

**REPORT OF AUDIT**  
**TOWNSHIP OF MANSFIELD**  
**COUNTY OF WARREN**  
**DECEMBER 31, 2017**

**TOWNSHIP OF MANSFIELD, N.J.**  
**DECEMBER 31, 2017**

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**TOWNSHIP OF MANSFIELD**



**PART I**

**REPORT OF AUDIT ON FINANCIAL STATEMENTS**

**AND SUPPLEMENTARY DATA**

**YEAR ENDED DECEMBER 31, 2017**

# Ferraioli, Wielkocz, Cerullo & Cuva, P.A.

Charles J. Ferraioli, Jr., MBA, CPA, RMA  
Steven D. Wielkocz, CPA, RMA  
James J. Cerullo, CPA, RMA  
Paul J. Cuva, CPA, RMA  
Thomas M. Ferry, CPA, RMA

Certified Public Accountants  
401 Wanaque Avenue  
Pompton Lakes, New Jersey 07442  
973-835-7900  
Fax 973-835-6631

Newton Office  
100B Main Street  
Newton, N.J. 07860  
973-579-3212  
Fax 973-579-7128

## INDEPENDENT AUDITOR'S REPORT

Honorable Mayor and  
Members of the Township Committee  
Township of Mansfield  
Port Murray, N.J. 07865

### **Report on the Financial Statements**

We have audited the accompanying balance sheets - regulatory basis of the various funds and account group of the Township of Mansfield in the County of Warren, as of December 31, 2017 and 2016, the related statement of operations and changes in fund balance - regulatory basis for the years then ended, and the related statement of revenues - regulatory basis and statement of expenditures - regulatory basis of the various funds for the year ended December 31, 2017, and the related notes to the financial statements, which collectively comprise the Township's basic financial statements as listed in the table of contents.

### ***Management's Responsibility for the Financial Statements***

Management is responsible for the preparation and fair presentation of these financial statements in accordance with the basis of accounting prescribed by the Division of Local Government Services, Department of Community Affairs, State of New Jersey. Management is also responsible for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatements, whether due to fraud or error.

### ***Auditor's Responsibility***

Our responsibility is to express opinions on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America, the audit requirements prescribed by the Division of Local Government Services, Department of Community Affairs, State of New Jersey (the "Division"), and the 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 involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making



those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

***Basis for Adverse Opinion on U.S. Generally Accepted Accounting Principles***

As described in Note 1 of the financial statements, the financial statements are prepared by the Township of Mansfield on the basis of the financial reporting provisions prescribed by the Division of Local Government Services, Department of Community Affairs, State of New Jersey, which is a basis of accounting other than accounting principles generally accepted in the United States of America, to meet the requirements of New Jersey.

The effects on the financial statements of the variances between the regulatory basis of accounting described in Note 1 and accounting principles generally accepted in the United States of America, although not reasonably determinable, are presumed to be material.

***Adverse Opinion on U.S. Generally Accepted Accounting Principles***

In our opinion, because of the significance of the matter discussed in the "Basis for Adverse Opinion on U.S. Generally Accepted Accounting Principles" paragraph, the financial statements referred to above do not present fairly, in accordance with accounting principles generally accepted in the United States of America, the financial position of each fund of the Township of Mansfield as of December 31, 2017 and 2016, or changes in financial position for the years then ended.

***Opinion on Regulatory Basis of Accounting***

In our opinion, the financial statements referred to above present fairly, in all material respects, the regulatory basis balances sheets as of December 31, 2017 and 2016, the regulatory basis statements of operations for the years then ended and the regulatory basis statements of revenues and expenditures for the year ended December 31, 2017 in accordance with the basis of financial reporting prescribed by the Division of Local Government Services, Department of Community Affairs, State of New Jersey as described in Note 1.

***Other Matters***

***Other Information***

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Township of Mansfield's basic financial statements. The supplementary information listed in the table of contents and the letter of comments and recommendations section are presented for purposes of additional analysis and are not a required part of the basic financial statements.

The supplemental information listed in the table of contents are the responsibility of management and were derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the supplemental information listed in the table of contents are fairly stated, in all material respects, in relation to the basic financial statements as a whole.

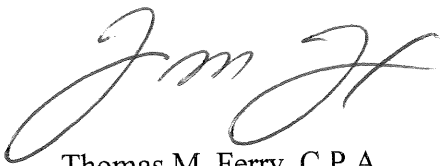
The letter of comments and recommendations section has not been subject to the auditing procedures applied in the audit of the basic financial statements, and accordingly, we do not express an opinion or provide any assurance on it.



Honorable Mayor and  
Members of the Township Committee  
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**Other Reporting Required by *Government Auditing Standards***

In accordance with *Government Auditing Standards*, we have also issued our report dated June 29, 2018 on our consideration of the Township of Mansfield's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Township of Mansfield's internal control over financial reporting and compliance.



Thomas M. Ferry, C.P.A.  
Registered Municipal Accountant  
No. 497

*Ferraioli, Wielkocz, Cerullo & Cuva, PA*  
FERRAIOLI, WIELKOTZ, CERULLO & CUVA, P.A.  
*Certified Public Accountants*

Newton, New Jersey

June 29, 2018



## Township of Mansfield, N.J.

## Comparative Balance Sheet - Regulatory Basis

## Current Fund

December 31,

	<u>Ref.</u>	<u>2017</u>	<u>2016</u>
<u>Assets</u>			
Current Fund:			
Cash	A-4	4,591,779.76	3,217,379.50
Change Fund	A-5	350.00	350.00
Due From State of New Jersey:			
Senior Citizen and Veteran Deductions	A-10	7,402.76	7,797.97
		<u>4,599,532.52</u>	<u>3,225,527.47</u>
Receivables and Other Assets with Full Reserves:			
Delinquent Taxes Receivable	A-6	641,653.74	552,231.12
Tax Title Liens Receivable	A-7	601,094.15	556,591.07
Property Acquired for Taxes -			
Assessed Valuation	A-8	2,116,700.00	2,116,700.00
Revenue Accounts Receivable	A-9	5,597.40	7,207.87
Interfund Receivables:			
Animal Control Trust Fund	A-11	4,116.03	1,900.04
General Capital Fund	A-11	0.32	47,111.65
Other Trust Fund	A-11	98,847.11	398,072.81
		<u>3,468,008.75</u>	<u>3,679,814.56</u>
Deferred Charges:			
Over-expenditure of Appropriation Reserves	A-14		1,043.45
Special Emergency Authorizations (40A: 4-55)	A-13	37,610.00	75,220.00
		<u>37,610.00</u>	<u>76,263.45</u>
		<u>8,105,151.27</u>	<u>6,981,605.48</u>
Federal and State Grant Fund:			
Interfund - Current Fund	A-23	110,107.05	40,319.34
Grants Receivable	A-24	283,368.99	107,613.05
		<u>393,476.04</u>	<u>147,932.39</u>
		<u>8,498,627.31</u>	<u>7,129,537.87</u>

The accompanying "Notes to Financial Statements" are an integral part of these financial statements.

**Township of Mansfield, N.J.**

**Comparative Balance Sheet - Regulatory Basis**

**Current Fund**

**December 31,**

	<u>Ref.</u>	<u>2017</u>	<u>2016</u>
<u>Liabilities, Reserves and Fund Balance</u>			
Current Fund:			
Appropriation Reserves:			
Unencumbered	A-3;A-12	565,771.19	520,124.32
Encumbered	A-3;A-12	107,578.86	26,713.83
		673,350.05	546,838.15
Interfund Payable:			
Federal & State Grant Fund	A-11	110,107.05	40,319.34
Tax Overpayments	A-15	2,392.86	
Due to State of New Jersey:			
Marriage Surcharge	A-15	200.00	225.00
Reserve for:			
Tax Appeals	A-15	535.99	
Accounts Payable	A-16	13,218.19	21,981.29
Prepaid Taxes	A-17	559,151.66	149,651.19
County Taxes Payable	A-18	44,892.58	45,515.31
Local District School Taxes Payable	A-20	343,004.80	289,664.80
Regional High School Taxes Payable	A-21	641,897.50	452,384.50
Special Emergency Note Payable	A-22	37,610.00	75,220.00
		2,426,360.68	1,621,799.58
Reserve for Receivables	Contra	3,468,008.75	3,679,814.56
Fund Balance	A-1	2,210,781.84	1,679,991.34
		8,105,151.27	6,981,605.48
Federal and State Grant Fund:			
Appropriated Reserve for Grants	A-25	360,946.85	142,326.10
Unappropriated Reserve for Grants	A-26	21,994.81	5,181.29
Reserve for Encumbrances	A-27	10,534.38	425.00
		393,476.04	147,932.39
		8,498,627.31	7,129,537.87

The accompanying "Notes to Financial Statements" are an integral part of these financial statements.

## Township of Mansfield, N.J.

## Comparative Statement of Operations and Changes in Fund Balance - Regulatory Basis

## Current Fund

## Years Ended December 31,

	<u>Ref.</u>	<u>2017</u>	<u>2016</u>
Revenues and Other Income:			
Fund Balance Utilized	A-2	340,000.00	180,000.00
Miscellaneous Revenue Anticipated	A-2	1,893,217.86	1,863,509.81
Receipts from Delinquent Taxes	A-2	417,592.12	554,244.51
Receipts from Current Taxes	A-2	21,600,388.38	21,339,062.05
Non-Budget Revenue	A-2	80,632.03	98,090.41
Other Credits to Income:			
Interfunds Returned	A-11	346,337.03	
Unexpended Balance of Appropriation Reserves	A-12	346,729.31	246,487.17
Accounts Payable Cancelled	A-16	21,981.29	
Total Revenues and Other Income		<u>25,046,878.02</u>	<u>24,281,393.95</u>
Expenditures:			
Budget and Emergency Appropriations:			
Operations - Within "CAPS"			
Salaries and Wages	A-3	1,946,976.00	1,922,299.27
Other Expenses	A-3	2,103,778.14	2,024,735.50
Deferred Charges and Statutory Expenditures - Municipal	A-3	576,949.08	535,961.23
Operations - Excluded From CAPS:			
Salaries and Wages	A-3	310,363.00	358,208.00
Other Expenses	A-3	356,557.42	295,070.96
Capital Improvements	A-3	328,557.00	333,490.00
Municipal Debt Service	A-3	333,798.50	322,665.05
Deferred Charges and Statutory Expenditures	A-3	37,610.00	37,610.00
Refund of Prior Year Taxes	A-4	1,005.00	980.83
Interfund Advances	A-11	2,215.99	210,306.09
County Taxes including Added Taxes	A-18	5,498,277.67	5,514,371.33
Municipal Open Space Tax	A-19	135,420.72	136,355.22
Local District School Tax	A-20	5,714,474.00	5,605,061.00
Regional High School Tax	A-21	6,830,105.00	6,485,184.00
Total Expenditures		<u>24,176,087.52</u>	<u>23,782,298.48</u>
Excess (Deficit) Revenue Over Expenditures		870,790.50	499,095.47
Fund Balance, January 1,			
	A-1	<u>1,679,991.34</u>	<u>1,360,895.87</u>
		2,550,781.84	1,859,991.34
Fund Balance Utilized as Budget Revenue			
		340,000.00	180,000.00
Fund Balance, December 31,	A	<u>2,210,781.84</u>	<u>1,679,991.34</u>

The accompanying "Notes to Financial Statements" are an integral part of these financial statements.

## Township of Mansfield, N.J.

## Statement of Revenues - Regulatory Basis

## Current Fund

Year Ended December 31, 2017

	Ref.	Budget	Special N.J.S. 40A:4-87	Realized	Excess or (Deficit)
Fund Balance Anticipated	A-1	340,000.00		340,000.00	
Miscellaneous Revenues:					
Licenses:					
Alcoholic Beverages	A-9	4,805.00		4,877.00	72.00
Fees and Permits	A-9	8,000.00		12,878.33	4,878.33
Fines and Costs:					
Municipal Court	A-9	100,000.00		86,092.97	(13,907.03)
Interest and Costs on Taxes	A-9	100,000.00		92,014.97	(7,985.03)
Interest on Investments	A-9	15,000.00		22,740.13	7,740.13
Cellular Tower Rental	A-9	55,000.00		62,201.48	7,201.48
Cable T.V. Franchise Fee	A-9	23,000.00		27,320.34	4,320.34
Energy Receipts Tax (P.L. 1977, Chapters 162 & 167)	A-9	864,858.00		864,858.00	
Garden State Trust Fund	A-9	25,077.00		25,077.00	
Police Administrative Fees	A-9	1,000.00		1,876.69	876.69
Planning Board Fees	A-9	1,000.00		2,250.00	1,250.00
Uniform Construction Code Fees - Washington Township	A-9	10,000.00		29,775.56	19,775.56
Special Items of General Revenue Anticipated With Prior Written Consent of Division of Local Government Services:					
Shared Service Agreements Municipal Court & Prosecutor	A-9	350,145.00		350,144.54	(0.46)
Public and Private Revenues:					
Drive Sober or Get Pulled Over	A-24	10,000.00	5,500.00	15,500.00	
SIF Risk Control Grant	A-24		2,271.18	2,271.18	
Clean Communities Grant	A-24		21,420.32	21,420.32	
Click It or Ticket	A-24		5,500.00	5,500.00	
N.J. D.O.T. 2017 Municipal Aid - Heiser Road	A-24		105,000.00	105,000.00	
Hazard Mitigation Grant Program	A-24	70,450.00		70,450.00	
NJDEP Recycling Tonnage Grant	A-24	12,268.00	47,204.37	59,472.37	
Body Armor	A-24		1,705.18	1,705.18	
Municipal Alcohol Education Rehabilitation	A-24	181.29	772.08	953.37	
Statewide Insurance- Safety Grant	A-24	1,075.00		1,075.00	
Other Special Items:					
Hotel/Motel Occupancy Fee	A-9	20,000.00		22,688.43	2,688.43
Lease of Township Owned Farmland	A-9	5,000.00		5,075.00	75.00
Total Miscellaneous Revenues	A-1	1,676,859.29	189,373.13	1,893,217.86	26,985.44
Receipts from Delinquent Taxes	A-1;A-2	490,000.00		417,592.12	(72,407.88)
Subtotal General Revenues		2,506,859.29	189,373.13	2,650,809.98	(45,422.44)
Amount to be Raised by Taxes for Support of Municipal Budget-Local Tax for Municipal Purposes Including Reserve for Uncollected Taxes	A-2	4,082,028.00		4,082,567.99	539.99
Budget Totals		6,588,887.29	189,373.13	6,733,377.97	(44,882.45)
Non-Budget Revenue	A-1;A-2			80,632.03	80,632.03
		<u>6,588,887.29</u>	<u>189,373.13</u>	<u>6,814,010.00</u>	<u>35,749.58</u>
		A-3	A-3		

The accompanying "Notes to Financial Statements" are an integral part of these financial statements.

## Township of Mansfield, N.J.

## Statement of Revenues - Regulatory Basis

## Current Fund

Year Ended December 31, 2017

Analysis of Realized RevenuesRef.

Revenue from Collections	A-1;A-6	21,600,388.38
Allocated to School and County Taxes	A-6	<u>18,178,277.39</u>
Balance for Support of Municipal Budget Appropriations		3,422,110.99
Add : Appropriation - Reserve for Uncollected Taxes	A-3	<u>660,457.00</u>
Amount for Support of Municipal Budget Appropriations	A-2	<u><u>4,082,567.99</u></u>
Receipts from Delinquent Taxes:		
Delinquent Taxes		
Taxes Receivable	A-6	391,251.51
Tax Title Liens	A-7	<u>26,340.61</u>
	A-2	<u><u>417,592.12</u></u>

Analysis of Non-budget Revenues

## Miscellaneous Revenues Not Anticipated:

Sr. Citizen and Veteran Admin. Fees		932.90
Bad Check Fees		45.00
Township Share of Marriage Licenses		141.00
Zoning Permits		25.00
Police Outside Service Fees		8,056.30
Certified Lists		200.00
Miscellaneous		<u>71,231.83</u>
	A-2	
		<u><u>80,632.03</u></u>
		A-4

The accompanying "Notes to Financial Statements" are an integral part of these financial statements.

Statement of Expenditures - Regulatory Basis

Current Fund

Year Ended December 31, 2017

	<u>Ref.</u>	<u>Budget For 2017</u>	<u>Budget After Modification</u>	<u>Paid or Charged</u>	<u>Reserved</u>	<u>Unexpended Balance Cancelled</u>
Operations - within "CAPS"						
Administrative and Executive						
Salaries and Wages		112,572.00	112,572.00	112,572.00		
Other Expenses - General		36,715.00	36,715.00	33,261.55	3,453.45	
Other Expenses - Clerk		7,550.00	7,550.00	2,616.12	4,933.88	
Other Expenses - Governing Body		3,264.00	2,197.14	1,044.90	1,152.24	
Financial Administration						
Salaries and Wages		75,000.00	38,000.00	23,254.71	14,745.29	
Other Expenses		30,700.00	63,700.00	53,733.60	9,966.40	
Audit		30,000.00	30,000.00	14,750.00	15,250.00	
Computerized Data Processing						
Other Expenses		10,400.00	10,400.00	8,074.63	2,325.37	
Collection of Taxes						
Salaries and Wages		33,230.00	33,230.00	33,088.34	141.66	
Other Expenses		16,430.00	16,430.00	953.69	15,476.31	
Assessment of Taxes:						
Salaries and Wages		25,543.00	25,543.00	25,542.66	0.34	
Other Expenses		10,015.00	17,515.00	15,015.00	2,500.00	
Legal Services & Costs						
Other Expenses		80,000.00	80,000.00	55,336.22	24,663.78	

The accompanying "Notes to Financial Statements" are an integral part of these financial statements.

Statement of Expenditures - Regulatory Basis

Current Fund

Year Ended December 31, 2017

<u>General Appropriations</u>	<u>Ref.</u>	<u>Budget For 2017</u>	<u>Budget After Modification</u>	<u>Paid or Charged</u>	<u>Reserved</u>	<u>Unexpended Balance</u>
Engineering Services and Costs						
Other Expenses		49,000.00	49,000.00	47,214.58	1,785.42	
Economic Development						
Salaries and Wages		287.00	287.00	287.00		
Other Expenses		500.00	500.00	360.00	140.00	
Environmental Commission						
Salaries and Wages		1,055.00	1,055.00	1,053.64	1.36	
Other Expenses		7,775.00	775.00	649.00	126.00	
Municipal Land Use Law (NJS 40:55D-1)						
Planning Board						
Salaries and Wages		17,214.00	17,214.00	15,973.70	1,240.30	
Other Expenses		29,820.00	29,820.00	12,384.75	17,435.25	
Public Safety						
Police						
Salaries and Wages		1,336,908.00	1,336,908.00	1,270,980.16	65,927.84	
Other Expenses		91,600.00	91,600.00	65,172.52	26,427.48	
Emergency Management Services						
Salaries and Wages		2,534.00	2,534.00	2,534.00		
Other Expenses		1,580.00	1,580.00	82.96	1,497.04	
Fire (Mansfield Twp. Fire Co.)						
Other Expenses		31,811.00	31,811.00	31,811.00		

The accompanying "Notes to Financial Statements" are an integral part of these financial statements.



Statement of Expenditures - Regulatory Basis

Current Fund

Year Ended December 31, 2017

	<u>Ref.</u>	<u>Budget For 2017</u>	<u>Budget After Modification</u>	<u>Paid or Charged</u>	<u>Reserved</u>	<u>Unexpended Balance Cancelled</u>
<u>General Appropriations</u>						
Fire (Tri County Fire Company)						
Other Expenses		38,523.00	38,523.00	38,523.00		
Fire (Mount Bethel Fire Company)						
Other Expenses		27,031.00	27,031.00	27,031.00		
Fire (Butler Park Fire Company)						
Other Expenses		23,221.00	23,221.00	23,221.00		
Fire (General)						
Fire Hydrant Services		10,000.00	10,000.00	9,720.00	280.00	
Fire Prevention Bureau						
Other Expenses		1,000.00	1,000.00	993.41	6.59	
First Aid Organization - Contribution		64,000.00	64,000.00	58,897.80	5,102.20	
Public Works						
Road Repair and Maintenance						
Salaries and Wages		259,382.00	314,177.00	292,213.93	21,963.07	
Other Expenses		138,400.00	138,400.00	80,287.76	58,112.24	
Snow Removal						
Salaries and Wages		56,500.00	56,500.00	6,002.82	50,497.18	
Other Expenses		56,065.00	56,065.00	49,870.78	6,194.22	
Garbage and Trash Removal						
Other Expenses		1,735.00	1,735.00	1,282.32	452.68	

The accompanying "Notes to Financial Statements" are an integral part of these financial statements.

Statement of Expenditures - Regulatory Basis

Current Fund

Year Ended December 31, 2017

<u>General Appropriations</u>	<u>Ref.</u>	<u>Budget For 2017</u>	<u>Budget After Modification</u>	<u>Paid or Charged</u>	<u>Reserved</u>	<u>Unexpended Balance Cancelled</u>
Public Buildings and Grounds		58,700.00	58,700.00	37,179.25	21,520.75	
Other Expenses						
Health and Welfare						
Senior Citizen Activities						
Other Expenses		7,000.00	7,000.00	6,554.00	446.00	
Recreation and Education						
Recreation						
Salaries and Wages		54,795.00				
Other Expenses		5,500.00	5,500.00	4,346.64	1,153.36	
Municipal Court:						
Salaries and Wages		7,456.00	7,456.00		7,456.00	
Other Expenses		14,718.00	14,718.00	14,560.34	157.66	
Prosecutor						
Other Expenses		7,000.00	7,000.00		7,000.00	
Public Defender						
Other Expenses		8,000.00	8,000.00	4,800.00	3,200.00	
PEOSHA (NJSA 34:6a-25 Et Seq.)						
Hepatitis B Shots		400.00	400.00		400.00	
PEOSHA - Requirements						
Other Expenses		800.00	800.00		800.00	

The accompanying "Notes to Financial Statements" are an integral part of these financial statements.

