

TOWNSHIP OF MANALAPAN
COUNTY OF MONMOUTH, NEW JERSEY
YEARS ENDED DECEMBER 31, 2007 AND 2006

FINANCIAL STATEMENTS
AND ADDITIONAL INFORMATION

with

INDEPENDENT AUDITOR'S REPORTS

and

COMMENTS AND RECOMMENDATIONS

TOWNSHIP OF MANALAPAN
COUNTY OF MONMOUTH, NEW JERSEY

TABLE OF CONTENTS

Year ended December 31, 2007

Independent Auditor's Report

<u>Financial Statements</u>	<u>Exhibit</u>
<u>Current Fund</u>	
Comparative Balance Sheet - Regulatory Accounting Basis	A
Comparative Statement of Operations and Changes in Fund Balance - Regulatory Accounting Basis	A-1
Statement of Revenues - Regulatory Accounting Basis	A-2
Statement of Appropriations - Regulatory Accounting Basis	A-3
<u>Trust Fund</u>	
Comparative Balance Sheet - Regulatory Accounting Basis	B
<u>General Capital Fund</u>	
Comparative Balance Sheet - Regulatory Accounting Basis	C
Comparative Statement of Fund Balance - Regulatory Accounting Basis	C-1
<u>Water Utility Fund</u>	
Comparative Balance Sheet - Regulatory Accounting Basis	D
Comparative Statement of Operations and Changes in Fund Balance - Regulatory Accounting Basis	D-1
Comparative Statement of Fund Balance - Regulatory Accounting Basis	D-2
Statement of Revenues - Regulatory Accounting Basis	D-3
Statement of Appropriations - Regulatory Accounting Basis	D-4
<u>Public Assistance Fund</u>	
Comparative Balance Sheet - Regulatory Accounting Basis	E
<u>Bond and Interest Fund</u>	
Comparative Balance Sheet - Regulatory Accounting Basis	F
<u>Payroll Fund</u>	
Comparative Balance Sheet - Regulatory Accounting Basis	G
<u>General Fixed Assets Account Group</u>	
Comparative Statement of General Fixed Assets - Regulatory Accounting Basis	H
<u>Notes To Financial Statements</u>	

TOWNSHIP OF MANALAPAN
COUNTY OF MONMOUTH, NEW JERSEY

TABLE OF CONTENTS

Year ended December 31, 2007

<u>Supplementary Schedules</u>	<u>Schedule</u>
<u>Current Fund</u>	
Schedule of Cash	1-A
Schedule of Due From State of New Jersey - Senior Citizens' and Veterans' Deductions	2-A
Schedule of Taxes Receivable and Analysis of Property Tax Levy	3-A
Schedule of Tax Title Liens Receivable	4-A
Schedule of Property Acquired for Taxes - Assessed Valuation	5-A
Schedule of Revenue Accounts Receivable	6-A
Schedule of Deferred Charges - N.J.S.A. 40A:4-55 - Special Emergency Authorizations	7-A
Schedule of 2006 Appropriation Reserves	8-A
Schedule of Accounts Payable	9-A
Schedule of Reserve for Encumbrances	10-A
Schedule of Prepaid Taxes	11-A
Schedule of Tax Overpayments	12-A
Schedule of County Taxes Payable	13-A
Schedule of Regional School District Tax (Receivable)/Payable	14-A
Schedule of Regional High School Tax Payable	15-A
Schedule of Special Fire District Taxes Payable	16-A
Schedule of Municipal Open Space Tax Payable	17-A
Schedule of Due To State and Local Agencies	18-A
Schedule of Various Reserves	19-A
Schedule of Cash - Federal and State Grant Fund	20-A
Schedule of Grants Receivable - Federal and State Grant Fund	21-A
Schedule of Due To Trust - Other Fund - Federal and State Grant Fund	22-A
Schedule of Reserve for State Grants - Appropriated - Federal and State Grant Fund	23-A
Schedule of Reserve for State Grants - Unappropriated - Federal and State Grant Fund	24-A
<u>Trust Fund</u>	
Schedule of Cash - Treasurer	1-B
Schedule of Assessments Receivable - Assessment Trust Fund	2-B
Schedule of Due To State of New Jersey - Animal Control Trust Fund	3-B
Schedule of Reserve for Animal Control Fund Expenditures - Animal Control Trust Fund	4-B
Schedule of Reserve for Open Space - Open Space Trust Fund	5-B
Schedule of Various Reserves - Trust - Other Fund	6-B
Schedule of Investments - Length of Service Awards Program Fund	7-B
Schedule of Miscellaneous Reserves - Length of Service Awards Program Fund	8-B

TOWNSHIP OF MANALAPAN
COUNTY OF MONMOUTH, NEW JERSEY

TABLE OF CONTENTS

Year ended December 31, 2007

<u>Supplementary Schedules</u>	<u>Schedule</u>
<u>General Capital Fund</u>	
Schedule of Cash - Treasurer	1-C
Schedule of Analysis of General Capital Cash	2-C
Schedule of Deferred Charges To Future Taxation - Funded	3-C
Schedule of Deferred Charges To Future Taxation - Unfunded	4-C
Schedule of General Serial Bonds	5-C
Schedule of Bond Anticipation Notes	6-C
Schedule of Improvement Authorizations	7-C
Schedule of Capital Improvement Fund	8-C
Schedule of Due From State of New Jersey - Grants Receivable	9-C
Schedule of Various Reserves	10-C
Schedule of Bond and Notes Authorized But Not Issued	11-C
<u>Water Utility Fund</u>	
Schedule of Cash - Treasurer	1-D
Schedule of Analysis of Water Utility Capital Fund Cash	2-D
Schedule of Fixed Capital	3-D
Schedule of Fixed Capital Authorized and Uncompleted	4-D
Schedule of 2006 Appropriation Reserves	5-D
Schedule of Encumbrances Payable	6-D
Schedule of Accrued Interest on Notes	7-D
Schedule of Serial Bonds	8-D
Schedule of Bond Anticipation Notes	9-D
Schedule of Improvement Authorizations	10-D
Schedule of Capital Improvement Fund	11-D
Schedule of Reserve for Amortization	12-D
Schedule of Deferred Reserve for Amortization	13-D
Schedule of Reserve for Capital Projects	14-D
<u>Public Assistance Fund</u>	
Schedule of Cash - Treasurer	1-E
Schedule of Reserve for Public Assistance	2-E
Schedule of Due To State of New Jersey	3-E
<u>Bond and Interest Fund</u>	
Schedule of Cash and Reconciliation per N.J.S.A. 40A:5-5	1-F
<u>General Fixed Assets Account Group</u>	
Schedule of General Fixed Assets	1-H

TOWNSHIP OF MANALAPAN
COUNTY OF MONMOUTH, NEW JERSEY

TABLE OF CONTENTS

Year ended December 31, 2007

Comments Section

Scope of Audit

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

Collection of Interest on Delinquent Taxes and Assessments
Tax Sale

Confirmation of Delinquent Taxes and Other Charges

Comparative Statement of Operations and Changes in Fund
Balance - Current Fund

Comparative Statement of Operations and Changes in Fund
Balance - Water Utility Operating Fund

Comparative Schedule of Tax Rate Information

Apportionment of Tax Rate

Assessed Valuations

Comparison of Tax Levies and Collection Currently

Comparative Schedule of Tax Title Liens

Property Acquired by Tax Title Lien Liquidation

Comparative Schedule of Fund Balances

Officials in Office and Surety Bonds

Internal Control Section

Report on Internal Control over Financial Reporting
and on Compliance Based on an Audit of Financial
Statements Performed in Accordance with
Government Auditing Standards

Comments and Recommendations

Hutchins, Farrell, Meyer & Allison, P.A.

Certified Public Accountants • Business & Financial Advisors

Robert H. Hutchins, CPA, CVA
Eugene M. Farrell, CPA, RMA, CFP
Robert W. Allison, CPA, RMA
Alan E. Meyer, CPA/ABV
Joann DiLieto, CPA

Patrice R. Antonucci, CPA
Thomas L. Stetson, CPA

Monmouth County Office
912 Highway 33 • Suite 2
Freehold, NJ 07728
(732) 409-0800
Fax: (732) 866-9312

Ocean County Office
512 Main Street • PO Box 1778
Toms River, NJ 08754
(732) 240-5600
Fax: (732) 505-8358

INDEPENDENT AUDITOR'S REPORT

Honorable Mayor and Members
of the Township Committee
Township of Manalapan, New Jersey

We have audited the accompanying regulatory-basis financial statements of the Township of Manalapan, County of Monmouth, New Jersey ("Township") as of December 31, 2007 and for the year ended December 31, 2007, listed as financial statement exhibits in the Table of Contents. These financial statements are the responsibility of the Township's management. Our responsibility is to express an opinion on these financial statements based on our audit. The financial statements of the Township for the year ended December 31, 2006 were audited by other auditors whose report dated July 13, 2007 expressed an adverse opinion in accordance with generally accepted accounting principles in the United States of America and unqualified on a regulatory basis.

Except as discussed in the following paragraph, we conducted our audit in accordance with auditing standards generally accepted in the United States of America and in compliance with 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. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes consideration of internal control over financial reporting as a basis for designing audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Township's internal control over financial reporting. Accordingly, we express no such opinion. An audit also includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinions.

Honorable Mayor and Members
of the Township Committee
Township of Manalapan, New Jersey
Page 2

As described in Note 1, the Township prepares its financial statements using accounting practices that demonstrate compliance with the regulatory basis of accounting and budget laws prescribed or permitted by the Division of Local Government Services, Department of Community Affairs, State of New Jersey, which practices differ from accounting principles generally accepted in the United States of America. The effects on the financial statements of the variances between these regulatory accounting practices and accounting principles generally accepted in the United States of America, although not reasonably determinable, are presumed to be material. In addition, the financial statements of the Length of Service Award Program Fund ("LOSAP") have not been audited, and we were not required by the Division of Local Government Services, Department of Community Affairs, State of New Jersey to audit nor were we engaged to audit the LOSAP Fund financial statements as part of our audit of the Township's financial statements. The LOSAP Fund financial activities are included in the Township's Trust Fund, and represent 1.38% and 1.24% of the assets and liabilities, respectively, of the Township's Trust Funds as of December 31, 2007 and 2006.

In our opinion, because of the effects of the Township's preparing its financial statements on the basis of accounting discussed in the preceding paragraph, the financial statements referred to above do not present fairly, in conformity with accounting principles generally accepted in the United States of America, the financial position of the Township as of December 31, 2007 or the changes in its financial position or, where applicable, its cash flows for the year then ended. Further, the Township has not presented a Management's Discussion and Analysis that accounting principles generally accepted in the United States of America has determined is necessary to supplement, although not required to be part of, the basic financial statements.


Also in our opinion, except for the effects of such adjustments, if any, as might have been determined to be necessary had the LOSAP Fund financial statements been audited, the regulatory-basis financial statements referred to above present fairly, in all material respects, the financial position, on a regulatory accounting basis, of the various funds of the Township as of December 31, 2007, and the results of operations and changes in fund balance - regulatory basis of such funds for the year then ended and the Statements of Revenues - Regulatory Basis and the Statement of Expenditures - Regulatory Basis of the various funds for the year ended December 31, 2007 on the basis of accounting described in Note 1.

In accordance with Government Auditing Standards, we have also issued our report dated June 25, 2008 on our consideration of the Township's internal control structure over financial reporting and 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 the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with Government Auditing Standards and should be considered in assessing the results of our audit.

Honorable Mayor and Members
of the Township Committee
Township of Manalapan, New Jersey
Page 3

Our audit was performed for the purpose of forming an opinion on the regulatory-basis financial statements taken as a whole. The accompanying supplementary schedules and Comments section listed in the Table of Contents are presented for purposes of additional analysis as required by the Division of Local Government Services, Department of Community Affairs, State of New Jersey and are not a required part of the regulatory-basis financial statements. Such information has been subjected to the auditing procedures applied in the audit of the financial statements and, in our opinion, is fairly stated in all material respects in relation to the financial statements taken as a whole, on the basis of accounting described in Note 1.

Hutchins, Farrell, Meyer & Allison, P.A.
Independent Auditors



Robert W. Allison
Registered Municipal Accountant
(#483)

June 25, 2008

CURRENT FUND

EXHIBITS

TOWNSHIP OF MANALAPAN
 COUNTY OF MONMOUTH, NEW JERSEY

CURRENT FUND

COMPARATIVE BALANCE SHEET - REGULATORY ACCOUNTING BASIS

December 31, 2007 and 2006

<u>Assets</u>	<u>2007</u>	<u>2006</u>	<u>Liabilities, Reserves and Fund Balance</u>	<u>Reference</u>	<u>2007</u>	<u>2006</u>
Cash and Cash Equivalents	\$ 14,365,279.79	\$ 12,123,735.00	Appropriation Reserves	A-3,8-A	\$ 1,642,670.26	\$ 1,063,960.00
Cash - Change Funds	825.00	675.00	Accounts Payable	9-A	9,544.08	4,302.00
Due From State of New Jersey - Senior Citizens' and Veterans' Deductions	2,760.76	11,391.00	Encumbrances Payable	10-A	509,494.87	306,153.00
			Prepaid Taxes	11-A	464,970.99	477,248.00
			Tax Overpayments	12-A	125,139.05	431,864.00
	14,368,865.55	12,135,801.00	County Taxes Payable	13-A	364,138.39	440,594.00
			Regional High School Tax Payable	15-A	4,223,438.01	3,430,072.00
			Due To State of New Jersey -			
Receivables and Other Assets With Full Reserves:			Marriage License Fees	18-A	500.00	475.00
Delinquent Property Taxes Receivable	1,808,434.43	1,465,580.00	Funeral Home Filing	18-A	795.00	
Tax Title Liens	112,650.56	110,202.00	Training Fees	18-A	8,107.25	13,838.00
Property Acquired for Taxes - Assessed Valuation	352,300.00	352,300.00	Reserve for:			
Revenue Accounts Receivable	29,343.17	43,254.00	Garden State Trust Fund	19-A	25,079.12	16,858.00
Regional School Tax Overpayment		2,298.00	Revaluation Program	19-A	49,376.26	140,032.00
	2,302,728.16	1,973,634.00	Polling Places	19-A	8,155.87	6,995.00
			Tax Appeals	19-A	70,000.00	70,000.00
			Sale of Liquor Licenses	19-A		751,010.00
					7,501,409.15	7,153,401.00
Deferred Charges:						
Special Emergency Authorizations (N.J.S. 40A:4-55)	555,000.00	740,000.00	Reserve for Receivables	A	2,302,728.16	1,973,634.00
			Fund Balance	A-1	7,422,456.40	5,722,400.00
	17,226,593.71	14,849,435.00			17,226,593.71	14,849,435.00
			Federal and State Grant Fund:			
			Due To Trust - Other Fund	22-A		9,025.00
			Reserve for:			
			State Grants - Appropriated	23-A	173,337.37	463,371.00
			State Grants - Unappropriated	24-A	22,071.25	42,164.00
			Encumbrances	23-A	38,414.00	131,408.00
					233,822.62	645,968.00
Federal and State Grant Fund: Cash and Cash Equivalents	89,085.04	65,709.00				
Grants Receivable	144,737.58	580,259.00				
	233,822.62	645,968.00				
Total Assets	\$ 17,460,416.33	\$ 15,495,403.00	Total Liabilities, Reserves and Fund Balance		\$ 17,460,416.33	\$ 15,495,403.00

See accompanying notes.

TOWNSHIP OF MANALAPAN
COUNTY OF MONMOUTH, NEW JERSEY

CURRENT FUND

COMPARATIVE STATEMENT OF OPERATIONS AND CHANGES IN FUND BALANCE -
REGULATORY ACCOUNTING BASIS

Years ended December 31, 2007 and 2006

<u>Revenue and Other Income Realized</u>	<u>Reference</u>	<u>2007</u>	<u>2006</u>
Fund Balance Utilized	A-2	\$ 3,000,000.00	\$ 5,585,000.00
Miscellaneous Revenue Anticipated	A-2	11,049,839.18	10,343,155.00
Receipts From Delinquent Taxes	A-2	1,616,097.32	1,406,084.00
Receipts From Current Taxes	A-2,3-A	103,781,032.37	94,037,409.00
Non-Budget Revenue	A-2	170,288.09	118,724.00
Other Credits To Income:			
Reserve for Overpayment of Regional School Taxes	A	2,298.00	28.00
Interfunds Returned	A-1		94,273.00
Unexpended Balance of Appropriation Reserves	8-A	769,248.24	238,697.00
Other	A-1	1.10	6,610.00
		<u>120,388,804.30</u>	<u>111,829,980.00</u>
 <u>Expenditures</u>			
Budget Appropriations Within CAPS:			
Operations:			
Salaries and Wages	A-3	11,760,027.00	11,713,004.00
Other Expenses	A-3	10,542,847.00	6,842,783.00
Deferred Charges and Statutory Expenditures	A-3	931,138.00	881,364.00
Budget Appropriations Excluded From CAPS:			
Operations:			
Salaries and Wages	A-3	84,229.00	64,597.00
Other Expenses	A-3	1,331,672.62	4,368,515.00
Capital Improvements	A-3	1,000.00	125,000.00
Municipal Debt Service	A-3	2,300,507.61	2,359,648.00
Deferred Charges	A-3	185,000.00	320,000.00
County Taxes	3-A,13-A	16,700,979.48	15,868,858.00
Regional Elementary School Tax	3-A,14-A	46,053,882.11	42,149,496.00
Regional High School Taxes	3-A,15-A	22,341,805.56	20,756,334.00
Special District Taxes	3-A,16-A	2,190,911.00	2,137,672.00
Municipal Open Space Taxes	3-A,17-A	1,257,219.98	522,821.00
Prior Year Senior Citizens Disallowed	2-A	3,821.07	4,109.00
Due From State of NJ - Seniors and Veterans	2-A	3,304.40	
Refund Prior Years' Revenue	1-A	403.07	
Other	A-1		2,503.00
		<u>115,688,747.90</u>	<u>108,116,704.00</u>
Excess in Revenue		4,700,056.40	3,713,276.00
Fund Balance, January 1	A	<u>5,722,400.00</u>	<u>7,594,124.00</u>
		10,422,456.40	11,307,400.00
Decreased By:			
Utilized as Anticipated Revenue	A-1,A-2	<u>3,000,000.00</u>	<u>5,585,000.00</u>
Fund Balance, December 31	A	<u>\$ 7,422,456.40</u>	<u>\$ 5,722,400.00</u>

See accompanying notes.

TOWNSHIP OF MANALAPAN
COUNTY OF MONMOUTH, NEW JERSEY

CURRENT FUND

STATEMENT OF REVENUES - REGULATORY ACCOUNTING BASIS

Year ended December 31, 2007

	Reference	Anticipated Budget	Budget Amendments	Amount Realized	Excess/ (Deficit)
Fund Balance Anticipated	A-1	\$ 3,000,000.00		\$ 3,000,000.00	
Miscellaneous Revenues:					
Licenses:					
Alcoholic Beverages	6-A	771,010.00		782,095.80	\$ 11,085.80
Other	6-A	25,000.00		26,517.00	1,517.00
Fees and Permits	6-A	924,000.00		910,583.76	(13,416.24)
Fines and Costs:					
Municipal Court	6-A	460,000.00		582,774.89	122,774.89
Interest and Costs on Taxes	6-A	200,000.00		324,409.92	124,409.92
Interest on Investments and Deposits	6-A	850,000.00		1,166,806.87	316,806.87
Energy Receipts Tax	6-A	4,202,061.00		4,202,061.00	
Supplemental Energy Receipts Tax	6-A	197,979.00		197,979.00	
Legislative Initiative Municipal Block Grant	6-A	131,052.00		131,052.00	
Consolidated Municipal Property Tax Relief Aid	6-A	577,315.00		577,315.00	
Garden State Trust Fund	6-A	16,858.00		16,858.00	
Municipal Homeland Security Assistance	6-A	140,000.00		140,000.00	
Municipal Property Tax Assistance	6-A	99,919.00		99,919.00	
Uniform Construction Code Fees	6-A	1,100,000.00		1,172,897.00	72,897.00
Uniform Fire Safety Act	6-A	100,000.00		113,021.72	13,021.72
Capital Fund Balance - Cancellation of Fully Funded Ordinance	6-A	250,000.00		250,000.00	
Interlocal Service Agreement - Animal Control Services	6-A	70,871.00		70,871.00	
Public Health Priority Funding - 1977	21-A	11,744.00		11,744.00	
Recycling Tonnage Grant	21-A	31,765.05		31,765.05	
Drunk Driving Enforcement Fund	21-A		\$ 6,787.32	6,787.32	
NJDEP - Clean Communities Program	21-A	40,722.51	3,877.63	44,600.14	
Municipal Alliance on Alcoholism and Drug Abuse	21-A	25,300.00		25,300.00	
Handicapped Recreation Opportunities Grant	21-A	1,000.00		1,000.00	
Smart Future Grant	21-A	45,000.00		45,000.00	
Highway Safety Grant - Click It or Ticket	21-A	4,000.00		4,000.00	
Office on Aging Grant	21-A	20,000.00		20,000.00	
NJ Body Armor Replacement Fund	21-A	6,173.96		6,173.96	
Municipal Alcohol Education/Rehabilitation Program	21-A		563.80	563.80	
DHS - Over the Limit	21-A		5,000.00	5,000.00	
Medical Reserve Region 2	21-A	10,000.00		10,000.00	
NJDEP Community Stewardship Incentive Program	21-A		18,750.00	18,750.00	
Domestic Violence	21-A	211.00		211.00	
DCA - Domestic Violence Training Program	21-A		2,965.95	2,965.95	
Pandemic Influenza Planning	21-A	9,745.00		9,745.00	
DHS - Stop for the Red or Stop for Us	21-A		17,000.00	17,000.00	
USDHHS - Medical Reserve Training - Region 2	21-A		18,000.00	18,000.00	
Occupant Protection	21-A	1,350.00		1,350.00	
Shade Tree Incentive Grant	21-A	500.00		500.00	
State of NJ - Tobacco Control, Prevention, Treatment	21-A		720.00	720.00	
County of Monmouth Arts Council - Local Arts Program Grant	21-A		3,501.00	3,501.00	
Total Miscellaneous Revenues	A-1	<u>10,323,576.52</u>	<u>77,165.70</u>	<u>11,049,839.18</u>	<u>649,096.96</u>
Receipts From Delinquent Taxes	A-1	<u>1,000,000.00</u>		<u>1,616,097.32</u>	<u>616,097.32</u>
Amount To Be Raised By Taxes for Support of Municipal Budget:					
Local Tax for Municipal Purposes	A-2	<u>15,297,706.73</u>		<u>17,793,582.93</u>	<u>2,495,876.20</u>
Budget Revenues		29,621,283.25	77,165.70	33,459,519.43	3,761,070.48
Non-Budget Revenues	A-1,1-A			<u>170,288.09</u>	<u>170,288.09</u>
		<u>\$ 29,621,283.25</u>	<u>\$ 77,165.70</u>	<u>\$ 33,629,807.52</u>	<u>\$ 3,931,358.57</u>

See accompanying notes.

TOWNSHIP OF MANALAPAN
COUNTY OF MONMOUTH, NEW JERSEY

CURRENT FUND

STATEMENT OF REVENUES - REGULATORY ACCOUNTING BASIS

Year ended December 31, 2007

	<u>Reference</u>	
<u>Analysis of Realized Revenues</u>		
Allocation of Current Tax Collections:		
Revenue From Collections	A-1,3-A	\$ 103,781,032.37
Allocated To:		
School, County, Special District and Open Space Taxes	3-A	<u>88,544,798.13</u>
		15,236,234.24
Add: Appropriation "Reserve for Uncollected Taxes"	A-3	<u>2,557,348.69</u>
Amount for Support of Municipal Budget Appropriations	A-2	<u>\$ 17,793,582.93</u>
Receipts From Delinquent Taxes:		
Delinquent Tax Collections	3-A	\$ 1,605,577.25
Tax Title Liens	4-A	<u>10,520.07</u>
		<u>\$ 1,616,097.32</u>

See accompanying notes.

