

Hanover Sewerage Authority  
Administrative Office  
DEC - 6 2011  
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2012

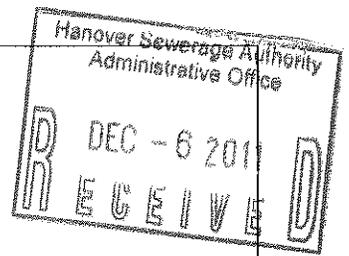
HANOVER SEWERAGE  
Authority Budget

Department Of



Community  
Affairs

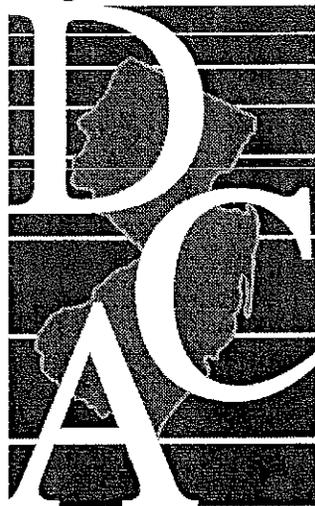
Division of Local Government Services



2012

# HANOVER SEWERAGE Authority Budget

Department Of



Community  
Affairs

Division of Local Government Services

2012

  **HANOVER SEWERAGE**    
**AUTHORITY BUDGET**

FISCAL YEAR: FROM December 1, 2011 TO November 30, 2012

*For Division Use Only*

**CERTIFICATION OF APPROVED BUDGET**

*It is hereby certified that the approved Budget made a part hereof complies with the requirements of law and the rules and regulations of the Local Finance Board, and approval is given pursuant to N.J.S. 40A:5A-11.*

*State of New Jersey  
Department of Community Affairs  
Director of the Division of Local Government Services*

By:  Date: 4/27/11

**CERTIFICATION OF ADOPTED BUDGET**

*It is hereby certified that the adopted Budget made a part hereof has been compared with the approved Budget previously certified by the Division, and any amendments made thereto. This adopted Budget is certified with respect to such amendments and comparisons only.*

*State of New Jersey  
Department of Community Affairs  
Director of the Division of Local Government Services*

By: \_\_\_\_\_ Date: \_\_\_\_\_

# 2012 PREPARER'S CERTIFICATION

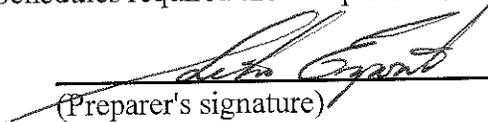
## HANOVER SEWERAGE

### AUTHORITY BUDGET

FISCAL YEAR: FROM December 1, 2011 TO November 30, 2012

It is hereby certified that the Authority Budget, including both the Annual Budget and the Capital Budget/Program annexed hereto, represents the members of the governing body's resolve with respect to statute in that; all estimates of revenue are reasonable, accurate and correctly stated, all items of appropriation are properly set forth and in itemization, form and content, the budget will permit the exercise of the comptroller function within the Authority.

It is further certified that all proposed budgeted amounts and totals are correct. Also, I hereby provide reasonable assurance that all assertions contained herein are accurate and all Supplemental Schedules required are completed and attached.

  
(Preparer's signature)

Silvio Esposito  
(Print Name)

Treasurer  
(Title)

PO Box 320, 1000 Route 10  
(Address)

Whippany, NJ, 07981  
(City, State, Zip Code)

973/428.2477 /      / 973/515.3774  
(Phone number) (ext) (Fax number)

sesposito@hanovertownship.com  
(Email Address)

# 2012 APPROVAL CERTIFICATION

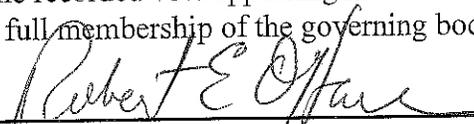
## HANOVER SEWERAGE AUTHORITY

### AUTHORITY BUDGET

FISCAL YEAR: FROM December 1, 2011 TO November 30, 2012

It is hereby certified that the Authority Budget, including Supplemental Schedules appended hereto, are a true copy of the Annual Budget and Capital Budget/Program approved by resolution by the governing body of the Hanover Sewerage Authority, at an open public meeting held pursuant to N.J.A.C. 5:31-2.3, on the 28th day of September, 2011.

It is further certified that the recorded vote appearing in the resolution represents a not less than a majority of the full membership of the governing body thereof.

  
(Secretary's signature)

Robert E. O'Hare  
(Print Name)

Secretary  
(Title)

PO Box 320, 1000 Route 10  
(Address)

Whippany  
(City, State, Zip Code)

973/428.2477 /      / 973/515.3774  
(Phone number) (ext) (Fax number)

mwynne@hanovertownship.com  
(Email Address)

# AUTHORITY INFORMATION SHEET

## 2012

Please complete the following information regarding this Authority:

<b>Name of Authority:</b>	Hanover Sewerage Authority		
<b>Address:</b>	PO Box 320 1000 Route 10		
<b>City, State, Zip:</b>	Whippany	NJ	07981
<b>Phone: (ext.)</b>	973/428.2477	<b>Fax:</b>	973/515.3774

<b>Preparer's Name:</b>	Silvio Esposito		
<b>Preparer's Address:</b>	PO Box 320 1000 Route 10		
<b>City, State, Zip:</b>	Whippany	NJ	07981
<b>Phone: (ext.)</b>	973/428.2483	<b>Fax:</b>	973/515.3774

<b>Chief Executive Officer:</b>	Michael C. Wynne, P.E.		
<b>Phone: (ext.)</b>	973/428.2477	<b>Fax:</b>	973/515.3774
<b>E-mail:</b>	mwynne@hanovertownship.com		

<b>Chief Financial Officer:</b>	Silvio Esposito		
<b>Phone: (ext.)</b>	973/428.2483	<b>Fax:</b>	973/515.3774
<b>E-mail:</b>	sesposito@hanovertownship.com		

