

Report of Audit

on the

Financial Statements

of the

Borough of Manville

in the

County of Somerset
New Jersey

for the

Year Ended
December 31, 2013

BOROUGH OF MANVILLE

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BOROUGH OF MANVILLE

PART I

INDEPENDENT AUDITOR'S REPORT ON
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SUPPLEMENTARY SCHEDULES - ALL FUNDS

YEAR ENDED DECEMBER 31, 2013 AND 2012



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INDEPENDENT AUDITOR'S REPORT

The Honorable Mayor and Members
of the Borough Council
Borough of Manville
County of Somerset
Manville, New Jersey 08835

Report on the Financial Statements

We have audited the accompanying balance sheets - regulatory basis of the various individual funds and account group of the Borough of Manville, as of December 31, 2013 and 2012, the related statements of operations and changes in fund balance - regulatory basis for the years then ended, and the related statement of revenues - regulatory basis and statement of expenditures - regulatory basis of the various individual funds for the year ended December 31, 2013, and the related notes to the financial statements, which collectively comprise the Borough's regulatory financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with the regulatory basis of accounting 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 that are free from material misstatements, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion on these regulatory financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America, the audit requirements prescribed by the Division of Local Government Services, Department of Community Affairs, State of New Jersey (the "Division"), and the provisions of U.S. Office of Management and Budget (OMB) Circular 133, "Audits of States, Local Governments and Non-Profit Organizations" and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards and provisions require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the regulatory financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the Borough of Manville's preparation and fair presentation of the financial statements 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 Borough of Manville'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 regulatory financial statements.

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 of the regulatory financial statements, the regulatory financial statements are prepared by the Borough of Manville on the basis of the financial reporting provisions 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 meet the requirements 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 Adverse Opinion on U.S Generally Accepted Accounting Principles" paragraph, the financial statements referred to above do not present fairly, in accordance with accounting principles generally accepted in the United States of America, the financial position of the various individual funds and account group of the Borough of Manville as of December 31, 2013 and 2012, or the results of its operations and changes in fund balance for the years then ended of the revenues or expenditures for the year ended December 31, 2013.

Opinion on Regulatory Basis of Accounting

In our opinion, the regulatory financial statements referred to above present fairly, in all material respects, the regulatory basis balances sheets of the various individual funds and account group as of December 31, 2013 and 2012, the regulatory basis statement of operations and changes in fund balance for the years then ended and the regulatory basis statement of revenues and expenditures and changes in fund balance for the year ended December 31, 2013 in accordance with the basis of financial reporting prescribed by the Division of Local Government Services, Department of Community Affairs, State of New Jersey as described in Note 1.

Other Matters

Other Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Borough of Manville's regulatory financial statements. The information included in the Financial Data Section – Section 8 Housing Choice Voucher Program and the supplementary information and the schedule of expenditures of state financial assistance and data listed in the table of contents as required by the Division of Local Government Services, Department of Community Affairs, State of New Jersey and schedule of expenditures of federal awards, as required by Office of Management and Budget Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations* are presented for purposes of additional analysis and are not a required part of the regulatory financial statements.

The supplemental information and schedules listed above and also listed in the table of contents are the responsibility of management and were derived from and relates directly to the underlying accounting and other records used to prepare the regulatory financial statements. Such information has been subjected to the auditing procedures applied in the audit of the regulatory financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the regulatory financial statements or to the regulatory financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the Schedule of Financial Data – Section 8 Housing Choice Voucher Program, the supplemental information listed and the schedule of expenditures of state financial assistance and data listed in the table of contents, as required by the Division of Local Government Services, Department of Community Affairs, State of New Jersey, schedule of expenditures of federal awards, as required by Office of Management and Budget Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*, are fairly stated, in all material respects, in relation to the regulatory financial statements as a whole.

The general comments and recommendations section has not been subject to the auditing procedures applied in the audit of the regulatory financial statements, and accordingly, we do not express an opinion or provide any assurance on it.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated March 19, 2014 on our consideration of the Borough of Manville's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Borough of Manville's internal control over financial reporting and compliance.


CERTIFIED PUBLIC ACCOUNTANTS


REGISTERED MUNICIPAL ACCOUNTANT NO. 50

March 19, 2014

CURRENT FUND

BOROUGH OF MANVILLE

CURRENT FUND

BALANCE SHEETS - REGULATORY BASIS

<u>ASSETS</u>	<u>REF.</u>	BALANCE DECEMBER 31, 2013	BALANCE DECEMBER 31, 2012
Cash - Treasurer	A-4	\$ 2,406,307.10	\$ 2,757,628.50
Cash - Change Funds	A-6	800.00	800.00
Grants Receivable	A-15	318,086.23	121,284.01
Due From State of New Jersey Ch. 20, P.L. 1971	A-9	99,380.92	100,698.31
		<u>\$ 2,824,574.25</u>	<u>\$ 2,980,410.82</u>
Receivables and Other Assets with Full Reserves:			
Delinquent Property Taxes Receivable	A-8	\$ 616,380.34	\$ 542,939.36
Tax Title Liens Receivable	A-7	77,284.21	63,626.66
Property Acquired for Taxes - Assessed Valuation	A-10	196,229.11	196,229.11
Revenue Accounts Receivable	A-13	12,274.65	14,241.57
Interfunds Receivable	A-12	2,814.00	2,266.92
	A	<u>\$ 904,982.31</u>	<u>\$ 819,303.62</u>
Deferred Charges:			
Emergency Appropriation	A-28	\$ 428,200.00	500,000.00
		<u>\$ 4,157,756.56</u>	<u>\$ 4,299,714.44</u>
<u>LIABILITIES, RESERVES AND FUND BALANCE</u>			
Liabilities:			
Appropriation Reserves	A-3:A-16	\$ 292,962.44	\$ 372,729.89
Accounts Payable	A-24	236,277.76	340,369.81
Prepaid Taxes	A-22	311,199.05	308,417.37
Tax Overpayments	A-23	0.08	5,581.63
Interfunds Advanced	A-12	236,572.39	55,997.37
Reserve for Grants - Appropriated	A-19	382,294.85	50,183.75
Reserve for Grants - Unappropriated	A-14	18,978.69	24,117.26
Reserve for Insurance Damage	A-20	186,135.58	262,635.58
Reserve for Library Improvements	A-25	85,579.76	85,579.76
Reserve for Emergency Note Payable	A-26	300,000.00	400,000.00
Reserve for FEMA	A-27	60,000.00	
Reserve for Sale of Municipal Assets	A-11	343.33	343.33
		<u>\$ 2,110,343.93</u>	<u>\$ 1,905,955.75</u>
Reserve for Receivables and Other Assets	A	904,982.31	819,303.62
Fund Balance	A-1	<u>1,142,430.32</u>	<u>1,574,455.07</u>
		<u>\$ 4,157,756.56</u>	<u>\$ 4,299,714.44</u>

The accompanying Notes to Financial Statements are an integral part of this statement.

BOROUGH OF MANVILLE

CURRENT FUND

STATEMENTS OF OPERATIONS AND
CHANGE IN FUND BALANCE - REGULATORY BASIS

	REF.	YEAR ENDED DECEMBER 31, 2013	YEAR ENDED DECEMBER 31, 2012
<u>REVENUE AND OTHER INCOME REALIZED</u>			
Fund Balance Utilized	A-1:A-2	\$ 1,360,000.00	\$ 1,350,000.00
Miscellaneous Revenue Anticipated	A-2	2,784,049.86	2,622,570.85
Receipts from Delinquent Taxes	A-2	517,599.88	602,599.75
Receipts from Current Taxes	A-2	24,924,363.57	25,052,076.66
Non-Budget Revenue	A-2	82,655.24	93,488.94
Other Credits to Income:			
Unexpended Balance of Appropriation Reserves	A-16	171,905.16	332,179.05
Accounts Payable Canceled	A-24	31,620.54	17,205.85
Reserves Canceled			37,397.65
<u>Total Income</u>		<u>\$ 29,872,194.25</u>	<u>\$ 30,107,518.75</u>
<u>EXPENDITURES</u>			
Budget and Emergency Authorizations:			
Operations Within Caps	A-3	\$ 8,613,650.00	\$ 8,729,350.00
Deferred Charges and Statutory Expenditures	A-3	1,265,850.00	1,215,981.00
<u>Total Within "CAPS"</u>		<u>\$ 9,879,500.00</u>	<u>\$ 9,945,331.00</u>
Operation Excluded from Caps			
Capital Improvements	A-3	\$ 592,008.44	\$ 432,626.22
Municipal Debt Service	A-3	10,200.00	100.00
Deferred Charges - Municipal	A-3	1,095,609.28	1,150,400.70
<u>Total Excluded From "CAPS"</u>		<u>\$ 1,837,817.72</u>	<u>\$ 1,683,126.92</u>
County Taxes	A-17	\$ 3,716,428.20	\$ 3,835,915.98
Local District School Tax	A-18	13,578,126.00	13,385,780.50
Refund Prior Years Revenue			9,743.19
Interfunds Advanced		547.08	651.64
Accounts Receivable Canceled			12,805.43
<u>Total Expenditures</u>		<u>\$ 29,012,419.00</u>	<u>\$ 28,873,354.66</u>
Excess in Revenues		\$ 859,775.25	\$ 1,234,164.09
Adjustments to Income Before Fund Balance:			
Expenditures Included Above Which are by Statute			
Deferred Charges to Budget of Succeeding Year		68,200.00	100,000.00
Statutory Excess to Fund Balance		\$ 927,975.25	\$ 1,334,164.09
Fund Balance, January 1	A	1,574,455.07	1,590,290.98
		<u>\$ 2,502,430.32</u>	<u>\$ 2,924,455.07</u>
Decreased by:			
Utilization as Anticipated Revenue	A-1	1,360,000.00	1,350,000.00
Fund Balance, December 31	A	<u>\$ 1,142,430.32</u>	<u>\$ 1,574,455.07</u>

The accompanying Notes to Financial Statements are an integral part of this statement.

BOROUGH OF MANVILLE

CURRENT FUND

STATEMENT OF REVENUES - REGULATORY BASIS

FOR THE YEAR ENDED DECEMBER 31, 2013

	REF.	ANTICIPATED		REALIZED	EXCESS OR (DEFICIT)
		BUDGET	SPECIAL N.J.S. 40A:4-87		
Fund Balance	A-1	\$ 1,360,000.00	\$	\$ 1,360,000.00	\$
Miscellaneous Revenues:					
Licenses:					
Alcoholic Beverages	A-13	14,000.00		14,548.00	548.00
Other	A-2	15,000.00		21,740.00	6,740.00
Fees and Permits	A-2	85,000.00		83,997.30	(1,002.70)
Fines and Costs:					
Municipal Court	A-13	106,000.00		88,036.91	(17,963.09)
Interest and Costs on Taxes	A-13	90,000.00		104,199.38	14,199.38
Interest on Investments and Deposits	A-13	10,000.00		6,463.43	(3,536.57)
Consolidated Municipal Property Tax Relief Aid	A-13	446,939.00		446,939.00	
Energy Receipts Tax	A-13	1,162,036.00		1,162,036.13	0.13
Uniform Construction Code Fees	A-2	74,000.00		171,119.00	97,119.00
Assessment of Taxes	A-13	52,315.00		52,315.60	0.60
Recycling Tonnage Grant	A-15	12,524.25		12,524.25	
Clean Communities Program	A-15		20,461.18	20,461.18	
Drunk Driving Enforcement Fund	A-15	4,341.70		4,341.70	
Municipal Alliance an Alcohol and Drug Abuse	A-15	9,330.00		9,330.00	
Click It or Ticket	A-15		4,000.00	4,000.00	
Body Armor Replacement Fund	A-15	2,251.31		2,251.31	
Child Passenger Safety	A-15		3,000.00	3,000.00	
Office of Emergency Management	A-15	5,000.00		5,000.00	
Somerset County Youth Services	A-15		5,000.00	5,000.00	
NJ DOT - West Camplain Road	A-15	160,000.00		160,000.00	
NJ DOT - Whalen Street	A-15	175,000.00		175,000.00	
Uniform Fire Safety Act	A-13	16,000.00		16,960.46	960.46
Cable TV Franchise Fee	A-13	77,187.00		77,187.00	
Verizon Franchise Fee	A-13	36,599.21		36,599.21	
Supplemental Uniform Construction Code Fees	A-13	25,000.00		25,000.00	
Reserve for Insurance Damage	A-20	76,000.00		76,000.00	
	A-1	<u>\$ 2,654,523.47</u>	<u>\$ 32,461.18</u>	<u>\$ 2,784,049.86</u>	<u>\$ 97,065.21</u>
Receipts from Delinquent Taxes	A-1	<u>\$ 425,000.00</u>	<u>\$</u>	<u>\$ 517,599.88</u>	<u>\$ 92,599.88</u>
Amount to be Raised by Taxes for Support of Municipal Budget:					
Local Tax for Municipal Purposes	A-8:A-2	<u>\$ 8,625,023.79</u>	<u>\$</u>	<u>\$ 9,068,809.37</u>	<u>\$ 443,785.58</u>
Budget Totals		<u>\$ 13,064,547.26</u>	<u>\$ 32,461.18</u>	<u>\$ 13,730,459.11</u>	<u>\$ 633,450.67</u>
Non-Budget Revenue	A-1:A-2	<u></u>	<u></u>	<u>82,655.24</u>	<u>82,655.24</u>
		<u>\$ 13,064,547.26</u>	<u>\$ 32,461.18</u>	<u>\$ 13,813,114.35</u>	<u>\$ 716,105.91</u>
	REF.	A-3	A-3		

The accompanying Notes to Financial Statements are an integral part of this Statement.

BOROUGH OF MANVILLE
CURRENT FUND
STATEMENT OF REVENUES - REGULATORY BASIS
FOR THE YEAR ENDED DECEMBER 31, 2013

<u>ANALYSIS OF REALIZED REVENUES</u>	<u>REF.</u>		
Allocation of Current Tax Collections:			
Revenue from Collections	A-1:A-8	\$	24,924,363.57
Allocated To:			
School Taxes	A-18	\$	13,578,126.00
County Taxes	A-17		<u>3,716,428.20</u>
		\$	<u>17,294,554.20</u>
Balance for Support of Municipal Budget Appropriations		\$	7,629,809.37
Add: Appropriation "Reserve for Uncollected Taxes"	A-3		<u>1,439,000.00</u>
Amount for Support of Municipal Budget Appropriations	A-2	\$	<u><u>9,068,809.37</u></u>
Uniform Construction Code:			
Fees and Permits	A-13	\$	173,260.00
Less: Refunds	A-4		<u>2,141.00</u>
Fees and Permits	A-2	\$	<u><u>171,119.00</u></u>
Licenses - Other:			
Clerk	A-13	\$	6,090.00
Health Officer	A-13		15,406.00
Registrar	A-13		<u>244.00</u>
	A-2	\$	<u><u>21,740.00</u></u>
Fees and Permits - Other:			
Clerk	A-13	\$	33,926.27
Engineering	A-13		500.00
Police Department	A-13		859.63
Planning Board/Board of Adjustment	A-13		1,450.00
Fire	A-13		15,546.40
Zoning Inspections	A-13		4,465.00
Building and Fire Inspections	A-13		17,565.00
Board of Health	A-13		2,262.00
Registrar	A-13		<u>7,573.00</u>
		\$	84,147.30
Less: Refunds	A-4		<u>150.00</u>
	A-2	\$	<u><u>83,997.30</u></u>

The accompanying Notes to Financial Statements are an integral part of this Statement.

BOROUGH OF MANVILLE
CURRENT FUND
STATEMENT OF REVENUES - REGULATORY BASIS
FOR THE YEAR ENDED DECEMBER 31, 2013

REF.

ANALYSIS OF NON-BUDGET REVENUE

Senior Citizens and Veterans - Administrative Fee		\$	2,838.99	
Recycling			764.32	
DMV Inspection Fees			1,600.00	
Police Outside Overtime Administrative Fees			26,043.94	
Housing Inspections			1,040.00	
Miscellaneous			10,258.11	
FEMA Reimbursement			22,563.79	
Housing Rent			4,565.00	
Junk Sale			6,336.99	
Tax Collector			<u>3,830.10</u>	
	A-4		\$	79,841.24
Excess in Reserve for Animal Control Expenditures	A-12			<u>2,814.00</u>
	A-2		\$	<u><u>82,655.24</u></u>

The accompanying Notes to Financial Statements are an integral part of this Statement.

BOROUGH OF MANVILLE
CURRENT FUND
STATEMENT OF EXPENDITURES - REGULATORY BASIS
FOR THE YEAR ENDED DECEMBER 31, 2013

	APPROPRIATIONS		EXPENDED		CANCELED
	BUDGET	BUDGET AFTER MODIFICATION	PAID OR CHARGED	RESERVED	
<u>OPERATIONS - WITHIN "CAPS"</u>					
<u>GENERAL GOVERNMENT</u>					
Administrative and Executive:					
Salaries and Wages	\$ 165,000.00	\$ 164,000.00	\$ 163,775.30	\$ 224.70	\$
Other Expenses	55,000.00	43,100.00	42,561.95	538.05	
Mayor and Council:					
Salaries and Wages	33,000.00	34,000.00	32,080.25	1,919.75	
Other Expenses	3,500.00	3,500.00	3,475.00	25.00	
Elections:					
Other Expenses	3,000.00	3,000.00	3,000.00		
Financial Administration:					
Salaries and Wages	119,000.00	118,500.00	118,376.43	123.57	
Other Expenses	8,500.00	22,000.00	12,333.55	9,666.45	
Audit	64,000.00	64,000.00		64,000.00	
Payroll Services	20,000.00	20,000.00	13,293.64	6,706.36	
Assessment of Taxes:					
Salaries and Wages	35,000.00	31,100.00	31,086.39	13.61	
Other Expenses	37,500.00	37,500.00	36,723.79	776.21	
Collection of Taxes:					
Salaries and Wages	53,000.00	38,500.00	38,028.15	471.85	
Other Expenses	8,000.00	8,000.00	6,555.99	1,444.01	
Legal Services and Costs:					
Salaries and Wages	80,000.00	80,000.00	79,999.92	0.08	
Other Expenses	70,000.00	41,550.00	31,075.99	10,474.01	
Municipal Prosecutor:					
Salaries and Wages	15,000.00	15,000.00	15,000.00		
Engineering Services and Costs:					
Other Expenses	5,000.00	5,000.00	4,152.15	847.85	
Public Buildings and Grounds:					
Other Expenses	45,000.00	37,000.00	36,154.86	845.14	
Planning Board:					
Salaries and Wages	700.00	700.00	198.03	501.97	
Other Expenses	17,000.00	13,200.00	12,654.93	545.07	
Zoning Commission:					
Salaries and Wages	1,000.00	1,000.00	622.49	377.51	
Other Expenses	8,500.00	8,650.00	8,640.11	9.89	
<u>PUBLIC SAFETY</u>					
Fire:					
Other Expenses	90,000.00	100,000.00	99,845.74	154.26	
Police:					
Salaries and Wages	3,150,000.00	3,145,000.00	3,127,745.73	17,254.27	
Other Expenses	153,000.00	155,000.00	152,118.14	2,881.86	
Municipal Court:					
Salaries and Wages	145,000.00	134,000.00	133,998.27	1.73	
Other Expenses	20,000.00	19,500.00	17,003.55	2,496.45	
Emergency Management:					
Other Expenses	9,000.00	9,000.00	8,914.09	85.91	
First Aid Organization Contribution	8,000.00	8,000.00	8,000.00		
First Aid Insurance Payment	28,000.00	28,000.00	27,995.19	4.81	
Public Works Department:					
Salaries and Wages	1,110,000.00	1,101,200.00	1,071,159.27	30,040.73	
Other Expenses	591,000.00	591,000.00	590,987.81	12.19	
Board of Health:					
Salaries and Wages	45,800.00	45,800.00	45,695.13	104.87	
Other Expenses	9,300.00	9,300.00	9,119.06	180.94	
Visiting Nurse Contract	100.00	100.00		100.00	
Bloodborne Pathogens:					
Other Expenses	100.00	100.00	100.00		

The accompanying Notes to Financial Statements are an integral part of this Statement.

