amount of funds they are entitled to and have received half of that amount during 2021. The Township will formulate a plan on how to utilize these funds as per U.S. Treasury guidelines.

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, 2019	A	\$ 11,960,020.48		\$
Increased by Receipts:				
Nonbudget Revenue	A-2c	\$ 539,281.92		\$
Tax Collector	A-5	87,395,458.62		
Change Fund Returned	A-6	1,000.00		
Revenue Accounts Receivable	A-11	9,433,959.36		
Federal and State Grants Receivable	A-13		489,688.34	
Interfunds Payable	A-14		49,287.98	
Interfunds Payable	A-17	12,475,326.76		
Due from State of New Jersey:				
(Ch. 129, P.L. 1976)	A-18	1,386,944.21		
Due to State of New Jersey:				
DCA Surcharge	A-19	39,489.00		
Marriage Licenses	A-19	2,675.00		
Special Emergency Note Payable	A-26	350,000.00		
Matching Funds for State and				
Federal Grants	A-27		440,000.00	
Unappropriated Federal and State				
Funds	A-28		153,242.20	
		<u>111,624,134.87</u>		<u>1,132,218.52</u>
		123,584,155.35		1,132,218.52
Decreased by Disbursements:				
Cash Disbursed	A-1	92,611.41		
Budget Appropriations	A-3	32,966,555.68		
Matching Funds for State and				
Federal Grants	A-3	440,000.00		
Change Fund Established	A-6	1,000.00		
Open Space Municipal Tax	A-7	419,070.00		
Appropriation Reserves	A-15	942,387.96		
Reserve for Revaluation	A-16	106,715.18		
Interfunds Payable	A-17	12,407,114.74		
Due to State of New Jersey:				
DCA Surcharge	A-19	28,230.00		
Marriage Licenses	A-19	2,725.00		
Tax Overpayments	A-20	58,144.95		
County Tax Payable	A-22	16,905,934.68		
Local School District Taxes Payable	A-23	49,335,094.00		
Special Emergency Note Payable	A-26	467,500.00		
Reserve for Federal and State Grants	A-27		1,132,218.52	
		<u>114,173,083.60</u>		<u>1,132,218.52</u>
Balance December 31, 2020	A	<u>\$ 9,411,071.75</u>		<u>\$ -</u>

TOWNSHIP OF MANCHESTER
CURRENT FUND

CASH RECEIPTS AND DISBURSEMENTS
TAX COLLECTOR

A-5

	<u>Ref.</u>		
Increased by Receipts:			
Interest and Costs on Taxes	A-2	\$ 197,083.75	
Taxes Receivable	A-7	86,521,631.65	
Tax Title Liens	A-8	15,694.27	
Labor Liens	A-8	3,554.56	
Prepaid Taxes	A-25	<u>657,494.39</u>	
			\$87,395,458.62
Decreased by Disbursements:			
Turnover to Treasurer	A-4		<u>87,395,458.62</u>
			<u>\$ -</u>

TOWNSHIP OF MANCHESTER
CURRENT FUND

CHANGE FUND - COLLECTOR

A-6

		<u>Balance</u> <u>Dec. 31, 2019</u>	<u>Increase</u>	<u>Decrease</u>	<u>Balance</u> <u>Dec. 31, 2020</u>
Collector		<u>\$1,025.00</u>	<u>\$1,000.00</u>	<u>\$1,000.00</u>	<u>\$1,025.00</u>
	<u>Reference</u>	<u>A</u>	<u>A-4</u>	<u>A-4</u>	<u>A</u>

TAXES RECEIVABLE AND ANALYSIS OF PROPERTY TAX LEVY

ANALYSIS OF YEAR 2020 TAX LEVY

Ref.

Tax Levy
County Taxes:
CY 2020
Added and Omitted
Taxes

\$ 16,756,589.41	
<u>105,621.21</u>	
	21,902,071.14
	<u>452,658.66</u>

Above

\$ 88,971,104.42

\$ 88,971,104.42

TOWNSHIP OF MANCHESTER
CURRENT FUND

MUNICIPAL LIENS

A-8

	<u>Ref.</u>		
Balance December 31, 2019	A		\$ 582,476.73
Increased by:			
Transferred from Taxes Receivable	A-7	\$88,215.40	
Interest and Cost - 2020 Tax Sale	Reserve	9,526.79	
Added Liens	Reserve	<u>12,170.00</u>	
			<u>109,912.19</u>
			692,388.92
Decreased by:			
Cancelled	Reserve	35,105.38	
Cash Receipts - Tax Title Liens	A-2a,5	15,694.27	
Cash Receipts - Labor Liens	A-2c,5	<u>3,554.56</u>	
			<u>54,354.21</u>
Balance December 31, 2020	A, Below		<u>\$ 638,034.71</u>
<u>Analysis of Balance</u>			
Tax Title Liens			\$ 634,157.36
Labor Liens			<u>3,877.35</u>
	Above		<u>\$ 638,034.71</u>

PROPERTY ACQUIRED FOR TAXES
AT ASSESSED VALUATIONS

A-9

	<u>Ref.</u>	
Balance December 31, 2019	A	<u>\$9,788,802.02</u>
Balance December 31, 2020	A	<u>\$9,788,802.02</u>

TOWNSHIP OF MANCHESTER
CURRENT FUND

INTERFUNDS RECEIVABLE

A-10

	<u>Balance</u> <u>Dec. 31, 2019</u>	<u>Balance</u> <u>Dec. 31, 2020</u>
Water Eastern Capital Fund	<u>\$264,795.99</u>	<u>\$264,795.99</u>
<u>Reference</u>	<u>A</u>	<u>A</u>

TOWNSHIP OF MANCHESTER
CURRENT FUND

REVENUE ACCOUNTS RECEIVABLE

A-11

	<u>Ref.</u>	<u>Balance</u> <u>Dec. 31, 2019</u>	<u>Accrued</u>	<u>Collected</u>	<u>Balance</u> <u>Dec. 31, 2020</u>
<u>Budget Revenue</u>					
Township Clerk:					
Alcoholic Beverage Licenses	A-2	\$	\$ 32,500.00	\$ 32,500.00	\$
Other Licenses	A-2b		13,390.00	13,390.00	
Other Fees and Permits	A-2b		255,260.55	255,260.55	
Health Officer:					
Other Licenses	A-2b		1,680.00	1,680.00	
Other Fees and Permits:					
Tax Collector	A-2b		21,571.12	21,571.12	
Zoning Board	A-2b		38,445.00	38,445.00	
Registrar of Vital Statistics	A-2b		15,116.00	15,116.00	
Building Inspector	A-2b		95,644.50	95,644.50	
Recreation Department	A-2b		1,950.01	1,950.01	
Land Use	A-2b		17,595.00	17,595.00	
Housing	A-2b		71,917.48	71,917.48	
Code Enforcement	A-2b		178,500.00	178,500.00	
Engineering	A-2b		50,900.00	50,900.00	
Police Department	A-2b		12,165.75	12,165.75	
Beach Badges	A-2b		105,070.00	105,070.00	
Municipal Court:					
Fines and Costs	A-2	21,589.69	197,744.25	208,848.49	10,485.45
Interest on Investments	A-2		64,483.51	64,483.51	
Uniform Construction Fees	A-2		864,135.41	864,135.41	
Host Community Fees	A-2		1,253,216.75	1,253,216.75	
Cable TV Franchise Fees	A-2		304,128.90	304,128.90	
EMS Revenues	A-2		1,394,279.84	1,394,279.84	
Hotel Tax	A-2		24,796.53	24,796.53	
Open Space Share of Debt	A-2		353,007.00	353,007.00	
Reimbursement for In-Kind Services	A-2		725,636.00	725,636.00	
Senior Citizens' and Veterans' Post					
Year Statement	A-2		28,953.88	28,953.88	
Tower Rental	A-2		56,351.80	56,351.80	
PILOT - Garden State Trust	A-2		159,227.00	159,227.00	
State Aid:					
Uniform Fire Safety Act	A-2		28,601.97	28,601.97	
Energy Receipts Tax	A-2		3,058,240.00	3,058,240.00	
		<u>\$ 21,589.69</u>	<u>\$ 9,424,508.25</u>	<u>\$ 9,435,612.49</u>	<u>\$ 10,485.45</u>
<u>Reference</u>	<u>A</u>		<u>Reserve</u>	<u>A-4</u>	<u>A</u>

	<u>Ref.</u>	
Cash Receipts	A-4	\$ 9,433,959.36
Interfunds Payable	A-17	1,653.13
	<u>Above</u>	<u>\$ 9,435,612.49</u>

TOWNSHIP OF MANCHESTER
CURRENT FUND

DEFERRED CHARGES - SPECIAL EMERGENCY AUTHORIZATION

A-12

	<u>Ref.</u>	
Balance December 31, 2019	A	\$467,500.00
Decreased by:		
Raised in 2020 Budget Appropriation	A-3	<u>117,500.00</u>
Balance December 31, 2020	A	<u>\$350,000.00</u>
 <u>Analysis of Balance</u>		
Revaluation - September 9, 2018		<u>\$350,000.00</u>

TOWNSHIP OF MANCHESTER
CURRENT FUND

FEDERAL AND STATE GRANT RECEIVABLES

A-13

	<u>Balance</u> <u>Dec. 31, 2019</u>	<u>2020</u> <u>Awards</u>	<u>Collected</u>	<u>Balance</u> <u>Dec. 31, 2020</u>
Senior Outreach Grant	\$	\$135,100.00	\$135,100.00	\$
Senior Outreach Grant		12,000.00	12,000.00	
NJ DOT - Wilbur Avenue	91,260.97			91,260.97
NJ DOT - Green Acres Road	7,664.58			7,664.58
Bulletproof Vest Program	5,349.21			5,349.21
Bulletproof Vest Program - 2019	4.54			4.54
Distracted Driving Grant		5,500.00	5,500.00	
NJ DOT - Lake Road		34,009.85	34,009.85	
NJ DOT - Schoolhouse Road	319,163.00	430,837.00	197,853.26	552,146.74
Municipal Drug Alliance		19,365.14	5,338.23	14,026.91
Bulletproof Vest Program - USDOT	7,005.00		1,050.09	5,954.91
Clean Communities Grant	10.30	103,562.84	103,562.84	10.30
Senior Services CARES Act III-B		26,268.00	22,960.00	3,308.00
Senior Services CARES Act III-E		12,996.00	12,768.00	228.00
DOT Broadway	39,547.69			39,547.69
Child Passenger Safety Education Grant		6,132.50	6,132.50	
Body Armor Grant	13,581.06		13,581.06	
Click It or Ticket		5,500.00	5,500.00	
COPS in Shops		2,640.00	2,640.00	
	<u>\$483,586.35</u>	<u>\$793,911.33</u>	<u>\$557,995.83</u>	<u>\$719,501.85</u>

Reference

A

A-2

Below

A

Ref.

Cash Received

A-4

\$489,688.34

Unappropriated Reserves Applied

A-28

68,307.49

Above

\$557,995.83

TOWNSHIP OF MANCHESTER
CURRENT FUND

FEDERAL AND STATE GRANT FUND
INTERFUNDS RECEIVABLE

A-14

	<u>Ref.</u>	<u>Current Fund</u>
Balance December 31, 2019	A	\$813,331.37
Decreased by:		
Cash Receipts	A-4	<u>49,287.98</u>
Balance December 31, 2020	A	<u><u>\$764,043.39</u></u>

TOWNSHIP OF MANCHESTER
CURRENT FUND

CY 2019 APPROPRIATION RESERVES

A-15
Sheet #1

<u>Appropriation</u>	<u>Balance</u> <u>Dec. 31, 2019</u>		<u>Balance</u> <u>After</u> <u>Transfers</u>	<u>Paid or</u> <u>Charged</u>	<u>Balance</u> <u>Lapsed</u>
	<u>Encumbered</u>	<u>Unencumbered</u>			
<u>Office of the Mayor</u>					
Office of the Mayor:					
Salaries and Wages		\$ 745.18	\$ 745.18	\$ 302.12	\$ 745.18
Other Expenses	157.06	3,395.00	3,552.06		3,249.94
Veterans' Advisory Committee:					
Other Expenses	974.56	50.00	1,024.56		1,024.56
Office of the Clerk:					
Salaries and Wages		9,654.06	9,654.06		9,654.06
Other Expenses	516.00	11,108.57	11,624.57	2,225.45	9,399.12
Environmental Commission:					
Salaries and Wages		1,000.00	1,000.00		1,000.00
Other Expenses		100.00	100.00		100.00
Municipal Audit:					
Other Expenses		3,400.00	3,400.00		3,400.00
Zoning Board of Adjustments:					
Other Expenses	688.92	16,961.50	17,650.42	200.00	17,450.42
	<u>2,336.54</u>	<u>46,414.31</u>	<u>48,750.85</u>	<u>2,727.57</u>	<u>46,023.28</u>
<u>Department of Administration</u>					
Office of the Tax Assessor:					
Salaries and Wages		5,165.50	5,165.50	912.65	4,252.85
Other Expenses	7,505.65	15,780.08	23,285.73	5,213.54	18,072.19
Division of Data Processing:					
Salaries and Wages		8,096.95	8,096.95		8,096.95
Other Expenses	10,054.67	1,949.16	12,003.83	8,131.51	3,872.32
Division of Administration, Purchasing and Personnel:					
Salaries and Wages		21,941.55	21,941.55		21,941.55
Other Expenses	28,147.19	8,846.88	36,994.07	23,718.46	13,275.61
Division of Recreation:					
Salaries and Wages		2,681.67	2,681.67		2,681.67
Other Expenses		53,893.89	57,646.82	953.30	56,693.52
	<u>3,752.93</u>	<u>118,355.68</u>	<u>167,816.12</u>	<u>38,929.46</u>	<u>128,886.66</u>
	<u>49,460.44</u>				