<b>Name of Auditor:</b>	Vincent M. Montanino		
<b>Name of Firm:</b>	VM Associates		
<b>Address:</b>	PO Box 397		
<b>City, State, Zip:</b>	Mount Arlington	NJ	07856
<b>Phone: (ext.)</b>	973/770.5491	<b>Fax:</b>	973/770.5494
<b>E-mail:</b>	vm_associates@msn.com		

Membership of Board of Commissioners (Full Time)	Title
Joseph Schleifer	Chairman
Walter B. Galacki	Vice Chairman
Robert E. O'Hare	Secretary
John L. O'Brien	Assistant Secretary
Leonardo Fariello	Member

## 2012 Authority Budget Resolution

### \_\_\_\_ HANOVER SEWERAGE AUTHORITY \_\_\_\_

(Name)

FISCAL YEAR: FROM December 1, 2011 TO November 30, 2012

WHEREAS, the Annual Budget and Capital Budget for the Hanover Sewerage Authority for the fiscal year beginning, December 1, 2011 and ending, November 30, 2012 has been presented before the governing body of the Hanover Sewerage Authority at its open public meeting of September 28, 2011; and

WHEREAS, the Annual Budget as introduced reflects Total Revenues of \$ 5,439,665.00, Total Appropriations, including any Accumulated Deficit if any, of \$ 5,439,665.00 and Total Unrestricted Net Assets utilized of -0-; and

WHEREAS, the Capital Budget as introduced reflects Total Capital Appropriations of \$ 6,060,000.00 and Total Unrestricted Net Assets planned to be utilized as funding thereof, of \$ -0-; and

WHEREAS, the schedule of rates, fees and other charges in effect will produce sufficient revenues, together with all other anticipated revenues to satisfy all obligations to the holders of bonds of the Authority, to meet operating expenses, capital outlays, debt service requirements, and to provide for such reserves, all as may be required by law, regulation or terms of contracts and agreements; and

WHEREAS, the Capital Budget/Program, pursuant to N.J.A.C. 5:31-2, does not confer any authorization to raise or expend funds; rather it is a document to be used as part of the said Authority's planning and management objectives. Specific authorization to expend funds for the purposes described in this section of the budget, must be granted elsewhere; by bond resolution, by a project financing agreement, by resolution appropriating funds from the Renewal and Replacement Reserve or other means provided by law.

NOW, THEREFORE BE IT RESOLVED, by the governing body of the Hanover Sewerage Authority, at an open public meeting held on September 28, 2011 that the Annual Budget, including appended Supplemental Schedules, and the Capital Budget/Program of the Hanover Sewerage Authority for the fiscal year beginning, December 1, 2011 and ending, November 30, 2012 is hereby approved; and

BE IT FURTHER RESOLVED, that the anticipated revenues as reflected in the Annual Budget are of sufficient amount to meet all proposed expenditures/expenses and all covenants, terms and provisions as stipulated in the said Authority's outstanding debt obligations, capital lease arrangements, service contracts, and other pledged agreements; and

BE IT FURTHER RESOLVED, that the governing body of the Hanover Sewerage Authority will consider the Annual Budget and Capital Budget/Program for adoption on November 30, 2011.

\_\_\_\_\_  
(Secretary's Signature) September 28, 2011  
(Date)

Governing Body	Recorded Vote			
Member:	Aye	Nay	Abstain	Absent
<b>Chairman</b> Joseph Schleifer	X			
<b>Vice Chairman</b> Walter B. Galacki	X			
<b>Member</b> John L. O'Brien	X			
<b>Member</b> Leonardo Fariello		X		
<b>Secretary</b> Robert E. O'Hare	X			

# BUDGET MESSAGE 2012 \_ HANOVER SEWERGE \_

## AUTHORITY BUDGET

FISCAL YEAR: FROM December 1, 2011 TO November 30, 2012

1. Complete a brief statement on the 2012 proposed Annual Budget and make comparison to the current year's adopted budget. Explain significant increases or decreases, if any.

**The 2012 budget continues to provide for the efficient operation of the Treatment Plant and collection system and management of the Authority's affairs. There are reductions in some areas to limit the rate increases. There have been increases in benefits primarily related to SHBP and pension costs. There were partly offset by a reduction in salaries due to the elimination of one position. Payment of debt service for an upcoming project financed through the NJEIT program is included. Even with the added debt service the budget only increased 0.39%.**

2. Complete a brief statement on the impact the proposed Annual Budget will have on Anticipated Revenues, especially service charges and on the general purpose/component unit financial statements. Explain significant increases or decreases, if any.

**The proposed rate for facilities charges is \$1.40 per ccf. The proposed rate for volume charges is \$4.32 per ccf. The combined rate is \$5.72 per ccf. This rate represents a 5.1% increase. The average residential bill is projected to be \$514.80.**

3. Describe the state of the local/regional economy and how it may impact the proposed Annual Budget, including the planned Capital Budget/Program.

**Local economic activity has slowed significantly during the past several years. There are a few projects that were approved over the past five years that are under construction that began discharging. The Authority's treatment facilities are sized to handle the discharge from these projects. Accordingly, capital expenditures for an expansion of the Treatment Plant are not anticipated.**

Over the past three years there has been a significant decrease in the volume being discharged by the users of the system. This has significantly reduced revenue. While some operating costs have decreased overall costs have not. Rate increases are needed to continue to provide needed levels of revenue. The Authority only reduced funding levels of maintenance in the Plant or Collection System by a moderate amount since cut backs in these areas would result in an increase in future costs.