BOROUGH OF MANVILLE

CURRENT FUND

STATEMENT OF EXPENDITURES - REGULATORY BASIS

FOR THE YEAR ENDED DECEMBER 31, 2013

	APPROPRIATIONS		EXPENDED		CANCELED
	BUDGET	BUDGET AFTER MODIFICATION	PAID OR CHARGED	RESERVED	
RECREATION AND EDUCATION					
Recreation:					
Salaries and Wages	\$ 120,000.00	\$ 112,500.00	\$ 110,171.45	\$ 2,328.55	\$
Other Expenses	29,000.00	29,000.00	28,860.09	139.91	
Celebration of Events, Anniversary or Holiday:					
Other Expenses	5,000.00	5,000.00	4,944.00	56.00	
Contribution to Senior Citizen Center	8,000.00	8,000.00	8,000.00		
Contribution to Youth Services Commission	100.00	100.00		100.00	
Rental Agreements	18,000.00	18,000.00	18,000.00		
Insurance:					
Group Insurance Plan for Employees	852,000.00	926,100.00	902,168.93	23,931.07	
Other Insurance Premiums	215,000.00	228,000.00	225,436.42	2,563.58	
Workmen Comp. Insurance	204,200.00	204,200.00	204,200.00		
STATE UNIFORM CONSTRUCTION CODE (N.J.S.A. 52:27D-120 et. seq.)					
Construction Office:					
Salaries and Wages	106,000.00	110,400.00	110,209.30	190.70	
Other Expenses	2,000.00	2,000.00	1,867.79	132.21	
Property Maintenance					
Salaries and Wages	65,000.00	64,700.00	64,698.14	1.86	
Other Expenses	250.00	100,250.00	3,061.27	1,288.73	95,900.00
Uniform Fire Safety Act:					
Salaries and Wages	32,000.00	32,000.00	31,402.26	597.74	
Other Expenses	5,000.00	5,000.00	4,996.51	3.49	
UNCLASSIFIED					
Utilities:					
Gasoline and Fuel	120,000.00	120,000.00	113,381.68	6,618.32	
Electricity	110,000.00	103,000.00	98,697.48	4,302.52	
Natural Gas	45,000.00	42,500.00	42,500.00		
Telephone	95,000.00	100,000.00	99,249.98	750.02	
Street Lighting	175,000.00	160,000.00	140,895.85	19,104.15	
Fire Hydrant Service	170,000.00	170,000.00	166,899.04	3,100.96	
Postage	26,000.00	18,500.00	15,734.10	2,765.90	
Water	10,000.00	14,000.00	10,293.51	3,706.49	
Total Operations Within "CAPS"	\$ 8,618,550.00	\$ 8,708,550.00	\$ 8,388,138.70	\$ 224,511.30	\$ 95,900.00
CONTINGENT	\$ 1,000.00	\$ 1,000.00	\$	\$ 1,000.00	\$
TOTAL OPERATIONS INCLUDING CONTINGENT WITHIN "CAPS"	\$ 8,619,550.00	\$ 8,709,550.00	\$ 8,388,138.70	\$ 225,511.30	\$
DEFERRED CHARGES AND STATUTORY EXPENDITURES - MUNICIPAL WITHIN "CAPS"					
Statutory Expenditures:					
Contribution to:					
Public Employees' Retirement System	\$ 333,800.00	\$ 333,800.00	\$ 333,767.25	\$ 32.75	\$
Social Security System (O.A.S.I.)	250,000.00	250,000.00	208,328.72	41,671.28	
Police and Firemen's Pension Fund	666,450.00	666,450.00	666,441.00	9.00	
State Unemployment Insurance	5,000.00	15,000.00	5,000.00	10,000.00	
DCRP	600.00	600.00	596.04	3.96	
Total Statutory Expenditures	\$ 1,255,850.00	\$ 1,265,850.00	\$ 1,214,133.01	\$ 51,716.99	\$
TOTAL DEFERRED CHARGES AND STATUTORY EXPENDITURES - MUNICIPAL WITHIN "CAPS"	\$ 1,255,850.00	\$ 1,265,850.00	\$ 1,214,133.01	\$ 51,716.99	\$
TOTAL GENERAL APPROPRIATIONS FOR MUNICIPAL PURPOSES WITHIN "CAPS"	\$ 9,875,400.00	\$ 9,975,400.00	\$ 9,602,271.71	\$ 277,228.29	\$ 95,900.00

The accompanying Notes to Financial Statements are an integral part of this Statement.

BOROUGH OF MANVILLE

CURRENT FUND

STATEMENT OF EXPENDITURES - REGULATORY BASIS

FOR THE YEAR ENDED DECEMBER 31, 2013

	APPROPRIATIONS		EXPENDED		CANCELED
	BUDGET	BUDGET AFTER MODIFICATION	PAID OR CHARGED	RESERVED	
<u>OPERATIONS - EXCLUDED FROM "CAPS"</u>					
Length of Service Awards Program	\$ 10,000.00	\$ 10,000.00	\$	\$ 10,000.00	\$
Interlocal Municipal Service Agreements:					
Health Services Contract -					
County of Somerset	72,832.00	72,832.00	72,831.60	0.40	
Animal Control Contract					
Township of Bridgewater	6,420.00	6,420.00	6,420.00		
Somerset County Regional Animal Shelter	44,200.00	44,200.00	41,466.25	2,733.75	
Assessment of Taxes - Borough of Raritan	52,315.00	52,315.00	52,315.00		
STATE AND FEDERAL PROGRAMS					
<u>OFF-SET BY REVENUES</u>					
Drunk Driving Enforcement Fund	4,341.70	4,341.70	4,341.70		
Clean Communities Program (N.J.S.A. 40A: 4-87 +20,461.18)		20,461.18	20,461.18		
Office of Emergency Management	5,000.00	5,000.00	5,000.00		
Click It or Ticket Program (N.J.S.A. 40A:4-87 +\$4,000.00)		4,000.00	4,000.00		
Body Armor Replacement Fund	2,251.31	2,251.31	2,251.31		
Child Passenger Safety (N.J.S.A. 40A:4-87 +\$3,000.00)		3,000.00	3,000.00		
Somerset County Youth Services (N.J.S.A. 40A:4-87 +\$5,000.00)		5,000.00	5,000.00		
Municipal Alliance on Alcoholism & Drug Abuse:	9,330.00	9,330.00	9,330.00		
Local Match	2,333.00	2,333.00	2,333.00		
Recycling Tonnage	12,524.25	12,524.25	12,524.25		
NJ DOT - West Camplain Road	160,000.00	160,000.00	160,000.00		
NJ DOT - Whalen Street	175,000.00	175,000.00	175,000.00		
Matching Funds for Grants	3,000.00	3,000.00		3,000.00	
TOTAL OPERATIONS EXCLUDED FROM "CAPS"	\$ 559,547.26	\$ 592,008.44	\$ 576,274.29	\$ 15,734.15	\$
<u>CAPITAL IMPROVEMENTS EXCLUDED FROM "CAPS"</u>					
Capital Improvement Fund	\$ 100.00	\$ 100.00	\$ 100.00	\$	\$
Down Payment on Improvement		10,100.00	10,100.00		
TOTAL CAPITAL IMPROVEMENTS EXCLUDED FROM "CAPS"	\$ 100.00	\$ 10,200.00	\$ 10,200.00	\$	\$
<u>MUNICIPAL DEBT SERVICE EXCLUDED FROM "CAPS"</u>					
Payment of Bond Principal	\$ 710,000.00	710,000.00	710,000.00	\$	\$
Payment of BAN and Capital Notes	50,000.00	104,000.00	104,000.00		
Interest on Bonds	175,000.00	175,000.00	172,388.05		2,611.95
Interest on Notes	30,500.00	30,500.00	30,243.73		256.27
Green Trust Loan Program					
Loan Repayments for Principal and Interest	85,000.00	85,000.00	78,977.50		6,022.50
TOTAL MUNICIPAL DEBT SERVICE EXCLUDED FROM "CAPS"	\$ 1,050,500.00	\$ 1,104,500.00	\$ 1,095,609.28	\$	\$ 8,890.72

The accompanying Notes to Financial Statements are an integral part of this Statement.

BOROUGH OF MANVILLE

CURRENT FUND

STATEMENT OF EXPENDITURES - REGULATORY BASIS

FOR THE YEAR ENDED DECEMBER 31, 2013

	APPROPRIATIONS		EXPENDED		CANCELED
	BUDGET	BUDGET AFTER MODIFICATION	PAID OR CHARGED	RESERVED	
DEFERRED CHARGES - MUNICIPAL - EXCLUDED FROM "CAPS"					
Special Emergency Authorizations:					
Emergency Authorization	\$ 40,000.00	\$ 40,000.00	\$ 40,000.00	\$	\$
5 Years (N.J.S.A. 40A:4-55)	<u>100,000.00</u>	<u>100,000.00</u>	<u>100,000.00</u>		
TOTAL DEFERRED CHARGES - MUNICIPAL - EXCLUDED FROM CAPS	\$ <u>140,000.00</u>	\$ <u>140,000.00</u>	\$ <u>140,000.00</u>	\$	\$
TOTAL GENERAL APPROPRIATIONS FOR MUNICIPAL PURPOSES EXCLUDED FROM "CAPS"	\$ <u>1,750,147.26</u>	\$ <u>1,846,708.44</u>	\$ <u>1,822,083.57</u>	\$ <u>15,734.15</u>	\$ <u>8,890.72</u>
SUB-TOTAL GENERAL APPROPRIATIONS	\$ 11,625,547.26	\$ 11,822,108.44	\$ 11,424,355.28	\$ 292,962.44	\$ 104,790.72
RESERVE FOR UNCOLLECTED TAXES	<u>1,439,000.00</u>	<u>1,439,000.00</u>	<u>1,439,000.00</u>		
TOTAL GENERAL APPROPRIATIONS	\$ <u>13,064,547.26</u>	\$ <u>13,261,108.44</u>	\$ <u>12,863,355.28</u>	\$ <u>292,962.44</u>	\$ <u>104,790.72</u>
	REF.	A-2	A-1	A:A-1	
Budget	A-3	\$ 13,064,547.26			
Budget Amendment 40A: 4-87	A-2	32,461.18			
Emergency	A-28	<u>164,100.00</u>			
		\$ <u>13,261,108.44</u>			
Reserve for Uncollected Taxes	A-2		\$ 1,439,000.00		
Disbursements	A-4		11,145,237.91		
Reserve for Grants - Appropriated	A-19		403,241.44		
Accounts Payable	A-24		211,277.49		
Deferred Charges	A-28		<u>140,000.00</u>		
			\$ 13,338,756.84		
Less: Refunds	A-4		<u>475,401.56</u>		
			\$ <u>12,863,355.28</u>		

The accompanying Notes to Financial Statements are an integral part of this Statement.

TRUST FUND

BOROUGH OF MANVILLE

TRUST FUND

BALANCE SHEETS - REGULATORY BASIS

	<u>REF.</u>	<u>BALANCE DECEMBER 31, 2013</u>	<u>BALANCE DECEMBER 31, 2012</u>
<u>ASSETS</u>			
Animal Control Fund:			
Cash	B-1	\$ 10,949.80	\$ 9,461.92
		<u>\$ 10,949.80</u>	<u>\$ 9,461.92</u>
Other Funds:			
Cash	B-1	\$ 876,036.59	\$ 620,640.93
Community Development Block Grants Receivable	B-7	90,852.50	116,857.75
Due Current Fund	B-3	9,829.77	5,997.37
		<u>\$ 976,718.86</u>	<u>\$ 743,496.05</u>
		<u>\$ 987,668.66</u>	<u>\$ 752,957.97</u>
<u>LIABILITIES, RESERVES AND FUND BALANCE</u>			
Animal Control Fund:			
Due Current Fund	B-5	\$ 2,814.00	\$ 2,266.92
Reserve for Animal Control Fund Expenditures	B-8	8,135.80	7,195.00
		<u>\$ 10,949.80</u>	<u>\$ 9,461.92</u>
Other Funds:			
Reserve for Federal Housing and Urban Development	B-2	\$ 51,515.34	\$ 23,797.93
Reserve for:			
Community Development Block Grants	B-15	50,000.00	23,099.72
Unemployment Compensation	B-16	25,571.40	50,659.71
Payroll Deductions	B-17	70,082.61	48,992.66
Miscellaneous Trust Deposits	B-4	228,072.58	175,530.47
Law Enforcement Trust Fund	B-12	18,631.50	18,603.54
Developer's Escrow Deposits	B-13	25,351.03	25,339.08
Recreation Deposits	B-14	46,711.04	37,331.22
Accounts Payable	B-6	10,932.10	86,285.07
Federal Asset Forfeitures	B-11	7,492.47	15,310.27
Premiums on Tax Sale	B-9	426,700.00	178,300.00
Redemption of Outside Liens	B-10	15,658.79	60,246.38
		<u>\$ 976,718.86</u>	<u>\$ 743,496.05</u>
		<u>\$ 987,668.66</u>	<u>\$ 752,957.97</u>

The accompanying Notes to Financial Statements are an integral part of this Statement.

GENERAL CAPITAL FUND

"C"

BOROUGH OF MANVILLE

GENERAL CAPITAL FUND

BALANCE SHEETS - REGULATORY BASIS

	<u>REF.</u>	<u>BALANCE</u> <u>DECEMBER</u> <u>31, 2013</u>	<u>BALANCE</u> <u>DECEMBER</u> <u>31, 2012</u>
<u>ASSETS</u>			
Cash	C-2	\$ 845,567.46	\$ 1,449,815.86
Due Current Fund	C-9	226,742.62	50,000.00
Grants Receivable	C-17	673,974.43	1,170,022.00
Deferred Charges to Future Taxation - Funded	C-5	3,683,000.00	4,475,755.60
Deferred Charges to Future Taxation - Unfunded	C-4	5,062,198.82	3,929,798.82
		<u>\$ 10,491,483.33</u>	<u>\$ 11,075,392.28</u>
<u>LIABILITIES, RESERVES AND FUND BALANCE</u>			
General Serial Bonds	C-10	\$ 3,683,000.00	\$ 4,393,000.00
Wastewater Treatment - Fund Unit Bonds	C-11		32,755.60
Wastewater Treatment - Trust Unit Bonds	C-12		50,000.00
Bond Anticipation Note	C-13	4,486,400.00	3,354,000.00
Improvement Authorizations - Funded	C-7	578,846.17	2,077,085.60
Improvement Authorizations - Unfunded	C-7	1,247,912.25	350,528.08
Reserve for Insurance Damage	C-14	35,927.00	35,927.00
Reserve for RCA Readington	C-15	36,005.88	35,951.81
Reserve for RCA Hillsborough	C-16	52,098.84	52,020.61
Capital Improvement Fund	C-8	173.78	52,373.78
Contracts Payable	C-6	341,670.22	612,300.61
Fund Balance	C-1	29,449.19	29,449.19
		<u>\$ 10,491,483.33</u>	<u>\$ 11,075,392.28</u>

The accompanying Notes to Financial Statements are an integral part of this Statement.

BOROUGH OF MANVILLE

GENERAL CAPITAL FUND

STATEMENT OF FUND BALANCE - REGULATORY BASIS

REF.

Balance, December 31, 2012
and December 31, 2013

C

\$ 29,449.19

The accompanying Notes to Financial Statements are an integral part of this Statement.

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SEWER UTILITY FUND

BOROUGH OF MANVILLE

SEWER UTILITY FUND

BALANCE SHEETS - REGULATORY BASIS

<u>A S S E T S</u>	<u>REF.</u>	BALANCE DECEMBER 31, 2013	BALANCE DECEMBER 31, 2012
Operating Fund:			
Cash	D-5	\$ 669,485.11	\$ 240,949.04
Cash - Change Fund	D-6	200.00	200.00
		<u>\$ 669,685.11</u>	<u>\$ 241,149.04</u>
Receivable with Full Reserves:			
Consumer Accounts Receivable	D-8	\$ 202,837.11	\$ 211,384.70
Sewer and Water Utility Liens	D-9	963.44	963.44
	D	<u>\$ 203,800.55</u>	<u>\$ 212,348.14</u>
<u>Total of Operating Fund</u>		<u>\$ 873,485.66</u>	<u>\$ 453,497.18</u>
Capital Fund:			
Cash	D-5:D-10	\$ 100,846.27	\$ 100,846.27
Fixed Capital	D-15	24,988.17	24,988.17
Fixed Capital Authorized and Uncompleted	D-16	<u>190,000.00</u>	<u>190,000.00</u>
<u>Total of Capital Fund</u>		<u>\$ 315,834.44</u>	<u>\$ 315,834.44</u>
		<u>\$ 1,189,320.10</u>	<u>\$ 769,331.62</u>
 <u>LIABILITIES, RESERVES AND FUND BALANCE</u>			
Operating Fund:			
Liabilities:			
Appropriation Reserves	D-4:D-11	\$ 377,217.69	\$ 59,423.94
Accounts Payable	D-13	81,152.33	27,614.06
Overpayments	D-7	6,060.18	6,060.20
		<u>\$ 464,430.20</u>	<u>\$ 93,098.20</u>
Reserve for Receivable	D	203,800.55	212,348.14
Fund Balance	D-1	<u>205,254.91</u>	<u>148,050.84</u>
<u>Total of Operating Fund</u>		<u>\$ 873,485.66</u>	<u>\$ 453,497.18</u>
Capital Fund:			
Reserve for Capital Improvement Fund	D-12	\$ 77,955.00	\$ 77,955.00
Reserve for Amortization	D-14	214,988.17	214,988.17
Fund Balance	D-2	<u>22,891.27</u>	<u>22,891.27</u>
<u>Total of Capital Fund</u>		<u>\$ 315,834.44</u>	<u>\$ 315,834.44</u>
		<u>\$ 1,189,320.10</u>	<u>\$ 769,331.62</u>

The accompanying Notes to Financial Statements are an integral part of this Statement.

BOROUGH OF MANVILLE

SEWER UTILITY FUND

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

	<u>REF.</u>	<u>YEAR ENDED DECEMBER 31, 2013</u>	<u>YEAR ENDED DECEMBER 31, 2012</u>
<u>REVENUE AND OTHER INCOME REALIZED</u>			
Fund Balance Utilized	D-1:D-3	\$ 55,000.00	\$ 145,000.00
Sewer Use Charges	D-3	1,913,212.26	1,881,685.32
Miscellaneous	D-3	17,204.68	31,548.78
Accounts Payable Canceled	D-13	729.38	
Unexpended Balance of Appropriation Reserves	D-11	59,057.75	4,977.84
<u>Total Income</u>		<u>\$ 2,045,204.07</u>	<u>\$ 2,063,211.94</u>
<u>EXPENDITURES</u>			
Operating	D-4	\$ 1,898,000.00	\$ 2,010,000.00
Deferred Charges and Statutory Expenditures	D-4	35,000.00	33,000.00
Surplus - General Budget			250,000.00
<u>Total Expenditures</u>		<u>\$ 1,933,000.00</u>	<u>\$ 2,293,000.00</u>
Excess (Deficit) to Fund Balance		\$ 112,204.07	\$ (229,788.06)
Fund Balance, January 1	D	148,050.84	522,838.90
		<u>\$ 260,254.91</u>	<u>\$ 293,050.84</u>
Decreased by:			
Utilization by Sewer Operating Budget	D-1	55,000.00	145,000.00
Fund Balance, December 31	D	<u>\$ 205,254.91</u>	<u>\$ 148,050.84</u>

The accompanying Notes to Financial Statements are an integral part of this statement.

BOROUGH OF MANVILLE

SEWER UTILITY FUND

STATEMENT OF FUND BALANCE - REGULATORY BASIS

	<u>REF.</u>	
Balance, December 31, 2012 and December 31, 2013	D	\$ <u>22,891.27</u>

The accompanying Notes to Financial Statements are an integral part of this Statement.

BOROUGH OF MANVILLE

SEWER UTILITY FUND

STATEMENT OF EXPENDITURES - REGULATORY BASIS

FOR THE YEAR ENDED DECEMBER 31, 2013

	<u>BUDGET</u>	<u>BUDGET AFTER MODIFICATION</u>	<u>EXPENDED</u>	
			<u>PAID OR CHARGED</u>	<u>RESERVED</u>
Operating:				
Salaries and Wages	\$ 296,000.00	\$ 311,000.00	\$ 295,321.63	\$ 15,678.37
Other Expenses	125,000.00	235,000.00	154,119.08	80,880.92
Group Insurance	130,000.00	130,000.00	130,000.00	
Other Insurance	75,000.00	75,000.00	75,000.00	
Somerset Raritan Valley Sewerage Authority:				
Treatment Costs	1,272,000.00	1,147,000.00	866,341.60	280,658.40
<u>Total Operating</u>	<u>\$ 1,898,000.00</u>	<u>\$ 1,898,000.00</u>	<u>\$ 1,520,782.31</u>	<u>\$ 377,217.69</u>
Statutory Expenditures:				
Social Security System (O.A.S.I.)	\$ 35,000.00	\$ 35,000.00	\$ 35,000.00	\$
	<u>\$ 1,933,000.00</u>	<u>\$ 1,933,000.00</u>	<u>\$ 1,555,782.31</u>	<u>\$ 377,217.69</u>
	<u>REF.</u>	D-3		D:D-1
Disbursements	D-5		\$ 1,474,629.98	
Accounts Payable	D-13		<u>81,152.33</u>	
	D-1		<u>\$ 1,555,782.31</u>	

The accompanying Notes to Financial Statements are an integral part of this Statement.