Statement of Expenditures - Regulatory Basis

Current Fund

Year Ended December 31, 2017

<u>General Appropriations</u>	<u>Ref.</u>	<u>Budget For 2017</u>	<u>Budget After Modification</u>	<u>Paid or Charged</u>	<u>Reserved</u>	<u>Unexpended Balance Cancelled</u>
Uniform Construction Code -Appropriations Offset by Dedicated Revenues (N.J.A.C. 5:23-4.17)		1,000.00	1,000.00	55.49	944.51	
Sub-Code Officials						
Construction Official						
Other Expenses						
Insurance						
General Liability		114,929.00	114,929.00	114,929.00		
Workers Compensation		112,189.00	112,189.00	112,189.00		
Employee Group Health		743,900.00	743,900.00	659,367.18	84,532.82	
Insurance Fund Commissioner		1,500.00	1,500.00	1,500.00		
Health Benefit Waiver		26,000.00	26,000.00	22,141.52	3,858.48	
Accrued Sick Leave and Other Compensation		25,000.00	25,000.00	25,000.00		
Unclassified:						
Const and Inspection fees		90,000.00	90,000.00	696.55	9,303.45	80,000.00
Pior Years Bills- Workn Wear		1,274.00	1,274.00	1,274.00		
Utilities:						
Fuel Oil		10,000.00	11,500.00	8,458.10	3,041.90	
Electricity		48,000.00	48,000.00	38,920.32	9,079.68	
Telephone		22,500.00	22,500.00	18,893.79	3,606.21	
Gasoline		30,000.00	30,000.00	21,120.14	8,879.86	
Fuel - Diesel		22,000.00	22,000.00	10,104.13	11,895.87	

The accompanying "Notes to Financial Statements" are an integral part of these financial statements.

Statement of Expenditures - Regulatory Basis

Current Fund

Year Ended December 31, 2017

<u>General Appropriations</u>	<u>Ref.</u>	<u>Budget For 2017</u>	<u>Budget After Modification</u>	<u>Paid or Charged</u>	<u>Reserved</u>	<u>Unexpended Balance Cancelled</u>
Water Testing		2,800.00	2,800.00	1,941.40	858.60	
Natural Gas		1,000.00	1,000.00	723.00	277.00	
Total Operations Within "CAPS"		<u>4,133,821.00</u>	<u>4,130,754.14</u>	<u>3,520,544.40</u>	<u>530,209.74</u>	<u>80,000.00</u>
Detail:						
Salaries and Wages	A-1	1,983,976.00	1,946,976.00	1,785,002.96	161,973.04	
Other Expenses (Including Contingent)	A-1	<u>2,149,845.00</u>	<u>2,183,778.14</u>	<u>1,735,541.44</u>	<u>368,236.70</u>	<u>80,000.00</u>
Deferred Charges and Statutory Expenditures- Municipal Within "CAPS"						
Statutory Expenditures						
Deficit in Animal Control Fund		4,182.00	4,182.00	2,828.77		1,353.23
Overexpenditure of Appropriation		1,044.00	1,044.00	1,043.45	0.00	0.55
Deficit in Payroll Trust		11,524.00	11,524.00	11,524.00		
Contribution to:						
Public Employees' Retirement System		99,650.00	99,669.25	99,669.25		
Defined Contribution Retirement Program		2,500.00	2,500.00	122.84	2,377.16	
Unemployment Compensation Insurance		1,500.00	1,500.00	985.61	514.39	
Police and Fireman's Retirement System of NJ		274,836.00	277,883.61	277,883.61		
Social Security System (O.A.S.I.)		180,000.00	180,000.00	159,137.18	20,862.82	
Total Deferred Charged and Statutory Expenditures - Municipal within "CAPS"	A-1	<u>575,236.00</u>	<u>578,302.86</u>	<u>553,194.71</u>	<u>23,754.37</u>	<u>1,353.78</u>

The accompanying "Notes to Financial Statements" are an integral part of these financial statements.

Statement of Expenditures - Regulatory Basis

Current Fund

Year Ended December 31, 2017

<u>General Appropriations</u>	<u>Ref.</u>	<u>Budget For 2017</u>	<u>Budget After Modification</u>	<u>Paid or Charged</u>	<u>Reserved</u>	<u>Unexpended Balance Cancelled</u>
Total General Appropriations for Municipal Purposes within "CAPS"		4,709,057.00	4,709,057.00	4,073,739.11	553,964.11	81,353.78
Operations - Excluded From "CAPS"						
Municipal Court:						
Salaries and Wages		310,363.00	310,363.00	306,455.61	3,907.39	
Other Expenses		16,782.00	16,782.00	13,327.24	3,454.76	
Chief Financial Officer - Washington Twp. Morris Cnty						
Other Expenses		23,000.00	23,000.00	20,416.60	2,583.40	
Tax Collector - Washington Twp. Morris Cnty						
Other Expenses		31,212.00	31,212.00	31,212.00		
Total Other Operations - Excluded From Caps		381,357.00	381,357.00	371,411.45	9,945.55	
Public and Private Programs Offset By Revenues						
Matching Funds for Grants		1.00	1.00		1.00	
Clean Communities Program			21,420.32	21,420.32		
Body Armor - Grant			1,705.18	1,705.18		
Drive Sober or Get Pulled Over		10,000.00	15,500.00	15,500.00		
Click-it or Ticket			5,500.00	5,500.00		
Municipal Alcohol Education Rehabilitation		181.29	953.37	953.37		
Local Share		2,215.00	2,215.00	2,215.00		
Hazard Mitigation Grant Program		70,450.00	70,450.00	70,450.00		
Recycling Tonnage Grant		12,268.00	59,472.37	59,472.37		

The accompanying "Notes to Financial Statements" are an integral part of these financial statements.

Statement of Expenditures - Regulatory Basis

Current Fund

Year Ended December 31, 2017

<u>General Appropriations</u>	<u>Ref.</u>	<u>Budget For 2017</u>	<u>Budget After Modification</u>	<u>Paid or Charged</u>	<u>Reserved</u>	<u>Unexpended Balance Cancelled</u>
Statewide Insurance- Safety Grant		1,075.00	1,075.00	1,075.00		
2017 SIF Risk Control Grant			2,271.18	2,271.18		
N.J. D.O.T. 2017 Municipal Aid - Heiser Road			105,000.00	105,000.00		
Total Public and Private Programs Offset						
By Revenues		96,190.29	285,563.42	285,562.42	1.00	
Total Operations - Excluded from "CAPS"		<u>477,547.29</u>	<u>666,920.42</u>	<u>656,973.87</u>	<u>9,946.55</u>	
Detail:						
Salaries and Wages	A-1	310,363.00	310,363.00	306,455.61	3,907.39	
Other Expenses	A-1	<u>167,184.29</u>	<u>356,557.42</u>	<u>350,518.26</u>	<u>6,039.16</u>	
Capital Improvements - Excluded From "CAPS"						
Replace roof and skylights on Municipal Bldg		40,000.00	40,000.00		40,000.00	
Replace Sidewalk at Municipal Bldg		2,500.00	2,500.00	2,489.00	11.00	
Improvements to Streets and Roads		200,000.00	200,000.00	136,986.61	63,013.39	
DPW Equipment		43,500.00	43,500.00	37,085.00	6,415.00	
2017 Ford Explorer		37,357.00	37,357.00	37,357.00		
Fire Grea Purchases		5,200.00	5,200.00	5,200.00		
Total Capital Improvements Excluded from "CAPS"	A-1	<u>328,557.00</u>	<u>328,557.00</u>	<u>219,117.61</u>	<u>109,439.39</u>	
Municipal Debt Service -Excluded From "CAPS"						
Payment of Bond Principal		129,851.00	129,851.00	129,851.00		32,414.00
Payment of Bond Anticipation Notes		50,000.00	50,000.00	17,586.00		
Interest on Bonds		46,842.00	46,842.00	38,669.22		8,172.78

The accompanying "Notes to Financial Statements" are an integral part of these financial statements.

Statement of Expenditures - Regulatory Basis

Current Fund

Year Ended December 31, 2017

General Appropriations	Ref.	Budget For 2017	Budget After Modification	Paid or Charged	Reserved	Unexpended Balance Cancelled
Interest on Notes		3,130.00	3,130.00	3,126.26		3.74
Interest on Emergency Notes		715.00	715.00	714.59		0.41
Capital Lease Obligations		145,121.00	145,121.00	143,851.43		1,269.57
Total Municipal Debt Service-Excluded from "CAPS"	A-1	375,659.00	375,659.00	333,798.50		41,860.50
Deferred Charges - Municipal - Excluded From "CAPS"						
Deferred Charges:						
Special Emergency Authorizations - 5 Years (N.J.S. 40A:4-55)		37,610.00	37,610.00	37,610.00		
Total Deferred Charges - Municipal - Excluded From "CAPS"	A-1	37,610.00	37,610.00	37,610.00		
Total General Appropriations - Excluded From "CAPS"		1,219,373.29	1,408,746.42	1,247,499.98	119,385.94	41,860.50
Subtotal General Appropriations		5,928,430.29	6,117,803.42	5,321,239.09	673,350.05	123,214.28
Reserve for Uncollected Taxes		660,457.00	660,457.00	660,457.00		

The accompanying "Notes to Financial Statements" are an integral part of these financial statements.

Statement of Expenditures - Regulatory Basis

Current Fund

Year Ended December 31, 2017

	<u>Ref.</u>	<u>Budget For 2017</u>	<u>Budget After Modification</u>	<u>Paid or Charged</u>	<u>Reserved</u>	<u>Unexpended Balance Cancelled</u>
<u>General Appropriations</u>		<u>6,588,887.29</u>	<u>6,778,260.42</u>	<u>5,981,696.09</u>	<u>673,350.05</u>	<u>123,214.28</u>
<u>Total General Appropriations</u>						
<u>Analysis of Budget</u>						
Adopted Budget	A-2		6,588,887.29			
Appropriated by N.J.S. 40A:4-87	A-2		<u>189,373.13</u>			
			<u>6,778,260.42</u>			
<u>Analysis of Paid or Charged:</u>						
Reserve for Uncollected Taxes	A-2			660,457.00		
Cash Disbursed	A-4			4,999,238.22		
Deferred Charge - Special Emergency	A-13			37,610.00		
Deferred Charges	A-14			1,043.45		
Reserve for Federal & State Grants	A-25			283,347.42		
				<u>5,981,696.09</u>		
<u>Analysis of Appropriation Reserves</u>						
Unencumbered	A				565,771.19	
Encumbered	A				107,578.86	
					<u>673,350.05</u>	

The accompanying "Notes to Financial Statements" are an integral part of these financial statements.



## Township of Mansfield, N.J.

## Comparative Balance Sheet - Regulatory Basis

## Trust Funds

December 31,

	<u>Ref.</u>	<u>2017</u>	<u>2016</u>
<u>Assets</u>			
Animal Control Trust Fund:			
Cash (Deficit) - Treasurer	B-1	600.71	0.57
Deficit in Dog Fund Expenditures	B-5	4,750.32	2,828.27
		<u>5,351.03</u>	<u>2,828.84</u>
Other Trust Funds:			
Cash	B-1	1,698,849.87	2,089,770.88
Interfund General Capital	B-3	25,000.00	25,000.00
		<u>1,723,849.87</u>	<u>2,114,770.88</u>
		<u>1,729,200.90</u>	<u>2,117,599.72</u>
 <u>Liabilities, Reserves &amp; Fund Balance</u>			
Animal Control Trust Fund:			
Interfund Current Fund	B-4	4,116.03	1,900.04
Due to State Department of Health	B-7		928.80
Reserve for Encumbrances	B-9	1,235.00	
		<u>5,351.03</u>	<u>2,828.84</u>
Other Trust Fund:			
Other Trust Funds	B-6	1,599,480.90	1,716,698.07
Interfund Current Fund	B-2	98,847.11	398,072.81
Reserve for Encumbrances	B-8	25,521.86	
		<u>1,723,849.87</u>	<u>2,114,770.88</u>
		<u>1,729,200.90</u>	<u>2,117,599.72</u>

The accompanying "Notes to Financial Statements" are an integral part of these financial statements.

**Township of Mansfield, N.J.**

**Comparative Balance Sheet - Regulatory Basis**

**General Capital Fund**

**December 31,**

<u>Assets</u>	<u>Ref.</u>	<u>2017</u>	<u>2016</u>
Cash	C-2;C-3	772,856.41	794,839.32
Due from Warren County - Open Space	C-6	131,000.00	
Due From State of N.J. Department of Transportation	C-7	81,957.00	81,957.00
Deferred Charges to Future Taxation			
Funded	C-8	1,316,000.00	1,477,000.00
Unfunded	C-9	642,915.00	660,501.00
		<u>2,944,728.41</u>	<u>3,014,297.32</u>
 <u>Liabilities, Reserves and Fund Balance</u>			
Interfund - Current Fund	C-4	0.32	47,111.65
Interfund -Other Trust Fund	C-5	25,000.00	25,000.00
Capital Improvement Fund	C-10	255,120.28	255,120.28
Improvement Authorizations:			
Funded	C-11	351,018.05	271,779.99
Unfunded	C-11	45,968.22	331,421.00
Bond Anticipation Notes Payable	C-12	642,915.00	329,080.00
Various Reserves	C-13	306,752.81	277,565.74
General Serial Bonds	C-14	1,316,000.00	1,477,000.00
Fund Balance	C-1	1,953.73	218.66
		<u>2,944,728.41</u>	<u>3,014,297.32</u>

Footnote C: There were no Bonds and Notes Authorized But Not Issued on December 31, 2017 and \$331,421.00 on December 31, 2016. See schedule C-15.

The accompanying "Notes to Financial Statements" are an integral part of these financial statements.

## Township of Mansfield, N.J.

## Comparative Schedule of Fund Balance - Regulatory Basis

## General Capital Fund

Year Ended December 31,

		<u>2017</u>	<u>2016</u>
	<u>Ref.</u>		
Balance - January 1,	C	218.66	<u>218.66</u>
Increased by:			
Funded Improvement			
Authorizations Canceled	C-11	<u>1,735.07</u>	
Balance - December 31,	C	<u>1,953.73</u>	<u>218.66</u>

The accompanying "Notes to Financial Statements" are an integral part of these financial statements.

## Township of Mansfield, NJ

## Comparative Statement of General Fixed Assets - Regulatory Basis

December 31,

	<u>2017</u>	<u>2016</u>
<u>General Fixed Assets</u>		
Land / Land Improvements		
Buildings	5,668,100.00	5,668,100.00
Machinery and Equipment (Including Vehicles)	<u>1,993,324.00</u>	<u>1,763,133.00</u>
	<u>7,661,424.00</u>	<u>7,431,233.00</u>
 Investment in General Fixed Assets	 <u>7,661,424.00</u>	 <u>7,431,233.00</u>

The accompanying "Notes to Financial Statements" are an integral part of these financial statements.

**TOWNSHIP OF MANSFIELD, N. J.**

**NOTES TO FINANCIAL STATEMENTS  
YEARS ENDED DECEMBER 31, 2017 AND 2016**

**NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

The Governmental Accounting Standards Board (GASB) is the accepted standard-setting body for establishing governmental accounting and financial reporting principles. The GASB Codification establishes seven fund types and two account groups to be used by governmental units when reporting financial position and results of operations in accordance with accounting principles generally accepted in the United States of America (GAAP).

The financial statements of the Township of Mansfield have been prepared in conformity with accounting principles and practices prescribed by the Division of Local Government Services, Department of Community Affairs, State of New Jersey (the "Division") which is an other comprehensive basis of accounting other than accounting principles generally accepted in the United States of America. Such principles and practices are designed primarily for determining compliance with legal provisions and budgetary restrictions and as a means of reporting on the stewardship of public officials with respect to public funds. Under this method of accounting, the Township accounts for its financial transactions through the following separate funds which differ from the fund structure required by GAAP.

**A. Reporting Entity**

The Township of Mansfield (the "Township") operates under a Township Committee form of government. The Township's major operations include public safety, road repair and maintenance, sanitation, fire protection, recreation and parks, health services, and general administrative services.

GASB has issued Statement No. 14 which requires the financial reporting entity to include both the primary government and those component units for which the primary government is financially accountable. Financial accountability is defined as appointment of a voting majority of the component unit's board, and either a) the ability to impose will by the primary government, or b) the possibility that the component unit will provide a financial benefit to or impose a financial burden on the primary government.

However, 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 contained herein include only those boards, bodies, officers or commissions as required by NJS 40A:5-5. Accordingly, the financial statements of the Township do not include the Volunteer Fire Department and the First Aid Squad which are considered component units under GAAP. Complete financial statements of the above components can be obtained by contacting the Treasurer of the respective entity.

## TOWNSHIP OF MANSFIELD

### NOTES TO FINANCIAL STATEMENTS YEARS ENDED DECEMBER 31, 2017 AND 2016 CONTINUED

#### NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

##### B. Basis of Accounting

The Township uses funds, as required by the Division, to report on its financial position and the results of its operations. Fund accounting is designed to demonstrate legal compliance and to aid financial administration by segregating transactions related to certain Township functions or activities. An account group, on the other hand, is designed to provide accountability for certain assets and liabilities that are not recorded in those Funds.

The Township has the following funds and account groups:

Current Fund - This fund accounts for resources and expenditures for governmental operations of a general nature, including Federal and State grants.

Trust Funds - Trust Funds are used to account for assets held by the government in a trustee capacity. Funds held by the Township as an agent for individual, private organizations, or other governments are recorded in the Trust Funds.

Other Trust Fund - This fund is established to account for the assets and resources which are also held by the Township as a trustee or agent for individuals, private organizations, other governments and/or other funds.

Animal Control Trust Fund - This fund is used to account for fees collected from dog licenses and expenditures which are regulated by NJS 4:19-15.11.

General Capital Fund - This fund is used to account for the receipt and disbursement of funds used for acquisition or improvement of general capital facilities, other than those acquired in the Current Fund.

General Fixed Assets Account Group - To account for all fixed assets of the Township. The Township's infrastructure is not reported in the group.

A modified accrual basis of accounting is followed by the Township of Mansfield. Under this method of accounting revenues, except State/Federal Aid, are recognized when received and expenditure are recorded, when incurred. The accounting principles and practices prescribed for municipalities by the Division differ in certain respects from accounting principles generally accepted in the United States of America (GAAP) applicable to local government units. The more significant differences are as follows:

## TOWNSHIP OF MANSFIELD

### NOTES TO FINANCIAL STATEMENTS YEARS ENDED DECEMBER 31, 2017 AND 2016 CONTINUED

#### NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

##### B. Basis of Accounting (continued)

Property Tax Revenues - Real property taxes are assessed locally, based upon the assessed value of the property. The tax bill includes a levy for Municipal, County, Open Space and School purposes. The bills are mailed annually in June for that calendar year's levy. Taxes are payable in four quarterly installments on February 1, May 1, August 1, and November 1. The amounts of the first and second installments are determined as one quarter of the total tax levied against the property for the preceding year. The installment due the third and fourth quarters is determined by taking the current year levy less the amount previously charged for the first and second installments, with the remainder being divided equally. If unpaid on these dates, the amount due becomes delinquent and subject to interest at 8% per annum, or 18% on any delinquency amount in excess of \$1,500. The school levy is turned over to the Board of Education as expenditures are incurred, and the balance, if any, must be transferred as of June 30, of each fiscal year. County taxes are paid quarterly on February 15, May 15, August 15 and November 15, to the County by the Township. Open Space is paid quarterly to Township Other Trust Funds, February 15, May 15, August 15 and November 15. When unpaid taxes or any municipal lien, or part thereof, on real property, remains in arrears on the 11<sup>th</sup> day of the 11<sup>th</sup> month of the fiscal year levied, the collector in the municipality shall subject to the provisions of the New Jersey Statutes enforce the lien by placing the property on a tax sale. Annual in rem tax foreclosure proceedings are instituted to enforce the tax collection or acquisition of title to the property by the Township. In accordance with the accounting principles prescribed by the State of New Jersey, current and delinquent taxes are realized as revenue when collected. Since delinquent taxes and liens are fully reserved, no provision has been made to estimate that portion of the taxes receivable and tax title liens that are uncollectible. GAAP requires tax revenues to be recognized in the accounting period when they become susceptible to accrual, reduced by an allowance for doubtful accounts.

Miscellaneous Revenues - Miscellaneous revenues are recognized on a cash basis. Receivables for the miscellaneous items that are susceptible to accrual are recorded with offsetting reserves on the balance sheet of the Township's Current Fund. GAAP requires such revenues to be recognized in the accounting period when they become susceptible to accrual.

Grant Revenues - Federal and State grants, entitlements or shared revenues received for purposes normally financed through the Current Fund are recognized when anticipated in the Township's budget. GAAP requires such revenues to be recognized in the accounting period when they become susceptible to accrual.

##### 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 for the current fund. Budget amounts presented in the accompanying financial statements represent amounts adopted by the Township and approved by the State Division of Local Government Services per N.J.S.A. 40-A:4 et seq.

## TOWNSHIP OF MANSFIELD

### NOTES TO FINANCIAL STATEMENTS YEARS ENDED DECEMBER 31, 2017 AND 2016 CONTINUED

#### NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

##### B. Basis of Accounting (continued)

The Township is not required to adopt budgets for the following funds:

Animal Control Trust Fund	Trust Fund
General Capital Fund	

The governing body shall introduce and approve the annual budget not later than February 10, of the fiscal year. The budget shall be adopted not later than March 20, and prior to adoption must be certified by the Division of Local Government Services, Department of Community Affairs, State of New Jersey. The Director of the Division of Local Government Services, with the approval of the Local Finance Board may extend the introduction and approval and adoption dates of the municipal budget. The budget is prepared by fund, function, activity and line item (salary or other expense) and includes information on the previous year. The legal level of control for appropriations is exercised at the individual line item level for all operating budgets adopted. Emergency appropriations, those made after the adoption of the budget and determination of the tax rate, may be authorized by the governing body of the municipality. During the last two months of the fiscal year, the governing body may, by a 2/3 vote, amend the budget through line item transfers. Management has no authority to amend the budget without the approval of the Governing Body. Expenditures may not legally exceed budgeted appropriations at the line item level. During 2017, the Township Committee increased the original current fund budget by \$189,373.13 for additional special items of revenue. In addition, several budget transfers were approved by the governing body.

Expenditures - Are recorded on the "budgetary" basis of accounting. Generally, expenditures are recorded when an amount is encumbered for goods or services through the issuance of a purchase order in conjunction with an encumbrance accounting system. Outstanding encumbrances at December 31, are reported as a cash liability in the financial statements. Unexpended or uncommitted appropriations, at December 31, are reported as expenditures through the establishment of appropriations reserves unless canceled by the governing body. GAAP requires expenditures to be recognized in the accounting period in which the fund liability is incurred, if measurable, except for unmatured interest on general long-term debt, which should be recognized when due.

Encumbrances - Contractual orders outstanding at December 31, are reported as expenditures through the establishment of an encumbrance payable. Encumbrances do not constitute expenditures under GAAP.

