

YEAR 2012 - 2013 BUDGET

The Brick Township Municipal Utilities Authority operates on a fiscal year basis from April 1st through the following March 31st. The BTMUA adopts a detailed Operating and Capital Budget each year to assure financial control, and as a guideline to measure monthly financial performance. As the Budget Summary indicates, the BTMUA has a \$36.7 million balanced budget for the 2012/2013 fiscal year. The graphic illustrations depict further detail for budgeted operations

Income Sources

As the 2 largest portions of the graph indicate, approximately 70% (\$25.6 million) of revenues are from our 30,000 plus residential single family customers. Other customer classes (commercial, multi family, lawn, school, etc.) contribute \$8.3 million additional income. The light gray segment indicates our anticipated bulk revenues of \$1.3 million from Point Pleasant Beach and Point Pleasant Borough. This year's budget includes an overall 3.9% rate increase, which will generate approximately \$1.3 million in additional revenues.

Estimated Expenditures

Our \$36.7 million in anticipated income sourcing will be utilized in two generalized expense categories. Approximately \$26.7 million, or 73% of our expenditures will be for our operating expenses as shown on the related graph. \$10.0 million is for debt service, paying principal and interest on existing borrowed funds.

Operating Expenses

As can be seen on the graph, sewerage treatment, salaries, and benefits comprise 82% of the operating budget. More specifically, approximately \$7.9 million will be paid for sewerage treatment this fiscal year, and \$14.0 million for personnel services and benefits. \$3.1 million are budgeted for normal operations such as chemicals, repairs and maintenance, supplies, professional fees, vehicle maintenance costs, etc. We also estimate about \$1.7 million for utility expenses.

Capital Budget

Anticipated capital payments for the 2012/2013 budget are approximately \$5.5 million. Capital spending is dependent upon NJEIT funding, internal funding, and the potential of an additional borrowing. \$0.7 million of the 2012/2013 capital budget will be sourced from low interest New Jersey Environmental Infrastructure Loans. As the capital graph indicates, primary projects include approximately \$1.4 million for the ASR replacement Well #15, and \$0.7 million for Sewer Rehabilitation related work.

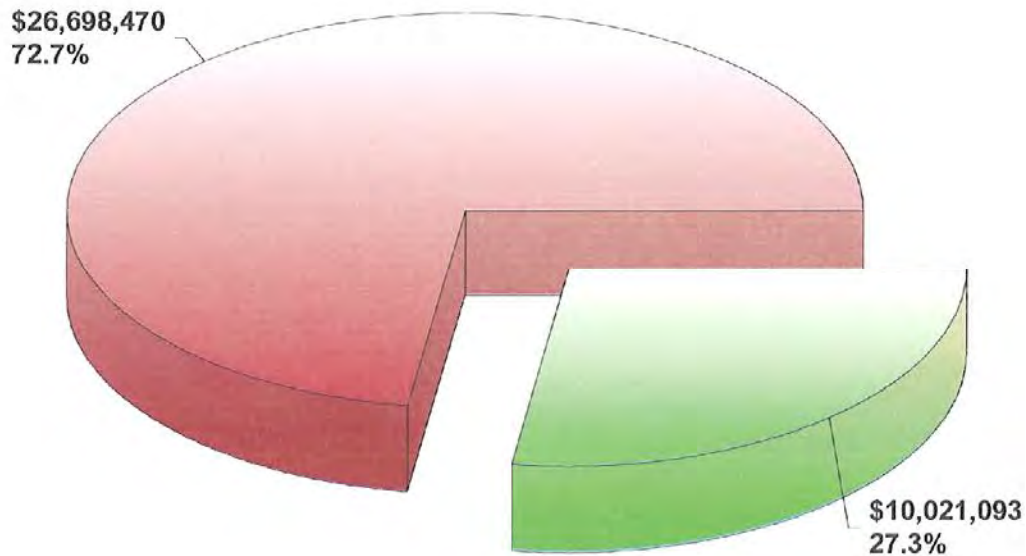
**BRICK TOWNSHIP MUNICIPAL UTILITIES AUTHORITY
COMPARISON OF BUDGET YEARS
FISCAL 2011 / 2012 VERSUS FISCAL 2012 / 2013**