TOWNSHIP OF MANALAPAN
COUNTY OF MONMOUTH, NEW JERSEY

CURRENT FUND

STATEMENT OF REVENUES - REGULATORY ACCOUNTING BASIS

Year ended December 31, 2007

Analysis of Non-Budget Revenues

Reference

Miscellaneous Revenue Not Anticipated:

Copies/Maps	\$ 2,778.85
Refunds/Reimbursement	12,579.09
Returned Check Charge	1,034.00
Stale Dated Checks	1,085.78
DMV - State Collection of Inspection Fees	9,872.67
Duplicate Tax Bills	10.00
State Reimbursement for Highway Safety	44,671.89
State Reimbursement for Building Improvements	10,000.00
Public Assistance Trust Fund I Close Out	23,787.79
Clean-up Fees	6,491.12
Developer Default - Project Funded Through Capital	24,331.89
Recycle Bags/Batteries/Scrap Metal	13,107.75
Donation To Police Honor Guard	2,000.00
Veterans' and Senior Citizens' Administrative Fee	6,599.00
Reserve for Grants Cancelled	8,997.78
Miscellaneous	<u>2,940.48</u>

A-1,1-A

\$ 170,288.09

See accompanying notes.

STATEMENT OF APPROPRIATIONS - REGULATORY ACCOUNTING BASIS

CURRENT FUND

Year ended December 31, 2007

	Appropriated		Expended	Cancelled
	Original Budget	Budget After Modification		
General Appropriations Operations - Within "CAPS"				
GENERAL GOVERNMENT				
General Administration:				
Salaries and Wages	\$ 241,735.00	\$ 241,735.00	\$ 226,070.47	\$ 15,664.53
Other Expenses	31,150.00	31,150.00	23,541.35	7,608.65
Governing Body:				
Salaries and Wages	36,100.00	36,100.00	35,671.06	428.94
Municipal Clerk:				
Salaries and Wages	215,750.00	215,750.00	208,415.77	7,334.23
Other Expenses	42,775.00	42,775.00	27,778.67	14,996.33
Finance Administration:				
Salaries and Wages	254,714.00	253,564.00	244,218.86	9,345.14
Other Expenses	69,500.00	66,750.00	51,949.32	14,800.68
Audit Services:				
Other Expenses	40,000.00	40,000.00	40,000.00	
Central Computer Office:				
Other Expenses	43,900.00	43,900.00	39,507.92	4,392.08
Collection of Taxes:				
Salaries and Wages	153,600.00	153,600.00	139,949.81	13,650.19
Other Expenses	24,900.00	24,900.00	21,827.63	3,072.37
Assessment of Taxes:				
Salaries and Wages	125,900.00	126,550.00	125,228.06	1,321.94
Other Expenses	65,960.00	65,960.00	43,545.69	22,414.31
Legal Services and Costs:				
Salaries and Wages	21,870.00	21,870.00	20,186.88	1,683.12
Other Expenses	195,000.00	195,000.00	121,935.50	73,064.50
Engineering Services and Costs:				
Salaries and Wages	95,000.00	80,000.00	78,357.95	1,642.05
Other Expenses	74,750.00	89,750.00	66,829.92	22,920.08
Economic Development Committee:				
Other Expenses	135.00	135.00	19.09	115.91
LAND USE ADMINISTRATION				
Planning Board:				
Salaries and Wages	67,000.00	68,000.00	58,946.04	9,053.96
Other Expenses	52,000.00	52,000.00	33,239.95	18,760.05
Zoning Board:				
Salaries and Wages	41,000.00	47,500.00	47,111.66	388.34
Other Expenses	27,000.00	20,500.00	12,169.83	8,330.17
INSURANCE				
General Liability Insurance	596,979.00	596,979.00	579,544.07	17,434.93
Workers Compensation Insurance	147,600.00	147,600.00	94,004.00	53,596.00
Employee Group Insurance	2,775,500.00	2,724,000.00	2,623,230.38	100,769.62
Unemployment Insurance	5,500.00	5,500.00	1,250.78	4,249.22

TOWNSHIP OF MANALAPAN
COUNTY OF MONMOUTH, NEW JERSEY
CURRENT FUND

STATEMENT OF APPROPRIATIONS - REGULATORY ACCOUNTING BASIS

Year ended December 31, 2007

	Appropriated		Budget After Modification	Expended		Cancelled
	Original Budget			Paid or Charged	Reserved	
General Appropriations Operations - Within "CAPS"						
PUBLIC SAFETY						
Police Department:						
Salaries and Wages	6,389,603.00		6,361,603.00	6,040,803.29	320,799.71	
Other Expenses	259,220.00		259,220.00	232,489.85	26,730.15	
Police Dispatch:						
Salaries and Wages	330,428.00		358,428.00	351,954.20	6,473.80	
Other Expenses	6,500.00		6,500.00	4,616.21	1,883.79	
Emergency Management:						
Salaries and Wages	1,917.00		1,917.00	798.75	1,118.25	
Other Expenses	4,800.00		4,800.00	3,577.45	1,222.55	
First Aid Contribution:						
Other Expenses	10,000.00		10,000.00	10,000.00		
Uniform Fire Safety Act:						
Salaries and Wages	162,500.00		162,500.00	157,173.24	5,326.76	
Other Expenses	9,150.00		9,150.00	2,982.40	6,167.60	
Municipal Prosecutor:						
Salaries and Wages	35,000.00		35,000.00	32,812.47	2,187.53	
Volunteer Incentive Award Program:						
Other Expenses	7,500.00		9,000.00	7,282.00	1,718.00	
Municipal Court:						
Salaries and Wages	212,000.00		212,000.00	208,728.67	3,271.33	
Other Expenses	17,525.00		17,525.00	13,645.83	3,879.17	
Public Defender:						
Salaries and Wages	15,000.00		15,000.00	15,000.00		
PUBLIC WORKS						
Streets and Roads:						
Salaries and Wages	891,496.00		891,496.00	889,330.21	2,165.79	
Other Expenses	156,025.00		156,025.00	137,926.51	18,098.49	
Snow Removal:						
Salaries and Wages	70,000.00		70,000.00	67,985.13	2,014.87	
Other Expenses	367,000.00		367,000.00	350,975.61	16,024.39	
Sanitation/Solid Waste Collection:						
Other Expenses	1,500,000.00		1,445,000.00	1,422,048.20	22,951.80	
Buildings and Grounds:						
Salaries and Wages	126,708.00		126,708.00	122,532.39	4,175.61	
Other Expenses	162,500.00		172,500.00	163,438.68	9,061.32	
Recycling:						
Other Expenses	50,000.00		50,000.00	39,780.90	10,219.10	
Vehicle Maintenance:						
Salaries and Wages	236,150.00		236,150.00	230,780.62	5,369.38	
Other Expenses	193,500.00		193,500.00	183,028.72	10,471.28	
Community/Condominium Services Act:						
Other Expenses	195,000.00		195,000.00	131,958.84	63,041.16	
Shade Tree Commission:						
Salaries and Wages	11,500.00		11,500.00	8,133.38	3,366.62	
Other Expenses	5,645.00		5,645.00	2,433.34	3,211.66	
Transportation and Parking Committee:						
Salaries and Wages	1,465.00		1,465.00	854.56	610.44	
Other Expenses	100.00		100.00		100.00	

See accompanying notes.

TOWNSHIP OF MANALAPAN
COUNTY OF MONMOUTH, NEW JERSEY
CURRENT FUND

STATEMENT OF APPROPRIATIONS - REGULATORY ACCOUNTING BASIS

Year ended December 31, 2007

	Appropriated		Budget After Modification	Expended		Cancelled
	Original Budget			Paid or Charged	Reserved	
General Appropriations Operations - Within "CAPS"						
HEALTH AND HUMAN SERVICES						
Public Health Services:						
Salaries and Wages	287,002.00		294,502.00	292,370.10	2,131.90	
Other Expenses	41,400.00		41,400.00	33,364.96	8,035.04	
Environmental Commission:						
Salaries and Wages	1,250.00		1,250.00	850.20	399.80	
Other Expenses	500.00		500.00	53.04	446.96	
Community Alliance:						
Salaries and Wages	25,000.00		30,500.00	27,452.15	3,047.85	
Other Expenses	3,700.00		3,700.00	1,147.01	2,552.99	
Animal Control Services:						
Salaries and Wages	36,479.00		28,979.00	23,459.04	5,519.96	
Other Expenses	9,958.00		7,208.00	631.05	6,576.95	
PARK AND RECREATION						
Recreation Services and Programs:						
Salaries and Wages	392,023.00		386,023.00	377,794.49	8,228.51	
Other Expenses	42,750.00		48,750.00	43,639.25	5,110.75	
Senior Citizen Advisory Council:						
Salaries and Wages	766.00		766.00	3,052.00	766.00	
Other Expenses	4,500.00		4,500.00		1,448.00	
Senior Citizen Center:						
Salaries and Wages	82,000.00		85,000.00	83,625.87	1,374.13	
Other Expenses	63,875.00		63,875.00	58,019.24	5,855.76	
Heritage Committee:						
Salaries and Wages	700.00		700.00	698.04	1.96	
Other Expenses	20,500.00		20,500.00	20,500.00		
Maintenance of Parks:						
Salaries and Wages	345,354.00		345,854.00	344,422.19	1,431.81	
Other Expenses	92,800.00		92,800.00	83,795.93	9,004.07	
OTHER COMMON OPERATING FUNCTIONS						
Celebration of Public Events:						
Other Expenses	250.00		250.00	84.25	165.75	
Provision for Accumulated Sick and Vacation:						
Other Expenses	75,000.00		75,000.00	65,000.00	10,000.00	
Postage:						
Other Expenses	58,000.00		60,500.00	58,064.12	2,435.88	
Provision for Salary Adjustment:						
Other Expenses	130,000.00		180,000.00	80,622.77	99,377.23	
UNIFORM CONSTRUCTION CODE						
Construction Official:						
Salaries and Wages	862,017.00		858,017.00	828,285.16	29,731.84	
Other Expenses	21,000.00		21,000.00	15,679.97	5,320.03	

See accompanying notes.

TOWNSHIP OF MANALAPAN
COUNTY OF MONMOUTH, NEW JERSEY
CURRENT FUND

STATEMENT OF APPROPRIATIONS - REGULATORY ACCOUNTING BASIS

Year ended December 31, 2007

	Appropriated		Budget After Modification	Expended		Cancelled
	Original Budget			Paid or Charged	Reserved	
General Appropriations Operations - Within "CAPS"						
UTILITIES AND BULK PURCHASES						
Gasoline and Diesel Fuels	235,000.00		235,000.00	206,388.46	28,611.54	
Electricity	270,000.00		270,000.00	265,755.80	4,244.20	
Telephone and Telegraph	100,000.00		97,500.00	65,116.72	32,383.28	
Natural Gas	122,000.00		122,000.00	77,604.09	44,395.91	
Heating/Fuel Oil	10,000.00		10,000.00	7,746.93	2,253.07	
Street Lighting	485,000.00		485,000.00	406,176.57	78,823.43	
Water	35,000.00		35,000.00	24,883.69	10,116.31	
Sewer	7,500.00		7,500.00	6,976.00	524.00	
Telecommunication Costs	17,000.00		17,000.00	15,730.33	1,269.67	
Landfill/Disposal Costs	1,550,000.00		1,595,000.00	1,450,426.44	144,573.56	
Total Operations - Within "CAPS"	22,301,874.00		22,301,874.00	20,767,017.97	1,534,856.03	
Contingent	1,000.00		1,000.00	528.00	472.00	
Total Operations Including Contingent - Within "CAPS"	22,302,874.00		22,302,874.00	20,767,545.97	1,535,328.03	
Detail:						
Salaries and Wages	11,769,027.00		11,760,027.00	11,290,000.71	470,026.29	
Other Expenses	10,533,847.00		10,542,847.00	9,477,545.26	1,065,301.74	
Deferred Charges and Statutory Expenditures - Municipal - Within "CAPS"						
STATUTORY EXPENDITURES						
Contribution To:						
Public Employees' Retirement System	12,583.00		12,583.00	12,583.00		
Social Security System (O.A.S.I.)	918,555.00		918,555.00	869,919.16	48,635.84	
Total Deferred Charges and Statutory Expenditures - Municipal - Within "CAPS"	931,138.00		931,138.00	882,502.16	48,635.84	
Total General Appropriations for Municipal Purposes - Within "CAPS"	23,234,012.00		23,234,012.00	21,650,048.13	1,583,963.87	

TOWNSHIP OF MANALAPAN
COUNTY OF MONMOUTH, NEW JERSEY

CURRENT FUND

STATEMENT OF APPROPRIATIONS - REGULATORY ACCOUNTING BASIS

Year ended December 31, 2007

	Appropriated		Budget After Modification	Expended		Cancelled
	Original Budget			Paid or Charged	Reserved	
General Appropriations						
Operations - Excluded From "CAPS"						
Police and Firemen's Retirement System of NJ	711,876.00		711,876.00	711,876.00		
Public Employees Retirement System	175,555.40		175,555.40	175,550.40		5.00
Length of Services Awards Program (LOSAP):						
Other Expenses	50,000.00		50,000.00		50,000.00	
Stormwater and Water Pollution:						
Other Expenses	48,500.00		48,500.00	43,891.49	2,608.51	
Animal Control Services:						
Salaries and Wages	55,729.00		62,229.00	62,229.00		
Other Expenses	15,142.00		8,642.00	8,117.71	524.29	
Monmouth County 911:						
Other Expenses	40,000.00		40,000.00	34,426.41	5,573.59	
Interlocal Monmouth Public Health Consortium:						
Other Expenses	16,515.00		16,515.00	16,515.00		
SFSP Fire District Payments:						
Other Expenses	13,587.00		13,587.00	13,587.00		
Total Other Operations Excluded From "CAPS"	1,124,904.40		1,124,904.40	1,066,193.01	58,706.39	5.00
PUBLIC AND PRIVATE PROGRAMS OFFSET BY REVENUES						
Clean Communities Program	44,600.14		44,600.14	44,600.14		
Drunk Driving Enforcement Fund	6,787.32		6,787.32	6,787.32		
Monmouth County Community Alliance Grant:						
Grant Share	25,300.00		25,300.00	25,300.00		
Local Share	6,325.00		6,325.00	6,325.00		
Public Health Priority Funding	11,744.00		11,744.00	11,744.00		
Body Armor Replacement Fund	6,173.96		6,173.96	6,173.96		
Over The Limit, Under Arrest 2007 Impaired Driving	5,000.00		5,000.00	5,000.00		
Medical Reserve Region	10,000.00		10,000.00	10,000.00		
Pandemic Flu Planning	9,745.00		9,745.00	9,745.00		
Office on Aging	20,000.00		20,000.00	20,000.00		
Community Stewardship	18,750.00		18,750.00	18,750.00		
Recycling Tonnage Grant	31,785.05		31,785.05	31,785.05		
Council on Arts - Local Share	3,501.00		3,501.00	3,501.00		
Municipal Alcohol Education/Rehabilitation Program	563.80		563.80	563.80		
Handicapped Recreation Opportunities Grant	1,000.00		1,000.00	1,000.00		
Smart Future Grant	45,000.00		45,000.00	45,000.00		
Highway Safety Grant - Click It or Ticket	4,000.00		4,000.00	4,000.00		
Shade Tree Incentive Grant	500.00		500.00	500.00		
Occupant Protection Grant	1,350.00		1,350.00	1,350.00		
Domestic Violence	3,176.95		3,176.95	3,176.95		
Substance Abuse Tobacco Control	720.00		720.00	720.00		
Stop for the Red or Stop for Us	17,000.00		17,000.00	17,000.00		
Region 2 Medical Reserve Training Conference	18,000.00		18,000.00	18,000.00		
Total Public and Private Programs Offset by Revenues	291,002.22		291,002.22	291,002.22		
Total Operations - Excluded From "CAPS"	1,415,906.62		1,415,906.62	1,357,195.23	58,706.39	5.00
Detail:						
Salaries and Wages	77,729.00		84,229.00	84,229.00		
Other Expenses	1,338,177.62		1,331,677.62	1,272,966.23	58,706.39	5.00

See accompanying notes.

TOWNSHIP OF MANALAPAN
COUNTY OF MONMOUTH, NEW JERSEY
CURRENT FUND

STATEMENT OF APPROPRIATIONS - REGULATORY ACCOUNTING BASIS

Year ended December 31, 2007

	Original Budget	Appropriated Budget After Modification	Paid or Charged	Expended	Reserved	Cancelled
General Appropriations Operations - Excluded From "CAPS"	1,000.00	1,000.00	1,000.00			
Capital Improvements - Excluded From "CAPS"						
Capital Improvement Fund	1,000.00	1,000.00	1,000.00			
Total Capital Improvements - Excluded From "CAPS"	1,000.00	1,000.00	1,000.00			
Municipal Debt Service - Excluded From "CAPS"						
Payment of Bond Principal	1,791,000.00	1,791,000.00	1,791,000.00			2,769.69
Interest on Bonds	283,751.25	283,751.25	280,981.56			
Interest on Notes	101,425.63	101,425.63	101,425.63			
MCI/A Pooled Lease Agreement:						
Principal	112,700.00	112,700.00	112,700.00			1,904.34
Interest	16,304.76	16,304.76	14,400.42			4,674.03
Total Municipal Debt Service - Excluded From "CAPS"	2,305,181.64	2,305,181.64	2,300,507.61			
DEFERRED CHARGES	185,000.00	185,000.00	185,000.00			
Deferred Charges To Future Taxation - Special Emergency	185,000.00	185,000.00	185,000.00			
Total Deferred Charges - Municipal - Excluded from "CAPS"	185,000.00	185,000.00	185,000.00			
Total General Appropriations - Excluded From "CAPS"	3,907,088.26	3,907,088.26	3,843,702.84		58,706.39	4,679.03
Subtotal General Appropriations	27,141,100.26	27,141,100.26	25,493,750.97		1,642,670.26	4,679.03
Reserve for Uncollected Taxes	2,557,348.69	2,557,348.69	2,557,348.69			
Total General Appropriations	\$ 29,698,448.95	\$ 29,698,448.95	\$ 28,051,099.66		\$ 1,642,670.26	\$ 4,679.03
		A-3		A		A-3
Analysis of Budget After Modification						
Original Budget	\$ 29,621,283.25					
Added by N.J.S. 40A:4-87	77,165.70					
	\$ 29,698,448.95					
Analysis of Paid or Charged						
Cash Disbursements			\$ 24,514,578.88			
Deferred Charges:						
Special Emergency Authorizations			185,000.00			
Reserve for:						
Encumbrances			509,494.87			
State Grants - Appropriated			284,677.22			
Uncollected Taxes			2,557,348.69			
			\$ 28,051,099.66			

See accompanying notes.

TRUST FUND

EXHIBIT

TOWNSHIP OF MANALAPAN
 COUNTY OF MONMOUTH, NEW JERSEY

TRUST FUND

COMPARATIVE BALANCE SHEET - REGULATORY ACCOUNTING BASIS

December 31, 2007 and 2006

<u>Assets</u>	<u>Reference</u>	<u>2007</u>	<u>2006</u>	<u>Liabilities, Reserves and Fund Balance</u>	<u>Reference</u>	<u>2007</u>	<u>2006</u>
Animal Control Trust Fund: Cash and Cash Equivalents	1-B	\$ 24,348.50	\$ 22,479.00	Animal Control Trust Fund: Due To State of New Jersey	3-B	\$ 24.60	\$ 19.00
Assessment Trust Fund: Deferred Assessments Receivable	2-B	1,923.00	1,923.00	Reserve for Animal Control Fund Expenditures	4-B	24,323.90	22,460.00
Open Space Trust Fund: Cash and Cash Equivalents	1-B	1,311,023.23	1,229,580.00	Assessment Trust Fund: Reserve for Deferred Assessments Receivable	B	1,923.00	1,923.00
Trust - Other Fund: Cash and Cash Equivalents	1-B	13,321,187.27	10,787,066.00	Open Space Trust Fund: Reserve for Open Space	5-B	1,311,023.23	1,229,580.00
Due From Federal and State Grant Fund	B, 1-B		9,025.00	Trust - Other Fund: Various Reserves	6-B	13,318,977.75	10,793,882.00
				Fund Balance	B	2,209.52	2,209.00
		13,321,187.27	10,796,091.00			13,321,187.27	10,796,091.00
Length of Service Award Program Fund ("LOSAP") - Unaudited: Investments	7-B	204,641.26	151,237.60	Length of Service Award Program Fund ("LOSAP") - Unaudited: Miscellaneous Reserves	8-B	204,641.26	151,237.60
Total Assets		\$ 14,863,123.26	\$ 12,201,310.60	Total Liabilities, Reserves and Fund Balance		\$ 14,863,123.26	\$ 12,201,310.60

See accompanying notes.

GENERAL CAPITAL FUND

EXHIBITS

TOWNSHIP OF MANALAPAN
 COUNTY OF MONMOUTH, NEW JERSEY

GENERAL CAPITAL FUND

COMPARATIVE BALANCE SHEET - REGULATORY ACCOUNTING BASIS

December 31, 2007 and 2006

<u>Assets</u>	<u>2007</u>	<u>2006</u>	<u>Liabilities, Reserves and Fund Balance</u>	<u>Reference</u>	<u>2007</u>	<u>2006</u>
Cash and Cash Equivalents			General Serial Bonds	5-C	\$ 15,356,000.00	\$ 9,729,000.00
Deferred Charges To Future Taxation:			Bond Anticipation Notes	6-C	3,320,000.00	2,320,000.00
Funded			Contracts Payable	7-C	3,022,096.79	1,471,196.00
Unfunded			Improvement Authorizations:			
Leased Assets Under Capital Lease			Funded	7-C	4,935,041.84	3,222,609.00
Grants Receivable			Unfunded	7-C	346,750.00	1,671,686.00
			Capital Lease Obligations	C	1,299,900.00	472,800.00
			Capital Improvement Fund	8-C	53,797.51	81,783.00
			Various Reserves	10-C	30,761.50	111,946.00
			Fund Balance	C-1	767,529.76	317,411.00
					<u>29,131,877.40</u>	<u>19,398,431.00</u>
Total Assets	<u>\$ 29,131,877.40</u>	<u>\$ 19,398,431.00</u>	Total Liabilities, Reserves and Fund Balance		<u>\$ 29,131,877.40</u>	<u>\$ 19,398,431.00</u>

See accompanying notes.

TOWNSHIP OF MANALAPAN
COUNTY OF MONMOUTH, NEW JERSEY

GENERAL CAPITAL FUND

COMPARATIVE STATEMENT OF FUND BALANCE - REGULATORY ACCOUNTING BASIS

Years ended December 31, 2007 and 2006

	<u>Reference</u>		
Balance, December 31, 2006	C		\$ 317,411.00
Increased By:			
Premium on Sale of Bond Anticipation Notes	1-C	\$ 5,780.62	
Premium on Sale of Bonds	1-C	434,291.16	
Improvement Authorizations Cancelled	7-C	410,000.47	
Various Reserves Cancelled	10-C	97,546.00	
Rounding Adjustment	C-1	<u>0.51</u>	
			<u>947,618.76</u>
			1,265,029.76
Decreased By:			
Anticipated in Current Fund Budget	1-C	250,000.00	
Improvement Authorizations	7-C	<u>247,500.00</u>	
			<u>497,500.00</u>
Balance, December 31, 2007	C		<u>\$ 767,529.76</u>

See accompanying notes.