TOWNSHIP OF MANCHESTER
CURRENT FUND

CY 2019 APPROPRIATION RESERVES

A-15
Sheet #2

<u>Appropriation</u>	<u>Balance</u> <u>Dec. 31, 2019</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		\$ 10,982.41	\$ 10,982.41	\$ 10,982.41	
Other Expenses	6,135.77	3,923.37	10,059.14	9,506.60	552.54
Revenue Collection:					
Salaries and Wages		5,908.36	5,908.36		5,908.36
Other Expenses		13,075.70	13,075.70		13,075.70
	<u>6,135.77</u>	<u>33,889.84</u>	<u>40,025.61</u>	<u>9,506.60</u>	<u>30,519.01</u>
<u>Department of Law</u>					
Municipal Prosecutor:					
Other Expenses		9,533.18	9,533.18	3,333.00	6,200.18
Township Attorney:					
Other Expenses		34,645.65	34,645.65	12,020.93	22,624.72
		<u>44,178.83</u>	<u>44,178.83</u>	<u>15,353.93</u>	<u>28,824.90</u>
<u>Department of Public Works</u>					
Division of Administration and Streets:					
Salaries and Wages		60,298.17	60,298.17		60,298.17
Other Expenses	53,660.51	4,089.85	57,750.36	38,117.61	19,632.75
Division of Sanitation and Recycling:					
Salaries and Wages		3,308.02	3,308.02		3,308.02
Other Expenses	45,737.43	9,935.06	55,672.49	45,598.83	10,073.66
Division of Building and Grounds:					
Salaries and Wages		41,295.16	41,295.16		41,295.16
Other Expenses	42,509.08	1,323.02	43,832.10	40,996.68	2,835.42
Division of Central Maintenance:					
Salaries and Wages		38,691.36	38,691.36		38,691.36
Other Expenses	46,607.37	1,069.02	47,676.39	40,514.78	7,161.61
Division of Lakes, Parks and Playgrounds:					
Salaries and Wages		10,100.91	10,100.91		10,100.91
Other Expenses	2,398.83	10,706.33	13,105.16	889.41	12,215.75
	<u>190,913.22</u>	<u>180,816.90</u>	<u>371,730.12</u>	<u>166,117.31</u>	<u>205,612.81</u>

TOWNSHIP OF MANCHESTER
CURRENT FUND

CY 2019 APPROPRIATION RESERVES

A-15
Sheet #3

Appropriation	Balance Dec. 31, 2019		Balance After Transfers	Paid or Charged	Balance Lapsed
	<u>Encumbered</u>	<u>Unencumbered</u>			
<u>Department of Engineering</u>					
Engineering:					
Other Expenses	\$	\$ 24,406.14	\$ 24,406.14	\$ 24,206.64	\$ 199.50
<u>Department of Public Safety</u>					
Police:					
Salaries and Wages		345,774.02	345,774.02	345,774.02	14,041.71
Other Expenses	84,539.88	7,612.43	92,152.31	78,110.60	
Police Clerical and Communications:					
Salaries and Wages		61,471.07	61,471.07	16,656.76	44,814.31
Animal Control:					
Salaries and Wages		3,542.72	3,542.72		3,542.72
Other Expenses	1,237.99	22,834.03	24,072.02	2,344.99	21,727.03
Division of Emergency Management:					
Salaries and Wages		12,868.08	12,868.08		12,868.08
Other Expenses	825.00	1,190.82	2,015.82	825.00	1,190.82
	86,602.87	455,293.17	541,896.04	443,711.37	98,184.67
<u>Department of Land Use and Planning</u>					
Division of Zoning and Planning:					
Salaries and Wages		25,587.53	25,587.53		25,587.53
Other Expenses	1,172.00	11,609.58	12,781.58	4,324.80	8,456.78
	1,172.00	37,197.11	38,369.11	4,324.80	34,044.31
<u>Other</u>					
Municipal Court:					
Salaries and Wages		690.90	690.90		690.90
Other Expenses	4,820.49	8,914.56	13,735.05	10,740.16	2,994.89

APPROPRIATIONS WITHIN "CAPS"

TOWNSHIP OF MANCHESTER
CURRENT FUND

CY 2019 APPROPRIATION RESERVES

A-15
Sheet #4

<u>Appropriation</u>	<u>Balance</u> <u>Dec. 31, 2019</u>		<u>Balance</u> <u>After</u> <u>Transfers</u>	<u>Paid or</u> <u>Charged</u>	<u>Balance</u> <u>Lapsed</u>
	<u>Encumbered</u>	<u>Unencumbered</u>			
<u>Other</u>					
Public Defender (P.L. 1997, C. 256):					
Salaries and Wages		\$ 6,010.00	\$ 6,010.00	\$ 2,000.00	\$ 4,010.00
Insurance:					
General Liability		22,298.00	22,298.00		22,298.00
Workers' Compensation		11,416.73	11,416.73		11,416.73
Employee Group Health		206,987.13	207,195.09	1,463.93	205,731.16
Employee Opt-Out Payments	207.96	34,782.57	34,782.57		34,782.57
Hepatitis Inoculation Program:					
Other Expenses	600.00	1,360.00	1,960.00		1,960.00
OSHA Requirement - Respirator Testing:					
Other Expenses:					
Hearing		5,000.00	5,000.00		5,000.00
Fit Testing		12,935.00	12,935.00		12,935.00
	5,628.45	310,394.89	316,023.34	14,204.09	301,819.25
<u>Uniform Construction Code</u>					
Uniform Construction Code:					
Salaries and Wages		19,568.45	19,568.45		19,568.45
Other Expenses	71,299.33	32,969.00	104,268.33	92,279.32	11,989.01
	71,299.33	52,537.45	123,836.78	92,279.32	31,557.46
<u>Unclassified</u>					
Utilities:					
Gasoline	59,407.86	36,673.11	96,080.97	30,963.43	65,117.54
Electricity	14,363.94	34,447.03	48,810.97	45,915.27	2,895.70
Telephone	13,934.05	21,286.37	35,220.42	19,962.25	15,258.17
Natural Gas		20,338.81	20,338.81		20,338.81
Heating Oil		8,026.76	8,026.76		8,026.76
Street Lighting	8,015.96	10,448.98	18,464.94	16,039.92	2,425.02
Accumulated Leave Compensation		15,000.00	15,000.00		15,000.00
Reserve for Snow Removal		20,000.00	20,000.00	18,146.00	1,854.00
Condominium Service Act	95,721.81	24,048.71	24,048.71		24,048.71
		190,269.77	285,991.58	131,026.87	154,964.71

TOWNSHIP OF MANCHESTER
CURRENT FUND

CY 2019 APPROPRIATION RESERVES

A-15
Sheet #5

Appropriation	Balance Dec. 31, 2019		Balance After Transfers	Paid or Charged	Balance Lapsed
	Encumbered	Unencumbered			
APPROPRIATIONS WITHIN "CAPS"					
Statutory Expenditures					
Contribution to:					
Defined Contribution Retirement Program	\$	3,595.44	\$ 3,595.44	\$	3,595.44
Unemployment Insurance		10,000.00	10,000.00		10,000.00
Social Security System (OASI)		70,080.83	70,080.83		70,080.83
Total Appropriations Within "CAPS"	509,270.43	1,577,430.36	2,086,700.79	942,387.96	1,144,312.83
APPROPRIATIONS EXCLUDED FROM "CAPS"					
Reserve for Tax Appeals		25,000.00	25,000.00		25,000.00
LOSAP		56,000.00	56,000.00		56,000.00
		81,000.00	81,000.00		81,000.00
Total Appropriations Excluded from "CAPS"		81,000.00	81,000.00		81,000.00
	\$ 509,270.43	\$ 1,658,430.36	\$ 2,167,700.79	\$ 942,387.96	\$ 1,225,312.83
Reference	A	A		A-4	A-1

TOWNSHIP OF MANCHESTER
CURRENT FUND

RESERVE FOR REVALUATION

A-16

	<u>Ref.</u>	
Balance December 31, 2019	A	\$180,414.43
Decreased by:		
Cash Disbursed	A-4	<u>106,715.18</u>
Balance December 31, 2020	A	<u><u>\$ 73,699.25</u></u>

TOWNSHIP OF MANCHESTER
CURRENT FUND

INTERFUNDS PAYABLE

A-17

	<u>Balance</u> <u>Dec. 31, 2019</u>	<u>Increase</u>	<u>Decrease</u>	<u>Balance</u> <u>Dec. 31, 2020</u>
General Capital Fund	\$ 95,920.01	\$	\$	\$ 95,920.01
General Trust Fund	139,659.14		1,653.13	138,006.01
Federal and State Grant Fund	813,331.37	1,879,659.41	1,928,947.39	764,043.39
Water Eastern Operating Fund	27,176.01	2,353,922.56	2,353,922.56	27,176.01
Sewer Eastern Capital Fund	117,500.00	117,500.00		235,000.00
Sewer Western Operating Fund		2,288,896.93	2,288,896.93	
Sewer Eastern Operating Fund	0.23	3,696,838.21	3,696,838.21	0.23
Water Western Operating Fund		2,138,509.65	2,138,509.65	
	<u>\$1,193,586.76</u>	<u>\$12,475,326.76</u>	<u>\$12,408,767.87</u>	<u>\$1,260,145.65</u>

Reference

A

A-4

Below

A

Ref.

Cash Disbursed
Revenue Accounts Receivable

A-4

12,407,114.74

A-11

1,653.13

Above

\$12,408,767.87

TOWNSHIP OF MANCHESTER
CURRENT FUND

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

A-18

	<u>Ref.</u>		
Balance December 31, 2019	A		\$ 14,229.68
Increased by:			
Deductions per Tax Billings:			
Veterans/Senior Citizens		\$1,541,750.00	
Plus: Deductions Allowed by Tax			
Collector		<u>53,750.00</u>	
		1,595,500.00	
Less: Senior Citizens' and Veterans' -			
Disallowed by Tax Collector		<u>6,729.44</u>	
	A-7		<u>1,588,770.56</u>
			1,603,000.24
Decreased by:			
Prior Year Senior Citizens' and			
Veterans' Disallowed by State			
Audit	A-1	60,750.00	
Cash Received - Current Year	A-4	<u>1,386,944.21</u>	
			<u>1,447,694.21</u>
Balance December 31, 2020	A		<u>\$ 155,306.03</u>

TOWNSHIP OF MANCHESTER
CURRENT FUND

DUE TO STATE OF NEW JERSEY

A-19

	<u>Ref.</u>	<u>DCA Surcharges</u>	<u>Marriage License Fees</u>
Balance December 31, 2019	A	\$ 13,053.00	\$ 3,642.00
Increased by:			
Collection of State Fees	A-4	<u>39,489.00</u> 52,542.00	<u>2,675.00</u> 6,317.00
Decreased by:			
Cash Disbursed	A-4	<u>28,230.00</u>	<u>2,725.00</u>
Balance December 31, 2020	A	<u><u>\$ 24,312.00</u></u>	<u><u>\$ 3,592.00</u></u>

TAX OVERPAYMENTS

A-20

	<u>Ref.</u>	
Balance December 31, 2019	A	\$82,165.91
Decreased by:		
Cash Disbursed	A-4	<u>58,144.95</u>
Balance December 31, 2020	A	<u><u>\$24,020.96</u></u>

TOWNSHIP OF MANCHESTER
CURRENT FUND

ACCOUNTS PAYABLE

A-21

	<u>Ref.</u>	
Balance December 31, 2019	A	<u>\$6,170.37</u>
Balance December 31, 2020	A	<u><u>\$6,170.37</u></u>

TOWNSHIP OF MANCHESTER
CURRENT FUND

COUNTY TAXES PAYABLE

A-22

	<u>Ref.</u>		
Balance December 31, 2019	A		\$ 149,345.27
Increased by:			
2020 Levy		\$ 16,756,589.41	
Added and Omitted Taxes		<u>105,621.21</u>	
	A-1,2a,7		<u>16,862,210.62</u>
			<u>17,011,555.89</u>
Decreased by:			
Payments to County	A-4		<u>16,905,934.68</u>
Balance December 31, 2020	A		<u><u>\$ 105,621.21</u></u>

LOCAL SCHOOL DISTRICT TAXES PAYABLE

A-23

	<u>Ref.</u>		
Increased by:			
2020 Levy	A-1,2a,7		\$49,335,094.00
Decreased by:			
Payments	A-4		<u>49,335,094.00</u>
			<u><u>\$ -</u></u>

TOWNSHIP OF MANCHESTER
CURRENT FUND

RESERVE FOR TAX APPEALS

A-24

	<u>Ref.</u>	
Balance December 31, 2019	A	\$ 237,082.34
Balance December 31, 2020	A	<u>\$ 237,082.34</u>

PREPAID TAXES

A-25

	<u>Ref.</u>	
Balance December 31, 2019	A	\$ 659,092.29
Increased by:		
Collections	A-5	657,494.39
		<u>1,316,586.68</u>
Decreased by:		
Applied to Taxes Receivable	A-7	659,092.29
Balance December 31, 2020	A	<u>\$ 657,494.39</u>

SPECIAL EMERGENCY NOTE PAYABLE

A-26

	<u>Ref.</u>	
Balance December 31, 2019	A	\$ 467,500.00
Increased by:		
Cash Receipt	A-4	350,000.00
		<u>817,500.00</u>
Decreased by:		
Cash Disbursed	A-4	467,500.00
Balance December 31, 2020	A	<u>\$ 350,000.00</u>