Estimated Expenditures:

	2011 / 2012 Budget	2012 / 2013 Budget	Variance	Pct.
Debt Service - All Issues	\$9,979,868	\$10,021,093	\$41,225	0.4%
Operating Expenses:				
Sewer Treatment	\$7,742,000	\$7,892,000	150,000	1.9%
Payroll and Fringes	13,505,584	14,025,356	519,772	3.8%
Other Operating	4,497,022	4,781,114	284,092	6.3%
Total Operating Expenses	25,744,606	26,698,470	953,864	3.7%
Total Expenditures	<u>\$35,724,474</u>	<u>\$36,719,563</u>	995,089	2.8%
Estimated Income:				
Injection - Rate Maintenance Fund	\$500,998	\$276,991	(\$224,007)	N/A
Annual Service Charges - Water Rate Adjustment in 2012/2013 (1)	\$16,344,007	\$16,333,952 635,197	(10,055) 635,197	-0.1%
Annual Service Charges - Sewer Rate Adjustment in 2012/2013 (1)	17,740,154	17,520,925 683,319	(219,229) 683,319	-1.2%
Total Annual Service Charges	34,084,161	35,173,393	1,089,232	
Initial Service Charges-Water	145,271	99,948	(45,323)	-31.2%
Initial Service Charges-Sewer	76,310	105,570	29,260	38.3%
Total Initial Service Charges	221,581	205,518	(16,063)	-7.2%
Review & Inspection Fees	20,000	20,000		
Tap-Ins, Permits, Meter, Lab, & Other Fees	191,788	313,500	121,712	63.5%
Interest Delinquent Pmts / Returned Check Fees	150,000	162,000	12,000	8.0%
Misc. Income - Cellular, GIS	390,946	431,161	40,215	10.3%
Interest on Investments	165,000	137,000	(28,000)	-17.0%
Total Income	<u>35,724,474</u>	<u>36,719,563</u>	995,089	2.8%
Excess (Deficit) of Rev. over (under) Exp.	<u>\$0</u>	<u>\$0</u>		

(1) The 3.9% Water and 3.9% Sewer Rate Adjustments represent an overall 3.9% Rate Increase.

BRICK TOWNSHIP MUA
2012/2013 Budget - Estimated Expenditures
Total = \$36,719,563