In the long term, significant increases in capital and/or operating expenditures will be needed to meet NJDEP requirements for phosphorus removal and alternate disinfection and potential requirements for denitrification and metals and toxics removed. In addition, the Authority is undertaking a number of rehabilitation projects. These projects will use a large percentage of the Authority's Renewal and Replacement Reserve and Unreserved Retained Earnings. Debt has been authorized for Contract 24. The 2012 Budget includes funding for reserves for future capital needs. It will be necessary to increase funding the reserve and capital projects in future years and/or issue debt for future capital projects.

4. Describe the reasons for utilizing Unrestricted Net Assets in the proposed Annual Budget, i.e. rate stabilization, debt service reduction, to balance the budget, etc.

N/A

5. If the proposed Annual Budget contains an Accumulated Deficit either existing or anticipated, pursuant to N.J.S.A 40A:5A-12, then an explanation as to reasons for occurrence must be disclosed.

N/A

**2012**  
AUTHORITY BUDGET

HANOVER SEWERAGE AUTHORITY

FISCAL YEAR: FROM December 1, 2011 TO November 30, 2012

ANTICIPATED REVENUES

<u>OPERATING REVENUES</u>	CROSS REF.	2012 PROPOSED BUDGET	2011 CURRENT YEAR'S ADOPTED BUDGET
SERVICE CHARGES	* A-1	* \$ 4,854,665	* \$ 4,605,565 *
CONNECTION FEES	* A-2	* \$ 200,000	* \$ 300,000 *
PARKING FEES	* A-3	* \$ -	* \$ - *
OTHER OPERATING REVENUES	* A-4	* \$ 384,000	* \$ 508,000 *
<b>TOTAL OPERATING REVENUES</b>	<b>* R-1</b>	<b>* \$ <u>5,438,665</u></b>	<b>* \$ <u>5,413,565</u> *</b>

<u>NON-OPERATING REVENUES</u>	CROSS REF.	2012 PROPOSED BUDGET	2011 CURRENT YEAR'S ADOPTED BUDGET
OPERATING GRANTS & ENTITLEMENTS	* A-5	* \$ -	* \$ - *
LOCAL SUBSIDIES & DONATIONS	* A-6	* \$ -	* \$ - *
INTEREST ON INVESTMENTS AND DEPOSITS	* A-7	* \$ 1,000	* \$ 5,000 *
OTHER NON-OPERATING REVENUES	* A-8	* \$ -	* \$ - *
<b>TOTAL NON-OPERATING REVENUES</b>	<b>* R-2</b>	<b>* \$ <u>1,000</u></b>	<b>* \$ <u>5,000</u> *</b>

**TOTAL ANTICIPATED REVENUES** \* B-1 \* \$ 5,439,665 \* \$ 5,418,565 \*  
(R-1 + R-2)

Sewerage  
(OPERATION)

2012

AUTHORITY BUDGET

HANOVER SEWERAGE AUTHORITY

FISCAL YEAR: FROM December 1, 2011 TO November 30, 2012

BUDGETED APPROPRIATIONS

OPERATING APPROPRIATIONS

<u>ADMINISTRATION</u>	CROSS REF.	2012 PROPOSED BUDGET	2011 CURRENT YEAR'S ADOPTED BUDGET
SALARY & WAGES	*	* \$ 198,000	* \$ 193,000 *
FRINGE BENEFITS	*	* \$ 98,350	* \$ 92,500 *
OTHER EXPENSES	*	* \$ 386,215	* \$ 385,215 *
<b>TOTAL ADMINISTRATION</b>	* E-1	* \$ <u>682,565</u>	* \$ <u>670,715</u> *

<u>COST OF PROVIDING SERVICES</u>	CROSS REF.	2012 PROPOSED BUDGET	2011 CURRENT YEAR'S ADOPTED BUDGET
SALARY & WAGES	*	* \$ 1,540,000	* \$ 1,590,000 *
FRINGE BENEFITS	*	* \$ 776,900	* \$ 723,300 *
OTHER EXPENSES	*	* \$ 1,715,200	* \$ 1,934,550 *
<b>TOTAL COST OF PROVIDING SERVICES</b>	* E-2	* \$ <u>4,032,100</u>	* \$ <u>4,247,850</u> *
<b>TOTAL PRINCIPAL PAYMENTS ON DEBT SERVICE IN LIEU OF DEPRECIATION</b>	* D-1	* \$ <u>197,000</u>	* \$ <u>-</u> *
<b>TOTAL OPERATING APPROPRIATIONS</b> (E-1 + E-2 + D-1)	* B-2	* \$ <u>4,911,665</u>	* \$ <u>4,918,565</u> *

Sewerage  
(OPERATION)

**2012**

AUTHORITY BUDGET

HANOVER SEWERAGE AUTHORITY

FISCAL YEAR: FROM December 1, 2011 TO November 30, 2012

BUDGETED APPROPRIATIONS

NON-OPERATING APPROPRIATIONS

	CROSS REF.		2012 PROPOSED BUDGET		2011 CURRENT YEAR'S ADOPTED BUDGET		
TOTAL INTEREST PAYMENTS ON DEBT	*	D-2	* \$ 28,000	*	\$ -	*	
OPERATIONS & MAINTENANCE RESERVE	*		* \$ -	*	\$ -	*	
RENEWAL & REPLACEMENT RESERVE(S)	*	C-1	* \$ -	*	\$ -	*	
OTHER RESERVES	*	C-2	* \$ 500,000	*	* \$ 500,000	*	
<b>TOTAL NON-OPERATING APPROPRIATIONS</b>	*	B-3	* \$ <u>528,000</u>	*	* \$ <u>500,000</u>	*	
<b>ACCUMULATED DEFICIT</b>	*	B-4	* \$ <u>-</u>	*	* \$ <u>-</u>	*	
<b>TOTAL OPERATING &amp; NON-OPERATING APPROPRIATIONS &amp; ACCUMULATED DEFICIT</b> (B-2 + B-3 + B-4)	*	B-5	* \$ <u>5,439,665</u>	*	* \$ <u>5,418,565</u>	*	
UNRESTRICTED NET ASSETS UTILIZED:							
MUNICIPALITY/COUNTY APPROPRIATION	*	R-3a	* \$ -	*	\$ -	*	
OTHER	*	R-3b	* \$ -	*	\$ -	*	
<b>LESS : UNRESERVED RETAINED EARNINGS UTILIZED</b>	*	R-3	* \$ <u>-</u>	*	* \$ <u>-</u>	*	
<b>NET TOTAL APPROPRIATIONS</b> (B-5 - R-3)	*	B-6	* \$ <u><u>5,439,665</u></u>	*	* \$ <u><u>5,418,565</u></u>	*	