TOWNSHIP OF MANCHESTER
CURRENT FUND

RESERVE FOR FEDERAL AND STATE GRANTS - APPROPRIATED

A-27

	Balance Dec. 31, 2019 <u>Reserved</u>	Transfer from 2020 <u>Budget</u>	<u>Expenditures</u>	Balance Dec. 31, 2020 <u>Reserved</u>
Senior Outreach Program:				
State Grant - 16	\$ 15,087.13	\$	\$	\$ 15,087.13
State Grant - 17	124,574.80		112,587.58	11,987.22
State Grant - 18	18,405.11			18,405.11
State Grant - 19	47,280.76	12,000.00	32,425.31	26,855.45
State Grant - 20		575,100.00	450,787.02	124,312.98
Drunk Driving Enforcement Fund	20,817.57		4,008.80	16,808.77
Municipal Alliance Grant:				
CY 2017	16,412.04			16,412.04
CY 2020		19,365.14	2,868.06	16,497.08
Body Armor Grant	13,581.06		13,581.06	
Bulletproof Vest Program	9,676.98		7,285.66	2,391.32
966 OC Grant	8,393.00			8,393.00
Ocean County Ride	8,586.96			8,586.96
Child Passenger Safety Grant - 16	3,402.50			3,402.50
Child Passenger Safety Grant - 18	1,700.00			1,700.00
Child Passenger Safety Grant - 19	605.00			605.00
Child Passenger Safety Grant - 20		6,132.50		6,132.50
N.J. Forest Services Community Forestry Program	5,000.00			5,000.00
Driving While Intoxicated	3,120.00			3,120.00
O.C. Senior Citizen and Disabled Resident Transportation	4,800.00			4,800.00
Clean Communities Grant:				
CY 2016	15,235.45		15,235.45	
CY 2017	99,774.46			99,774.46
CY 2018	2,781.44			2,781.44
CY 2019	38,282.47		33,535.84	4,746.63
CY 2020		103,562.84	103,562.84	
FEMA Hazard Mitigation Grant	22,591.17			22,591.17
Department of Transportation:				
Broadway Boulevard Phase II	35,160.26			35,160.26
Wilbur Avenue	250,000.00			250,000.00
1st and 2nd Avenues	33,301.91			33,301.91
Colonial Drive North	399.51			399.51
Green Acres Road	19,882.08			19,882.08
Colonial Drive	351.19			351.19
First and Second Avenues	20,505.69			20,505.69
Lake Road	45,558.69	34,009.85	41,560.06	38,008.48
Schoolhouse Road	319,163.00	430,837.00	314,780.84	435,219.16
Distracted Driving Grant	6,600.00			6,600.00
Distracted Driving Grant - 20		5,500.00		5,500.00
Senior Services CARES Act III-B		26,268.00		26,268.00
Senior Services CARES Act III-E		12,996.00		12,996.00
Click It or Ticket	1,980.00	5,500.00		7,480.00
COPS in Shops Grant	4,890.00	2,640.00		7,530.00
Drive Sober or Get Pulled Over	10,710.00			10,710.00
	<u>\$ 1,228,610.23</u>	<u>\$ 1,233,911.33</u>	<u>\$ 1,132,218.52</u>	<u>\$ 1,330,303.04</u>

Reference

A

Below

A-4

A

Ref.

Transferred from 2019 Budget
Matching Funds

A-3
A-3,4

\$ 793,911.33
440,000.00

Above

\$ 1,233,911.33

TOWNSHIP OF MANCHESTER
CURRENT FUND

RESERVE FOR FEDERAL AND STATE GRANTS - UNAPPROPRIATED

A-28

	<u>Ref.</u>	
Balance December 31, 2019	A	\$ 68,307.49
Increased by:		
Cash Received	A-4	<div style="display: flex; justify-content: flex-end;"> <div style="text-align: right;">153,242.20</div> <div style="border-top: 1px solid black; width: 100px;"></div> </div>
Decreased by:		
Anticipated as Current Year Revenue	A-13	<div style="display: flex; justify-content: flex-end;"> <div style="text-align: right;">68,307.49</div> <div style="border-top: 1px solid black; width: 100px;"></div> </div>
Balance December 31, 2020	A, Below	<div style="display: flex; justify-content: flex-end;"> <div style="text-align: right;">\$153,242.20</div> <div style="border-top: 1px solid black; border-bottom: 3px double black; width: 100px;"></div> </div>
 <u>Analysis of Balance</u>		
NJ DOT - Lake Road		\$140,633.87
Senior Outreach		2,000.00
Drunk Driving Enforcement Fund		<div style="display: flex; justify-content: flex-end;"> <div style="text-align: right;">10,608.33</div> <div style="border-top: 1px solid black; width: 100px;"></div> </div>
		<div style="display: flex; justify-content: flex-end;"> <div style="text-align: right;">\$153,242.20</div> <div style="border-top: 1px solid black; border-bottom: 3px double black; width: 100px;"></div> </div>
	<u>Reference</u>	<u>Above</u>

TOWNSHIP OF MANCHESTER
TRUST FUND

CASH RECEIPTS AND DISBURSEMENTS - CHECKING ACCOUNTS

B-1

		Ref.	Animal Control Trust Fund	Special Deposits/Performance Bonds	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	Snow Removal Trust Fund	Accumulated Absences Trust Fund	Recreation Trust Fund	Construction Code Trust Account
Balance December 31, 2019	B		\$ 28,963.03	\$ 1,413,686.68	\$ 181,993.46	\$ 832,538.72	\$ 251,559.47	\$ 51,433.97	\$ 13,671.50	\$ 1,023.32	\$ 1,969.83	\$ 1,237,681.80	\$ 20,000.00	\$ 25,018.05	\$ 14,671.62	\$ 3,924.01
Increased by:																
Due to State of New Jersey	B-3		2,481.60													
Prepaid Licenses	B-4		13,270.00													
Dog License Fees	B-5		964.40													
Dog License Late Fees	B-5		30.00													
Due from Current Fund	B-6			1,653.13												
Due to General Capital Fund	B-7															
Manchester Day Collections	B-8										7,926.00					
Redemption of Tax Title Liens	B-9															
Special Escrow Deposits	B-10			897,043.07		913,052.96										
Police Drug Enforcement Trust Account	B-12							7,899.96								
Drug Alliance Donations	B-13								3,220.00							
Public Defender Fees	B-14									5,298.00					10,343.35	
Recreation Trust	B-15															
Affordable Housing - Receipts	B-17				369,653.10											
Affordable Housing - Interest	B-17				805.67											
Construction Code Fees	B-18															44,664.25
Open Space Trust - Tax Levy	B-20											601,497.00				
Open Space Trust - State of NJ	B-20											419,170.00				
Open Space Trust - Interest	B-20											4,184.41				
			45,746.00	899,596.20	370,453.77	913,052.96		7,899.96	3,220.00	5,298.00	7,926.00	3,544,851.41			10,343.35	44,664.25
			45,709.03	2,312,384.88	552,452.25	1,745,591.68	251,559.47	59,333.93	16,891.50	6,321.32	9,895.83	4,782,533.21	20,000.00	25,018.05	25,014.97	48,566.26
Decreased by:																
State of New Jersey	B-3		2,494.20													
Expenditures Under N.J.S. 40A-4-39	B-5		10,832.22													
Due to General Capital Fund	B-7															
Manchester Day Expenditures	B-8															
Tax Title Liens - Expenditures	B-9											2,556,286.75				
Special Deposits Expended	B-10															
SUI Claims Paid	B-11			821,319.93		812,924.08	32,683.51	22,295.42								
Police Drug Expenditures	B-12															
Drug Alliance Expenditures	B-13								4,591.50	6,085.25						
Public Defender Expenditures	B-14															
Recreation Expenditures	B-15															
Affordable Housing Expenditures	B-17				175,865.97											
Construction Code Expenditures	B-18															44,905.80
Open Space Trust	B-20															44,905.80
			13,326.42	821,319.93	175,865.97	812,924.08	32,683.51	22,295.42	4,591.50	6,085.25	6,995.00	3,056,330.17			11,900.16	44,905.80
			\$ 32,352.61	\$ 1,491,064.95	\$ 376,566.28	\$ 832,667.60	\$ 218,875.96	\$ 37,038.51	\$ 12,300.00	\$ 236.07	\$ 2,896.83	\$ 1,716,203.04	\$ 20,000.00	\$ 25,018.05	\$ 13,114.81	\$ 3,682.46
Balance December 31, 2020	B															

TOWNSHIP OF MANCHESTER
TRUST FUND

COMMUNITY DEVELOPMENT BLOCK GRANT RECEIVABLE

B-2

<u>Grant Number</u>	<u>Project Description</u>	<u>Balance Dec. 31, 2019</u>	<u>Balance Dec. 31, 2020</u>
CT-1519-17	Sidewalks, Curbs and Handicapped Improvements - Summit Park Community	<u>\$32,000.00</u>	<u>\$32,000.00</u>
	<u>Reference</u>	<u>B</u>	<u>B</u>

TOWNSHIP OF MANCHESTER
TRUST FUND

ANIMAL CONTROL TRUST FUND
DUE TO STATE OF NEW JERSEY

B-3

	<u>Ref.</u>	<u>Animal Control Trust Fund</u>
Balance December 31, 2019	B	\$ 61.80
Increased by:		
State of New Jersey Fees	B-1	2,481.60
		<u>2,543.40</u>
Decreased by:		
Payments to State of New Jersey	B-1	2,494.20
		<u>2,494.20</u>
Balance December 31, 2020	B	<u>\$ 49.20</u>

ANIMAL CONTROL TRUST FUND
PREPAID DOG LICENSES

B-4

	<u>Ref.</u>	
Balance December 31, 2019	B	\$26,747.40
Increased by:		
Prepaid Collections	B-1	13,270.00
		<u>40,017.40</u>
Decreased by:		
Prepaid Licenses Applied	B-5	16,014.60
		<u>16,014.60</u>
Balance December 31, 2020	B	<u>\$24,002.80</u>

TOWNSHIP OF MANCHESTER
TRUST FUND

ANIMAL CONTROL TRUST FUND
RESERVE FOR ANIMAL CONTROL EXPENDITURES

B-5

	<u>Ref.</u>		
Balance December 31, 2019	B		\$ 2,153.83
Increased by:			
Dog License Fees	B-1	\$ 964.40	
Late Fees	B-1	30.00	
Prepaid Licenses Applied	B-4	<u>16,014.60</u>	
			<u>17,009.00</u>
			19,162.83
Decreased by:			
Expenditures Under N.J.S. 40A:4-39	B-1		<u>10,832.22</u>
Balance December 31, 2020	B		<u><u>\$ 8,330.61</u></u>

License Fees Collected

<u>Year</u>	<u>Amount</u>
CY 2019	\$ 13,285.00
CY 2018	<u>19,717.00</u>
Maximum Balance	<u><u>\$ 33,002.00</u></u>

TOWNSHIP OF MANCHESTER
TRUST FUND

GENERAL TRUST FUND
DUE (TO)/FROM CURRENT FUND

B-6

	<u>Ref.</u>	
Balance December 31, 2019	B	\$ 139,659.14
Decreased by:		
Special Escrow Deposits	B-1	<u>1,653.13</u>
Balance December 31, 2020	B	<u><u>\$138,006.01</u></u>

TOWNSHIP OF MANCHESTER
TRUST FUND

GENERAL TRUST FUND
DUE TO GENERAL CAPITAL FUND

B-7

	<u>Ref.</u>		
Increased by:			
Cash Receipts	B-1	\$2,520,000.00	
Down Payment for Open Space Bond Ordinance	B-20	<u>130,000.00</u>	\$ 2,650,000.00
Decreased by:			
Cash Disbursed	B-1	2,558,296.75	
Premium on Open Space Bonds	B-20	<u>2,553.60</u>	<u>2,560,850.35</u>
Balance December 31, 2020	B		<u>\$ 89,149.65</u>

TOWNSHIP OF MANCHESTER
TRUST FUND

RESERVE FOR MANCHESTER DAY TRUST FUND

B-8

	<u>Ref.</u>	
Balance December 31, 2019	B	\$1,969.83
Increased by:		
Collections	B-1	<u>7,926.00</u>
		9,895.83
Decreased by:		
Expenditures	B-1	<u>6,999.00</u>
Balance December 31, 2020	B	<u><u>\$2,896.83</u></u>

TOWNSHIP OF MANCHESTER
TRUST FUND

DEPOSITS FOR REDEMPTION OF TAX TITLE LIENS

B-9

	<u>Ref.</u>	
Balance December 31, 2019	B	\$ 832,538.72
Increased by:		
Collections	B-1	<div style="display: flex; justify-content: flex-end;"> <div style="text-align: right; margin-right: 10px;">913,052.96</div> <div style="border-top: 1px solid black; width: 100px;"></div> </div>
		1,745,591.68
Decreased by:		
Expenditures	B-1	<div style="display: flex; justify-content: flex-end;"> <div style="text-align: right; margin-right: 10px;">812,924.08</div> <div style="border-top: 1px solid black; width: 100px;"></div> </div>
Balance December 31, 2020	B	<div style="display: flex; justify-content: flex-end;"> <div style="text-align: right; margin-right: 10px;">\$ 932,667.60</div> <div style="border-top: 1px solid black; border-bottom: 3px double black; width: 100px;"></div> </div>

SPECIAL ESCROW DEPOSITS

B-10

	<u>Ref.</u>	
Balance December 31, 2019	B	\$ 1,394,210.74
Increased by:		
Collections	B-1	<div style="display: flex; justify-content: flex-end;"> <div style="text-align: right; margin-right: 10px;">897,043.07</div> <div style="border-top: 1px solid black; width: 100px;"></div> </div>
		2,291,253.81
Decreased by:		
Refunds and Expenditures	B-1	<div style="display: flex; justify-content: flex-end;"> <div style="text-align: right; margin-right: 10px;">821,319.93</div> <div style="border-top: 1px solid black; width: 100px;"></div> </div>
Balance December 31, 2020	B	<div style="display: flex; justify-content: flex-end;"> <div style="text-align: right; margin-right: 10px;">\$ 1,469,933.88</div> <div style="border-top: 1px solid black; border-bottom: 3px double black; width: 100px;"></div> </div>