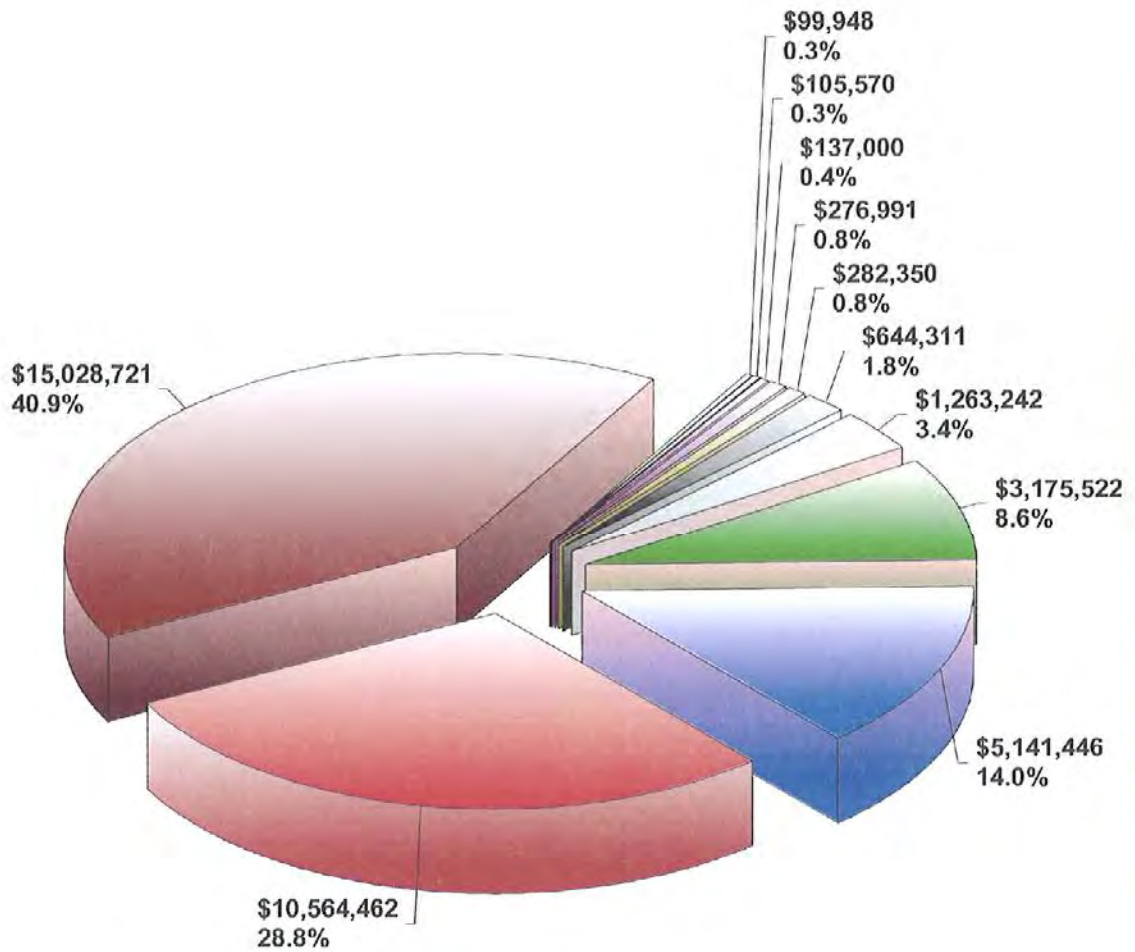
Operating Expense **Debt Service - All Issues**

Associated dollars and percent

BRICK TOWNSHIP MUA

2012/2013 Budget - Income Sources

Total = \$36,719,563



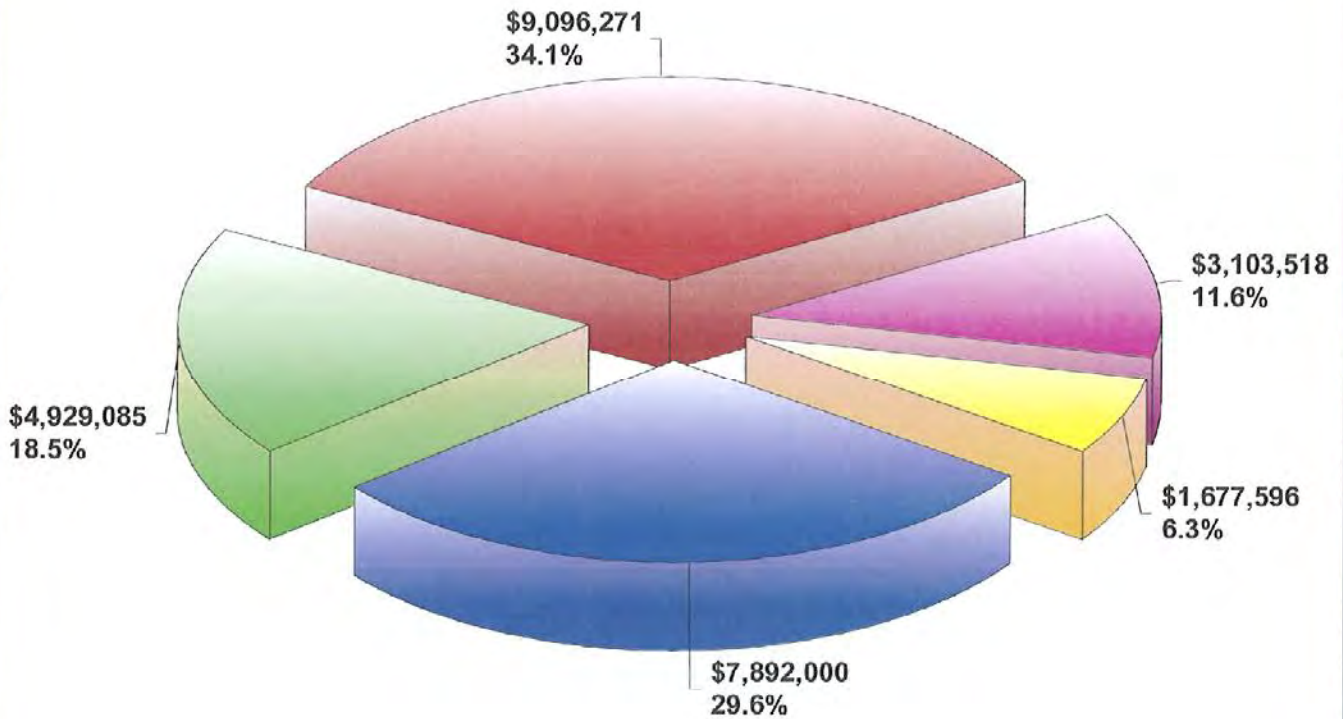
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|--|--|--|
| RSF - Sewer | Bulk - Water | Interest Income |
| RSF - Water | Other Rev - Water | ISC. - Sewer |
| Other ASC - Water | Other Rev - Sewer | ISC - Water |
| Other ASC - Sewer | Rate Maint. Draw | |