GENERAL FIXED ASSETS ACCOUNT GROUP

"E"

BOROUGH OF MANVILLE
GENERAL FIXED ASSETS ACCOUNT GROUP
BALANCE SHEET - REGULATORY BASIS

	BALANCE DECEMBER <u>31, 2013</u>	BALANCE DECEMBER <u>31, 2012</u>
General Fixed Assets:		
Land	\$ 13,536,350.00	\$ 13,536,350.00
Buildings	7,734,150.00	7,734,150.00
Machinery and Equipment	<u>5,690,705.00</u>	<u>5,483,002.00</u>
<u>TOTAL FIXED ASSETS</u>	<u>\$ 26,961,205.00</u>	<u>\$ 26,753,502.00</u>
 Investments in General Fixed Assets	 <u>\$ 26,961,205.00</u>	 <u>\$ 26,753,502.00</u>

The accompanying Notes to Financial Statements are an integral part of this Statement.

NOTES TO FINANCIAL STATEMENTS

BOROUGH OF MANVILLE

NOTES TO FINANCIAL STATEMENTS
YEAR ENDED DECEMBER 31, 2013 AND 2012

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

A. Reporting Entity

The Borough of Manville is an instrumentality of the State of New Jersey established to function as a municipality. The Borough Council consists of elected officials and is responsible for the fiscal control of the Borough.

Except as noted below, the financial statements of the Borough of Manville include every board, body, officer or commission supported and maintained wholly or in part by funds appropriated by the Borough of Manville, as required by N.J.S.A. 40A:5-5. Accordingly, the financial statements of the Borough of Manville do not include the operations of the municipal library or the local school district, inasmuch as their activities are administered by separate boards.

B. Description of Funds

The Governmental Accounting Standards Board (GASB) is the accepted standard-setting body for establishing governmental accounting and financial reporting principles. GASB codification establishes three fund types and two account groups to be used by general purpose governmental units when reporting financial position and results of operations in accordance with U.S. Generally Accepted Accounting Principles (GAAP).

The accounting policies of the Borough of Manville conform to the accounting principles applicable to municipalities which have been prescribed by the Division of Local Government Services, Department of Community Affairs, State of New Jersey. Such principles and practices are designed primarily for determining compliance with legal provisions and budgetary restrictions and as a means of reporting on the stewardship of public officials with respect to public funds. Under this method of accounting, the financial transactions and accounts of the Borough of Manville are organized on the basis of funds and an account group which is different from the fund structure required by GAAP. A fund or account group is an accounting entity with a separate set of self-balancing accounts established to record the financial position and results of operation of a specific governmental activity. As required by the Division of Local Government Services, the Borough accounts for its financial transactions through the following individual funds and account group:

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

B. Description of Funds (Continued)

Current Fund - resources and expenditures for governmental operations of a general nature, including federal and state grant funds.

Trust Fund - receipts, custodianship and disbursements of funds in accordance with the purpose of which each reserve was created.

General Capital Fund - receipt and disbursement of funds for the acquisition of general capital facilities, other than those acquired in the Current Fund.

Sewer Operating and Capital Funds - account for the operations and acquisition of capital facilities of the municipally-owned sewer utility.

General Fixed Assets Account Group - utilized to account for property, land, buildings and equipment that have been acquired by other governmental funds.

C. Basis of Accounting

The accounting principles and practices prescribed for municipalities by the State of New Jersey differ in certain respects from generally accepted accounting principles applicable to local governmental units. The more significant accounting policies and differences in the State of New Jersey are as follows:

A modified accrual basis of accounting is followed with minor exceptions.

Revenues - are recorded when received in cash except for certain amounts which are due from other governmental units. Federal and state grants are realized as revenue when anticipated in the Borough's budget. Receivables for property taxes are recorded with offsetting reserves on the balance sheet of the Borough's Current Fund; accordingly, such amounts are not recorded as revenue until collected. Other amounts that are due the Borough which are susceptible to accrual are also recorded as receivables with offsetting reserves and recorded as revenue when received. GAAP requires revenues to be recognized in the accounting period when they become susceptible to accrual, reduced by an allowance for doubtful accounts.

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

C. Basis of Accounting (Continued)

Expenditures - are recorded on the "budgetary" basis of accounting. Generally expenditures are recorded when an amount is encumbered for goods or services through the issuance of a purchase order in conjunction with the Encumbrance Accounting System.

Outstanding encumbrances, at December 31, are reported as a cash liability in the financial statements and constitute part of the Borough's statutory Appropriation Reserve balance. Appropriation reserves covering unexpended appropriation balances are automatically created at December 31st of each year and recorded as liabilities except for amounts which may be canceled by the governing body. Appropriation reserves are available, until lapsed at the close of the succeeding year, to meet specific claims, commitments or contracts incurred during the preceding fiscal year. Lapsed appropriation reserves are recorded as income. Appropriations for principal payments on outstanding general capital and utility bonds and notes are provided on the cash basis; interest on general capital indebtedness is on the cash basis, whereas interest on utility indebtedness is on the accrual basis.

Encumbrances - Contractual orders, at December 31, are reported as expenditures through the establishment of encumbrances payable. Under GAAP, encumbrances outstanding at year end are reported as reservations of fund balance because they do not constitute expenditures or liabilities.

Foreclosed Property - is recorded in the Current Fund at the assessed valuation when such property was acquired and is fully reserved. GAAP requires such property to be recorded in the General Fixed Assets Account Group at its market value.

Sale of Municipal Assets - The proceeds from the sale of municipal assets can be held in a reserve until anticipated as a revenue in a future budget. GAAP requires such proceeds to be recorded as a revenue in the year of sale.

Interfunds - Interfund receivables in the Current Fund are recorded with offsetting reserves which are created by charges to operations. Income is recognized in the year the receivables are liquidated. Interfund receivables in the other funds are not offset by reserves. GAAP does not require the establishment of an offsetting reserve.

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

C. Basis of Accounting (Continued)

General Fixed Assets - N.J.A.C. 5:30-5.6, Accounting for Governmental Fixed Assets, as promulgated by the Division of Local Government Services, which differs in certain respects from generally accepted accounting principles, requires the inclusion of a statement of general fixed assets of the Borough as part of its basic financial statements. General fixed assets are defined as nonexpendable personal property having a physical existence, a useful life of more than one year and an acquisition cost of \$5,000.00 or more per unit.

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. No depreciation has been provided on general fixed assets or reported in the financial statements.

The Borough has developed a fixed assets accounting and reporting system based on an inspection and valuation prepared by an independent appraisal firm. Fixed assets are valued at historical cost or estimated historical cost if actual historical cost is not available. Land is stated at the assessed value contained in the Borough's most recent property revaluation. Buildings are stated at the most recent insurance replacement value. General Fixed Assets that have been acquired and are utilized in a governmental fund operation are accounted for in the General Fixed Assets Account Group rather than in a governmental fund.

Expenditures for construction in progress are recorded in the Capital Funds until such time as the construction is completed and put into operation.

Fixed assets acquired through grants in aid or contributed capital have not been accounted for separately.

Inventories of Supplies - The cost of inventories of supplies for all funds are recorded as expenditures at the time individual items are purchased. The cost of inventories is not included on the various balance sheets. GAAP requires the cost of inventories to be reported as a current asset and equally offset by a fund balance reserve.

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

C. Basis of Accounting (Continued)

Fixed Capital - Sewer Utility

Accounting for utility fund "fixed capital" remains unchanged under the requirements of N.J.A.C. 5:30-5.6.

Property and equipment purchased by the Sewer Utility Fund are recorded in the capital account at cost and are adjusted for disposition and abandonment. The amounts shown do not purport to represent reproduction costs or current value. The fixed capital reported is as taken from the municipal records and does not necessarily reflect the true condition of such fixed capital. Contributions in aid of construction are not capitalized. The balance in the Reserve for Amortization account in the utility capital fund represent charges to operations for the cost of acquisitions of property, equipment and improvements. The utility does not record depreciation on fixed assets.

D. Basic Financial Statements

The GASB codification also defines the financial statements of a governmental unit to be presented in the general purpose financial statements to be in accordance with GAAP. The Borough presents the financial statements listed in the table of contents of the "Requirements of Audit and Accounting Revision of 1987" as prescribed by the Division of Local Government Services, Department of Community Affairs, State of New Jersey and which differ from the financial statements required by GAAP.

NOTE 2: CASH AND CASH EQUIVALENTS

The Borough considers petty cash, change funds, cash in banks and certificates of deposit as cash and cash equivalents.

A. Deposits

New Jersey statutes permit the deposit of public funds in institutions which are located in New Jersey and which meet the requirements of the Governmental Unit Deposit Protection Act (GUDPA) or the State of New Jersey Cash Management Fund. GUDPA requires a bank that accepts public funds to be a public depository. A public depository is defined as a state bank, a national bank, or a savings bank, which is located in the State of New Jersey, the deposits of which are insured by the Federal Deposit Insurance Corporation. The statutes also require public depositories to maintain collateral for deposits of public funds that exceed certain insurance limits. All collateral must be deposited with the Federal Reserve Bank 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.

NOTE 2: CASH AND CASH EQUIVALENTS (CONTINUED)

A. Deposits (Continued)

The Borough of Manville had the following cash and cash equivalents at December 31, 2013:

	<u>Change Fund</u>	<u>Cash in Bank</u>	<u>Additions</u>	<u>Deletions</u>	<u>Reconciled Balance</u>
Cuurent Fund	\$800.00	\$2,415,827.06	\$13,525.22	\$23,045.18	\$2,406,307.10
Animal Contol Fund		10,949.80			10,949.80
Trust Other Fund		959,199.31	16,844.41	100,007.13	876,036.59
General Capital Fund		887,067.83		41,500.37	845,567.46
Sewer Operating Fund	200.00	662,018.19	8,052.92	586.00	669,485.11
Sewer Capital Fund		100,846.27			100,846.27
	<u>\$1,000.00</u>	<u>\$5,035,908.46</u>	<u>\$38,422.55</u>	<u>\$165,138.68</u>	<u>\$4,909,192.33</u>

Custodial Credit Risk - Deposits - Custodial credit risk is the risk that in the event of a bank failure, the deposits may not be returned. The Borough does not have a specific deposit policy for custodial credit risk other than those policies that adhere to the requirements of statute. As of December 31, 2013, based upon the coverage provided by FDIC and NJ GUDPA, no amount of the bank balance was exposed to custodial credit risk. Of the cash on balance in the bank, \$251,925.55 was covered by Federal Depository Insurance and \$4,783,982.91 was covered under the provisions of NJ GUDPA.

B. Investments

The purchase of investments by the Borough is strictly limited by the express authority of the New Jersey Local Fiscal Affairs Law, N.J.S.A. 40A:5-15.1. Permitted investments include any of the following type of securities:

1. Bonds or other obligations of the United States of America or obligations guaranteed by the United States of America;
2. Government money market mutual funds which are purchased from an investment company or investment trust which is registered with the Securities and Exchange Commission under the "Investment Company Act of 1940," 15 U.S.C. 80a-1 et seq., and operated in accordance with 17 C.F.R. § 270.2a-7 and which portfolio is limited to U.S. Government securities that meet the definition of an eligible security pursuant to 17 C.F.R. § 270.2a-7 and repurchase agreements that are collateralized by such U.S. Government securities in which direct investment may be made pursuant to paragraphs (1) and (3) of N.J.S.A. 5-15.1. These funds are also required to be rated by a nationally recognized statistical rating organization.

NOTE 2: CASH AND CASH EQUIVALENTS (CONTINUED)

B. Investments (Continued)

3. Any obligation that a federal agency or a federal instrumentality has issued in accordance with an act of Congress, which security has a maturity date not greater than 397 days from the date of purchase, provided that such obligation bears a fixed rate of interest not dependent on any index or other external factor;
4. Bonds or other obligations of the Local Unit or bonds or other obligations of school districts of which the Local Unit is a part or within which the school district is located.
5. Bonds or other obligations, having a maturity date not more than 397 days from date of purchase, approved by the Division of Investment of the Department of Treasury for investment by Local Units;
6. Local government investment pools that are fully invested in U.S. Government securities that meet the definition of eligible security pursuant to 17 C.F.R. § 270a-7 and repurchase agreements that are collateralized by such U.S. Government securities in which direct investment may be made pursuant to paragraphs (1) and (3) of N.J.S.A. 5-15.1. This type of investment is also required to be rated in the highest category by a nationally recognized statistical rating organization.
7. Deposits with the State of New Jersey Cash Management Fund established pursuant to section 1 of P.L. 1977, c.281 (C. 52:18A-90.4); or
8. Agreements for the repurchase of fully collateralized securities if:
 - a. the underlying securities are permitted investments pursuant to paragraphs (1) and (3) of this subsection;
 - b. the custody of collateral is transferred to a third party;
 - c. the maturity of the agreement is not more than 30 days;
 - d. the underlying securities are purchased through a public depository as defined in section 1 of P.L. 1970, c.236 (C. 17:19-41); and
 - e. a master repurchase agreement providing for the custody and security of collateral is executed.

The Borough of Manville's investment activities during the year were in accordance with the above New Jersey Statute.

NOTE 3: LONG-TERM DEBT

The Local Bond Law, Chapter 40A:2, governs the issuance of bonds to finance general municipal capital expenditures. All bonds are retired in annual installments within the statutory period of usefulness. All bonds issued by the Borough are general obligation bonds, backed by the full faith and credit of the Borough. Bond Anticipation Notes, which are issued to temporarily finance capital projects, shall mature and be paid off within ten years or financed by the issuance of bonds.

SUMMARY OF MUNICIPAL DEBT

	<u>YEAR 2013</u>	<u>YEAR 2012</u>	<u>YEAR 2011</u>
Issued:			
General:			
Bonds and Notes	<u>\$8,169,400.00</u>	<u>\$7,829,755.60</u>	<u>\$8,045,046.63</u>
 Net Debt Issued	<u>\$8,169,400.00</u>	<u>\$7,829,755.60</u>	<u>\$8,045,046.63</u>
 Authorized But Not Issued:			
General:			
Bonds and Notes	<u>\$575,798.82</u>	<u>\$575,798.82</u>	<u>\$1,279,798.82</u>
 TOTAL BONDS AND NOTES ISSUED AND AUTHORIZED BUT NOT ISSUED	<u>\$8,745,198.82</u>	<u>\$8,405,554.42</u>	<u>\$9,324,845.45</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 0.880%.

	<u>GROSS DEBT</u>	<u>DEDUCTIONS</u>	<u>NET DEBT</u>
Local School District Debt	\$561,000.00	\$561,000.00	
General Debt	<u>8,745,198.82</u>		<u>\$8,745,198.82</u>
	<u>\$9,306,198.82</u>	<u>\$561,000.00</u>	<u>\$8,745,198.82</u>

NET DEBT \$8,745,198.82 DIVIDED BY EQUALIZED VALUATION BASIS PER N.J.S.A. 40A:2-2, AS AMENDED, \$993,780,003.00 EQUALS 0.880%.

NOTE 3: LONG-TERM DEBT (CONTINUED)

BORROWING POWER UNDER N.J.S.40A:2-6 AS AMENDED

Equalized Valuation Basis* - December 31, 2013	<u>\$993,780,003.00</u>
3-1/2% of Equalized Valuation Basis	\$ 34,782,300.11
Net Debt	<u>8,745,198.82</u>
Remaining Borrowing Power	<u>\$ 26,037,101.29</u>

*Equalized Valuation Basis is the average of the equalized valuation of real estate, including improvements, and the assessed valuation of Class II Rail Road Property of the Borough of Manville for the last three (3) preceding years.

CALCULATION OF "SELF-LIQUIDATING PURPOSE"
SEWER UTILITY PER N.J.S.40A:2-45

Cash Receipts from Surplus, Fees, Rents, or Other Charges for Year	\$1,985,416.94
Deductions:	
Operating and Maintenance Costs	<u>1,933,000.00</u>
Excess in Revenues	<u>\$ 52,416.94</u>

NOTE 3: LONG-TERM DEBT (CONTINUED)

LONG-TERM DEBT

SCHEDULE OF ANNUAL DEBT SERVICE FOR PRINCIPAL AND INTEREST FOR BONDED DEBT ISSUED AND OUTSTANDING DECEMBER 31, 2013

CALENDAR YEAR	GENERAL		TOTAL
	PRINCIPAL	INTEREST	
2014	\$740,000.00	\$142,480.00	\$882,480.00
2015	755,000.00	110,580.00	865,580.00
2016	765,000.00	77,442.50	842,442.50
2017	775,000.00	43,730.00	818,730.00
2018	648,000.00	13,365.00	661,365.00
	<u>\$3,683,000.00</u>	<u>\$387,597.50</u>	<u>\$4,070,597.50</u>

BOND ANTICIPATION NOTES

Outstanding Bond Anticipation Notes are summarized as follows:

	Interest Rate	Maturity Date	Amount
General Capital Fund	0.81%	06/27/14	\$3,250,000.00
General Capital Fund	0.79%	06/27/14	<u>1,236,400.00</u>
			<u>\$4,486,400.00</u>

NOTE 4: FUND BALANCES APPROPRIATED

Fund balances at December 31, 2013, which were appropriated and included as anticipated revenue in their own respective funds for the year ending December 31, 2014, as introduced were as follows:

Current Fund	\$ 908,000.00
Sewer Utility Fund	\$ 55,000.00

NOTE 5: PROPERTY TAXES

Property taxes attach as an enforceable lien on property as of January 1. Taxes are levied based on the final adoption of the current year municipal budget, and are payable in four installments on February 1, May 1, August 1 and November 1. The Borough bills and collects its own property taxes and also the taxes for the County and the Local School District. The collections and remittance of county and school taxes are accounted for in the Current Fund. Borough property tax revenues are recognized when collected in cash and any receivables are recorded with offsetting reserves on the balance sheet of the Borough's Current Fund:

	BALANCE DECEMBER <u>31, 2013</u>	BALANCE DECEMBER <u>31, 2012</u>
Prepaid Taxes	<u>\$311,199.05</u>	<u>\$308,417.37</u>

NOTE 6: PENSION PLANS

Borough employees, who are eligible for a pension plan, are enrolled in one of three pension systems administered by the Division of Pensions, Treasury Department of the State of New Jersey. The plans are: the Public Employees' Retirement System, the Police and Firemen's Retirement System, and Defined Contribution Retirement Program (DCRP). The Division annually charges participating government units for their respective contributions to the plans based upon actuarial methods. Certain portions of the cost are contributed by the employees. The Borough's share of pension costs, which is based upon the annual billings received from the State, amounted to \$1,000,804.29 for 2013, \$930,423.76 for 2012 and \$864,953.96 for 2011.

Certain Borough employees are also covered by the Federal Insurance Contribution Act.

Information as to the comparison of the actuarially computed value of vested benefit with the system's assets is not available from the State Retirement System and, therefore, is not presented.

NOTE 7: COMPENSATED ABSENCES

Under the existing policy of the Borough, employees are allowed to accumulate unused sick pay over the life of their working careers which may be taken as time off at a later date. The accumulated cost of such unpaid compensation is not required to be reported in the financial statements as presented and has not been determined, but is probably material. The Borough annually appropriates the amounts that are required to be paid in that year's budget and no liability is accrued at December 31, 2013.

NOTE 8: LITIGATION

The Borough is involved in several pending legal proceedings, the impact on the financial statements of which, either individually or in the aggregate, in the opinion of the Borough's legal counsel would not be material.

NOTE 9: CONTINGENT LIABILITIES

The Borough participates in several federal and state financial assistance grant programs. Entitlement to the funds is generally conditional upon compliance with terms and conditions of the grant agreements and applicable regulations, including the expenditures of funds for eligible purposes. These programs are subject to compliance and financial audits by the grantors or their representatives. As of December 31, 2013, the Borough does not believe that any material liabilities will result from such audits.