WATER UTILITY FUND

EXHIBITS

TOWNSHIP OF MANALAPAN
 COUNTY OF MONMOUTH, NEW JERSEY

WATER UTILITY FUND

COMPARATIVE BALANCE SHEET - REGULATORY ACCOUNTING BASIS

December 31, 2007 and 2006

<u>Assets</u>	<u>2007</u>	<u>2006</u>	<u>Reference</u>	<u>Liabilities, Reserves and Fund Balances</u>	<u>2007</u>	<u>2006</u>
Operating Fund:				Operating Fund:		
Cash - Treasurer	\$ 245,220.28	\$ 290,519.00	1-D	Appropriation Reserves	\$ 126.67	\$ 2,946.00
Total Operating Fund	<u>245,220.28</u>	<u>290,519.00</u>		Encumbrances Payable	2,312.50	1,267.00
				Accrued Interest on Notes	1,156.95	4,213.00
				Fund Balance	3,596.12	286,306.00
				Total Operating Fund	<u>245,220.28</u>	<u>290,519.00</u>
				Capital Fund:		
Capital Fund:				Serial Bonds	369,000.00	330,000.00
Cash and Cash Equivalents				Bond Anticipation Notes Payable	70,000.00	70,000.00
Fixed Capital	399,599.96	306,826.00	8-D	Improvement Authorizations:		
Fixed Capital Authorized and Uncompleted	673,234.71	673,235.00	9-D	Funded	82,924.65	14,008.00
Total Capital Fund	<u>1,651,334.67</u>	<u>1,558,561.00</u>	10-D	Unfunded	919.25	69,863.00
				Reserve for Encumbrances	6,625.00	919.00
				Capital Improvement Fund	673,234.71	6,625.00
				Reserve for Amortization	209,500.00	673,235.00
				Deferred Reserve for Amortization	224,422.08	178,500.00
				Reserve for Capital Projects	14,708.98	205,207.00
				Fund Balance	<u>14,708.98</u>	<u>10,204.00</u>
Total Capital Fund	<u>1,651,334.67</u>	<u>1,558,561.00</u>	D-2	Total Capital Fund	1,651,334.67	1,558,561.00
Total Assets	<u>\$ 1,896,554.95</u>	<u>\$ 1,849,080.00</u>		Total Liabilities, Reserves and Fund Balances	<u>\$ 1,896,554.95</u>	<u>\$ 1,849,080.00</u>

See accompanying notes.

TOWNSHIP OF MANALAPAN
COUNTY OF MONMOUTH, NEW JERSEY

WATER UTILITY FUND

COMPARATIVE STATEMENT OF OPERATIONS AND CHANGES IN FUND BALANCE
REGULATORY ACCOUNTING BASIS

Years ended December 31, 2007 and 2006

	<u>Reference</u>	<u>2007</u>	<u>2006</u>
Revenue and Other Income Realized:			
Fund Balance Utilized	D-3	\$ 69,839.00	
Miscellaneous Revenue Anticipated	D-3,1-D	62,146.09	\$ 215,129.00
Accrued Interest Cancelled	7-D	110.05	
Unexpended Balance of Appropriation Reserves	5-D	<u>2,865.00</u>	<u>5,892.00</u>
Total Revenue		<u>134,960.14</u>	<u>221,021.00</u>
Expenditures:			
Operating	D-4	60,502.00	7,500.00
Debt Service	D-4	49,300.70	48,556.00
Rounding Adjustments	1-D	<u>0.28</u>	<u> </u>
Total Expenditures		<u>109,802.98</u>	<u>56,056.00</u>
Excess in Revenue		25,157.16	164,965.00
Fund Balance, January 1	D	<u>286,306.00</u>	<u>121,341.00</u>
		311,463.16	286,306.00
Decreased By:			
Utilized as Anticipated Revenue	D-1	<u>69,839.00</u>	<u> </u>
Fund Balance, December 31	D	<u>\$ 241,624.16</u>	<u>\$ 286,306.00</u>

See accompanying notes.

TOWNSHIP OF MANALAPAN
 COUNTY OF MONMOUTH, NEW JERSEY

WATER UTILITY CAPITAL FUND

COMPARATIVE STATEMENT OF FUND BALANCE
 REGULATORY ACCOUNTING BASIS

Years ended December 31, 2007 and 2006

Reference

Balance, December 31, 2006	D		\$ 10,204.00
Increased By:			
Premium on Sale of Bonds	1-D	\$ 4,386.78	
Premium on Sale of Bond Anticipation Notes	1-D	117.98	
Rounding Adjustment	D-2	<u>0.22</u>	
			<u>4,504.98</u>
Balance, December 31, 2007	D		<u>\$ 14,708.98</u>

See accompanying notes.

TOWNSHIP OF MANALAPAN
 COUNTY OF MONMOUTH, NEW JERSEY

WATER UTILITY OPERATING FUND

STATEMENT OF REVENUES - REGULATORY ACCOUNTING BASIS

Year ended December 31, 2007

	<u>Budget</u>	<u>Realized</u>	<u>Excess/ (Deficit)</u>
Surplus Utilized	\$ 69,839.00	\$ 69,839.00	
Miscellaneous	30,000.00	33,838.71	\$ 3,838.71
Interest on Investments	<u>10,000.00</u>	<u>28,307.38</u>	<u>18,307.38</u>
	<u>\$ 109,839.00</u>	<u>\$ 131,985.09</u>	<u>\$ 22,146.09</u>
	<u>Reference</u>		
	D-4	D-1	D-3
Interest on Investments		\$ 28,307.38	
Miscellaneous:			
Master Volume Fees		32,688.71	
Application Fees		<u>1,150.00</u>	
	D-1,1-D	<u>\$ 62,146.09</u>	

See accompanying notes.

TOWNSHIP OF MANALAPAN
 COUNTY OF MONMOUTH, NEW JERSEY

WATER UTILITY FUND

STATEMENT OF APPROPRIATIONS - REGULATORY ACCOUNTING BASIS

Year ended December 31, 2007

	Appropriations		Expended		Cancelled
	Original Budget	Budget After Modifications	Paid or Charged	Reserved	
Operating:					
Other Expenses	\$ 60,502.00	\$ 60,502.00	\$ 60,375.33	\$ 126.67	
Total Operating	60,502.00	60,502.00	60,375.33	126.67	
Debt Service:					
Payment of Bond Principal	31,000.00	31,000.00	31,000.00		\$ 36.16
Interest on Bonds	15,200.00	15,200.00	15,163.84		0.14
Interest on Notes	3,137.00	3,137.00	3,136.86		
Total Debt Service	49,337.00	49,337.00	49,300.70		36.30
Total Water Utility Appropriations	\$ 109,839.00	\$ 109,839.00	\$ 109,676.03	\$ 126.67	\$ 36.30
	Reference	D-3	D-4	D	D-4
Cash Disbursed	1-D		\$ 107,363.53		
Encumbrances Payable	6-D		2,312.50		
			\$ 109,676.03		

See accompanying notes.

PUBLIC ASSISTANCE FUND

EXHIBIT

TOWNSHIP OF MANALAPAN
 COUNTY OF MONMOUTH, NEW JERSEY

PUBLIC ASSISTANCE FUND

COMPARATIVE BALANCE SHEET - REGULATORY ACCOUNTING BASIS

December 31, 2007 and 2006

<u>Assets</u>	<u>Reference</u>	<u>2007</u>	<u>2006</u>	<u>Liabilities and Reserves</u>	<u>Reference</u>	<u>2007</u>	<u>2006</u>
Cash	1-E		\$ 70,163.00	Due To State of New Jersey Reserve for Public Assistance Expenditures	3-E 2-E		\$ 47,438.00 22,725.00
Total Assets		\$ 0.00	\$ 70,163.00	Total Liabilities and Reserves		\$ 0.00	\$ 70,163.00

See accompanying notes.

BOND AND INTEREST FUND

EXHIBIT

TOWNSHIP OF MANALAPAN
COUNTY OF MONMOUTH, NEW JERSEY

BOND AND INTEREST FUND

COMPARATIVE BALANCE SHEET - REGULATORY ACCOUNTING BASIS

December 31, 2007 and 2006

<u>Assets</u>	<u>Reference</u>	<u>2007</u>	<u>2006</u>	<u>Liabilities</u>	<u>Reference</u>	<u>2007</u>	<u>2006</u>
Cash	F	<u>\$ 8,559.08</u>	<u>\$ 8,559.00</u>	Principal and Interest Payable	F	<u>\$ 8,559.08</u>	<u>\$ 8,559.00</u>
Total Assets		<u><u>\$ 8,559.08</u></u>	<u><u>\$ 8,559.00</u></u>	Total Liabilities		<u><u>\$ 8,559.08</u></u>	<u><u>\$ 8,559.00</u></u>

See accompanying notes.

PAYROLL FUND

EXHIBIT

TOWNSHIP OF MANALAPAN
 COUNTY OF MONMOUTH, NEW JERSEY

PAYROLL FUND

COMPARATIVE BALANCE SHEET - REGULATORY ACCOUNTING BASIS

December 31, 2007 and 2006

<u>Assets</u>	<u>Reference</u>	<u>2007</u>	<u>2006</u>	<u>Liabilities</u>	<u>Reference</u>	<u>2007</u>	<u>2006</u>
Cash	G	\$ <u>100,677.80</u>	\$ <u>95,187.00</u>	Payroll Liabilities	G	\$ <u>100,677.80</u>	\$ <u>95,187.00</u>
Total Assets		\$ <u><u>100,677.80</u></u>	\$ <u><u>95,187.00</u></u>	Total Liabilities		\$ <u><u>100,677.80</u></u>	\$ <u><u>95,187.00</u></u>

See accompanying notes.

GENERAL FIXED ASSETS ACCOUNT GROUP
EXHIBIT

TOWNSHIP OF MANALAPAN
COUNTY OF MONMOUTH, NEW JERSEY

GENERAL FIXED ASSETS ACCOUNT GROUP

COMPARATIVE STATEMENT OF GENERAL FIXED ASSETS -
REGULATORY ACCOUNTING BASIS

December 31, 2007 and 2006

	<u>Reference</u>	Balance December 31, <u>2007</u>	Balance December 31, <u>2006</u>
Land	1-H	\$ 9,469,630.00	\$ 9,469,630.00
Buildings and Improvements	1-H	4,617,265.00	4,617,265.00
Machinery, Equipment and Vehicles	1-H	<u>7,546,594.33</u>	<u>6,673,223.00</u>
Total General Fixed Assets		<u>\$ 21,633,489.33</u>	<u>\$ 20,760,118.00</u>
Investment in General Fixed Assets	1-H	<u>\$ 21,633,489.33</u>	<u>\$ 20,760,118.00</u>

See accompanying notes.

NOTES TO FINANCIAL STATEMENTS

TOWNSHIP OF MANALAPAN
COUNTY OF MONMOUTH, NEW JERSEY

NOTES TO FINANCIAL STATEMENTS

Years ended December 31, 2007 and 2006

1. Summary of Significant Accounting Policies

A. Reporting Entity

The Governmental Accounting Standards Board ("GASB") is the accepted standard-setting body for establishing governmental accounting and financial reporting principles. GASB has adopted accounting statements to be used by governmental units when reporting financial position and results of operations in accordance with accounting principles generally accepted in the United States of America ("GAAP"). The municipalities in the State of New Jersey do not prepare financial statements in accordance with GAAP and thus do not comply with all of the GASB pronouncements.

The financial statements of the Township of Manalapan, County of Monmouth, New Jersey ("Township") include every board, body, officer or commission maintained wholly or in part by funds appropriated by the Township, as required by the provision of N.J.S. 40A:5-5. The financial statements, however, do not include the operation of School Boards, Volunteer Fire Departments/Fire Districts and First Aid Squads which are subject to separate audit and are considered component units under GAAP. Included within the financial statements are taxes levied, collected and turned over to School Boards and appropriations for contributions to Volunteer Fire Departments and First Aid Squads. Complete financial statements of the above component units can be obtained by contacting the Treasurer of the respective entity.

B. Description of Funds

GASB is the accepted standard-setting body for establishing governmental accounting and financial reporting principles. GASB Codification establishes three fund types to be used by general purpose governmental units when reporting financial position and results of operations in accordance with GAAP.

The accounting policies of the Township conform to the accounting principles and practices applicable to municipalities prescribed by the Division of Local Government Services, Department of Community Affairs, State of New Jersey. The accompanying financial statements are presented in the format prescribed by the State of New Jersey. Such principles and practices are designed primarily for determining compliance with legal provisions and budgetary restrictions and are a means of reporting on the stewardship of public officials with respect to public funds. Under this method of accounting, the Township accounts for its financial transactions through the following separate funds:

Current Fund - is used to account for all revenues and expenditures applicable to the general operations of Township departments.

Trust Funds - are used to account for assets held by the Township in a trustee capacity or as an agent for individuals and other governmental agencies. Funds held by the Township which have restrictions placed on the use of such funds are recorded in the Trust Fund.

TOWNSHIP OF MANALAPAN
COUNTY OF MONMOUTH, NEW JERSEY

NOTES TO FINANCIAL STATEMENTS

Years ended December 31, 2007 and 2006

1. Summary of Significant Accounting Policies (continued)

B. Description of Funds (continued)

General Capital Fund - is used to account for financial resources to be used for the acquisition of general capital facilities. The major resources are derived from the sale of serial bonds and bond anticipation notes.

Water Utility Operating and Capital Funds - are used to account for Water operations that are financed through user fees. The funds are operated on a basis similar to private business enterprises where the intent is that the costs of providing the Water Utility to the general public be financed through user fees. Operations related to the acquisition of Water capital facilities are recorded within the Water Utility Capital Fund.

Public Assistance Fund - is used to account for resources restricted in use for the general welfare of citizens living within the Township. The monies in this Fund were transferred to the County during 2007.

Bond and Interest Fund - is used to account for bond and interest activity.

Payroll Fund - is used to account for the payroll and payroll tax liabilities of the Township.

General Fixed Assets Account Group - The Township has complied with Technical Accounting Directive No. 85-2 issued by the Division of Local Government Services. Technical Accounting Directive No. 85-2 utilizes the following accounting policies:

Fixed assets used in governmental operations (general fixed assets) are accounted for in the General Fixed Assets Account Group. 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.

All fixed assets are valued at historical cost or estimated historical cost if actual historical cost is not available, except for land which is valued at estimated market value.

No depreciation is provided for in the financial statements.

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 are not accounted for separately.

TOWNSHIP OF MANALAPAN
COUNTY OF MONMOUTH, NEW JERSEY

NOTES TO FINANCIAL STATEMENTS

Years ended December 31, 2007 and 2006

1. Summary of Significant Accounting Policies (continued)

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

The accounting principles and practices prescribed for municipalities by the Division of Local Government Services differ in certain respects from GAAP applicable to local government units. The more significant differences follow.

A modified accrual basis of accounting is followed by the Township. Modifications from the accrual basis follow:

Revenues

Revenues are recorded as received in cash except for statutory reimbursements and grant funds, which are due from other governmental units. State and federal grants for operating purposes are realized as revenues when anticipated in the Township budget. Receivables for property taxes are recorded with offsetting reserves within the Current Fund. Other amounts that are due to the Township which are susceptible to accrual are recorded as receivables with offsetting reserves. These reserves are liquidated and revenues are recorded as realized upon receipt of cash. GAAP requires the recognition of revenues for general operations in the accounting period in which they become available and measurable.

Expenditures

- (a) Disbursements for Current Fund inventory-type items are considered expenditures at the time of purchase;
- (b) Prepaid expenses are not recorded;
- (c) Interest on long-term debt included in the General Capital Fund is recorded as an expenditure when paid;
- (d) The encumbrance method of accounting, which records commitments such as purchase orders and contracts as a charge against the current year's budget in addition to expenditures made or accrued, is utilized. The cash basis of accounting, however, is followed for recording the Township's share of contributions for fringe benefits, such as retirement plans, accrued sick leave and vacation leave.

Appropriation reserves are recorded at December 31 for unexpended appropriation balances except for amounts which, according to state statutes, may be cancelled by the governing body. The appropriation reserves are available to satisfy specific claims, commitments or contracts incurred during the preceding fiscal year. At the end of the succeeding fiscal year, the remaining unexpended balances lapse to fund balance through other credits to revenue.

TOWNSHIP OF MANALAPAN
COUNTY OF MONMOUTH, NEW JERSEY

NOTES TO FINANCIAL STATEMENTS

Years ended December 31, 2007 and 2006

1. Summary of Significant Accounting Policies (continued)

C. Measurement Focus, Basis of Accounting and Basis of Presentation (continued)

Had the Township's financial statements been prepared under generally accepted accounting principles, the encumbrance method of accounting would be followed for expenditures presently reflected on a paid or charged basis, appropriation reserves would not be recorded, revenues susceptible to accrual would have been reflected without offsetting reserves and inventories would not be reflected as expenditures at the time of purchase.

Accordingly, the accompanying financial statements are not intended to present financial position and results of operations in conformity with generally accepted accounting principles.

D. Budgets and Budgetary Accounting

An annual budget is required to be adopted and integrated into the accounting system to provide budgetary control over revenues and expenditures. Budget amounts presented in the accompanying financial statements represent amounts adopted by the Township and approved by the State Division of Local Government Services in accordance with N.J.S.A. 40A:4 et seq.

E. Grants

Current Fund - State and federal grants and assistance awards made on the basis of entitlement periods are recorded as revenues when entitlement occurs.

Trust Fund - State and federal grants and assistance awards are dedicated by rider in the Trust Fund. A receivable and corresponding spending reserve are recorded when the grant is awarded.

Capital Fund - State and federal grants and assistance awards are recorded as a funding source for improvement authorizations or are established as receivables with an offsetting reserve.

TOWNSHIP OF MANALAPAN
COUNTY OF MONMOUTH, NEW JERSEY

NOTES TO FINANCIAL STATEMENTS

Years ended December 31, 2007 and 2006

1. Summary of Significant Accounting Policies (continued)

F. Assessment and Collection of Property Taxes

New Jersey statutes require that taxable valuation of real property be prepared by the local unit tax assessor as of October 1 in each year and filed with the County Board of Taxation by January 10 of the following year. Upon the filing of certified adopted budgets by the Local Unit, Local School District, County and Special Districts, the tax rate is struck by the County Tax Board based on the certified amounts in each of the taxing districts for collection to fund the budgets. Pursuant to statute, this process is to be completed on or before May 3, with a completed duplicate of the tax rolls to be delivered to the Local Unit Tax Collector on or before May 13. New Jersey statutes require that each local unit provide for sufficient anticipated cash receipts equal to the "lawful yearly expenditure" which includes the total amount of property taxes to be raised by the local unit.

Taxes are levied on an annual basis and are due quarterly on February 1, May 1, August 1, and November 1. Any taxes not paid as of December 31 are subject to tax sale and lien in the subsequent year, with the exception of bankruptcies. The date of tax sale is at the discretion of the tax collector.

G. Foreclosed Property

Real property acquired for taxes is recorded in the Current Fund at assessed valuation when such property is acquired and is fully reserved.

H. Interfund Receivables

Interfund receivables created by cash transfers from the Current Fund are recorded with offsetting reserves created by charges to operations. Income is recognized in the year the receivables are liquidated. Interfund receivables in other funds are not offset by reserves.

I. Deferred Charges to Future Taxation Funded and Unfunded

Upon the authorization of capital projects, the Township establishes deferred charges for the costs of the capital projects to be raised by future taxation. Funded deferred charges relate to permanent debt issued, whereas unfunded deferred charges relate to temporary or non-funding of the authorized cost of capital projects. According to N.J.S.A. 40A:2-4, the Township may levy taxes on all taxable property within the local unit to repay the debt. Annually, the Township raises the debt requirements for that particular year in the Current Fund budget. As funds are raised, the deferred charges are reduced.

TOWNSHIP OF MANALAPAN
COUNTY OF MONMOUTH, NEW JERSEY

NOTES TO FINANCIAL STATEMENTS

Years ended December 31, 2007 and 2006

1. Summary of Significant Accounting Policies (continued)

J. Pension Plans

Substantially, all Township employees participate in the Public Employees' Retirement System ("PERS") and the Police and Fireman's Retirement System ("PFRS"). The Division of Pensions within the Treasury Department of the State of New Jersey is the administrator of the funds and charges municipalities annually for their respective contributions. The plans provide retirement and disability benefits, annual cost of living adjustments, and death benefits to plan members and beneficiaries. The plans are cost sharing multiple-employer defined benefit plans and as such do not maintain separate records for each municipality in the state and, therefore, the actuarial data for the Township is not available. The Division of Pensions issues publicly available financial reports for each of the plans that include financial statements and required supplementary information. The reports may be obtained by writing the State of New Jersey, Division of Pensions.

Covered employees are required by State statute to contribute a certain percentage of their salary to the plan. Each member's percentage is based on age determined at the effective date of enrollment. In addition, PERS and PFRS bill the Township annually at an actuarially determinable rate for its required contribution. The current rate is 5.0% for PERS and 8.5% for PFRS of annual covered payroll.

<u>Year</u>	<u>PERS</u>	<u>PFRS</u>
2007	\$ 188,133.40	\$ 711,876.00
2006	100,494.00	463,378.00
2005	42,025.00	227,184.00

K. Volunteer Length of Service Award Plan

The Township has established a Volunteer Length of Service Award Plan ("LOSAP") ("Plan") to ensure retention of the Township's volunteer First Aid squads. The Plan shall be construed under the laws of the State of New Jersey and is established with the intent that it meets the requirements of a "length of service award plan under Section 457(e)11 of the Internal Revenue Code".

Annual Contributions - The annual contribution to be made by the Township for each active volunteer member shall be \$1,050.00 per year of active emergency service, commencing with the year 2003.

Appropriations - Appropriations for the purpose of funding the Township's LOSAP shall be included as a separate line item in the Township's budget, commencing with the year 2003.

TOWNSHIP OF MANALAPAN
COUNTY OF MONMOUTH, NEW JERSEY

NOTES TO FINANCIAL STATEMENTS

Years ended December 31, 2007 and 2006

1. Summary of Significant Accounting Policies (continued)

K. Volunteer Length of Service Award Plan (continued)

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

Estimated Cost - The estimated cost of the program to the Township has been calculated to be approximately \$78,750.00 per year. (This amount may vary annually, however, based upon the total number of eligible active volunteer members in the program).

L. Deposits and Investments

Deposits

New Jersey statutes permit the deposit of public funds in institutions located in New Jersey which are insured by the Federal Deposit Insurance Corporation ("FDIC"), or by any other agencies of the United States that insure deposits, the State of New Jersey Cash Management Fund and government money market mutual funds through registered broker/dealers and banks. The New Jersey Governmental Unit Deposit Protection Act ("GUDPA") requires public depositories to maintain collateral for deposit of public funds that exceed insurance limits as follows:

The market value of the collateral must equal 5 percent of the average daily balance of public funds; or

If the public funds deposited exceed 75 percent of the capital funds of the depository, the depository must provide collateral having a market value equal to 100 percent of the amount exceeding 75 percent.

All collateral must be deposited with the Federal Reserve Bank, the Federal Home Loan Bank Board or a banking institution that is a member of the Federal Reserve System and has capital funds of not less than \$25,000,000. The State of New Jersey Cash Management Fund is authorized by statute and regulations of the State Investment Council to invest in fixed income and debt securities which mature within one year. Collateralization of Fund investments is generally not required.