Appropriation Reserves - Are available, until lapsed at the close of the succeeding year, to meet specific claims, commitments or contracts incurred during the preceding year. Lapsed appropriation reserves are recorded as additions to income. Appropriation reserves do not exist under GAAP.



**TOWNSHIP OF MANSFIELD**

**NOTES TO FINANCIAL STATEMENTS  
YEARS ENDED DECEMBER 31, 2017 AND 2016  
CONTINUED**

**NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

**B. Basis of Accounting (continued)**

Compensated Absences - Expenditures relating to obligations for unused vested accumulated vacation and sick pay are not recorded until paid. GAAP requires that the amount that would normally be liquidated with expendable available financial resources be recorded as an expenditure in the operating funds and the remaining obligations be recorded as a long-term obligation.

Property Acquired for Taxes - Is recorded in the Current Fund at the assessed valuation when such property was acquired and fully reserved. GAAP requires such property to be recorded in the General Fixed Assets Account Group at market value on the date of acquisition.

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

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

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 budget. As the funds are raised by taxation, the deferred charges are reduced.

Cash and Investments - Cash includes amounts in demand deposits as well as short-term investments with a maturity date within one year of the date acquired by the government. Investments are stated at fair value and are limited by NJSA 40A:5-15.1(a).

General Fixed Assets - The Township of Mansfield has developed a fixed asset accounting and reporting system, as promulgated by the Division of Local Government Services, which differs from generally accepted accounting principles. The Township has developed a fixed asset accounting reporting system.

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 road, bridges, curbs and gutters, streets, sidewalks and drainage systems are not capitalized.

**TOWNSHIP OF MANSFIELD**

**NOTES TO FINANCIAL STATEMENTS  
YEARS ENDED DECEMBER 31, 2017 AND 2016  
CONTINUED**

**NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

B. Basis of Accounting (continued)

All fixed assets are valued at historical cost or estimated historical cost if actual historical cost is not available.

No depreciation has been 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 have not been accounted for separately.

GAAP requires that all fixed assets be capitalized at historical cost or estimated historical cost if actual historical cost is not available.

Comparative Data - Comparative data for the prior year has been presented in the accompanying balance sheets and statements of operations in order to provide an understanding of changes in the Township's financial position and operations. However, comparative data have not been presented in all statements because their inclusion would make certain statements unduly complex and difficult to understand.

Use of Estimates - The preparation of financial statements requires management of the Township to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Accordingly, actual results could differ from those estimates.

Recent Accounting Pronouncements

In June 2015, the Government Accounting Standards Board issued GASB Statement No. 75, Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions. This Statement applies to government employers who provided OPEB plans to their employees and basically parallels GASB Statement 68 and replaces GASB Statement 45. The Statement is effective for periods beginning after June 15, 2017. The Township does not believe this Statement will have any effect on future financial statements.

**TOWNSHIP OF MANSFIELD**

**NOTES TO FINANCIAL STATEMENTS  
YEARS ENDED DECEMBER 31, 2017 AND 2016  
CONTINUED**

**NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

B. Basis of Accounting (continued)

Recent Accounting Pronouncements (continued)

In June 2015, the Government Accounting Standards Board issued GASB Statement No. 76, *The Hierarchy of Generally Accepted Accounting Principles for State and Local Governments*, which reduces the GAAP hierarchy to two categories of authoritative GAAP from the four categories under GASB Statement No. 55, *The Hierarchy of Generally Accepted Accounting Principles for State and Local Governments*. The first category of authoritative GAAP consists of GASB Statements of Governmental Accounting Standards. The second category comprises GASB Technical Bulletins and Implementation Guides, as well as guidance from the American Institute of Certified Public Accountants that is cleared by the GASB. The Township does not believe this Statement will have any effect on future financial statements.

In August 2015, the Government Accounting Standards Board issued GASB Statement No. 77, *Tax Abatement Disclosures*, which improve financial reporting by giving users of financial statements essential information that is not consistently or comprehensively reported to the public at present. Disclosure of information about the nature and magnitude of tax abatements will make these transactions more transparent to financial statement users. As a result, users will be better equipped to understand (1) how tax abatements affect a government's future ability to raise resources and meet its financial obligations and (2) the impact those abatements have on a government's financial position and economic condition. The Township does not believe this Statement will have any effect on future financial statements.

In December 2015, the Government Accounting Standards Board issued GASB Statement No. 78, *Pensions Provided Through Certain Multiple-Employer Defined Benefit Pension Plans*. The objective of this Statement is to address a practice issue regarding the scope and applicability of Statement No. 68, *Accounting and Financial Reporting for Pensions*. This issue is associated with pensions provided through certain multiple-employer defined benefit pension plans and to state or local governmental employers whose employees are provided with such pensions. This Statement is effective for reporting periods beginning after December 15, 2015. The Township does not believe this Statement will have any effect on future financial statements.

In December 2015, the Government Accounting Standards Board issued GASB Statement No. 79, *Certain External Investment Pools and Pool Participants*. This Statement addresses accounting and financial reporting for certain external investment pools and pool participants. Specifically, it established criteria for an external investment pool to qualify for making the election to measure all of its investments at amortized cost for financial reporting purposes. This Statement is effective for periods beginning after June 15, 2015, and for certain provisions, periods beginning after December 15, 2015. The Township does not believe this Statement will have any effect on future financial statements.

## TOWNSHIP OF MANSFIELD

### NOTES TO FINANCIAL STATEMENTS YEARS ENDED DECEMBER 31, 2017 AND 2016 CONTINUED

#### NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

##### B. Basis of Accounting (continued)

##### Recent Accounting Pronouncements (continued)

In January 2016, the Government Accounting Standards Board issued GASB Statement No. 80, *Blending Requirements for Certain Component Units*, which provides clarity about how certain component units incorporated as not-for-profit corporations should be presented in the financial statements of the primary state or local government. The Township does not believe this Statement will have any effect on future financial statements.

In March 2016, the Government Accounting Standards Board issued GASB Statement No. 81, *Irrevocable Split-Interest Agreements*. The objective of this Statement is to improve accounting and financial reporting for irrevocable split-interest agreements by providing recognition and measurement guidance for situations in which a government is a beneficiary of the agreement. The Township does not believe this Statement will have any effect on future financial statements.

In March 2016, the Government Accounting Standards Board issued GASB Statement No. 82, *Pension Issues - an Amendment of GASB Statements No. 67, No. 68 and No. 73*. The objective of this Statement is to address certain issues that have been raised with respect to Statement No. 67, *Financial Reporting for Pension Plans*, No. 68, *Accounting and Financial Reporting for Pensions*, and No. 73, *Accounting and Financial Reporting for Pensions and Related Assets That Are Not Within the Scope of GASB Statement 68, and Amendments to Certain Provisions of GASB Statements 67 and 68*. This Statement is effective for reporting periods beginning after June 15, 2016. Specifically, this Statement addresses issues regarding (1) the presentation of payroll-related measures in required supplementary information, (2) the selection of assumptions and the treatment of deviations from the guidance in an Actuarial Standard of Practice. The Township does not believe this Statement will have any effect on future financial statements.

In November 2016, the Government Accounting Standards Board issued GASB Statement No. 83, *Certain Asset Retirement Obligations*. This Statement establishes criteria for determining the timing and pattern of recognition of a liability and a corresponding deferred outflows of resources for asset retirement obligations (AROs). The Township does not believe this Statement will have any effect on future financial statements.

In January 2017, the Government Accounting Standards Board issued GASB Statement No. 84, *Fiduciary Activities*. This Statement establishes criteria for identifying fiduciary activities of all state and local governments. The focus on the criteria generally is on (1) whether a government is controlling the assets of the fiduciary activity and (2) the beneficiaries with whom a fiduciary relationship exists. Separate criteria are included to identify component units and postemployment benefit arrangements that are fiduciary activities. The Township is currently evaluating the effects, if any, this Statement may have on future financial statements.

## TOWNSHIP OF MANSFIELD

### NOTES TO FINANCIAL STATEMENTS YEARS ENDED DECEMBER 31, 2017 AND 2016 CONTINUED

#### NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

##### B. Basis of Accounting (continued)

###### Recent Accounting Pronouncements (continued)

In March 2017, the Government Accounting Standards Board issued GASB Statement No. 85, Omnibus 2017, which addresses practice issues that have been identified during the implementation and application of certain GASB statements. This Statement addresses a variety of topics including issues relating to blending component units, goodwill, fair value measurement and application, and postemployment benefits. The Township is currently reviewing what effect, if any, this Statement might have on future financial statements.

In May 2017, the Governmental Accounting Standards Board issued GASB Statement No. 86, Certain Debt Extinguishment Issues, which improves consistency in accounting and financial reporting for in-substance defeasance of debt by providing guidance for transactions in which cash and other monetary assets acquired with only existing resources—resources other than the proceeds of refunding debt—are placed in an irrevocable trust for the sole purpose of extinguishing debt. This Statement also improves accounting and financial reporting for prepaid insurance on debt that is extinguished and notes to financial statements for debt that is defeased in substance. The requirements of this Statement are effective for reporting periods beginning after June 15, 2017. The Township is currently reviewing what effect, if any, this Statement might have on future financial statements.

In June 2017, the Government Accounting Standards Board issued GASB Statement No. 87, Leases, which is intended to increase the usefulness of governments' financial statements by requiring recognition of certain lease assets and liabilities for leases that previously were classified as operating leases and recognized as inflows of resources or outflows of resources based on the payment provisions of the contract. Under this Statement, a lessee is required to recognize a lease liability and an intangible right-to-use lease asset, as a lessor is required to recognize a lease receivable and a deferred inflow of resources, thereby enhancing the relevance and consistency of information about the government's leasing activities. The Township is currently reviewing what effect, if any, this Statement might have on future financial statements.

##### C. Basic Financial Statements

The GASB Codification also defines the financial statements of a governmental unit to be presented in the general purpose financial statements of a government unit to be in accordance with GAAP. The Township presents the financial statements listed in the table of contents which are required by the Division and which differ from the financial statements required by GAAP. In addition, the Division requires the financial statements listed in the table of contents to be referenced to the supplementary schedules. This practice differs from GAAP.

**TOWNSHIP OF MANSFIELD**

**NOTES TO FINANCIAL STATEMENTS  
YEARS ENDED DECEMBER 31, 2017 AND 2016  
CONTINUED**

**NOTE 2: BUDGETARY INFORMATION**

Under New Jersey State Statues, the annual budget is required to be a balanced cash basis document. To accomplish this, the municipality is required to establish a reserve for uncollected taxes. The 2017 statutory budget included a reserve for uncollected taxes in the amount of \$660,457.00. To balance the budget, the municipality is required to show a budgeted fund balance. The amount of fund balance budgeted to balance the 2017 statutory budget was \$340,000.00.

Inter department budget transfers are not permitted prior to November 1. After November 1, budget transfers can be made in the form of a resolution and approved by the Township Committee.

N.J.S.A. 40A:4-87 permits special items of revenue and appropriations to be inserted into the annual budget when the item has been made available by any public or private funding source and the item was not determined at the time of budget adoption. During 2017, funding in the amount of \$772.08 was inserted into the budget for Municipal Alcohol Education/Rehabilitation; \$5,500.00 for Drive Sober or Get Pulled Over; \$1,705.18 for Body Armor; \$2,271.18 for SIF Risk Control Grant; \$21,420.32 for Clean Communities; \$5,500.00 for Click-it-or-Ticket; \$105,000.00 for NJ DOT Municipal Aid and \$47,204.37 for Recycling Tonnage.

The municipality may make emergency appropriations, after the adoption of the budget, for a purpose which was not foreseen at the time the budget was adopted or for which adequate provision was not made therein. This type of appropriation shall be made to meet a pressing need for public expenditure to protect or promote the public health, safety, morals or welfare or to provide temporary housing or public assistance prior to the next succeeding fiscal year. Emergency appropriations, except those classified as a special emergency, must be raised in the budgets of the succeeding year. Special emergency appropriations are permitted to be raised in the budgets of the succeeding three or five years. During 2017, there were no Special Emergency Authorizations.

**TOWNSHIP OF MANSFIELD**

**NOTES TO FINANCIAL STATEMENTS  
YEARS ENDED DECEMBER 31, 2017 AND 2016  
CONTINUED**

**NOTE 3: DEFERRED CHARGES TO BE RAISED IN SUCCEEDING BUDGETS**

Certain expenditures are required to be deferred to budgets of succeeding years. At December 31, 2017 the following deferred charges are shown on the balance sheets of the various funds:

	<u>Balance Dec. 31, 2017</u>	<u>2018 Budget Appropriation</u>	<u>Balance to Succeeding Budgets</u>
Animal Control:			
Deficit Animal Control Fund	\$ 4,750.32	\$4,445.00	\$305.32
Current Fund:			
Revaluation of Taxes	<u>37,610.00</u>	<u>37,610.00</u>	<u>-</u>
	<u>\$42,360.32</u>	<u>\$42,055.00</u>	<u>\$305.32</u>

**NOTE 4: GENERAL FIXED ASSETS**

The following schedule is a summarization of the changes in general fixed assets for the calendar year ended December 31, 2017.

	<u>Balance as of 12/31/16</u>	<u>Additions</u>	<u>Deletions</u>	<u>Balance as of 12/31/17</u>
Land/Land Improvements & Buildings	\$5,668,100.00	\$ -	\$ -	\$5,668,100.00
Equipment, Furniture & Vehicles	<u>1,763,133.00</u>	<u>356,571.00</u>	<u>126,380.00</u>	<u>1,993,324.00</u>
	<u>\$7,431,233.00</u>	<u>\$356,571.00</u>	<u>\$126,380.00</u>	<u>\$7,661,424.00</u>

**TOWNSHIP OF MANSFIELD**

**NOTES TO FINANCIAL STATEMENTS  
YEARS ENDED DECEMBER 31, 2017 AND 2016  
CONTINUED**

**NOTE 5: MUNICIPAL DEBT**

Long-term debt as of December 31, 2017 consisted of the following:

	<u>Balance Dec. 31, 2016</u>	<u>Additions</u>	<u>Reductions</u>	<u>Balance Dec. 31, 2017</u>	<u>Amount Due Within One Year</u>
Bonds Payable -					
General Obligation Debt	\$1,477,000.00	\$1,000,000.00	\$1,161,000.00	\$1,316,000.00	\$206,000.00
Other Liabilities -					
Compensated Absences Payable	<u>387,952.73</u>	<u>14,101.46 (1)</u>	<u>-</u>	<u>402,054.19</u>	<u>-</u>
	<u>\$1,864,952.73</u>	<u>\$1,014,101.46</u>	<u>\$1,161,000.00</u>	<u>\$1,718,054.19</u>	<u>\$206,000.00</u>

(1) Net of time allowed and time used

The Local Bond Law governs the issuance of bonds and notes to finance capital expenditures. General obligation bonds have been issued for the general capital fund. All bonds are retired in serial installments within the statutory period of usefulness. Bonds issued by the Township are general obligation bonds, backed by full faith and credit of the Township. Bond anticipation notes, which are issued to temporarily finance capital projects, must be paid off within ten years and five months or retired by the issuance of bonds.

The Township's debt is summarized as follows:

	<u>Year 2017</u>	<u>Year 2016</u>	<u>Year 2015</u>
<u>Issued</u>			
General Capital Fund:			
Bonds, Loans and Notes	\$1,958,915.00	\$1,806,080.00	\$2,047,000.00
Current Fund:			
Emergency Note	<u>37,610.00</u>	<u>75,220.00</u>	<u>112,830.00</u>
	1,996,525.00	1,881,300.00	2,159,830.00
<u>Authorized But Not Issued</u>			
General Capital Fund:			
Bonds and Notes	<u>-</u>	<u>331,421.00</u>	<u>-</u>
Net Bonds & Notes Issued & Authorized But Not Issued	<u>\$1,996,525.00</u>	<u>\$2,212,721.00</u>	<u>\$2,159,830.00</u>



**TOWNSHIP OF MANSFIELD**

**NOTES TO FINANCIAL STATEMENTS  
YEARS ENDED DECEMBER 31, 2017 AND 2016  
CONTINUED**

**NOTE 5: MUNICIPAL DEBT (CONTINUED)**

SUMMARY OF STATUTORY DEBT CONDITION - ANNUAL DEBT STATEMENTS

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 0.278%.

	<u>Gross Debt</u>	<u>Deductions</u>	<u>Net Debt</u>
Local School District Debt	\$5,985,000.00	\$ 5,985,000.00	\$ -
Regional High School	5,519,253.48	5,519,253.48	-
General Debt	<u>1,996,525.00</u>	<u>-</u>	<u>1,996,525.00</u>
	<u>\$13,495,778.48</u>	<u>\$11,504,253.48</u>	<u>\$1,996,525.00</u>

Net Debt \$1,996,525.00 divided by average equalized valuation basis per N.J.S.A. 40A:2-2 as amended, 715,885,716.67 = 0.278%.

SUMMARY OF EQUALIZED VALUATIONS

2017	715,885,716.67		
2016		703,156,265.33	
2015			688,923,991.67

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

3 ½% of Average Equalized Valuation Basis	25,056,000.08
Net Debt	<u>1,996,525.00</u>
Remaining Borrowing Power	<u>23,059,475.08</u>

**TOWNSHIP OF MANSFIELD**

**NOTES TO FINANCIAL STATEMENTS  
YEARS ENDED DECEMBER 31, 2017 AND 2016  
CONTINUED**

**NOTE 5: MUNICIPAL DEBT (CONTINUED)**

The foregoing debt information is not in agreement with the Annual Debt Statement filed by the Chief Financial Officer.

Analysis of long-term debt as of December 31, 2017 consisted of the following:

Outstanding bonds and loans whose principal and interest are paid from the Current Fund Budget of the Township:

\$1,481,000.00 General Improvement Bond dated 12/1/2001 payable in annual installments through 9/1/2021. Interest is paid semi-annually at a rate of 5.20% per annum. The balance remaining as of December 31, 2017, was \$411,000.00.

\$1,000,000.00 Refunding Bonds dated 7/01/2017 payable in annual installments through 9/1/2026. Interest is paid annually at a rate of 3.00% per annum. The balance remaining as of December 31, 2017, was \$905,000.00.

Total General Capital Bonds and Loans listed above \$1,316,000.00

**SCHEDULE OF ANNUAL DEBT SERVICE FOR PRINCIPAL AND INTEREST FOR BONDED DEBT AND LOANS ISSUED AND OUTSTANDING**

Calendar Year	General		Total
	Principal	Interest	
2018	206,000.00	44,293.50	250,293.50
2019	201,000.00	36,580.00	237,580.00
2020	211,000.00	28,607.50	239,607.50
2021	198,000.00	20,376.00	218,376.00
2022	105,000.00	12,820.50	117,820.50
2023-2026	<u>395,000.00</u>	<u>24,864.00</u>	<u>419,864.00</u>
Total Debt	<u>1,316,000.00</u>	<u>167,541.50</u>	<u>1,483,541.50</u>

**TOWNSHIP OF MANSFIELD**

**NOTES TO FINANCIAL STATEMENTS  
YEARS ENDED DECEMBER 31, 2017 AND 2016  
CONTINUED**

**NOTE 6: BOND ANTICIPATION NOTES**

The following activity related to bond anticipation notes occurred during the calendar year ended December 31, 2017.

	<u>Balance</u> <u>12/31/16</u>	<u>Additions</u>	<u>Reductions</u>	<u>Balance</u> <u>12/31/17</u>
General Capital Fund:				
First Hope Bank	<u>329,080.00</u>	<u>642,915.00</u>	<u>329,080.00</u>	<u>642,915.00</u>

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 one year. Generally, such notes must be paid no later than the first day of the fifth month following the close of the tenth fiscal year following the date of the original notes. 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 to be paid or retired. A second and third legal installment must be paid if the notes are to be renewed beyond the fourth and fifth anniversary date of the original issuance. A legal installment is not required after the fifth anniversary date.

The Township has outstanding at December 31, 2017, a bond anticipation note in the amount of \$642,915.00 payable to First Hope Bank. This note matured on May 16, 2018 and it was the intent of the Township Committee to renew this note for another one year period. The current interest rate on this note is 1.43%. The original amount of \$642,915.00 was decreased by a principal payment of \$108,032.00. The new note, in the amount of \$534,883.00 has an issue date of May 15, 2018, at an interest rate of 2.248%, with a maturity date of May 14, 2019, payable to Township of East Brunswick.

The Township had an emergency note in the amount of \$37,610.00, with an interest rate of 1.43% and maturity date of May 16, 2018. This note was paid off in 2018 from the Current Fund budget.

**TOWNSHIP OF MANSFIELD**

**NOTES TO FINANCIAL STATEMENTS  
YEARS ENDED DECEMBER 31, 2017 AND 2016  
CONTINUED**

**NOTE 7: DUE TO/FROM OTHER FUNDS**

Balances due to/from other funds at December 31, 2017 consist of the following:

\$110,107.05	Due to Federal and State Grant Fund from Current Fund for Federal and State Grants received and disbursed by the Current Fund.
4,116.03	Due to Current Fund from Animal Control Trust Fund for various receipts and disbursements made in Current Fund for Animal Control Trust Fund.
0.32	Due to Current Fund from General Capital Fund for various receipts and disbursements made in General Capital Fund for Current Fund
98,847.11	Due to Current Fund from Other Trust Fund for various receipts and disbursements made in Current Fund for Other Trust Fund.
<u>25,000.00</u>	Due to Other Trust Fund from General Capital Fund for various receipts and disbursements made from Other Trust Fund for General Capital Fund.
<u>\$238,070.51</u>	

It is anticipated that all interfunds will be liquidated during the calendar year.

**NOTE 8: FUND BALANCES APPROPRIATED**

Fund balances at December 31, 2017 and 2016 which were appropriated and included as anticipated revenue in their own respective funds for the years ending December 31, 2018 and 2017 were as follows:

	<u>2018</u>	<u>2017</u>
Current Fund	<u>\$470,000.00</u>	<u>\$340,000.00</u>

**TOWNSHIP OF MANSFIELD**  
**NOTES TO FINANCIAL STATEMENTS**  
**YEARS ENDED DECEMBER 31, 2017 AND 2016**  
**CONTINUED**

**NOTE 9: PENSION PLANS**

Description of Plans:

Township employees participate in one of the two contributory, defined benefit public employee retirement systems: the State of New Jersey Public Employees' Retirement System (PERS) or the State of New Jersey Police and Firemen's Retirement System (PFRS); or the Defined Contribution Retirement Program (DCRP), a tax-qualified defined contribution money purchase pension plan under Internal Revenue Code (IRC) 401(a).