NOTE 10: TAX APPEALS

There are several tax appeals filed requesting a reduction of assessments for 2013 and prior years. Any reduction in assessed valuation will result in a refund of prior year's taxes in the year of settlement, which may be funded from tax revenues through the establishment of a reserve or by the issuance of refunding bonds per N.J.S.A. 40A:2-51.

NOTE 11: RISK MANAGEMENT

The Borough is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; injuries to employees; and natural disasters. The Borough maintains commercial insurance coverage covering each of those risks of loss. Management believes such coverage is sufficient to preclude any significant uninsured losses to the Borough. Settled claims have not exceeded this commercial coverage in any of the past three fiscal years.

New Jersey Unemployment Compensation Insurance - The Borough has elected to fund its New Jersey Unemployment Compensation Insurance under the "Benefit Reimbursement Method". Under this plan, the Borough is required to reimburse the New Jersey Unemployment Trust Fund for benefits paid to its former employees and charged to its account with the State. The Borough is billed quarterly for amounts due to the State. Below is a summary of Borough contributions, employee contributions, reimbursements to the State for benefits paid, and the ending balance of the Borough's expendable trust fund for the current and previous two years:

<u>Year</u>	<u>Borough Contributions / Interest Earned</u>	<u>Employee Contributions</u>	<u>Amount Reimbursed</u>	<u>Ending Balance</u>
2013	\$ 5,078.43	\$ 20,000.00	\$ 50,166.74	\$ 25,572.07
2012	6,164.57	4,685.06	18,616.01	50,660.38
2011	1,127.99	5,617.93	23,567.49	58,426.76

NOTE 12: INTERFUND RECEIVABLES AND PAYABLES

The following interfund balances remained on the balance sheet at December 31, 2013:

<u>Fund</u>	<u>Interfund Receivable</u>	<u>Interfund Payable</u>
Current Fund	\$ 2,814.00	\$ 236,572.39
Animal Control Fund		2,814.00
Trust Other Fund	9,829.77	
General Capital Fund	<u>226,742.62</u>	<u> </u>
	<u>\$ 239,386.39</u>	<u>\$ 239,386.39</u>

All Interfund balances resulted from the time lag between the dates that payments between funds are made.

NOTE 13: DEFERRED COMPENSATION PLAN

The Borough offers its employees a deferred compensation plan created in accordance with Internal Revenue Code Section 457. The plan, available to all Borough employees, permits them to defer a portion of their salaries until future years. The Borough does not make any contribution to the plan. The deferred compensation is not available to employees until retirement, death, disability, termination or financial hardships.

In accordance with the requirements of the Small Business Job Protection Act of 1996 and the funding requirements of Internal Revenue Code Section 457(g), the Borough's Plan was amended to require that all amounts of compensation deferred under the Plan are held for the exclusive benefits of plan participants and beneficiaries. All assets and income under the Plan are held in trust, in annuity contracts or custodial accounts.

The Plan is administered by the AIG Retirement (AIG), AXA-Equitable and Met Life.

The accompanying financial statements do not include the Borough's Deferred Compensation Plan activities. The Borough's Deferred Compensation Plan financial statements are contained in a separate review report.

NOTE 14: LENGTH OF SERVICE AWARDS PROGRAM

During 2003, the Borough of Manville adopted an ordinance establishing a Length of Service Awards Program for the members of the Manville Fire Department and the Manville First Aid/Rescue Squad pursuant to N.J.S.A. 40A:14-183 *et seq.*

Under this program, each volunteer of the Manville Fire Department that performs the minimum amount of service will have an annual amount up to \$1,150.00 deposited into a tax deferred income account that will earn interest for the volunteer. Each volunteer of the Manville First Aid/Rescue Squad that performs the minimum amount of service will have an amount up to \$1,150.00 deposited into a tax deferred income account for the volunteer. The Borough's costs amounted to \$10,000.00 in 2013, \$10,000.00 in 2012 and \$20,025.00 in 2011.

The accompanying financial statements do not include the Borough's Length of Service Awards Program's activities. The Borough's Length of Service Awards Program's financial statements are contained in a separate review report, as required by state regulations.

NOTE 15: GASB 45: OTHER POST-EMPLOYMENT BENEFITS (UNAUDITED)

Plan Description - The Borough contributes to the State Health Benefits Program (SHBP) a cost-sharing, multiple-employer defined benefit postemployment healthcare plan administered by the State of New Jersey Division of Pensions and Benefits. SHBP was established in 1961 under N.J.S.A. 52:14-17.25 *et seq.* to provide health benefits to State employees, retirees, and their dependents. The SHBP was extended to employees, retirees, and dependents of participating local public employers in 1964. Local employers must adopt a resolution to participate in the SHBP. Rules governing the operation and administration of the program are found in Title 17, Chapter 9 of the New Jersey Administrative Code. SHBP provides medical, prescription drugs, mental health/substance abuse, and Medicare Part B reimbursement to retirees and their covered dependents. The State Health Benefits Commission is the executive body established by statute to be responsible for the operation of the SHBP. The State of New Jersey Division of Pensions and Benefits issues a publicly available financial report that includes financial statements and required supplementary information for the SHBP. That report may be obtained by writing to: State of New Jersey Division of Pensions and Benefits, P.O. Box 295, Trenton, NJ 08625-0295 or by visiting their website at <http://www.state.nj.us/treasury/pensions>.

Funding Policy - Contributions to pay for the health premiums of participating employees in the SHBP are billed to the Borough on a monthly basis. Participating employers are contractually required to contribute based on the amount of premiums attributable to their retirees. In accordance with Chapter 62, P.L. 1994, post-retirement medical benefits have been funded on a pay-as-you-go basis since 1994. Prior to 1994, medical benefits were funded on an actuarial basis. The Borough's contributions to SHBP for the years ended December 31, 2013, 2012 and 2011 were \$86,617.74, \$72,053.22 and \$79,337.74 respectively, which equaled the required contributions for each year.

NOTE 16: DEFERRED CHARGES TO BE RAISED IN SUCCEEDING YEAR'S BUDGET

Certain expenditures are required to be deferred to budgets of succeeding years. At December 31, 2013, the following deferred charges are shown on the balance sheets of the various funds:

	Balance December 31, <u>2013</u>	2014 Budget <u>Appropriation</u>	Balance to Succeeding <u>Budget</u>
Current Fund:			
Emergency Authorization (40A:4-47)	\$128,200.00	\$128,200.00	
Special Emergency Authorization (40A:4-55)	<u>300,000.00</u>	<u>100,000.00</u>	<u>\$200,000.00</u>
	<u>\$428,200.00</u>	<u>\$228,200.00</u>	<u>\$200,000.00</u>

BOROUGH OF MANVILLE
SUPPLEMENTARY SCHEDULES – ALL FUNDS
YEAR ENDED DECEMBER 31, 2013

BOROUGH OF MANVILLE

CURRENT FUND

SCHEDULE OF CASH-TREASURER

	<u>REF.</u>		
Balance, December 31, 2012	A		\$ 2,757,628.50
Increased by Receipts:			
Taxes Receivable	A-8	\$ 25,011,446.23	
Tax Overpayments	A-23	10,999.24	
Prepaid Taxes	A-22	311,199.05	
2013 Appropriation Refunds	A-3	475,401.56	
Tax Title Liens	A-7	1,150.64	
Senior Citizens and Veterans Deductions	A-9	122,199.48	
Miscellaneous Revenue Not Anticipated	A-2	79,841.24	
Petty Cash	A-5	950.00	
Revenue Accounts Receivable	A-13	2,309,432.42	
Reserve for Police Outside Overtime	A-21	260,356.85	
Reserve for FEMA	A-27	60,000.00	
Reserve for Emergency Note Payable	A-26	300,000.00	
Reserve for Grants-Unappropriated	A-14	18,978.69	
Interfunds	A-12	578,555.67	
Grants Receivable	A-15	179,988.96	
Reserve for Grants-Appropriated	A-19	170.00	
		<hr/>	29,720,670.03
			\$ 32,478,298.53
Decreased by Disbursements:			
2013 Appropriations	A-3	\$ 11,145,237.91	
2012 Appropriation Reserves	A-16	480,046.93	
Refund of Fees and Permits	A-2	150.00	
Refund of Construction Code Fees	A-2	2,141.00	
Refund of Tax Overpayments	A-23	16,513.67	
Interfunds	A-12	395,713.73	
County Taxes	A-17	3,716,428.20	
Local District School Tax	A-18	13,578,126.00	
Reserve for Police Outside Overtime	A-21	260,356.85	
Reserve for Grants-Appropriated	A-19	74,002.14	
Reserve for Accounts Payable	A-24	1,825.00	
Reserve for Emergency Note Payable	A-26	400,000.00	
Reserve for Insurance Damage	A-20	500.00	
Petty Cash	A-5	950.00	
		<hr/>	30,071,991.43
Balance, December 31, 2013	A		\$ <u><u>2,406,307.10</u></u>

"A-5"

BOROUGH OF MANVILLE

CURRENT FUND

SCHEDULE OF PETTY CASH

	<u>RECEIPTS</u>	<u>DISBURSEMENTS</u>
Borough Clerk	\$ 350.00	\$ 350.00
Police	200.00	200.00
Public Works	200.00	200.00
Police - Narcotics Enforcement	200.00	200.00
	<hr/>	<hr/>
	\$ 950.00	\$ 950.00
	<hr/> <hr/>	<hr/> <hr/>
<u>REF.</u>	A-4	A-4

"A-6"

SCHEDULE OF CHANGE FUNDS

	<u>BALANCE DECEMBER 31, 2012 AND 2013</u>
Tax Collector	\$ 200.00
Board of Health	100.00
Recreation	50.00
Clerk	50.00
Municipal Court	400.00
	<hr/>
	\$ 800.00
	<hr/> <hr/>
<u>REF.</u>	A

BOROUGH OF MANVILLE

CURRENT FUND

SCHEDULE OF TAX TITLE LIENS

	<u>REF.</u>		
Balance, December 31, 2012	A		\$ 63,626.66
Increased by:			
Transferred from 2013 Taxes	A-8	\$ 13,198.53	
Transferred from 2012 Taxes	A-8	1,451.31	
Interest and Costs on Tax Sale		<u>158.35</u>	
			<u>14,808.19</u>
			\$ 78,434.85
Decreased by:			
Receipts	A-4		<u>1,150.64</u>
Balance, December 31, 2013	A		<u><u>\$ 77,284.21</u></u>

BOROUGH OF MANVILLE

CURRENT FUND

SCHEDULE OF TAXES RECEIVABLE AND ANALYSIS OF PROPERTY TAX LEVY

YEAR	BALANCE	2013	ADDED	COLLECTION BY CASH		CANCELED	TRANSFERRED	OVERPAYMENTS	BALANCE
	DECEMBER			LEVY	2012				
	31, 2012								31, 2013
Prior	\$ 542,939.36	\$	\$ 20,006.25	\$	\$ 536,132.12	\$ 21,297.08	\$ 1,451.31	\$ 67.12	\$ 3,997.98
2013	\$ 542,939.36	\$ 25,940,336.19	\$ 20,006.25	\$ 308,417.37	\$ 536,132.12	\$ 21,297.08	\$ 1,451.31	\$ 67.12	\$ 3,997.98
					\$ 24,615,946.20	\$ 390,391.73	\$ 13,198.53		\$ 612,382.36
	\$ 542,939.36	\$ 25,940,336.19	\$ 20,006.25	\$ 308,417.37	\$ 25,152,078.32	\$ 411,688.81	\$ 14,649.84	\$ 67.12	\$ 616,380.34
REF.	A			A-2, A-22	A-2		A-7	A-2, A-23	A

	REF.	
Cash Collector	A-4	\$ 25,011,446.23
State Share of 2013 Senior Citizens and Veterans Deductions	A-9	140,632.09
		\$ 25,152,078.32

ANALYSIS OF 2013 PROPERTY TAX LEVY

TAX YIELD

General Purpose Tax	\$ 25,925,464.38
Added Taxes (54-63.1 et seq.)	14,871.81
	\$ 25,940,336.19

TAX LEVY

Local District School Tax (Abstract)	A-18	\$ 13,578,126.00
County Taxes:		
County Taxes (Abstract)		\$ 2,987,830.03
County Library		433,038.28
County Open Space Taxes		293,399.33
County Added Taxes		2,160.56
TOTAL COUNTY TAXES	A-17	3,716,428.20
Local Tax for Municipal Purposes (Abstract)	A-2	\$ 8,625,023.79
Add: Additional Tax Levied		20,758.20
Local Tax for Municipal Purposes Levied		8,645,781.99
		\$ 25,940,336.19

BOROUGH OF MANVILLE

CURRENT FUND

SCHEDULE OF DUE FROM STATE OF NEW JERSEY
PER CHAPTER 20, P.L. 1971

	<u>REF.</u>		
Balance, December 31, 2012 (Due From)	A	\$	100,698.31
Increased by:			
Senior Citizens and Veterans Deductions Per Tax Billings		\$	148,750.00
Senior Citizens and Veterans Deductions Allowed by Tax Collector			<u>1,000.00</u>
			<u>149,750.00</u>
		\$	<u>250,448.31</u>
Decreased by:			
Senior Citizens Deductions Disallowed by Tax Collector		\$	9,117.91
Senior Citizens Deductions Disallowed by State - Prior			19,750.00
Received in Cash From State	A-4		<u>122,199.48</u>
			<u>151,067.39</u>
Balance, December 31, 2013 (Due From)	A	\$	<u><u>99,380.92</u></u>

CALCULATION OF STATE'S SHARE OF
2013 SENIOR CITIZENS DEDUCTIONS
ALLOWED BY COLLECTOR (CHAPTER 20, P.L. 1971)

Senior Citizens Deductions Per Tax Billings		\$	37,750.00
Veterans Deductions Per Tax Billings			111,000.00
Senior Citizens and Veterans Deductions Allowed by Tax Collector			<u>1,000.00</u>
		\$	<u>149,750.00</u>
Less: Senior Citizens Deductions Disallowed by Collector			<u>9,117.91</u>
	A-8	\$	<u><u>140,632.09</u></u>

"A-10"

BOROUGH OF MANVILLE

CURRENT FUND

SCHEDULE OF RESERVE FOR PROPERTY ACQUIRED FOR TAXES

REF.

Balance, December 31, 2012
and December 31, 2013

A

\$ 196,229.11

"A-11"

SCHEDULE OF RESERVE FOR SALE OF MUNICIPAL ASSETS

Balance, December 31, 2012
and December 31, 2013

A

\$ 343.33

BOROUGH OF MANVILLE

CURRENT FUND

SCHEDULE OF INTERFUNDS

	<u>REF.</u>	<u>TOTAL</u>	<u>ANIMAL CONTROL TRUST FUND</u>	<u>OTHER TRUST FUND</u>	<u>GENERAL CAPITAL FUND</u>
Balance, December 31, 2012:					
Interfunds Receivable	A	\$ 2,266.92	\$ 2,266.92	\$	\$
Interfunds Payable	A	55,997.37		5,997.37	50,000.00
Receipts	A-4	578,555.67	2,266.92	4,406.73	571,882.02
Disbursements	A-4	395,713.73		574.33	395,139.40
Transfer	A-2	<u>2,814.00</u>	<u>2,814.00</u>	<u> </u>	<u> </u>
Balance, December 31, 2013:					
Interfunds Receivable	A	\$ 2,814.00	\$ 2,814.00	\$	\$
Interfunds Payable	A	<u>236,572.39</u>	<u> </u>	<u>9,829.77</u>	<u>226,742.62</u>

BOROUGH OF MANVILLE

CURRENT FUND

SCHEDULE OF REVENUE ACCOUNTS RECEIVABLE

	<u>REF.</u>	<u>BALANCE DECEMBER 31, 2012</u>	<u>ACCRUED IN 2013</u>	<u>COLLECTED</u>	<u>BALANCE DECEMBER 31, 2013</u>
Clerk:					
Licenses:					
Alcohol Beverages	A-2	\$ 108.00	\$ 14,440.00	\$ 14,548.00	\$
Other Licenses	A-2	430.00	6,010.00	6,090.00	350.00
Fees and Permits	A-2	422.00	33,706.12	33,926.27	201.85
Police Department:					
Fees and Permits	A-2	30.17	833.26	859.63	3.80
Planning Board/Board of Adjustment:					
Fees and Permits	A-2		1,450.00	1,450.00	
Zoning:					
Fees and Permits	A-2	270.00	4,550.00	4,465.00	355.00
Health Officer:					
Other Licenses	A-2	202.00	15,406.00	15,406.00	202.00
Fees and Permits	A-2	50.00	2,212.00	2,262.00	
Construction Code Official:					
Fees and Permits	A-2	5,741.00	177,253.00	173,260.00	9,734.00
Fire:					
Fees and Permits	A-2		15,546.40	15,546.40	
Engineering:					
Fees and Permits	A-2		500.00	500.00	
Building/ Fire Inspection Fees:					
Fees and Permits	A-2	735.00	17,910.00	17,565.00	1,080.00
Registrar:					
Other Licenses	A-2	9.00	244.00	244.00	9.00
Fees and Permits	A-2	580.00	7,332.00	7,573.00	339.00
Municipal Court:					
Fines and Costs	A-2	5,664.40	82,372.51	88,036.91	
Interest and Costs on Taxes	A-2		104,199.38	104,199.38	
Interest on Investments and Deposits	A-2		6,463.43	6,463.43	
Consolidated Municipal Property Tax Relief Aid	A-2		446,939.00	446,939.00	
Energy Receipts Tax	A-2		1,162,036.13	1,162,036.13	
Assessment of Taxes - Borough of Raritan	A-2		52,315.60	52,315.60	
Cable TV Franchise Fee	A-2		77,187.00	77,187.00	
Verizon Franchise Fee	A-2		36,599.21	36,599.21	
Supplemental Uniform Construction Code Fees	A-2		25,000.00	25,000.00	
Uniform Fire Safety Act	A-2		16,960.46	16,960.46	
		<u>\$ 14,241.57</u>	<u>\$ 2,307,465.50</u>	<u>\$ 2,309,432.42</u>	<u>\$ 12,274.65</u>
<u>REF.</u>		<u>A</u>		<u>A-4</u>	<u>A</u>

BOROUGH OF MANVILLE

CURRENT FUND

SCHEDULE OF GRANTS AND STATE AID - UNAPPROPRIATED

	BALANCE DECEMBER 31, 2012	RECEIPTS	APPLIED TO RECEIVABLE	BALANCE DECEMBER 31, 2013
DDEF	\$ 4,341.70	\$	\$ 4,341.70	\$
Body Armor Replacement Program	2,251.31	2,897.47	2,251.31	2,897.47
Office of Emergency Management	5,000.00	5,000.00	5,000.00	5,000.00
Recycling Tonnage Grant	12,524.25	11,081.22	12,524.25	11,081.22
	<u>\$ 24,117.26</u>	<u>\$ 18,978.69</u>	<u>\$ 24,117.26</u>	<u>\$ 18,978.69</u>
<u>REF.</u>	A	A-4	A-15	A

BOROUGH OF MANVILLE

CURRENT FUND

SCHEDULE OF GRANTS RECEIVABLE

	BALANCE DECEMBER 31, 2012	2013 BUDGET ANTICIPATED REVENUE	RECEIPTS	UNAPPROPRIATED RESERVE APPLIED	BALANCE DECEMBER 31, 2013
Office of Emergency Management	\$	\$ 5,000.00	\$	\$ 5,000.00	\$
Click It or Ticket Program		4,000.00	4,000.00		
Clean Communities Program		20,461.18	20,461.18		
Drunk Driving Enforcement Fund		4,341.70		4,341.70	
D.O.T. - 13th Avenue	111,588.01				111,588.01
D.O.T. - West Camplain Road		160,000.00			160,000.00
D.O.T. - Whalen Street		175,000.00	131,250.00		43,750.00
Municipal Alliance Alcohol and Drug Abuse	9,696.00	9,330.00	16,277.78		2,748.22
Body Armor Replacement Fund		2,251.31		2,251.31	
Recycling Tonnage Grant		12,524.25		12,524.25	
2013 Youth Services Grant		5,000.00	5,000.00		
Child Passenger Safety Grant		3,000.00	3,000.00		
	<u>\$ 121,284.01</u>	<u>\$ 400,908.44</u>	<u>\$ 179,988.96</u>	<u>\$ 24,117.26</u>	<u>\$ 318,086.23</u>
<u>REF.</u>	A	A-2	A-4	A-14	A