TOWNSHIP OF MANALAPAN
COUNTY OF MONMOUTH, NEW JERSEY

NOTES TO FINANCIAL STATEMENTS

Years ended December 31, 2007 and 2006

1. Summary of Significant Accounting Policies (continued)

L. Deposits and Investments (continued)

Investments

New Jersey statutes establish the following securities as eligible for the investment of Township funds:

- (a) Bonds or other obligations of the United States or obligations guaranteed by the United States.
- (b) Government Money Market Mutual Funds.
- (c) 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.
- (d) Bonds or other obligations of the Township, or bonds or other obligations of school districts of which the Township is a part or within which the school district is located.
- (e) Bonds or other obligations, having a maturity date of not more than 397 days from the date of purchase, that are approved by the New Jersey Department of Treasury, Division of Investments.
- (f) Local Government Investment Pools.
- (g) 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).

Repurchase agreements (15.1(a)(8)) must comply with the following conditions:

- (a) The underlying securities are permitted investments, pursuant to the list contained in (a) and (c) above.
- (b) The custody of the collateral is transferred to a third party. This means the bank must contract with a trusted third party to hold the collateral to ensure it is not pledged against any other investments.
- (c) The maturity of the agreement is not more than 30 days.
- (d) The underlying securities are purchased through a GUDPA bank.
- (e) A master repurchase agreement providing for the custody and security of collateral is executed.

TOWNSHIP OF MANALAPAN
COUNTY OF MONMOUTH, NEW JERSEY

NOTES TO FINANCIAL STATEMENTS

Years ended December 31, 2007 and 2006

1. Summary of Significant Accounting Policies (continued)

L. Deposits and Investments (continued)

Investments (continued)

Local Government Investment Pools ("LGIP") (15.1(e)(2)) are subject to the following requirements:

- (a) It is managed in accordance with the SEC's government money market rules (2a-7).
- (b) It is rated in the highest category by a nationally recognized statistical rating organization.
- (c) Have their portfolio limited to U.S. Government securities as defined in 2a-7 and repurchase agreements that are collateralized by such U.S. Government securities.

Every local unit must have a Cash Management Plan ("Plan"); the Plan is subject to audit. In addition, when the Plan permits investments for more than one year, the investment must approximate the prospective use of funds. This primarily relates to U.S. securities and local bond issue purchases. The law also requires that cash management plans provide for the CFO to give the governing body a monthly report that summarizes:

- (a) All investments made or redeemed over the past month.
- (b) Each organization holding local unit funds.
- (c) The amount of securities purchased or sold, class or type of securities purchased, book value, earned income, fees incurred, and market value of all investments as of the report date.
- (d) Other information that may be required by the governing body.

The Township is permitted to invest public funds in accordance with N.J.S.A. 40A:5-15.1. These investments include bonds or other obligations of the United States or obligations guaranteed by the United States, Government Money Market Mutual Funds, bond or other obligations of the Township or bonds or other obligations of the school district, local government investment pools, and agreements for the repurchase of fully-collateralized securities, if purchased in accordance with N.J.S.A. 40A:5-15.1. The Township is also permitted to invest Length of Service Award Program ("LOSAP") funds with the types of eligible investments authorized in N.J.A.C. 5:30-14.19. These investments include interest-bearing accounts or securities in which savings banks of New Jersey are authorized to invest their funds, New Jersey Cash Management Fund, fixed and variable individual or group annuity contracts, mutual fund shares or fixed and variable life insurance contracts.

TOWNSHIP OF MANALAPAN
COUNTY OF MONMOUTH, NEW JERSEY

NOTES TO FINANCIAL STATEMENTS

Years ended December 31, 2007 and 2006

1. Summary of Significant Accounting Policies (continued)

M. Inventories of Supplies

The costs of inventories of supplies for all funds are recorded as expenditures at the time the individual items are purchased. The costs of inventories are not included on the various balance sheets.

2. Deposits and Investments

Deposits

The carrying amount of the Township's cash and investments at December 31, 2007 was \$41,717,982.10 and the bank balance was \$43,414,473.87. Of the bank balance, \$277,681.36 was covered by federal depository insurance, \$2,745,840.11 was on deposit with the State of New Jersey Cash Management Fund, and the remaining \$40,390,952.40 was covered under the unit certificate of eligibility as required by New Jersey statutes.

<u>Depository Account</u>	<u>Bank Balance</u>	
	<u>2007</u>	<u>2006</u>
Insured:		
FDIC	\$ 277,681.36	\$ 254,653.00
Collateralized:		
GUDPA	<u>40,390,952.40</u>	<u>28,475,095.00</u>
	<u>\$ 40,668,633.76</u>	<u>\$ 28,729,748.00</u>

Custodial Credit Risk - Deposits

Custodial credit risk is the risk that, in the event of a bank failure, the government's deposits may not be returned to it. The Township does not have a formal policy for custodial credit risk. As of December 31, 2007, the Township's bank balance was not exposed to custodial credit risk.

TOWNSHIP OF MANALAPAN
COUNTY OF MONMOUTH, NEW JERSEY

NOTES TO FINANCIAL STATEMENTS

Years ended December 31, 2007 and 2006

2. Deposits and Investments (continued)

Investments

As of December 31, 2007 and 2006, the Township had the following investments:

<u>Investments</u>	<u>Fair Value</u>	<u>Book Value</u>
2007:		
LOSAP	<u>\$ 204,641.26</u>	<u>\$ 180,550.00</u>
2006:		
LOSAP	<u>\$ 151,237.60</u>	<u>\$ 133,400.00</u>

Interest Rate Risk

LOSAP investment options are at the discretion of each individual participant and not the Township.

Credit Risk

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

In order to maximize liquidity, the Township utilizes the New Jersey Cash Management Fund ("NJCMF") as its investments (cash equivalents). The NJCMF is administered by the State of New Jersey, Department of the Treasury. It invests pooled monies from various State and non-State agencies in primarily short-term investments (cash equivalents) and the fair value of the position in the pool is the same as its value of the pool shares. These investments include U.S. Treasuries, short-term Commercial Paper, U.S. Agency Bonds, Corporate Bonds, and Certificates of Deposit. Agencies that participate in the NJCMF typically earn returns that mirror short-term investment rates. Monies can be freely added or withdrawn from the NJCMF on a daily basis without penalty. All investments in the NJCMF are governed by the regulations of the Investment Council, which prescribes specific standards designed to ensure the quality of investments and to minimize the risks related to investments. In all the years of the Division of Investment's existence, the Division has never suffered a default of principal or interest on any short-term security held by it due to bankruptcy of a securities issuer; nevertheless, the possibility always exists, and for this reason a reserve is being accumulated as additional protection for the "Other-than-State" participants. In addition to the Council regulations, the Division sets further standards for specific investments and monitors the credit of all eligible securities issuers on a regular basis.

At December 31, 2007, the Townships' bank and book balance in the NJCMF was \$2,745,840.11.

TOWNSHIP OF MANALAPAN
COUNTY OF MONMOUTH, NEW JERSEY

NOTES TO FINANCIAL STATEMENTS

Years ended December 31, 2007 and 2006

3. Interfund Balances and Activity

Not applicable.

4. Taxes Receivable

Taxes

Taxes Receivable as of December 31, 2007 consist of the following:

<u>2007</u>	<u>Current</u>	<u>Delinquent</u>	<u>Liens</u>	<u>Total</u>
	\$ 1,734,808.17	\$ 73,626.26	\$ 112,650.56	\$ 1,921,084.99

In 2007, the Township collected \$1,605,577.25 from Delinquent Taxes, which represented 90.23% of the Delinquent Tax Receivable at December 31, 2006.

Taxes Receivable as of December 31, 2006 consist of the following:

<u>2006</u>	<u>Current</u>	<u>Delinquent</u>	<u>Liens</u>	<u>Total</u>
	\$ 1,374,845.00	\$ 90,735.00	\$ 110,202.00	\$ 1,575,782.00

In 2006, the Township collected \$1,406,082.00 from Delinquent Taxes, which represented 88.33% of the Delinquent Tax Receivable at December 31, 2005.

TOWNSHIP OF MANALAPAN
COUNTY OF MONMOUTH, NEW JERSEY

NOTES TO FINANCIAL STATEMENTS

Years ended December 31, 2007 and 2006

5. Fixed Assets

The following is a summary of the General Fixed Assets Account Group for the years 2007 and 2006.

<u>2007</u>	Balance, December 31, <u>2006</u>	<u>Additions</u>	<u>Retirements</u>	Balance, December 31, <u>2007</u>
Land	\$ 9,469,630.00			\$ 9,469,630.00
Buildings and Improvements	4,617,265.00			4,617,265.00
Machinery and Equipment	<u>6,673,223.00</u>	<u>\$ 873,371.33</u>	<u> </u>	<u>7,546,594.33</u>
Total	<u>\$ 20,760,118.00</u>	<u>\$ 873,371.33</u>	<u>\$ 0.00</u>	<u>\$ 21,633,489.33</u>

<u>2006</u>	Balance, December 31, <u>2005</u>	<u>Additions</u>	<u>Retirements</u>	Balance, December 31, <u>2006</u>
Land	\$ 9,469,630.00			\$ 9,469,630.00
Buildings and Improvements	4,617,265.00			4,617,265.00
Machinery and Equipment	<u>6,006,695.00</u>	<u>\$ 666,528.00</u>	<u> </u>	<u>6,673,223.00</u>
Total	<u>\$ 20,093,590.00</u>	<u>\$ 666,528.00</u>	<u>\$ 0.00</u>	<u>\$ 20,760,118.00</u>

TOWNSHIP OF MANALAPAN
COUNTY OF MONMOUTH, NEW JERSEY

NOTES TO FINANCIAL STATEMENTS

Years ended December 31, 2007 and 2006

6. Long-Term Debt

The Township's long-term debt consisted of the following at December 31, 2007:

<u>Purpose</u>	<u>Date of Issue</u>	<u>Original Issue</u>	<u>Interest Rate</u>	<u>Balance December 31, 2007</u>
<u>General Bonds</u>				
General Improvements	10/01/03	\$ 8,150,000.00	2.75-3.50%	\$ 4,250,000.00
Open Space	10/01/03	1,564,000.00	2.75-4.00%	1,264,000.00
General Improvements	12/29/05	2,605,000.00	4.00-5.00%	2,159,000.00
Refunding Bonds	04/03/06	558,000.00	5.00%	185,000.00
General Improvements	12/13/07	7,498,000.00	4.00-5.25%	<u>7,498,000.00</u>
				<u>\$ 15,356,000.00</u>
<u>Water Utility Capital Bonds</u>				
Water Capital Bonds	12/29/05	\$ 361,000.00	4.00-5.00%	\$ 299,000.00
Water Capital Bonds	12/13/07	70,000.00	4.00-5.25%	<u>70,000.00</u>
				<u>\$ 369,000.00</u>

TOWNSHIP OF MANALAPAN
COUNTY OF MONMOUTH, NEW JERSEY

NOTES TO FINANCIAL STATEMENTS

Years ended December 31, 2007 and 2006

6. Long-Term Debt (continued)

Aggregate long-term debt service requirements are as follows:

	General Capital		
	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2008	\$ 1,781,494.00	\$ 633,150.31	\$ 2,414,644.31
2009	1,634,235.00	586,300.92	2,220,535.92
2010	1,498,050.00	526,799.14	2,024,849.14
2011	1,529,847.00	470,071.62	1,999,918.62
2012	1,349,643.00	408,429.02	1,758,072.02
2013	1,386,431.00	350,816.86	1,737,247.86
2014	939,200.00	291,145.56	1,230,345.56
2015	980,959.00	245,890.58	1,226,849.58
2016	701,709.00	198,404.88	900,113.88
2017	735,441.00	164,838.16	900,279.16
2018	765,164.00	129,466.10	894,630.10
2019	657,858.00	91,045.02	748,903.02
2020	684,609.00	64,730.68	749,339.68
2021	<u>711,360.00</u>	<u>37,346.34</u>	<u>748,706.34</u>
	<u>\$ 15,356,000.00</u>	<u>\$ 4,198,435.19</u>	<u>\$ 19,554,435.19</u>

	Water Utility		
	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2008	\$ 35,506.00	\$ 17,218.44	\$ 52,724.44
2009	36,765.00	15,910.58	52,675.58
2010	37,950.00	14,402.36	52,352.36
2011	40,153.00	12,844.88	52,997.88
2012	42,357.00	10,837.24	53,194.24
2013	44,569.00	8,719.40	53,288.40
2014	46,800.00	6,490.94	53,290.94
2015	49,041.00	4,150.92	53,191.92
2016	5,291.00	1,698.88	6,989.88
2017	5,559.00	1,434.34	6,993.34
2018	5,836.00	1,156.40	6,992.40
2019	6,142.00	849.98	6,991.98
2020	6,391.00	604.32	6,995.32
2021	<u>6,640.00</u>	<u>348.66</u>	<u>6,988.66</u>
	<u>\$ 369,000.00</u>	<u>\$ 96,667.34</u>	<u>\$ 465,667.34</u>

TOWNSHIP OF MANALAPAN
COUNTY OF MONMOUTH, NEW JERSEY

NOTES TO FINANCIAL STATEMENTS

Years ended December 31, 2007 and 2006

6. Long-Term Debt (continued)

The Township is a participant in the 2005 Monmouth County Improvement Authority County - Guaranteed Capital Equipment Lease Program ("Program").

The Township's payment obligations for principal and interest under the Program are as follows:

	Capital Lease Program		
	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2008	\$ 116,300.00	\$ 12,642.00	\$ 128,942.00
2009	119,800.00	9,153.00	128,953.00
2010	124,000.00	4,960.00	128,960.00
	<u>\$ 360,100.00</u>	<u>\$ 26,755.00</u>	<u>\$ 386,855.00</u>

The Township is a participant in the 2007 Monmouth County Improvement Authority County - Guaranteed Capital Equipment Lease Program ("Program").

The Township's payment obligations for principal and interest under the Program are as follows:

	Capital Lease Program		
	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2008	\$ 116,600.00	\$ 45,050.42	\$ 161,650.42
2009	122,800.00	40,182.00	162,982.00
2010	129,000.00	34,042.00	163,042.00
2011	97,800.00	27,592.00	125,392.00
2012	101,800.00	23,680.00	125,480.00
2013	67,300.00	18,590.00	85,890.00
2014	70,600.00	15,225.00	85,825.00
2015	74,200.00	11,695.00	85,895.00
2016	77,900.00	7,985.00	85,885.00
2017	81,800.00	4,090.00	85,890.00
	<u>\$ 939,800.00</u>	<u>\$ 228,131.42</u>	<u>\$ 1,167,931.42</u>

TOWNSHIP OF MANALAPAN
COUNTY OF MONMOUTH, NEW JERSEY

NOTES TO FINANCIAL STATEMENTS

Years ended December 31, 2007 and 2006

6. Long-Term Debt (continued)

Summary of Municipal Debt (Excluding
Current and Operating Debt and Type I School Debt)

<u>Issued</u>	<u>2007</u>	<u>2006</u>	<u>2005</u>
General:			
Bonds, and Notes	\$ 18,676,000.00	\$ 12,049,000.00	\$ 14,377,140.00
Water Utility:			
Bonds and Notes	<u>439,000.00</u>	<u>400,000.00</u>	<u>736,000.00</u>
Total Debt Issued	19,115,000.00	12,449,000.00	15,113,140.00
Less:			
Funds Temporarily Held To Pay Bonds and Notes	<u>4,584,000.00</u>	<u>1,344,000.00</u>	<u>4,504,140.00</u>
	<u>14,531,000.00</u>	<u>11,105,000.00</u>	<u>10,609,000.00</u>
<u>Authorized But Not Issued</u>			
General Bonds and Notes	<u>346,750.00</u>	<u> </u>	<u> </u>
Net Bonds and Notes Issued and Authorized But Not Issued	<u>\$ 14,877,750.00</u>	<u>\$ 11,105,000.00</u>	<u>\$ 10,609,000.00</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 0.25%.

	<u>Gross Debt</u>	<u>Deductions</u>	<u>Net Debt</u>
Regional High School Debt	\$ 9,717,361.69	\$ 9,717,361.69	
Regional Elementary School District Debt	54,100,512.06	54,100,512.06	
Water Utility Debt	439,000.00	439,000.00	
General Debt	<u>19,022,750.00</u>	<u>4,584,000.00</u>	<u>\$ 14,438,750.00</u>
	<u>\$ 83,279,623.75</u>	<u>\$ 68,840,873.75</u>	<u>\$ 14,438,750.00</u>

Net Debt \$14,438,750.00 divided by Equalized Valuation basis per N.J.S.A. 40A:2.6 as amended \$5,716,900,825.00 = 0.25%.

TOWNSHIP OF MANALAPAN
COUNTY OF MONMOUTH, NEW JERSEY

NOTES TO FINANCIAL STATEMENTS

Years ended December 31, 2007 and 2006

6. Long-Term Debt (continued)

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

3.5% of Equalized Valuation Basis	\$ 200,091,528.88
Less: Net Debt	<u>14,438,750.00</u>
Remaining Borrowing Power	<u>\$ 185,652,778.88</u>

Calculation of "Self-Liquidating Purposes"- Water Utility per N.J.S. 40A:2-45

Cash Receipts From Fees, Rents or Other Charges for the Year	\$ 131,985.09
Deductions:	
Operating and Maintenance Costs	\$ 60,375.33
Debt Service per Water Account	<u>49,300.70</u>
	<u>109,676.03</u>
Excess Revenue	<u>\$ 22,309.06</u>

7. Bond Anticipation Notes

The Township issues bond anticipation notes to temporarily fund various capital projects prior to the issuance of serial bonds. The term of the notes cannot exceed one year but the notes may be renewed from time to time for a period not exceeding ten years. All such notes must be paid no later than the tenth anniversary of the date of the original note. The State of New Jersey also prescribes that, on or before the third anniversary date of the original note, a payment of an amount at least equal to the first legally payable installment of the bonds in anticipation of which such notes were issued be paid or retired. Legal installments must be paid if the notes are to be renewed beyond the fourth anniversary date of the original issuance.

On December 31, 2007, the Township's outstanding bond anticipation notes were as follows:

<u>Purpose</u>	<u>Date of Issue</u>	<u>Date of Maturity</u>	<u>Interest Rate</u>	<u>Balance December 31, 2007</u>
<u>General Capital Fund</u>				
Various Capital Improvements	08/10/07	02/08/08	4.25%	\$ 2,320,000.00
Recreation Center Park Expansion and Related Expenses	08/10/07	02/08/08	4.25%	<u>1,000,000.00</u>
				<u>\$ 3,320,000.00</u>
<u>Water Utility Capital Fund</u>				
Rehabilitation and Upgrade of the Lambs Lane Water Treatment Facility	08/10/07	02/08/08	4.25%	<u>\$ 70,000.00</u>

TOWNSHIP OF MANALAPAN
COUNTY OF MONMOUTH, NEW JERSEY

NOTES TO FINANCIAL STATEMENTS

Years ended December 31, 2007 and 2006

8. Bonds and Notes Authorized But Not Issued

At December 31, 2007, the Township had authorized but not issued bonds and notes of the General Capital Fund totaling \$346,750.00.

9. Local District School and Regional High School Taxes

Regulations provide for deferral of not more than 50% of the annual levy when school taxes are raised for a school year and have not been requisitioned by the school district.

The Township has elected to defer school taxes as follows:

	Regional High School Tax	
	2007	2006
Balance of Tax	\$ 11,171,533.01	\$ 10,378,167.00
Deferred	6,948,095.00	6,948,095.00
Tax Payable	\$ 4,223,438.01	\$ 3,430,072.00

10. Fund Balance Appropriated

The Current Fund balance at December 31, 2007 was \$7,422,456.40 of which \$3,663,760.00* was appropriated and included as anticipated revenue for the year ended December 31, 2008.

The Water Utility Operating Fund balance at December 31, 2007 was \$241,624.16 of which \$200,000.00* was appropriated and included as anticipated revenue for the year ended December 31, 2008.

11. Deferred Charges to Be Raised in Succeeding Year's Budgets

Certain expenditures are required to be deferred to budgets of succeeding years. At December 31, 2007, the following Deferred Charge was on the Township's Current Fund Balance Sheet:

Special Emergency Appropriation	\$ <u>555,000.00</u>
---------------------------------	----------------------

* Budget not adopted as of the date of this report

TOWNSHIP OF MANALAPAN
COUNTY OF MONMOUTH, NEW JERSEY

NOTES TO FINANCIAL STATEMENTS

Years ended December 31, 2007 and 2006

12. Accrued Sick and Vacation Benefits - Unaudited

As discussed in Note 1 and in accordance with accounting principles prescribed by the State of New Jersey, the cash basis of accounting is followed for recording the Township's liability related to unused sick pay. The Township permits its employees to accumulate unused sick and vacation pay. The Township estimates the current cost of such unpaid compensation to be \$706,705.41 at December 31, 2007. In accordance with New Jersey principles, this amount is not reported as an expenditure or liability in the accompanying financial statements.

13. Unemployment Compensation Insurance

Effective January 1, 1978, most municipal employees were eligible for unemployment compensation insurance (N.J.S.A. 43:21-3 et seq.). The Township has elected to provide a self-insured plan whereby the municipal cost and employee contributions are deposited in a trust fund from which claims, if any, will be paid. All funds collected from employees are transmitted to the state for this period. The Reserve for Unemployment Compensation Insurance at December 31, 2007 and 2006 totaled \$52,218.01 and \$62,307.00 respectively.

14. Contingent Liabilities

State and Federal Grants

The Township receives financial assistance from the State of New Jersey and the U.S. government in the form of grants. Entitlement to the funds is generally conditional upon compliance with terms and conditions of the grant agreements and applicable regulations, including the expenditure of the funds for eligible purposes. Substantially all grants, entitlements and cost reimbursements are subject to financial and compliance audits by grantors. As a result of these audits, costs previously reimbursed could be disallowed and require repayment to the grantor agency. As of December 31, 2007, the Township estimates that no material liabilities will result from such audits.

15. Risk Management

The Township is exposed to various risks of loss related to torts, theft of, damage to and destruction of assets; error and omission, injuries to employees; and natural disaster. The Township has opted to retain risk, up to certain limits, for which reinsurance has been obtained for workmen's compensation coverage. As of December 31, 2007, the Township has a trust reserve for workmen's compensation of \$518,898.63. The Township is a member of the Statewide Joint Insurance Fund ("Fund"). The Fund is a public-entity risk pool and is both an insured and self-administered group of public entities established for the purpose of insuring against property damage, general liability, and motor vehicles and equipment liability. The Fund contracts for excess liability coverage for property, general liability, auto liability, public official liability, and law enforcement liability. There were no settlements in excess of insurance coverage in 2007. In addition, the Township is not aware of any claims pending that have a demand in excess of these coverages. There have been no settlements which exceeded insurance coverage for each of the past three fiscal years.

TOWNSHIP OF MANALAPAN
COUNTY OF MONMOUTH, NEW JERSEY

NOTES TO FINANCIAL STATEMENTS

Years ended December 31, 2007 and 2006

16. Post-Retirement Health Benefits

In addition to the pension and retirement plans described in Note 1, the Township provides post-retirement health care benefits for all employees who meet certain service requirements. Benefits consist of full medical and dental coverage and costs are reported as they are paid. At December 31, 2007, the Township has 43 former employees eligible for health care benefits and 5 former employees eligible for dental benefits. During 2007, the Township paid approximately \$635,420.00 and \$5,153.00 for benefits related to post-employment health and dental care, respectively.

17. Deferred Compensation

The Township has instituted a Deferred Compensation Plan ("Plan") pursuant to Section 457 of the Internal Revenue Code and P.L. 1977, C.381; P.L. 1978, C.39; P.L. 1980, C.78; and P.L. 1997, C.116 of the Statutes of New Jersey.

The Plan is an arrangement whereby a public employer may establish a Plan and permit its employees to voluntarily authorize a portion of their current salary to be withheld and invested in one or more of the types of investments permitted under the governing regulations.

The Township has engaged a private contractor to administer the Plan.