2012  
HANOVER  
SEWERAGE  
AUTHORITY  
CAPITAL  
BUDGET/  
PROGRAM

**2012 CERTIFICATION of AUTHORITY CAPITAL  
BUDGET/PROGRAM**

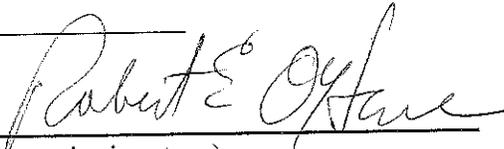
    HANOVER SEWERAGE      
(Name)

FISCAL YEAR: FROM   December 1, 2011   TO   November 30, 2012  

It is hereby certified that the Authority Capital Budget/Program annexed hereto is a true copy of the Capital Budget/Program approved, pursuant to N.J.A.C. 5:31-2.2, along with the Annual Budget, by the governing body of the Hanover Sewerage Authority, on the 28th day of September, 2011..

**OR**

It is further certified that the governing body of the \_\_\_\_\_ Authority have elected **NOT** to adopt a Capital Budget /Program for the aforesaid fiscal year, pursuant to N.J.A.C. 5:31-2.2 for the following reason(s): \_\_\_\_\_

  
\_\_\_\_\_  
(Secretary's signature)

    Robert E. O'Hare      
(Print Name)

    Secretary      
(Title)

    PO Box 320, 1000 Route 10      
(Address)

    Whippany, NJ 07981      
(City, State, Zip Code)

    973/428.2477 /    / 973/515.3774      
(Phone number) (ext.)      (Fax number)

    mwynne@hanovertownship.com      
(Email Address)

## 2012 Capital Budget/Program Message

   **HANOVER SEWERAGE**    Authority  
(Name)

FISCAL YEAR: FROM    December 1, 2011 TO    November 30, 2012   

1. Has each municipality or county affected by the actions of the authority participated in the development of the capital plan and reviewed or approved the plans or projects included within the Capital Budget/Program?

**The majority of the plan does not require consultation or review with outside entities. However, where applicable, projects have been reviewed with or will be reviewed with the appropriate entity.**

2. Has each capital project/project financing been developed from a specific capital improvements plan or report; does it include full lifecycle costs, and is it consistent with appropriate elements of Master Plans or other plans in the jurisdictions served by the authority?

**Projects have been developed from specific plans, reports or staff recommendations. Purchases have been developed based on the staff recommendations. The Authority staff has developed plans for rehabilitation of equipment and facilities which were constructed between 1960 and 1980. Specific NJDEP requirements for alternate disinfection are known and are being implemented. Regulatory requirements for phosphorus removal were adopted by NJDEP in 2008. Permit requirements and compliance deadlines will likely not be set by NJDEP until 2012 or later. Specific de-nitrification requirements are not known. All of these projects have been factored into the plan.**

3. Has a long-term (10-20 years) infrastructure needs assessment or other capital plan with a horizon beyond six years been prepared?

**The Authority has developed a master plan for the collection system and the Treatment Plant has been sized to meet the ultimate needs of the service area. Rehabilitation plans for older facilities have also been developed. Recent NJDEP actions will require upgrades and changes in the type of treatment.**

4. Describe the projected impacts of the proposed capital projects, including impact on the schedule of rates, fees, and service charges and the impact on current and future year's schedules.

**Capital projects currently underway or that are expected to be awarded in 2012 will utilize most of the Authority's Renewal and Replacement Reserve and Unreserved Retained Earnings. Debt has been authorized for Contract 24 which has an estimated cost of \$7,126,000. We are also pursuing funding through the NJEIT program for Contract 38. As noted in the Budget Message, there has been a slowdown in economic activity. This will reduce funds raised from connection fees which would have been utilized for Capital Projects. For 2012 this amount is \$500,000.00. Based upon the projects included in the schedule, it**

is expected that this amount will have to be increased in future years to fund the projects or alternate means of funding will have to be developed. A number of the more costly projects involve the rehabilitation of older equipment, as noted above. These projects are expected to reduce maintenance and operating costs in future years.

The Authority's 2005 operating permit will require the construction of alternate means of disinfection. The adopted TMDL will require removal of phosphorus to 0.76 mg/l. In addition, NJDEP is collecting data for potential de-nitrification requirements. A de-nitrification project will have an additional significant impact on rates. Our 2005 operating permit also contains other limitations which will require additional treatment for metal and toxics removal. Studies are currently underway to determine what steps will be required. Exact costs are unknown at this time. Capital projects related to these three permit areas will likely require loans or issuance of debt.

5. Please indicate which capital projects/project financings are being undertaken in the Metropolitan or Suburban Planning Areas as defined in the State Development and Redevelopment Plan.

**All projects are in the Metropolitan Planning Area.**

6. Please indicate which capital projects/project financings are being undertaken within the boundary of a State Planning Commission-designated Center and/or Endorsed Plan and if the project was included in the Plan Implementation Agenda for that Center/Endorsed Plan?

