

**TOWNSHIP OF MANSFIELD
COUNTY OF BURLINGTON**

**REPORT OF AUDIT
FOR THE YEAR ENDED
DECEMBER 31, 2018**

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TOWNSHIP OF MANSFIELD

PART I

REPORT OF AUDIT OF FINANCIAL STATEMENTS

FOR THE YEAR ENDED DECEMBER 31, 2018

INDEPENDENT AUDITOR'S REPORT

The Honorable Mayor and
Members of the Township Committee
Township of Mansfield
Columbus, New Jersey 08022

Report on the Financial Statements

We have audited the accompanying statements of assets, liabilities, reserves and fund balance - regulatory basis of the various funds of the Township of Mansfield, in the County of Burlington, State of New Jersey, as of December 31, 2018, and the related statements of operations and changes in fund balance - regulatory basis for the year then ended, and the related statement of revenues - regulatory basis, statement of expenditures - regulatory basis, and statement of general fixed asset group of accounts - regulatory basis for the year ended December 31, 2018, 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 financial reporting provisions of the Division of Local Government Services, Department of Community Affairs, State of New Jersey; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, 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 standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and in compliance with audit requirements as prescribed by the Division of Local Government Services, Department of Community Affairs, State of New Jersey. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from 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.

Opinions***Basis for Adverse Opinion on Accounting Principles Generally Accepted in the United States of America***

As described in note 1 to the financial statements, the financial statements are prepared by the Township on the basis of the financial reporting provisions of 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 the State 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 Accounting Principles Generally Accepted in the United States of America

In our opinion, because of the significance of the matter discussed in the “*Basis for Adverse Opinion on Accounting Principles Generally Accepted in the United States of America*” paragraph, the financial statements referred to above do not present fairly, in accordance with accounting principles generally accepted in the United States of America, the financial position of the Township of Mansfield, in the County of Burlington, State of New Jersey, as of December 31, 2018, or the results of its operations and changes in fund balance for the year then ended.

Opinion on Regulatory Basis of Accounting

In our opinion, the financial statements referred to previously present fairly, in all material respects, the assets, liabilities, reserves and fund balance - regulatory basis of the various funds of the Township of Mansfield, in the County of Burlington, State of New Jersey, as of December 31, 2018, and the results of its operations and changes in fund balance - regulatory basis of such funds for the year then ended, and the revenues - regulatory basis and expenditures - regulatory basis of the various funds, and general fixed asset group of accounts - regulatory basis, for the year ended December 31, 2018, in conformity with accounting principles and practices prescribed by the Division of Local Government Services, Department of Community Affairs, State of New Jersey, as described in note 1.

Prior Period Financial Statements

The financial statements of the Township of Mansfield, in the County of Burlington, State of New Jersey, as of and for the year ended December 31, 2017, were audited by other auditors whose report dated June 15, 2018, expressed an adverse opinion under accounting principles generally accepted in the United States of America and an unmodified opinion under the regulatory basis of accounting.

Emphasis of Matter***Adoption of New Accounting Principles***

As discussed in note 1 to the financial statements, during the year ended December 31, 2018, the Township adopted new accounting guidance, Governmental Accounting Standards Board (GASB) Statement No. 75, *Accounting and Financial Reporting for Postemployment Benefits other than Pensions*. The adoption of this new accounting principle resulted in a material note disclosure (see note 21). As a result of the regulatory basis of accounting, described in the previous paragraph, the implementation of this Statement only required financial statement disclosures. Our opinions are not modified with respect to this matter.

Prior Period Restatement

As discussed in note 19 to the financial statements, during the year ended December 31, 2018, the current fund general capital fund, and general fixed assets account group financial statements for the year ended December 31, 2017 have been restated to correct misstatements. Our opinion is not modified with respect to this matter.

Other Matters*Other Information*


Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Township's basic financial statements. The supplemental statements and schedules presented for the various funds, as listed in the table of contents, are presented for purposes of additional analysis as required by the Division of Local Government Services, Department of Community Affairs, State of New Jersey, and are not a required part of the basic financial statements.