BOROUGH OF MANVILLE

CURRENT FUND

SCHEDULE OF 2012 APPROPRIATION RESERVES

	BALANCE DECEMBER 31, 2012	BALANCE AFTER TRANSFERS	PAID OR CHARGED	BALANCE LAPSED
<u>SALARIES AND WAGES:</u>				
Administrative and Executive	\$ 401.29	\$ 401.29	\$	\$ 401.29
Mayor and Council	1,200.00	700.00		700.00
Financial Administration	542.05	542.05		542.05
Legal Services and Costs	0.08	0.08		0.08
Assessment of Taxes	10,699.13	699.13		699.13
Collection of Taxes	544.26	544.26		544.26
Police	4,963.03	4,963.03		4,963.03
Municipal Prosecutor		7,500.00	7,500.00	
Planning Board	657.10	257.10		257.10
Zoning Commission	244.27	244.27		244.27
Municipal Court	4,186.01	4,186.01		4,186.01
Public Works	54,278.99	4,278.99		4,278.99
Board of Health	426.06	426.06		426.06
Recreation	11,662.77	1,662.77		1,662.77
Construction Office	2,092.72	92.72		92.72
Property Maintenance	257.88	257.88		257.88
Uniform Fire Safety Act	270.65	270.65		270.65
<u>OTHER EXPENSES:</u>				
Administrative and Executive	5,290.44	2,824.06	2,751.25	72.81
Mayor and Council	274.33	759.33	690.00	69.33
Elections	118.55	118.55		118.55
Financial Administration	939.25	24,289.02	1,724.86	22,564.16
Audit		64,000.00	64,000.00	
Payroll Services	1,570.84	7,576.98	7,087.31	489.67
Assessment of Taxes	2,902.93	10,625.28	10,622.35	2.93
Collection of Taxes	2,457.70	1,613.58	1,542.76	70.82
Legal Services and Costs	953.95	12,756.50	12,756.50	
Engineering Services and Costs	4,939.59	6,841.37	6,841.34	0.03
Public Buildings and Grounds	71.69	3,387.90	3,382.21	5.69
Planning Board	1,761.89	1,061.89	1,050.00	11.89
Zoning Commission	53.45	761.57	708.12	53.45
Fire	35.95	5,424.91	5,414.05	10.86
Police	7,003.90	34,369.21	34,369.21	
Emergency Management	1,188.00	2,188.00	2,170.91	17.09
Municipal Court	3,049.57	7,134.56	4,715.13	2,419.43
First Aid Insurance Payment	73.52	73.52		73.52
Public Works Department	1,522.79	138,874.46	131,379.65	7,494.81
Hurricane and Flood Damage	61,335.13	92,927.21	30,534.92	62,392.29
Board of Health	462.54	1,650.30	1,187.76	462.54
Visiting Nurse Contract	100.00	100.00		100.00
Bloodborne Pathogens	100.00	100.00		100.00
Recreation	202.47	5,409.02	2,764.26	2,644.76
Celebration of Events, Anniversary, or Holiday	23.99	2,070.25	2,046.26	23.99
Contributions to Youth Services Commission	100.00	100.00		100.00
Construction Office	972.84	1,022.79	999.95	22.84
Property Maintenance	437.52	437.52	425.00	12.52
Uniform Fire Safety Act	213.62	1,808.41	1,804.79	3.62
Gasoline and Fuel	16,241.48	19,527.90	11,099.31	8,428.59
Electricity	20,844.06	28,361.65	28,154.23	207.42
Natural Gas	16,412.05	19,794.52	16,362.55	3,431.97
Telephone	12,976.11	16,118.15	8,579.93	7,538.22
Street Lighting	15,461.45	30,187.19	30,187.19	
Fire Hydrant Service	12,521.88	16,194.00	13,813.80	2,380.20
Water	1,420.57	1,939.50	1,067.53	871.97

BOROUGH OF MANVILLE

CURRENT FUND

SCHEDULE OF 2012 APPROPRIATION RESERVES

	BALANCE DECEMBER 31, 2012	BALANCE AFTER TRANSFERS	PAID OR CHARGED	BALANCE LAPSED
<u>OTHER EXPENSES (CONTINUED):</u>				
Postage	\$ 1,933.20	\$ 5,187.65	\$ 4,052.45	\$ 1,135.20
Contingent	1,000.00	1,000.00		1,000.00
Social Security System	23,934.24	23,934.24	20,000.00	3,934.24
Maintenance of Free Public Library	14,928.30	18,459.64	3,912.94	14,546.70
State Unemployment Insurance				
Length of Service Awards Program	10,000.00	10,000.00	10,000.00	
Group Insurance Plan for Employees	19,663.54	5,715.45	3,338.07	2,377.38
Other Insurance Premiums	6,963.62	5,463.62	2,776.05	2,687.57
Health Services Contract - County of Somerset				
Borough of SBB, Township of Bridgewater	3,409.76	11,547.60	11,475.68	71.92
Animal Control Contact - Township of Bridgewater and Borough of Raritan	1,103.65	1,103.65		1,103.65
Animal Control Contact - Township of Bridgewater and Borough of Raritan	2,200.00	2,200.00		2,200.00
Matching Funds for Grants	576.00	576.00		576.00
DCRP	557.24	564.24	14.00	550.24
	<u>\$ 372,729.89</u>	<u>\$ 675,207.48</u>	<u>\$ 503,302.32</u>	<u>\$ 171,905.16</u>

REF.

A

A-1

Balance, December 31, 2012
Accounts Payable

A-16
A-24

\$ 372,729.89
302,477.59
\$ 675,207.48

Disbursements
Accounts Payable

A-4
A-24

\$ 480,046.93
23,255.39
\$ 503,302.32

"A-17"

BOROUGH OF MANVILLE
CURRENT FUND
SCHEDULE OF COUNTY TAXES PAYABLE

REF.

Increased by:			
2013 Tax Levy		\$ 3,714,267.64	
Added Taxes		<u>2,160.56</u>	
	A-1:A-2:A-8		\$ 3,716,428.20
Decreased by:			
Payments	A-4		\$ <u>3,716,428.20</u>

"A-18"

SCHEDULE OF LOCAL DISTRICT SCHOOL TAX PAYABLE

Increased by:			
Levy Year 2013 - (Calendar Year)	A-1:A-2:A-8		\$ 13,578,126.00
Decreased by:			
Disbursements	A-4		\$ <u>13,578,126.00</u>

BOROUGH OF MANVILLE

CURRENT FUND

SCHEDULE OF GRANTS-APPROPRIATED

	BALANCE DECEMBER 31, 2012	TRANSFERRED FROM 2013 BUDGET APPROPRIATIONS	DISBURSEMENTS	ACCOUNTS PAYABLE	BALANCE DECEMBER 31, 2013
Office of Emergency Management	\$ 1,948.49	\$	\$ 1,948.49	\$	\$
Office of Emergency Management	1,730.73		1,730.73		
Office of Emergency Management - 2011	2,115.35		1,320.84	(91.58)	886.09
Office of Emergency Management - 2013		5,000.00			5,000.00
Click It or Ticket Program		4,000.00	4,000.00		
N.J. DOT - West Camplain Road		160,000.00			160,000.00
N.J. DOT - Whalen Street		175,000.00			175,000.00
Alcohol Education Rehabilitation - 2008	378.45				378.45
Alcohol Education Rehabilitation - 2010	928.19				928.19
Drunk Driving Enforcement Fund - 2009	5,339.37		1,894.10	(200.00)	3,645.27
Drunk Driving Enforcement Fund - 2010	5,952.08				5,952.08
Drunk Driving Enforcement Fund - 2011	483.46				483.46
Drunk Driving Enforcement Fund - 2012	1,953.27				1,953.27
Drunk Driving Enforcement Fund - 2013		4,341.70	234.74		4,106.96
Clean Communities Program - 2012	6,117.68		8,927.18	(2,809.50)	
Clean Communities Program - 2013		20,461.18	14,922.99	1,089.57	4,448.62
Body Armor Replacement Fund - 2007	1,067.92		1,067.92		
Body Armor Replacement Fund - 2008	2,349.72		379.68		1,970.04
Body Armor Replacement Fund - 2009	2,141.87				2,141.87
Body Armor Replacement Fund - 2011	3,271.82				3,271.82
Body Armor Replacement Fund - 2012	2,374.56				2,374.56
Body Armor Replacement Fund - 2013		2,251.31	713.35		1,537.96
Somerset County Youth Services Grant - 2011	169.37			169.37	
Somerset County Youth Services Grant - 2012	7,380.48		7,371.12		9.36
Somerset County Youth Services Grant - 2013		5,000.00		485.94	4,514.06
Child Passenger Safety Grant - 2013		3,000.00	3,000.00		
Wal-Mart - Summer Nights Grant	1,000.00		641.91		358.09
Recycling Tonnage Grant - 2010	249.60		249.60		
Recycling Tonnage Grant - 2011	1.87		76.87	(75.00)	
Recycling Tonnage Grant - 2013		12,524.25	12,524.25		
Municipal Alliance Alcohol and Drug Abuse - 2012	295.75		1,169.08	(1,270.60)	397.27
Municipal Alliance Alcohol and Drug Abuse - 2013		11,663.00	11,659.29		3.71
N.J. SPARKS	2,933.72				2,933.72
	<u>\$ 50,183.75</u>	<u>\$ 403,241.44</u>	<u>\$ 73,832.14</u>	<u>\$ (2,701.80)</u>	<u>\$ 382,294.85</u>

REF.

	A	A-3		A
Disbursements	A-4		\$ 74,002.14	
Less: Refunds	A-4		<u>170.00</u>	
			<u>\$ 73,832.14</u>	
Accounts Payable	A-24		\$ 1,744.88	
Prior Year Accounts Payable	A-24		<u>(4,446.68)</u>	
			<u>\$ (2,701.80)</u>	

BOROUGH OF MANVILLE

CURRENT FUND

SCHEDULE OF RESERVE FOR INSURANCE DAMAGE

	<u>REF.</u>		
Balance, December 31, 2012	A		\$ 262,635.58
Decreased by:			
Disbursements	A-4	\$ 500.00	
Applied to Revenue	A-2	<u>76,000.00</u>	
			<u>76,500.00</u>
Balance, December 31, 2013	A		\$ <u>186,135.58</u>

SCHEDULE OF RESERVE FOR POLICE OUTSIDE OVERTIME

Increased by:			
Receipts	A-4		\$ 260,356.85
Decreased by:			
Disbursements	A-4		\$ <u>260,356.85</u>

"A-22"

BOROUGH OF MANVILLE

CURRENT FUND

SCHEDULE OF PREPAID TAXES

	<u>REF.</u>		
Balance, December 31, 2012	A	\$	308,417.37
Increased by:			
Collection - 2014 Taxes	A-4		<u>311,199.05</u>
		\$	<u>619,616.42</u>
Decreased by:			
Applied to 2013 Taxes Receivable	A-8		<u>308,417.37</u>
Balance, December 31, 2013	A	\$	<u><u>311,199.05</u></u>

"A-23"

SCHEDULE OF TAX OVERPAYMENTS

Balance, December 31, 2012	A	\$	5,581.63
Increased by:			
Overpayments in 2013	A-4		<u>10,999.24</u>
		\$	<u>16,580.87</u>
Decreased by:			
Refunds	A-4	\$	16,513.67
Applied to Taxes Receivable	A-8		<u>67.12</u>
			<u>16,580.79</u>
Balance, December 31, 2013	A	\$	<u><u>0.08</u></u>

BOROUGH OF MANVILLE

CURRENT FUND

SCHEDULE OF ACCOUNTS PAYABLE

	<u>REF.</u>		
Balance, December 31, 2012	A		\$ 340,369.81
Increased by:			
2013 Appropriations	A-3	\$ 211,277.49	
2012 Appropriation Reserves	A-16	23,255.39	
Grants Appropriated	A-19	<u>1,744.88</u>	
			<u>236,277.76</u>
			\$ <u>576,647.57</u>
Decreased by:			
Disbursements	A-4	\$ 1,825.00	
Canceled	A-1	31,620.54	
Transferred to Appropriation Reserves	A-16	302,477.59	
Transferred to Grants Appropriated	A-19	<u>4,446.68</u>	
			<u>340,369.81</u>
Balance, December 31, 2013	A		\$ <u><u>236,277.76</u></u>

"A-25"

BOROUGH OF MANVILLE

CURRENT FUND

SCHEDULE OF RESERVE FOR LIBRARY IMPROVEMENTS

	<u>REF.</u>	
Balance, December 31, 2012 and December 31, 2013	A	\$ <u>85,579.76</u>

"A-26"

SCHEDULE OF RESERVE FOR EMERGENCY NOTE PAYABLE

Balance, December 31, 2012	A	\$ 400,000.00
Increased by: Receipts	A-4	<u>300,000.00</u>
		\$ <u>700,000.00</u>
Decreased by: Disbursements	A-4	<u>400,000.00</u>
Balance, December 31, 2013	A	\$ <u>300,000.00</u>

"A-27"

BOROUGH OF MANVILLE

CURRENT FUND

SCHEDULE OF RESERVE FOR FEMA

	<u>REF.</u>		
Increased by:			
Receipts	A-4	\$	<u>60,000.00</u>
Balance, December 31, 2013	A	\$	<u><u>60,000.00</u></u>

"A-28"

SCHEDULE OF DEFERRED CHARGES

Balance, December 31, 2012	A	\$	500,000.00
Increased by:			
Relocation Assistance		\$	100,000.00
Down Payment on Improvement			10,100.00
Payment of Note Principal			<u>54,000.00</u>
	A-3		<u>164,100.00</u>
		\$	<u>664,100.00</u>
Decreased by:			
2013 Appropriation	A-3	\$	140,000.00
Canceled Emergency	A-3		<u>95,900.00</u>
			<u>235,900.00</u>
Balance, December 31, 2013	A	\$	<u><u>428,200.00</u></u>

BOROUGH OF MANVILLETRUST FUNDSCHEDULE OF CASH-TREASURER

	<u>REF.</u>	<u>ANIMAL CONTROL</u>	<u>OTHER</u>
Balance, December 31, 2012	B	\$ <u>9,461.92</u>	\$ <u>620,640.93</u>
Increased by Receipts:			
Due Current Fund	B-3	\$	\$ 574.33
Reserve for Recreation Deposits	B-14		66,289.31
Community Development Block Grants Receivable	B-7		76,005.25
Animal Control License Fees	B-8	5,397.80	
Reserve for Premiums on Taxes	B-9		412,100.00
Reserve for Redemption of Outside Liens	B-10		478,935.08
Unemployment Compensation	B-16		25,078.43
Federal Housing Urban Development-Section 8	B-2		739,356.84
Reserve for Developer's Escrow Deposits	B-13		22.80
Reserve for Law Enforcement Trust Fund	B-12		27.96
Reserve for Federal Asset Forfeitures	B-11		22.40
Reserve for Payroll Deductions	B-17		6,109,611.49
Miscellaneous Trust Deposits	B-4		68,985.64
		\$ <u>5,397.80</u>	\$ <u>7,977,009.53</u>
		\$ <u>14,859.72</u>	\$ <u>8,597,650.46</u>
Decreased by Disbursements:			
Due Current Fund	B-5:B-3	\$ 2,266.92	\$ 4,406.73
Expenditures Under (R.S.4:19-15.11)	B-8	1,643.00	
Reserve for Community Development Block Grants	B-15		96,284.69
Miscellaneous Trust Deposits	B-4		18,611.53
State of New Jersey - Unemployment Compensation	B-16		50,166.74
Reserve for Federal Asset Forfeitures	B-11		7,840.20
Reserve for Premiums on Taxes	B-9		163,700.00
Reserve for Redemption of Outside Liens	B-10		523,522.67
Reserve for Developer's Escrow Deposits	B-13		10.85
Reserve for Recreation Deposits	B-14		56,909.49
Reserve for Payroll Deductions	B-17		6,088,521.54
Federal Housing Urban Development-Section 8	B-2		711,639.43
		\$ <u>3,909.92</u>	\$ <u>7,721,613.87</u>
Balance, December 31, 2013	B	\$ <u>10,949.80</u>	\$ <u>876,036.59</u>

BOROUGH OF MANVILLE

TRUST FUND

SCHEDULE OF RESERVE
FOR FEDERAL HOUSING AND URBAN DEVELOPMENT PROGRAM

	<u>REF.</u>	
Balance, December 31, 2012	B	\$ 23,797.93
Increased by:		
Receipts	B-1	739,356.84
		<u>\$ 763,154.77</u>
Decreased by:		
Disbursements	B-1	<u>711,639.43</u>
Balance, December 31, 2013	B	<u><u>\$ 51,515.34</u></u>

BOROUGH OF MANVILLE

TRUST FUND

SCHEDULE OF DUE CURRENT FUND-OTHER TRUST FUND

	<u>REF.</u>	
Balance, December 31, 2012 (Due From)	B	\$ 5,997.37
Increased by:		
Disbursements	B-1	<u>4,406.73</u>
		\$ <u>10,404.10</u>
Decreased by:		
Receipts	B-1	<u>574.33</u>
Balance, December 31, 2013 (Due From)	B	\$ <u><u>9,829.77</u></u>

BOROUGH OF MANVILLE

TRUST FUND

SCHEDULE OF RESERVE FOR MISCELLANEOUS TRUST DEPOSITS

	BALANCE DECEMBER 31, 2012	RECEIPTS	DISBURSEMENTS	ACCOUNTS PAYABLE	BALANCE DECEMBER 31, 2013
Parking Offense Adjudication Act	\$ 996.36	\$ 180.00	\$	\$	\$ 1,176.36
Developers/Engineering Escrow	43,714.38	1,000.00	2,055.50		42,658.88
Donation	550.00				550.00
Public Defender	15,002.00	1,808.00	5,650.00	100.00	11,060.00
Fire Penalties - Fire Department	7,804.87	6,625.00	982.42		13,447.45
Fire Penalties - Fire Marshall	3,394.29	44,350.00	7,623.61	(2,268.00)	42,388.68
Found Money		2,300.00	2,300.00		
Housing Assistance	104,068.57	12,722.64			116,791.21
	<u>\$ 175,530.47</u>	<u>\$ 68,985.64</u>	<u>\$ 18,611.53</u>	<u>\$ (2,168.00)</u>	<u>\$ 228,072.58</u>
<u>REF.</u>	B	B-1	B-1		B
Current Year Accounts Payable	B-6			\$ 5,000.00	
Prior Year Accounts Payable	B-6			<u>(7,168.00)</u>	
				<u>\$ (2,168.00)</u>	

"B-5"

BOROUGH OF MANVILLE

TRUST FUND

SCHEDULE OF DUE CURRENT FUND
ANIMAL CONTROL FUND

	<u>REF.</u>		
Balance, December 31, 2012 (Due To)	B	\$	2,266.92
Increased by:			
Excess Reserve for Animal Control Expenditures	B-8		2,814.00
		\$	<u>5,080.92</u>
Decreased by:			
Disbursements	B-1		<u>2,266.92</u>
Balance, December 31, 2013 (Due To)	B	\$	<u><u>2,814.00</u></u>

"B-6"

SCHEDULE OF RESERVE FOR ACCOUNTS PAYABLE

Balance, December 31, 2012	B	\$	86,285.07
Increased by:			
Miscellaneous Trust Deposits	B-4	\$	5,000.00
Community Development Block Grant	B-15		<u>5,932.10</u>
			<u>10,932.10</u>
		\$	<u>97,217.17</u>
Decreased by:			
Miscellaneous Trust Deposits	B-4	\$	7,168.00
Community Development Block Grant	B-15		<u>79,117.07</u>
			<u>86,285.07</u>
Balance, December 31, 2013	B	\$	<u><u>10,932.10</u></u>

BOROUGH OF MANVILLE

TRUST FUND

SCHEDULE OF COMMUNITY DEVELOPMENT BLOCK GRANTS RECEIVABLE

<u>PURPOSE</u>	BALANCE DECEMBER 31, 2012	2013 GRANTS	RECEIPTS	BALANCE DECEMBER 31, 2013
Sidewalk Improvements - 2010	\$ 26,857.75	\$	\$ 26,857.75	\$
Sidewalk Improvements - 2011	40,000.00		40,000.00	
Sidewalk Improvements - 2012	50,000.00		9,147.50	40,852.50
Sidewalk Improvements - 2013		50,000.00		50,000.00
	<u>\$ 116,857.75</u>	<u>\$ 50,000.00</u>	<u>\$ 76,005.25</u>	<u>\$ 90,852.50</u>
<u>REF.</u>	B	B-15	B-1	B