TOWNSHIP OF MANCHESTER
TRUST FUND

STATE UNEMPLOYMENT COMPENSATION
INSURANCE TRUST FUND

B-11

	<u>Ref.</u>	
Balance December 31, 2019	B	\$251,559.47
Decreased by:		
Claims	B-1	<u>32,683.51</u>
Balance December 31, 2020	B	<u><u>\$218,875.96</u></u>

POLICE DRUG ENFORCEMENT TRUST ACCOUNT

B-12

	<u>Ref.</u>	
Balance December 31, 2019	B	\$ 51,433.97
Increased by:		
Cash Receipt	B-1	<u>7,899.96</u>
		59,333.93
Decreased by:		
Expenditures	B-1	<u>22,295.42</u>
Balance December 31, 2020	B	<u><u>\$ 37,038.51</u></u>

TOWNSHIP OF MANCHESTER
TRUST FUND

MUNICIPAL DRUG ALLIANCE DISCRETIONARY RESERVES

B-13

	<u>Ref.</u>	
Balance December 31, 2019	B	\$13,671.50
Increased by:		
Donations	B-1	<u>3,220.00</u> 16,891.50
Decreased by:		
Expenditures	B-1	<u>4,591.50</u>
Balance December 31, 2020	B	<u>\$12,300.00</u>

RESERVE FOR PUBLIC DEFENDER TRUST FUND

B-14

	<u>Ref.</u>	
Balance December 31, 2019	B	\$ 1,023.32
Increased by:		
Fees Collected	B-1	<u>5,298.00</u> 6,321.32
Decreased by:		
Expenditures	B-1	<u>6,085.25</u>
Balance December 31, 2020	B	<u>\$ 236.07</u>

TOWNSHIP OF MANCHESTER
TRUST FUND

RESERVE FOR RECREATION TRUST FUND

B-15

	<u>Ref.</u>	
Balance December 31, 2019	B	\$14,671.62
Increased by:		
Cash Receipts	B-1	<u>10,343.35</u>
		25,014.97
Decreased by:		
Expenditures	B-1	<u>11,900.16</u>
Balance December 31, 2020	B	<u><u>\$13,114.81</u></u>

TOWNSHIP OF MANCHESTER
TRUST FUND

RESERVE FOR RETIREMENT PAY

B-16

	<u>Ref.</u>	
Balance December 31, 2019	B	<u>\$148,236.67</u>
Balance December 31, 2020	B	<u><u>\$148,236.67</u></u>

RESERVE FOR AFFORDABLE HOUSING TRUST FUND

B-17

	<u>Ref.</u>		
Balance December 31, 2019	B		\$197,792.58
Increased by:			
Receipts	B-1	\$369,653.10	
Interest Earned	B-1	<u>805.67</u>	
			<u>370,458.77</u>
			568,251.35
Decreased by:			
Expenditures	B-1		<u>175,865.97</u>
Balance December 31, 2020	B		<u><u>\$392,385.38</u></u>

TOWNSHIP OF MANCHESTER
TRUST FUND

RESERVE FOR LAKEHURST CONSTRUCTION CODE TRUST FUND

B-18

	<u>Ref.</u>	
Balance December 31, 2019	B	\$ 3,924.01
Increased by:		
Receipts	B-1	44,664.25
		<u>48,588.26</u>
Decreased by:		
Expenditures	B-1	44,905.80
		<u>44,905.80</u>
Balance December 31, 2020	B	<u>\$ 3,682.46</u>

RESERVE FOR SNOW REMOVAL TRUST FUND

B-19

	<u>Ref.</u>	
Balance December 31, 2019	B	<u>\$40,119.36</u>
Balance December 31, 2020	B	<u>\$40,119.36</u>

TOWNSHIP OF MANCHESTER
TRUST FUND

RESERVE FOR OPEN SPACE TRUST FUND

B-20

	<u>Ref.</u>		
Balance December 31, 2019	B		\$1,237,681.80
Increased by:			
Open Space Tax Levy	B-1	\$419,170.00	
State of New Jersey	B-1	601,497.00	
Interest on Investments	B-1	4,184.41	
Premium on Open Space Bonds	B-7	<u>2,553.60</u>	
			<u>1,027,405.01</u>
			2,265,086.81
Decreased by:			
Expenditures	B-1	508,033.42	
Down Payment for Open Space Bond Ordinance	B-7	<u>130,000.00</u>	
			<u>638,033.42</u>
Balance December 31, 2020	B		<u><u>\$1,627,053.39</u></u>

TOWNSHIP OF MANCHESTER
TRUST FUND

COMMUNITY DEVELOPMENT BLOCK GRANT RESERVES

B-21

<u>Grant Number</u>	<u>Project Description</u>	<u>Balance Dec. 31, 2019</u>	<u>Balance Dec. 31, 2020</u>
CT-1519-17	Sidewalks, Curbs and Handicapped Improvements - Summit Park Community	<u>\$32,000.00</u>	<u>\$ 32,000.00</u>
	<u>Reference</u>	<u>B</u>	<u>B</u>

TOWNSHIP OF MANCHESTER
GENERAL CAPITAL FUND

CASH RECEIPTS AND DISBURSEMENTS

C-2

	<u>Ref.</u>		
Balance December 31, 2019	C		\$ 3,494,299.15
Increased by Receipts:			
Premium on Bond Sale	C-1	\$ 4,444.47	
Interfunds Receivable	C-4	2,553.60	
Deferred Charges - Funded	C-5	965,000.00	
Deferred Charges - Unfunded	C-6	50,000.00	
Interfunds Payable	C-9	5,720,308.66	
Capital Improvement Fund	C-10	75,000.00	
General Serial Bonds	C-12	<u>9,862,000.00</u>	
			<u>16,679,306.73</u>
			20,173,605.88
Decreased by Disbursements:			
Interfunds Receivable	C-4	2,520,000.00	
Bond Anticipation Notes Redeemed	C-8	3,207,000.00	
Interfunds Payable	C-9	6,747,242.00	
Improvement Authorizations	C-11	<u>1,910,807.05</u>	
			<u>14,385,049.05</u>
Balance December 31, 2020	C		<u><u>\$ 5,788,556.83</u></u>

TOWNSHIP OF MANCHESTER
GENERAL CAPITAL FUND

C-3

ANALYSIS OF GENERAL CAPITAL CASH

Ordinance Number	Description	Balance Dec. 31, 2019	Receipts		Disbursements	Transfers		Balance Dec. 31, 2020
			Other	Improvement Authorizations		From	To	
	Capital Improvement Fund	\$ 420,314.45	\$ 75,000.00	\$	\$	\$ 273,425.00	\$	\$ 221,889.45
	Interfunds Payable	1,031,242.00	5,720,308.66					4,308.66
	Serial Bonds Issued		10,827,000.00			7,620,000.00		
	Interfunds Receivable	(95,920.01)	2,553.60			130,000.00	2,558,296.75	(185,069.66)
	Fund Balance	436,242.12	4,444.47				303,724.25	744,410.84
	<u>Improvement Authorizations - General</u>							
02-027	Pine Lake Park Walkway	(30,113.08)						(30,113.08)
05-001	Improvements to Soccer Complex	(85,880.66)						(35,880.66)
08-028-6	Various Improvements	1,621.53	50,000.00			1,621.53		
15-016	Acquisition of a Platform Aerial Truck and Related Equipment							
15-023-1	Acquisition of Various Vehicles for Public Works	52,662.29				52,662.29		
15-023-2	Acquisition of Tools and Versa-Pro Diagnostic and Information System	143,779.12				143,779.12		
15-023-3	Acquisition of Fire Alarm System Upgrades and a John Deere Gator	36,239.00				36,239.00		
15-023-4	Repairs to the Eastern Area	64.44						64.44
15-023-5	Acquisition and Installation of Township Wi-Fi Project	76,789.82		7,932.53		68,857.29		
16-004/16-035	Various Capital Improvements	565.02				565.02		
17-010	Various Paving Projects	103,111.04		367,445.85				(264,334.81)
17-023	Purchase of Fire Truck	148,966.34						148,966.34
18-036	Improvements to Lake Road	(633,979.00)					665,000.00	31,021.00
18-040	Police Communications	175,000.00						175,000.00
18-041	Fire Equipment	199,170.39		70,286.68				128,883.71
19-013/20-007	Emergency Service Equipment	38,938.00		1,453,304.43			40,000.00	38,938.00
19-018	Various Paving Projects	1,303,427.90						(109,876.53)
19-019	Upgrade Phone System	161,485.88		10,572.56				161,485.88
20-003	EMS Equipment	10,572.56		1,265.00				
20-025	Acquisition of Real Property - Open Space					2,558,296.75	750,000.00	748,735.00
20-036	Public Works Improvements						2,650,000.00	91,703.25
							3,918,425.00	3,918,425.00
		<u>\$ 3,494,299.15</u>	<u>\$ 16,679,306.73</u>	<u>\$ 1,910,807.05</u>		<u>\$ 10,895,446.00</u>	<u>\$ 10,885,446.00</u>	<u>\$ 5,788,556.83</u>
		C	C-2	C-2	C-2	Contra	Contra	C

Reference

TOWNSHIP OF MANCHESTER
GENERAL CAPITAL FUND

INTERFUNDS RECEIVABLE

C-4

	<u>Ref.</u>	<u>Total</u>	<u>Current Fund</u>	<u>Open Space Trust Fund</u>
Balance December 31, 2019	C	\$ 95,920.01	\$ 95,920.01	\$
Increased by:				
Cash Disbursed	C-2	2,520,000.00		2,520,000.00
Down Payment Fund by Open Space Trust Fund	C-11	<u>130,000.00</u>		<u>130,000.00</u>
		<u>2,650,000.00</u>		<u>2,650,000.00</u>
Decreased by:				
Cash Receipts	C-2	2,553.60		2,553.60
Improvement Authorizations Expended in Trust Fund	C-11	<u>2,558,296.75</u>		<u>2,558,296.75</u>
		<u>2,560,850.35</u>		<u>2,560,850.35</u>
Balance December 31, 2020	C	<u>\$ 185,069.66</u>	<u>\$ 95,920.01</u>	<u>\$ 89,149.65</u>

DEFERRED CHARGES TO FUTURE TAXATION
FUNDED

C-5

	<u>Ref.</u>		
Balance December 31, 2019	C		\$ 14,665,965.17
Increased by:			
Bonds Issued	C-6		<u>10,827,000.00</u>
			<u>25,492,965.17</u>
Decreased by:			
Cash Receipts	C-2	\$ 965,000.00	
2020 Budget Appropriations:			
Green Acres Payment	C-7	28,213.24	
Serial Bonds Redeemed	C-12	<u>1,580,000.00</u>	
			<u>2,573,213.24</u>
Balance December 31, 2020	C		<u>\$ 22,919,751.93</u>

TOWNSHIP OF MANCHESTER
GENERAL CAPITAL FUND

DEFERRED CHARGES TO FUTURE TAXATION - UNFUNDED

C-6

Ordinance Number	Description	Balance Dec. 31, 2019	2020 Authorizations	Decrease	Balance Dec. 31, 2020	Analysis of Balance	
						Expenditures	Unexpended Improvement Authorization
02-027	Pine Lake Park Walkway	\$ 30,113.08	\$	\$	\$ 30,113.08	\$ 30,113.08	\$
05-001	Improvements to Soccer Complex	85,880.66		50,000.00	35,880.66	35,880.66	
16-035	Police and Fire Equipment	380,000.00			380,000.00	264,334.81	115,665.19
17-023	Purchase of Fire Truck	665,000.00		665,000.00			
18-040	Police Communication Equipment	1,857,000.00		1,857,000.00			
19-013	Emergency Service Equipment	1,350,000.00		1,350,000.00			
20-007	Emergency Service Equipment		360,000.00		360,000.00	109,876.53	250,123.47
20-025	Acquisition of Open Space Real Properties		2,520,000.00	2,520,000.00			
20-033	EMS Equipment		712,500.00	712,500.00			
20-036	Public Works Improvements		3,722,575.00	3,722,500.00	75.00		75.00
		<u>\$ 4,367,993.74</u>	<u>\$ 7,315,075.00</u>	<u>\$ 10,877,000.00</u>	<u>\$ 806,068.74</u>	<u>\$ 440,205.08</u>	<u>\$ 365,863.66</u>
	Reference	C	C-11	Below	C	C-3	C-9
	Ref.						
	Cash Receipt - Budget Appropriation		C-2	\$ 50,000.00			
	Serial Bonds Issued		C-5	10,827,000.00			
			Above	<u>\$ 10,877,000.00</u>			

TOWNSHIP OF MANCHESTER
GENERAL CAPITAL FUND

GREEN ACRES LOAN PAYABLE

C-7

	<u>Ref.</u>	
Balance December 31, 2019	C	\$360,965.17
Decreased by:		
Principal Payments	C-5	<u>28,213.24</u>
Balance December 31, 2020	C	<u>\$ 332,751.93</u>

TOWNSHIP OF MANCHESTER
GENERAL CAPITAL FUND

C-8

BOND ANTICIPATION NOTES

<u>Description</u>	<u>Ordinance Number</u>	<u>Original</u>		<u>Date of</u>		<u>Rate of Interest</u>	<u>Balance Dec. 31, 2019</u>	<u>Redeemed</u>
		<u>Date of Issue</u>	<u>Amount</u>	<u>Issue</u>	<u>Maturity</u>			
Police Communication Equipment	18-040	12-18-19	\$ 1,857,000.00	12-18-19	12-18-20	1.36%	\$ 1,857,000.00	\$ 1,857,000.00
Emergency Service Equipment	19-013	12-18-19	1,350,000.00	12-18-19	12-18-20	1.36%	1,350,000.00	1,350,000.00
							<u>\$ 3,207,000.00</u>	<u>\$ 3,207,000.00</u>
				<u>Reference</u>	<u>C</u>			<u>C-2</u>