*Public Employees' Retirement System (PERS)*

Plan Description

The State of New Jersey Public Employees' Retirement System (PERS) is a cost-sharing multiple-employer defined benefit pension plan administered by the State of New Jersey, Division of Pensions and Benefits (the "Division"). For additional information about the PERS, please refer to the Division's Comprehensive Annual Financial Report (CAFR) which can be found at [www.state.nj.us/treasury/pensions/annrpts.shtml](http://www.state.nj.us/treasury/pensions/annrpts.shtml).

Benefits Provided

The vesting and benefit provisions are set by N.J.S.A. 43:15A. PERS provides retirement, death and disability benefits. All benefits vest after ten years of service, except for medical benefits, which vest after 25 years of service or under the disability provisions of PERS. The following represents the membership tiers for PERS:

<u>Tier</u>	<u>Definition</u>
1	Members who were enrolled prior to July 1, 2007
2	Members who were eligible to enroll on or after July 1, 2007 and prior to November 2, 2008
3	Members who were eligible to enroll on or after November 2, 2008 and prior to May 22, 2010
4	Members who were eligible to enroll on or after May 22, 2010 and prior to June 28, 2011
5	Members who were eligible to enroll on or after June 28, 2011

Service retirement benefits of 1/55<sup>th</sup> of final average salary for each year of service credit is available to Tiers 1 and 2 members upon reaching age 60 and to Tier 3 members upon reaching age 62. Service retirement benefits of 1/60<sup>th</sup> of final average salary for each year of service credit is available to Tier 4 members upon reaching age 62 and to Tier 5 members upon reaching age 65. Early retirement benefits are available to Tiers 1 and 2 members before reaching age 60, to Tiers 3 and 4 before age 62 with 25 or more years of service credit and Tier 5 with 30 or more years of service credit before age 65. Benefits are reduced by a fraction of a percent for each month that a member retires prior to the age at

**TOWNSHIP OF MANSFIELD**

**NOTES TO FINANCIAL STATEMENTS  
YEARS ENDED DECEMBER 31, 2017 AND 2016  
CONTINUED**

**NOTE 9: PENSION PLANS (CONTINUED)**

*Public Employees' Retirement System (PERS) (continued)*

Benefits Provided (continued)

which a member can receive full early retirement benefits in accordance with their respective tier. Tier 1 members can receive an unreduced benefit from age 50 to age 60 if they have at least 25 years of service. Deferred retirement is available to members who have at least 10 years of service credit and have not reached the service retirement age for the respective tier.

*Police and Firemens' Retirement System (PFRS)*

Plan Description

The State of New Jersey Police and Firemen's Retirement System (PFRS), is a cost-sharing multiple-employer defined benefit pension plan administered by the State of New Jersey Division of Pensions and Benefits (the "Division"). For additional information about the PFRS, please refer to the Division's Comprehensive Annual Financial Report (CAFR) which can be found at [www.state.nj.us/treasury/pensions/annrpts.shtml](http://www.state.nj.us/treasury/pensions/annrpts.shtml).

Benefits Provided

The vesting and benefit provisions are set by N.J.S.A. 43:16A. PFRS provides retirement, death and disability benefits. All benefits vest after ten years of service, except for disability benefits, which vest after 4 years of service. The following represents the membership tiers for PFRS:

<u>Tier</u>	<u>Definition</u>
1	Members who were enrolled prior to May 22, 2010
2	Members who were eligible to enroll on or after May 22, 2010 and prior to June 28, 2011
3	Members who were eligible to enroll on or after June 28, 2011

Service retirement benefits are available at age 55 and are generally determined to be 2% of final compensation for each year of creditable service, as defined, up to 30 years plus 1% for each year of service in excess of 30 years. Members may seek special retirement after achieving 25 years of creditable service, in which benefits would equal 65% (Tiers 1 and 2 members) and 60% (Tier 3 members) of final compensation plus 1% for each year of creditable service over 25 years but not to exceed 30 years. Members may elect deferred retirement benefits after achieving ten years of service, in which case benefits would begin at age 55 equal to 2% of final compensation for each year of service.

**TOWNSHIP OF MANSFIELD**

**NOTES TO FINANCIAL STATEMENTS  
YEARS ENDED DECEMBER 31, 2017 AND 2016  
CONTINUED**

**NOTE 9: PENSION PLANS (CONTINUED)**

Defined Contribution Retirement Program

Prudential Financial jointly administers the DCRP investments with the NJ Division of Pensions and Benefits. If an employee is ineligible to enroll in the PERS or PFRS, the employee may be eligible to enroll in the DCRP. DCRP provides eligible members with a tax-sheltered, defined contribution retirement benefit, along with life insurance and disability coverage. Vesting is immediate upon enrollment for members of the DCRP.

The State of New Jersey, Department of the Treasury, Division of Pensions and Benefits, issues publicly available financial reports that include the financial statements and required supplementary information of the DCRP. The financial reports may be obtained by writing to the State of New Jersey, Department of the Treasury, Division of Pensions and Benefits, PO Box 295, Trenton, New Jersey, 08625-0295.

Employers are required to contribute at an actuarially determined rate. Employee contributions are based on percentages of 5.50% for DCRP of employees' annual compensation, as defined. The DCRP was established July 1, 2007, under the provisions of Chapter 92, P.L. 2007 and expanded under the provisions of Chapter 89, P.L. 2008. Employee contributions for DCRP are matched by a 3% employer contribution.

Contribution Requirements

The contribution policy is set by laws of the State of New Jersey and, in most retirement systems, contributions are required by active members and contributing employers. Plan member and employer contributions may be amended by State of New Jersey legislation. The pension funds provide for employee contributions based on 5.5% for PERS. This amount will increase to 6.5% plus an additional 1% phased in over 7 years beginning 2012 and 8.5% for PFRS, which increased to 10% in October 2011, of the employee's annual compensation, as defined by law. Employers are required to contribute at an actuarially determined rate in all Funds. The actuarially determined employer contribution includes funding for cost-of-living adjustments and noncontributory death benefits in the PERS and PFRS. In the PERS and PFRS, the employer contribution includes funding for post-retirement medical premiums.

The Township's contribution to the various plans, equal to the required contributions for each year, were as follows:

<u>Year</u>	<u>PERS</u>	<u>PFRS</u>	<u>DCRP</u>
2017	\$99,650.00	\$274,836.00	\$2,377.16
2016	95,578.34	256,880.89	493.36
2015	94,171.00	225,019.00	1,152.00

**TOWNSHIP OF MANSFIELD**

**NOTES TO FINANCIAL STATEMENTS  
YEARS ENDED DECEMBER 31, 2017 AND 2016  
CONTINUED**

**NOTE 9: PENSION PLANS (CONTINUED)**

Contribution Requirements (continued)

Statement No's 68 and 71 require a state or local government employer to recognize a net pension liability measured as of a date (the measurement date) no earlier than the end of its prior fiscal year. However, since the financial statements are prepared on another comprehensive basis of accounting, the net pension liability of the various pension systems is not recorded in the financial statements and is only required to be disclosed in the notes to the financial statements.

**Pension Liabilities, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions**

**Public Employees Retirement System (PERS)**

At December 31, 2017, the Township had a liability of \$2,890,699.00 for its proportionate share of the PERS net pension liability. The net pension liability was measured as of June 30, 2017, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of that date. The Township's proportion of the net pension liability was based on a projection of the Township's long-term share of contributions to the pension plan relative to the projected contributions of all participating governmental entities, actuarially determined. At June 30, 2017, the Township's proportion was 0.0124179452 percent, which was an increase/(decrease) of 0.0017544464 percent from its proportion measured as of June 30, 2016.

For the year ended December 31, 2017, the Township recognized pension expense of \$99,650.00. At December 31, 2017, deferred outflows of resources and deferred inflows of resources related to PERS from the following sources:

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Difference between expected and actual experience	\$68,066.00	\$ -
Changes of assumptions	582,376.00	580,241.00
Net difference between projected and actual earnings on pension plan investments	19,684.00	-
Changes in proportion and differences between the Township's contributions and proportionate share of contributions	<u>337,040.00</u>	<u>92,611.00</u>
Total	<u>\$1,007,166.00</u>	<u>\$672,852.00</u>



**TOWNSHIP OF MANSFIELD**

**NOTES TO FINANCIAL STATEMENTS  
YEARS ENDED DECEMBER 31, 2017 AND 2016  
CONTINUED**

**NOTE 9: PENSION PLANS (CONTINUED)**

**Public Employees Retirement System (PERS), (continued)**

Amounts reported as deferred outflows of resources related to pensions resulting from contributions subsequent to the measurement date (June 30, 2017) will be recognized as a reduction of the net pension liability in the subsequent year. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions (excluding changes in proportion) will be recognized in pension expense as follows:

Year ended June 30:	
2018	\$68,050.00
2019	102,689.00
2020	62,224.00
2021	(82,758.00)
2022	(60,320.00)

**Changes in Proportion**

The previous amounts do not include employer specific deferred outflows of resources and deferred inflows of resources related to changes in proportion. These amounts should be recognized (amortized) by each employer over the average of the expected remaining service lives of all plan members, which is 5.48, 5.57, 5.72 and 6.44 years for 2017, 2016, 2015 and 2014 amounts respectively.

**Additional Information**

Local Group Collective balances at June 30, 2017 and June 30, 2016 are as follows:

	<u>June 30, 2017</u>	<u>June 30, 2016</u>
Collective deferred outflows of resources	\$6,424,455,842	\$8,685,338,380
Collective deferred inflows of resources	5,700,625,981	870,133,595
Collective net pension liability	23,278,401,588	29,617,131,759
Township's Proportion	0.0124179452%	0.0106634988%

**TOWNSHIP OF MANSFIELD**

**NOTES TO FINANCIAL STATEMENTS  
YEARS ENDED DECEMBER 31, 2017 AND 2016  
CONTINUED**

**NOTE 9: PENSION PLANS (CONTINUED)**

**Public Employees Retirement System (PERS), (continued)**

**Actuarial Assumptions**

The total pension liability for the June 30, 2017 measurement date was determined by an actuarial valuation as of July 1, 2016, which rolled forward to June 30, 2017. This actuarial valuation used the following assumptions, applied to all periods in the measurement.

Inflation	2.25 Percent
Salary Increases:	
Through 2026	1.65-4.15 Percent (based on age)
Thereafter	2.65-5.15 Percent (based on age)
Investment Rate of Return	7.00 Percent

The actuarial assumptions used in the June 30, 2016 valuation were based on the results of an actuarial experience study for the period July 1, 2011 to June 30, 2014. It is likely that future experience will not exactly conform to these assumptions. To the extent that actual experience deviates from these assumptions, the emerging liabilities may be higher or lower than anticipated. The more the experience deviates, the larger the impact on future financial statements.

**Mortality Rates**

Pre-retirement mortality rates were based on the RP-2000 Employee Pre-retirement Mortality Table for male and female active participants. For State employees, mortality tables are set back 4 years for males and females. For local employees, mortality tables are set back 2 years for males and 7 years for females. In addition, the tables provide for future improvements in mortality from the base year of 2013 using a generational approach based on the plans actuary's modified MP-2014 projection scale. Post-retirement mortality rates were based on the RP-2000 Combined Healthy Male and Female Mortality Tables (setback 1 year for males and females) for service retirements and beneficiaries of former members and a one year static projection based on mortality improvement Scale AA. In addition, the tables for service retirements and beneficiaries of former members provide for future improvements in mortality from the base year of 2013 using a generational approach based on the plan actuary's modified MP-2014 projection scale. Disability retirement rates used to value disabled retirees were based on the RP-2000 Disabled Mortality Table (set back 3 years for males and set forward 1 year for females).

**TOWNSHIP OF MANSFIELD**

**NOTES TO FINANCIAL STATEMENTS  
YEARS ENDED DECEMBER 31, 2017 AND 2016  
CONTINUED**

**NOTE 9: PENSION PLANS (CONTINUED)**

**Public Employees Retirement System (PERS), (continued)**

**Long-Term Rate of Return**

In accordance with State statute, the long-term expected rate of return on plan investments (7.00% at June 30, 2017) is determined by the State Treasurer, after consultation with the Directors of the Division of Investments and Division of Pensions and Benefits, the board of trustees and the actuaries. The long-term expected rate of return was determined using a building block method in which best-estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. Best estimates of arithmetic real rates of return for each major asset class included in PERS's target asset allocation as of June 30, 2017 are summarized in the following table:

<u>Asset Class</u>	<u>Target Allocation</u>	<u>Long-Term Expected Real Rate of Return</u>
Absolute return/risk mitigation	5.00%	5.51%
Cash equivalents	5.50%	1.00%
U. S. Treasuries	3.00%	1.87%
Investment grade credit	10.00%	3.78%
Public high yield	2.50%	6.82%
Global diversified credit	5.00%	7.10%
Credit oriented hedge funds	1.00%	6.60%
Debt related private equity	2.00%	10.63%
Debt related real estate	1.00%	6.61%
Private real estate	2.50%	11.83%
Equity related real estate	6.25%	9.23%
U. S. Equity	30.00%	8.19%
Non-U. S. Developed markets equity	11.50%	9.00%
Emerging markets equity	6.50%	11.64%
Buyouts/venture capital	8.25%	13.08%

**TOWNSHIP OF MANSFIELD**

**NOTES TO FINANCIAL STATEMENTS  
YEARS ENDED DECEMBER 31, 2017 AND 2016  
CONTINUED**

**NOTE 9: PENSION PLANS (CONTINUED)**

**Public Employees Retirement System (PERS), (continued)**

**Discount Rate**

The discount rate used to measure the total pension liability was 5.00% as of June 30, 2017. This single blended discount rate was based on the long-term expected rate of return on pension plan investments of 7.00%, and a municipal bond rate of 3.58% as of June 30, 2017 based on the Bond Buyer GO 20-Bond Municipal Bond Index, which includes tax-exempt general obligation municipal bonds with an average rating of AA/Aa or higher. The projection of cash flows used to determine the discount rate assumed that contributions from plan members will be made at the current member contribution rates and that contributions from employers will be made based on the contribution rate in the most recent fiscal year. The State contributed 40% of the actuarially determined contributions and the local employers contributed 100% of their actuarially determined contributions. Based on those assumptions, the plan's fiduciary net position was projected to be available to make projected future benefit payments of current plan members through 2040. Therefore, the long-term expected rate of return on plan investments was applied to projected benefit payments through 2040 and the municipal bond rate was applied to projected benefit payments after that date in determining the total pension liability.

**Sensitivity of the Collective Net Pension Liability to Changes in the Discount Rate**

The following presents the collective net pension liability of the participating employers as of June 30, 2017 respectively, calculated using the discount rate as disclosed above as well as what the collective net pension liability would be if it was calculated using a discount rate that is 1 - percentage point lower or 1- percentage-point higher than the current rate:

	June 30, 2017		
	1% Decrease	At Current Discount Rate	1% Increase
	<u>4.00%</u>	<u>5.00%</u>	<u>6.00%</u>
Township's proportionate share of the pension liability	\$3,586,108	\$2,890,699	\$2,311,337

**Pension Plan Fiduciary Net Position**

Detailed information about the pension plan's fiduciary net position is available in the separately issued Financial Report for the State of New Jersey Public Employees Retirement System (PERS). The financial report may be accessed at [www.state.nj.us/treasury/pensions](http://www.state.nj.us/treasury/pensions).

**TOWNSHIP OF MANSFIELD**

**NOTES TO FINANCIAL STATEMENTS  
YEARS ENDED DECEMBER 31, 2017 AND 2016  
CONTINUED**

**NOTE 9: PENSION PLANS (CONTINUED)**

**Police and Firemen's Retirement System (PFRS)**

At December 31, 2017, the Township had a liability of \$5,337,953.00 for its proportionate share of the PFRS net pension liability. The net pension liability was measured as of June 30, 2017, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of that date. The Township's proportion of the net pension liability was based on a projection of the Township's long-term share of contributions to the pension plan relative to the projected contributions of all participating governmental entities, actuarially determined. At June 30, 2017, the Township's proportion was 0.0345765670 percent, which was an increase of 0.0029329812 percent from its proportion measured as of June 30, 2016.

For the year ended December 31, 2017, the Township recognized pension expense of \$274,836.00. At December 31, 2017, deferred outflows of resources and deferred inflows of resources related to PFRS from the following sources:

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Difference in actual and expected experience	\$34,629.00	\$31,329.00
Changes of assumptions	658,229.00	874,201.00
Net difference between projected and actual earnings on pension plan investments	101,861.00	-
Changes in proportion and differences between Township contributions and proportionate share of contributions	<u>725,002.00</u>	<u>-</u>
Total	<u>\$1,519,721.00</u>	<u>\$905,530.00</u>

Amounts reported as deferred outflows of resources related to pensions resulting from contributions subsequent to the measurement date (June 30, 2017) will be recognized as a reduction of the net pension liability in the subsequent year. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions (excluding changes in proportion) will be recognized in pension expense as follows:

Year ended June 30:	
2018	\$64,954.00
2019	175,914.00
2020	36.00
2021	(243,796.00)
2022	(107,919.00)

**TOWNSHIP OF MANSFIELD**  
**NOTES TO FINANCIAL STATEMENTS**  
**YEARS ENDED DECEMBER 31, 2017 AND 2016**  
**CONTINUED**

**NOTE 9: PENSION PLANS (CONTINUED)**

**Police and Firemen's Retirement System, (continued)**

**Changes in Proportion**

The previous amounts do not include employer specific deferred outflows of resources and deferred inflows of resources related to changes in proportion. These amounts should be recognized (amortized) by each employer over the average of the expected remaining service lives of all plan members, which is 5.59, 5.58, 5.53 and 6.17 years for 2017, 2016, 2015 and 2014 amounts respectively.

**Additional Information**

Local Group Collective balances at June 30, 2017 and June 30, 2016 are as follows:

	<u>June 30, 2017</u>	<u>June 30, 2016</u>
Collective deferred outflows of resources	\$2,941,952,753	\$4,547,316,543
Collective deferred inflows of resources	3,262,432,093	688,197,590
Collective net pension liability	17,167,260,198	20,706,699,056
Township's Proportion	0.0345765670%	0.0316435858%

**Actuarial Assumptions**

The collective total pension liability for the June 30, 2017 measurement date was determined by an actuarial valuation as of July 1, 2016, which rolled forward to June 30, 2017. This actuarial valuation used the following actuarial assumptions, applied to all periods in the measurement.

Inflation	2.25 Percent
Salary Increases:	
Through 2026	2.10-8.98 Percent (based on age)
Thereafter	3.10-9.98 Percent (based on age)
Investment Rate of Return	7.00 Percent

**TOWNSHIP OF MANSFIELD**

**NOTES TO FINANCIAL STATEMENTS  
YEARS ENDED DECEMBER 31, 2017 AND 2016  
CONTINUED**

**NOTE 9: PENSION PLANS (CONTINUED)**

**Police and Firemen's Retirement System, (continued)**

**Mortality Rates**

Pre-retirement mortality rates were based on the RP-2000 Pre-retirement mortality tables projected thirteen years using Projection Scale BB and then projected on a generational basis using the plan actuary's modified 2014 projection scales. Post-retirement mortality rates for male service retirements and beneficiaries are based on the RP-2000 Combined Healthy Mortality Tables projected one year using Projection Scale AA and two years using the plan actuary's modified 2014 projection scales. Post-retirement mortality rates for female service retirements and beneficiaries are based on the RP-2000 Combined Healthy Mortality Tables projected thirteen years using Projection Scale BB and then two years using the plan actuary's modified 2014 projection scales, which was further projected on a generational basis using the plan actuary's modified 2014 projection scales. Disability mortality rates were based on special mortality tables used for the period after disability.

The actuarial assumptions used in the July 1, 2016 valuation were based on the results of an actuarial experience study for the period July 1, 2010 to June 30, 2013.

**Long-Term Rate of Return**

In accordance with State statute, the long-term expected rate of return on plan investments (7.00% at June 30, 2017) is determined by the State Treasurer, after consultation with the Directors of the Division of Investments and Division of Pensions and Benefits, the board of trustees and the actuaries. The long-term expected rate of return was determined using a building block method in which best-estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. Best estimates of arithmetic real rates of return for each major asset class included in PFRS's target asset allocation as of June 30, 2017 are summarized in the following table:

**TOWNSHIP OF MANSFIELD**

**NOTES TO FINANCIAL STATEMENTS  
YEARS ENDED DECEMBER 31, 2017 AND 2016  
CONTINUED**

**NOTE 9: PENSION PLANS (CONTINUED)**

**Police and Firemen's Retirement System, (continued)**

**Long-Term Rate of Return, (continued)**

<u>Asset Class</u>	<u>Target Allocation</u>	<u>Long-Term Expected Real Rate of Return</u>
Absolute return/risk mitigation	5.00%	5.51%
Cash equivalents	5.50%	1.00%
U. S. Treasuries	3.00%	1.87%
Investment grade credit	10.00%	3.78%
Public high yield	2.50%	6.82%
Global diversified credit	5.00%	7.10%
Credit oriented hedge funds	1.00%	6.60%
Debt related private equity	2.00%	10.63%
Debt related real estate	1.00%	6.61%
Private real estate	2.50%	11.83%
Equity related real estate	6.25%	9.23%
U. S. Equity	30.00%	8.19%
Non-U. S. Developed markets equity	11.50%	9.00%
Emerging markets equity	6.50%	11.64%
Buyouts/venture capital	8.25%	13.08%

**Discount Rate**

The discount rate used to measure the total pension liability was 6.14% as of June 30, 2017. This single blended discount rate was based on the long-term expected rate of return on pension plan investments of 7.00%, and a municipal bond rate of 3.58% as of June 30, 2017 based on the Bond Buyer GO 20-Bond Municipal Bond Index which includes tax-exempt general obligation municipal bonds with an average rating of AA/Aa or higher. The projection of cash flows used to determine the discount rate assumed that contributions from plan members will be made at the current member contribution rates and that contributions from employers and the non-employer contributing entity will be made based on the contribution rate in the most recent fiscal year. The State employer contributed 40% of the actuarially determined contributions and the local employers contributed 100% of their actuarially determined contributions. Based on those assumptions, the plan's fiduciary net position was projected to be available to make projected future benefit payments of current plan members through 2057. Therefore, the long-term expected rate of return on plan investments was applied to projected benefit payments through 2057, and the municipal bond rate was applied to projected benefit payments after that date in determining the total pension liability.