BOROUGH OF MANVILLE

TRUST FUND

SCHEDULE OF RESERVE FOR ANIMAL CONTROL FUND EXPENDITURES

	<u>REF.</u>		
Balance, December 31, 2012	B		\$ 7,195.00
Increased by:			
Dog License Fees Collected		\$ 4,993.80	
Late Fees - Dog and Cat		25.00	
Cat License Fees Collected		<u>379.00</u>	
	B-1		<u>5,397.80</u>
			\$ <u>12,592.80</u>
Decreased by:			
Excess Reserve for Expenditures Due Current Fund	B-5	\$ 2,814.00	
Expenditures Under R.S.4:19-15.11 - Cash	B-1	<u>1,643.00</u>	
			<u>4,457.00</u>
Balance, December 31, 2013	B		\$ <u><u>8,135.80</u></u>

LICENSE FEES COLLECTED

<u>YEAR</u>	<u>AMOUNT</u>
2012	\$ 4,056.40
2011	<u>4,079.40</u>
	\$ <u><u>8,135.80</u></u>

"B-9"

BOROUGH OF MANVILLE

TRUST FUND

SCHEDULE OF RESERVE FOR TAX SALE PREMIUMS

	<u>REF.</u>	
Balance, December 31, 2012	B	\$ 178,300.00
Increased by:		
Receipts	B-1	<u>412,100.00</u>
		\$ 590,400.00
Decreased by:		
Disbursements	B-1	<u>163,700.00</u>
Balance, December 31, 2013	B	<u><u>\$ 426,700.00</u></u>

"B-10"

SCHEDULE OF RESERVE FOR REDEMPTION OF OUTSIDE LIENS

Balance, December 31, 2012	B	\$ 60,246.38
Increased by:		
Receipts	B-1	<u>478,935.08</u>
		\$ 539,181.46
Decreased by:		
Disbursements	B-1	<u>523,522.67</u>
Balance, December 31, 2013	B	<u><u>\$ 15,658.79</u></u>

"B-11"

BOROUGH OF MANVILLE

TRUST FUND

SCHEDULE OF RESERVE FOR FEDERAL ASSET FORFEITURES

	<u>REF.</u>	
Balance, December 31, 2012	B	\$ 15,310.27
Increased by:		
Receipts	B-1	<u>22.40</u>
		\$ 15,332.67
Decreased by:		
Disbursements	B-1	<u>7,840.20</u>
Balance, December 31, 2013	B	<u><u>\$ 7,492.47</u></u>

"B-12"

SCHEDULE OF RESERVE FOR LAW ENFORCEMENT TRUST FUND

Balance, December 31, 2012	B	\$ 18,603.54
Increased by:		
Receipts	B-1	<u>27.96</u>
Balance, December 31, 2013	B	<u><u>\$ 18,631.50</u></u>

"B-13"

BOROUGH OF MANVILLE

TRUST FUND

SCHEDULE OF RESERVE FOR DEVELOPER'S ESCROW DEPOSITS

	<u>REF.</u>	
Balance, December 31, 2012	B	\$ 25,339.08
Increased by:		
Receipts	B-1	22.80
		<u>\$ 25,361.88</u>
Decreased by:		
Disbursements	B-1	10.85
		<u>10.85</u>
Balance, December 31, 2013	B	<u>\$ 25,351.03</u>

Detail of Balance on File in Treasurer's Office

"B-14"

SCHEDULE OF RESERVE FOR RECREATION DEPOSITS

Balance, December 31, 2012	B	\$ 37,331.22
Increased by:		
Receipts	B-1	66,289.31
		<u>\$ 103,620.53</u>
Decreased by:		
Disbursements	B-1	56,909.49
		<u>56,909.49</u>
Balance, December 31, 2013	B	<u>\$ 46,711.04</u>

BOROUGH OF MANVILLE

TRUST FUND

SCHEDULE OF RESERVE FOR COMMUNITY DEVELOPMENT BLOCK GRANTS

<u>PURPOSE</u>	<u>BALANCE DECEMBER 31, 2012</u>	<u>2013 GRANTS</u>	<u>PRIOR YEAR ACCOUNTS PAYABLE</u>	<u>DISBURSEMENTS</u>	<u>ACCOUNTS PAYABLE</u>	<u>BALANCE DECEMBER 31, 2013</u>
Park Improvements - 2009	\$ 2,099.72	\$	\$	\$ 2,099.72	\$	\$
Sidewalk Improvements - 2010			10,117.07	9,147.50	969.57	
Sidewalk Improvements - 2011	21,000.00		19,000.00	35,037.47	4,962.53	
Sidewalk Improvements - 2012			50,000.00	50,000.00		
Sidewalk Improvements - 2013		50,000.00				50,000.00
	<u>\$ 23,099.72</u>	<u>\$ 50,000.00</u>	<u>\$ 79,117.07</u>	<u>\$ 96,284.69</u>	<u>\$ 5,932.10</u>	<u>\$ 50,000.00</u>
<u>REF.</u>	B	B-7	B-6	B-1	B-6	B

BOROUGH OF MANVILLE

TRUST FUND

SCHEDULE OF RESERVE FOR UNEMPLOYMENT COMPENSATION

	<u>REF.</u>	
Balance, December 31, 2012	B	\$ 50,659.71
Increased by:		
Receipts	B-1	<u>25,078.43</u>
		\$ <u>75,738.14</u>
Decreased by:		
Disbursements	B-1	<u>50,166.74</u>
Balance, December 31, 2013	B	\$ <u><u>25,571.40</u></u>

BOROUGH OF MANVILLE

TRUST FUND

SCHEDULE OF RESERVE - PAYROLL DEDUCTIONS

	<u>REF.</u>	
Balance, December 31, 2012	B	\$ 48,992.66
Increased by:		
Receipts	B-1	6,109,611.49
		<u>\$ 6,158,604.15</u>
Decreased by:		
Disbursements	B-1	6,088,521.54
		<u>6,088,521.54</u>
Balance, December 31, 2013	B	<u><u>\$ 70,082.61</u></u>

BOROUGH OF MANVILLE

GENERAL CAPITAL FUND

SCHEDULE OF CASH-TREASURER

	<u>REF.</u>		
Balance, December 31, 2012	C	\$	1,449,815.86
Increased by Receipts:			
2013 Budget Appropriation:			
Capital Improvement Fund	C-8	\$	10,200.00
Due Current Fund	C-9		150,000.00
Grants Receivable	C-17		496,047.57
Reserve for:			
RCA Readington	C-15		54.07
RCA Hillsborough	C-16		78.23
Bond Anticipation Notes Payable	C-13		4,486,400.00
Improvement Authorizations - Refunds	C-7		3,480.72
			<u>5,146,260.59</u>
		\$	<u>6,596,076.45</u>
Decreased by Disbursements:			
Contracts Payable	C-6	\$	2,173,766.37
Bond Anticipation Notes Payable	C-13		3,250,000.00
Due Current Fund	C-9		326,742.62
			<u>5,750,508.99</u>
Balance, December 31, 2013	C:C-3	\$	<u><u>845,567.46</u></u>

"C-3"

BOROUGH OF MANVILLE

GENERAL CAPITAL FUND

ANALYSIS OF GENERAL CAPITAL CASH

BALANCE
DECEMBER
31, 2013

Fund Balance	\$	29,449.19
Capital Improvement Fund		173.78
Improvement Authorizations Funded as Set Forth on "C-7"		578,846.17
Improvement Authorizations-Expended as Set Forth on "C-4"		(495,966.68)
Unexpended Proceeds of Bond Anticipation Notes as Set Forth on "C-4"		1,168,080.11
Due Current Fund		(226,742.62)
Grants Receivable		(673,974.43)
Reserves		124,031.72
Contracts Payable		<u>341,670.22</u>
	\$	<u><u>845,567.46</u></u>

REF.

C-2

BOROUGH OF MANVILLE

GENERAL CAPITAL FUND

SCHEDULE OF DEFERRED CHARGES TO FUTURE TAXATION-UNFUNDED

ORDINANCE NUMBER	IMPROVEMENT DESCRIPTION	BALANCE DECEMBER 31, 2012	2013 AUTHORIZATIONS	PAID BY BUDGET	BALANCE DECEMBER 31, 2013	ANALYSIS OF BALANCE		
						BOND ANTICIPATION NOTES	EXPENDITURES	UNEXPENDED IMPROVEMENT AUTHORIZATIONS
830	General Improvement: 1996 Road and Drainage Improvements Program	\$ 141,000.00	\$	\$	\$ 141,000.00	\$	\$ 141,000.00	\$
896	1998 Road Improvements	164,537.82			164,537.82		164,537.82	
943	Improvement to North Street and Gladys Avenue	160,261.00			160,261.00		160,261.00	
1052	Various Public Improvements	1,936,400.00		56,000.00	1,880,400.00	1,844,000.00		36,400.00
1090	Various Public Improvements	823,600.00		48,000.00	775,600.00	752,000.00		23,600.00
1107	Various Public Improvements	704,000.00			704,000.00	654,000.00	30,167.86	19,832.14
1134	Various Public Improvements		1,236,400.00		1,236,400.00	1,236,400.00		
		<u>\$ 3,929,798.82</u>	<u>\$ 1,236,400.00</u>	<u>\$ 104,000.00</u>	<u>\$ 5,062,198.82</u>	<u>\$ 4,486,400.00</u>	<u>\$ 495,966.68</u>	<u>\$ 79,832.14</u>
REF.		C	C-7	C-13	C	C-13	C-3	
	Improvement Authorization Unfunded							\$ 1,247,912.25
	Less: Unexpended Proceeds of Bond Anticipation Notes							<u>1,168,080.11</u>
								<u>\$ 79,832.14</u>

BOROUGH OF MANVILLE

GENERAL CAPITAL FUND

SCHEDULE OF DEFERRED CHARGES TO FUTURE TAXATION-FUNDED

	<u>REF.</u>		
Balance, December 31, 2012	C		\$ 4,475,755.60
Decreased by:			
Current Fund Budget Appropriation:			
Payment of Serial Bonds	C-10	\$ 710,000.00	
Payment of Fund Local Unit Bonds	C-11	32,755.60	
Payment of Trust Local Unit Bonds	C-12	50,000.00	
		<u>792,755.60</u>	<u>792,755.60</u>
Balance, December 31, 2013	C		\$ <u>3,683,000.00</u>

BOROUGH OF MANVILLE

GENERAL CAPITAL FUND

SCHEDULE OF CONTRACTS PAYABLE

	<u>REF.</u>		
Balance, December 31, 2012	C		\$ 612,300.61
Increased by:			
Improvement Authorizations-Expended	C-7		1,905,975.51
			<u>\$ 2,518,276.12</u>
Decreased by:			
Disbursements	C-2	\$ 2,173,766.37	
Improvement Authorizations-Canceled	C-7	<u>2,839.53</u>	
			<u>2,176,605.90</u>
Balance, December 31, 2013	C		<u><u>\$ 341,670.22</u></u>

BOROUGH OF MANVILLE
GENERAL CAPITAL FUND
SCHEDULE OF IMPROVEMENT AUTHORIZATIONS

ORDINANCE NUMBER	IMPROVEMENT DESCRIPTION	ORDINANCE DATE	ORDINANCE AMOUNT	BALANCE DECEMBER 31, 2012		2013 AUTHORIZATIONS	CONTRACTS PAYABLE	CONTRACTS PAYABLE CANCELED	BALANCE DECEMBER 31, 2013	
				FUNDED	UNFUNDED				FUNDED	UNFUNDED
General Improvements										
995	Rehabilitation of Housing Units	09/27/04	\$ 350,000.00	\$ 15,994.89	\$	\$	\$	\$	\$ 15,994.89	\$
1024	Rehabilitation of Housing Units	02/27/06	350,000.00	102,634.36					102,634.36	
1052	Various Public Improvements	04/23/07	2,453,500.00		208,210.90		69,836.50			138,374.40
1090	Various Public Improvements	11/09/09	1,075,000.00		125,324.57		100,699.36			24,625.21
1107	Various Public Improvements	11/14/11	740,000.00		16,992.61			2,839.53		19,832.14
1111	Acquisition and Dem. of Flood Properties	04/09/12	3,792,298.00	1,866,660.67			1,406,928.75		459,731.92	
1120	Nor'easter/Hurricane Irene	08/27/12	169,602.25	91,795.68			91,310.68		485.00	
1134	Various Public Improvements	10/24/13	1,298,800.00			1,298,800.00	233,719.50			1,065,080.50
				<u>\$ 2,077,085.60</u>	<u>\$ 350,528.08</u>	<u>\$ 1,298,800.00</u>	<u>\$ 1,902,494.79</u>	<u>\$ 2,839.53</u>	<u>\$ 578,846.17</u>	<u>\$ 1,247,912.25</u>
				REF.	C	C		C-6	C:C-3	C:C-4
	Deferred Charges to Future Taxation: Unfunded Capital Improvement Fund			C-4			\$ 1,236,400.00			
				C-8			<u>62,400.00</u>			
							<u>\$ 1,298,800.00</u>			
	Contracts Payable			C-6			\$ 1,905,975.51			
	Less: Refunds			C-2			<u>3,480.72</u>			
							<u>\$ 1,902,494.79</u>			

BOROUGH OF MANVILLE

GENERAL CAPITAL FUND

SCHEDULE OF CAPITAL IMPROVEMENT FUND

	<u>REF.</u>	
Balance, December 31, 2012	C	\$ 52,373.78
Increased by:		
Current Budget Appropriation	C-2	10,200.00
		<u>\$ 62,573.78</u>
Decreased by:		
Appropriated to Finance Improvements	C-7	<u>62,400.00</u>
Balance, December 31, 2013	C	<u><u>\$ 173.78</u></u>

"C-9"

BOROUGH OF MANVILLE
GENERAL CAPITAL FUND
SCHEDULE OF DUE CURRENT FUND

	<u>REF.</u>	
Balance, December 31, 2012 (Due From)	C	\$ 50,000.00
Increased by:		
Disbursements	C-2	<u>326,742.62</u>
		\$ <u>376,742.62</u>
Decreased by:		
Receipts	C-2	<u>150,000.00</u>
Balance, December 31, 2013 (Due From)	C	\$ <u><u>226,742.62</u></u>

BOROUGH OF MANVILLE
GENERAL CAPITAL FUND
SCHEDULE OF GENERAL SERIAL BONDS

<u>PURPOSE</u>	<u>DATE OF ISSUE</u>	<u>ORIGINAL ISSUE</u>	<u>MATURITIES OF BONDS OUTSTANDING</u>		<u>INTEREST RATE</u>	<u>BALANCE DECEMBER 31, 2012</u>	<u>DECREASED</u>	<u>BALANCE DECEMBER 31, 2013</u>
			<u>DATE</u>	<u>AMOUNT</u>				
Pension Refunding Bonds, Series 2004	05/05/04	\$ 915,000.00	04/01/14	\$ 90,000.00	5.500%	\$ 520,000.00	\$ 85,000.00	\$ 435,000.00
			04/01/15	105,000.00	5.750%			
			04/01/16	115,000.00	5.750%			
			04/01/17	125,000.00	5.750%			
General Improvement Bonds	06/15/06	5,173,000.00	06/15/14	650,000.00	4.000%	<u>3,873,000.00</u>	<u>625,000.00</u>	<u>3,248,000.00</u>
			06/15/15-17	650,000.00	4.125%			
			04/01/18	648,000.00	4.125%			
						<u>\$ 4,393,000.00</u>	<u>\$ 710,000.00</u>	<u>\$ 3,683,000.00</u>
					<u>REF.</u>	C	C-5	C

BOROUGH OF MANVILLE

GENERAL CAPITAL FUND

SCHEDULE OF FUND LOCAL UNIT BONDS

<u>PURPOSE</u>	<u>DATE OF ISSUE</u>	<u>ORIGINAL ISSUE</u>	<u>MATURITIES OF BONDS OUTSTANDING DECEMBER 31, 2013</u>		<u>BALANCE DECEMBER 31, 2012</u>	<u>DECREASED</u>
			<u>DATE</u>	<u>AMOUNT</u>		
Wastewater Treatment	10/15/93	\$ 645,692.00	02/01/13	\$ 32,755.60	\$ <u>32,755.60</u>	\$ <u>32,755.60</u>
					\$ <u><u>32,755.60</u></u>	\$ <u><u>32,755.60</u></u>
				<u>REF.</u>	C	C-5

BOROUGH OF MANVILLE

GENERAL CAPITAL FUND

SCHEDULE OF TRUST LOCAL UNIT BONDS

<u>PURPOSE</u>	<u>DATE OF ISSUE</u>	<u>ORIGINAL ISSUE</u>	<u>MATURITIES OF BONDS OUTSTANDING</u>		<u>INTEREST RATE</u>	<u>BALANCE DECEMBER 31, 2012</u>	<u>DECREASED</u>
			<u>DATE</u>	<u>AMOUNT</u>			
Wastewater Treatment	10/15/92	\$ 655,000.00	02/01/13	\$ 50,000.00	4.80%	\$ <u>50,000.00</u>	\$ <u>50,000.00</u>
						\$ <u>50,000.00</u>	\$ <u>50,000.00</u>
					<u>REF.</u>	C	C-5

BOROUGH OF MANVILLE

GENERAL CAPITAL FUND

SCHEDULE OF BOND ANTICIPATION NOTES PAYABLE

<u>ORDINANCE</u>	<u>ORIGINAL DATE OF ISSUE</u>	<u>DATE OF ISSUE</u>	<u>DATE OF MATURITY</u>	<u>INTEREST RATE</u>	<u>BALANCE DECEMBER 31, 2012</u>	<u>INCREASED</u>	<u>DECREASED</u>	<u>BALANCE DECEMBER 31, 2013</u>
Various Public Improvements	07/02/07	06/28/13	06/27/14	0.81%	\$ 1,900,000.00	\$ 1,844,000.00	\$ 1,900,000.00	\$ 1,844,000.00
Various Public Improvements	07/01/10	06/28/13	06/27/14	0.81%	800,000.00	752,000.00	800,000.00	752,000.00
Various Public Improvements	06/29/12	06/28/13	06/27/14	0.81%	654,000.00	654,000.00	654,000.00	654,000.00
Various Public Improvements	10/24/13	10/24/13	06/27/14	0.79%		1,236,400.00		1,236,400.00
					<u>\$ 3,354,000.00</u>	<u>\$ 4,486,400.00</u>	<u>\$ 3,354,000.00</u>	<u>\$ 4,486,400.00</u>
				<u>REF.</u>	C	C-2 C-4		C
			Disbursements	C-2			\$ 3,250,000.00	
			Paid by Budget	C-4			<u>104,000.00</u>	
							<u>\$ 3,354,000.00</u>	

"C-14"

BOROUGH OF MANVILLE

GENERAL CAPITAL FUND

SCHEDULE OF RESERVE FOR INSURANCE DAMAGE

REF.