TOWNSHIP OF MANCHESTER
GENERAL CAPITAL FUND

INTERFUNDS PAYABLE

C-9

Due to Water
East
Capital Fund

	<u>Ref.</u>	
Balance December 31, 2019	C	\$ 1,031,242.00
Increased by:		
Cash Receipts	C-2	<div style="display: flex; justify-content: space-between;"> 5,720,308.66 <u>6,751,550.66</u> </div>
Decreased by:		
Cash Disbursed	C-2	<div style="display: flex; justify-content: space-between;"> 6,747,242.00 <u>6,747,242.00</u> </div>
Balance December 31, 2020	C	<div style="display: flex; justify-content: space-between;"> \$ 4,308.66 <u><u>4,308.66</u></u> </div>

CAPITAL IMPROVEMENT FUND

C-10

	<u>Ref.</u>	
Balance December 31, 2019	C	\$ 420,314.45
Increased by:		
Budget Appropriation	C-2	<div style="display: flex; justify-content: space-between;"> 75,000.00 <u>495,314.45</u> </div>
Decreased by:		
Appropriated to Finance Improvement Authorizations	C-11	<div style="display: flex; justify-content: space-between;"> 273,425.00 <u>273,425.00</u> </div>
Balance December 31, 2020	C	<div style="display: flex; justify-content: space-between;"> \$ 221,889.45 <u><u>221,889.45</u></u> </div>

TOWNSHIP OF MANCHESTER
GENERAL CAPITAL FUND

C-11

IMPROVEMENT AUTHORIZATIONS

	Ordinance Number	Balance Dec. 31, 2019		2020 Authorizations	Expended	Cancelled	Balance Dec. 31, 2020	
		Funded	Unfunded				Funded	Unfunded
General Improvements	08-028-6	\$ 1,621.53	\$	\$	\$	\$ 1,621.53	\$	\$
Various Improvements	15-016	52,662.29				52,662.29		
Acquisition of a Platform Aerial Truck and Related Equipment								
Various Capital Improvements:								
Acquisition of Various Vehicles for Public Works	15-023-1	143,779.12				143,779.12		
Acquisition of Tools and Versa-Pro Diagnostic and Information System	15-023-2	36,239.00				36,239.00		
Acquisition of Fire Alarm System Upgrades and a John Deere Gator	15-023-3	64.44					64.44	
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	15-023-4	76,789.82			7,932.53	68,857.29		
Acquisition and Installation of Township Wi-Fi Project	15-023-5	565.02				565.02		115,665.19
Various Capital Improvements	16-004/16-035	103,111.04	380,000.00		367,445.85		148,966.34	
Various Paving Projects	17-010	148,966.34					31,021.00	
Purchase of Fire Truck	17-023		31,021.00				175,000.00	
Improvements to Lake Road	18-036	175,000.00					128,883.71	
Police Communications	18-040		199,170.39		70,286.68		38,938.00	250,123.47
Fire Equipment	18-041	38,938.00					161,485.88	
Emergency Service Equipment	19-013/20-007		1,303,427.90	400,000.00	1,453,304.43		91,703.25	
Various Paving Projects	19-018	161,485.88			10,572.56		748,735.00	
Upgrade Phone System	19-019	10,572.56		2,650,000.00	2,558,296.75		3,918,425.00	75.00
Acquisition of Real Property - Open Space	20-025			750,000.00	1,265.00			
EMS Equipment	20-033			3,918,500.00				
Public Works Improvements	20-036							
		\$ 949,795.04	\$ 1,913,619.29	\$ 7,718,500.00	\$ 4,469,103.80	\$ 303,724.25	\$ 5,443,222.62	\$ 365,863.66
	Reference	C	C	Below	Below	C-1	C	C

TOWNSHIP OF MANCHESTER
GENERAL CAPITAL FUND

C-12
Sheet#1

SERIAL BONDS

<u>Date of Issue</u>	<u>Issue</u>	<u>Maturities of Bonds Outstanding Dec. 31, 2020</u>		<u>Interest Rate</u>	<u>Balance Dec. 31, 2019</u>	<u>Bonds Issued</u>	<u>Decrease Budget Appropriation</u>		<u>Balance Dec. 31, 2020</u>
		<u>Date</u>	<u>Amount</u>						
3-01-15	\$8,135,000.00	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	100,000.00	4.000					
		3-01-25	775,000.00	2.375					
		3-01-26	760,000.00	2.500	\$ 5,625,000.00	\$	\$ 835,000.00		\$ 4,790,000.00
8-30-17	9,800,000.00	10-15-21	795,000.00	2.000					
		10-15-22	820,000.00	2.000					
		10-15-23	840,000.00	2.000					
		10-15-24	860,000.00	2.000					
		10-15-25	880,000.00	2.000					
		10-15-26	905,000.00	2.250					
		10-15-27	925,000.00	2.250					
		10-15-28	950,000.00	2.500					
		10-15-29	960,000.00	2.500	8,680,000.00		745,000.00		7,935,000.00
12-02-20	7,447,000.00	12-01-21	782,000.00	2.000					
		12-01-22	780,000.00	1.000					
		12-01-23	795,000.00	1.000					
		12-01-24	810,000.00	1.000					
		12-01-25	820,000.00	2.000					
		12-01-26	835,000.00	4.000					
		12-01-27	840,000.00	4.000					
		12-01-28	875,000.00	4.000					
		12-01-29	910,000.00	4.000		7,447,000.00			7,447,000.00

C-12
Sheet#2

Date of Issue	Issue	Date	Amount
			Maturities of
			Bonds Outstanding
			Dec. 31, 2020

Date of Issue	Issue	Bonds Outstanding		Interest Rate	Balance Dec. 31, 2019	Bonds Issued	Decrease Budget Appropriation	Balance Dec. 31, 2020
		Date	Amount					
12-02-20	\$2,520,000.00	12-01-21	\$100,000.00	2.000	%			
		12-01-22	100,000.00	1.000				
		12-01-23	100,000.00	1.000				
		12-01-24	100,000.00	1.000				
		12-01-25	100,000.00	2.000				
		12-01-26	105,000.00	4.000				
		12-01-27	110,000.00	4.000				
		12-01-28	115,000.00	4.000				
		12-01-29	115,000.00	4.000				
		12-01-30	120,000.00	1.375				
		12-01-31	125,000.00	1.500				
		12-01-32	125,000.00	1.625				
		12-01-33	130,000.00	2.000				
		12-01-34	130,000.00	2.000				
		12-01-35	135,000.00	2.000				
		12-01-36	135,000.00	2.000				
		12-01-37	140,000.00	2.000				
		12-01-38	140,000.00	2.000				
		12-01-39	145,000.00	2.000				
		12-01-40	145,000.00	2.000				
					\$	\$2,415,000.00	\$	\$ 2,415,000.00
					\$14,305,000.00	\$9,862,000.00	\$1,580,000.00	\$22,587,000.00

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C-2

TOWNSHIP OF MANCHESTER
GENERAL CAPITAL FUND

BONDS AND NOTES AUTHORIZED BUT NOT ISSUED

C-13

<u>Description</u>	<u>Ordinance Number</u>	<u>Amount</u>	<u>Balance Dec. 31, 2019</u>	<u>2020 Authorizations</u>	<u>Decrease</u>	<u>Balance Dec. 31, 2020</u>
Pine Lake Park Walkway	02-027	\$ 570,000.00	\$ 30,113.08	\$	\$	\$ 30,113.08
Improvements to Soccer Complex	05-001	700,000.00	85,880.66		50,000.00	35,880.66
Various Capital Improvements	16-004/ 16-035	1,672,000.00	380,000.00			380,000.00
Purchase of Fire Truck	17-023	665,000.00	665,000.00		665,000.00	
Emergency Service Equipment	20-007	360,000.00		360,000.00		360,000.00
EMS Equipment	20-003	712,500.00		712,500.00	712,500.00	
Acquisition of Real Property for Open Space	20-025	2,520,000.00		2,520,000.00	2,520,000.00	
Public Works Improvements	20-036	3,722,575.00		3,722,575.00	3,722,500.00	75.00
			<u>\$ 1,160,993.74</u>	<u>\$ 7,315,075.00</u>	<u>\$ 7,670,000.00</u>	<u>\$ 806,068.74</u>
<u>Reference</u>			<u>C</u>	<u>C-11</u>	<u>C-6.8</u>	<u>C</u>

TOWNSHIP OF MANCHESTER
WATER UTILITY EASTERN SERVICE

CASH RECEIPTS AND DISBURSEMENTS - CHECKING ACCOUNTS

D-5

	<u>Ref.</u>	<u>Operating Fund</u>	<u>Escrow Account</u>	<u>Capital Fund</u>
Balance December 31, 2019	D	\$ 1,453,317.68	\$ 344,553.58	\$ 682,241.60
Increased by Receipts:				
Fund Balance	D-2	\$		\$ 238,000.00
Miscellaneous Revenue	D-3	32,215.35		
Consumer Accounts Receivable	D-8	2,331,833.10		
Interfunds Receivable	D-11			1,131,242.00
Escrow Deposits	D-16		16,581.41	
Capital Improvement Fund	D-18			150,000.00
NJEIT Payable	D-21			1,142,031.00
Serial Bonds	D-23			5,478,000.00
		<u>2,364,048.45</u>	<u>361,134.99</u>	<u>8,139,273.00</u>
		3,817,366.13		8,821,514.60
Decreased by Disbursements:				
Budget Appropriations	D-4	2,188,041.63		
Appropriation Reserves	D-14	108,552.93		
Interfunds Payable	D-15	100,000.00		
Escrow Deposits Returned	D-16		203,939.51	
Improvement Authorizations	D-22			2,838,615.72
		<u>2,396,594.56</u>		<u>2,838,615.72</u>
Balance December 31, 2020	D	<u>\$ 1,420,771.57</u>	<u>\$ 157,195.48</u>	<u>\$ 5,982,898.88</u>

TOWNSHIP OF MANCHESTER
WATER UTILITY EASTERN SERVICE

ANALYSIS OF WATER CAPITAL CASH AND INVESTMENTS

D-6

	Balance Dec. 31, 2019	Receipts	Disbursed	Transfers		Balance Dec. 31, 2020
				From	To	
<u>Other Accounts</u>						
Capital Improvement Fund	\$ 1,806,495.39	\$ 150,000.00	\$	\$ 240,000.00	\$	\$ 1,716,495.39
Due to Current Fund	264,795.99					264,795.99
Sale of Serial Bonds		5,478,000.00		5,478,000.00		
Due to Sewer Capital East	471,450.90					471,450.90
Due from Water East Operating	(100,000.00)	100,000.00				
Due from General Capital Fund	(1,031,242.00)	1,031,242.00		4,308.66		(4,308.66)
Fund Balance	36,745.00	238,000.00		238,000.00	4,308.66	41,053.66
<u>Improvement Authorizations</u>						
Ordinance #15-021:						
Acquisition of a Tractor and Generator	69,806.00					69,806.00
Ordinance #15-024:						
Upgrade Wells #10/11	121,829.52					121,829.52
Ordinance #17-013:						
Painting and Repair of the Township's Elevated Water Storage Tank	(362,582.93)	56,941.00				(305,641.93)
Ordinance #18-015:						
Water Meter Acquisition	(595,056.27)	1,085,090.00	242,731.74			247,301.99
Ordinance #20-003:						
Construction of Elevated Water Tank			2,595,433.98		5,716,000.00	3,120,566.02
Ordinance #20-015:						
Replace Water Lines			450.00		240,000.00	239,550.00
	\$ 682,241.60	\$ 8,139,273.00	\$ 2,838,615.72	\$ 5,960,308.66	\$ 5,960,308.66	\$ 5,982,898.88
	<u>D</u>	<u>D-5</u>	<u>D-5</u>	<u>Contra</u>	<u>Contra</u>	<u>D</u>

TOWNSHIP OF MANCHESTER
WATER UTILITY EASTERN SERVICE

INTERFUNDS RECEIVABLE

D-7

	<u>Ref.</u>	
Balance December 31, 2019	D	\$ 27,176.01
Balance December 31, 2020	D,Below	<u>\$ 27,176.01</u>
<u>Analysis of Balance</u>		
Due from Current Fund	Above	<u>\$ 27,176.01</u>

CONSUMER ACCOUNTS RECEIVABLE

D-8

	<u>Ref.</u>	
Balance December 31, 2019	D	\$ 71,704.52
Increased by:		
Water Rents Levied - Net	Reserve	<u>2,370,963.60</u>
		2,442,668.12
Decreased by:		
Collections	D-3,5	\$2,331,833.10
Transfer to Water Liens	D-9	<u>181.00</u>
		<u>2,332,014.10</u>
Balance December 31, 2020	D	<u>\$ 110,654.02</u>

TOWNSHIP OF MANCHESTER
WATER UTILITY EASTERN SERVICE

WATER LIENS

D-9

	<u>Ref.</u>	
Balance December 31, 2019	D	\$ 698.73
Increased by:		
Transfer from Consumer Accounts Receivable	D-8	<u>181.00</u>
Balance December 31, 2020	D	<u><u>\$ 879.73</u></u>

RESERVE FOR INVENTORY

D-10

	<u>Ref.</u>	
Balance December 31, 2019	D	<u>\$ 118,417.89</u>
Balance December 31, 2020	D	<u><u>\$ 118,417.89</u></u>