The supplemental statements and schedules presented for the various funds are the responsibility of management and were derived from and relate 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 statements and schedules described in the previous paragraph are fairly stated, in all material respects, in relation to the basic financial statements as a whole.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated August 22, 2019 on our consideration of the Township of Mansfield, in the County of Burlington, State of New Jersey, 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 solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the Township of Mansfield's 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.

Respectfully submitted,



BOWMAN & COMPANY LLP
Certified Public Accountants
& Consultants



Certified Public Accountant
Registered Municipal Accountant

Voorhees, New Jersey
August 22, 2019

**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**

INDEPENDENT AUDITOR'S REPORT

The Honorable Mayor and
Members of the Township Committee
Township of Mansfield
Columbus, New Jersey 08022

We have audited, in accordance with the auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States; and the audit requirements as prescribed by the Division of Local Government Services, Department of Community Affairs, State of New Jersey, the financial statements prepared on a regulatory basis of accounting prescribed by the Division of Local Government Services, Department of Community Affairs, State of New Jersey, of the Township of Mansfield, in the County of Burlington, State of New Jersey, as of and for the year ended December 31, 2018, and the related notes to the financial statements, which collectively comprise the Township's basic financial statements, and have issued our report thereon dated August 22, 2019. That report indicated that the Township of Mansfield's financial statements were not prepared in accordance with accounting principles generally accepted in the United States of America, but were prepared on a regulatory basis of accounting prescribed by the Division of Local Government Services, Department of Community Affairs, State of New Jersey. Our report included an emphasis of matter paragraph describing the restatement of the prior period financial statements resulting from corrections of misstatements and that the financial statements for the Township as of and for the year ended December 31, 2017, were audited by another auditor whose report dated June 15, 2018, expressed an adverse opinion under accounting principles generally accepted in the United States and an unmodified opinion under the regulatory basis of accounting. Additionally, our report on the financial statements included an emphasis of matter paragraph describing the adoption of a new accounting pronouncement.

Internal Control over Financial Reporting

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

Our consideration of internal control was for the limited purpose described in the preceding paragraph and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies and therefore, material weaknesses or significant deficiencies may exist that have not been identified. However, as described in the accompanying *Schedule of Findings Recommendations*, we did identify certain deficiencies in internal control that we consider to be material weaknesses and significant deficiencies.

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. A *material weakness* is a deficiency, or a combination of deficiencies, in internal control such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected on a timely basis. We consider the deficiency described in the accompanying *Schedule of Findings Recommendations* as 2018-001 to be a material weakness.

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. We consider the deficiency described in the accompanying *Schedule of Findings Recommendations* as 2018-002 to be a significant deficiency.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the Township of Mansfield's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards* and audit requirements as prescribed by the Division of Local Government Services, Department of Community Affairs, State of New Jersey, and which are described in the accompanying *Schedule of Findings and Recommendations* as 2018-001 and 2018-002.

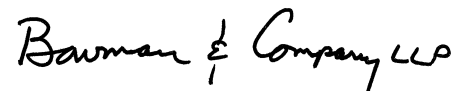
The Township of Mansfield's Response to Findings

The Township of Mansfield's response to the findings identified in our audit is described in the accompanying *Schedule of Findings and Recommendations*. The Township's response was not subjected to the auditing procedures applied in the audit of the financial statements and, accordingly, we express no opinion on it.

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 entity's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* and audit requirements as prescribed by the Division of Local Government Services, Department of Community Affairs, State of New Jersey, in considering the Township's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

Respectfully submitted,



BOWMAN & COMPANY LLP
Certified Public Accountants
& Consultants



Certified Public Accountant
Registered Municipal Accountant

Voorhees, New Jersey
August 22, 2019

TOWNSHIP OF MANSFIELD
CURRENT FUND
 Statements of Assets, Liabilities, Reserves and Fund Balance - Regulatory Basis
 As of December 31, 2018 and 2017