18. Length of Service Award Program ("LOSAP") - Unaudited

The Township has established a Volunteer Length of Service Award Plan ("LOSAP") to ensure retention of the Township's volunteer First Aid squads. The Plan shall be construed under the laws of the State of New Jersey and is established with the intent that it meets the requirements of a "length of service award plan under Section 457(e)11 of the Internal Revenue Code".

Annual Contributions - The annual contribution to be made by the Township for each active volunteer member shall be \$1,050.00 per year of active emergency service, commencing with the year 2003.

Appropriations - Appropriations for the purpose of funding the Township's LOSAP shall be included as a separate line item in the Township's budget, commencing with the year 2003.

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

TOWNSHIP OF MANALAPAN
COUNTY OF MONMOUTH, NEW JERSEY

NOTES TO FINANCIAL STATEMENTS

Years ended December 31, 2007 and 2006

18. Length of Service Award Program ("LOSAP") - Unaudited (continued)

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

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

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

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

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

TOWNSHIP OF MANALAPAN
COUNTY OF MONMOUTH, NEW JERSEY

NOTES TO FINANCIAL STATEMENTS

Years ended December 31, 2007 and 2006

19. Prior-Period Adjustments

The following prior-period adjustments were made to the December 31, 2006 Trust Fund financial statements in order to reflect the December 31, 2006 Length of Service Award Program Fund ("LOSAP") balances reported in the Trust Fund financial statements:

Length of Service Award Program Fund ("LOSAP") - Unaudited

	Ending Balance December 31, <u>2006</u>	Adjustments To Ending Balance	Adjusted Balance December 31, <u>2006</u>
Investments	\$ 0.00	\$ 151,237.60	\$ 151,237.60
Miscellaneous Reserves	\$ 0.00	\$ 151,237.60	\$ 151,237.60

20. Subsequent Events

On December 12, 2007, the Township adopted Ordinance #2007-28, reappropriating \$75,000.00 of proceeds not needed for their original purposes in order to provide for various improvements to Thompson Grove Park.

On April 23, 2008, the Township adopted Ordinance #2008-04, providing for various general improvements and other related expenses, appropriating \$4,500,000.00 therefor, and providing for the issuance of \$4,275,000.00 in bonds or notes.

SUPPLEMENTARY SCHEDULES

FINANCIAL STATEMENTS

CURRENT FUND
SCHEDULES

TOWNSHIP OF MANALAPAN
COUNTY OF MONMOUTH, NEW JERSEY

CURRENT FUND

SCHEDULE OF CASH

Year ended December 31, 2007

	<u>Reference</u>		
Balance, December 31, 2006	A		\$ 12,123,735.00
Increased By Receipts:			
Non-Budget Revenues	A-2	\$ 170,288.09	
Due From State of New Jersey - Senior Citizens' and Veterans' Deductions	2-A	329,981.91	
Taxes Receivable	3-A	104,580,884.48	
Tax Title Liens	4-A	10,520.07	
Revenue Accounts Receivable	6-A	9,997,293.96	
2006 Appropriations Reserves	8-A	1,550.32	
2008 Prepaid Taxes	11-A	464,970.99	
Tax Overpayments	12-A	125,139.05	
Due To State of New Jersey	18-A	61,511.50	
Various Reserves	19-A	<u>31,539.72</u>	
			<u>115,773,680.09</u>
			127,897,415.09
Decreased By Disbursements:			
2007 Budget Appropriations	A-3	24,514,578.88	
2006 Appropriations Reserves	8-A	597,171.83	
Tax Overpayments	12-A	431,864.00	
County Taxes Payable	13-A	16,777,435.09	
Regional School Tax	14-A	46,051,584.18	
Regional High School Tax	15-A	21,548,439.55	
Special District Taxes	16-A	2,190,911.00	
Municipal Open Space Tax	17-A	1,257,219.98	
Due To State of New Jersey	18-A	66,422.25	
Various Reserves	19-A	95,955.47	
Refund Prior Years' Revenue	A-1	403.07	
Change Funds	A	<u>150.00</u>	
			<u>113,532,135.30</u>
Balance, December 31, 2007	A		<u>\$ 14,365,279.79</u>

TOWNSHIP OF MANALAPAN
COUNTY OF MONMOUTH, NEW JERSEY

CURRENT FUND

SCHEDULE OF DUE FROM STATE OF NEW JERSEY -
SENIOR CITIZENS' AND VETERANS' DEDUCTIONS

Year ended December 31, 2007

	<u>Reference</u>		
Balance, December 31, 2006	A		\$ 11,391.00
Increased By:			
Senior Citizens' Deductions Per Tax Billing	3-A	\$ 66,250.00	
Veterans' Deductions Per Tax Billing	3-A	257,500.00	
2006 Veterans' Deductions Allowed	A-1,3-A	500.00	
2007 Veterans' Deductions Allowed	3-A	5,250.00	
2007 Senior Citizens' Deductions and Disabled Deductions Allowed	3-A	<u>2,750.00</u>	
			<u>332,250.00</u>
			343,641.00
Decreased By:			
Cash Receipts	1-A	329,981.91	
Adjustment	A-1	3,304.40	
2007 Senior Citizens' Deductions Disallowed	3-A	3,272.86	
2006 Senior Citizens' Deductions Disallowed	A-1,3-A	<u>4,321.07</u>	
			<u>340,880.24</u>
Balance, December 31, 2007	A		<u><u>\$ 2,760.76</u></u>

TOWNSHIP OF MANALAPAN
COUNTY OF MONMOUTH, NEW JERSEY

CURRENT FUND

SCHEDULE OF TAXES RECEIVABLE AND ANALYSIS OF PROPERTY TAX LEVY

Year ended December 31, 2007

Year	Balance December 31, 2006	2007 Levy	Added	Collections		Senior Citizens' Deductions Allowed/ (Disallowed)	Transferred To Tax Title Liens	Cancellations and Adjustments	Balance December 31, 2007
				2006	2007				
1999	\$ 2,910.87			\$	2,910.87				
2000	6,105.00				6,105.00				
2001	3,134.06				3,134.06				
2002	5,406.80				5,406.80				
2003	9,111.27				9,111.27				
2004	27,206.00		\$ 7,232.45		26,348.65			\$ 8,069.61	
2005	36,861.00		15,757.39		33,152.13			(0.13)	19,466.39
2006	1,374,845.00		205,297.58		1,519,408.47	\$ (3,821.07)		18,484.92	46,070.26
2007		\$ 103,507,487.30	2,061,658.19	\$ 477,248.00	102,975,307.23	328,477.14	\$ 12,968.14	40,336.81	1,734,808.17
	\$ 1,465,580.00	\$ 103,507,487.30	\$ 2,289,945.61	\$ 477,248.00	\$ 104,580,884.48	\$ 324,656.07	\$ 12,968.14	\$ 58,821.79	\$ 1,808,434.43
	A	3-A	3-A	11-A	1-A	2-A	4-A	3-A	A

Reference

Analysis of Property Tax Levy

General Purpose Tax	3-A	\$ 101,288,459.78
Special District Tax	3-A	2,219,027.52
Added and Omitted Tax	3-A	2,061,658.19
Tax Levy:		\$ 105,569,145.49
Regional Elementary School Tax	14-A	\$ 46,053,882.11
Regional High School Tax	15-A	22,341,805.56
County Taxes:		
County Tax	13-A	14,590,011.21
County Library Tax	13-A	835,236.35
County Open Space Tax	13-A	911,593.53
Due County for Added and Omitted Taxes	13-A	364,138.39
Special District Taxes:		
Fire District #1	16-A	1,381,365.00
Fire District #2	16-A	809,546.00
Municipal Open Space Tax	17-A	1,257,219.98
	A-2	
Tax for Municipal Purposes	A-2	15,297,706.73
Additional Taxes Added	3-A	1,726,640.63
		17,024,347.36
		\$ 105,569,145.49

Analysis of Current Year Tax Collections

2006 Cash Collections of 2007 Taxes	\$ 477,248.00
2007 Cash Collections of 2007 Taxes	102,975,307.23
Veterans' and Senior Citizens' Deductions	328,477.14
	\$ 103,781,032.37

Reference

A-1, A-2

TOWNSHIP OF MANALAPAN
COUNTY OF MONMOUTH, NEW JERSEY

CURRENT FUND

SCHEDULE OF TAX TITLE LIENS RECEIVABLE

Year ended December 31, 2007

	<u>Reference</u>		
Balance, December 31, 2006	A		\$ 110,202.00
Increased By:			
Transfers From Taxes Receivable	3-A	\$ 12,968.14	
Rounding Adjustment	4-A	<u>0.49</u>	
			<u>12,968.63</u>
			123,170.63
Decreased By:			
Cash Received	1-A		<u>10,520.07</u>
Balance, December 31, 2007	A		<u><u>\$ 112,650.56</u></u>

TOWNSHIP OF MANALAPAN
COUNTY OF MONMOUTH, NEW JERSEY

CURRENT FUND

SCHEDULE OF PROPERTY ACQUIRED FOR TAXES - ASSESSED VALUATION

Year ended December 31, 2007

Reference

Balance, December 31, 2007 and 2006

A

\$ 352,300.00

TOWNSHIP OF MANALAPAN
COUNTY OF MONMOUTH, NEW JERSEY

CURRENT FUND

SCHEDULE OF REVENUE ACCOUNTS RECEIVABLE

Year ended December 31, 2007

	<u>Reference</u>	Balance December 31, <u>2006</u>	Accrued in <u>2007</u>	Collected in <u>2007</u>	Balance December 31, <u>2007</u>
Licenses:					
Alcoholic Beverages	A-2		\$ 782,095.80	\$ 782,095.80	
Other	A-2		26,517.00	26,517.00	
Fees and Permits	A-2		910,583.76	910,583.76	
Fines and Costs:					
Municipal Court	A-2	\$ 43,254.00	568,864.06	582,774.89	\$ 29,343.17
Interest and Costs on Taxes	A-2		324,409.92	324,409.92	
Interest on Investments and Deposits	A-2		1,166,806.87	1,166,806.87	
Energy Receipts Tax	A-2		4,202,061.00	4,202,061.00	
Supplemental Energy Receipts Tax	A-2		197,979.00	197,979.00	
Legislative Initiative Municipal Block Grant	A-2		131,052.00	131,052.00	
Consolidated Municipal Property Tax					
Relief Aid	A-2		577,315.00	577,315.00	
Garden State Trust Fund	A-2		16,858.00	16,858.00	
Municipal Homeland Security Assistance	A-2		140,000.00	140,000.00	
Municipal Property Tax Assistance	A-2		99,919.00	99,919.00	
Uniform Construction Code Fees	A-2		1,172,897.00	1,172,897.00	
Uniform Fire Safety Act	A-2		113,021.72	113,021.72	
Capital Fund Balance - Cancellation of	A-2				
Fully Funded Ordinance	A-2		250,000.00	250,000.00	
Interlocal Service Agreement - Animal					
Control Services	A-2		70,871.00	70,871.00	
		<u>\$ 43,254.00</u>	<u>\$ 10,751,251.13</u>	<u>\$ 10,765,161.96</u>	<u>\$ 29,343.17</u>
	<u>Reference</u>	A	6-A		A
Cash Receipts	1-A			\$ 9,997,293.96	
Various Reserves	19-A			<u>767,868.00</u>	
				<u>\$ 10,765,161.96</u>	

TOWNSHIP OF MANALAPAN
 COUNTY OF MONMOUTH, NEW JERSEY

CURRENT FUND

SCHEDULE OF DEFERRED CHARGES - N.J.S.A. 40A:4-55
 SPECIAL EMERGENCY AUTHORIZATIONS

Year ended December 31, 2007

	Balance December 31, <u>2006</u>	<u>Decreased</u>	Balance December 31, <u>2007</u>
Special Emergency Authorization (N.J.S. 40A:4-55)	<u>\$ 740,000.00</u>	<u>\$ 185,000.00</u>	<u>\$ 555,000.00</u>
<u>Reference</u>	A	A-3	A

TOWNSHIP OF MANALAPAN
COUNTY OF MONMOUTH, NEW JERSEY

CURRENT FUND

SCHEDULE OF 2006 APPROPRIATION RESERVES - REGULATORY ACCOUNTING BASIS

Year ended December 31, 2007

	Balance December 31, <u>2006</u>	Balance After <u>Transfers</u>	<u>Reimbursed</u>	<u>Paid or Charged</u>	Balance <u>Lapsed</u>
GENERAL GOVERNMENT					
Administrative and Executive:					
Salaries and Wages	\$ 6,046.00	\$ 6,045.59		\$ 2,762.99	\$ 3,282.60
Other Expenses	22,844.00	25,188.78		6,043.72	19,145.06
Governing Body:					
Salaries and Wages	9.00	9.00			9.00
Municipal Clerk:					
Salaries and Wages	2,262.00	2,261.43		1,352.52	908.91
Other Expenses	16,994.00	27,528.30		6,318.99	21,209.31
Finance Administration:					
Salaries and Wages	2,533.00	2,532.61		1,200.00	1,332.61
Other Expenses	9,225.00	19,449.66		14,480.66	4,969.00
Audit Services:					
Other Expenses	9,700.00	9,700.00			9,700.00
Central Computer Office:					
Salaries and Wages	318.00	318.24			318.24
Other Expenses	29,595.00	36,377.89		12,313.05	24,064.84
Collection of Taxes:					
Salaries and Wages	1,243.00	1,243.00		1,060.80	182.20
Other Expenses	1,993.00	2,961.18		960.00	2,001.18
Assessment of Taxes:					
Salaries and Wages	3,009.00	3,008.88		1,184.07	1,824.81
Other Expenses	16,807.00	18,911.06		6,617.55	12,293.51
Legal Services and Costs:					
Salaries and Wages	20.00	20.28			20.28
Other Expenses	96,361.00	96,899.16		19,621.20	77,277.96
Engineering Services and Costs:					
Salaries and Wages	3,714.00	3,713.91		1,457.06	2,256.85
Other Expenses	25,015.00	25,922.42		6,982.68	18,939.74
Economic Development Committee:					
Salaries and Wages	363.00	362.50			362.50
Other Expenses	1,500.00	1,500.00			1,500.00
LAND USE ADMINISTRATION					
Planning Board:					
Salaries and Wages	1,037.00	1,037.05		719.51	317.54
Other Expenses	14,901.00	18,819.55		15,513.42	3,306.13
Zoning Board:					
Salaries and Wages	671.00	671.45			671.45
Other Expenses	3,414.00	3,501.04		1,392.44	2,108.60
INSURANCE					
Unemployment Insurance	715.00	715.44			715.44
PUBLIC SAFETY					
Police Department:					
Salaries and Wages	55,695.00	50,694.74		14,668.32	36,026.42
Other Expenses	15,791.00	49,584.36		44,662.88	4,921.48
Police Dispatch:					
Salaries and Wages	1,488.00	1,488.01			1,488.01
Other Expenses	268.00	268.29			268.29
Emergency Management:					
Salaries and Wages	154.00	153.58			153.58
Other Expenses	7.00	806.82			806.82
Uniform Fire Safety Act:					
Salaries and Wages	642.00	642.05			642.05
Other Expenses	2,144.00	3,908.16		1,780.28	2,127.88
Municipal Prosecutor:					
Salaries and Wages	600.00	600.10			600.10
Volunteer Incentive Award Program:					
Other Expenses	1,867.00	2,367.20		772.40	1,594.80
Municipal Court:					
Salaries and Wages	2,174.00	2,174.48		1,148.79	1,025.69
Other Expenses	5,436.00	5,985.05		618.88	5,366.17

TOWNSHIP OF MANALAPAN
COUNTY OF MONMOUTH, NEW JERSEY

CURRENT FUND

SCHEDULE OF 2006 APPROPRIATION RESERVES - REGULATORY ACCOUNTING BASIS

Year ended December 31, 2007

	Balance December 31, <u>2006</u>	Balance After <u>Transfers</u>	<u>Reimbursed</u>	<u>Paid or Charged</u>	Balance <u>Lapsed</u>
PUBLIC WORKS					
Streets and Roads:					
Salaries and Wages	19,173.00	19,172.72		5,391.12	13,781.60
Other Expenses	13,179.00	65,065.61		44,754.23	20,311.38
Snow Removal:					
Salaries and Wages	3,577.00	3,576.90			3,576.90
Other Expenses	2,045.00	12,464.68		7,437.07	5,027.61
Sanitation/Solid Waste Collection:					
Other Expenses	171.00	171.40			171.40
Buildings and Grounds:					
Salaries and Wages	2,043.00	2,042.89		600.00	1,442.89
Other Expenses	3,992.00	26,157.18		16,271.44	9,885.74
Recycling:					
Other Expenses	18,557.00	46,879.97		27,398.34	19,481.63
Vehicle Maintenance:					
Salaries and Wages	6,478.00	6,478.42		1,341.68	5,136.74
Other Expenses	5,352.00	27,632.00		18,080.99	9,551.01
Community/Condominium Services Act:					
Other Expenses	16,835.00	16,835.00		1,877.00	14,958.00
Shade Tree Commission:					
Salaries and Wages	3,806.00	3,806.25			3,806.25
Other Expenses	276.00	2,138.19		1,862.26	275.93
Transportation and Parking Committee:					
Salaries and Wages	244.00	244.16			244.16
Other Expenses	100.00	100.00			100.00
HEALTH AND HUMAN SERVICES					
Public Health Services:					
Salaries and Wages	6,405.00	6,404.98		2,301.53	4,103.45
Other Expenses	6,160.00	18,412.86		10,449.64	7,963.22
Environmental Commission:					
Salaries and Wages	52.00	51.87			51.87
Other Expenses	261.00	260.51			260.51
Administration of Public Assistance:					
Salaries and Wages	93.00	93.49			93.49
Other Expenses	250.00	250.00			250.00
Community Alliance:					
Salaries and Wages	4,391.00	4,391.26		763.34	3,627.92
Other Expenses	174.00	853.51		128.80	724.71
Animal Control Services:					
Salaries and Wages	734.00	733.77		605.34	128.43
Other Expenses	5,460.00	5,663.03		623.35	5,039.68
PARK AND RECREATION					
Recreation Commission and Open Space:					
Salaries and Wages	5,123.00	5,123.08		2,201.01	2,922.07
Other Expenses	10,087.00	12,996.25		2,867.16	10,129.09
Senior Citizen Advisory Council:					
Salaries and Wages	766.00	766.00			766.00
Other Expenses	1,322.00	2,220.55		1,566.14	654.41
Senior Citizen Center:					
Salaries and Wages	914.00	913.92		844.47	69.45
Other Expenses	5,893.00	14,312.65		9,253.70	5,058.95
Heritage Committee:					
Salaries and Wages	127.00	126.98			126.98
OTHER COMMON OPERATING FUNCTIONS					
Celebration of Public Events:					
Other Expenses	250.00	250.00			250.00
Postage:					
Other Expenses	507.00	585.88		78.53	507.35

TOWNSHIP OF MANALAPAN
COUNTY OF MONMOUTH, NEW JERSEY

CURRENT FUND

SCHEDULE OF 2006 APPROPRIATION RESERVES - REGULATORY ACCOUNTING BASIS

Year ended December 31, 2007

	Balance December 31, 2006	Balance After Transfers	Reimbursed	Paid or Charged	Balance Lapsed
UNIFORM CONSTRUCTION CODE					
Construction Official:					
Salaries and Wages	3,146.00	3,145.87		1,356.54	1,789.33
Other Expenses	5,574.00	6,695.66		258.00	6,437.66
UTILITIES AND BULK PURCHASES					
Gasoline and Diesel Fuels	32,272.00	32,271.78		14,134.70	18,137.08
Electricity	19,709.00	37,627.89		17,919.17	19,708.72
Telephone	16,923.00	17,203.37		1,542.29	15,661.08
Natural Gas	26,121.00	27,597.21		12,519.12	15,078.09
Heating/Fuel Oil	5,200.00	5,199.85			5,199.85
Street Lighting	240.00	40,361.17		40,121.34	239.83
Water	13,738.00	13,738.06		1,890.95	11,847.11
Sewer	528.00	527.65			527.65
Telecommunication Costs	101.00	100.67			100.67
Landfill/Disposal Costs	143,095.00	143,095.17		123,194.33	19,900.84
Contingent	1,000.00	1,000.00			1,000.00
STATUTORY EXPENDITURES					
Contribution To:					
Social Security System (O.A.S.I.)	5,720.00	6,781.59		3,186.00	3,595.59
INSURANCE					
General Liability Insurance	36,452.00	40,827.66		16,614.90	24,212.76
Workers Compensation Insurance	37,860.00	37,859.65			37,859.65
Employee Group Insurance	163,281.00	163,283.44	\$ 1,550.32		164,833.76
Police and Firemen's Retirement System of NJ	1.00	0.80			0.80
Public Employees Retirement System	1.00	0.80			0.80
Length of Services Awards Program (LOSAP):					
Other Expenses	50,000.00	50,000.00		43,050.00	6,950.00
Stormwater and Water Pollution:					
Other Expenses	369.00	5,421.71		5,053.59	368.12
Animal Control Services:					
Other Expenses	66.00	1,613.33		1,243.55	369.78
Monmouth County 911:					
Other Expenses	711.00	711.20			711.20
Interlocal Fuel Facility Maintenance Agreement:					
Other Expenses	500.00	500.00			500.00
Total General Appropriations	\$ 1,063,960.00	\$ 1,370,111.75	\$ 1,550.32	\$ 602,413.83	\$ 769,248.24
	<u>Reference</u>	<u>A</u>	<u>1-A</u>		<u>A-1</u>
Appropriation Reserves	8-A	\$ 1,063,960.00			
Rounding Adjustment	8-A	(1.25)			
Encumbrances Payable	10-A	306,153.00			
		<u>\$ 1,370,111.75</u>			
Cash Disbursements	1-A			\$ 597,171.83	
Accounts Payable	9-A			5,242.00	
				<u>\$ 602,413.83</u>	

TOWNSHIP OF MANALAPAN
COUNTY OF MONMOUTH, NEW JERSEY

CURRENT FUND

SCHEDULE OF ACCOUNTS PAYABLE

Year ended December 31, 2007

	<u>Reference</u>		
Balance, December 31, 2006	A		\$ 4,302.00
Increased By:			
Transfer From Appropriation Reserves	8-A	\$ 5,242.00	
Rounding Adjustment	9-A	<u>0.08</u>	
			<u>5,242.08</u>
Balance, December 31, 2007	A		<u>\$ 9,544.08</u>

TOWNSHIP OF MANALAPAN
COUNTY OF MONMOUTH, NEW JERSEY

CURRENT FUND

SCHEDULE OF RESERVE FOR ENCUMBRANCES

Year ended December 31, 2007

	<u>Reference</u>	
Balance, December 31, 2006	A	\$ 306,153.00
Increased By:		
2007 Budget Appropriations	A-3	<u>509,494.87</u>
		815,647.87
Decreased By:		
Transfer To Appropriation Reserves	8-A	<u>306,153.00</u>
Balance, December 31, 2007	A	<u><u>\$ 509,494.87</u></u>

TOWNSHIP OF MANALAPAN
COUNTY OF MONMOUTH, NEW JERSEY

CURRENT FUND

SCHEDULE OF PREPAID TAXES

Year ended December 31, 2007

	<u>Reference</u>	
Balance, December 31, 2006	A	\$ 477,248.00
Increased By:		
Cash Receipts:		
Collection of 2007 Taxes	1-A	<u>464,970.99</u>
		942,218.99
Decreased By:		
Amount Applied To 2007 Taxes Receivable	3-A	<u>477,248.00</u>
Balance, December 31, 2007	A	<u><u>\$ 464,970.99</u></u>