Balance, December 31, 2012 and December 31, 2013	C	\$ <u>35,927.00</u>
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"C-15"

SCHEDULE OF RESERVE FOR RCA READINGTON

Balance, December 31, 2012	C	\$ 35,951.81
Increased by: Receipts	C-2	<u>54.07</u>
Balance, December 31, 2013	C	\$ <u>36,005.88</u>

"C-16"

SCHEDULE OF RESERVE FOR RCA HILLSBOROUGH

Balance, December 31, 2012	C	\$ 52,020.61
Increased by: Receipts	C-2	<u>78.23</u>
Balance, December 31, 2013	C	\$ <u>52,098.84</u>

BOROUGH OF MANVILLE

GENERAL CAPITAL FUND

SCHEDULE OF GRANTS RECEIVABLE

	<u>REF.</u>	
Balance, December 31, 2012	C	\$ 1,170,022.00
Decreased by:		
Receipts	C-2	<u>496,047.57</u>
Balance, December 31, 2013	C	\$ <u><u>673,974.43</u></u>

BOROUGH OF MANVILLE

GENERAL CAPITAL FUND

SCHEDULE OF BONDS AND NOTES
AUTHORIZED BUT NOT ISSUED

<u>ORDINANCE</u> <u>NUMBER</u>	<u>IMPROVEMENT DESCRIPTION</u>	<u>BALANCE</u> <u>DECEMBER</u> <u>31, 2013</u>
	<u>General Improvements</u>	
830	1996 Road and Drainage Improvement Program	\$ 141,000.00
896	1997 Road Improvements	164,537.82
943	Improvements of North Street and Gladys Avenue	160,261.00
1052	Various Public Improvements	36,400.00
1090	Various Public Improvements	23,600.00
1107	Various Public Improvements	<u>50,000.00</u>
		<u>\$ 575,798.82</u>

BOROUGH OF MANVILLE

SEWER UTILITY FUND

SCHEDULE OF CASH-TREASURER

	<u>REF.</u>	<u>OPERATING</u>	<u>CAPITAL</u>
Balance, December 31, 2012	D	\$ 240,949.04	\$ 100,846.27
Increased by Receipts:			
Consumer Accounts Receivable	D-8	\$ 1,913,212.26	
Miscellaneous Revenue Not Anticipated	D-3	17,204.68	
Overpayments	D-7	676.86	
		<u>1,931,093.80</u>	
		\$ 2,172,042.84	\$ 100,846.27
Decreased by Disbursements:			
Appropriations	D-4	\$ 1,474,629.98	
Appropriation Reserves	D-11	27,250.87	
Overpayments	D-7	676.88	
		<u>1,502,557.73</u>	
Balance, December 31, 2013	D	<u>\$ 669,485.11</u>	<u>\$ 100,846.27</u>

"D-6"

BOROUGH OF MANVILLE

SEWER UTILITY FUND

SCHEDULE OF CHANGE FUND

REF.

Balance, December 31, 2012 and December 31, 2013	D	\$ <u><u>200.00</u></u>
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"D-7"

SCHEDULE OF OVERPAYMENTS

Balance, December 31, 2012	D	\$ 6,060.20
Increased by:		
Receipts	D-5	<u>676.86</u>
		\$ <u>6,737.06</u>
Decreased by:		
Disbursements	D-5	<u>676.88</u>
Balance, December 31, 2013	D	\$ <u><u>6,060.18</u></u>

"D-8"

BOROUGH OF MANVILLE

SEWER UTILITY FUND

SCHEDULE OF CONSUMERS ACCOUNTS RECEIVABLE

	<u>REF.</u>		
Balance, December 31, 2012	D		\$ 211,384.70
Increased by:			
Levied in 2013			<u>1,906,107.96</u>
			\$ <u>2,117,492.66</u>
Decreased by:			
Collections	D-3:D-5	\$ 1,913,212.26	
Canceled		<u>1,443.29</u>	
			<u>1,914,655.55</u>
Balance, December 31, 2013	D		\$ <u><u>202,837.11</u></u>

"D-9"

SCHEDULE OF SEWER UTILITY LIENS

Balance, December 31, 2012 and December 31, 2013	D		\$ <u><u>963.44</u></u>
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"D-10"

BOROUGH OF MANVILLE

SEWER UTILITY FUND

ANALYSIS OF SEWER UTILITY CAPITAL CASH

Capital Improvement Fund
Fund Balance

BALANCE
DECEMBER
31, 2013

\$	77,955.00
	<u>22,891.27</u>
\$	<u>100,846.27</u>

REF.

D

BOROUGH OF MANVILLE

SEWER UTILITY FUND

SCHEDULE OF 2012 APPROPRIATION RESERVES

	BALANCE DECEMBER <u>31, 2012</u>	BALANCE AFTER <u>TRANSFERS</u>	PAID OR <u>CHARGED</u>	BALANCE <u>LAPSED</u>
Operating:				
Salaries and Wages	\$ 5,035.59	\$ 5,035.59	\$	\$ 5,035.59
Other Expenses	9,133.87	36,018.55	27,250.87	8,767.68
Somerset Raritan Valley Sewerage Authority:				
Treatment Costs	<u>45,254.48</u>	<u>45,254.48</u>		<u>45,254.48</u>
	<u>\$ 59,423.94</u>	<u>\$ 86,308.62</u>	<u>\$ 27,250.87</u>	<u>\$ 59,057.75</u>
<u>REF.</u>	D		D-5	D-1
2012 Appropriation Reserves	D-11	\$ 59,423.94		
Transferred from Accounts Payable	D-13	<u>26,884.68</u>		
		<u>\$ 86,308.62</u>		

"D-12"

BOROUGH OF MANVILLE

SEWER UTILITY FUND

SCHEDULE OF CAPITAL IMPROVEMENT FUND

REF.

Balance, December 31, 2012 and December 31, 2013	D	\$ <u>77,955.00</u>
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"D-13"

SCHEDULE OF ACCOUNTS PAYABLE

Balance, December 31, 2012	D	\$ 27,614.06
Increased by:		
2013 Appropriations	D-4	<u>81,152.33</u>
		\$ 108,766.39
Decreased by:		
Transferred to Appropriation Reserves	D-11	\$ 26,884.68
Canceled	D-1	<u>729.38</u>
		<u>27,614.06</u>
Balance, December 31, 2013	D	\$ <u>81,152.33</u>

"D-14"

BOROUGH OF MANVILLE

SEWER UTILITY FUND

SCHEDULE OF RESERVE FOR AMORTIZATION

REF.

Balance, December 31, 2012
and December 31, 2013

D

\$ 214,988.17

"D-15"

SCHEDULE OF FIXED CAPITAL

BALANCE
DECEMBER
31, 2013

ACCOUNT

Pumping Station and Structures
Electric Power Pumping Equipment
Land and Right of Way

\$ 10,098.42
8,669.75
6,220.00

\$ 24,988.17

REF.

D

BOROUGH OF MANVILLE

SEWER UTILITY FUND

SCHEDULE OF FIXED CAPITAL
AUTHORIZED AND UNCOMPLETED

<u>ORDINANCE NUMBER</u>	<u>IMPROVEMENT DESCRIPTION</u>	<u>BALANCE DECEMBER 31, 2013</u>
	General Improvements:	
713	Improvement to the Water Distribution System	\$ 45,000.00
734/739	Purchase of Equipment	50,000.00
897	Acquisition of Tractor/Mower	30,000.00
899	Construction of Ductile Iron Pipe	<u>65,000.00</u>
		<u>\$ 190,000.00</u>
	<u>REF.</u>	D

BOROUGH OF MANVILLE

PART II

SINGLE AUDIT SECTION

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

REPORT ON COMPLIANCE WITH REQUIREMENTS
APPLICABLE TO MAJOR FEDERAL FINANCIAL ASSISTANCE
PROGRAMS AND INTERNAL CONTROL OVER COMPLIANCE
IN ACCORDANCE WITH U.S. OMB CIRCULAR NO. A-133

SCHEDULES OF EXPENDITURES OF FEDERAL AWARDS AND
STATE FINANCIAL ASSISTANCE

NOTES TO THE SCHEDULES OF EXPENDITURES OF FEDERAL AWARDS
AND STATE FINANCIAL ASSISTANCE

SCHEDULE OF FINDINGS AND QUESTIONED COSTS



SUPLEE, CLOONEY & COMPANY

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 Borough Council
Borough of Manville
County of Somerset
Manville, New Jersey 08835

We have audited, in accordance with the auditing standards generally accepted in the United States of America, the 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, the regulatory financial statements of the various individual funds and the account group of the Borough of Manville, as of and for the year ended December 31, 2013, and the related notes to the financial statements, which collectively comprise the Borough's regulatory financial statements, and have issued our report thereon dated March 19, 2014. Our report disclosed that, as described in Note 1 to the financial statements, the Borough of Manville prepares its financial statements on a basis of accounting prescribed by the Division of Local Government Services, Department of Community Affairs, State of New Jersey, that demonstrates compliance with a modified accrual basis and the budget laws of the State of New Jersey, which is a comprehensive basis of accounting other than U.S. generally accepted accounting principles.

Internal Control Over Financial Reporting

In planning and performing our audit of the regulatory financial statements, we considered the Borough's control over financial reporting (internal control) to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements but not for the purpose of expressing an opinion on the effectiveness of the Borough's internal control. Accordingly, we do not express an opinion on the effectiveness of Borough'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 Borough of Manville's financial statements 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 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 Borough's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

Purpose of This Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the Borough of Manville'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 Borough of Manville's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.


CERTIFIED PUBLIC ACCOUNTANTS


REGISTERED MUNICIPAL ACCOUNTANT NO. 50

March 19, 2014



SUPLEE, CLOONEY & COMPANY

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**INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE WITH
REQUIREMENTS APPLICABLE TO MAJOR FEDERAL FINANCIAL
ASSISTANCE PROGRAMS AND INTERNAL CONTROL OVER
COMPLIANCE IN ACCORDANCE WITH U.S. OMB CIRCULAR A-133**

The Honorable Mayor and Members
of the Borough Council
Borough of Manville
County of Somerset
Manville, New Jersey 08835

Report on Compliance for Each Major Federal and State Program

We have audited the Borough of Manville's compliance with the types of compliance requirements described in the *OMB Circular A-133 Compliance Supplement* that could have a direct and material effect on each of the Borough of Manville's major federal and state programs for the year ended December 31, 2013. The Borough's major federal and state programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

Management's Responsibility

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

Auditor's Responsibility

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

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

Opinion on Each Major Federal Program

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

Report on Internal Control Over Compliance

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

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

Our consideration of internal control over compliance was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified. The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the results of that testing based on the requirements of OMB Circular A-133. Accordingly, this report is not suitable for any other purpose.


CERTIFIED PUBLIC ACCOUNTANTS


REGISTERED MUNICIPAL ACCOUNTANT NO. 50

March 19, 2014

BOROUGH OF MANVILLE

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

FEDERAL GRANTOR/PASS THROUGH GRANTOR/PROGRAM TITLE	FEDERAL CFDA NUMBER	PASS THROUGH GRANTORS NUMBER	GRANT PERIOD		GRANT AWARD AMOUNT	2013		CUMULATIVE EXPENDITURES DECEMBER 31, 2013
			FROM	TO		FUNDS RECEIVED	FUNDS EXPENDED	
<u>U. S. Department of Housing and Urban Development</u>								
<u>Direct Programs</u>								
Section 8 Housing Assistance Program - 2013	14.871	N.J.112VO	01/01/13	12/31/13	\$ 681,732.00	\$ 681,732.00	\$ 663,389.00	\$ 663,389.00
Section 8 Housing Assistance Program - administrative	14.871	N.J.112AF	01/01/13	12/31/13	52,909.00	50,392.00	52,909.00	52,909.00
						<u>\$ 732,124.00</u>	<u>\$ 716,298.00</u>	<u>\$ 716,298.00</u>
<u>Pass Through From County of Somerset</u>								
Community Development Block Grant:								
Park Improvements	14.218	09-U1192-11	09/01/09	08/31/10	\$ 28,371.00	\$	\$ 2,099.72	\$ 28,371.00
Sidewalk Improvements	14.218	10-U1101-11	09/01/10	08/31/11	50,000.00	26,857.75		50,000.00
Sidewalk Improvements	14.218	11-U1111-11	09/01/11	08/31/12	40,000.00	40,000.00	21,000.00	40,000.00
Sidewalk Improvements	14.218	12-U1111-11	09/01/12	08/31/13	50,000.00	9,147.50		50,000.00
Sidewalk Improvements	14.218	13-U1111-11	09/01/13	08/31/14	50,000.00			
						<u>\$ 76,005.25</u>	<u>\$ 23,099.72</u>	<u>\$ 168,371.00</u>
<u>U. S. Department of Homeland Security</u>								
<u>Pass Through From State of New Jersey</u>								
Hazard Mitigation Grant Program	97.039	HMGP-4021-NJ-0008	12/13/11	12/13/14	\$ 2,844,224.00	\$ 471,882.02	\$ 1,054,326.38	\$ 2,316,797.73
Disaster Assistance (Debris Removal)	97.036	PA-02-NJ-4086-PW-02512	10/30/12	04/30/13	123,633.04	51,513.76	70,058.72	70,058.72
Disaster Assistance (Emergency Protective Measures)	97.036	PA-02-NJ-4086-PW-02607	10/30/12	04/30/13	61,560.06	25,650.03	34,884.04	34,884.04
Disaster Assistance (Sidewalk & Curb Repair)	97.036	PA-02-NJ-4086-PW-01985	10/30/12	04/30/13	5,400.00	5,400.00	5,400.00	5,400.00
Emergency Management Assistance - 2009	97.042	1200-100-066-1200-264-YEMR-6120		continuous	5,000.00		1,948.49	5,000.00
Emergency Management Assistance - 2010	97.042	1200-100-066-1200-264-YEMR-6120		continuous	5,000.00		1,730.73	5,000.00
Emergency Management Assistance - 2011	97.042	1200-100-066-1200-264-YEMR-6120		continuous	5,000.00		1,229.26	4,113.91
Emergency Management Assistance - 2013	97.042	1200-100-066-1200-264-YEMR-6120		continuous	5,000.00			
Emergency Management Assistance - Unappropriated	97.042	1200-100-066-1200-264-YEMR-6120		continuous	5,000.00	5,000.00		
						<u>\$ 559,445.81</u>	<u>\$ 1,169,577.62</u>	<u>\$ 2,441,254.40</u>
						<u>\$ 1,367,575.06</u>	<u>\$ 1,908,975.34</u>	<u>\$ 3,341,923.40</u>

BOROUGH OF MANVILLE

SCHEDULE OF EXPENDITURES OF STATE FINANCIAL ASSISTANCE
YEAR ENDED DECEMBER 31, 2013

STATE GRANTOR/PASS THROUGH GRANTOR/PROGRAM TITLE	STATE ACCOUNT NUMBER	GRANT PERIOD		GRANT AWARD AMOUNT	2013		CUMULATIVE EXPENDITURES DECEMBER 31, 2013
		FROM	TO		FUNDS RECEIVED	FUNDS EXPENDED	
<u>Department of Law and Public Safety</u>							
Drunk Driving Enforcement Fund - 2009	6400-100-078-6400-YYYY	Continuous		\$ 5,874.05	\$	\$ 1,694.10	\$ 2,228.78
Drunk Driving Enforcement Fund - 2010	6400-100-078-6400-YYYY	Continuous		6,236.08			284.00
Drunk Driving Enforcement Fund - 2011	6400-100-078-6400-YYYY	Continuous		4,751.76			4,268.30
Drunk Driving Enforcement Fund - 2012	6400-100-078-6400-YYYY	Continuous		4,472.58			2,519.31
Drunk Driving Enforcement Fund - 2013	6400-100-078-6400-YYYY	Continuous		4,341.70		234.74	234.74
Alcohol Education Rehabilitation Fund - 2008	9735-760-098-Y900-001-X100-6020	Continuous		1,181.00			802.55
Alcohol Education Rehabilitation Fund - 2010	9735-760-098-Y900-001-X100-6020	Continuous		928.19			
Click It or Ticket Program	1160-100-066-1160-116-YHTS-6120	Continuous		4,000.00	4,000.00	4,000.00	4,000.00
Child Passenger Safety Grant	1160-100-066-1160-113-YHTS-6020	Continuous		3,000.00	3,000.00	3,000.00	3,000.00
Body Armor Replacement Fund - 2007	1020-718-066-1020-001-YCJS-0120	Continuous		2,081.27		1,067.92	2,081.27
Body Armor Replacement Fund - 2008	1020-718-066-1020-001-YCJS-0120	Continuous		2,349.72		379.68	379.68
Body Armor Replacement Fund - 2009	1020-718-066-1020-001-YCJS-0120	Continuous		2,141.87			
Body Armor Replacement Fund - 2011	1020-718-066-1020-001-YCJS-0120	Continuous		3,271.82			
Body Armor Replacement Fund - 2012	1020-718-066-1020-001-YCJS-0120	Continuous		2,374.56			
Body Armor Replacement Fund - 2013	1020-718-066-1020-001-YCJS-0120	Continuous		2,251.31		713.35	713.35
Body Armor Replacement Fund - Unappropriated	1020-718-066-1020-001-YCJS-0120	Continuous		2,897.47			
					\$ 2,897.47	\$	\$
					\$ 9,897.47	\$ 11,089.79	\$ 20,511.98
<u>Department of Environmental Protection</u>							
Clean Communities Program - 2012	4900-765-042-4900-004-VCMB-6020	01/01/12	12/31/12	17,427.40	\$	\$ 6,117.68	\$ 17,427.40
Clean Communities Program - 2013	4900-765-042-4900-004-VCMB-6020	01/01/13	12/31/13	20,461.18	20,461.18	16,012.56	16,012.56
Recycling Tonnage Grant - 2010	4900-752-042-4900-001-V42Y-6020	Continuous		12,671.11		249.60	12,671.11
Recycling Tonnage Grant - 2011	4900-752-042-4900-001-V42Y-6020	Continuous		24,051.89		1.87	24,051.89
Recycling Tonnage Grant - 2013	4900-752-042-4900-001-V42Y-6020	Continuous		12,524.25		12,524.25	12,524.25
Recycling Tonnage Grant - Unappropriated	4900-752-042-4900-001-V42Y-6020	Continuous		11,081.22	11,081.22		
Business Stimulus Fund		01/01/10	12/31/10	6,915.00			6,915.00
Green Acres Grant - Post-Irene Buy-Out Program	4800-545-042-4800-008-V22G-6020	10/09/12	10/09/14	948,075.00	24,165.55	352,602.37	773,426.15
					\$ 55,707.95	\$ 387,508.33	\$ 863,028.36
<u>Department of Transportation</u>							
13th Avenue	10-480-078-6320-AKN-6010	Continuous		225,000.00	\$	\$	\$ 225,000.00
Whalen Street	11-480-078-6320-AK3-6010	Continuous		175,000.00	131,250.00		
West Camplain Road		Continuous		160,000.00			
					\$ 131,250.00	\$	\$ 225,000.00
<u>Pass Through County of Somerset</u>							
Municipal Alliance on Alcoholism and Drug Abuse - 2011	11-433-420	07/01/11	06/30/12	9,696.00	\$ 9,548.91	\$ (101.52)	\$ 9,298.73
Municipal Alliance on Alcoholism and Drug Abuse - 2013	11-433-420	07/01/13	06/30/14	11,663.00	6,728.87	11,659.29	11,659.29
					\$ 16,277.78	\$ 11,557.77	\$ 20,958.02
					\$ 213,133.20	\$ 410,155.89	\$ 1,129,498.36

BOROUGH OF MANVILLE

NOTES TO THE SCHEDULES OF EXPENDITURES OF
FEDERAL AWARDS AND STATE FINANCIAL ASSISTANCE

YEAR ENDED DECEMBER 31, 2013

NOTE 1. GENERAL

The accompanying schedules of expenditures of Federal Awards and State Financial Assistance present the activity of all federal and state financial assistance programs of the Borough of Manville, County of Somerset, New Jersey. All federal awards and state financial assistance received directly from federal or state agencies, as well as federal financial assistance passed through other government agencies is included on the Schedules of Expenditures of Federal Awards and State Financial Assistance.

NOTE 2. BASIS OF ACCOUNTING

The accompanying schedules of expenditures of financial assistance are presented on the prescribed basis of accounting, modified accrual basis with certain exceptions, prescribed by the Division of Local Government Services, Department of Community Affairs, State of New Jersey, that demonstrates compliance with the budget laws of New Jersey, which is a comprehensive basis of accounting other than U.S. generally accepted accounting principles. The basis of accounting, with exception, is described in Note 1 to the Borough's financial statements - statutory basis.

NOTE 3. RELATIONSHIP TO FEDERAL AND STATE FINANCIAL REPORTS

Amounts reported in the accompanying schedules of expenditures agree with the amounts reported in the related federal and state financial reports.

NOTE 4. RELATIONSHIP TO FINANCIAL STATEMENTS - REGULATORY BASIS

Amounts reported in the accompanying schedules of expenditures agree with amounts reported in the Borough's statutory basis financial statements. These amounts are reported in either the Current Fund, Trust Other Fund or General Capital Fund.