	<u>Ref.</u>	<u>2018</u>	(As Restated) <u>2017</u>
ASSETS:			
Regular Fund:			
Cash	SA-1	\$ 7,296,474.78	\$ 9,483,868.96
Cash - Change Fund	SA-2	675.00	675.00
		<u>7,297,149.78</u>	<u>9,484,543.96</u>
Receivables and Other Assets with Full Reserves:			
Delinquent Property Taxes Receivable	SA-4	681,363.73	379,397.05
Tax Title Lien Receivable	SA-5	147,780.91	125,179.25
Property Acquired for Taxes - Assessed Valuation	A	401,600.00	401,600.00
Revenue Accounts Receivable	SA-6	20,911.82	14,584.70
Due from Trust Other - Other Trust Funds	SB-5	20.81	137.27
Due from Federal and State Grant Fund	SA-19		11,734.09
Due from General Capital Fund	SC-10	485.45	2,718.80
		<u>1,252,162.72</u>	<u>935,351.16</u>
Deferred Charges:			
Overexpenditure of Appropriation Reserve	A-3,SA-8	15,803.00	8,902.69
Overexpenditure of Appropriation	A-3	687.74	1,996.28
		<u>16,490.74</u>	<u>10,898.97</u>
		<u>8,565,803.24</u>	<u>10,430,794.09</u>
Federal and State Grant Fund:			
Cash	SA-1	11,281.68	5,729.16
Deferred Charge - Overexpended Grant	SA-18	22,798.21	
Federal, State and Other Grants Receivable	SA-17	1,180,333.15	1,364,289.23
		<u>1,214,413.04</u>	<u>1,370,018.39</u>
		<u>\$ 9,780,216.28</u>	<u>\$ 11,800,812.48</u>

(Continued)

TOWNSHIP OF MANSFIELD
CURRENT FUND
 Statements of Assets, Liabilities, Reserves and Fund Balance - Regulatory Basis
 As of December 31, 2018 and 2017

	<u>Ref.</u>	<u>2018</u>	(As Restated) <u>2017</u>
LIABILITIES, RESERVES AND FUND BALANCE:			
Regular Fund:			
Liabilities:			
Appropriation Reserves	A-3,SA-8	\$ 35,331.35	\$ 131,295.48
Reserve for Encumbrances	SA-7	46,914.54	85,950.42
Accounts Payable	SA-1,SA-8	7,294.75	6,193.10
Tax Overpayments	SA-10	11,950.61	6,947.59
Prepaid Taxes	SA-9	268,305.80	1,247,677.49
Due County for Added and Omitted Taxes	SA-12	11,468.72	4,943.61
Local School District Taxes Payable	SA-13	2,283,641.85	2,558,635.00
Regional High School Taxes Payable	SA-14	4,367,491.29	4,477,337.34
Due State of New Jersey:			
Seniors and Veterans Deductions	SA-3	8,473.37	8,722.67
Marriage Licenses	SA-15	25.00	100.00
Due to Sewer Assessment Trust Fund	SD-4	116,124.92	107,588.85
Due to Trust Other Fund	SB-5		1,450.00
Reserve for Security Deposit	A	6,485.00	6,485.00
Reserve for Environmental Recycling	A	5,165.07	5,165.07
Reserve for Parking Offenses Adjudication Act	SA-1	518.80	502.80
Reserve for Tax Sale Premiums	SA-16	66,200.00	260,000.00
Reserve for White Pine Road	A	11,350.00	11,350.00
		<u>7,246,741.07</u>	<u>8,920,344.42</u>
Reserves for Receivables and Other Assets	A	1,252,162.72	935,351.16
Fund Balance	A-1	<u>66,899.45</u>	<u>575,098.51</u>
		<u>8,565,803.24</u>	<u>10,430,794.09</u>
Federal and State Grant Fund:			
Due from Current Fund	SA-19		11,734.09
Due from Sewer Capital Fund	SD-1	470,000.00	
Reserve for Federal and State Grants:			
Unappropriated	SA-20	18,683.74	
Appropriated	SA-18	616,633.12	1,342,056.23
Reserve for Encumbrances	SA-17	109,096.18	16,228.07
		<u>1,214,413.04</u>	<u>1,370,018.39</u>
		<u>\$ 9,780,216.28</u>	<u>\$ 11,800,812.48</u>