Associated dollars and percent

BRICK TOWNSHIP MUA

2012/2013 Budget - Operating Expenses

Total = \$26,698,470



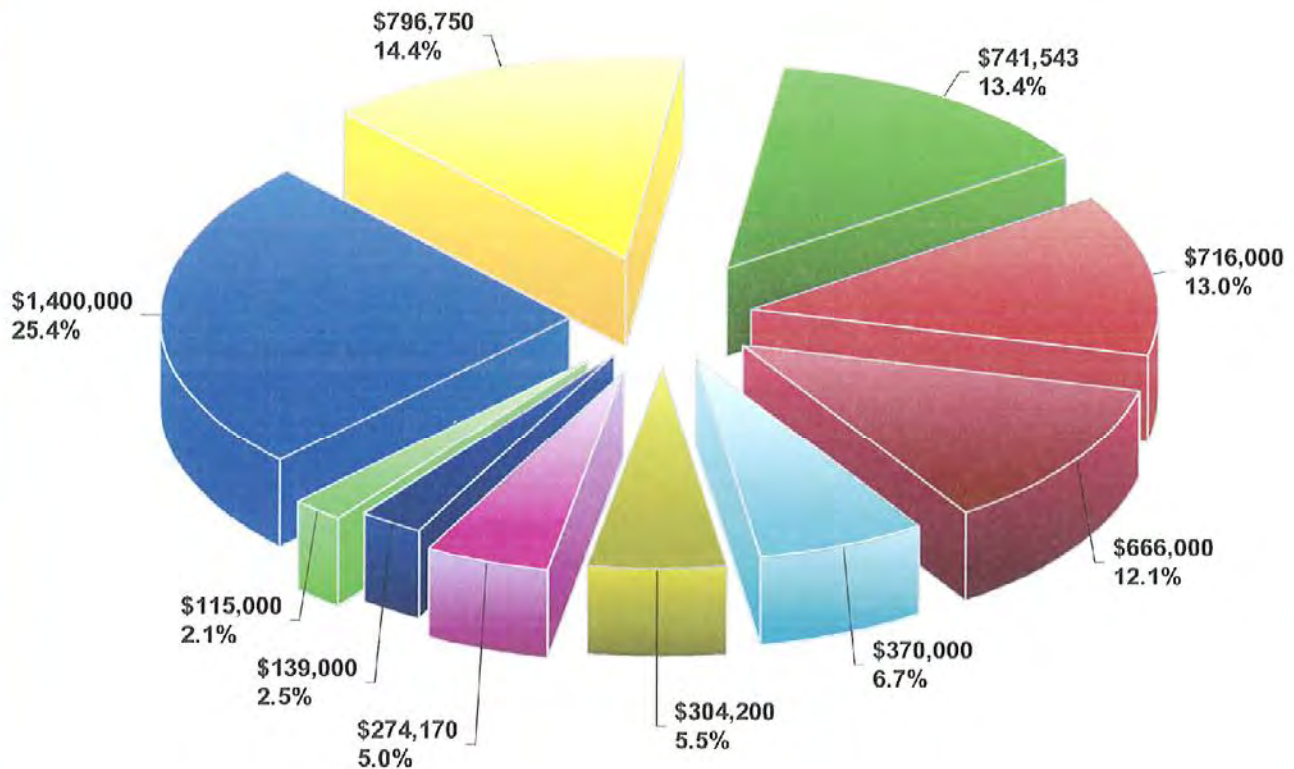
Pers. Services **Sewer Treatment** **Utilities** **Other**
Emp. Benefits