TOWNSHIP OF MANALAPAN
COUNTY OF MONMOUTH, NEW JERSEY

CURRENT FUND

SCHEDULE OF TAX OVERPAYMENTS

Year ended December 31, 2007

	<u>Reference</u>	
Balance December 31, 2006	A	\$ 431,864.00
Increased By:		
Cash Receipts	1-A	<u>125,139.05</u>
		557,003.05
Decreased By:		
Cash Refunds	1-A	<u>431,864.00</u>
Balance, December 31, 2007	A	<u><u>\$ 125,139.05</u></u>

<u>Analysis of Balance</u>	
2000	\$ 233.36
2002	45.87
2003	9,772.16
2004	5,598.59
2005	9,046.01
2006	13,942.46
2007	<u>86,500.60</u>
	<u><u>\$ 125,139.05</u></u>

TOWNSHIP OF MANALAPAN
COUNTY OF MONMOUTH, NEW JERSEY

CURRENT FUND

SCHEDULE OF COUNTY TAXES PAYABLE

Year ended December 31, 2007

	<u>Reference</u>		
Balance, December 31, 2006	A		\$ 440,594.00
Increased By:			
2007 Tax Levy:			
County Tax	3-A	\$ 14,590,011.21	
County Library Tax	3-A	835,236.35	
County Open Space Fund Tax	3-A	911,593.53	
Due To County for Added and Omitted Taxes	3-A	<u>364,138.39</u>	
	A-1		<u>16,700,979.48</u>
			17,141,573.48
Decreased By:			
Cash Disbursements	1-A		<u>16,777,435.09</u>
Balance, December 31, 2007	A		<u><u>\$ 364,138.39</u></u>

TOWNSHIP OF MANALAPAN
COUNTY OF MONMOUTH, NEW JERSEY

CURRENT FUND

SCHEDULE OF REGIONAL SCHOOL DISTRICT TAX (RECEIVABLE)/PAYABLE

Year ended December 31, 2007

	<u>Reference</u>		
Balance, December 31, 2006	A		\$ (2,298.00)
Increased By:			
2007 Levy	A-1,3-A	\$ 46,053,882.11	
Rounding Adjustment	14-A	<u>0.07</u>	
			<u>46,053,882.18</u>
			46,051,584.18
Decreased By:			
Cash Disbursements	1-A		<u>46,051,584.18</u>
Balance, December 31, 2007	A		<u><u>\$ 0.00</u></u>

TOWNSHIP OF MANALAPAN
COUNTY OF MONMOUTH, NEW JERSEY

CURRENT FUND

SCHEDULE OF REGIONAL HIGH SCHOOL TAX PAYABLE

Year ended December 31, 2007

Reference

Balance, December 31, 2006:			
School Tax Payable	A	\$ 3,430,072.00	
School Tax Deferred	15-A	<u>6,948,095.00</u>	
			\$ 10,378,167.00
Increased By:			
Levy (School Year July 1, 2007 to June 30, 2008)	A-1,3-A		<u>22,341,805.56</u>
			32,719,972.56
Decreased By:			
Cash Disbursements	1-A		<u>21,548,439.55</u>
Balance, December 31, 2007:			
School Tax Payable	A	4,223,438.01	
School Tax Deferred	15-A	<u>6,948,095.00</u>	
			<u>\$ 11,171,533.01</u>
 <u>2007 Liability for Regional High School Tax</u>			
Tax Payable, December 31, 2007	A		\$ 4,223,438.01
Tax Paid	1-A		<u>21,548,439.55</u>
			25,771,877.56
Less:			
Tax Payable, December 31, 2006	A		<u>3,430,072.00</u>
Amount Charged To 2007 Operations	A-1		<u>\$ 22,341,805.56</u>

TOWNSHIP OF MANALAPAN
COUNTY OF MONMOUTH, NEW JERSEY

CURRENT FUND

SCHEDULE OF SPECIAL DISTRICT TAXES PAYABLE

Year ended December 31, 2007

	<u>Reference</u>		
Balance, December 31, 2006	A		\$ 0.00
Increased By:			
Fire District #1 Levy	3-A	\$ 1,381,365.00	
Fire District #2 Levy	3-A	<u>809,546.00</u>	
	A-1		<u>2,190,911.00</u>
			2,190,911.00
Decreased By:			
Payments	1-A		<u>2,190,911.00</u>
Balance, December 31, 2007	A		<u><u>\$ 0.00</u></u>

TOWNSHIP OF MANALAPAN
COUNTY OF MONMOUTH, NEW JERSEY

CURRENT FUND

SCHEDULE OF MUNICIPAL OPEN SPACE TAX PAYABLE

Year ended December 31, 2007

	<u>Reference</u>		
Balance, December 31, 2006	A		\$ 0.00
Increased By:			
Municipal Open Space Levy		\$ 1,231,470.24	
Added and Omitted Taxes		<u>25,749.74</u>	
	A-1,3-A		<u>1,257,219.98</u>
			1,257,219.98
Decreased By:			
Cash Disbursed	1-A		<u>1,257,219.98</u>
Balance, December 31, 2007	A		<u><u>\$ 0.00</u></u>

TOWNSHIP OF MANALAPAN
COUNTY OF MONMOUTH, NEW JERSEY

CURRENT FUND

SCHEDULE OF DUE TO STATE AND LOCAL AGENCIES

Year ended December 31, 2007

	Balance December 31, <u>2006</u>	<u>Increased</u>	<u>Decreased</u>	Balance December 31, <u>2007</u>
State of New Jersey:				
Marriage License Fees	\$ 475.00	\$ 2,925.00	\$ 2,900.00	\$ 500.00
Funeral Home Filing		995.00	200.00	795.00
Training Fees	<u>13,838.00</u>	<u>57,591.50</u>	<u>63,322.25</u>	<u>8,107.25</u>
	<u>\$ 14,313.00</u>	<u>\$ 61,511.50</u>	<u>\$ 66,422.25</u>	<u>\$ 9,402.25</u>
<u>Reference</u>	A	1-A	1-A	A

TOWNSHIP OF MANALAPAN
COUNTY OF MONMOUTH, NEW JERSEY

CURRENT FUND

SCHEDULE OF VARIOUS RESERVES

Year ended December 31, 2007

	Balance December 31, <u>2006</u>	Cash <u>Received</u>	<u>Decreased</u>	Balance December 31, <u>2007</u>
Garden State Trust Fund	\$ 16,858.00	\$ 25,079.12	\$ 16,858.00	\$ 25,079.12
Revaluation Program	140,032.00		90,655.74	49,376.26
Polling Places	6,995.00	6,460.60	5,299.73	8,155.87
Tax Appeals	70,000.00			70,000.00
Sale of Liquor Licenses	<u>751,010.00</u>	<u> </u>	<u>751,010.00</u>	<u> </u>
	<u>\$ 984,895.00</u>	<u>\$ 31,539.72</u>	<u>\$ 863,823.47</u>	<u>\$ 152,611.25</u>
	<u>Reference</u>	A	1-A	A
Cash Disbursements	1-A		\$ 95,955.47	
Realized as Revenue	6-A		<u>767,868.00</u>	
			<u>\$ 863,823.47</u>	

TOWNSHIP OF MANALAPAN
COUNTY OF MONMOUTH, NEW JERSEY

FEDERAL AND STATE GRANT FUND

SCHEDULE OF CASH

Year ended December 31, 2007

	<u>Reference</u>		
Balance, December 31, 2006	A		\$ 65,709.00
Increased By:			
Rounding Adjustment	20-A	\$ 0.26	
Grants Receivable	21-A	616,495.38	
Grants - Appropriated	23-A	13,327.00	
Grants - Unappropriated	24-A	<u>22,071.25</u>	
			<u>651,893.89</u>
			717,602.89
Decreased By:			
Due To Trust - Other Fund	22-A	9,025.00	
Grants - Appropriated Cancelled	23-A	8,997.78	
Grants - Appropriated	23-A	<u>610,495.07</u>	
			<u>628,517.85</u>
Balance, December 31, 2007	A		<u>\$ 89,085.04</u>

TOWNSHIP OF MANALAPAN
 COUNTY OF MONMOUTH, NEW JERSEY
 FEDERAL AND STATE GRANT FUND

SCHEDULE OF GRANTS RECEIVABLE

Year ended December 31, 2007

	Balance December 31, 2006	Increased By Revenue Realized 2007	Cash Receipts	Cancelled	Transfer From Unappropriated Reserves	Rounding	Balance December 31, 2007
Pandemic Influenza	\$ 7,008.00	\$ 9,745.00	\$ 16,753.00				\$ 6,802.33
Municipal Alliance on Alcoholism and Drug Abuse	5,825.00	25,300.00	24,322.67				25,000.00
Expansion of Recreation Center	50,000.00		25,000.00				
Commuter Safety Program	22,600.00		19,950.00	\$ 2,650.00			
Federal Body Armor Replacement Fund	1,527.00			1,527.49			
Office on Aging Grant	20,145.00	20,000.00	19,950.00	195.00	\$ 211.00		20,000.00
Domestic Violence Training Grant	1,597.00	3,176.95	4,562.95				21,750.00
Community Stewardship Incentive Program	4,290.00	18,750.00		1,290.00			10,310.00
Municipal Stormwater Regulation Program	10,310.00						24,000.00
Cool Cities Tree Planting	24,000.00						875.25
Local Arts Grant Program	678.00	3,501.00	3,303.75				
You Drink, You Drive, You Lose/Occupant Protection	5,000.00		4,800.00	200.00			
Medical Reserve Corps Region 2 Summit Program	17,900.00	10,000.00	22,500.00	5,400.00			
Medical Reserve Corps Grant Program	32,565.00	18,000.00	32,564.22			0.78	18,000.00
Project Graduation	40.00			40.00			
Monmouth County Municipal Open Space Grant	250,000.00		250,000.00				
Statewide Local Preparedness Grant	125,574.00		120,738.12	4,835.75		0.13	
Cert Trailer Equipment	1,200.00		1,200.00				
Municipal Alcohol Education and Rehabilitation Program		563.80	563.80				
Public Health Priority Fund		11,744.00	11,744.00				
Clean Communities Program		44,600.14	42,435.55		2,164.00	0.59	
Drunk Driving Enforcement Fund		6,787.32	6,787.32				
Recycling Tonnage Grant		31,765.05			31,765.05		
Stop for the Red - 2007		17,000.00					17,000.00
Click It or Ticket - 2007		4,000.00	3,600.00	400.00			
Occupant Protection Program		1,350.00			1,350.00		
Tobacco Grant		720.00	720.00				
Body Armor Replacement Fund		6,173.96			6,173.95	0.01	
Shade Tree Grant		500.00			500.00		
Handicapped Recreation Opportunity Grant		1,000.00					1,000.00
Smart Future Grant		45,000.00		45,000.00			
Over the Limit Under Arrest		5,000.00	5,000.00				
	<u>\$ 580,259.00</u>	<u>\$ 284,677.22</u>	<u>\$ 616,495.38</u>	<u>\$ 61,538.24</u>	<u>\$ 42,164.00</u>	<u>\$ 1.02</u>	<u>\$ 144,737.58</u>
Reference	A	A-2	20-A	23-A	24-A	21-A	A

TOWNSHIP OF MANALAPAN
COUNTY OF MONMOUTH, NEW JERSEY

FEDERAL AND STATE GRANT FUND

SCHEDULE OF DUE TO TRUST - OTHER FUND

Year ended December 31, 2007

	<u>Reference</u>	
Balance, December 31, 2006	A	\$ 9,025.00
Decreased By:		
Cash Disbursements	20-A	<u>9,025.00</u>
Balance, December 31, 2007	A	<u><u>\$ 0.00</u></u>

TOWNSHIP OF MANALAPAN
COUNTY OF MONMOUTH, NEW JERSEY
FEDERAL AND STATE GRANT FUND

SCHEDULE OF RESERVE FOR STATE GRANTS - APPROPRIATED

Year ended December 31, 2007

Grant	Balance December 31, 2006	Transferred From 2007 Appropriations	Local Match	Transferred From Encumbrances Payable	Cash Disbursed	Transferred To Encumbrances Payable	Cancelled	Rounding Adjustment	Balance December 31, 2007
Municipal Alliance on Alcoholism and Drug Abuse	\$ 650.00			\$ 20.00			\$ 670.00		
Monmouth County Bio Preparedness				443.68			443.68		
Community Stewardship Incentive	4,435.00			791.50			791.50		
NJ Body Armor Replacement Fund	6,562.00			3,048.35	\$ 2,641.01	\$ 2,698.48		\$ (0.70)	\$ 2,143.16
Federal Body Armor Replacement Fund	4,300.00			106.87		6,668.87	4,300.00	0.16	7,476.16
Community Forestry Management Plan	7,476.00								
Recycling Tonnage Grant	315.00						315.00	0.28	
USDA Forest Services Living Memorial Grant	2,006.00						2,006.28		
Hazards Emergency Operating Planning				1,435.62			1,435.62		
NJ DCA Special Legislative Grant								(0.05)	
2005							0.95		
Clean Communities Program - 2005	1.00				11.00		200.00		
Public Health Priority Funding Act 1977 - 2005	11.00								
Occupant Protection Program - 2005	200.00								
Office on Aging Grant - 2005	35.00				35.00				
Municipal Stormwater Regulation Program - 2005	56.00				56.00		0.58		
Domestic Violence Training - 2005				55.00					
Medical Reserve Corps Grant Program - 2005	34,056.00			60.00	34,116.00				
Emergency Management Preparedness Grant - 2005	463.00			117,773.00	113,400.25		4,835.75		
Monmouth County Municipal Open Space Grant - 2005	250,000.00				250,000.00				
2006									
Domestic Violence - 2006				1,892.00	1,892.00				
Statewide Local Preparedness Grant - 2006	19,946.00			609.00	7,832.27	392.07	5,400.00		6,930.66
Commuter Safety Program - 2006	22,600.00				19,950.00		2,650.00		
You Drink, You Drive, You Lose - 2006	3,800.00				3,600.00		200.00		
Senior Citizens Transportation - 2006	37.00						36.66	(0.34)	
Public Health Priority Funding - 2006				138.34	138.34				
Clean Communities Program - 2006	4,923.00			4,341.64	9,264.64				
Recycling Tonnage Grant - 2006	4,792.00								4,792.00
Body Armor Replacement Fund - 2006	5,899.00							(0.11)	5,899.00
Drunk Driving Enforcement Fund - 2006	5,549.00								5,548.89
Cert Trailer Equipment - 2006	507.00								506.51
Community Forestry Management - 2006	3,000.00			693.00	693.49				3,000.00
Cool Cities Tree Planting - 2006	31,752.00								31,752.00
Expansion of Recreation Center	50,000.00				50,000.00				

TOWNSHIP OF MANALAPAN
COUNTY OF MONMOUTH, NEW JERSEY
FEDERAL AND STATE GRANT FUND

SCHEDULE OF RESERVE FOR STATE GRANTS - APPROPRIATED

Year ended December 31, 2007

Grant	Balance December 31, 2006	Transferred From 2007 Appropriations	Local Match	Transferred From Encumbrances Payable	Cash Disbursed	Transferred To Encumbrances Payable	Cancelled	Rounding Adjustment	Balance December 31, 2007
2007									
Public Health Priority Funding - 2007		\$ 11,744.00			10,942.00	802.00			
Senior Citizens Transportation - 2007		20,000.00			19,920.00	80.00			
Pandemic Influenza Planning - 2007		9,745.00			9,745.00				
Monmouth County Community Alliance Grant		25,300.00	\$ 6,325.00		31,330.00	269.99			25.01
Clean Communities Program - 2007		44,600.14			15,969.04	5,977.59			22,653.51
Recycling Tonnage Grant - 2007		31,765.05			78.49				31,686.56
Click It or Ticket - 2007		4,000.00			3,600.00		400.00		
NACCHO - MRC - 2007		10,000.00			7,932.17				2,067.83
NJ State Body Armor Fund - 2007		6,173.96							6,173.96
Handicapped Recreation Opportunity - 2007		1,000.00							1,000.00
Shade Tree - 2007		500.00							
Occupant Protect - 2007		1,350.00					500.00		
Smart Future Grant - 2007		45,000.00			5,000.00		1,350.00		
Over Limit Under Arrest		5,000.00			2,965.95		45,000.00		
Domestic Violence Training Grant - 2007		2,965.95							
Tobacco Control - 2007		211.00							211.00
Municipal Alcohol Education and Rehabilitation Program		720.00							720.00
Community Stewardship Incentive		563.80							563.80
Drunk Driving Enforcement Fund - 2007		18,750.00				18,750.00			
MRC Region Training - 2007		6,787.32							6,787.32
Stop for the Red or Stop for Us - 2007		18,000.00			2,326.00	1,600.00			18,000.00
Monmouth County Council on Arts - 2007		17,000.00			7,002.00	1,175.00			15,400.00
Monmouth County Council on Arts - Match		3,501.00	7,002.00						
	<u>\$ 463,371.00</u>	<u>\$ 284,677.22</u>	<u>\$ 13,327.00</u>	<u>\$ 131,408.00</u>	<u>\$ 610,495.07</u>	<u>\$ 38,414.00</u>	<u>\$ 70,536.02</u>	<u>\$ (0.76)</u>	<u>\$ 173,337.37</u>
Reference	A	A-3	20-A	A	20-A	A		23-A	A
Cash Disbursements							\$ 8,997.78		
Grants Receivable							61,538.24		
							<u>\$ 70,536.02</u>		

TOWNSHIP OF MANALAPAN
COUNTY OF MONMOUTH, NEW JERSEY

FEDERAL AND STATE GRANT FUND

SCHEDULE OF RESERVE FOR STATE GRANTS - UNAPPROPRIATED

Year ended December 31, 2007

	Balance December 31, <u>2006</u>	Transferred To Grants <u>Receivable</u>	Cash <u>Received</u>	Balance December 31, <u>2007</u>
Domestic Violence Training Grant	\$ 211.00	\$ 211.00		
Recycling Tonnage Grant	31,765.00	31,765.00	\$ 6,396.84	\$ 6,396.84
Shade Tree Incentive Grant	500.00	500.00		
Occupant Protection Program	1,350.00	1,350.00		
Body Armor Replacement Fund - State	6,174.00	6,174.00	7,354.84	7,354.84
Clean Communities Program	2,164.00	2,164.00		
Drunk Driving Enforcement Fund			<u>8,319.57</u>	<u>8,319.57</u>
	<u>\$ 42,164.00</u>	<u>\$ 42,164.00</u>	<u>\$ 22,071.25</u>	<u>\$ 22,071.25</u>
<u>Reference</u>	A	21-A	20-A	A

TRUST FUND
SCHEDULES

TOWNSHIP OF MANALAPAN
COUNTY OF MONMOUTH, NEW JERSEY

TRUST FUND

SCHEDULE OF CASH - TREASURER

Year ended December 31, 2007

	<u>Reference</u>	<u>Animal Control Trust Fund</u>	<u>Trust - Other Fund</u>	<u>Open Space Trust Fund</u>
Balance, December 31, 2006	B	<u>\$ 22,479.00</u>	<u>\$ 10,787,066.00</u>	<u>\$ 1,229,580.00</u>
Increased By Receipts:				
Due From Federal and State Grant Fund	B		9,025.00	
Due To State Department of Health	3-B	3,648.00		
Animal Control Fees	4-B	17,627.25		
Open Space Trust Fund	5-B			1,548,527.44
Various Trust Funds	6-B		10,543,394.08	
Rounding Adjustment	1-B		1.52	
		<u>21,275.25</u>	<u>10,552,420.60</u>	<u>1,548,527.44</u>
		<u>43,754.25</u>	<u>21,339,486.60</u>	<u>2,778,107.44</u>
Decreased By Disbursements:				
Paid To State Department of Health	3-B	3,642.00		
Animal Control Expenditures	4-B	15,763.75		
Open Space Trust Fund	5-B			1,467,084.21
Various Trust Funds	6-B		8,018,299.33	
		<u>19,405.75</u>	<u>8,018,299.33</u>	<u>1,467,084.21</u>
Balance, December 31, 2007	B	<u>\$ 24,348.50</u>	<u>\$ 13,321,187.27</u>	<u>\$ 1,311,023.23</u>

TOWNSHIP OF MANALAPAN
COUNTY OF MONMOUTH, NEW JERSEY

ASSESSMENT TRUST FUND

SCHEDULE OF ASSESSMENTS RECEIVABLE

Year ended December 31, 2007

<u>Ordinance Number</u>	<u>Improvement Description</u>	<u>Date of Confirmation</u>	<u>Balance December 31, 2007 and 2006</u>
84-39	Sewer System Improvements	04/24/87	<u>\$ 1,923.00</u>
		<u>Reference</u>	B

TOWNSHIP OF MANALAPAN
COUNTY OF MONMOUTH, NEW JERSEY

ANIMAL CONTROL TRUST FUND

SCHEDULE OF DUE TO STATE OF NEW JERSEY

Year ended December 31, 2007

	<u>Reference</u>		
Balance, December 31, 2006	B		\$ 19.00
Increased By:			
Cash Receipts	1-B		<u>3,648.00</u>
			3,667.00
Decreased By:			
Cash Disbursements	1-B	\$ 3,642.00	
Rounding Adjustment	4-B	<u>0.40</u>	
			<u>3,642.40</u>
Balance, December 31, 2007	B		<u>\$ 24.60</u>

TOWNSHIP OF MANALAPAN
COUNTY OF MONMOUTH, NEW JERSEY

ANIMAL CONTROL TRUST FUND

SCHEDULE OF RESERVE FOR ANIMAL CONTROL FUND EXPENDITURES

Year ended December 31, 2007

	<u>Reference</u>		
Balance, December 31, 2006	B		\$ 22,460.00
Increased By:			
Fees Collected	1-B	\$ 17,627.25	
Rounding Adjustment	3-B	<u>0.40</u>	
			<u>17,627.65</u>
			40,087.65
Decreased By:			
Cash Disbursements	1-B		<u>15,763.75</u>
Balance, December 31, 2007	B		<u><u>\$ 24,323.90</u></u>

TOWNSHIP OF MANALAPAN
COUNTY OF MONMOUTH, NEW JERSEY

OPEN SPACE TRUST FUND

SCHEDULE OF RESERVE FOR OPEN SPACE

Year ended December 31, 2007

	<u>Reference</u>	
Balance, December 31, 2006	B	\$ 1,229,580.00
Increased By:		
Open Space Tax Levy		\$ 1,231,470.24
Open Space Tax Levy - Added and Omitted		25,749.74
Reimbursement From Grant Fund		250,000.00
Rounding Adjustment		0.01
Interest Income		<u>41,307.45</u>
	1-B	<u>1,548,527.44</u>
		2,778,107.44
Decreased By:		
Cash Disbursed	1-B	<u>1,467,084.21</u>
Balance, December 31, 2007	B	<u>\$ 1,311,023.23</u>