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

TOWNSHIP OF MANSFIELD
CURRENT FUND
 Statements of Operations and Changes in Fund Balance - Regulatory Basis
 For the Years Ended December 31, 2018 and 2017

	<u>2018</u>	(As Restated) <u>2017</u>
REVENUE AND OTHER INCOME REALIZED:		
Fund Balance Utilized	\$ 545,000.00	\$ 635,000.00
Miscellaneous Revenues Anticipated	1,955,392.28	2,193,413.91
Receipts from Delinquent Taxes and Tax Title Liens	375,804.30	352,351.62
Receipts from Current Taxes	30,205,822.63	30,329,601.08
Non-Budget Revenue	145,664.29	115,748.80
Other Credits to Income:		
Unexpended Balance of Appropriation Reserves	60,348.75	157,602.87
Other		2,468.49
Interfunds Liquidated	14,083.90	6,227.38
	<hr/>	<hr/>
Total Income	33,302,116.15	33,792,414.15
	<hr/>	<hr/>
EXPENDITURES:		
Budget Appropriations:		
Within "CAPS":		
Operations:		
Salaries and Wages	2,110,736.00	2,001,434.00
Other Expenses	2,648,031.00	2,542,166.53
Deferred Charges and Statutory Expenditures	525,835.37	617,334.47
Excluded from "CAPS":		
Operations:		
Salaries and Wages	56,500.00	56,500.00
Other Expenses	26,285.00	275,182.91
Capital Improvements	17,500.00	3,000.00
Municipal Debt Service	1,787,950.37	1,781,070.00
County Taxes	4,822,675.90	4,878,749.81
Due County for Added and Omitted Taxes	11,468.72	4,943.61
Local District School Tax	11,291,574.00	10,989,160.00
Regional District School Tax	9,961,034.00	10,110,680.00
Overexpenditure of Appropriation Reserves	15,803.00	1,996.28
Added Tax Overpayments	1,798.47	
Refund of Prior Year Revenue	48.60	11,950.00
Reimbursement due to Taxation Audit	1,750.00	
Refund of Tax Appeals	931.91	
Interfunds Created		7,908.98
Prior Year Veterans' and Senior Citizens' Deductions Disallowed	1,280.81	
Other	602.80	
	<hr/>	<hr/>
Total Expenditures	33,281,805.95	33,282,076.59
	<hr/>	<hr/>
Excess in Revenue	20,310.20	510,337.56
Adjustment to Income Before Fund Balance:		
Expenditures Included Above which are by Statute Deferred		
Charges to Budget of Succeeding Year	16,490.74	
	<hr/>	<hr/>
Statutory Excess to Fund Balance	36,800.94	510,337.56
FUND BALANCE:		
Balance January 1,	575,098.51	699,760.95
	<hr/>	<hr/>
	611,899.45	1,210,098.51
Decreased by:		
Utilized as Revenue	545,000.00	635,000.00
	<hr/>	<hr/>
Balance December 31,	\$ 66,899.45	\$ 575,098.51
	<hr/>	<hr/>

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

TOWNSHIP OF MANSFIELD
CURRENT FUND
Statement of Revenues - Regulatory Basis
For the Year Ended December 31, 2018