**TOWNSHIP OF MANSFIELD**  
**NOTES TO FINANCIAL STATEMENTS**  
**YEARS ENDED DECEMBER 31, 2017 AND 2016**  
**CONTINUED**

**NOTE 9: PENSION PLANS (CONTINUED)**

**Police and Firemen's Retirement System, (continued)**

**Sensitivity of the Collective Net Pension Liability to Changes in the Discount Rate**

The following presents the collective net pension liability of the participating employers as of June 30, 2017, respectively, calculated using the discount rate as disclosed above as well as what the collective net pension liability would be if it was calculated using a discount rate that is 1- percentage point lower or 1- percentage-point higher than the current rate:

	June 30, 2017		
	1% Decrease <u>5.14%</u>	At Current Discount Rate <u>6.14%</u>	1% Increase <u>7.14%</u>
Township's proportionate share of the pension liability	\$7,820,970	\$5,337,953	\$4,387,008

**Pension Plan Fiduciary Net Position**

Detailed information about the pension plan's fiduciary net position is available in the separately issued Financial Report for the State of New Jersey Police and Firemen's Retirement System (PFRS). The financial report may be accessed at [www.state.nj.us/treasury/pensions](http://www.state.nj.us/treasury/pensions).

**NOTE 10: ACCRUED SICK AND VACATION BENEFITS**

The Township has permitted employees to accrue unused sick pay, which may be taken as time off or paid upon retirement or separation at the employee's current rate at such termination. It is estimated that current cost of such unpaid compensation would approximate \$402,054.19.

This amount is not reported either as an expenditure or a liability. The Township has reserved \$33,663.32 from previous budgets to be used to offset this liability and is reflected on the Trust Fund balance sheet. See Exhibit B-6 for an analysis. It is expected that any remaining cost of such unpaid compensation the would be included in the Township's budget operating expenditures in the year in which it is used.

**TOWNSHIP OF MANSFIELD**  
**NOTES TO FINANCIAL STATEMENTS**  
**YEARS ENDED DECEMBER 31, 2017 AND 2016**  
**CONTINUED**

**NOTE 11: CASH, CASH EQUIVALENTS AND INVESTMENTS**

**Cash**

**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's policy is based on New Jersey Statutes requiring cash be deposited only in New Jersey based banking institutions that participate in New Jersey Governmental Depository Protection Act (GUDPA) or in qualified investments established in New Jersey Statutes 40A:5-15.1(a) that are treated as cash equivalents. As of December 31, 2017, \$0- of the Township's bank balance of \$6,940,015.06 was exposed to custodial credit risk.

**Investments**

**Investment Rate Risk**

The Township does have a formal investment policy that limits investment maturities as a means of managing its exposure to fair value losses arising from increasing interest rates. The State of New Jersey Statutes 40A:5-15.1(a) also limits the length of time for most investments to 397 days.

**Credit Risk**

New Jersey Statutes 40A:5-15.1(a) limits municipal investments to those specified in the Statutes. The type of allowance investments are Bonds of the United States of America, bonds or other obligations of the towns or bonds or other obligations of the local unit or units within which the Township is located: obligations of federal agencies not exceeding 397 days; government money market mutual funds; the State of New Jersey Cash Management Plan; local government investment pools; or repurchase of fully collateralized securities.

**Concentration of Credit Risk**

The Township places no limit on the amount the Township may invest in any one issuer.

**NOTE 12: RISK MANAGEMENT**

The Township is exposed to various risks of loss related to general liability, automobile coverage, damage and destruction of assets; errors and omissions; injuries to employees; and natural disasters. The Township has obtained insurance coverage to guard against these events which will provide minimum exposure to the Township should they occur. During the 2017 calendar year, the Township did not incur claims in excess of their coverage and the amount of coverage did not significantly decrease.

**TOWNSHIP OF MANSFIELD**

**NOTES TO FINANCIAL STATEMENTS  
YEARS ENDED DECEMBER 31, 2017 AND 2016  
CONTINUED**

**NOTE 12: RISK MANAGEMENT (CONTINUED)**

The Township of Mansfield is currently a member of the State Wide Insurance Fund (S.I.F.). S.I.F. provides their members with Liability, Property and Worker’s Compensation and Employer Liability Insurance. S.I.F. is a risk-sharing public entity pool that is both an insured and self administered group of municipalities established for the purpose of providing low-cost insurance coverage for its respective members in order to keep local property taxes at a minimum. Each member appoints an official to represent their respective entity for the purpose of creating a governing body from which officers for the S.I.F. are elected.

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

<u>Fiscal year</u>	<u>Interest Earnings/ Township Contributions</u>	<u>Employee Contributions</u>	<u>Amount Reimbursed</u>	<u>Ending Balance</u>
2017	\$428.72	\$ -	\$17,033.05	\$49,703.59
2016	288.65	-	6,936.99	66,307.92
2015	135.56	-	26,083.33	72,956.26

As a member of S.I.F., the Township could be subject to supplemental assessments in the event of deficiencies. If the assets of the S.I.F. were to be exhausted, members would become responsible for their respective shares of the S.I.F.’s liabilities.

S.I.F. can declare and distribute dividends to members upon approval of the State of New Jersey Department of Insurance. These distributions are divided among the members in the same ratio as their individual assessment related to the total assessment of the membership body.

Financial statements for S.I.F. are available at the office of the S.I.F.’s Administrator, Skylands Risk Management.

**TOWNSHIP OF MANSFIELD**

**NOTES TO FINANCIAL STATEMENTS  
YEARS ENDED DECEMBER 31, 2017 AND 2016  
CONTINUED**

**NOTE 13: LEASES**

On March 3, 2004, the Township entered into a long-term lease for the purchase of a Hackney Rescue Truck. The lease is for a fifteen (15) year term expiring on 7/1/2018. The interest rate is 4.10%.

On April 29, 2004, the Township entered into a long-term lease for the purchase of a Seagrave Marauder Rescue Truck. The lease is for a fifteen (15) year term expiring on 5/1/2019. The interest rate is 5.69%.

On March 20, 2006 the Township entered into a long-term lease for the purchase of a Seagrave Pumper Truck. The lease is for a sixteen (16) year term expiring on 4/15/2021. The interest rate is 4.26%.

On September 30, 2016, the Township entered into a long-term lease for the purchase of a 2016 Ford Police Interceptor sedan vehicle. The lease is for a three (3) year term expiring on 9/30/2018. The interest rate is 5.93%.

The following is a schedule of future minimum lease payments as of December 31, 2017:

Total minimum lease payment	\$216,588.69
Less: amount representing interest	<u>20,515.40</u>
 Present Value of net minimum lease payments	 <u>\$196,073.29</u>

Calendar <u>Year</u>	<u>Principal</u>	<u>Interest</u>	<u>Total Lease Payments</u>
2018	\$ 84,538.40	\$10,635.78	95,174.18
2019	61,468.65	5,970.88	67,439.53
2020	24,902.93	2,584.56	27,487.49
2021	<u>25,163.31</u>	<u>1,324.18</u>	<u>26,487.49</u>
	<u>196,073.29</u>	<u>20,515.40</u>	<u>216,588.69</u>

**NOTE 14: PUBLIC ASSISTANCE**

The Township of Mansfield has elected to have the County of Warren process all public assistance granted to the residents. Therefore, the Township of Mansfield no longer has a public assistance director.

**TOWNSHIP OF MANSFIELD**

**NOTES TO FINANCIAL STATEMENTS  
YEARS ENDED DECEMBER 31, 2017 AND 2016  
CONTINUED**

**NOTE 15: HEALTH INSPECTIONS**

The Township of Mansfield has elected to have the County of Warren, Department of Health, perform all inspections. Therefore, the Township of Mansfield does not have a health inspector.

**NOTE 16: TAXES COLLECTED IN ADVANCE**

Taxes collected in advance are recorded as cash liabilities in the financial statements. Following is a comparison of the liability for the previous two years:

	<u>Balance Dec 31, 2017</u>	<u>Balance Dec 31, 2016</u>
Prepaid Taxes	<u>\$559,151.66</u>	<u>\$146,651.19</u>
Cash Liability for Taxes Collected in Advance	<u>\$559,151.66</u>	<u>\$146,651.19</u>

**NOTE 17: LOCAL AND REGIONAL SCHOOL TAXES**

Regulations provide for the 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:

	<u>Local School District Tax Balance Dec. 31, 2017</u>	<u>Regional School District Tax Balance Dec. 31, 2017</u>
Balance of Tax	3,073,413.84	2,910,308.99
Deferred	<u>2,730,409.04</u>	<u>2,268,411.49</u>
Tax Payable	<u>343,004.80</u>	<u>641,897.50</u>

**TOWNSHIP OF MANSFIELD**  
**NOTES TO FINANCIAL STATEMENTS**  
**YEARS ENDED DECEMBER 31, 2017 AND 2016**  
**CONTINUED**

**NOTE 18: OTHER POST EMPLOYMENT BENEFITS**

Information for this note was obtained from Danziger & Markhoff LLP report dated December, 2016.

**A. PLAN OVERVIEW**

Township of Mansfield (“Mansfield”) provides post-employment benefits other than pensions (“OPEB”) to employees who meet certain criteria. As a result of offering such benefits, Mansfield will be required to report the value of such benefits and the associated costs according to the accounting requirements of Governmental Accounting Standards Board Statement No. 45, Accounting and Financial Reporting “by Employers for Postemployment Benefits Other Than Pensions (“GASB 45”).

Mansfield provides medical benefits to retirees and their covered eligible dependents. Mansfield pays a portion of the cost for eligible retirees, spouses and dependents. All active employees who retire directly from Mansfield and meet eligibility criteria may participate.

**CONSIDERATIONS**

For FYE 2016, there were 11 retirees plus dependents who are receiving employer subsidized benefits. Danziger & Markhoff LLP (herein after “the Actuaries”) reflected known retirements and terminations in their database through December 31, 2015. Where data was missing or inaccurate, the Actuaries assumed reasonable estimates. In all, the Actuaries valued 28 active employees plus dependents.

Retiree medical coverage is provided primarily through Horizon Blue Cross/Blue Shield.

Future retirees are assumed to be covered by the existing arrangement as outlined in the materials forwarded by the Township. Those provisions, as they relate to employer liability, can be found in the Summary of Plan Provisions section of this report.

**ASSUMPTIONS/RECOGNITION**

To establish the per capita claims cost of medical benefits, the Actuaries used current premium rates provided by the Township as the starting point for our calculations. The Actuaries then employed a health care trend rate that begins at 8.0% for the first year, decreases by 0.5% per year through year 7 to 5% thereafter. This assumption needs to be reviewed periodically. The health care trend rate is a major contributor to widening the gap between pay-as-you-go recognition and GASB #45 recognition. In accordance with ASOP 6, adjustments were also required to be made to recognize differences between the average age of the ‘full’ population and the average age of a ‘retiree only’ population (to develop “age adjusted” current premium rates).

## TOWNSHIP OF MANSFIELD

### NOTES TO FINANCIAL STATEMENTS YEARS ENDED DECEMBER 31, 2017 AND 2016 CONTINUED

#### NOTE 18: POST-RETIREMENT BENEFITS (CONTINUED)

##### SUMMARY OF PLAN PROVISIONS

The following is a summary of the current major provisions of the retiree medical program.

##### 1. MEDICAL BENEFITS

The plan is a fully insured plan. Current medical retiree premium rates provided to the Actuaries by the Township include:

- |                            |                               |
|----------------------------|-------------------------------|
| a) Individual Pre-age 65:  | Generally, \$1,060 per month. |
| b) Family Pre-age 65:      | Generally, \$2,747 per month. |
| c) Individual Post-age 65: | Generally, \$661 per month.   |
| d) Double Post - age 65:   | Generally, \$1,380 per month. |

Adjustments to these premium rates to reflect the difference between the active/retiree group (for which the current premium rates were based on) and a retiree-only group, were required, in accordance with ASOP 6.

##### 2. MEDICARE PART B PREMIUMS - Not applicable

##### 3. ELIGIBILITY

- a) DPW:  
An employee may retire with at least 25 years of service (no age requirement).
- b) Police :  
An employee may retire with at least 20 years of service (no age requirement).
- c) Non-Contractual:  
An employee may retire with at least 25 years of service (no age requirement).

##### 4. TOWNSHIP SUBSIDY

The Township will generally contribute toward medical premium amounts as follows:

DPW: 80% towards single coverage only

Police:

- (i) 100% toward single coverage;
- (ii) for retirees with 25 years of service, 100% toward dependent coverage.

Non-Contractual: 70% towards single coverage only.

**TOWNSHIP OF MANSFIELD**

**NOTES TO FINANCIAL STATEMENTS  
YEARS ENDED DECEMBER 31, 2017 AND 2016  
CONTINUED**

**NOTE 18: POST-RETIREMENT BENEFITS (CONTINUED)**

5. FUNDING POLICY

The employer's funding policy is to contribute the current annual premium (net of employee contributions) for all retired participants (i.e., pay-as-you-go). Current New Jersey state law prohibit municipalities from pre-funding retiree medical benefit obligations in a Trust, although pre-funding moneys can arguably be "set aside" on the municipality's balance sheet.

Medicare Part D reimbursement by New Jersey is also considered an "employer contribution" for GASB #45 purposes. - N / A for Mansfield.

ACTUARIAL BASIS

ACTUARIAL FUNDING METHOD: Projected Unit Credit

ACTUARIAL ASSUMPTIONS

- |                    |   |
|--------------------|---|
| 1. Valuation date: | January 1, 2016                                 |
| 2. Discount Rate:  | 4.5% per annum.                                 |
| 3. Salary Scale:   | Not applicable.                                 |
| 4. Mortality:      | RP-2014 Mortality Table with MP-2014 Projection |
| 5. Withdrawal:     | Sarasson T-5 Table.                             |
| 6. Disability:     | N/A   |

EXECUTIVE SUMMARY OF RESULTS

Valuation Date	January 1, 2016
Number of Plan Members:	
Active Participants	28
Retired Participants	<u>11</u>
Total	39
Average Age of Actives	44 yrs.
Average Credited Service of Actives	10 yrs.
Current Covered Payroll	\$ 1,900,000
Market Value of assets as of January 1	\$ -
Unfunded Accrued Liability	\$11,210,000
Annual Required Contribution (ARC)	\$ 1,010,000
OPEB Cost for the Year	\$ 1,010,000



**TOWNSHIP OF MANSFIELD**

**NOTES TO FINANCIAL STATEMENTS  
YEARS ENDED DECEMBER 31, 2017 AND 2016  
CONTINUED**

**NOTE 18: POST-RETIREMENT BENEFITS (CONTINUED)**

RESULTS AND DISCLOSURES

Results have been presented rounded to the nearest \$10,000.

VALUATION RESULTS - (Cost to Township)

1. Actuarial present values as of January 1, 2016:

		(EPBO) Projected <u>Benefits</u>	(APBO) Unit Credit <u>Accrued Liability</u>
a) Actives	(28)	\$ 8,130,000	\$ 4,510,000
b) Retirees and Beneficiaries	(11)	<u>\$ 6,700,000</u>	<u>\$ 6,700,000</u>
c) Total	(39)	\$14,830,000	\$11,210,000
2. Accrued Liability as of January 1, 2016		\$11,210,000	
3. Actuarial value of assets, January 1, 2016		-	
4. Unfunded accrued liability, January 1, 2016		\$11,210,000	
5. Normal cost as of January 1, 2016		\$ 310,000	
6. Amortization of unfunded accrued liability (level dollar/open, over 30 years),		\$ 660,000	
7. Interest (rounded) on Normal Cost (\$12,784) and Amortization (\$27,216)		\$ 40,000	
8. Annual Required Contribution (ARC) (5+6+7)		\$ 1,010,000	

DEVELOPMENT OF THE OPEB COST FOR THE YEAR ENDING DECEMBER 31, 2016

Actual contribution information is included below.

<u>Contribution rates:</u>	Varies by employee class
Plan Members	(See summary of Plan Provision)
Township:	Actuarially determined, equals the balance not paid by plan members
Annual required contribution (ARC)	\$1,010,000
Interest on net OPEB obligation	-
Adjustment to annual required contribution (-)	-
Annual OPEB cost	\$1,010,000
Contributions made*	\$ 260,000
Increase in net OPEB obligation	\$ 750,000
Net OPEB obligation-beginning of year	<u>\$ -</u>
Net OPEB obligation-end of year	\$ 750,000

**TOWNSHIP OF MANSFIELD**

**NOTES TO FINANCIAL STATEMENTS  
YEARS ENDED DECEMBER 31, 2017 AND 2016  
CONTINUED**

\*Contributions made include retiree medical premiums payments of \$260,000.

**NOTE 18: POST-RETIREMENT BENEFITS (CONTINUED)**

DEVELOPMENT OF UNFUNDED ACTUARIAL ACCRUED LIABILITY  
AND FUNDED RATIO (actual)

Actuarial accrued liability (a)	\$11,210,000
Actuarial value of plan assets (b)	-
Unfunded actuarial accrued liability (a - b)	\$11,210,000
Funded ratio (b / a)	0.0%
Covered payroll (c)	\$ 1,900,000
Unfunded actuarial accrued liability as percentage of covered payroll [(a - b) / c]	590%

DEVELOPMENT OF OPEB COST AND OPEB OBLIGATION  
FOR THE LAST THREE YEARS (actual)\*

<u>Year Ended</u>	<u>Annual OPEB Cost</u>	<u>Percentage of OPEB cost Contributed</u>	<u>Net OPEB Obligation</u>
12/31/2016	\$1,010,000	25.7%	\$750,000

\* Once three valuations have been performed, three entries will be included above.

REQUIRED SUPPLEMENTARY INFORMATION  
SCHEDULE OF FUNDING PROGRESS (actual)\*

<u>Actuarial Valuation Date</u>	<u>Actuarial Value of Assets (a)</u>	<u>Actuarial Accrued Liability (AAL) Unit Credit (b)</u>	<u>Unfunded AAL (UAAL) (b - a)</u>	<u>Funded Ratio (a / b)</u>	<u>Covered Payroll (c)</u>	<u>UAAL as a Percentage of Covered Payroll [(b - a) / c]</u>
1/1/2016	\$0	\$11.21M	\$11.21M	0.0%	\$1.90M	590%

\* Once three valuations have been performed, three entries will be included above.

**TOWNSHIP OF MANSFIELD**

**NOTES TO FINANCIAL STATEMENTS  
YEARS ENDED DECEMBER 31, 2017 AND 2016  
CONTINUED**

**NOTE 19: COMMITMENTS AND CONTINGENT LIABILITIES**

We are advised by the Township's Counsel that there are no pending or threatened litigation, claims and assessments that they believe, at this time, are material.

**NOTE 20: SUBSEQUENT EVENT**

The Township has evaluated subsequent events through June 29, 2018, the date which the financial statements were available to be issued and no other items were noted for disclosure.

## **SUPPLEMENTARY DATA**

**TOWNSHIP OF MANSFIELD, N. J.**

**OFFICIALS IN OFFICE AND SURETY BONDS**

YEAR ENDED DECEMBER 31, 2017

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

<u>Name</u>	<u>Title</u>
Joseph Watters	Mayor
Ron Hayes	Deputy Mayor
Desiree Mora Dillon	Committeeperson
Shirley Kocher	Committeeperson
Michael Misertino	Committeeperson
Dena Hrebenak	Municipal Clerk; Registrar
Michael Lavery, Esq.	Attorney
Christian Kastrud	Engineer; Zoning Officer
Donna Mollineaux	Chief Finance Officer
Amy Monahan	Tax Collector; Tax Search Officer
Bernard Murdock	Tax Assessor
J. Edward Palmer	Court Judge
Jerilynn Harris	Court Administrator
Thomas M. Ferry, CPA, RMA	Auditor

There is in effect a Public Employee Blanket Bond in the amount of \$1,000,000 per person issued by Municipal Excess Liability Joint Insurance Fund.

All of the bonds were examined and properly executed.

Township of Mansfield  
 Schedule of Expenditures of Federal Awards  
 For the Year Ended December 31, 2017

Federal Grantor/Pass-Through Grantor/ Program Title	Federal C.F.D.A Number	Program or Award Amount	Grant Period From/To	12/31/2016		12/31/2017		MEMO Cumulative Total Expenditures
				(Receivable)	Reserve Balance	(Receivable)	Reserve Balance	
United States Department of Transportation (Passed through NJ Division of Highway Traffic Safety) Drive Sober or Get Pulled Over	21.616	1160-100-066-1160-157	1/1/17-12/31/17	-	-	(5,000.00)	6,600.00	3,900.00
<b>TOTAL FEDERAL AWARDS</b>				-	-	(5,000.00)	6,600.00	3,900.00

Note: This schedule was not subject to an audit in accordance with U.S. Uniform Guidance.