TOWNSHIP OF MANALAPAN
COUNTY OF MONMOUTH, NEW JERSEY

TRUST - OTHER FUND

SCHEDULE OF VARIOUS RESERVES

Year ended December 31, 2007

	Balance December 31, 2006	Cash Receipts	Disbursements	Balance December 31, 2007
Mount Laurel Fees	\$ 2,236,064.00	\$ 2,808,549.56	\$ 1,950,558.84	\$ 3,094,054.72
Recreation	282,485.00	852,222.76	813,255.47	321,452.29
Tree Planting	21,912.00	1,396.26	1,035.76	22,272.50
Outside Off-Duty Police Employment	117,952.00	646,006.02	619,403.54	144,554.48
Unemployment Trusts	62,307.00	19,398.29	29,487.28	52,218.01
Cash Surety Bonds	3,865,090.00	2,764,901.63	1,488,656.82	5,141,334.81
Shade Trees	277,810.00	61,672.63	105,667.50	233,815.13
Escrow, Engineering, and SOP	1,852,575.00	2,096,436.46	1,807,786.93	2,141,224.53
Law Enforcement Trust	31,686.00	16,255.10	17,397.84	30,543.26
Community Alliance	6,368.00	473.37	18.77	6,822.60
Detention Basin	437,936.00	46,950.11	19,109.85	465,776.26
Parking Offenses Adjudication Act	1,975.00	245.82		2,220.82
Tax Sale Premiums	93,650.00	204,800.00	34,700.00	263,750.00
Insurance Liability Claims	291,944.00	31,881.94	57,064.04	266,761.90
Workmen's Compensation Claims	748,485.00	40,000.00	269,586.37	518,898.63
Heritage Committee	17,793.00	46,225.15	48,507.52	15,510.63
Fire District Penalty Fees	26,935.00	4,695.05	1,213.42	30,416.63
DARE Program	8,033.00	999.84		9,032.84
Public Defender	2,801.00	4,239.88		7,040.88
Recycling	41,417.00	5,649.78	7,566.00	39,500.78
Mentoring	436.00			436.00
Police - Unclaimed Safekeeping	460.00	9.96		469.96
Accumulated Sick Leave	50,000.00	34,659.64		84,659.64
Snow Removal	273,545.00	100,000.01		373,545.01
Teen Advisory	530.00			530.00
Manalapan Art Council		7,594.90	3,542.38	4,052.52
Tax Title Liens Redemption Payable	43,693.00	747,570.92	743,531.00	47,732.92
Acceptance of Bequests/Gifts		560.00	210.00	350.00
	<u>\$ 10,793,882.00</u>	<u>\$ 10,543,395.08</u>	<u>\$ 8,018,299.33</u>	<u>\$ 13,318,977.75</u>

Reference

B

1-B

B

Cash Receipts	1-B	\$ 10,543,394.08
Rounding Adjustment	6-B	<u>1.00</u>
		<u>\$ 10,543,395.08</u>

TOWNSHIP OF MANALAPAN
COUNTY OF MONMOUTH, NEW JERSEY

LENGTH OF SERVICE AWARDS PROGRAM FUND ("LOSAP")

SCHEDULE OF INVESTMENTS

Year ended December 31, 2007

	<u>Reference</u>	
Balance, December 31, 2006		\$ 0.00
Prior Period Adjustment		<u>151,237.60</u>
Balance, December 31, 2006 As Restated	B	151,237.60
Increased By:		
Contributions		\$ 47,150.00
Appreciation on Investments - Net of Fees		<u>6,253.66</u>
	8-B	<u>53,403.66</u>
Balance, December 31, 2007	B	<u>\$ 204,641.26</u>

TOWNSHIP OF MANALAPAN
COUNTY OF MONMOUTH, NEW JERSEY

LENGTH OF SERVICE AWARDS PROGRAM FUND ("LOSAP")

SCHEDULE OF MISCELLANEOUS RESERVES

Year ended December 31, 2007

	<u>Reference</u>	
Balance, December 31, 2006		\$ 0.00
Prior Period Adjustment		<u>151,237.60</u>
Balance, December 31, 2006 As Restated	B	151,237.60
Increased By:		
Township Contributions and Earnings - Net of Fees	7-B	<u>53,403.66</u>
Balance, December 31, 2007	B	<u><u>\$ 204,641.26</u></u>

GENERAL CAPITAL FUND
SCHEDULES

TOWNSHIP OF MANALAPAN
COUNTY OF MONMOUTH, NEW JERSEY

GENERAL CAPITAL FUND

SCHEDULE OF CASH - TREASURER

Year ended December 31, 2007

	<u>Reference</u>		
Balance, December 31, 2006	C		\$ 6,534,131.00
Increased By:			
Premium on Sale of Bond Anticipation Notes	C-1	\$ 5,780.62	
Premium on Sale of Bonds	C-1	434,291.16	
Bonds Issued	5-C	7,498,000.00	
Bond Anticipation Notes Issued	6-C	3,320,000.00	
Capital Improvement Fund	8-C	1,000.00	
Grants Receivable	9-C	65,448.75	
Various Reserves	10-C	30,761.50	
Rounding Adjustment	1-C	<u>0.27</u>	
			<u>11,355,282.30</u>
			17,889,413.30
Decreased By:			
Fund Balance	C-1	250,000.00	
Bond Anticipation Notes Paid	6-C	2,320,000.00	
Improvement Authorizations	7-C	3,456,602.15	
Various Reserves	10-C	<u>10,635.00</u>	
			<u>6,037,237.15</u>
Balance, December 31, 2007	C		<u>\$ 11,852,176.15</u>

TOWNSHIP OF MANALAPAN
COUNTY OF MONMOUTH, NEW JERSEY

GENERAL CAPITAL FUND

SCHEDULE OF ANALYSIS OF GENERAL CAPITAL CASH

Year ended December 31, 2007

	Balance December 31, <u>2007</u>
Capital Improvement Fund	\$ 53,797.51
Fund Balance	767,529.76
Excess Financing - B.A.N.	3,320,000.00
Grants Receivable	(277,051.25)
Contracts Payable	3,022,096.79
Reserve for:	
Dog Park	7,500.00
Sidewalk Program	5,133.33
Country Estates Sect VI Improvement	18,128.17

<u>Ordinance Number</u>	<u>Improvement Description</u>	
02-15	Various 2002 Capital Improvements	25,066.75
02-22	Addition To Police Headquarters	1,509,844.51
03-08	Various 2003 Capital Improvements	50,614.43
04-22	Various 2004 Capital Improvements	179,852.14
05-07	Various Capital Improvements	23,022.14
05-24	Various Capital Improvements	63,447.87
05-25	Various Capital Improvements	240,357.44
06-09	Various Capital Improvements	635,367.81
06-10	Various Capital Improvements	1,209,861.74
07-12	Various Road Improvements and Catch Basin Replacements	76,862.43
07-14	Recreation Center Park Expansion Project and Related Expenses	192,107.07
07-21	Various Capital Improvements	653,637.51
07-28	Various Improvements To Thompson Grove Park	75,000.00
		\$ 11,852,176.15

Reference C,1-C

TOWNSHIP OF MANALAPAN
COUNTY OF MONMOUTH, NEW JERSEY

GENERAL CAPITAL FUND

SCHEDULE OF DEFERRED CHARGES TO FUTURE TAXATION - FUNDED

Year ended December 31, 2007

	<u>Reference</u>	
Balance, December 31, 2006	C	\$ 9,729,000.00
Increased By:		
Transferred From Deferred Charges To Future Taxation - Unfunded	4-C	<u>7,498,000.00</u>
		17,227,000.00
Decreased By:		
Serial Bonds Retired	5-C	<u>1,871,000.00</u>
Balance, December 31, 2007	C	<u><u>\$ 15,356,000.00</u></u>

TOWNSHIP OF MANALAPAN
 COUNTY OF MONMOUTH, NEW JERSEY

GENERAL CAPITAL FUND

SCHEDULE OF DEFERRED CHARGES TO FUTURE TAXATION - UNFUNDED

Year ended December 31, 2007

Ordinance Number	Improvement Description	Balance December 31, 2006	Increased By 2007 Authorizations	Transferred to Deferred Charges to Future Taxation Funded	Balance December 31, 2007	Analysis of Balance		
						Bond Anticipation Notes	Excess Financing	Unexpended Improvement Authorizations
06-10	Various Capital Improvements	\$ 2,320,000.00		\$ 2,320,000.00	\$ 2,320,000.00	\$ 2,320,000.00		
07-12	Various Road Improvements and Catch Basin Replacements		\$ 622,250.00	275,500.00	\$ 346,750.00			\$ 346,750.00
07-14	Recreation Center Park Expansion Project and Related Expenses		4,190,000.00	4,190,000.00		1,000,000.00	1,000,000.00	
07-21	Various Capital Improvements		712,500.00	712,500.00				
		<u>\$ 2,320,000.00</u>	<u>\$ 5,524,750.00</u>	<u>\$ 7,498,000.00</u>	<u>\$ 346,750.00</u>	<u>\$ 3,320,000.00</u>	<u>\$ 3,320,000.00</u>	<u>\$ 346,750.00</u>
	Reference	C	7-C, 11-C	3-C	C	6-C	2-C	7-C

TOWNSHIP OF MANALAPAN
COUNTY OF MONMOUTH, NEW JERSEY

GENERAL CAPITAL FUND

SCHEDULE OF GENERAL SERIAL BONDS

Year ended December 31, 2007

Purpose	Original Issue		Maturities of Bonds Outstanding		Interest Rate	Balance December 31, 2006	Increased	Decreased	Balance December 31, 2007
	Date	Amount	Date	Amount					
Refunding	02/27/03	\$ 1,885,000.00	10/01/08	\$ 900,000.00	2.750%	\$ 485,000.00	\$ 485,000.00		
General Improvements	10/01/03	8,150,000.00	10/01/09	900,000.00	3.000%				
			10/01/10	725,000.00	3.100%				
			10/01/11	725,000.00	3.200%				
			10/01/12	500,000.00	3.300%				
			10/01/13	500,000.00	3.500%	5,150,000.00		900,000.00	\$ 4,250,000.00
Open Space	10/01/03	1,564,000.00	10/01/08	90,000.00	2.750%				
			10/01/09	90,000.00	3.000%				
			10/01/10	100,000.00	3.100%				
			10/01/11	100,000.00	3.200%				
			10/01/12	110,000.00	3.300%				
			10/01/13	110,000.00	3.500%				
			10/01/14	124,000.00	3.625%				
			10/01/15	125,000.00	3.750%				
			10/01/16	135,000.00	3.875%				
			10/01/17-18	140,000.00	4.000%	1,344,000.00		80,000.00	1,264,000.00
General Improvements	12/29/05	2,605,000.00	12/01/08	231,000.00	4.000%				
			12/01/09	241,000.00	4.000%				
			12/01/10	250,000.00	4.000%				
			12/01/11	260,000.00	5.000%				
			12/01/12	273,000.00	5.000%				
			12/01/13	287,000.00	5.000%				
Refunding Bonds			12/01/14	301,000.00	5.000%				
			12/01/15	316,000.00	5.000%	2,382,000.00		223,000.00	2,159,000.00
	04/03/06	558,000.00	08/01/08	185,000.00	5.000%	368,000.00		183,000.00	185,000.00

TOWNSHIP OF MANALAPAN
 COUNTY OF MONMOUTH, NEW JERSEY

GENERAL CAPITAL FUND

SCHEDULE OF BOND ANTICIPATION NOTES

Year ended December 31, 2007

<u>Ordinance Number</u>	<u>Improvement Description</u>	<u>Original Issue Date</u>	<u>Date of Issue</u>	<u>Date of Maturity</u>	<u>Interest Rate</u>	<u>Balance December 31, 2006</u>	<u>Increase</u>	<u>Decrease</u>	<u>Balance December 31, 2007</u>	
06-10	Various Capital Improvements	08/10/06	08/10/07	02/08/08	4.25%	\$ 2,320,000.00	\$ 2,320,000.00	\$ 2,320,000.00	\$ 2,320,000.00	
07-14	Recreation Center Park Expansion Project and Related Expenses	08/10/07	08/10/07	02/08/08	4.25%		1,000,000.00		1,000,000.00	
						<u>\$ 2,320,000.00</u>	<u>\$ 3,320,000.00</u>	<u>\$ 2,320,000.00</u>	<u>\$ 3,320,000.00</u>	
					<u>Reference</u>	C	1-C	1-C	C,4-C	

TOWNSHIP OF MANALAPAN
COUNTY OF MONMOUTH, NEW JERSEY

GENERAL CAPITAL FUND

SCHEDULE OF CAPITAL IMPROVEMENT FUND

Year ended December 31, 2007

	<u>Reference</u>		
Balance, December 31, 2006	C		\$ 81,783.00
Increased By:			
2007 Budget Appropriations	1-C	\$ 1,000.00	
Reserve for Preliminary Expenses	10-C	<u>1,865.00</u>	
			<u>2,865.00</u>
			84,648.00
Decreased By:			
Improvement Authorizations Funded	7-C	18,350.00	
Reserve for Preliminary Expenses	10-C	12,500.00	
Rounding Adjustment	8-C	<u>0.49</u>	
			<u>30,850.49</u>
Balance, December 31, 2007	C		<u><u>\$ 53,797.51</u></u>

TOWNSHIP OF MANALAPAN
COUNTY OF MONMOUTH, NEW JERSEY

GENERAL CAPITAL FUND

SCHEDULE OF DUE FROM STATE OF NEW JERSEY - GRANTS RECEIVABLE

Year ended December 31, 2007

	<u>Reference</u>	
Balance, December 31, 2006	C	\$ 342,500.00
Decreased By:		
Grant Receipts	1-C	<u>65,448.75</u>
Balance, December 31, 2007	C	<u><u>\$ 277,051.25</u></u>

TOWNSHIP OF MANALAPAN
 COUNTY OF MONMOUTH, NEW JERSEY

GENERAL CAPITAL FUND

SCHEDULE OF VARIOUS RESERVES

Year ended December 31, 2007

	Balance December 31, 2006	Increase	Decrease	Balance December 31, 2007
Taylor Mills/Route 9 Improvements	\$ 79,096.00		\$ 79,096.00	
Lighting System	2,000.00		2,000.00	
Hawkins Road Overlay	16,450.00		16,450.00	
Future Repaving Projects	14,400.00		14,400.00	
Preliminary Expenditures - First Aid Building	\$ 7,500.00	7,500.00	7,500.00	\$ 7,500.00
Preliminary Expenditures - Park Expansion	5,000.00	5,000.00	5,000.00	5,133.33
Dog Park	7,500.00	7,500.00		18,128.17
Sidewalk Program	5,133.33	5,133.33		
Country Estates Sect VI Improvement	18,128.17	18,128.17		
	<u>\$ 111,946.00</u>	<u>\$ 43,261.50</u>	<u>\$ 124,446.00</u>	<u>\$ 30,761.50</u>
	Reference	C		C
Cash Receipts		\$ 30,761.50		
Capital Improvement Fund		<u>12,500.00</u>		
		<u>\$ 43,261.50</u>		
Cancelled To Fund Balance			\$ 97,546.00	
Cash Disbursements			10,635.00	
Improvement Authorizations			14,400.00	
Cancelled To Capital Improvement Fund			<u>1,865.00</u>	
			<u>\$ 124,446.00</u>	

TOWNSHIP OF MANALAPAN
COUNTY OF MONMOUTH, NEW JERSEY

GENERAL CAPITAL FUND

SCHEDULE OF BOND AND NOTES AUTHORIZED BUT NOT ISSUED

Year ended December 31, 2007

<u>Ordinance Number</u>	<u>Improvement Description</u>	Balance December 31, <u>2006</u>	Increased By 2007 <u>Authorizations</u>	Notes <u>Issued</u>	Bonds <u>Issued</u>	Balance December 31, <u>2007</u>
07-12	Various Road Improvements and Catch Basin Replacements		\$ 622,250.00		\$ 275,500.00	\$ 346,750.00
07-14	Recreation Center Park Expansion Project and Related Expenses		4,190,000.00	\$ 1,000,000.00	3,190,000.00	
07-21	Various Capital Improvements		<u>712,500.00</u>		<u>712,500.00</u>	
		<u>\$ 0.00</u>	<u>\$ 5,524,750.00</u>	<u>\$ 1,000,000.00</u>	<u>\$ 4,178,000.00</u>	<u>\$ 346,750.00</u>
	<u>Reference</u>	11-C	4-C	6-C	5-C	11-C

WATER UTILITY FUND
SCHEDULES

TOWNSHIP OF MANALAPAN
 COUNTY OF MONMOUTH, NEW JERSEY

WATER UTILITY FUND

SCHEDULE OF CASH - TREASURER

Year ended December 31, 2007

	Reference	Operating	Capital
Balance, December 31, 2006	D	\$ 290,519.00	\$ 306,826.00
Increased By Receipts:			
Miscellaneous Revenue Not Anticipated	D-1,D-3	\$ 62,146.09	
Premium on Sale of Bonds	D-2		\$ 4,386.78
Premium on Sale of Bond Anticipation Notes	D-2		117.98
Bonds Issued	8-D		70,000.00
Bond Anticipation Notes Issued	9-D		70,000.00
Reserve for Capital Projects	14-D		19,215.08
Rounding Adjustment	1-D		0.13
		<u>62,146.09</u>	<u>163,719.97</u>
Decreased By Disbursements:			
2007 Budget Appropriations	D-4	107,363.53	
2006 Appropriation Reserves	5-D	81.00	
Bond Anticipation Note Payable	9-D		70,000.00
Improvement Authorizations	10-D		946.01
Rounding Adjustments	D-1	<u>0.28</u>	
		<u>107,444.81</u>	<u>70,946.01</u>
Balance, December 31, 2007	D	<u>\$ 245,220.28</u>	<u>\$ 399,599.96</u>

TOWNSHIP OF MANALAPAN
COUNTY OF MONMOUTH, NEW JERSEY

WATER UTILITY CAPITAL FUND

SCHEDULE OF WATER UTILITY CAPITAL FUND CASH

Year ended December 31, 2007

		Balance December 31, <u>2007</u>
Capital Improvement Fund		\$ 6,625.00
Fund Balance		14,708.98
Excess Financing - Bond Anticipation Notes		70,000.00
Reserve for:		
Capital Projects		224,422.08
Encumbrances		919.25
<u>Ordinance Number</u>	<u>Improvement Description</u>	
02-23	Installation of a Well at the Lambs Lane Water Treatment Plant	5,835.54
03-16	Installation of a Well at the Lambs Lane Water Treatment Plant	6,872.58
05-23	Roof Repair and Replacement Projects at the Lambs Lane Treatment Plant	1,300.00
06-11	Rehabilitation and Upgrade of the Lambs Lane Treatment Plant	<u>68,916.53</u>
		<u>\$ 399,599.96</u>

Reference D

TOWNSHIP OF MANALAPAN
COUNTY OF MONMOUTH, NEW JERSEY

WATER UTILITY CAPITAL FUND

SCHEDULE OF FIXED CAPITAL

Year ended December 31, 2007

Reference

Balance, December 31, 2006	D	\$ 673,235.00
Decreased By:		
Rounding Adjustment	12-D	<u>0.29</u>
Balance, December 31, 2007	D	<u>\$ 673,234.71</u>

TOWNSHIP OF MANALAPAN
COUNTY OF MONMOUTH, NEW JERSEY

WATER UTILITY CAPITAL FUND

SCHEDULE OF FIXED CAPITAL AUTHORIZED AND UNCOMPLETED

Year ended December 31, 2007

<u>Ordinance Number</u>	<u>Purpose</u>	<u>Ordinance</u>		<u>Balance December 31, 2007 and 2006</u>
		<u>Date</u>	<u>Amount</u>	
02-23	Installation of a Well at the Lambs Lane Water Treatment Plant	09/18/02	\$ 435,000.00	\$ 435,000.00
03-16	Installation of a Well at the Lambs Lane Water Treatment Plant	09/10/03	60,000.00	60,000.00
05-23	Roof Repair and Replacement Projects at the Lambs Lane Treatment Plant	07/05/05	13,500.00	13,500.00
06-11	Rehabilitation and Upgrade of the Lambs Lane Treatment Plant	06/28/06	70,000.00	<u>70,000.00</u>
				<u>\$ 578,500.00</u>
			<u>Reference</u>	D

TOWNSHIP OF MANALAPAN
COUNTY OF MONMOUTH, NEW JERSEY

WATER UTILITY FUND

SCHEDULE OF 2006 APPROPRIATION RESERVES

Year ended December 31, 2007

	Balance December 31, <u>2006</u>	Balance After <u>Modifications</u>	Paid or <u>Charged</u>	<u>Lapsed</u>
Operating:				
Other Expenses	<u>\$ 2,946.00</u>	<u>\$ 2,946.00</u>	<u>\$ 81.00</u>	<u>\$ 2,865.00</u>
Total Operating	<u>2,946.00</u>	<u>2,946.00</u>	<u>81.00</u>	<u>2,865.00</u>
Total Water Utility Fund Appropriations	<u><u>\$ 2,946.00</u></u>	<u><u>\$ 2,946.00</u></u>	<u><u>\$ 81.00</u></u>	<u><u>\$ 2,865.00</u></u>
<u>Reference</u>	D	5-D	1-D	D-1

TOWNSHIP OF MANALAPAN
COUNTY OF MONMOUTH, NEW JERSEY

WATER UTILITY OPERATING FUND

SCHEDULE OF ENCUMBRANCES PAYABLE

Year ended December 31, 2007

	<u>Reference</u>	
Balance, December 31, 2006	D	\$ 0.00
Increased By:		
Transfer From Current Appropriations	D-4	<u>2,312.50</u>
Balance, December 31, 2007	D	<u><u>\$ 2,312.50</u></u>

TOWNSHIP OF MANALAPAN
COUNTY OF MONMOUTH, NEW JERSEY

WATER UTILITY OPERATING FUND

SCHEDULE OF ACCRUED INTEREST ON NOTES

Year ended December 31, 2007

	<u>Reference</u>	
Balance, December 31, 2006	D	\$ 1,267.00
Decreased By:		
Cancelled	D-1	<u>110.05</u>
Balance, December 31, 2007	D	<u><u>\$ 1,156.95</u></u>

Analysis of Accrued Interest
December 31, 2007

<u>Principal Outstanding</u> <u>December 31, 2007</u>	<u>Interest</u> <u>Rate</u>	<u>From</u>	<u>To</u>	<u>Days</u>	<u>Amount</u>
Bond Anticipation Notes (Capital):					
\$ 70,000.00	4.25%	08/10/07	12/31/07	140	<u><u>\$ 1,156.95</u></u>

TOWNSHIP OF MANALAPAN
 COUNTY OF MONMOUTH, NEW JERSEY

WATER UTILITY CAPITAL FUND

SCHEDULE OF SERIAL BONDS

Year ended December 31, 2007

Purpose	Date of Issue	Original Issue	Outstanding		Interest Rate	Balance December 31, 2006	Increased	Decreased	Balance December 31, 2007	
			Date	Amount						
Water Capital	12/29/05	\$ 361,000.00	12/01/08	\$ 32,000.00	4.000%					
			12/01/09	33,000.00	4.000%					
			12/01/10	34,000.00	4.000%					
			12/01/11	36,000.00	5.000%					
			12/01/12	38,000.00	5.000%					
			12/01/13	40,000.00	5.000%					
			12/01/14	42,000.00	5.000%					
			12/01/15	44,000.00	5.000%	\$ 330,000.00		\$ 31,000.00	\$ 299,000.00	
	Water Capital	12/13/07	70,000.00	12/01/08	3,506.00	4.000%				
				12/01/09	3,765.00	5.000%				
				12/01/10	3,950.00	5.000%				
				12/01/11	4,153.00	5.000%				
				12/01/12	4,357.00	5.000%				
				12/01/13	4,569.00	5.000%				
				12/01/14	4,800.00	5.000%				
		12/01/15	5,041.00	5.000%						
		12/01/16	5,291.00	5.000%						
		12/01/17	5,559.00	5.000%						
		12/01/18	5,836.00	5.250%						
		12/01/19	6,142.00	4.000%						
		12/01/20	6,391.00	4.000%						
		12/01/21	6,640.00	5.250%						
						\$ 70,000.00			70,000.00	
						\$ 330,000.00	\$ 70,000.00	\$ 31,000.00	\$ 369,000.00	

Reference

D

1-D

13-D

D

TOWNSHIP OF MANALAPAN
 COUNTY OF MONMOUTH, NEW JERSEY

WATER UTILITY CAPITAL FUND

SCHEDULE OF BOND ANTICIPATION NOTES

Year ended December 31, 2007

<u>Ordinance Number</u>	<u>Description</u>	<u>Original Issue Date</u>	<u>Date of Maturity</u>	<u>Interest Rate</u>	<u>Balance December 31, 2006</u>	<u>Increased</u>	<u>Decreased</u>	<u>Balance December 31, 2007</u>
06-11	Rehabilitation and Upgrade of the Lambs Lane Treatment Plant	08/10/06	02/08/08	4.25%	\$ 70,000.00	\$ 70,000.00	\$ 70,000.00	\$ 70,000.00
				<u>Reference</u>	D	1-D	1-D	D