Associated dollars and percent

BRICK TOWNSHIP MUA

2012/2013 Capital Budget

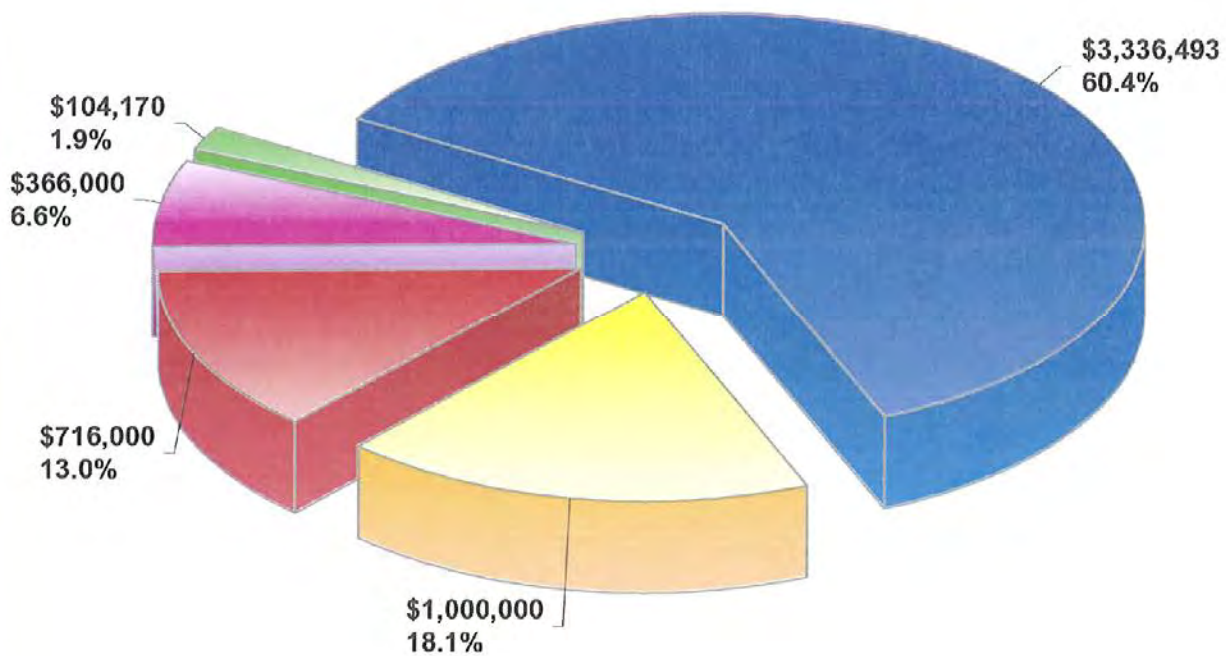
Segmented by Project - Total \$5,522,663



- | | | |
|---|--|---|
| ■ Well #15 | ■ WTP/W.Q. Projects | ■ Pump Station Projects |
| ■ Engineering/Field Ops - Other | ■ Transportation | ■ Parkway Water Projects |
| ■ Central Services - Other | ■ Computers/Systems/Admin | ■ Reservoir - Related |
| ■ Sewer Rehab Projects | | |

Associated dollars and percent

Brick Township MUA 2012/2013 Capital Budget Sources of Capital Funding - Total \$5,522,663



■ Potential New Issue ■ NJEIT 2002 Loan ■ Grant Funding ■ NJEIT 2010 Loan
■ Internal Funding

Associated dollars and percent