**None.**

**Add additional sheets if necessary.**

<b>Project Schedule</b> 2012 Budget	
A	CONTRACT 24 POND RELINING/DRYING BED CLOSURE
B	TRICKLING FILTER REHABILITATION
C	CONTRACT 38 PRIMARY DIGESTER NO. 2, CHP AND OTHER PLANT IMPROVEMENTS
D	DENTRIFICATION FACILITY
E	COLLECTION SYSTEM REHABILITATION
F	PLC UPGRADE
G	STORAGE IMPROVEMENTS
H	LAND ACQUISITION AND EASEMENTS
I	FUEL OIL SYSTEM UPGRADE
J	SETTLING TANK REHABILITATION (4 TANKS)

**2012**  
**AUTHORITY CAPITAL BUDGET**

HANOVER SEWERAGE AUTHORITY

FISCAL YEAR: FROM December 1, 2011 TO November 30, 2012

PROPOSED YEAR'S CAPITAL IMPROVEMENT PLAN

-----FUNDING SOURCES-----

<u>PROJECTS</u>	<u>ESTIMATED TOTAL COST</u>	<u>UNRESTRICTED NET ASSETS</u>	<u>RENEWAL &amp; REPLACEMENT RESERVE</u>	<u>DEBT AUTHORIZATION</u>	<u>OTHER SOURCES</u>
A	\$ 5,000,000	\$ -	\$ -	\$ -	\$ 5,000,000
B	\$ 100,000	\$ -	\$ 100,000	\$ -	\$ -
C	\$ -	\$ -	\$ -	\$ -	\$ -
D	\$ -	\$ -	\$ -	\$ -	\$ -
E	\$ -	\$ -	\$ -	\$ -	\$ -
F	\$ 500,000	\$ -	\$ 500,000	\$ -	\$ -
G	\$ 200,000	\$ -	\$ 200,000	\$ -	\$ -
H	\$ 10,000	\$ -	\$ 10,000	\$ -	\$ -
I	\$ -	\$ -	\$ -	\$ -	\$ -
J	\$ 250,000	\$ -	\$ 250,000	\$ -	\$ -
K	\$ -	\$ -	\$ -	\$ -	\$ -
L	\$ -	\$ -	\$ -	\$ -	\$ -
M	\$ -	\$ -	\$ -	\$ -	\$ -
N	\$ -	\$ -	\$ -	\$ -	\$ -
<b>TOTAL</b>	<u>\$ 6,060,000</u>	<u>\$ -</u>	<u>\$ 1,060,000</u>	<u>\$ -</u>	<u>\$ 5,000,000</u>

**2012**  
**AUTHORITY CAPITAL PROGRAM**

HANOVER SEWERAGE AUTHORITY

FISCAL YEAR: FROM December 1, 2011 TO November 30, 2012

5 YEAR CAPITAL IMPROVEMENT PLAN COSTS

PROJECTS	ESTIMATED TOTAL COST	5 YEAR CAPITAL IMPROVEMENT PLAN COSTS				
		2013	2014	2015	2016	2017
A	\$ 2,126,000	\$ 2,126,000	\$ -	\$ -	\$ -	\$ -
B	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
C	\$ 3,500,000	\$ 2,500,000	\$ 1,000,000	\$ -	\$ -	\$ -
D	\$ 2,000,000	\$ -	\$ -	\$ -	\$ -	\$ 2,000,000
E	\$ 1,000,000	\$ 200,000	\$ 200,000	\$ 200,000	\$ 200,000	\$ 200,000
F	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
G	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
H	\$ 50,000	\$ 10,000	\$ 10,000	\$ 10,000	\$ 10,000	\$ 10,000
I	\$ 1,000,000	\$ -	\$ -	\$ 500,000	\$ -	\$ 500,000
J	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
K	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
L	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
M	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
N	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
<b>TOTAL</b>	<b>\$ 9,676,000</b>	<b>\$ 4,836,000</b>	<b>\$ 1,210,000</b>	<b>\$ 710,000</b>	<b>\$ 210,000</b>	<b>\$ 2,710,000</b>

**2012**  
**AUTHORITY CAPITAL PROGRAM**

HANOVER SEWERAGE AUTHORITY

FISCAL YEAR: FROM December 1, 2011 TO November 30, 2012

5 YEAR CAPITAL PLAN FUNDING SOURCES: From Year 2011 to Year 2015

-----FUNDING SOURCES-----

PROJECTS	ESTIMATED TOTAL COST	UNRESTRICTED NET ASSETS	RENEWAL & REPLACEMENT RESERVE	DEBT AUTHORIZATION	OTHER SOURCES
A	\$ 2,126,000	\$ -	\$ -	\$ -	\$ 2,126,000
B	\$ -	\$ -	\$ -	\$ -	\$ -
C	\$ 3,500,000	\$ -	\$ -	\$ -	\$ 3,500,000
D	\$ 2,000,000	\$ -	\$ 2,000,000	\$ -	\$ -
E	\$ 1,000,000	\$ -	\$ 1,000,000	\$ -	\$ -
F	\$ -	\$ -	\$ -	\$ -	\$ -
G	\$ -	\$ -	\$ -	\$ -	\$ -
H	\$ 50,000	\$ -	\$ 50,000	\$ -	\$ -
I	\$ 1,000,000	\$ -	\$ 1,000,000	\$ -	\$ -
J	\$ -	\$ -	\$ -	\$ -	\$ -
K	\$ -	\$ -	\$ -	\$ -	\$ -
L	\$ -	\$ -	\$ -	\$ -	\$ -
M	\$ -	\$ -	\$ -	\$ -	\$ -
N	\$ -	\$ -	\$ -	\$ -	\$ -
<b>TOTAL</b>	<u>\$ 9,676,000</u>	<u>\$ -</u>	<u>\$ 4,050,000</u>	<u>\$ -</u>	<u>\$ 5,626,000</u>

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2012  
HANOVER SEWERAGE  
AUTHORITY