	<u>Budget</u>	<u>Anticipated</u> Special N.J.S.A. <u>40A: 4-87</u>	<u>Realized</u>	<u>Excess or</u> <u>(Deficit)</u>
Fund Balance Anticipated	\$ 545,000.00		\$ 545,000.00	
Miscellaneous Revenues:				
Licenses:				
Alcoholic Beverages	4,300.00		4,453.00	\$ 153.00
Fines and Costs:				
Municipal Court	255,000.00		235,095.26	(19,904.74)
Interest and Costs on Taxes	69,000.00		66,792.36	(2,207.64)
Interest on Investments and Deposits	37,000.00		43,493.52	6,493.52
Energy Receipts Tax	512,185.00		512,185.00	
Shared Service Agreements				
Springfield Court	115,000.00		115,000.00	
Public and Private Revenues - Offset With Appropriations:				
Safe and Secure Communities Grant	30,000.00		30,000.00	
Other Special Items of Revenues:				
Uniform Fire Safety Act	9,300.00		13,785.55	4,485.55
COPS in Schools	160,000.00		168,094.00	8,094.00
Host Community Benefit Fees	500,000.00		505,140.96	5,140.96
Cable TV Franchise Fees	55,000.00		56,595.53	1,595.53
Admin Fee Construction Trust	25,000.00		25,000.00	
Admin Fee for Police Outside Employment	77,000.00		77,000.00	
JIF Safety Reimbursement	50,000.00		53,026.00	3,026.00
Hotel Tax	9,200.00		14,967.42	5,767.42
Sewer Utility Reimbursement	3,000.00		4,063.68	1,063.68
Reserve for Payment of Debt Service	30,000.00		30,000.00	
Rental of Municipal Space	625.00		700.00	75.00
	<u>1,941,610.00</u>	<u>-</u>	<u>1,955,392.28</u>	<u>13,782.28</u>
Receipts from Delinquent Taxes	370,000.00		375,804.30	5,804.30
Amount to be Raised by Taxes for				
Support of Municipal Budget:				
Local Tax for Municipal Purposes				
including Reserve for Uncollected Taxes	4,756,892.49		4,559,730.13	(197,162.36)
Budget Totals	7,613,502.49		7,435,926.71	(177,575.78)
Non-Budget Revenue			145,664.29	145,664.29
	<u>\$ 7,613,502.49</u>	<u>\$ -</u>	<u>\$ 7,581,591.00</u>	<u>\$ (31,911.49)</u>

(Continued)

TOWNSHIP OF MANSFIELD
CURRENT FUND
Statement of Revenues - Regulatory Basis
For the Year Ended December 31, 2018

Analysis of Realized Revenue

Allocation of Current Tax Collections:

Revenue from Collections	\$ 30,205,822.63
Allocated to:	
County and School Taxes	<u>26,086,752.62</u>
Amount for Support of Municipal Budget Appropriations	4,119,070.01
Add: Appropriation "Reserve for Uncollected Taxes"	<u>440,660.12</u>
Amount for Support of Municipal Budget Appropriations	<u><u>\$ 4,559,730.13</u></u>

Receipts from Delinquent Taxes:

Delinquent Tax Collections	<u><u>\$ 375,804.30</u></u>
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Analysis of Non-Budget Revenues

Miscellaneous Revenue not Anticipated:

Receipts:

Insurance Refund	\$ 47,997.88
Clerk	17,766.10
Clothing Bins	4,261.97
DMV Inspection Fees	865.00
Fire Prevention Permits	5,547.00
Miscellaneous	4,859.74
Police	2,101.76
Recycling	3,730.00
Rental of Office Space	18,454.00
Lease of Property	28,482.00
Tax Searches	310.00
Senior and Vet Admin Fee	3,161.38
Homestead Benefit Admin	1,356.00
Zoning Permit Application Fees	<u>6,771.46</u>
	<u><u>\$ 145,664.29</u></u>

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

TOWNSHIP OF MANSFIELD
Statement of Expenditures - Regulatory Basis
For the Year Ended December 31, 2018