Township of Mansfield

Schedule of Expenditures of State Financial Assistance

For the Year Ended December 31, 2017

State Grantor/Program Title	Grant or State Project Number	Program or Award Amount	Grant Period From/To	12/31/2016		12/31/2017		MEMO Cumulative Total Expenditures
				(Receivable)	Reserve Balance	(Receivable)	Reserve Balance	
<b>FEDERAL AND STATE GRANT FUND</b>								
<b>NJ Department of Solid Waste Administration:</b>								
Clean Communities	4900-765-042-4900-004	22,048.58	1/1/15-12/31/15		5,709.80		5,709.80	22,048.58
Clean Communities	4900-765-042-4900-004	25,213.35	1/1/16-12/31/16		25,213.35		19,210.62	19,210.62
Clean Communities	4900-765-042-4900-004	21,420.32	1/1/17-12/31/17		30,923.15		21,420.32	21,420.32
							24,920.42	41,259.20
Recycling Tonnage	4900-752-042-4900-001-V42Y-6020	22,774.86	1/1/11-12/31/11	(2,819.00)				22,774.86
Recycling Tonnage	4900-752-042-4900-001-V42Y-6020	18,751.12	1/1/12-12/31/12		8,113.63		8,113.63	18,751.12
Recycling Tonnage	4900-752-042-4900-001-V42Y-6020	59,472.37	1/1/17-12/31/17		59,472.37		839.27	839.27
Recycling Tonnage	4900-752-042-4900-001-V42Y-6020	16,994.81	1/1/18-12/31/18	(2,819.00)	8,113.63		16,994.81	16,994.81
							8,952.90	42,365.25
				(2,819.00)	39,036.78		97,887.50	83,624.45
<b>Total NJ Department of Solid Waste Administration:</b>								
<b>NJ Division of Highway Traffic Safety:</b>								
Click It or Ticket	1160-100-066-1160-113-YHTS-6020	4,000.00	1/1/14-12/31/14		3,000.00		3,000.00	4,000.00
Click It or Ticket	1160-100-066-1160-113-YHTS-6020	4,000.00	1/1/15-12/31/15		4,000.00		2,500.00	2,500.00
Click It or Ticket	1160-100-066-1160-113-YHTS-6020	5,000.00	1/1/16-12/31/16		5,000.00		5,500.00	5,500.00
Click It or Ticket	1160-100-066-1160-113-YHTS-6020	5,500.00	1/1/17-12/31/17		12,000.00		5,500.00	6,500.00
<b>Total NJ Department of Highway Traffic Safety:</b>								
<b>NJ Office of Emergency Management</b>								
Hazard Mitigation Grant		70,450.00	1/1/17-12/31/17					
						(70,450.00)		
<b>Total NJ Office of Emergency Management</b>								
<b>NJ Division of Criminal Justice:</b>								
Body Armor	1020-718-066-001	1,762.91	1/1/15-12/31/15		728.07		728.07	1,034.84
Body Armor	1020-718-066-001	1,702.98	1/1/16-12/31/16		1,702.98		1,702.98	1,702.98
Body Armor	1020-718-066-001	1,705.18	1/1/17-12/31/17		2,431.05		1,705.18	1,705.18
							1,705.18	4,136.23
<b>Total NJ Division of Law &amp; Public Safety:</b>								
<b>NJ Division of Motor Vehicles:</b>								
Drunk Driving Enforcement Fund	6400-100-078-6400	3,316.92	1/1/15-12/31/15		744.96		744.96	3,316.92
Drunk Driving Enforcement Fund	6400-100-078-6400	3,500.38	1/1/16-12/31/16		3,500.38		32.62	32.62
							777.58	3,467.76
<b>Total NJ Division of Motor Vehicles:</b>								
<b>NJ Department of Environmental Protection:</b>								
Recreation Trails Grant	N/A	24,000.00	1/1/16-12/31/16	(24,000.00)	24,000.00			24,000.00
Stormwater Regulation	N/A	6,351.00	1/1/06-12/31/06		822.56			822.56
								24,822.56
<b>Total NJ Department of Environmental Protection:</b>								

Note: This schedule was not subject to an audit in accordance with N.J.OMB Circular 15-08.

Township of Mansfield

Schedule of Expenditures of State Financial Assistance

For the Year Ended December 31, 2017

State Grantor/Program Title	Grant or State Project Number	Program or Award Amount	Grant Period From/To	12/31/2016		12/31/2017		MEMO Cumulative Total Expenditures
				(Receivable)	Reserve Balance	(Receivable)	Reserve Balance	
<b>NJ Department of Community Affairs:</b>								
Municipal Court Alcohol Education	9735-760-098-001	263.87	1/1/13-12/31/13		149.95		149.95	263.87
Municipal Court Alcohol Education	9735-760-098-001	118.45	1/1/14-12/31/14		118.45		118.45	118.45
Municipal Court Alcohol Education	9735-760-098-001	884.00	1/1/15-12/31/15		884.00		884.00	884.00
Municipal Court Alcohol Education	9735-760-098-001	181.29	1/1/16-12/31/16		181.29		181.29	181.29
Municipal Court Alcohol Education	9735-760-098-001	772.08	1/1/17-12/31/17		772.08		772.08	181.29
<b>Total NJ Department of Community Affairs:</b>					<u>1,333.69</u>		<u>1,514.98</u>	<u>1,628.90</u>
<b>NJ Department of Human Services:</b>								
(Passed through the County of Union)								
Municipal Alliance								
<b>Total NJ Department of Human Services:</b>	N/A	7,402.00	1/1/14-12/31/14	(5,522.00)	5,705.47	(5,522.00)	5,705.47	1,696.53
				(5,522.00)	5,705.47	(5,522.00)	5,705.47	1,696.53
<b>NJ Highlands Water Protection and Planning Council:</b>								
Highlands Plan Conference	09-033-011-2116	50,000.00	1/1/09-12/31/09	(29,852.50)	21,633.75	(29,852.50)	21,633.75	28,366.25
Highlands Assessment	09-033-010-2116	15,000.00	1/1/09-12/31/09	(15,000.00)	4,048.75	(15,000.00)	4,048.75	10,951.25
<b>Total NJ Highlands Water Protection and Planning Council:</b>				<u>(44,852.50)</u>	<u>25,682.50</u>	<u>(44,852.50)</u>	<u>25,682.50</u>	<u>39,317.50</u>
<b>NJ Department of Transportation:</b>								
Municipal Aid Grants:								
Heiser Road		105,000.00	1/1/17-12/31/17	(946.41)	8,708.91	(105,000.00)	95,921.86	9,078.14
Wasburn Road	6320-480-078-6320-AKC-TCAP-6010	150,000.00	1/1/09-12/31/09	(946.41)	8,708.91	(105,946.41)	8,708.91	141,291.09
<b>Total NJ Department of Transportation:</b>				<u>(946.41)</u>	<u>8,708.91</u>	<u>(105,946.41)</u>	<u>104,630.77</u>	<u>150,369.23</u>
<b>TOTAL FEDERAL AND STATE GRANT FUND</b>				<u>(78,139.91)</u>	<u>123,966.30</u>	<u>(253,589.91)</u>	<u>354,537.04</u>	<u>293,049.43</u>
<b>GENERAL CAPITAL FUND</b>								
<b>NJ Department of Transportation</b>								
Municipal Aid Grants:								
Watters Rd (Ordinance 15-02)		81,957.00	1/1/15-12/31/15	(81,957.00)	81,957.00	(81,957.00)	81,957.00	-
<b>TOTAL GENERAL CAPITAL FUND</b>				<u>(81,957.00)</u>	<u>81,957.00</u>	<u>(81,957.00)</u>	<u>81,957.00</u>	<u>-</u>
<b>TOTAL STATE AID</b>				<u>(160,096.91)</u>	<u>205,923.30</u>	<u>(335,546.91)</u>	<u>436,494.04</u>	<u>293,049.43</u>

Note: This schedule was not subject to an audit in accordance with N.J.O.M.B Circular 15-08.



**TOWNSHIP OF MANSFIELD**

**COMPARATIVE STATEMENT OF OPERATIONS AND CHANGES IN FUND BALANCE**

**CURRENT FUND**

	<u>Year 2017</u>		<u>Year 2016</u>	
	<u>Amount</u>	<u>%</u>	<u>Amount</u>	<u>%</u>
<b><u>Revenue and Other Income Realized</u></b>				
Fund Balance Utilized	340,000.00	1.36%	180,000.00	0.74%
Miscellaneous - From Other Than				
Local Property Tax Levies	1,893,217.86	7.56%	1,863,509.81	7.67%
Collection of Delinquent Taxes				
and Tax Title Liens	417,592.12	1.67%	554,244.51	2.28%
Collection of Current				
Tax Levy	21,600,388.38	86.24%	21,339,062.05	87.88%
Other Credits to Income	<u>795,679.66</u>	<u>3.18%</u>	<u>344,577.58</u>	<u>1.42%</u>
<b><u>Total Revenue and Other Income Realized</u></b>	<u>25,046,878.02</u>	<u>100.00%</u>	<u>24,281,393.95</u>	<u>100.00%</u>
 <b><u>Expenditures</u></b>				
Budget Expenditures:				
Municipal Purposes	5,994,589.14	24.80%	5,830,040.01	24.51%
Local and Regional School Taxes	12,544,579.00	51.89%	12,090,245.00	50.84%
County Taxes	5,498,277.67	22.74%	5,514,371.33	23.19%
Municipal Open Space	135,420.72	0.56%	136,355.22	0.57%
Other Expenditures	<u>3,220.99</u>	<u>0.01%</u>	<u>211,286.92</u>	<u>0.89%</u>
<b><u>Total Expenditures</u></b>	<u>24,176,087.52</u>	<u>100.00%</u>	<u>23,782,298.48</u>	<u>100.00%</u>
<b>Statutory Excess to Fund Balance</b>	870,790.50		499,095.47	
<b>Fund Balance, January 1,</b>	<u>1,679,991.34</u>		<u>1,360,895.87</u>	
	2,550,781.84		1,859,991.34	
<b>Less:</b>				
Utilized as Anticipated Revenue	<u>340,000.00</u>		<u>180,000.00</u>	
<b>Fund Balance, December 31,</b>	<u><u>2,210,781.84</u></u>		<u><u>1,679,991.34</u></u>	

COMPARATIVE SCHEDULE OF TAX RATE INFORMATION

	<u>2017</u>	<u>2016</u>	<u>2015</u>
<u>Tax Rate</u>	<u>3.294</u>	<u>3.219</u>	<u>3.151</u>

Apportionment of Tax Rate

Municipal	.604	.601	.588
County	.813	.810	.811
Local School	.846	.829	.896
Regional High School	1.011	.959	.837
Municipal Open Space	.020	.020	.019

Assessed Valuation:

2017	675,600,360.00		
2016		675,853,306.00	
2015			665,618,826.00

COMPARISON OF TAX LEVIES AND COLLECTIONS CURRENTLY

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

<u>Year</u>	<u>Dec. 31 Tax Levy</u>	<u>Currently</u>	
		<u>Cash Collections</u>	<u>Percentage of Collections</u>
2017	22,303,658.77	21,600,388.38	96.84%
2016	21,947,592.40	21,339,062.05	97.22%
2015	21,067,968.47	20,434,860.24	96.99%
2014	20,312,252.04	19,783,909.70	97.39%
2013	20,176,996.12	19,633,194.32	97.30%

Also, increases in future tax levies can also be warranted if revenue sources outside of those directly generated by the municipality, such as federal or state aid, should decline without corresponding decreases in budgeted expenditures.

DELINQUENT TAXES AND TAX TITLE LIENS

<u>Year</u>	<u>Amount of Delinquent Taxes</u>	<u>Amount of Tax Title Liens</u>	<u>Total Delinquent</u>	<u>Percentage of Tax Levy</u>
2017	641,653.74	601,094.15	1,242,747.89	5.57%
2016	552,231.12	556,591.07	1,108,822.19	5.05%
2015	557,865.01	780,049.43	1,337,914.44	6.35%

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>
2017	2,116,700.00
2016	2,116,700.00
2015	1,447,600.00

COMPARATIVE SCHEDULE OF FUND BALANCES

	<u>Year</u>	<u>Balance Dec. 31,</u>	<u>Utilized In Budget of Succeeding Year</u>
Current Fund:	2017	2,175,167.62	470,000.00
	2016	1,679,991.34	340,000.00
	2015	1,360,895.87	180,000.00
	2014	1,003,213.96	170,000.00
	2013	897,661.22	128,665.00

**Township of Mansfield, N.J.**

**Schedule of Cash**

**Current Fund**

**Federal and State Grant Fund**

**Year Ended December 31, 2017**

	<u>Ref.</u>		
Balance - December 31, 2016	A		3,217,379.50
Increased by Receipts:			
Miscellaneous Revenue Not Anticipated	A-2	80,632.03	
Taxes Receivable	A-6	21,792,315.23	
Tax Title Liens Receivable	A-7	26,340.61	
Revenue Accounts Receivable	A-9	1,609,870.44	
Due From State - Senior Citizen and Veteran Deductions	A-10	46,645.21	
Interfunds	A-11	549,186.20	
Various Cash Liabilities and Reserves	A-15	3,567.86	
Prepaid Taxes	A-17	562,575.13	
		24,671,132.71	
			27,888,512.21
Decreased by Disbursements:			
Refund of Prior Year Taxes	A-1	1,005.00	
Current Year Budget Appropriations	A-3	4,999,238.22	
Interfunds	A-11	270,698.17	
Appropriation Reserves	A-12	181,890.65	
Various Cash Liabilities and Reserves	A-15	5,664.01	
County Taxes Payable	A-18	5,498,900.40	
District School Taxes Payable	A-20	5,661,134.00	
High School Taxes Payable	A-21	6,640,592.00	
Special Emergency Note	A-22	37,610.00	
		23,296,732.45	
Balance - December 31, 2017	A		4,591,779.76

**Township of Mansfield, N.J.**

**Schedule of Cash - Change Fund - Collector**

**Current Fund**

**Year Ended December 31, 2017**

	<u>Ref.</u>	
Balance - December 31, 2016	A	<u><u>350.00</u></u>
Balance - December 31, 2017	A	<u><u>350.00</u></u>
<u>Analysis of Balance:</u>		
Tax Office		50.00
Clerk's Office		50.00
Court		200.00
Police Department		<u>50.00</u>
		<u><u>350.00</u></u>

Township of Mansfield, N.J.

Schedule of Taxes Receivable and Analysis of Property Tax Levy

Current Fund

Year Ended December 31, 2017

Year	Balance, Dec. 31, <u>2016</u>	Levy	Added Taxes	Collected		Senior Citizen and Veteran Deductions	Transferred to Tax Title Liens	Canceled	Balance, Dec. 31, <u>2017</u>
				<u>2016</u>	<u>2017</u>				
2016	552,231.12			394,001.51	(2,750.00)	7,798.70	153,180.91		
2017		22,254,275.96	49,382.81	153,074.66	21,398,313.72	49,000.00	58,052.33	3,564.32	641,653.74
	<u>552,231.12</u>	<u>22,254,275.96</u>	<u>49,382.81</u>	<u>21,792,315.23</u>	<u>46,250.00</u>	<u>65,851.03</u>	<u>156,745.23</u>	<u>641,653.74</u>	<u>A</u>

Analysis of Tax Levy

Tax yield:								
General Purpose Tax							22,254,275.96	
Added Tax (R.S. 54:4-63.1 et seq.)							49,382.81	
							<u>22,303,658.77</u>	
Tax Levy:								
County Tax	A-18		5,486,061.80					
Added County Taxes	A-18		<u>12,215.87</u>					
Municipal Open Space Tax	A-19						5,498,277.67	
Local District School Tax	A-20						135,420.72	
Regional High School Tax	A-21						5,714,474.00	
	A-2						<u>6,830,105.00</u>	
							<u>18,178,277.39</u>	
Local Tax for Municipal Purposes			4,082,028.00					
Additional Taxes			<u>43,353.38</u>					
							<u>4,125,381.38</u>	
							<u>22,303,658.77</u>	

**Township of Mansfield, N.J.**

**Schedule of Tax Title Liens Receivable**

**Current Fund**

**Year Ended December 31, 2017**

	<u>Ref.</u>		
Balance - December 31, 2016	A		556,591.07
Increased by:			
Transferred from Taxes Receivable	A-6	65,851.03	
Adjustments		2,667.20	
Interest and Costs on Tax Sale		<u>2,325.46</u>	
			<u>70,843.69</u>
			627,434.76
Decreased by:			
Collections	A-2;A-4		<u>26,340.61</u>
Balance - December 31, 2017	A		<u><u>601,094.15</u></u>

A-8

**Schedule of Property Acquired for  
Taxes Assessed Valuation**

**Current Fund**

**Year Ended December 31, 2017**

	<u>Ref.</u>		
Balance - December 31, 2016	A		<u><u>2,116,700.00</u></u>
Balance - December 31, 2017	A		<u><u>2,116,700.00</u></u>

## Township of Mansfield, N.J.

## Schedule of Revenue Accounts Receivable

## Current Fund

## Year Ended December 31, 2017

	<u>Ref.</u>	<u>Balance Dec. 31, 2016</u>	<u>Accrued</u>	<u>Collected</u>	<u>Balance Dec. 31, 2017</u>
Clerk:					
Licenses:					
Alcoholic Beverages	A-2		4,877.00	4,877.00	
Fees and Permits	A-2		12,878.33	12,878.33	
Municipal Court:					
Fines and Costs	A-2	7,207.87	84,482.50	86,092.97	5,597.40
Tax Collector:					
Interest and Costs on Taxes	A-2		92,014.97	92,014.97	
Interest on Investments and Deposits	A-2		22,740.13	22,740.13	
Garden State Trust Fund	A-2		25,077.00	25,077.00	
Energy Receipts Tax	A-2		864,858.00	864,858.00	
Police Administrative Fees	A-2		1,876.69	1,876.69	
Planning Board Fees	A-2		2,250.00	2,250.00	
Uniform Construction Code:					
Washington Township	A-2		29,775.56	29,775.56	
Cellular Tower Rental	A-2		62,201.48	62,201.48	
Shared Service Agreements:					
Municipal Court & Prosecutor	A-2		350,144.54	350,144.54	
Hotel / Motel Occupancy Fee	A-2		22,688.43	22,688.43	
Lease of Township Owned Farmland	A-2		5,075.00	5,075.00	
Cable T.V. Franchise Fee	A-2		27,320.34	27,320.34	
		<u>7,207.87</u>	<u>1,608,259.97</u>	<u>1,609,870.44</u>	<u>5,597.40</u>
		A		A-4	A



## Township of Mansfield, N.J.

**Schedule of Amount Due From / (To) State of New Jersey  
for Senior Citizens' and Veterans' Deductions - CH. 73 P.L. 1976**

**Current Fund**

**Year Ended December 31, 2017**

	<u>Ref.</u>	
Balance - December 31, 2016	A	7,797.97
Increased by:		
Senior Citizens' Deductions Per Tax Billing		10,750.00
Veterans' Deductions Per Tax Billing		39,750.00
Add:		
Senior Citizens' & Veterans Deductions Allowed by Tax Collector - 2017 Taxes		750.00
Less:		
Senior Citizens' & Veterans Deductions Disallowed by Tax Collector - 2017 Taxes		(2,250.00)
Disallowed by Tax Collector - 2016 Taxes		<u>(2,750.00)</u>
	A-6	<u>46,250.00</u>
		<u>54,047.97</u>
Decreased by:		
State Share of Senior Citizens and Veteran Deductions Received in Cash	A-4	<u>46,645.21</u>
Balance - December 31, 2017	A	<u><u>7,402.76</u></u>

Township of Mansfield, N.J.

Schedule of Interfunds Receivables/(Payables)

Current Fund

Year Ended December 31, 2017

Fund	Ref.	Due From/(To) Balance		Decreased	Due From/(To) Balance
		Dec. 31, 2016	Increased		
Federal and State Grants	A	(40,319.34)	56,832.29	126,620.00	(110,107.05)
Animal Control Trust	A	1,900.04	2,215.99		4,116.03
Other Trust	A	398,072.81	211,649.57	510,875.27	98,847.11
General Capital Fund	A	47,111.65	0.32	47,111.65	0.32
		<u>406,765.16</u>	<u>270,698.17</u>	<u>684,606.92</u>	<u>(7,143.59)</u>
Due To Other Funds		(40,319.34)			(110,107.05)
Due From Other Funds	A-1	447,084.50			102,963.46
		<u>406,765.16</u>			<u>(7,143.59)</u>
Received	A-4			549,186.20	
Disbursed	A-4		270,698.17		
Municipal Open Space Tax	A-19			135,420.72	
			<u>270,698.17</u>	<u>684,606.92</u>	

Township of Mansfield, N.J.

Schedule of Appropriation Reserves

Current Fund

Year Ended December 31, 2017

	Balance, Dec. 31, <u>2016</u>	Balance after <u>Transfers</u>	<u>Paid or Charged</u>	<u>Balance Lapsed</u>
Salaries and Wages Within "CAPS":				
Administrative and Executive	7,445.14	7,445.14		7,445.14
Financial Administration	210.00	210.00	210.00	
Collection of Taxes	18.66	18.66		18.66
Planning Board	0.46	0.46		0.46
Police	52,376.01	52,376.01		52,376.01
Emergency Management Services	466.00	466.00		466.00
Public Works:				
Road Repair and Maintenance	45,156.71	41,318.32		41,318.32
Snow Removal	17,787.96	17,787.96	17,787.96	
Recreation and Education	0.36	0.36		0.36
Municipal Court	11,064.23	11,064.23		11,064.23
Public Defender	100.00	3,000.00	3,000.00	
Total Salaries and Wages Within "CAPS"	<u>134,625.53</u>	<u>133,687.14</u>	<u>20,997.96</u>	<u>112,689.18</u>
Other Expenses Within "CAPS":				
Administrative and Executive:				
General	10,717.74	10,717.74	328.60	10,389.14
Clerk	5,245.61	5,245.61		5,245.61
Governing Body	312.43	312.43	208.89	103.54
Financial Administration	18,895.61	18,895.61	8,009.45	10,886.16
Audit	15,950.00	15,950.00	14,050.00	1,900.00
Computerized Data Processing	11,786.00	11,786.00	5,732.50	6,053.50
Collection of Taxes	22,297.58	22,297.58	20,381.43	1,916.15
Assessment of Taxes	5,533.26	5,533.26	2,082.20	3,451.06
Legal Services and Costs	12,990.61	12,990.61	8,223.91	4,766.70
Engineering Services and Costs	43,167.50	43,167.50	2,842.50	40,325.00
Environmental Commission	20.46	20.46		20.46
Planning Board	5,175.69	5,175.69	2,234.97	2,940.72
Public Safety:				
Police	18,704.44	18,704.44	11,323.73	7,380.71
Emergency Management Services	580.00	580.00		580.00
Fire (Butler Park Fire Company)	5,805.25	5,805.25	5,805.25	
Fire Hydrant Service	1,280.00	1,280.00		1,280.00
Fire Prevention Bureau	20.69	20.69		20.69
Public Works:				
Road Repair and Maintenance	36,252.27	36,252.27	4,676.82	31,575.45
Snow Removal	50,508.35	50,508.35	50,503.19	5.16
Garbage and Trash Removal	0.06	0.06		0.06
Public Buildings and Grounds	6,515.36	6,515.36	6,002.72	512.64

Township of Mansfield, N.J.