SUPPLEMENTAL SCHEDULES

STATE OF NEW JERSEY

DIVISION OF LOCAL GOVERNMENT SERVICES

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**2012**  
**AUTHORITY BUDGET**  
**SUPPLEMENTAL SCHEDULES**

**HANOVER SEWERAGE AUTHORITY**

FISCAL YEAR: FROM December 1, 2011 TO November 30, 2012

==== OPERATING REVENUES ====

<u>SERVICE CHARGES</u>	CROSS REF.	# UNITS	2012 PROPOSED ANNUAL COLLECTION		2011 CURRENT YEAR'S ADOPTED BUDGET				
			# UNITS	\$	# UNITS	\$			
RESIDENTIAL	*	430,000	\$	2,455,889	*	430,000	\$	2,329,874	*
BUSINESS/COMMERCIAL	*	420,000	\$	2,398,776	*	420,000	\$	2,275,691	*
INDUSTRIAL	*	*	\$	-	*		\$	-	*
INTERGOVERNMENTAL	*	*	\$	-	*		\$	-	*
OTHER - All Types	*	*	\$	-	*		\$	-	*
<b>TOTAL SERVICE CHARGES</b>	*	<b>A-1</b>		<u>\$ 4,854,665</u>	*		<u>\$ 4,605,565</u>	*	

<u>CONNECTION FEES</u>	CROSS REF.	# UNITS	2012 PROPOSED ANNUAL COLLECTION		2011 CURRENT YEAR'S ADOPTED BUDGET				
			# UNITS	\$	# UNITS	\$			
RESIDENTIAL	*	*	\$	-	*		\$	-	*
BUSINESS/COMMERCIAL	*	*	\$	-	*		\$	-	*
INDUSTRIAL	*	*	\$	-	*		\$	-	*
INTERGOVERNMENTAL	*	*	\$	-	*		\$	-	*
OTHER - All Types	*	*	\$	200,000	*		\$	300,000	*
<b>TOTAL CONNECTION FEES</b>	*	<b>A-2</b>		<u>\$ 200,000</u>	*		<u>\$ 300,000</u>	*	

\* INCLUDE ALL APPLICABLE RATE SCHEDULES TO SUPPORT SUCH FEES

**2012**  
**AUTHORITY BUDGET**  
**SUPPLEMENTAL SCHEDULES**

HANOVER SEWERAGE AUTHORITY

FISCAL YEAR: FROM December 1, 2011 TO November 30, 2012

<u>PARKING FEES</u>	CROSS REF.	# UNITS	2012 PROPOSED ANNUAL COLLECTION		2011 CURRENT YEAR'S ADOPTED BUDGET	
				# UNITS		
METERS	*	*	\$	- *	\$	- *
PERMITS	*	*	\$	- *	\$	- *
FINES/PENALTIES	*	*	\$	- *	\$	- *
OTHER	*	*	\$	- *	\$	- *
<b>TOTAL PARKING FEES</b>	*	<b>A-3</b>	<u>\$</u>	<u>- *</u>	<u>\$</u>	<u>- *</u>

OTHER OPERATING REVENUES

	CROSS REF.	# UNITS	2012 PROPOSED ANNUAL COLLECTION		2011 CURRENT YEAR'S ADOPTED BUDGET	
				# UNITS		
<b>LIST IN DETAIL:</b>						
Pretreatment Program Fees	*	*	\$	316,000 *	\$	445,000 *
Application Fees	*	*	\$	25,000 *	\$	25,000 *
Int. on Delinquent Accounts			\$	22,000	\$	22,000 *
Inspection Fees			\$	20,000	\$	15,000 *
Other Miscellaneous	*	*	\$	1,000 *	\$	1,000 *
<b>TOTAL OTHER REVENUES</b>	*	<b>A-4</b>	<u>\$</u>	<u>384,000 *</u>	<u>\$</u>	<u>508,000 *</u>

\* INCLUDE ALL APPLICABLE RATE SCHEDULES TO SUPPORT SUCH FEES

==== OPERATING REVENUES ====

Sewerage  
(OPERATION)

**2012**  
AUTHORITY BUDGET  
SUPPLEMENTAL SCHEDULES

HANOVER SEWERAGE AUTHORITY

FISCAL YEAR: FROM December 1, 2011 TO November 30, 2012

==== NON-OPERATING REVENUES ====

<u>GRANTS &amp; ENTITLEMENTS</u>		2012	2011
CROSS		PROPOSED	CURRENT YEAR'S
REF.		BUDGET	ADOPTED BUDGET
LIST IN DETAIL:			
*	*	\$ - *	\$ - *
*	*	\$ - *	\$ - *
*	*	\$ - *	\$ - *
*	*	\$ - *	\$ - *
TOTAL GRANTS & ENTITLEMENTS	* A-5 *	<u>\$ - *</u>	<u>\$ - *</u>

<u>LOCAL SUBSIDIES &amp; DONATIONS</u>		2012	2011
CROSS		PROPOSED	CURRENT YEAR'S
REF.		BUDGET	ADOPTED BUDGET
LIST IN DETAIL:			
*	*	\$ - *	\$ - *
*	*	\$ - *	\$ - *
*	*	\$ - *	\$ - *
*	*	\$ - *	\$ - *
TOTAL SUB & DONATIONS	* A-6 *	<u>\$ - *</u>	<u>\$ - *</u>

**2012**  
**AUTHORITY BUDGET**  
**SUPPLEMENTAL SCHEDULES**

HANOVER SEWERAGE AUTHORITY

FISCAL YEAR: FROM December 1, 2011 TO November 30, 2012

==== NON-OPERATING REVENUES ====

<u>INTEREST ON INVESTMENTS AND DEPOSITS</u>			2012 PROPOSED BUDGET		2011 CURRENT YEAR'S ADOPTED BUDGET
	CROSS REF.				
INVESTMENTS	* *		\$ 1,000 *		\$ 5,000 *
SECURITY DEPOSITS	* *		\$ - *		\$ - *
PENALTIES	* *		\$ - *		\$ - *
OTHER INVESTMENTS	* *		\$ - *		\$ - *
TOTAL INTEREST ON INVESTMENTS & DEPOSITS	* A-7 *		<u>\$ 1,000 *</u>		<u>\$ 5,000 *</u>