INTERFUND ACCOUNTS RECEIVABLE

D-11

	<u>Ref.</u>	<u>Due from General Capital Fund</u>
Balance December 31, 2019	D	\$ 1,131,242.00
Increased by:		
Premium Collected in General Capital Fund	D-2	<u>4,308.66</u> 1,135,550.66
Decreased by:		
Cash Receipt	D-5	<u>1,131,242.00</u>
Balance December 31, 2020	D	<u><u>\$ 4,308.66</u></u>

TOWNSHIP OF MANCHESTER
WATER UTILITY EASTERN SERVICE

FIXED CAPITAL

D-12

	<u>Ref.</u>	
Balance December 31, 2019	D	\$13,681,652.16
Increased by:		
Transfer from Fixed Capital Authorized and Uncompleted	D-13	<u>2,838,615.72</u>
Balance December 31, 2020	D	<u><u>\$16,520,267.88</u></u>

FIXED CAPITAL AUTHORIZED AND UNCOMPLETED

D-13

	<u>Ref.</u>	
Balance December 31, 2019	D	\$ 1,412,425.57
Increased by:		
2020 Authorization	D-22	<u>5,956,000.00</u> 7,368,425.57
Decreased by:		
Transfer to Fixed Capital	D-12	<u>2,838,615.72</u>
Balance December 31, 2020	D	<u><u>\$ 4,529,809.85</u></u>

TOWNSHIP OF MANCHESTER
WATER UTILITY EASTERN SERVICE

APPROPRIATION RESERVES

D-14

<u>Appropriations</u>	<u>Encumbered</u>	<u>Balance Dec. 31, 2019</u>	<u>Unencumbered</u>	<u>Balance After Transfers</u>	<u>Paid or Charged</u>	<u>Balance Lapsed</u>
<u>Operating</u>						
Salaries and Wages	\$	\$ 45,577.52	\$ 45,577.52	\$ 45,577.52	\$	\$ 45,577.52
Other Expenses	247,356.24	19,414.99	266,771.23	158,218.30	108,552.93	158,218.30
	<u>247,356.24</u>	<u>64,992.51</u>	<u>312,348.75</u>	<u>203,795.82</u>	<u>108,552.93</u>	<u>203,795.82</u>
<u>Statutory Expenditures</u>						
Social Security System		13,212.80	13,212.80	13,212.80		13,212.80
	<u>\$247,356.24</u>	<u>\$ 78,205.31</u>	<u>\$325,561.55</u>	<u>\$217,008.62</u>	<u>\$108,552.93</u>	<u>\$217,008.62</u>
<u>Reference</u>	<u>D</u>	<u>D</u>	<u>D-5</u>	<u>D-1</u>		

TOWNSHIP OF MANCHESTER
WATER UTILITY EASTERN SERVICE

INTERFUND ACCOUNTS PAYABLE

D-15

	<u>Ref.</u>	<u>Due to Water East Capital Fund</u>
Balance December 31, 2019	D	\$100,000.00
Decreased by:		
Cash Disbursed	D-5	<u>100,000.00</u>
		<u>\$ -</u>

RESERVE FOR ESCROW DEPOSITS

D-16

	<u>Ref.</u>	
Balance December 31, 2019	D	\$344,553.58
Increased by:		
Cash Receipts	D-5	<u>16,581.41</u>
		361,134.99
Decreased by:		
Cash Disbursed	D-5	<u>203,939.51</u>
Balance December 31, 2020	D	<u>\$157,195.48</u>

INTERFUNDS PAYABLE

D-17

	<u>Ref.</u>	
Balance December 31, 2019	D	<u>\$736,246.89</u>
Balance December 31, 2020	D, Below	<u>\$736,246.89</u>
<u>Analysis of Interfund</u>		
Due to Current Fund		\$264,795.99
Due to Sewer East Capital Fund		<u>471,450.90</u>
	Above	<u>\$736,246.89</u>

TOWNSHIP OF MANCHESTER
WATER UTILITY EASTERN SERVICE

CAPITAL IMPROVEMENT FUND

D-18

	<u>Ref.</u>	
Balance December 31, 2019	D	\$ 1,806,495.39
Increased by:		
Cash Receipt	D-5	<u>150,000.00</u>
		1,956,495.39
Decreased by:		
Appropriated to Finance Improvement Authorizations	D-20	<u>240,000.00</u>
Balance December 31, 2020	D	<u>\$ 1,716,495.39</u>

RESERVE FOR AMORTIZATION

D-19

	<u>Ref.</u>	
Balance December 31, 2019	D	\$ 9,978,577.73
Increased by:		
Serial Bonds Paid at Time of Sale	D-2	<u>238,000.00</u>
Balance December 31, 2020	D	<u>\$ 10,216,577.73</u>

TOWNSHIP OF MANCHESTER
WATER UTILITY EASTERN SERVICE

DEFERRED RESERVE FOR AMORTIZATION

D-20

	<u>Ref.</u>	
Balance December 31, 2019	D	\$ 615,500.00
Increased by:		
2020 Improvement Authorization	D-18	<u>240,000.00</u>
Balance December 31, 2020	D	<u>\$ 855,500.00</u>

NJEIT LOAN PAYABLE

D-21

	<u>Ref.</u>	
Balance December 31, 2019	D	\$ 2,297,144.00
Increased by:		
Cash Receipt	D-5	<u>1,142,031.00</u>
Balance December 31, 2020	D	<u>\$ 3,439,175.00</u>

TOWNSHIP OF MANCHESTER
WATER UTILITY EASTERN SERVICE

IMPROVEMENT AUTHORIZATIONS

D-22

	<u>Balance</u> <u>Dec. 31, 2019</u>		<u>2020</u> <u>Authorization</u>	<u>Expended</u>	<u>Balance</u> <u>Dec. 31, 2020</u>	
	<u>Funded</u>	<u>Unfunded</u>			<u>Funded</u>	<u>Unfunded</u>
Ordinance #15-021: Acquisition of a Tractor and Generator	\$ 69,806.00	\$	\$	\$	\$ 69,806.00	\$
Ordinance #15-024: Upgrade Wells #10/11	121,829.52				121,829.52	
Ordinance #17-013: Painting and Repair of the Township's Elevated Water Storage Tank		106,175.07				106,175.07
Ordinance #18-015: Water Meter Acquisition		1,139,041.73		242,731.74	304,242.99	592,067.00
Ordinance #20-003: Construction of Elevated Water Tank			5,716,000.00	2,595,433.98	3,120,566.02	
Ordinance #20-015: Replace Water Lines			240,000.00	450.00	239,550.00	
	<u>\$ 191,635.52</u>	<u>\$ 1,245,216.80</u>	<u>\$ 5,956,000.00</u>	<u>\$ 2,838,615.72</u>	<u>\$ 3,855,994.53</u>	<u>\$ 698,242.07</u>
<u>Reference</u>	<u>D</u>	<u>D</u>	<u>D-13</u>	<u>D-5</u>	<u>D</u>	<u>D</u>

TOWNSHIP OF MANCHESTER
WATER UTILITY EASTERN SERVICE

SERIAL BONDS

D-23

Water Utility Bonds	Date of Issue	Original Issue	Maturities of Bonds Outstanding		Interest Rate	Increase	Balance Dec. 31, 2020
			Date	Amount			
	12/17/2020	\$5,478,000.00	12-01-2021	\$228,000.00	2.000 %		
			12-01-2022	225,000.00	1.000		
			12-01-2023	230,000.00	1.000		
			12-01-2024	230,000.00	1.000		
			12-01-2025	235,000.00	2.000		
			12-01-2026	235,000.00	4.000		
			12-01-2027	245,000.00	4.000		
			12-01-2028	255,000.00	4.000		
			12-01-2029	265,000.00	4.000		
			12-01-2030	275,000.00	1.375		
			12-01-2031	280,000.00	1.500		
			12-01-2032	285,000.00	1.625		
			12-01-2033	290,000.00	2.000		
			12-01-2034	295,000.00	2.000		
			12-01-2035	300,000.00	2.000		
			12-01-2036	310,000.00	2.000		
			12-01-2037	315,000.00	2.000		
			12-01-2038	320,000.00	2.000		
			12-01-2039	325,000.00	2.000		
			12-01-2040	335,000.00	2.000		
						<u>\$ 5,478,000.00</u>	<u>\$ 5,478,000.00</u>
						<u>D-5</u>	<u>D</u>
					<u>Reference</u>		

TOWNSHIP OF MANCHESTER
WATER UTILITY EASTERN SERVICE

BONDS AND NOTES AUTHORIZED BUT NOT ISSUED

D-24

	<u>Balance</u> <u>Dec. 31, 2019</u>	<u>Increase</u>	<u>Decrease</u>	<u>Balance</u> <u>Dec. 31, 2020</u>
Ordinance #17-013:				
Painting and Repair of the Township's				
Elevated Water Storage Tank	\$ 468,758.00	\$	\$ 56,941.00	\$ 411,817.00
Ordinance #18-015:				
Water Meter Acquisition	1,734,098.00		1,085,090.00	649,008.00
Ordinance #20-003:				
Construction of Elevated Water Tank	<u> </u>	<u>5,716,000.00</u>	<u>5,716,000.00</u>	<u> </u>
	<u>\$2,202,856.00</u>	<u>\$5,716,000.00</u>	<u>\$6,858,031.00</u>	<u>\$1,060,825.00</u>
<u>Reference</u>	<u>D</u>	<u>D-22</u>	<u>D-19,21,23</u>	<u>D</u>

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, 2019	E	\$ 2,726.19	\$ 2,429.67
Increased by Receipts:			
Interest on Deposits	E-2	9.48	
Private Donations	E-3		19,161.00
		<u>2,735.67</u>	<u>21,590.67</u>
Decreased by Disbursements:			
Non-State Matching Expenditures	E-3		<u>18,714.75</u>
Balance December 31, 2020	E	<u><u>\$ 2,735.67</u></u>	<u><u>\$ 2,875.92</u></u>

TOWNSHIP OF MANCHESTER
PUBLIC ASSISTANCE TRUST FUND

RESERVE FOR PUBLIC ASSISTANCE EXPENDITURES

E-2

	<u>Ref.</u>	
Balance December 31, 2019	E	\$ 2,726.19
Increased by:		
Interest on Deposits	E-1	<u>9.48</u>
Balance December 31, 2020	E	<u><u>\$ 2,735.67</u></u>

RESERVE FOR DISCRETIONARY TRUST EXPENDITURES

E-3

	<u>Ref.</u>	
Balance December 31, 2019	E	\$ 2,429.67
Increased by:		
Private Donations	E-1	<u>19,161.00</u>
		21,590.67
Decreased by:		
Non-State Matching Expenditures	E-1	<u>18,714.75</u>
Balance December 31, 2020	E	<u><u>\$ 2,875.92</u></u>

TOWNSHIP OF MANCHESTER
SEWER UTILITY EASTERN SERVICE

CASH RECEIPTS AND DISBURSEMENTS
CHECKING ACCOUNTS

F-5

	<u>Ref.</u>	<u>Operating Fund</u>	<u>Utility Escrow</u>	<u>Capital Fund</u>
Balance December 31, 2019	F	\$ 5,355,833.95	\$ 227,230.15	\$ 1,780,797.11
Increased by Receipts:				
Miscellaneous Revenue	F-3	\$ 31,376.36		
Consumer Accounts Receivable	F-9	3,686,365.83		
Interfunds Receivable	F-12			400,514.72
Escrow Deposits	F-15		13,319.89	548.97
Interfunds Receivable	F-17			100,000.00
Capital Improvement Fund	F-18			
		<u>3,717,742.19</u>	<u>240,550.04</u>	<u>501,063.69</u>
		9,073,576.14		2,281,860.80
Decreased by Disbursements:				
Budget Appropriations	F-4	3,444,880.20		
Interfunds Receivable	F-12			300,000.00
Appropriation Reserves	F-14	64,788.07		
Reserve for Escrow Deposits	F-15		117,047.85	
Interfunds Payable	F-16	<u>100,514.72</u>		
		<u>3,610,182.99</u>		<u>300,000.00</u>
Balance December 31, 2020	F	<u>\$ 5,463,393.15</u>	<u>\$ 123,502.19</u>	<u>\$ 1,981,860.80</u>

TOWNSHIP OF MANCHESTER
SEWER UTILITY EASTERN SERVICE

ANALYSIS OF SEWER CAPITAL CASH AND INVESTMENTS

F-6

	<u>Balance</u> <u>Dec. 31, 2019</u>	<u>Other</u> <u>Receipts</u>	<u>Other</u> <u>Disbursed</u>	<u>Balance</u> <u>Dec. 31, 2020</u>
<u>Other Accounts</u>				
Capital Improvement Fund	\$2,933,947.73	\$ 100,000.00	\$	\$3,033,947.73
Due from Current Fund	(117,500.00)		117,500.00	(235,000.00)
Due from Sewer Operating Fund	(100,514.72)	100,514.72		
Due to Sewer Operating Fund		548.97		548.97
Fund Balance	3,815.00			3,815.00
Due from Water Utility Eastern Capital Fund	(471,450.90)			(471,450.90)
	<u>\$2,248,297.11</u>	<u>\$ 201,063.69</u>	<u>\$117,500.00</u>	<u>\$2,331,860.80</u>
<u>Reference</u>	<u>F</u>	<u>F-5</u>	<u>F-5</u>	<u>F, Below</u>

Analysis of Balance

Checking	\$1,981,860.80
Investments	<u>350,000.00</u>
	<u>\$2,331,860.80</u>
<u>Reference</u>	<u>Above</u>

INVESTMENTS

F-7

	<u>Ref.</u>	
Balance December 31, 2019	F	\$ 467,500.00
Decreased by:		
Interfunds Receivable	F-12	<u>117,500.00</u>
Balance December 31, 2020	F	<u>\$ 350,000.00</u>