	<u>Appropriations</u>		<u>Expended</u>			<u>Unexpended</u>	<u>Over-expended</u>
	<u>Budget</u>	<u>Budget After Modification</u>	<u>Paid or Charged</u>	<u>Encumbered</u>	<u>Reserved</u>	<u>Balance/ Canceled</u>	
<u>OPERATIONS - WITHIN "CAPS"</u>							
<u>GOVERNMENTAL GOVERNMENT:</u>							
Mayor and Council							
Salaries and Wages	\$ 34,000.00	\$ 34,000.00	\$ 33,839.97		\$ 160.03		
General Administration							
Salaries and Wages	90,000.00	90,001.00	90,000.04		0.96		
Other Expenses	26,420.00	21,920.00	14,586.70	\$ 475.00	6,858.30		
Municipal Clerk							
Salaries and Wages	125,000.00	120,500.00	120,666.09				\$ 166.09
Other Expenses	24,250.00	25,600.00	24,920.02	674.81	5.17		
Financial Administration							
Salaries and Wages	82,100.00	83,900.00	83,893.10		6.90		
Other Expenses	20,025.00	24,025.00	23,356.53	616.66	51.81		
Audit Services							
Other Expenses	25,500.00	25,200.00	25,200.00				
Collection of Taxes							
Salaries and Wages	79,000.00	69,300.00	68,801.54		498.46		
Other Expenses	12,950.00	7,650.00	7,452.55	36.05	161.40		
Assessment of Taxes							
Salaries and Wages	32,000.00	32,475.00	32,472.89		2.11		
Other Expenses	13,700.00	11,654.00	10,818.80	816.66	18.54		
Legal Services and Costs							
Other Expenses	110,000.00	124,000.00	123,276.54		723.46		
Engineering Services							
Other Expenses	100,000.00	85,000.00	83,556.86	1,441.95	1.19		
<u>LAND USE ADMINISTRATION:</u>							
Planning Board							
Other Expenses	14,000.00	5,500.00	5,080.93	388.50	30.57		
Zoning Board of Adjustment							
Salaries and Wages	500.00						
Other Expenses	4,200.00	2,700.00	1,932.32	519.14	248.54		
Zoning Enforcement							
Salaries and Wages	8,000.00	8,125.00	8,115.12		9.88		
Other Expenses	500.00						
Land Use							
Salaries and Wages	34,500.00	35,300.00	35,248.54		51.46		
Other Expenses	2,950.00	3,075.00	3,073.17		1.83		
Affordable Housing Agency							
Other Expenses	1,000.00						
Other Code Enforcement - Fire Inspections							
Salaries and Wages	31,000.00	32,000.00	31,999.50		0.50		
Other Expenses	6,000.00	3,500.00	3,021.68	113.65	364.67		

(Continued)

TOWNSHIP OF MANSFIELD
Statement of Expenditures - Regulatory Basis
For the Year Ended December 31, 2018

	<u>Appropriations</u>		<u>Expended</u>			<u>Unexpended</u>	
	<u>Budget</u>	<u>Budget After</u>	<u>Paid or</u>		<u>Reserved</u>	<u>Balance/</u>	<u>Over-expended</u>
		<u>Modification</u>	<u>Charged</u>	<u>Encumbered</u>		<u>Canceled</u>	
<u>OPERATIONS - WITHIN "CAPS" (CONT'D)</u>							
<u>LAND USE ADMINISTRATION (CONT'D):</u>							
Other Code Enforcement - Property Maintenance							
Salaries and Wages	\$ 9,000.00	\$ 9,000.00	\$ 8,659.56		\$ 340.44		
Other Expenses	500.00	500.00	156.88		343.12		
<u>PUBLIC SAFETY:</u>							
Police							
Salaries and Wages	1,282,000.00	1,274,600.00	1,272,859.42		1,740.58		
Other Expenses	79,920.00	73,920.00	57,427.84	\$ 16,477.77	14.39		
Office of Emergency Management							
Salaries and Wages	3,100.00	3,120.00	3,118.72		1.28		
Other Expenses	7,500.00	7,500.00	2,053.06	2,208.06	3,238.88		
Aid to Volunteer Fire Company							
Other Expenses	71,000.00	71,000.00	71,000.00				
Aid to Volunteer Ambulance Company							
Other Expenses	200,000.00	200,000.00	200,000.00				
Joint Insurance Safety Fund Incentive							
Other Expenses	3,000.00	1,500.00	1,204.20		295.80		
Municipal Prosecutor							
Other Expenses	21,300.00	21,300.00	19,219.75		2,080.25		
<u>PUBLIC WORKS FUNCTIONS:</u>							
Streets and Roads Maintenance							
Salaries and Wages	125,000.00	143,300.00	142,516.34		783.66		
Other Expenses	111,000.00	131,000.00	130,451.58	544.00	4.42		
Other Public Works Functions - Stormwater Management							
Other Expenses	2,000.00	2,000.00	2,000.00				
Solid Waste Collection							
Other Expenses	204,000.00	207,200.00	205,223.14	1,976.86			
Buildings and Grounds							
Other Expenses	68,500.00	71,100.00	58,942.52	10,887.25	1,270.23		
Vehicle Maintenance							
Other Expenses	49,250.00	52,300.00	50,699.88	1,595.04	5.08		
Community Service Act (Condominium Community Costs)							
Other Expenses	45,000.00	54,300.00	54,272.76		27.24		
<u>HEALTH AND HUMAN SERVICES:</u>							
Public Health Services							
Salaries and Wages	1,500.00	1,500.00	1,343.45		156.55		
Other Expenses	3,000.00	1,800.00	1,415.90		384.10		
Environmental Health Services							
Salaries and Wages	1,300.00	1,300.00	1,248.53		51.47		
Other Expenses	2,350.00	1,150.00	1,121.26		28.74		
Animal Control Services							
Other Expenses	2,200.00	1,200.00	1,028.05		171.95		
Contributions to Social Service Agencies - Statutory							
Other Expenses	300.00	300.00			300.00		