Schedule of Appropriation Reserves

Current Fund

Year Ended December 31, 2017

	Balance, Dec. 31, <u>2016</u>	Balance after <u>Transfers</u>	Paid or <u>Charged</u>	Balance <u>Lapsed</u>
Heath and Welfare:				
Senior Citizen Activities	1,950.00	1,950.00	1,400.00	550.00
Recreation and Education	24.96	24.96		24.96
Municipal Court	5,329.06	5,329.06	3,355.89	1,973.17
PEOSHA (N.J.S.A. 34:6a-25 Et Seq.)	400.00	400.00		400.00
PEOSHA - Requirements	800.00	800.00		800.00
State Uniform Construction Code:				
Construction Official	175.00	175.00		175.00
Insurance:				
Employee Group Health		938.39	938.39	
Health Benefit Waiver	2,376.35	2,376.35	915.45	1,460.90
Tax Appeals	5,000.00	5,000.00	5,000.00	
Accrued Sick Leave and Other Comensation	3,670.00	3,670.00		3,670.00
Construction and Inspection Fees	220.97	220.97		220.97
Utilities:				
Fuel Oil	15,188.06	15,188.06	1,140.00	14,048.06
Electricity	4,191.85	4,191.85	2,971.74	1,220.11
Telephone	1,596.38	1,596.38	1,464.23	132.15
Gasoline	14,957.31	14,957.31	2,069.87	12,887.44
Fuel- Diesel	17,859.50	17,859.50	1,175.56	16,683.94
Water Testing	470.00	470.00	470.00	
Natural Gas	1,978.04	1,978.04	503.59	1,474.45
Total Other Expenses Within "CAPS"	<u>347,946.39</u>	<u>348,884.78</u>	<u>163,810.88</u>	<u>185,073.90</u>
Total Operations Within "CAPS"				
Including Contingent	<u>482,571.92</u>	<u>482,571.92</u>	<u>184,808.84</u>	<u>297,763.08</u>
Deferred Charges and Statutory Expenditures - Municipal Within "CAPS":				
Statutory Expenditures:				
Contribution To:				
Defined Contribution Retirement Plan	1,806.64	1,806.64		1,806.64
Unemployment Compensation Insurance	9.52	9.52		9.52
Social Security ( O.A.S.I. )	10,921.29	10,921.29		10,921.29
Total Deferred Charges and Statutory Expenditures - Municipal Within "CAPS"	<u>12,737.45</u>	<u>12,737.45</u>		<u>12,737.45</u>
Total General Appropriation Reserves - Municipal Within "CAPS"	<u>495,309.37</u>	<u>495,309.37</u>	<u>184,808.84</u>	<u>310,500.53</u>

Township of Mansfield, N.J.

Schedule of Appropriation Reserves

Current Fund

Year Ended December 31, 2017

	Balance, Dec. 31, <u>2016</u>	Balance after <u>Transfers</u>	Paid or <u>Charged</u>	Balance <u>Lapsed</u>
Salaries & Wages Excluded From "CAPS":				
Chief Financial Officer - Borough of Alpha	5,387.78	5,387.78		5,387.78
Total Salary & Wages Excluded From "CAPS"	<u>5,387.78</u>	<u>5,387.78</u>		<u>5,387.78</u>
Other Expenses Excluded From "CAPS":				
Chief Financial Officer - Washington Township	15,000.00	15,000.00		15,000.00
Tax Collector - Washington Township	15,300.00	15,300.00	15,300.00	
Chief Financial Officer - Borough of Alpha	15,840.00	15,840.00		15,840.00
Total Other Expenses Excluded from "CAPS"	<u>46,140.00</u>	<u>46,140.00</u>	<u>15,300.00</u>	<u>30,840.00</u>
Public and Private Programs Offset By Revenues				
Matching Funds for Grants	1.00	1.00		1.00
Total Public and Private Programs Offset By Revenues	<u>1.00</u>	<u>1.00</u>		<u>1.00</u>
Total General Appropriation Reserves - Municipal Excluded from "CAPS"	<u>51,528.78</u>	<u>51,528.78</u>	<u>15,300.00</u>	<u>36,228.78</u>
Total General Appropriation Reserves	<u>546,838.15</u>	<u>546,838.15</u>	<u>200,108.84</u>	<u>346,729.31</u> A-1
	<u>Ref.</u>			
Unencumbered	A 520,124.32			
Encumbered	A <u>26,713.83</u>			
	<u>546,838.15</u>			
Cash Disbursed	A-4		181,890.65	
Reserve for Tax Appeals	A-15		5,000.00	
Accounts Payable	A-16		<u>13,218.19</u>	
			<u>200,108.84</u>	

**Township of Mansfield, N.J.**

**Schedule of Deferred Charges**

**N.J.S.A. 40A: 4-55 Special Emergency Authorizations**

**Current Fund**

**Year Ended December 31, 2017**

<u>Date Authorized</u>	<u>Purpose</u>	Amount Authorized	1/5 of Net Amount Authorized	Balance, Dec. 31, 2016	Reduced 2017	Balance, Dec. 31, 2017
06/12/2013	Revaluation of Real Property	188,050.00	37,610.00	75,220.00	37,610.00	37,610.00
				A	A-3	A
				<u>75,220.00</u>	<u>37,610.00</u>	<u>37,610.00</u>

**Township of Mansfield, N.J.**

**Schedule of Deferred Charges**

**Current Fund**

**Year Ended December 31, 2017**

<u>Purpose</u>	<u>Balance, Dec. 31, 2016</u>	<u>Reduced 2017</u>
Over-expenditure of Appropriations Payable	<u>1,043.45</u>	<u>1,043.45</u>
	A	A-3

Township of Mansfield, N.J.

Schedule of Various Cash Liabilities and Reserves

Current Fund

Year Ended December 31, 2017

	<u>Balance</u> <u>Dec. 31, 2016</u>	<u>Increased</u>	<u>Decreased</u>	<u>Balance</u> <u>Dec. 31, 2017</u>
<u>Liabilities and Reserves</u>				
<u>Liabilities:</u>				
Due State of NJ Marriage License Fees	225.00	1,175.00	1,200.00	200.00
Tax Overpayments		2,392.86		2,392.86
	<u>225.00</u>	<u>5,000.00</u>	<u>4,464.01</u>	<u>535.99</u>
<u>Reserve for:</u>	<u>225.00</u>	<u>8,567.86</u>	<u>5,664.01</u>	<u>3,128.85</u>
Tax Appeals	A			A
		3,567.86		
Cash Receipts			5,664.01	
Cash Disbursements		5,000.00		
Appropriation Reserves		<u>8,567.86</u>	<u>5,664.01</u>	

Ref.  
A-4  
A-4  
A-12



**Township of Mansfield, N.J.**  
**Schedule of Accounts Payable**  
**Current Fund**  
**Year Ended December 31, 2017**

Balance - December 31, 2016	<u>Ref.</u> A	21,981.29
Increased by:		
Transfer from Appropriation Reserves	A-12	<u>13,218.19</u>
		35,199.48
Decreased by:		
Cancelled	A-1	<u>21,981.29</u>
Balance - December 31, 2017	A	<u><u>13,218.19</u></u>

**Township of Mansfield, N.J.**  
**Schedule of Prepaid Taxes**  
**Current Fund**  
**Year Ended December 31, 2017**

Balance - December 31, 2016	<u>Ref.</u> A	149,651.19
Increased by:		
Receipts - Prepaid Taxes	A-4	<u>562,575.13</u>
		712,226.32
Decreased by:		
Applied to 2017 Taxes	A-6	<u>153,074.66</u>
Balance - December 31, 2017	A	<u><u>559,151.66</u></u>

**Township of Mansfield, N.J.**  
**Schedule of County Taxes Payable**

**Current Fund**

**Year Ended December 31, 2017**

	<u>Ref.</u>	
Balance - December 31, 2016	A	45,515.31
Increased by:		
Levy		5,486,061.80
Added and Omitted Taxes		<u>12,215.87</u>
	A-1;A-6	<u>5,498,277.67</u>
		5,543,792.98
Decreased by:		
Payments	A-4	<u>5,498,900.40</u>
Balance - December 31, 2017	A	<u><u>44,892.58</u></u>

A-19

**Schedule of Municipal Open Space Tax**

**Current Fund**

**Year Ended December 31, 2017**

	<u>Ref.</u>	
Increased by:		
Levy		135,120.07
Added and Omitted		<u>300.65</u>
	A-1;A-6	<u><u>135,420.72</u></u>
Decreased by:		
Interfund - Other Trust Fund	A-11	<u><u>135,420.72</u></u>

## Township of Mansfield, N.J.

## Schedule of Local District School Taxes Payable

## Current Fund

## Year Ended December 31, 2017

	<u>Ref.</u>		
Balance - December 31, 2016			
School Tax Payable	A	289,664.80	
School Tax Deferred		<u>2,730,409.04</u>	
			3,020,073.84
Increased by:			
Levy School Year July 1 to June 30	A-6		<u>5,714,474.00</u>
			8,734,547.84
Decreased by:			
Payments	A-4		<u>5,661,134.00</u>
Balance - December 31, 2017			
School Taxes Payable	A	343,004.80	
School Tax Deferred		<u>2,730,409.04</u>	
			<u><u>3,073,413.84</u></u>
2017 Liability for Local District School			
Tax Paid			5,661,134.00
Taxes Payable - Dec.31, 2017			<u>343,004.80</u>
			6,004,138.80
Less: Taxes Payable - Dec. 31, 2016			<u>289,664.80</u>
Amount Charged to 2017 Operations	A-1		<u><u>5,714,474.00</u></u>

## Township of Mansfield, N.J.

## Schedule of Regional High School Taxes Payable

## Current Fund

## Year Ended December 31, 2017

	<u>Ref.</u>		
Balance - December 31, 2016			
School Tax Payable	A	452,384.50	
School Tax Deferred		<u>2,268,411.49</u>	
			2,720,795.99
Increased by:			
Levy School Year July 1 to June 30	A-6		<u>6,830,105.00</u>
			9,550,900.99
Decreased by:			
Payments	A-4		<u>6,640,592.00</u>
Balance - December 31, 2017			
School Taxes Payable	A	641,897.50	
School Tax Deferred		<u>2,268,411.49</u>	
			<u>2,910,308.99</u>
2017 Liability for Regional High School			
Tax Paid			6,640,592.00
Taxes Payable - Dec. 31, 2017			<u>641,897.50</u>
			7,282,489.50
Less: Taxes Payable - Dec. 31, 2016			<u>452,384.50</u>
Amount Charged to 2017 Operations	A-1		<u>6,830,105.00</u>

**Township of Mansfield, N.J.**

**Schedule of Special Emergency Notes Payable**

**Current Fund**

**Year Ended December 31, 2017**

<u>Date of Issue</u>	<u>Date of Maturity</u>	<u>Interest Rate</u>	<u>Balance Dec. 31, 2016</u>	<u>Decreased</u>	<u>Balance Dec. 31, 2017</u>
5/19/2016	5/16/2018	1.43%	<u>75,220.00</u>	<u>37,610.00</u>	<u>37,610.00</u>
			A	A-4	A

Township of Mansfield, N.J.

Schedule of Interfunds

Federal and State Grant Fund

Year Ended December 31, 2017

<u>Fund</u>	<u>Ref.</u>	Due From/(To) Balance <u>Dec. 31, 2016</u>	<u>Increased</u>	<u>Decreased</u>	Due From/(To) Balance <u>Dec. 31, 2017</u>
Current Fund	A	<u>40,319.34</u>	<u>126,620.00</u>	<u>56,832.29</u>	<u>110,107.05</u>
Grants Receivable	A-24		102,410.19		
Appropriated Grants	A-25			56,407.29	
Matching Funds for Grants	A-25		2,215.00		
Unappropriated Grants	A-26		21,994.81		
Encumbrances Payable	A-27		<u>126,620.00</u>	425.00	
				<u>56,832.29</u>	

Township of Mansfield, N.J.

Schedule of Grants Receivable

State Grant Fund

Year Ended December 31, 2017

Grant	Balance <u>Dec. 31, 2016</u>	Budget <u>Revenue</u>	Received	Transfer from Unappropriated <u>Reserves</u>	Balance <u>Dec. 31, 2017</u>
N.J.D.O.T. Washburn Road	946.41	105,000.00			946.41
N.J.D.O.T. Heiser Road		953.37	772.08	181.29	105,000.00
Municipal Court Alcohol Ed and Rehab	2,819.00	59,472.37	59,472.37		2,819.00
Recycling Tonnage Grant		21,420.32	21,420.32		
Clean Communities		5,500.00	500.00	5,000.00	
Click-it or Ticket			742.10		7.90
Association of N.J. Environmental Commissions	750.00				
Recreation Trails Grant	24,000.00				24,000.00
Highlands Plan Conf.	29,852.50				29,852.50
Highlands Assessment	15,000.00				15,000.00
Body Armor Fund		1,705.18	1,705.18		
FEMA Hazard Mitigation Grant		70,450.00			70,450.00
WC Conservancy - Mt. Bethel Church	28,723.14		6,223.14		22,500.00
Drive Sober or Get Pulled Over		15,500.00	10,500.00		5,000.00
Statewide Insurance Safety Grant		1,075.00	1,075.00		
Statewide Insurance Risk Management Grant		2,271.18			2,271.18
Municipal Alliance	5,522.00				5,522.00
	<u>107,613.05</u>	<u>283,347.42</u>	<u>102,410.19</u>	<u>5,181.29</u>	<u>283,368.99</u>
	A	A-2	A-23	A-26	A

## Township of Mansfield, N.J.

## Schedule of Appropriated Reserves for Grants

## State Grant Fund

Year Ended December 31, 2017

<u>Grant</u>	<u>Balance Dec. 31, 2016</u>	<u>Transfer From 2017 Budget</u>	<u>Expended</u>	<u>Balance Dec. 31, 2017</u>
Clean Communities	30,923.15	21,420.32	24,920.42	27,423.05
Municipal Court Alcohol Rehab. Program	1,152.40	953.37	1,514.98	590.79
Recycling Tonnage	8,113.63	59,472.37	8,952.90	58,633.10
Wal-Mart Environmental Grant - Local Share	500.00			500.00
Association of N.J. Environmental Commissions	500.00		492.10	7.90
Drive Sober or Get Pulled Over	(1,100.00)	15,500.00	7,800.00	6,600.00
New Jersey Trust Fund Authority Act:				
Washburn Road	8,708.91			8,708.91
Heiser Road		105,000.00	9,078.14	95,921.86
Drunk Driving Enforcement Fund	4,245.34		777.58	3,467.76
Recreation Trail Grant	24,000.00			24,000.00
Warren County Conservancy Trust - Mt. Bethel Church	17,474.71		3,419.37	14,055.34
Highlands Plan Conf.	21,633.75			21,633.75
Highlands Assessment	4,048.75			4,048.75
Click -it or Ticket	7,000.00	5,500.00	5,500.00	7,000.00
Warren County - Prosecutor's Law Enforcement	240.00			240.00
Municipal Stormwater Regulation	822.56			822.56
Municipal Alliance - State Share	5,705.47			5,705.47
Municipal Alliance - Matching Fund	5,328.25	2,215.00	2,215.00	5,328.25
County of Warren - DARE	242.08			242.08
Body Armor Fund	2,431.05	1,705.18		4,136.23
Sustainable New Jersey Grant	356.05			356.05
Statewide Insurance Risk Control Grant		2,271.18	2,271.18	
Statewide Insurance Safety Grant		1,075.00		1,075.00
FEMA Hazard Mitigation Grant		70,450.00		70,450.00
	<u>142,326.10</u>	<u>285,562.42</u>	<u>66,941.67</u>	<u>360,946.85</u>
	A			A
	<u>Ref.</u>			
Budget Appropriations	A-3	283,347.42		
Matching Funds for Grants	A-23	2,215.00		
Cash Disbursed	A-23		56,407.29	
Reserve for Encumbrances	A-27		10,534.38	
		<u>285,562.42</u>	<u>66,941.67</u>	



Township of Mansfield, N.J.

Schedule of Unappropriated Reserves for Grants

Federal and State Grant Fund

Year Ended December 31, 2017

<u>Grant</u>	Balance Dec. 31, 2016	Transfer To Appropriated Reserves	<u>Received</u>	Balance Dec. 31, 2017
Click-it or Ticket	5,000.00	5,000.00	5,000.00	5,000.00
Municipal Court Alcohol Rehabilitation	181.29	181.29	16,994.81	16,994.81
Recycling Tonnage Grant	<u>5,181.29</u>	<u>5,181.29</u>	<u>21,994.81</u>	<u>21,994.81</u>
	A	A-24	A-23	A

**Township of Mansfield, N.J.**  
**Schedule of Reserve for Encumbrances**  
**Federal and State Grant Fund**  
**Year Ended December 31, 2017**

Balance - December 31, 2016	<u>Ref.</u> A	425.00
Increased by:		
Charges to Appropriation Reserve	A-25	10,534.38
		<u>10,959.38</u>
Decreased by:		
Interfund - Current Fund	A-23	425.00
		<u>425.00</u>
Balance - December 31, 2017	A	<u><u>10,534.38</u></u>

## Township of Mansfield, N.J.

## Schedule of Cash

## Trust Funds

Year Ended December 31, 2017

	<u>Ref.</u>	<u>Animal Control Trust Fund</u>	<u>Other Trust Funds</u>
Balance - December 31, 2016	B	<u>0.57</u>	<u>2,089,770.88</u>
Increased by Receipts:			
Interfund - Current Fund	B-4;B-2	6,397.99	7,652.13
Dog License Fees - Township	B-5	4,898.30	
Dog Late Fees	B-5	246.00	
Miscellaneous	B-5	8.88	
Cat License Fees	B-5	798.00	
Other Trust Funds	B-6		3,655,150.80
Dog License Fees - State Share	B-7	<u>1,129.20</u>	
Total Receipts		<u>13,478.37</u>	<u>3,662,802.93</u>
		<u>13,478.94</u>	<u>5,752,573.81</u>
Decreased by Disbursements:			
Interfund - Current Fund	B-2		296,693.02
Reserve for Dog Expenditures	B-5	10,820.23	
Other Trust Funds	B-6		3,757,030.92
State Share - Dog Licenses	B-7	<u>2,058.00</u>	
Total Disbursements		<u>12,878.23</u>	<u>4,053,723.94</u>
Balance - December 31, 2017	B	<u><u>600.71</u></u>	<u><u>1,698,849.87</u></u>

**Township of Mansfield, N.J.**  
**Schedule of Due From / (To) Current Fund**

**Trust Fund**

**Year Ended December 31, 2017**

	<u>Ref.</u>		
Balance - December 31, 2016	B		(398,072.81)
Increased by:			
Cash Receipts	B-1	7,652.13	
Other Trust Funds	B-6	<u>2,692.77</u>	
			<u>10,344.90</u>
			(408,417.71)
Decreased by:			
Cash Disbursements	B-1	296,693.02	
Other Trust Funds	B-6	<u>12,877.58</u>	
			<u>309,570.60</u>
Balance - December 31, 2017	B		<u><u>(98,847.11)</u></u>

**Schedule of Due From General Capital**

**Trust Fund**

**Year Ended December 31, 2017**

	<u>Ref.</u>		
Balance - December 31, 2016	B		<u><u>25,000.00</u></u>
Balance - December 31, 2017	B		<u><u>25,000.00</u></u>

**Township of Mansfield, N.J.**  
**Schedule of Due (To) Current Fund**  
**Animal Control Trust Fund**  
**Year Ended December 31, 2017**

Balance - December 31, 2016	<u>Ref.</u> B	(1,900.04)
Increased by:		
Cash Receipts	B-1	<u>6,397.99</u>
		8,298.03
Decreased by:		
Deficit Raised in Current Fund Budget	B-5	<u>4,182.00</u>
Balance - December 31, 2017	B	<u><u>(4,116.03)</u></u>

**Township of Mansfield, N.J.**

**Reserve/(Deficit) for Animal Control Trust Fund Expenditures**

**Trust Funds**

**Year Ended December 31, 2017**

	<u>Ref.</u>		
Balance (Deficit) - December 31, 2016	B		(2,828.27)
Increased by:			
Miscellaneous	B-1	8.88	
Late Fees	B-1	246.00	
Cat License Fees	B-1	798.00	
Dog License Fees	B-1	4,898.30	
Deficit Raised in Current Fund Budget	B-4	<u>4,182.00</u>	
			<u>10,133.18</u>
			7,304.91
Decreased by:			
Expenditures R.S. 4:19-1511	B-1	10,820.23	
Encumbrances	B-9	<u>1,235.00</u>	
			<u>12,055.23</u>
Balance (Deficit) - December 31, 2017	B		<u><u>(4,750.32)</u></u>

Year	
2016	5,615.60
2015	<u>6,079.20</u>
	<u><u>11,694.80</u></u>

**Township of Mansfield, N.J.**

**Schedule of Other Trust Funds**

**Trust Funds**

**Year Ended December 31, 2017**

	<u>Balance</u> <u>Dec. 31, 2016</u>	<u>Increased</u>	<u>Decreased</u>	<u>Balance</u> <u>Dec. 31, 2017</u>
Reserve for:				
Escrow Deposits	122,814.43	11,417.19	11,229.05	123,002.57
Unemployment	66,307.92	428.72	17,033.05	49,703.59
Municipal Alliance	2,084.89			2,084.89
Recreation	53,054.86	69,664.33	82,733.53	39,985.66
Tax Sale Premium	287,300.00	164,400.00	192,100.00	259,600.00
C.O.A.H. Mandatory Development	29,489.13	301,307.15	4,373.00	326,423.28
Open Space	370,806.71	136,931.94	156,012.88	351,725.77
Public Defender	700.00	840.00	820.00	720.00
COAH	269,929.71			269,929.71
Snow Removal	90,764.51	50,606.53	30,386.04	110,985.00
Outside Employment	30,532.20	12,205.99	39,562.34	3,175.85
Fire Prevention	11,903.22			11,903.22
POAA	719.58	4.00		723.58
Net Payroll	(13,479.00)	2,209,472.82	2,208,542.06	(12,548.24)
Payroll Agency	1,046.50	678,300.25	678,292.55	1,054.20
Accumulated Absences	33,806.65		143.33	33,663.32
Market to Affordable Housing	300,000.00		300,000.00	
Recycling	46,773.51	12,698.86	59,472.37	
K-9 Donations	2,597.75	19,139.87	2,764.90	18,972.72
Green Team Donation	845.78	302.92	580.45	568.25
Video Surcharge		275.00		275.00
Forfeited Property	8,699.72	32.81	1,200.00	7,532.53
	<u>1,716,698.07</u>	<u>3,668,028.38</u>	<u>3,785,245.55</u>	<u>1,599,480.90</u>
	B			B

	<u>Ref.</u>		
Interfund Current	B-2	12,877.58	2,692.77
Encumbrances	B-8		25,521.86
Cash Receipts	B-1	3,655,150.80	
Cash Disbursements	B-1		3,757,030.92
		<u>3,668,028.38</u>	<u>3,785,245.55</u>

**Township of Mansfield, N.J.**  
**Schedule of Due to State Department of Health**  
**Trust Funds**  
**Year Ended December 31, 2017**

	<u>Ref.</u>	
Balance - December 31, 2016	B	928.80
Increased by:		
State Fees Collected	B-1	<u>1,129.20</u> <u>2,058.00</u>
Decreased by:		
Paid to State	B-1	<u>2,058.00</u>



**Township of Mansfield, N.J.**

**Reserve for Other Trust Fund Encumbrances**

**Trust Funds**

**Year Ended December 31, 2017**

	<u>Ref.</u>	
Increased by:		
Various Reserves	B-6	<u>25,521.86</u>
Balance - December 31, 2017	B	<u><u>25,521.86</u></u>

**B-9**

**Reserve for Animal Control Trust Encumbrances**

**Trust Funds**

**Year Ended December 31, 2017**

	<u>Ref.</u>	
Increased by:		
Reserve for Animal Control	B-5	<u>1,235.00</u>
Balance - December 31, 2017	B	<u><u>1,235.00</u></u>

**Township of Mansfield, N.J.**  
**Schedule of Cash**  
**General Capital Fund**  
**Year Ended December 31, 2017**

	<u>Ref.</u>		
Balance - December 31, 2016	C; C-3		794,839.32
Increased by Receipts:			
Interfund - Current Fund	C-4	49,535.52	
Interfund - Other Trust Fund	C-5	43,667.00	
Bond Anticipation Notes	C-12	331,421.00	
			424,623.52
			1,219,462.84
Decreased by Disbursements:			
Interfund - Current Fund	C-4	96,646.85	
Improvement Authorizations	C-11	349,959.58	
			446,606.43
Balance - December 31, 2017	C;C-3		772,856.41

Township of Mansfield, N.J.