TOWNSHIP OF MANCHESTER
SEWER UTILITY EASTERN SERVICE

SEWER CAPITAL EASTERN SERVICE
INTERFUNDS RECEIVABLE

F-8

	<u>Ref.</u>	
Balance December 31, 2019	F	\$ 0.23
Increased by:		
Interest Earned	F-3	<u>548.97</u>
Balance December 31, 2020	F,Below	<u>\$ 549.20</u>
<u>Analysis of Balance</u>		
Due from Current Fund		\$ 0.23
Due from Sewer East Capital Fund		<u>548.97</u>
	Above	<u>\$ 549.20</u>

CONSUMER ACCOUNTS RECEIVABLE

F-9

	<u>Ref.</u>	
Balance December 31, 2019	F	\$ 67,648.12
Increased by:		
Sewer Rents Levied - Net	Reserve	<u>3,700,743.49</u>
		3,768,391.61
Decreased by:		
Cash Receipts	F-3,5	<u>3,686,365.83</u>
Balance December 31, 2020	F	<u>\$ 82,025.78</u>

TOWNSHIP OF MANCHESTER
SEWER UTILITY EASTERN SERVICE

SEWER LIENS

F-10

	<u>Ref.</u>	
Balance December 31, 2019	F	\$ 400.36
Increased by:		
Lien Adjustment	Reserve	<u>7,068.47</u>
Balance December 31, 2020	F	<u>\$ 7,468.83</u>

RESERVE FOR INVENTORY

F-11

	<u>Ref.</u>	
Balance December 31, 2019	F	\$82,181.50
Decreased by:		
Adjustments to Inventory Records	Reserve	<u>1,145.98</u>
Balance December 31, 2020	F	<u>\$81,035.52</u>

TOWNSHIP OF MANCHESTER
SEWER UTILITY EASTERN SERVICE

SEWER EASTERN CAPITAL FUND
INTERFUNDS RECEIVABLE

F-12

	<u>Ref.</u>		
Balance December 31, 2019	F		\$ 689,465.62
Increased by:			
Cash Disbursed	F-5	\$300,000.00	
Investments Redeemed	F-7	<u>117,500.00</u>	
			417,500.00
			<u>1,106,965.62</u>
Decreased by:			
Cash Receipts	F-5		<u>400,514.72</u>
Balance December 31, 2020	F, Below		<u><u>\$ 706,450.90</u></u>

Analysis of Balance

Due from Water Eastern Capital Fund		\$ 471,450.90
Due from Current Fund		<u>235,000.00</u>
	Above	<u><u>\$ 706,450.90</u></u>

FIXED CAPITAL

F-13

	<u>Ref.</u>	
Balance December 31, 2019	F	<u>\$11,878,031.55</u>
Balance December 31, 2020	F	<u><u>\$11,878,031.55</u></u>

TOWNSHIP OF MANCHESTER
SEWER UTILITY EASTERN SERVICE

APPROPRIATION RESERVES

F-14

<u>Appropriation</u>	<u>Balance</u> <u>Dec. 31, 2019</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	\$	\$ 30,090.98	\$ 30,090.98	\$	\$ 30,090.98
Other Expenses	30,179.53	383,433.83	413,613.36	64,788.07	348,825.29
<u>Statutory Expenditures</u>					
Contribution to:					
Social Security System (OASI)		28,345.00	28,345.00		28,345.00
	<u>\$ 30,179.53</u>	<u>\$ 441,869.81</u>	<u>\$ 472,049.34</u>	<u>\$ 64,788.07</u>	<u>\$ 407,261.27</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, 2019	F	\$227,230.15
Increased by:		
Escrow Deposits	F-5	<div style="display: flex; justify-content: flex-end;"> <div style="text-align: right; margin-right: 10px;">13,319.89</div> <div style="border-top: 1px solid black; width: 100px;"></div> </div>
Decreased by:		
Cash Disbursed	F-5	<div style="display: flex; justify-content: flex-end;"> <div style="text-align: right; margin-right: 10px;">117,047.85</div> <div style="border-top: 1px solid black; width: 100px;"></div> </div>
Balance December 31, 2020	F	<div style="display: flex; justify-content: flex-end;"> <div style="text-align: right; margin-right: 10px;">\$123,502.19</div> <div style="border-top: 1px solid black; border-bottom: 3px double black; width: 100px;"></div> </div>

SEWER OPERATING EASTERN FUND
INTERFUNDS PAYABLE

F-16

	<u>Ref.</u>	
Balance December 31, 2019	F	\$100,514.72
Decreased by:		
Cash Disbursed	F-5	<div style="display: flex; justify-content: flex-end;"> <div style="text-align: right; margin-right: 10px;">100,514.72</div> <div style="border-top: 1px solid black; width: 100px;"></div> </div>
		<div style="display: flex; justify-content: flex-end;"> <div style="text-align: right; margin-right: 10px;">\$ -</div> <div style="border-top: 1px solid black; border-bottom: 3px double black; width: 100px;"></div> </div>

TOWNSHIP OF MANCHESTER
SEWER UTILITY EASTERN SERVICE

SEWER CAPITAL EASTERN FUND
INTERFUNDS PAYABLE

F-17

	<u>Ref.</u>	
Increased by:		
Cash Receipts	F-5	\$ 548.97
Balance December 31, 2020	F	\$ 548.97

CAPITAL IMPROVEMENT FUND

F-18

	<u>Ref.</u>	
Balance December 31, 2019	F	\$ 2,933,947.73
Increased by:		
Cash Receipts	F-5	100,000.00
Balance December 31, 2020	F	\$ 3,033,947.73

RESERVE FOR AMORTIZATION

F-19

	<u>Ref.</u>	
Balance December 31, 2019	F	\$11,878,031.55
Balance December 31, 2020	F	\$11,878,031.55

TOWNSHIP OF MANCHESTER
PAYROLL FUND

CASH RECEIPTS AND DISBURSEMENTS

G-1

	<u>Ref.</u>		
Balance December 31, 2019	G		\$ 157,250.87
Increased by:			
Payrolls	G-2	\$ 21,244,021.72	
Other Receipts - Township's Share of FICA/Annual Pension Contribution	G-2	<u>4,826,137.92</u>	
			<u>26,070,159.64</u>
			26,227,410.51
Decreased by:			
Payroll Disbursements	G-2		<u>26,002,875.86</u>
Balance December 31, 2020	G		<u><u>\$ 224,534.65</u></u>

TOWNSHIP OF MANCHESTER
PAYROLL FUND

PAYROLL DEDUCTIONS PAYABLE
YEAR 2020

G-2

	Balance Dec. 31, 2019	Receipts	Other Receipts	Disbursements	Balance Dec. 31, 2020
Net Salaries and Wages	\$ (3,045.00)	\$ 13,157,471.85	\$	\$ 13,160,244.37	\$ (5,817.52)
Employer Social Security		1,462,231.92	1,462,231.92	1,462,231.92	
Employee Social Security		2,280,022.25		1,462,231.92	
Federal Withholding Tax		807,362.70		2,280,022.25	
New Jersey Withholding Tax		11,231.69		807,362.70	
NJ SUI		30,228.93		11,231.69	
NJ Family Leave Insurance		26,953.05		30,228.93	
NJ SUI	10,940.31	824.00		250.62	37,642.74
INTEREST		524,629.71		824.00	
VALIC		18,520.00		524,629.71	
SOA		6,857.52		18,520.00	
PFA	4.38	782,314.13		6,856.56	5.34
PERS	64,834.18	50,895.90		803,491.29	43,657.02
Dues-Opeiu		2,470.00		50,895.90	
Insurance			3,363,906.00	2,470.00	
Annual Pension Contribution		12,912.66		3,363,906.00	(646.76)
DCRP	(662.63)	97,970.00		12,896.79	16.58
Mass Mutual	16.58	96,212.35		97,970.00	
Probation		37,020.00		96,212.35	
PBA Dues		691,023.58		37,020.00	
Medical	195.85	37,309.11		687,997.36	3,222.07
AFLAC - GA		6,120.14		37,309.11	
AFLAC - NY		6,399.90		6,120.14	
Ameriflex	817.32	3,700.00		6,153.75	1,063.47
College Saving Plan		10,055.36		3,700.00	
Colonial	1,057.24	1,067,609.50		11,006.66	105.94
PFRS	82,434.44	7,724.74		1,004,730.60	145,313.34
Garnish		7,950.73		7,724.74	
New York Life Insurance	645.87			8,636.50	(39.90)
Miscellaneous	12.33				12.33
	<u>\$157,250.87</u>	<u>\$ 21,244,021.72</u>	<u>\$ 4,826,137.92</u>	<u>\$ 26,002,875.86</u>	<u>\$ 224,534.65</u>

Reference

G

G-1

G-1

G-1

G

TOWNSHIP OF MANCHESTER
WATER UTILITY WESTERN SERVICE

CASH RECEIPTS AND DISBURSEMENTS - CHECKING ACCOUNTS

H-4

	<u>Ref.</u>		<u>Operating Fund</u>	<u>Capital Fund</u>
Balance December 31, 2019	H		\$ 2,604,471.67	\$ 233,455.02
Increased by Receipts:				
Miscellaneous Revenue Not				
Anticipated	H-2	\$ 20,652.96		
Consumer Accounts Receivable	H-7	<u>2,127,197.71</u>		
			2,147,850.67	
			<u>4,752,322.34</u>	<u>233,455.02</u>
Decreased by Disbursements:				
Budget Appropriations	H-3	1,879,627.59		
Appropriation Reserves	H-12	91,499.82		
Accrued Interest on Bonds	H-13	239,064.95		
Improvement Authorizations	H-15	<u> </u>		
			<u>2,210,192.36</u>	<u>100,000.00</u>
Balance December 31, 2020	H		<u>\$ 2,542,129.98</u>	<u>\$ 133,455.02</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, 2019</u>	<u>Disbursements</u>	<u>Balance</u> <u>Dec. 31, 2020</u>
<u>Other Accounts</u>			
Capital Improvement Fund	\$ 60,000.00	\$	\$ 60,000.00
<u>Improvement Authorizations</u>			
Acquisition of Crestwood Water Company	<u>173,455.02</u>	<u>100,000.00</u>	<u>73,455.02</u>
	<u>\$233,455.02</u>	<u>\$100,000.00</u>	<u>\$133,455.02</u>
<u>Reference</u>	<u>H</u>	<u>H-4</u>	<u>H</u>

CHANGE FUND

H-6

	<u>Ref.</u>	
Balance December 31, 2019	H	<u>\$ 60.00</u>
Balance December 31, 2020	H	<u>\$ 60.00</u>

TOWNSHIP OF MANCHESTER
WATER UTILITY WESTERN SERVICE

CONSUMER ACCOUNTS RECEIVABLE

H-7

	<u>Ref.</u>	
Balance December 31, 2019	H	\$ 70,252.60
Increased by:		
Water Rents Levied - Net	Reserve	<u>2,115,188.60</u> 2,185,441.20
Decreased by:		
Collections	H-2,4	<u>2,127,197.71</u>
Balance December 31, 2020	H	<u>\$ 58,243.49</u>

CONNECTION FEES RECEIVABLE

H-8

	<u>Ref.</u>	
Increased by:		
Receivable Established	Reserve	<u>\$ 2,109.80</u>
Balance December 31, 2020	H	<u>\$ 2,109.80</u>

INVENTORY

H-9

	<u>Ref.</u>	
Balance December 31, 2019	H	<u>\$ 62,815.51</u>
Balance December 31, 2020	H	<u>\$ 62,815.51</u>

TOWNSHIP OF MANCHESTER
WATER UTILITY WESTERN SERVICE

FIXED CAPITAL

H-10

	<u>Ref.</u>	
Balance December 31, 2019	H	\$15,381,544.98
Increased by:		
Transferred from Fixed Capital		
Authorized and Uncompleted	H-11	<u>100,000.00</u>
Balance December 31, 2020	H	<u>\$15,481,544.98</u>

FIXED CAPITAL AUTHORIZED AND UNCOMPLETED

H-11

	<u>Ref.</u>	
Balance December 31, 2019	H	\$ 173,455.02
Decreased by:		
Transferred to Fixed Capital	H-10	<u>100,000.00</u>
Balance December 31, 2020	H	<u>\$ 73,455.02</u>

TOWNSHIP OF MANCHESTER
WATER UTILITY WESTERN SERVICE

APPROPRIATION RESERVES

H-12

<u>Appropriations</u>	<u>Balance</u> <u>Dec. 31, 2019</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	\$ 139,888.10	\$ 24,037.97	\$ 24,037.97	\$	\$ 24,037.97
Other Expenses		235,261.97	375,150.07	91,499.82	283,650.25
<u>Statutory Expenditures</u>					
Contribution to:					
Social Security System		7,005.32	7,005.32		7,005.32
	\$139,888.10	\$ 266,305.26	\$406,193.36	\$91,499.82	\$ 314,693.54
<u>Reference</u>	<u>H</u>	<u>H</u>		<u>H-4</u>	<u>H-1</u>

TOWNSHIP OF MANCHESTER
WATER UTILITY WESTERN SERVICE

ACCRUED INTEREST ON BONDS

H-13

	<u>Ref.</u>	
Balance December 31, 2019	H	\$240,993.30
Increased by:		
CY 2020 Budget Appropriation	H-3	<u>300,000.00</u> 540,993.30
Decreased by:		
Cash Disbursed	H-4	<u>239,064.95</u>
Balance December 31, 2020	H	<u><u>\$301,928.35</u></u>