TOWNSHIP OF MANALAPAN
 COUNTY OF MONMOUTH, NEW JERSEY

WATER UTILITY CAPITAL FUND

SCHEDULE OF IMPROVEMENT AUTHORIZATIONS

Year ended December 31, 2007

Ordinance Number	Improvement Description	Ordinance Date	Ordinance Amount	Balance December 31, 2006		Rounding Adjustment	Paid or Charged	Balance December 31, 2007	
				Funded	Unfunded			Funded	Unfunded
02-23	Installation of a Well at the Lambs Lane Water Treatment Plant	09/18/02	\$ 435,000.00	\$ 5,835.00		\$ 0.54		\$ 5,835.54	
03-16	Installation of a Well at the Lambs Lane Water Treatment Plant	09/10/03	60,000.00	6,873.00	(0.42)			6,872.58	
05-23	Roof Repair and Replacement Projects at the Lambs Lane Treatment Plant	07/06/05	13,500.00	1,300.00				1,300.00	
06-11	Rehabilitation and Upgrade of the Lambs Lane Treatment Plant	06/28/06	70,000.00		(0.46)		\$ 946.01	68,916.53	
				<u>\$ 14,008.00</u>	<u>\$ 69,863.00</u>	<u>\$ (0.34)</u>	<u>\$ 946.01</u>	<u>\$ 82,924.65</u>	<u>\$ 0.00</u>
			<u>Reference</u>	D	D	10-D	1-D	D	D

TOWNSHIP OF MANALAPAN
COUNTY OF MONMOUTH, NEW JERSEY

WATER UTILITY CAPITAL FUND

SCHEDULE OF CAPITAL IMPROVEMENT FUND

Year ended December 31, 2007

Reference

Balance, December 31, 2007 and 2006

D

\$ 6,625.00

TOWNSHIP OF MANALAPAN
COUNTY OF MONMOUTH, NEW JERSEY

WATER UTILITY CAPITAL FUND

SCHEDULE OF RESERVE FOR AMORTIZATION

Year ended December 31, 2007

	<u>Reference</u>	
Balance, December 31, 2006	D	\$ 673,235.00
Decreased By:		
Rounding Adjustment	3-D	<u>0.29</u>
Balance, December 31, 2007	D	<u>\$ 673,234.71</u>

TOWNSHIP OF MANALAPAN
COUNTY OF MONMOUTH, NEW JERSEY

WATER UTILITY CAPITAL FUND

SCHEDULE OF DEFERRED RESERVE FOR AMORTIZATION

Year ended December 31, 2007

<u>Ordinance Number</u>	<u>Description</u>	Balance December 31, <u>2006</u>	Increased by Bonds <u>Paid</u>	Balance December 31, <u>2007</u>
02-23	Installation of a Well at the Lambs Lane Water Treatment Plant	\$ 105,000.00	\$ 31,000.00	\$ 136,000.00
03-16	Installation of a Well at the Lambs Lane Water Treatment Plant	60,000.00		60,000.00
05-23	Roof Repair and Replacement Projects at the Lambs Lane Treatment Plant	<u>13,500.00</u>		<u>13,500.00</u>
		<u>\$ 178,500.00</u>	<u>\$ 31,000.00</u>	<u>\$ 209,500.00</u>
	<u>Reference</u>	D	8-D	D

TOWNSHIP OF MANALAPAN
COUNTY OF MONMOUTH, NEW JERSEY

WATER UTILITY CAPITAL FUND

SCHEDULE OF RESERVE FOR CAPITAL PROJECTS

Year ended December 31, 2007

	<u>Reference</u>	
Balance, December 31, 2006	D	\$ 205,207.00
Increased By:		
Cash Received	1-D	<u>19,215.08</u>
Balance, December 31, 2007	D	<u>\$ 224,422.08</u>

PUBLIC ASSISTANCE FUND
SCHEDULES

TOWNSHIP OF MANALAPAN
COUNTY OF MONMOUTH, NEW JERSEY

PUBLIC ASSISTANCE FUND

SCHEDULE OF CASH - TREASURER

Year ended December 31, 2007

Reference

Balance, December 31, 2006:			
Trust Fund I		\$ 22,775.00	
Trust Fund II		<u>47,388.00</u>	
	E		\$ 70,163.00
Decreased By:			
Transferred To Current Fund	2-E	22,725.00	
Returned To County	3-E	<u>47,438.00</u>	
			<u>70,163.00</u>
Balance, December 31, 2007	E		<u>\$ 0.00</u>

TOWNSHIP OF MANALAPAN
COUNTY OF MONMOUTH, NEW JERSEY

PUBLIC ASSISTANCE FUND

SCHEDULE OF RESERVE FOR PUBLIC ASSISTANCE

Year ended December 31, 2006

	<u>Reference</u>	
Balance, December 31, 2006	E	\$ 22,725.00
Decreased By:		
Cash Disbursed	1-E	<u>22,725.00</u>
Balance, December 31, 2007	E	<u><u>\$ 0.00</u></u>

TOWNSHIP OF MANALAPAN
COUNTY OF MONMOUTH, NEW JERSEY

PUBLIC ASSISTANCE FUND

SCHEDULE OF DUE TO STATE OF NEW JERSEY

Year ended December 31, 2007

	<u>Reference</u>	
Balance, December 31, 2006	E	\$ 47,438.00
Decreased By:		
Cash Disbursed	1-E	<u>47,438.00</u>
Balance, December 31, 2007	E	<u>\$ 0.00</u>

BOND AND INTEREST FUND
SCHEDULE

TOWNSHIP OF MANALAPAN
COUNTY OF MONMOUTH, NEW JERSEY

BOND AND INTEREST FUND

SCHEDULE OF CASH AND RECONCILIATION PER N.J.S.A. 40A:5-5

Year ended December 31, 2007

	<u>Reference</u>	
Balance, December 31, 2007	1-F	<u>\$ 8,559.08</u>
Balance on Deposit Per December 31, 2007 Statement of:		
PNC Bank:		
Account #81-0186-0647		<u>\$ 8,559.08</u>

GENERAL FIXED ASSETS ACCOUNT GROUP
SCHEDULE

TOWNSHIP OF MANALAPAN
COUNTY OF MONMOUTH, NEW JERSEY

GENERAL FIXED ASSETS ACCOUNT GROUP

SCHEDULE OF GENERAL FIXED ASSETS

Year ended December 31, 2007

	Balance December 31, <u>2006</u>	<u>Additions</u>	Balance December 31, <u>2007</u>
Land	\$ 9,469,630.00		\$ 9,469,630.00
Buildings and Improvements	4,617,265.00		4,617,265.00
Machinery and Equipment	<u>6,673,223.00</u>	<u>\$ 873,371.33</u>	<u>7,546,594.33</u>
	<u>\$ 20,760,118.00</u>	<u>\$ 873,371.33</u>	<u>\$ 21,633,489.33</u>
<u>Reference</u>	H	1-H	H

COMMENTS SECTION

TOWNSHIP OF MANALAPAN
COUNTY OF MONMOUTH, NEW JERSEY

COMMENTS

Year ended December 31, 2007

An audit of the financial accounts and transactions of the Township of Manalapan, County of Monmouth, New Jersey ("Township") for the year ended December 31, 2007, has recently been completed. The results of the audit are herewith set forth.

Scope of Audit

The audit covered the financial transactions of the Tax Collector/Treasurer, the activities of the Mayor and Township Committee and the records of the various outside departments.

The audit did not and could not determine the character of services rendered for which payment had been made or for which reserves had been set up, nor could it determine the character, proper price or quantity of materials supplied for which claims had been passed.

Cash balances were reconciled with independent certifications obtained directly from the depositories.

Investments were verified by physical inspection or by independent certifications obtained directly from the depositories.

Revenues and receipts were verified as to source and amount insofar as the records permitted.

Our audit was made in accordance with auditing standards generally accepted in the United States of America and in compliance with 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. Therefore, our audit included the procedures noted above as well as tests of the accounting records and such other auditing procedures as we considered necessary in the circumstances.

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

N.J.S. 40A:11-4 states "Every contract awarded by the contracting agent, for the provision or performance of any goods or services, the cost of which in the aggregate exceeds the bid threshold (40A:11-3), shall be awarded only by resolution of the governing body of the contracting unit to the lowest responsible bidder after public advertising for bids and bidding therefor, except as is provided otherwise in this act or specifically by any other law. The governing body of a contracting unit may, by resolution approved by a majority of the governing body and subject to subsections b. and c. of this section, disqualify a bidder who would otherwise be determined to be the lowest responsible bidder, if the governing body finds that it has had prior negative experience with the bidder".

It is pointed out that the governing body of the municipality has the responsibility of determining whether the expenditures in any category will exceed the bid threshold within the fiscal year and, where question arises as to whether any contract or agreement might result in violation of the statute, the solicitor's opinion shall be sought before a commitment is made.

TOWNSHIP OF MANALAPAN
COUNTY OF MONMOUTH, NEW JERSEY

COMMENTS

Year ended December 31, 2007

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

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

- Street Sweeping
- Charter Bus Services
- HVAC Equipment Maintenance and Repair
- Leasing of Park Space for Ice Cream/Italian Ices
- Public Works Maintenance Yard Security Gate and Access Control System
- Physical Education and Recreation Supplies
- 2007 Tri-Axle Hooklift Truck
- Leaf Disposal
- Tight Tail Swing Excavator
- Sidewalk/Drainage Road Improvements
- Soil Remediation
- Recreation Center Expansion - Phase I
- Snow Removal Equipment and Operators
- Equipment and Operator Rental
- Rack Body Truck with Snowplow and Liftgate
- 18" Disc Chipper
- 2008 Professional Service Contracts
- Land Lease for Placement of Wireless Telecommunications Antennas

The system of records did not provide for an accumulation of payments by categories of materials or supplies, or related work or labor. Disbursements were reviewed, however, to determine whether any clear-cut violations existed.

The examination of expenditures did not reveal any individual payments, contracts or agreements in excess of the bid threshold "for the performance of any work or the furnishing of labor materials and supplies or the hiring of teams or vehicles", other than where bids had been previously sought by public advertisement or where a resolution had been previously adopted under the provision of N.J.S. 40A:11-6. The minutes indicate that resolutions were adopted and advertised authorizing the awarding of contracts or agreements for "professional services" per N.J.S. 40A:11-5.

Collection of Interest on Delinquent Taxes and Assessments

The governing body on January 7, 2007 adopted the following resolution authorizing interest to be charged on delinquent taxes:

WHEREAS, the Township Committee desires to establish the interest rate of eight percent (8%) per annum on all delinquent taxes and assessments up to and including \$1,500 and eighteen percent (18%) per annum on all delinquent taxes and assessments over the sum of \$1,500, said interest to be waived within a ten (10) day period after they become due;

TOWNSHIP OF MANALAPAN
COUNTY OF MONMOUTH, NEW JERSEY

COMMENTS

Year ended December 31, 2007

Collection of Interest on Delinquent Taxes and Assessments (continued)

WHEREAS, N.J.S.A. 54:4-67 permits the governing body to assess, by resolution, an additional six percent (6%) penalty against delinquent taxes that remain unpaid prior to the end of the calendar year in excess of \$10,000; and

NOW, THEREFORE, BE IT RESOLVED by the Township Committee of the Township of Manalapan that pursuant to provisions of N.J.S.A. 54:4-67 the rate to be charged for the non-payment of taxes and assessments on or before the date when the same become delinquent is hereby fixed at eight (8%) per annum up to and including the sum of \$1,500 and eighteen percent (18%) over the sum of \$1,500 and said interest may be waived within a ten (10) day period after they become delinquent.

In addition to the interest set forth above, all taxes in excess of \$10,000 which are delinquent as of December 31 will be assessed an additional penalty of six percent (6%) on the amount of the delinquency.

Tax Sale

The last tax sale was held on April 12, 2007 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 receivable on December 31 of the last three years:

<u>Year</u>	<u>Number of Liens</u>
2007	10
2006	10
2005	10

Confirmation of Delinquent Taxes and Other Charges

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

<u>Type</u>	<u>Number Mailed</u>
Payments and Delinquencies on 2007 and 2006 Taxes	120

For those confirmation notices which were not returned by taxpayers, subsequent cash collections were audited as an alternative procedure when possible.

TOWNSHIP OF MANALAPAN
COUNTY OF MONMOUTH, NEW JERSEY

COMMENTS

Year ended December 31, 2007

Comparative Statement of Operations
and Changes in Fund Balance - Current Fund

	<u>2007</u>		<u>2006</u>	
	<u>Amount</u>	<u>Percent</u>	<u>Amount</u>	<u>Percent</u>
<u>Revenue and Other Income Realized</u>				
Fund Balance Utilized	\$ 3,000,000.00	2.49 %	\$ 5,585,000.00	4.99 %
Miscellaneous - From Other Than Local Property Tax Levies	11,991,674.61	9.96	10,801,487.00	9.66
Collection of Delinquent Taxes and Tax Title Liens	1,616,097.32	1.34	1,406,084.00	1.26
Collection of Current Tax Levy	<u>103,781,032.37</u>	<u>86.21</u>	<u>94,037,409.00</u>	<u>84.09</u>
Total Revenues	<u>120,388,804.30</u>	<u>100.00 %</u>	<u>111,829,980.00</u>	<u>100.00 %</u>
<u>Expenditures</u>				
Budget Expenditures:				
Municipal Purposes	27,136,421.23	23.45 %	26,674,911.00	24.67 %
County Taxes	16,700,979.48	14.44	15,868,858.00	14.68
Local and Regional School Taxes	68,395,687.67	59.12	62,905,830.00	58.18
Open Space Tax	1,257,219.98	1.09	522,821.00	0.48
Special District Taxes	2,190,911.00	1.89	2,137,672.00	1.98
Other Expenditures	<u>7,528.54</u>	<u>0.01</u>	<u>6,612.00</u>	<u>0.01</u>
Total Expenditures	<u>115,688,747.90</u>	<u>100.00 %</u>	<u>108,116,704.00</u>	<u>100.00 %</u>
Excess in Revenue	4,700,056.40		3,713,276.00	
Fund Balance, January 1	<u>5,722,400.00</u>		<u>7,594,124.00</u>	
	10,422,456.40		11,307,400.00	
Decreased By:				
Utilized as Anticipated Revenue	<u>3,000,000.00</u>		<u>5,585,000.00</u>	
Fund Balance, December 31	<u>\$ 7,422,456.40</u>		<u>\$ 5,722,400.00</u>	

TOWNSHIP OF MANALAPAN
COUNTY OF MONMOUTH, NEW JERSEY

COMMENTS

Year ended December 31, 2007

Comparative Statement of Operations
and Changes in Fund Balance - Water Utility Fund

	<u>2007</u>		<u>2006</u>	
	<u>Amount</u>	<u>Percent</u>	<u>Amount</u>	<u>Percent</u>
<u>Revenue and Other Income Realized</u>				
Fund Balance Utilized	\$ 69,839.00	51.75 %		
Miscellaneous Revenue Anticipated	62,146.09	46.05	\$ 215,129.00	97.34 %
Accrued Interest Cancelled	110.05	0.08		
Appropriation Reserves Lapsed	<u>2,865.00</u>	<u>2.12</u>	<u>5,892.00</u>	<u>2.66</u>
Total Revenues	<u>134,960.14</u>	<u>100.00 %</u>	<u>221,021.00</u>	<u>100.00 %</u>
<u>Expenditures</u>				
Operating	60,502.00	55.10 %	7,500.00	13.38 %
Debt Service	49,300.70	44.90	48,556.00	86.62
Rounding Adjustment	<u>0.28</u>	<u>0.00</u>		
Total Expenditures	<u>109,802.98</u>	<u>100.00 %</u>	<u>56,056.00</u>	<u>100.00 %</u>
Excess in Revenue	25,157.16		164,965.00	
Fund Balance, January 1	<u>286,306.00</u>		<u>121,341.00</u>	
	311,463.16		286,306.00	
Decreased By:				
Utilized as Anticipated Revenue	<u>69,839.00</u>			
Fund Balance, December 31	<u>\$ 241,624.16</u>		<u>\$ 286,306.00</u>	

TOWNSHIP OF MANALAPAN
COUNTY OF MONMOUTH, NEW JERSEY

COMMENTS

Year ended December 31, 2007

Comparative Schedule of Tax Rate Information (Excluding Fire Districts)

	<u>2007*</u>	<u>2006</u>	<u>2005</u>
Tax Rate	\$ 1.645	\$ 3.61	\$ 3.52

Apportionment of Tax Rate

Municipal	0.248	0.47	0.47
Municipal Open Space	0.020	0.02	0.02
County	0.266	0.61	0.63
Regional Elementary School	0.748	1.68	1.59
Regional High School	0.363	0.83	0.81

Assessed Valuations

2007	\$ 5,716,900,825.00*
2006	\$ 2,516,898,921.00
2005	\$ 2,448,859,516.00

Comparison of Tax Levies and Collection Currently

<u>Year</u>	<u>Tax Levy</u>	<u>Cash Collections</u>	<u>Percentage of Collections</u>
2007	\$ 105,569,145.49	\$ 103,781,032.37	98.30%
2006	95,442,237.00	94,037,409.00	98.53
2005	89,914,296.00	88,520,335.00	98.45

* Revaluation year

TOWNSHIP OF MANALAPAN
COUNTY OF MONMOUTH, NEW JERSEY

COMMENTS

Year ended December 31, 2007

Comparative Schedule of Tax Title Liens

<u>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>
2007	\$ 112,650.56	\$ 1,808,434.43	\$ 1,921,084.99	1.82%
2006	110,202.00	1,465,580.00	1,575,782.00	1.65
2005	90,983.00	1,412,056.00	1,503,039.00	1.67

Property Acquired by Tax Title Lien Liquidation

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

<u>Year</u>	<u>Amount</u>
2007	\$ 352,300.00
2006	352,300.00
2005	352,300.00

Comparative Schedule of Fund Balances

Current Fund

<u>Year</u>	<u>Balance December 31</u>	<u>Utilized in Budget of Succeeding Year</u>
2007	\$ 7,422,456.40	\$ 3,663,760.00*
2006	5,722,400.00	3,000,000.00
2005	7,594,124.00	5,585,000.00
2004	7,473,233.00	5,335,000.00

Water Utility Operating Fund

2007	\$ 241,624.16	\$ 200,000.00*
2006	286,306.00	69,839.00
2005	121,341.00	0.00
2004	42,515.00	24,650.00

* Budget not adopted as of the date of this report

TOWNSHIP OF MANALAPAN
COUNTY OF MONMOUTH, NEW JERSEY

COMMENTS

Year ended December 31, 2007

Officials In Office and Surety Bonds

<u>Name</u>	<u>Title</u>	<u>Amount of Bond</u>
Andrew Lucas	Mayor	
Michelle Roth	Deputy Mayor	
Anthony Gennaro	Committeeman	
Richard Klauber	Committeeman	
Susan Cohen	Committeewoman (06/06/07-12/31/07)	
Joseph Locricchio	Committeeman (01/01/07-05/01/07)	
Tara Lovrich	Business Administrator	
Patricia Addario	Chief Financial Officer	\$ 250,000.00
Rose Ann Weeden	Township Clerk/Assessment Search Officer	*
Hope Ingram-Lewis	Tax Collector, Tax Search Officer	300,000.00
Caroline Casagrande	Township Attorney	*
Sharon Hartman	Tax Assessor	*
Daniella Trancho	Court Administrator	40,000.00
James Newman	Magistrate	30,000.00
Jeffrey S. Roth	Magistrate	30,000.00

* Covered by \$250,000.00 Public Employees Bond

INTERNAL CONTROL SECTION

Hutchins, Farrell, Meyer & Allison, P.A.

Certified Public Accountants • Business & Financial Advisors

Robert H. Hutchins, CPA, CVA
Eugene M. Farrell, CPA, RMA, CFP
Robert W. Allison, CPA, RMA
Alan E. Meyer, CPA/ABV
Joann DiLieto, CPA

Patrice R. Antonucci, CPA
Thomas L. Stetson, CPA

Monmouth County Office
912 Highway 33 • Suite 2
Freehold, NJ 07728
(732) 409-0800
Fax: (732) 866-9312

Ocean County Office
512 Main Street • PO Box 1778
Toms River, NJ 08754
(732) 240-5600
Fax: (732) 505-8358

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

Honorable Mayor and Members
of the Township Committee
Township of Manalapan, New Jersey

We have audited the regulatory-basis financial statements of the Township of Manalapan, County of Monmouth, New Jersey ("Township") as of and for the year ended December 31, 2007, and have issued our report thereon dated June 25, 2008 in which we expressed an adverse opinion on the conformity of the statements with accounting principles generally accepted in the United States due to the differences between those principles and the accounting practices prescribed by the Division of Local Government Services, Department of Community Affairs, State of New Jersey, and a qualified opinion since the Division of Local Government Services does not require the Length of Service Award Program ("LOSAP") to be audited, only reviewed. Except as discussed in the preceding sentence, we conducted our audit in accordance with auditing standards generally accepted in the United States of America; audit requirements as prescribed by the Division of Local Government Services; and the standards applicable to financial audits contained in Government Auditing Standards, issued by the Comptroller General of the United States.

Internal Control Over Financial Reporting

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

A control deficiency 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 misstatements on a timely basis. A significant deficiency is a control deficiency, or combination of control deficiencies, that adversely affects the Township's ability to initiate, authorize, record, process, or report financial data reliably in accordance with generally accepted accounting principles such that there is more than a remote likelihood that a misstatement of the Township's financial statements that is more than inconsequential will not be prevented or detected by the Township's internal control.

Honorable Mayor and Members
of the Township Committee
Township of Manalapan, New Jersey
Page 2

A material weakness is a significant deficiency, or combination of significant deficiencies, that results in more than a remote likelihood that a material misstatement of the financial statements will not be prevented or detected by the Township's internal control.

Our consideration of internal control over financial reporting was for the limited purpose described in the first paragraph of this section and would not necessarily identify all deficiencies in internal control that might be significant deficiencies or material weaknesses. We did not identify any deficiencies in internal control over financial reporting that we consider to be material weaknesses, as defined above.

Compliance and Other Matters

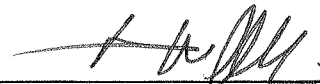
As part of obtaining reasonable assurance about whether the Township's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements, noncompliance with which could have a direct and material effect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

However, we noted certain matters that have been reported to the administration and reported within our Comments and Recommendations.

This report is intended solely for the information and use of the Township of Manalapan's management, and Committee members, others within the organization, and the Division of Local Government Services, and is not intended to be and should not be used by anyone other than these specified parties.

Hutchins, Farrell, Meyer & Allison, P.A.

Independent Auditors



Robert W. Allison
Registered Municipal Accountant
(#483)

June 25, 2008

COMMENTS AND RECOMMENDATIONS

TOWNSHIP OF MANALAPAN
COUNTY OF MONMOUTH, NEW JERSEY

COMMENTS AND RECOMMENDATIONS

Year ended December 31, 2007

Other Matters

Internal Controls

During our audit of the Township's Internal Controls, we noted the following:

Finding #2007-01

- One individual performs most Payroll duties.

Finding #2007-2

- There is no formal policy for the use of signature stamps.

In order to improve controls over the Township's Internal Controls, we recommend the following:

- There should be an appropriate segregation of duties within the Payroll processing function.
- There should be a formal policy for the use of signature stamps.