OTHER NON-OPERATING REVENUES

	CROSS REF.		2012 PROPOSED BUDGET		2011 CURRENT YEAR'S ADOPTED BUDGET
LIST IN DETAIL:	* *		\$ - *		\$ - *
	* *		\$ - *		\$ - *
	* *		\$ - *		\$ - *
	* *		\$ - *		\$ - *
	* *		\$ - *		\$ - *
TOTAL OTHER REVENUES	* A-8 *		<u>\$ - *</u>		<u>\$ - *</u>

**2012**  
**AUTHORITY BUDGET**  
**SUPPLEMENTAL SCHEDULES**

HANOVER SEWERAGE AUTHORITY

FISCAL YEAR: FROM December 1, 2011 TO November 30, 2012

==== NON-OPERATING REVENUES ====

<u>RENEWAL &amp; REPLACEMENT RESERVE(S)</u>		2012 PROPOSED BUDGET	2011 CURRENT YEAR'S ADOPTED BUDGET
CROSS REF.			
LIST IN DETAIL:		\$ - *	\$ - *
*	*	\$ - *	\$ - *
*	*	\$ - *	\$ - *
*	*	\$ - *	\$ - *
*	*	\$ - *	\$ - *
<b>TOTAL RENEWAL &amp; REPLACEMENT RESERVE(S)</b>	* C-1 *	<u>\$ - *</u>	<u>\$ - *</u>

<u>OTHER RESERVES</u>		2012 PROPOSED BUDGET	2011 CURRENT YEAR'S ADOPTED BUDGET
CROSS REF.			
LIST IN DETAIL:			
Reserve For Plant Expansion	* *	\$ 500,000 *	\$ 500,000 *
*	*	\$ - *	\$ - *
*	*	\$ - *	\$ - *
*	*	\$ - *	\$ - *
<b>TOTAL OTHER RESERVES</b>	* C-2 *	<u>\$ 500,000 *</u>	<u>\$ 500,000 *</u>

**2012**  
**AUTHORITY BUDGET**  
**SUPPLEMENTAL SCHEDULES**

**HANOVER SEWERAGE AUTHORITY**

FISCAL YEAR: FROM December 1, 2011 TO November 30, 2012

==== BUDGETED DEBT SERVICE REQUIREMENTS ====

PRINCIPAL PAYMENTS

	CROSS REF.	2012 PROPOSED BUDGET	2011 CURRENT YEAR'S ADOPTED BUDGET
AUTHORITY NOTES	* P-1 *	\$ - *	\$ - *
AUTHORITY BONDS	* P-2 *	\$ - *	\$ - *
CAPITAL LEASES	* P-3 *	\$ - *	\$ - *
INTERGOVERN. LOANS	* P-4 *	\$ 197,000 *	\$ - *
OTHER OBLIGATIONS	* P-5 *	\$ - *	\$ - *
<b>TOTAL PRINCIPAL PAYMENTS</b>	<b>* D-1 *</b>	<b>\$ 197,000 *</b>	<b>\$ - *</b>

INTEREST PAYMENTS

	CROSS REF.	2012 PROPOSED BUDGET	2011 CURRENT YEAR'S ADOPTED BUDGET
AUTHORITY NOTES	* I-1 *	\$ - *	\$ - *
AUTHORITY BONDS	* I-2 *	\$ - *	\$ - *
CAPITAL LEASES	* I-3 *	\$ - *	\$ - *
INTERGOVERN. LOANS	* I-4 *	\$ 28,000 *	\$ - *
OTHER OBLIGATIONS	* I-5 *	\$ - *	\$ - *
<b>TOTAL INTEREST PAYMENTS</b>	<b>* D-2 *</b>	<b>\$ 28,000 *</b>	<b>\$ - *</b>

**2012**  
**AUTHORITY BUDGET**  
**SUPPLEMENTAL SCHEDULES**

HANOVER SEWERAGE AUTHORITY

FISCAL YEAR: FROM December 1, 2011 TO November 30, 2012

5 YEAR DEBT SERVICE SCHEDULE

PRINCIPAL PAYMENTS	YEARS				
	2012	2013	2014	2015	2016
--AUTHORITY NOTES--	*	*	*	*	*
	*	*	*	*	*
	*	*	*	*	*
<b>TOTAL PAYMENTS P-1</b>	<b>* \$ -</b>	<b>* \$ -</b>	<b>* \$ -</b>	<b>* \$ -</b>	<b>* \$ -</b>
--AUTHORITY BONDS--	*	*	*	*	*
	*	*	*	*	*
	*	*	*	*	*
<b>TOTAL PAYMENTS P-2</b>	<b>* \$ -</b>	<b>* \$ -</b>	<b>* \$ -</b>	<b>* \$ -</b>	<b>* \$ -</b>
--AUTHORITY CAPITAL LEASES--	*	*	*	*	*
	*	*	*	*	*
	*	*	*	*	*
<b>TOTAL PAYMENTS P-3</b>	<b>* \$ -</b>	<b>* \$ -</b>	<b>* \$ -</b>	<b>* \$ -</b>	<b>* \$ -</b>
--AUTHORITY INTERGOVERNMENTAL LOANS--	*	*	*	*	*
NJEIT	* \$ 197,000	*	*	*	*
	*	*	*	*	*
<b>TOTAL PAYMENTS P-4</b>	<b>* \$ 197,000</b>	<b>* \$ -</b>	<b>* \$ -</b>	<b>* \$ -</b>	<b>* \$ -</b>
--AUTHORITY OBLIGATIONS (LIST)--	*	*	*	*	*
	*	*	*	*	*
	*	*	*	*	*
<b>TOTAL PAYMENTS P-5</b>	<b>* \$ -</b>	<b>* \$ -</b>	<b>* \$ -</b>	<b>* \$ -</b>	<b>* \$ -</b>
<b>TOTAL PRINCIPAL DEBT PAYMENTS SS-6</b>	<b>* \$ 197,000</b>	<b>* \$ -</b>	<b>* \$ -</b>	<b>* \$ -</b>	<b>* \$ -</b>