Revenues:

	<u>Federal</u>	<u>State</u>	<u>Other</u>	<u>Total</u>
Current Fund	\$ 87,563.79	\$ 188,967.65	\$ 5,000.00	\$ 281,531.44
Trust Other Fund	808,129.25			808,129.25
General Capital Fund	<u>471,882.02</u>	<u>24,165.55</u>	<u> </u>	<u>496,047.57</u>
	<u>\$ 1,367,575.06</u>	<u>\$ 213,133.20</u>	<u>\$ 5,000.00</u>	<u>\$ 1,585,708.26</u>

Expenditures:

	<u>Federal</u>	<u>State</u>	<u>Other</u>	<u>Total</u>
Current Fund	\$ 115,251.24	\$ 57,553.52	\$ 8,026.43	\$ 180,831.19
Trust Other Fund	739,397.72			739,397.72
General Capital Fund	<u>1,054,326.38</u>	<u>352,602.37</u>	<u> </u>	<u>1,406,928.75</u>
	<u>\$ 1,908,975.34</u>	<u>\$ 410,155.89</u>	<u>\$ 8,026.43</u>	<u>\$ 2,327,157.66</u>

NOTE 5. OTHER

Matching contributions expended by the Borough in accordance with terms of the various grants are not reported in the accompanying schedules.

BOROUGH OF MANVILLE
SOMERSET COUNTY, NEW JERSEY

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

Section I - Summary of Auditor's Results

Financial Statements

- | | |
|---|---------------|
| (1) Type of Auditor Report Issued: | Unmodified |
| (2) Internal Control Over Financial Reporting: | |
| (a) Significant deficiencies identified during the audit of the financial statements? | None Reported |
| (b) Significant deficiencies identified as material weaknesses? | N/A |
| (3) Noncompliance material to the financial statements noted during the audit? | None Reported |

Federal Program(s)

- | | |
|---|---------------|
| (1) Internal Control Over Major Federal Programs: | |
| (a) Significant deficiencies identified during the audit of major federal programs? | None Reported |
| (b) Significant deficiencies identified as material weaknesses? | N/A |
| (2) Type of Auditor's Report issued on compliance for major federal program(s)? | Unmodified |
| (3) Any audit findings disclosed that are required to be reported in accordance with Circular OMB A-133 and listed in Section III of this schedule? | None Reported |
| (4) Identification of Major Federal Program(s): | |

<u>Program</u>	<u>C.F.D.A. #</u>
U.S. Department of Housing and Urban Development: Section 8 Housing Assistance Program	14.871

BOROUGH OF MANVILLE
SOMERSET COUNTY, NEW JERSEY

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

Section I - Summary of Auditor's Results (Continued)

Federal Program(s) (Continued)

(5) Program Threshold Determination:

Type A Federal Program Threshold > \$300,000.00

Type B Federal Program Threshold <= \$300,000.00

(6) Auditee qualified as a low-risk auditee under OMB Circular A-133? Yes

State Program(s) – Not Applicable

**Section II - Financial Statement Audit - Reported Findings Under
Government Auditing Standards**

Internal Control Findings

None Reported

Compliance Findings

None Reported

**Section III - Findings and Questioned Costs Relative to Major Federal
and State Programs**

Federal Programs - None Reported

State Programs - None Reported

Status of Prior Year Audit Findings - Not Applicable

BOROUGH OF MANVILLE
 SUPPLEMENTARY INFORMATION
 FINANCIAL DATA SCHEDULE - SECTION 8 HOUSING CHOICE VOUCHER PROGRAM
 FOR THE YEAR ENDED DECEMBER 31, 2013

Line Item No.	Description	Total Programs	Housing Choice Vouchers
	Balance Sheet		14.871
111	Cash-Unrestricted	\$ 52	\$ 52
112	Cash-Other Restricted	\$ 51,463	\$ 51,463
100	Total Cash	\$ 51,515	\$ 51,515
125	Accounts Receivable-Miscellaneous	\$ 91	\$ 91
126.2	Allowance for Doubtful Accounts - Other	\$ (91)	\$ (91)
120	Total receivables, Net of Allowance for Doubtful Accounts	\$ -	\$ -
150	Total Current Assets	\$ 51,515	\$ 51,515
190	Total Assets	\$ 51,515	\$ 51,515
312	Accounts Payable <= 90 days	\$0	
313	Accounts Payable>= 90 days	\$0	
332	Accounts Payable-PHA Programs	\$0	
342	Unearned Revenue	\$0	
310	Total Current Liabilities	\$0	\$0
300	Total Liabilities	\$0	\$0
509.3	Restricted Fund Balance	\$ 51,515	\$ 51,515
512.3	Unassigned Fund Balance	\$ -	
513	Total Equity/Net Assets	\$ 51,515	\$ 51,515
600	Total Liabilities and Equity/Net Assets	\$ 51,515	\$ 51,515
	Income Statement		
70600	HUD PHA Operating Grants	\$ 732,124	\$ 732,124
		\$ -	
71100	Investment Income-Unrestricted	\$ -	
71400	Fraud Recovery	\$ 3,270	\$ 3,270
71500	Other Revenue	\$ 8,392	\$ 8,392
70000	Total Revenue	\$ 743,786	\$ 743,786
91100	Administrative Salaries		
91200	Auditing Fees	\$ -	
91300	Management Fee	\$ 52,236	\$ 52,236
91900	Other	\$ -	
91000	Total Operating-Administrative	\$ 52,236	\$ 52,236
96200	Other General Expenses	\$ 673	\$ 673
96000	Total Other General Expenses	\$ 673	\$ 673
96900	Total Operating Expenses	\$ 52,909	\$ 52,909
97000	Excess Revenue Over Operating Expenses	\$ 690,877	\$ 690,877

BOROUGH OF MANVILLE
 SUPPLEMENTARY INFORMATION
 FINANCIAL DATA SCHEDULE - SECTION 8 HOUSING CHOICE VOUCHER PROGRAM
 FOR THE YEAR ENDED DECEMBER 31, 2013

Line Item No.	Description	Total Programs	14.871 Housing Choice Vouchers
97300	Housing Assistance Payments	\$ 656,365	\$ 656,365
97350	HAP Portability-In	\$ 7,024	\$ 7,024
90000	Total Expenses	\$ 716,298	\$ 716,298
10000	Excess (Deficiency) of Revenue Over (Under) Expenses	\$ 27,488	\$ 27,488
11030	Beginning Equity	\$ 24,027	\$ 24,027
11040	Prior period adjustments, equity transfers, and correction of errors	\$ -	\$ -
11170	Administrative Fee Equity	\$ 52	\$ 52
11180	Housing Assistance Payments Equity	\$ 51,463	\$ 51,463
11190	Unit Months Available	1080	1080
11210	Unit Months Leased	751	751

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PART III
BOROUGH OF MANVILLE
STATISTICAL DATA
LIST OF OFFICIALS
COMMENTS AND RECOMMENDATIONS
YEAR ENDED DECEMBER 31, 2013

COMPARATIVE STATEMENTS OF OPERATIONS AND
CHANGE IN FUND BALANCE - CURRENT FUND

	<u>YEAR 2013</u>		<u>YEAR 2012</u>	
	<u>AMOUNT</u>	<u>%</u>	<u>AMOUNT</u>	<u>%</u>
<u>REVENUE AND OTHER INCOME REALIZED</u>				
Fund Balance Utilized	\$ 1,360,000.00	4.55%	\$ 1,350,000.00	4.48%
Miscellaneous-From Other Than Local Property Tax Levies	3,070,230.80	10.28%	3,102,842.34	10.31%
Collection of Delinquent Taxes and Tax Title Liens	517,599.88	1.73%	602,599.75	2.00%
Collection of Current Tax Levy	<u>24,924,363.57</u>	<u>83.44%</u>	<u>25,052,076.66</u>	<u>83.21%</u>
<u>Total Income</u>	<u>\$ 29,872,194.25</u>	<u>100.00%</u>	<u>\$ 30,107,518.75</u>	<u>100.00%</u>
<u>EXPENDITURES</u>				
Budget Expenditures:				
Municipal Purposes	\$ 11,717,317.72	40.39%	\$ 11,628,457.92	40.27%
County Taxes	3,716,428.20	12.81%	3,835,915.98	13.29%
Local District School Tax	13,578,126.00	46.80%	13,385,780.50	46.36%
Other	<u>547.08</u>		<u>23,200.26</u>	<u>0.08%</u>
<u>Total Expenditures</u>	<u>\$ 29,012,419.00</u>	<u>100.00%</u>	<u>\$ 28,873,354.66</u>	<u>100.00%</u>
Excess in Revenue	\$ 859,775.25		\$ 1,234,164.09	
Adjustments to Income Before Fund Balance:				
Expenditures Included Above Which are by Statute Deferred Charges to Budget of Succeeding Year	<u>68,200.00</u>		<u>100,000.00</u>	
Statutory Excess to Fund Balance	\$ 927,975.25		1,334,164.09	
Fund Balance, January 1	<u>1,574,455.07</u>		<u>1,590,290.98</u>	
	\$ 2,502,430.32		\$ 2,924,455.07	
Less: Utilization as Anticipated Revenue	<u>1,360,000.00</u>		<u>1,350,000.00</u>	
Fund Balance, December 31	<u>\$ 1,142,430.32</u>		<u>\$ 1,574,455.07</u>	

COMPARATIVE STATEMENTS OF OPERATIONS AND CHANGE
IN FUND BALANCE - SEWER UTILITY OPERATING FUND

	<u>YEAR 2013</u>		<u>YEAR 2012</u>	
	<u>AMOUNT</u>	<u>%</u>	<u>AMOUNT</u>	<u>%</u>
<u>REVENUE AND OTHER</u>				
<u>INCOME REALIZED</u>				
Fund Balance Utilized	\$ 55,000.00	2.69%	\$ 145,000.00	7.03%
Sewer Use Charges	1,913,212.26	93.55%	1,881,685.32	91.20%
Miscellaneous	76,991.81	3.76%	36,526.62	1.77%
	<u>2,045,204.07</u>	<u>100.00%</u>	<u>2,063,211.94</u>	<u>100.00%</u>
<u>EXPENDITURES</u>				
Budget Expenditures:				
Operations	\$ 1,898,000.00	98.19%	\$ 2,010,000.00	87.66%
Statutory Expenditures	35,000.00	1.81%	33,000.00	1.44%
Surplus - General Budget			250,000.00	10.90%
	<u>1,933,000.00</u>	<u>100.00%</u>	<u>2,293,000.00</u>	<u>100.00%</u>
Excess in Revenue	\$ 112,204.07		\$ (229,788.06)	
Fund Balance, January 1	148,050.84		522,838.90	
	<u>\$ 260,254.91</u>		<u>\$ 293,050.84</u>	
Less:				
Utilization as Anticipated Revenue	<u>55,000.00</u>		<u>145,000.00</u>	
Fund Balance, December 31	<u>\$ 205,254.91</u>		<u>\$ 148,050.84</u>	

COMPARATIVE SCHEDULE OF TAX RATE INFORMATION

	<u>2013</u>	<u>2012</u>	<u>2011</u>
Tax Rate	<u>\$2.293</u>	<u>\$2.256</u>	<u>\$2.174</u>
Appointment of Tax Rate:			
Municipal	\$0.762	\$0.752	\$0.733
County	0.304	0.306	0.277
County Open Space	0.026	0.030	0.030
Local School	<u>1.201</u>	<u>1.168</u>	<u>1.134</u>

Assessed Valuation:

Year 2013	<u>\$1,130,635,167.00</u>		
Year 2012		<u>\$1,145,114,557.00</u>	
Year 2011			<u>\$1,158,365,965.00</u>

COMPARISON OF TAX LEVIES AND COLLECTION CURRENTLY

A study of this tabulation could indicate a possible trend in future tax levies. A decrease in the percentage of current collection could be an indication of a probable increase in future tax levies.

<u>YEAR</u>	<u>TAX LEVY</u>	<u>CURRENTLY</u>	
		<u>CASH COLLECTIONS</u>	<u>PERCENTAGE OF COLLECTION</u>
2013	\$25,940,336.19	\$24,924,363.57	96.08%
2012	\$25,865,483.73	\$25,052,076.66	96.86%
2011	\$25,207,717.00	\$24,479,850.57	97.11%

DELINQUENT TAXES AND TAX TITLE LIENS

This tabulation includes a comparison, expressed in percentage, of the total of delinquent taxes and tax title liens, in relation to the tax levies of the last three years.

<u>DECEMBER 31, YEAR</u>	<u>AMOUNT OF TAX TITLE LIENS</u>	<u>AMOUNT OF DELINQUENT TAXES</u>	<u>TOTAL DELINQUENT</u>	<u>PERCENTAGE OF TAX LEVY</u>
2013	\$77,284.21	\$616,380.34	\$693,664.55	2.67%
2012	\$63,626.66	\$542,939.36	\$606,566.02	2.35%
2011	\$52,310.49	\$594,357.17	\$646,667.66	2.57%

PROPERTY ACQUIRED BY TAX TITLE LIEN LIQUIDATION

The value of property acquired by liquidation of tax title liens on December 31st on the basis of the last assessed valuations of such properties was as follows:

<u>YEAR</u>	<u>AMOUNT</u>
2013	\$196,229.11
2012	\$196,229.11
2011	\$196,229.11

COMPARISON OF UTILITY LEVIES

<u>YEAR</u>	<u>SEWER LEVY</u>
2013	\$1,906,107.96
2012	\$1,914,976.67
2011	\$1,851,392.31

COMPARATIVE SCHEDULE OF FUND BALANCES

	<u>YEAR</u>	<u>BALANCE DECEMBER 31</u>	<u>UTILIZED IN BUDGET OF SUCCEEDING YEAR</u>
Current Fund	2013	\$1,142,430.32	\$908,000.00 *
	2012	\$1,574,455.07	\$1,360,000.00
	2011	\$1,590,290.98	\$1,350,000.00
	2010	\$1,842,964.88	\$1,611,729.00
	2009	\$2,152,808.66	\$1,880,000.00
Sewer Utility Operating Fund	2013	\$205,254.91	\$55,000.00 *
	2012	\$148,050.84	\$55,000.00
	2011	\$522,838.90	\$145,000.00
	2010	\$595,184.45	\$130,000.00
	2009	\$592,631.70	\$220,000.00

* Per introduced budget

OFFICIALS IN OFFICE AND SURETY BONDS

The following officials were in office during the period under audit:

<u>NAME</u>	<u>TITLE</u>	<u>AMOUNT OF BOND</u>	<u>NAME OF SURETY</u>
Angelo Corradino	Mayor		
Edward Komoroski	President of Council		
Susan Asher	Councilwoman		
Mark Gregor	Councilman		
Lou Petzinger	Councilman		
Ron Skirkanish	Councilman		
Steven H. Szabo	Councilman		
Gary P. Garwacke	Administrator/Borough Engineer	*	
Lori Majeski	Chief Financial Officer	*	
Lisa Gerickont	Tax Collector/Search Officer and Sewer Collector	\$500,000.00	Selective Risks Insurance Company
Philip E. Petrone	Borough Clerk/ Public Works Superintendent	*	
Robert J. Foley	Municipal Magistrate	*	
Joy A. Lenner	Court Administrator	*	
Jennifer Jeremiah	Deputy Court Administrator	*	
Francis Linnus	Borough Attorney	*	
John Tamburini	Construction Code Official/ Building Sub-Code Official	*	
Michael Resetar	Plumbing Sub-Code Official	*	
Walter Wilczek	Zoning Officer	*	
Patrick Renaldi	Fire Official	*	
Stephanie Cornelson	Recreation Director	*	
Kathleen Suydam	Registrar of Vital Statistics	*	
Mark Peltack	Police Chief	*	
Marc Pruiksma	Fire Chief	*	
Ken Otrimski	Director of OEM	*	
Glen Stives	Tax Assessor	*	
Paul Masaba	Health Officer (County)	*	

All of the bonds were examined and were properly executed.

*Covered by Honesty Blanket Position Policy - Statewide Insurance Company - \$1,000,000.00

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COMMENTS AND RECOMMENDATIONS

GENERAL COMMENTS

CONTRACTS AND AGREEMENTS REQUIRED TO BE ADVERTISED FOR N.J.S.A. 40A:11-4

"Every contract or agreement, for the performance of any work or the furnishing or hiring of any materials or supplies, the cost or the contract price whereof is to be paid with or out of public funds not included within the terms of Section 3 of this act, shall be made or awarded only by the governing body of the contracting unit after public advertising for bids and bidding therefore, except as is provided otherwise in this act or specifically by any other law. No work, materials or supplies shall be undertaken, acquired or furnished for a sum exceeding in the aggregate the amount set forth in, or the amount calculated by the Governor pursuant to Section 3 P.L. 1971 C. 198 (C. 40A:11-3), except by contract or agreement."

Effective January 1, 2011, the bid threshold in accordance with N.J.S.A. 40A:11-3 is \$17,500.00 without a qualified purchasing agent.

The governing body of the Municipality has the responsibility of determining whether the expenditures in any category will exceed \$17,500.00 within the fiscal year. Where question arises as to whether any contract or agreement might result in violation of the statute, the Borough Counsel's opinion should be sought before a commitment is made.

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

- Boesel Avenue Water Trench Repairs
- Replacement of Dukes Parkway Catch Basin
- Curb and Sidewalk Improvements - South 5th Avenue
- Replacement of North 2nd Avenue Catch Basins
- Replacement of Sewage Grinder - South Arlington Street

The minutes indicate that resolutions were adopted and advertised authorizing the awarding of contracts or agreements for "Professional Services" per N.J.S.A. 40A:11-5.

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

Our examination of expenditures did not reveal any individual payments, contracts or agreements in excess of \$17,500.00 for the performance of any work or the furnishing or hiring of any materials or supplies, other than those where bids had been previously sought by public advertisement or where a resolution had been previously adopted under the provisions of N.J.S.A. 40A:11-6.

COLLECTION OF INTEREST ON DELINQUENT TAXES, UTILITY AND ASSESSMENTS

The statute provides the method for authorizing interest and the maximum rate to be charged for the non-payment of taxes or assessments on or before the date when they would become delinquent.

The governing body on January 5, 2013 adopted the following resolution authorizing interest to be charged on delinquent taxes and assessments:

WHEREAS, N.J.S.A. 54:4-67 governs the interest rates charged on delinquent tax and utility payments.

NOW THEREFORE BE IT RESOLVED, by the Mayor and Council of the Borough of Manville, County of Somerset that the interest rates charged on delinquent tax and utility payments shall be 8% on the first \$1,500.00 of delinquency and 18% on any excess over \$1,500.00 thereafter, for the year 2013; and

WHEREAS, N.J.S.A. 54:5-61 WHEREAS, relating to the amount of penalty to be charged on a tax sale certificate has been amended to read as follows:

When taxes, interest and costs shall in excess of \$200.00 but less than \$5,000.00, a 2% penalty on any amount due shall be charged. When taxes, interest and costs shall exceed the sum of \$5,000.00, such additional sum shall be equal to 4% of such amount paid and when the sum exceeds \$10,000.00 such additional sum paid shall be equal to 6% of such amount paid. This section shall also apply to all existing tax sale certificates held by municipalities on the effective date of this act.

NOW THEREFORE BE IT RESOLVED, by the Mayor and Council of the Borough of Manville, County of Somerset that under N.J.S.A. 54:4-61, the Tax Collector of the Borough of Manville is authorized to charge, on a tax sale certificate, a 2% penalty on any amount due in excess of \$200.00 but less than \$5,000.00; a 4% penalty on any amount due in excess of \$5,000.00 but less than \$10,000.00; and a 6% penalty on any amount due in excess of \$10,000.00. These penalties are to be applied to all municipal held tax sale certificates as well as those which may be acquired by the municipality as a result of future tax sales.

DELINQUENT TAXES AND TAX TITLE LIENS

The last tax sale was held on June 13, 2013 and was complete.

Inspection of Tax Sale Certificates on file revealed that all Tax Sale Certificates were available for audit.

The following comparison is made of the number of tax title liens on December 31 of the last three years:

<u>YEAR</u>	<u>NUMBER OF LIENS</u>
2013	11
2012	7
2011	6

It is essential to good management that all means provided by statute be utilized to liquidate tax title liens in order to get such properties back on a taxpaying basis.

VERIFICATION OF DELINQUENT TAXES AND OTHER CHARGES

A test verification of delinquent charges and current payments was made in accordance with the regulations of the Division of Local Government Services, consisting of the mailing of verification notices as follows:

<u>TYPE</u>	
Payments of 2014 Taxes	50
Payments of 2013 Taxes	50
Delinquent Taxes	25
Payment of Sewer Utility Charges	50
Delinquent Sewer Utility Charges	25

OTHER COMMENTS

Interfunds

Transactions invariably occur in one fund which require a corresponding entry to be made in another fund, thus creating interfund balances. References to the various balance sheets show the interfund balances remaining at year end. As a general rule all interfund balances should be closed out as of the end of the year.

It is the Borough's policy to review and liquidate all interfund balances on a periodic basis.

RECOMMENDATIONS

None