Analysis of Cash

General Capital Fund

Year Ended December 31, 2017

	Receipts		Disbursements		Transfers		Balance Dec. 31, 2017
	Miscellaneous	Bond Anticipation Notes Issued	Improvement Authorizations	Miscellaneous	To	(From)	
Fund Balance	218.66				1,735.07		1,953.73
Capital Improvement Fund	255,120.28						255,120.28
Due from County of Warren - Open Space	(81,957.00)					(131,000.00)	(131,000.00)
Due From State of N.J. Department of Transportation	47,111.65						(81,957.00)
Due (From) / To Current Fund	25,000.00	49,535.52		96,646.85			0.32
Due (From) / To Other Trust Fund	277,565.74	43,667.00			66,286.46	(43,667.00)	25,000.00
Various Reserves						(37,096.39)	306,755.81
Ordinance#							
09-03 Improvement to Public Buildings	6,400.00					(6,400.00)	
09-04 Purchase of Office Equipment	130.01					(130.01)	
11-11 Various Improvements	53,954.18		8,800.00			(27,222.36)	17,931.82
13-12 Mig Welder	500.06					(500.06)	
14-03 Jane Chapel Road Improvements	7,856.91						7,856.91
15-02 Watters Road Preservation	149,945.64		14,236.80			(1,287.50)	134,421.34
15-03 Imp. To Various Streets and Roads	10,418.19					(1,108.00)	10,418.19
16-02 Acq. And Installation of Dell Server	5,750.00		4,642.00				45,965.22
16-11 Acq. Of Ambulance & Refurb Fire Truck	36,825.00	331,421.00	322,280.78		174,667.00	(15,750.00)	158,917.00
17-01 Phase II of Mt Bethel Church					37,096.39	(15,623.60)	21,472.79
17-09 Improvement to Municipal Building					279,784.92	(279,784.92)	772,856.41
	<u>794,839.32</u>	<u>331,421.00</u>	<u>349,959.58</u>	<u>96,646.85</u>	<u>279,784.92</u>	<u>(279,784.92)</u>	<u>C</u>

## Township of Mansfield, N.J.

## Schedule of Interfund Accounts Receivable (Payable) - Current Fund

## General Capital Fund

## Year Ended December 31, 2017

	<u>Ref.</u>	
Balance - December 31, 2016	C	(47,111.65)
Increased by:		
Cash Receipts	C-2	<u>49,535.52</u> (96,647.17)
Decreased by:		
Cash Disbursements	C-2	<u>96,646.85</u>
Balance - December 31, 2017	C	<u><u>(0.32)</u></u>

C-5

## Schedule of Interfund Accounts Receivable (Payable) -Other Trust Fund

## General Capital Fund

## Year Ended December 31, 2017

	<u>Ref.</u>	
Balance - December 31, 2016	C	(25,000.00)
Increased by:		
Improvement Authorizations	C-11	<u>43,667.00</u> 18,667.00
Decreased by:		
Cash Receipt	C-2	<u>43,667.00</u>
Balance - December 31, 2017	C	<u><u>(25,000.00)</u></u>

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 Analysis
 

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Other Trust - Small Cities	<u><u>(25,000.00)</u></u>
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**Township of Mansfield, N.J.**  
**Due From Warren County - Open Space**  
**General Capital Fund**  
**Year Ended December 31, 2017**

	<u>Ref.</u>	
Increased by:		
Improvement Authorizations	C-11	<u>131,000.00</u>
Balance - December 31, 2017	C	<u><u>131,000.00</u></u>

**Township of Mansfield, N.J.**

**Due From State of New Jersey Department of Transportation**

**General Capital Fund**

**Year Ended December 31, 2017**

	<u>Ref.</u>	
Balance - December 31, 2016	C	<u><u>81,957.00</u></u>
Balance - December 31, 2017	C	<u><u>81,957.00</u></u>
<b>ANALYSIS</b>		
Watters Road		<u><u>81,957.00</u></u>

**C-8**

**Schedule of Deferred Charges to Future  
Taxation - Funded**

**General Capital Fund**

**Year Ended December 31, 2017**

	<u>Ref.</u>	
Balance - December 31, 2016	C	1,477,000.00
Increased by:		
Additional Issuance Costs	C-14	<u>40,000.00</u>
		1,517,000.00
Decreased by:		
Funded by Budget Appropriation		
General Serial Bonds	C-14	<u>201,000.00</u>
Balance - December 31, 2017	C	<u><u>1,316,000.00</u></u>

Township of Mansfield, N.J.

Schedule of Deferred Charges to Future Taxation - Unfunded

General Capital Fund

December 31, 2017

Ord. Number	Improvement Description	Balance Dec. 31, 2016	Paid By 2017 Budget Appropriation	Balance Dec. 31, 2017	Analysis of Balance	
					Financed by Bond	Anticipation Notes
10-09	Various Capital Improvements	172,095.00	12,544.00	159,551.00	159,551.00	
13-14	Improvements to Diamond Hills Road	156,985.00	5,042.00	151,943.00	151,943.00	
16-11	Acq. Of Ambulance & Refurb Fire Truck	331,421.00		331,421.00	331,421.00	
		<u>660,501.00</u>	<u>17,586.00</u>	<u>642,915.00</u>	<u>642,915.00</u>	
		C	C-12	C		C-12

**Township of Mansfield, N.J.**  
**Schedule of Capital Improvement Fund**  
**General Capital Fund**  
**Year Ended December 31, 2017**

	<u>Ref.</u>	
Balance - December 31, 2016	C	<u><u>255,120.28</u></u>
Balance - December 31, 2017	C	<u><u>255,120.28</u></u>



Township of Mansfield, N.J.

Schedule of Improvement Authorizations

General Capital Fund

Year Ended December 31, 2017

Ord. No.	Improvement Description	Ordinance Date	Amount	Balance Dec. 31, 2016		2017 Authorizations	Canceled Authorizations	Expended	Balance Dec. 31, 2017	
				Funded	Unfunded				Funded	Unfunded
09-03	Improvement to Public Buildings	06/24/09	16,550.00	6,400.00				6,400.00		
09-04	Purchase of Office Equipment	06/24/09	700.00	130.01		130.01				
11-11	Various Capital Improvements	05/25/11	273,326.60	53,954.18				36,022.36	17,931.82	
13-12	Mig Welder	12/23/13	2,500.00	500.06		500.06				
14-03	Jane Chapel Road Improvements	10/22/14	90,000.00	7,856.91					7,856.91	
15-02	Watters Road Preservation	07/22/15	155,000.00	149,945.64				15,524.30	134,421.34	
15-03	Imp. To Various Streets and Roads	09/23/15	105,191.14	10,418.19					10,418.19	
16-02	Acq. And Installation of Dell Server	09/28/16	5,750.00	5,750.00				4,645.00		
16-11	Acq. Of Ambulance & Refurb Fire Truck	09/14/16	368,246.00	36,825.00				322,277.78		45,968.22
17-01	Phase II of Mt Bethel Church	11/21/17	174,667.00					15,750.00	158,917.00	
17-09	Improvement to Municipal Building	08/23/17	37,096.39					15,623.60	21,472.79	
				<u>271,779.99</u>	<u>331,421.00</u>	<u>211,763.39</u>	<u>1,735.07</u>	<u>416,243.04</u>	<u>351,018.05</u>	<u>45,968.22</u>
				C	C		C-1		C	C
	Cash Disbursements							349,959.58		
	Interfund - Open Space Trust Fund					43,667.00				
	Due From Warren County - Open Space					131,000.00				
	Capital Reserves					<u>37,096.39</u>		<u>66,283.46</u>		
						<u>211,763.39</u>		<u>416,243.04</u>		



**Township of Mansfield, N.J.**

**Schedule of Various Reserves**

**General Capital Fund**

**Year Ended December 31, 2017**

<u>Description</u>	<u>Balance Dec. 31, 2016</u>	<u>Increased</u>	<u>Decreased</u>	<u>Balance Dec. 31, 2017</u>
Renovation to Municipal Property	37,096.39		37,096.39	23,000.00
Recreation Equipment	23,000.00			38,412.92
Road Equipment	38,412.92			130,872.93
Improvement to Streets and Roads	130,872.93			5,193.00
Office Equipment	5,193.00			5,000.00
Police Recorders	5,000.00			1,903.77
Police Computer	1,903.77			2,000.00
Computers	2,000.00			6,500.00
Liquid Calcium Chloride Storage Tank	6,500.00			20,000.00
Breath Test Instrument	20,000.00			500.00
Preliminary Exp. For Washburn Road	500.00			3,564.23
Preliminary Exp. For Watters Road	3,564.23			1,000.00
Infoshare QED System	1,000.00			2,522.50
Finance Computer Software	2,522.50	66,283.46		66,283.46
Reserve for Encumbrances	<u>277,565.74</u>	<u>66,283.46</u>	<u>37,096.39</u>	<u>306,752.81</u>
	C	C-11	C-11	C

Township of Mansfield, N.J.

Schedule of General Serial Bonds Payable

General Capital Fund

Year Ended December 31, 2017

Purpose	Date of Issue	Original Issue	Maturities of Bonds Outstanding, December 31, 2017	Interest Rate	Balance Dec. 31, 2016	Year Ended December 31, 2017		Balance Dec. 31, 2017
						Date	Amount	
General Improvements	12/01/01	1,481,000.00	09/01/18-20	5.20%	517,000.00		106,000.00	411,000.00
			09/01/21	5.20%				
General Improvements	09/01/03	2,284,000.00			960,000.00		960,000.00	
Refunding Bonds	07/01/17	1,000,000.00	09/01/18	3.00%				
			09/01/19	3.00%				
			09/01/20	3.00%				
			09/01/21	3.00%				
			09/01/22	3.00%				
			09/01/23	3.00%				
			09/01/24	3.00%				
09/01/25	3.00%							
			09/01/26	3.00%			95,000.00	905,000.00
					<u>1,477,000.00</u>		<u>1,161,000.00</u>	<u>1,316,000.00</u>
					C			C
					Ref.			
					Refunded		960,000.00	960,000.00
					Issued for Cash		40,000.00	40,000.00
					Deferred Charges to Future Taxation - Funded		201,000.00	201,000.00
							<u>1,000,000.00</u>	<u>1,161,000.00</u>

**Township of Mansfield, N.J.**

**Schedule of Bonds and Notes Authorized But Not Issued**

**General Capital Fund**

**Year Ended December 31, 2017**

<u>Ord. No.</u>	<u>Date</u>	<u>Improvement Description</u>	<u>Balance Dec. 31, 2016</u>	<u>Bond Anticipation Notes Issued</u>
16-11	09/14/16	Acq. Of Ambulance & Refurb Fire Truck	<u>331,421.00</u> Footnote C	<u>331,421.00</u> C-12

**TOWNSHIP OF MANSFIELD**

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**PART II**

**LETTER ON INTERNAL CONTROL AND ON COMPLIANCE  
AND OTHER MATTERS**

**COMMENTS AND RECOMMENDATIONS**

**YEAR ENDED DECEMBER 31, 2017**

# Ferraioli, Wielkottz, Cerullo & Cuva, P.A.

Charles J. Ferraioli, Jr., MBA, CPA, RMA  
Steven D. Wielkottz, CPA, RMA  
James J. Cerullo, CPA, RMA  
Paul J. Cuva, CPA, RMA  
Thomas M. Ferry, CPA, RMA

Certified Public Accountants  
401 Wanaque Avenue  
Pompton Lakes, New Jersey 07442  
973-835-7900  
Fax 973-835-6631

Newton Office  
100B Main Street  
Newton, N.J. 07860  
973-579-3212  
Fax 973-579-7128

## INDEPENDENT AUDITOR'S REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING AND ON COMPLIANCE AND OTHER MATTERS BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE WITH GOVERNMENT AUDITING STANDARDS

Honorable Mayor and  
Members of the Township Committee  
Township of Mansfield  
Port Murray, N.J. 07865

We have audited, in accordance with auditing standards generally accepted in the United States of America; audit requirements as prescribed by the Division of Local Government Services, Department of Community Affairs, State of New Jersey; and the standards applicable to financial audits contained in Government Auditing Standards, issued by the Comptroller General of the United States, the financial statements-regulatory basis of the Township of Mansfield in the County of Warren as of and for the year ended December 31, 2017 and the related notes to the financial statements, and have issued our report thereon dated June 29, 2018, which was adverse due to being presented in accordance with New Jersey regulatory basis of accounting.

### **Internal Control Over Financial Reporting**

In planning and performing our audit of the financial statements-regulatory basis, we considered the Township of Mansfield's internal control over financial reporting to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements-regulatory basis, but not for the purpose of expressing an opinion on the effectiveness of the Township of Mansfield's internal control. Accordingly, we do not express an opinion on the effectiveness of the Township of Mansfield's internal control.

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



Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

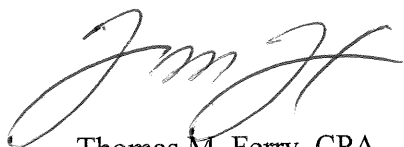
### **Compliance and Other Matters**

As part of obtaining reasonable assurance about whether the Township of Mansfield's financial statements-regulatory basis are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements, noncompliance with which could have a direct and material effect on the 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 immaterial instances of noncompliance that we have reported to the management of the Township of Mansfield in the accompanying comments and recommendations section of this report.

### **Purpose of this Report**

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the Township of Mansfield internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Township of Mansfield internal controls and compliance. Accordingly, this communication is not suitable for any other purpose.



Thomas M. Ferry, CPA  
Registered Municipal Accountant  
No. 497

*Ferraioli, Wielkotz, Cerullo & Cuva, PA*  
FERRAIOLI, WIELKOTZ, CERULLO & CUVA, P.A.  
Certified Public Accountants

Newton, New Jersey  
June 29, 2018





## GENERAL COMMENTS

### Cash Balances

Cash balances in all funds were verified by independent certificates obtained from the depositories as of December 31, 2017, and at June 29, 2018, in connection with the supplemental reconciliations made for all officials. Cash on hand was counted on that date.

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

N.J.S.A. 40A:11-3 states:

- a. "When the cost or price of any contract awarded by the contracting agent in the aggregate does not exceed in a contract year the total sum of \$17,500, the contract may be awarded by a purchasing agent when so authorized by ordinance or resolution, as appropriate to the contracting unit, of the governing body of the contracting unit without public advertising for bids, except that the governing body of any contracting unit may adopt an ordinance or resolution to set a lower threshold for the receipt of public bids or the solicitation of competitive quotations. If the purchasing agent is qualified pursuant to subsection b. of section 9 of P.L. 1971, c.198 (C.40A:11-9), the governing body of the contracting unit may establish that the bid threshold may be up to \$25,000. Such authorization may be granted for each contract or by a general delegation of the power to negotiate and award such contracts pursuant to this section.
- b. Any contracts made pursuant to this section may be awarded for a period of 24 consecutive months, except that contracts for professional services pursuant to subparagraph (I) of paragraph (a) of subsection (1) of section 5 of P.L. 1971, c.198 (C.40A:11-5) may be awarded for a period not exceeding 12 consecutive months. The Division of Local Government Services shall adopt and promulgate rules and regulations concerning the methods of accounting for all contracts that do not coincide with the contracting unit's fiscal year.
- c. The Governor, in consultation with the Department of the Treasury, shall, no later than March 1 of every fifth year beginning in the fifth year after the year in which P.L. 1999, c.440 takes effect, adjust the threshold amount and the higher threshold amount which the governing body is permitted to establish, as set forth in subsection a. of this section, or the threshold amount resulting from any adjustment under this subsection, in direct proportion to the rise or fall of the index rate as that term is defined in section 2 of P.L. 1971, c.198 (C.40A:11-2), and shall round the adjustment to the nearest \$1,000. The Governor shall, no later than June 1 of every fifth year, notify each governing body of the adjustment. That adjustment shall become effective on July 1 of the year in which it is made."

N.J.S.A. 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, 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 therefore, 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 subsection 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."

## GENERAL COMMENTS (CONTINUED)

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

Effective July 1, 2015, the bid threshold in accordance with N.J.S.A. 40A:11-3 and 40A:11-4 (as amended) is \$17,500.00 and with a qualified purchasing agent the threshold may be up to \$40,000.00.

The Governing Body of the Township of Mansfield have 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 Township Attorney's opinion should be sought before a commitment is made.

The minutes indicated the bids were requested by public advertising per N.J.S.A. 40A:11-4. The minutes also indicated that resolutions were adopted authorizing the awarding of contracts or agreements for "Professional Services" per N.J.S.A. 40A:11-5.

Inasmuch as the system of records did not provide for the accumulation of payments for categories for the performance of any work or the furnishing or hiring of any material or supplies, the results of such an accumulation could not reasonably be ascertained. Disbursements were reviewed, however, to determine whether any clear cut violation existed. None were noted.

Our review of the Township's minutes indicated that resolutions were adopted authorizing the awarding of contracts or agreements for "Professional Services" per N.J.S.A. 40A:11-5.

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

### Collection of Interest on Delinquent Taxes

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

The governing body adopted the following resolutions on January 2, 2017 authorizing interest to be charged on delinquent taxes.

"Establish Rate of Interest to be charged for Non-Payment of Taxes on or before the Due Date"

WHEREAS, N.J.S.A. 54:4-67 permits the Governing Body of each municipality to fix the rate of interest to be charged for late non-payment of taxes or assessments subject to any abatement or discount for the late payment of taxes as provided by law, and

WHEREAS, N.J.S.A. 54:4-67 has been amended to permit the fixing of said rate at eight percent (8%) per annum for the first \$1,500.00 of the delinquency and eighteen percent (18%) per annum on amounts in excess of \$1,500.00, and allows for an additional penalty of six percent (6%) to be collected against a delinquency in excess of \$10,000.00 from properties that fail to pay the delinquency prior to the end of the calendar year;

## GENERAL COMMENTS (CONTINUED)

### Collection of Interest on Delinquent Taxes (continued)

NOW THEREFORE BE IT RESOLVED by the Mayor and Township Committee of the Township of Mansfield, County of Warren, State of New Jersey as follows:

- 1) The Tax Collector is hereby authorized and directed to charge an 8% rate of interest per annum on the first \$1,500.00 of taxes becoming delinquent after due date, and 18% per annum on any amount of taxes in excess of \$1,500.00 becoming delinquent after due date and if a delinquency is in excess of \$10,000.00 and remains in arrears beyond December 31<sup>st</sup>, an additional penalty of 6% shall be charged against the delinquency.
- 2) Effective January 2, 2017 there will be a ten (10) day grace period of quarterly tax payments made by cash, check or money order.
- 3) Any payments not made in accordance with paragraph two of this resolution shall be charged interest from the due date as set forth in paragraph one of this resolution. It appears from an examination of the Tax Collector's records that interest was collected in accordance with the forgoing resolutions.

### Delinquent Taxes and Tax Title Liens

The last tax sale was held on November 29, 2017 and was complete, except for properties in Bankruptcy Court.

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>
2017	207
2016	200
2015	191

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

### Verification of Delinquent Taxes and Other Charges

A test verification of delinquent charges and current payments was made in accordance with the regulations of the Division of Local Government Services.

The result of the test which was made as of December 31, 2017 is not yet known, but a separate report will be rendered if any irregularities are developed.

In addition, analytical review procedures were utilized to ascertain the validity of the receivables.

## GENERAL COMMENTS (CONTINUED)

### Municipal Court

The report required by statute covering the accounts of the Municipal Court has been filed under separate cover with the Judge, Township Clerk and Division of Local Government Services. We noted however, that there are internal control problems that are throughout the State of New Jersey Municipal Court System caused by the implementation of the Automated Traffic System and the Automated Complaint System.

1. There were 22 tickets assigned but not issued over 181 days.

Management Response:

Tickets will be recalled and reissued on a timely basis in the future.

### Finance

1. Analysis of Police Outside Employment escrows is not being maintained.

Management Response:

The analysis will be maintained in 2018.

2. Cash per the bank reconciliations did not agree to the current fund, other trust funds and the payroll fund.

Management Response:

Cash will be tied into the current fund general ledgers on a monthly basis.

### Payroll

1. An analysis of the payroll agency account was not available for audit.

Management Response:

The analysis will be maintained in 2018.

## RECOMMENDATIONS

1. That an analysis of Outside Employment Escrows be maintained to support the balance in Other Trust.
2. That cash, per bank reconciliations, agree with current fund, other trust and payroll fund general ledgers.
3. That an analysis of payroll agency be maintained.
4. That tickets assigned but not issued over 181 days be recalled and reissued.

### Status of Prior Years Audit Findings/Recommendations

A review was performed on all prior years' recommendations and corrective action was taken on all findings, except for the following:

1. That an analysis of Outside Employment Escrows be maintained to support the balance in Other Trust.
2. That cash, per bank reconciliations, agree with current fund, other trust and payroll fund general ledgers.
3. That an analysis of payroll agency be maintained.

The problems and weaknesses notes in our review were not of such magnitude that they would affect our ability to express an opinion on the financial statements taken as a whole.

Should any questions arise as to our comments or recommendations, or should you desire assistance in implementing our recommendations, please do not hesitate to call us.

Very truly yours,



Thomas M. Ferry, CPA  
Registered Municipal Accountant  
No. 497

*Ferraioli, Wielkatz, Cerullo & Cuva, PA*  
FERRAIOLI, WIELKOTZ, CERULLO, & CUVA, P.A.  
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