<u>Balance</u> <u>Dec. 31, 2020</u>	<u>Interest</u> <u>Rate</u>	<u>From</u>	<u>To</u>	<u>Accrued</u> <u>Period</u> <u>Days</u>	<u>2020</u> <u>Amount</u>
\$ 14,205,000.00	Various	8-01-2020	12-31-2020	152	<u><u>\$182,588.25</u></u>

WATER CAPITAL FUND
CAPITAL IMPROVEMENT FUND

H-14

	<u>Ref.</u>	<u>Water</u> <u>Operating</u> <u>Western</u> <u>Service</u>
Balance December 31, 2019	H	<u>\$ 60,000.00</u>
Balance December 31, 2020	H	<u><u>\$ 60,000.00</u></u>

TOWNSHIP OF MANCHESTER
WATER UTILITY WESTERN SERVICE

IMPROVEMENT AUTHORIZATIONS

H-15

	<u>Ordinance Number</u>	<u>Balance Dec. 31, 2019 Funded</u>	<u>Expended</u>	<u>Balance Dec. 31, 2020 Funded</u>
Acquisition of Crestwood Water Company	09-026	<u>\$173,455.02</u>	<u>\$100,000.00</u>	<u>\$ 73,455.02</u>
	<u>Reference</u>	<u>H</u>	<u>H-4</u>	<u>H</u>

RESERVE FOR AMORTIZATION

H-16

	<u>Ref.</u>	
Balance December 31, 2019	H	\$ 1,718,000.00
Increased by:		
Serial Bonds Paid/Redeemed	H-17	<u>13,832,000.00</u>
		<u>15,550,000.00</u>
Decreased by:		
Refunding Bonds Issued	H-17	<u>14,200,000.00</u>
Balance December 31, 2020	H	<u>\$ 1,350,000.00</u>

H-17

Balance
Dec. 31, 2022

이

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, 2019	I	\$ 579,535.98	\$ 5,042.58
Increased by Receipts:			
Miscellaneous Revenue	I-2	\$ 67,878.55	
Consumer Accounts Receivable	I-6	<u>2,280,619.46</u>	
		2,348,498.01	
		<u>2,928,033.99</u>	<u>5,042.58</u>
Decreased by Disbursements:			
Budget Appropriations	I-3	2,380,991.08	
Appropriation Reserves	I-12	17,245.13	
Accrued Interest on Bonds	I-13	<u>67,666.48</u>	
		<u>2,465,902.69</u>	
Balance December 31, 2020	I	<u>\$ 462,131.30</u>	<u>\$ 5,042.58</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, 2019</u>	<u>Balance</u> <u>Dec. 31, 2020</u>
<u>Improvement Authorizations</u>		
Acquisition of Crestwood Water		
Company - Ordinance #09-027	<u>\$ 5,042.58</u>	<u>\$ 5,042.58</u>
<u>Reference</u>	<u>!</u>	<u>!</u>

TOWNSHIP OF MANCHESTER
SEWER UTILITY WESTERN SERVICE

CONSUMER ACCOUNTS RECEIVABLE

I-6

	<u>Ref.</u>		
Balance December 31, 2019	I		\$ 70,715.76
Increased by:			
Sewer Rents Levied - Net	Reserve		2,281,735.99
			<u>2,352,451.75</u>
Decreased by:			
Collections	I-2,4	\$ 2,280,619.46	
Transfer to Liens	I-7	<u>400.36</u>	
			<u>2,281,019.82</u>
Balance December 31, 2020	I		<u><u>\$ 71,431.93</u></u>

UTILITY WESTERN LIENS

I-7

	<u>Ref.</u>		
Balance December 31, 2019	I		\$ 6,668.11
Increased by:			
Transfer from Consumer Accounts Receivable	I-6		<u>400.36</u>
Balance December 31, 2020	I		<u><u>\$ 7,068.47</u></u>

TOWNSHIP OF MANCHESTER
SEWER UTILITY WESTERN SERVICE

CONNECTION FEES RECEIVABLE

I-8

	<u>Ref.</u>	
Increased by:		
Receivable Established	Reserve	<u>\$ 705.60</u>
Balance December 31, 2020	I	<u><u>\$ 705.60</u></u>

INVENTORY

I-9

	<u>Ref.</u>	
Balance December 31, 2019	I	<u>\$25,661.92</u>
Balance December 31, 2020	I	<u><u>\$25,661.92</u></u>

TOWNSHIP OF MANCHESTER
SEWER UTILITY WESTERN SERVICE

FIXED CAPITAL

I-10

	<u>Ref.</u>	
Balance December 31, 2019	I	<u>\$5,179,957.42</u>
Balance December 31, 2020	I	<u><u>\$5,179,957.42</u></u>

FIXED CAPITAL AUTHORIZED AND UNCOMPLETED

I-11

	<u>Ref.</u>	
Balance December 31, 2019	I	<u>\$ 5,042.58</u>
Balance December 31, 2020	I	<u><u>\$ 5,042.58</u></u>

TOWNSHIP OF MANCHESTER
SEWER UTILITY WESTERN SERVICE

APPROPRIATION RESERVES

I-12

<u>Appropriation</u>	<u>Balance</u> <u>Dec. 31, 2019</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	\$	\$ 15,412.62	\$ 15,412.62	\$	\$ 15,412.62
Other Expenses	18,634.58	151,388.55	170,023.13	17,245.13	152,778.00
<u>Statutory Expenditures</u>					
Contribution to:					
Social Security System (OASI)		2,627.92	2,627.92		2,627.92
	\$18,634.58	\$169,429.09	\$188,063.67	\$17,245.13	\$170,818.54
<u>Reference</u>	<u>I</u>	<u>I</u>		<u>I-4</u>	<u>I-1</u>

TOWNSHIP OF MANCHESTER
SEWER UTILITY WESTERN SERVICE

ACCRUED INTEREST ON BONDS

I-13

	<u>Ref.</u>	
Balance December 31, 2019	I	\$ 95,123.25
Increased by:		
Budget Appropriation	I-3	<u>90,000.00</u> 185,123.25
Decreased by:		
Cash Disbursed	I-4	<u>67,666.48</u>
Balance December 31, 2020	I	<u>\$117,456.77</u>

<u>Balance</u> <u>Dec. 31, 2020</u>	<u>Interest</u> <u>Rate</u>	<u>From</u>	<u>To</u>	<u>Accrued</u> <u>Period</u> <u>Days</u>	<u>2020</u> <u>Amount</u>
\$ 4,324,000.00	Various	8-01-2020	12-31-2020	152	<u>\$ 45,905.01</u>

TOWNSHIP OF MANCHESTER
SEWER UTILITY WESTERN SERVICE

IMPROVEMENT AUTHORIZATIONS

I-14

	<u>Ordinance Number</u>	<u>Balance Dec. 31, 2019 Unfunded</u>	<u>Balance Dec. 31, 2020 Funded</u>
Acquisition of Crestwood Sewer Company	09-027	<u>\$5,042.58</u>	<u>\$ 5,042.58</u>
	<u>Reference</u>	<u>I</u>	<u>I</u>

RESERVE FOR AMORTIZATION

I-15

	<u>Ref.</u>	
Balance December 31, 2019	I	\$ 852,000.00
Increased by:		
Serial Bonds Paid	I-16	<u>4,214,000.00</u>
		<u>5,066,000.00</u>
Decreased by:		
Refunding Bonds Issued	I-16	<u>4,205,000.00</u>
Balance December 31, 2020	I	<u>\$ 861,000.00</u>

TOWNSHIP OF MANCHESTER
SEWER UTILITY WESTERN SERVICE

SERIAL BONDS

I-16

	Date of Issue	Original Issue	Maturities of Bonds Outstanding		Interest Rate	Balance Dec. 31, 2019	Increase	Decrease	Balance Dec. 31, 2020
			Date	Amount					
Sewer Utility Bonds, Series 2010B	9-30-2010	\$ 5,185,000.00	8-01-2021	\$ 204,000.00	4.00 %	\$ 4,333,000.00	-	\$ 4,129,000.00	\$ 204,000.00
Sewer Utility Refunding, Bonds Series 2020B	1-28-2020	4,205,000.00	8-01-2021	35,000.00	1.872				
			8-01-2022	260,000.00	1.922				
			8-01-2023	275,000.00	1.980				
			8-01-2024	300,000.00	2.078				
			8-01-2025	315,000.00	2.178				
			8-01-2026	340,000.00	2.288				
			8-01-2027	365,000.00	2.388				
			8-01-2028	390,000.00	2.513				
			8-01-2029	415,000.00	2.563				
			8-01-2030	445,000.00	2.663				
			8-01-2031	470,000.00	2.763				
			8-01-2032	510,000.00	2.863				
							4,205,000.00	85,000.00	4,120,000.00
						<u>\$ 4,333,000.00</u>	<u>\$ 4,205,000.00</u>	<u>\$ 4,214,000.00</u>	<u>\$ 4,324,000.00</u>
			I			I-15	I-15	I	

PART II
INDEPENDENT AUDITOR'S REPORT ON INTERNAL CONTROL
SINGLE AUDIT ATTACHMENTS
ROSTER OF OFFICIALS
GENERAL COMMENTS, FINDINGS AND RECOMMENDATIONS
YEAR ENDED DECEMBER 31, 2020

SAMUEL KLEIN AND COMPANY, LLP

CERTIFIED PUBLIC ACCOUNTANTS

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INDEPENDENT AUDITOR'S 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

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, 2020 and 2019, and the related notes to the financial statements - regulatory basis and have issued our report thereon dated September 15, 2021. 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) as a basis for designing 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 financial statements. 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, LLP
CERTIFIED PUBLIC ACCOUNTANTS



JOSEPH J. FACCONI, RMA, PA

Newark, New Jersey
September 15, 2021

OFFICIALS IN OFFICE AND SURETY BONDS

The following officials were in office during the year 2020:

<u>Name</u>	<u>Title</u>	<u>Amount of Bond</u>
Kenneth P. Palmer	Mayor	\$
Samuel Fusaro, Jr.	Council President	
James A. Vaccaro, Sr.	Council Vice President	
Joan Brush	Council Member	
Craig A. Wallis	Council Member	
Robert A. Hudak	Council Member	
Donna Markulic	Business Administrator	
Sabina T. Martin	Township Clerk Registrar	
Diane Lapp	Chief Financial Officer/Director of Finance	
Andrea Gaskill	Tax Collector/Utility Collector	1,000,000.00
Cindy Walulak	Deputy Tax Collector	
Martin W. Lynch	Tax Assessor	
Angela Koutsouris	Township Attorney	
Daniel J. Sahin	Magistrate	
Tracy Barcus	Court Administrator	

All employees were covered by a \$1,000,000.00 Blanket Employee Fidelity Bond of which \$950,000.00 is provided as part of the Ocean County Joint Insurance Fund and \$50,000.00 through the Municipal Excess Liability Joint Insurance Fund.

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 effective July 1, 2020 increased from \$40,000.00 to \$44,000.00 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.

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.

It is also noted that certain contracts were awarded under the provisions of N.J.S.A. 40A:11-12, New Jersey State Purchasing Contracts.

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 \$6,000.00 and \$6,600.00, respectively, 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 January 2, 2020, 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.

On October 15, 2020, the Governor signed Executive Order 190 which bars 1) all municipal water utilities from shutting off the water supply to residential accounts, or accounts primarily serving residential customers, due to nonpayment; and 2) collecting fees and charges for late or otherwise untimely water payments or water supply service reconnections that have accrued, and will continue to accrue, during the Public Health Emergency declared in response to COVID-19. As a result, municipalities cannot bring delinquent water charges to tax sale for the remainder of the public health emergency. This Order shall take effect on October 15, 2020 and shall remain in effect until March 15, 2021. On March 3, 2021, the Governor signed Executive Order 229 which extended the expiration date to June 30, 2021.

Delinquent Taxes and Tax Title Liens

Tax and lien records are maintained on a computer system.

Delinquent taxes at December 31, 2020, in the sum of \$1,303,470.97, represent taxes levied in the calendar year 2020 and prior. A tax sale was held on September 22, 2020 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>
2020	206
2019	194
2018	176

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.

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 noted that the Township has started to raise these deficits starting in 2017 and will continue until fully funded.

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 made within 48 hours after receipt

Municipal Court

Findings and recommendations are reported in a separate report that is filed with the Administrative Office of the Court (AOC).

Third Party Payroll Service Provider

The Township of Manchester has contracted with a third party payroll vendor to prepare the payroll and maintain certain payroll records. The vendor is required to pay deductions on behalf of the Township from funds transferred by the Township to the vendor's payroll account.

An audit of the service provider's payroll account was not provided to the Township nor did our staff prepare such an audit. We did review certain records provided to the Township. It should be noted, however, that we could not verify required payments of Federal and State agencies made by the service vendor.

The Local Finance Board has adopted rules and regulations regarding third party payroll vendors which are summarized in N.J.A.C. 5:30-17 and further provides authority for local governments to hire payroll service vendors to disburse funds to payroll agencies on behalf of the local unit.

In addition, Local Finance Notice 2009-18 has offered additional safeguards with respect to third party payroll services.

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 for the year 2020 was not required in accordance with the aforementioned regulations.

Status of Prior Years' Audit Recommendations

The Audit Report of December 31, 2019 contained no recommendations and corrective action was not required.

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.

In verifying expenditures, computations were made on a statistical sample of claims approved and paid. No attempt was made in this connection to establish proof of rendition, character or extent of services, nor quantities, nature, propriety or prices or receipt of materials, these elements being necessarily left to internal review in connection with approval of claims.

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 2020.

The Uniform Construction Code Enforcement Fee Report has been prepared and filed with the New Jersey Department of Community Affairs.

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

NONE

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The foregoing comments 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, LLP
CERTIFIED PUBLIC ACCOUNTANTS



JOSEPH J. FACCONI, RMA, PA

Newark, New Jersey
September 15, 2021