**2012**  
**AUTHORITY BUDGET**  
**SUPPLEMENTAL SCHEDULES**

**HANOVER SEWERAGE AUTHORITY**

FISCAL YEAR: FROM December 1, 2011 TO November 30, 2012

**5 YEAR DEBT SERVICE SCHEDULE**

INTEREST PAYMENTS	YEARS				
	2012	2013	2014	2015	2016
--AUTHORITY NOTES--	*	*	*	*	*
	*	*	*	*	*
	*	*	*	*	*
TOTAL PAYMENTS I-1	* \$ -	* \$ -	* \$ -	* \$ -	* \$ -
--AUTHORITY BONDS--	*	*	*	*	*
	*	*	*	*	*
	*	*	*	*	*
TOTAL PAYMENTS I-2	* \$ -	* \$ -	* \$ -	* \$ -	* \$ -
--AUTHORITY CAPITAL LEASES--	*	*	*	*	*
	*	*	*	*	*
	*	*	*	*	*
TOTAL PAYMENTS I-3	* \$ -	* \$ -	* \$ -	* \$ -	* \$ -
--AUTHORITY INTERGOVERNMENTAL LOANS--	*	*	*	*	*
NJEIT	* \$ 28,000	*	*	*	*
	*	*	*	*	*
TOTAL PAYMENTS I-4	* \$ 28,000	* \$ -	* \$ -	* \$ -	* \$ -
--AUTHORITY OBLIGATIONS (LIST):--	*	*	*	*	*
	*	*	*	*	*
	*	*	*	*	*
TOTAL PAYMENTS I-5	* \$ -	* \$ -	* \$ -	* \$ -	* \$ -
TOTAL INTEREST DEBT PAYMENTS SS-6	* \$ 28,000	* \$ -	* \$ -	* \$ -	* \$ -

HANOVER SEWERAGE AUTHORITY

AUTHORITY BUDGET  
SUPPLEMENTAL SCHEDULES

(OPERATION)

FISCAL YEAR: FROM December 1, 2011 TO November 30, 2012

(1)	PY UNRESTRICTED NET ASSETS	PY AUDIT	*	*	\$	918,736	*
<b>ADJUSTMENTS DURING CURRENT YEAR</b>							
	(a) EST. NET INCOME OR (LOSS) ON CURRENT YEAR'S RESULTS OF OPERATIONS		*	*	\$	100,000	*
	(Include unbudgeted use of unrestricted net assets)						
	(b) ADJUSTMENTS: OTHER (Attach list):		*	*			
(2)	<b>SUBTOTAL - ADJUSTMENTS</b>	<b>(ADD AMOUNTS ON LINES a-b)</b>			\$	100,000	*
(3)	<b>ADD LINES 1 AND 2</b>				\$	<u>1,018,736</u>	*
<b>CURRENT YEAR ESTIMATED CHANGES IN RESTRICTIONS</b>							
	(attach documentation)						
	(c) DEBT SERVICE		*				*
	(d) MAINTENANCE RESERVE		*				*
	(e) OPERATING REQUIREMENT		*				*
	(f) OTHER LEGAL RESERVATIONS		*				*
(4)	<b>SUB-TOTAL - RESTRICTIONS</b>	<b>(ADD AMOUNTS ON LINES c-f)</b>			\$	<u>-</u>	*
<b>DESIGNATIONS (attach documentation)</b>							
	(g) NON-OPERATING IMPROVEMENTS & REPAIRS (CB-4&5)		*				*
	(h) CONTRIBUTION TO RATE STABLIZATION PLAN (#)		*				*
	(i) OTHER BOARD DESIGNATION		*				*
	(j) ADJUSTMENTS /OTHER (Attach list):		*				*
(5)	<b>SUBTOTAL - DESIGNATIONS</b>	<b>(ADD AMOUNTS ON LINES g-i)</b>			\$	<u>-</u>	*
(6)	<b>ADD LINES 4 and 5</b>				\$	<u>-</u>	*
(7)	<b>UNRESTRICTED NET ASSETS AVAILABLE FOR USE IN PROPOSED BUDGET</b>	<b>(SUBTRACT LINE 6 FROM LINE 3)</b>			\$	<u>1,018,736</u>	*
<b>PROPOSED UTILIZATION OF AVAILABLE UNRESTRICTED NET ASSETS</b>							
(8)	AS REVENUE IN ANNUAL BUDGET (PAGE 6, LINE R-3b)		*		\$	-	*
(9)	FOR CURRENT YEAR CAPITAL BUDGET (PAGE CB-3)		*		\$	-	*
(10)	<b>SUBTOTAL - U/R NET ASSETS UTILIZED</b>	<b>(ADD AMOUNTS ON LINES 8-9)</b>			\$	<u>-</u>	*
(11)	<b>MAXIMUM ALLOWABLE FOR APPROPRIATION TO MUNICIPALITY/COUNTY</b>						
	(Budget Item B-2 times 5%)	\$235,733					
(12)	<b>AS APPROPRIATED TO MUNICIPALITY/COUNTY (PAGE 6, LINE R-3a)</b>				\$	<u>-</u>	*
(13)	<b>TOTAL UNRESTRICTED/UNDESIGNATED NET ASSETS</b>	<b>(SUBTRACT LINES 10 AND 12 FROM LINE 7)</b>			\$	<u>1,018,736</u>	*

CERTIFIED BY:   
EXECUTIVE DIRECTOR

(#) Explain in detail in the Budget Message

10/3/2011