(Continued)

TOWNSHIP OF MANSFIELD
Statement of Expenditures - Regulatory Basis
For the Year Ended December 31, 2018

	<u>Appropriations</u>		<u>Expended</u>			<u>Unexpended</u>	
	<u>Budget</u>	<u>Budget After</u>	<u>Paid or</u>	<u>Encumbered</u>	<u>Reserved</u>	<u>Balance/</u>	<u>Over-expended</u>
		<u>Modification</u>	<u>Charged</u>			<u>Canceled</u>	
<u>EXPENDITURES - MUNICIPAL WITHIN "CAPS" (CONT'D):</u>							
<u>PARKS AND RECREATION FUNCTIONS:</u>							
Recreation Services Programs							
Salaries and Wages	\$ 12,500.00	\$ 12,500.00	\$ 12,484.72		\$ 15.28		
Other Expenses	17,500.00	17,500.00	14,544.19	\$ 898.46	2,057.35		
Celebration of Public Events							
Other Expenses	3,000.00	3,000.00	3,000.00				
Maintenance of Parks							
Other Expenses	27,000.00	32,850.00	29,104.89	2,015.54	1,729.57		
<u>MUNICIPAL COURT</u>							
Municipal Court							
Salaries and Wages	186,000.00	152,715.00	152,183.91		531.09		
Other Expenses	30,650.00	25,650.00	25,289.38		360.62		
Public Defender							
Other Expenses	1,000.00						
<u>UNCLASSIFIED:</u>							
Recycling							
Salaries and Wages	7,100.00	7,100.00	7,214.21				\$ 114.21
Other Expenses	500.00	500.00	172.10	150.83	177.07		
Insurance							
Liability	85,237.00	81,937.00	81,906.00		31.00		
Workers Compensation	185,100.00	184,100.00	184,021.00		79.00		
Group Health Benefits	372,400.00	404,400.00	404,598.59				198.59
Salary and Wage Adjustment							
Salaries and Wages	16,500.00						
Unemployment Insurance	1,000.00						
Tax Appeal Settlements	46,000.00	46,000.00	45,187.90		812.10		
Utilities							
Electricity	96,000.00	98,850.00	98,621.06		228.94		
Street Lighting	113,000.00	101,000.00	99,482.19		1,517.81		
Telephone	36,600.00	36,600.00	35,760.20	626.02	213.78		
Water	60,000.00	51,000.00	50,243.80	153.09	603.11		
Fuel Oil	56,000.00	66,750.00	66,735.32		14.68		
Landfill and Solid Waste Disposal Costs							
Landfill Fees	260,000.00	260,000.00	255,700.80	4,299.20			
Total Operations - Within "CAPS"	4,783,402.00	4,758,767.00	4,683,525.99	46,914.54	28,805.36	-	478.89
<u>Detail:</u>							
Salaries and Wages	2,160,100.00	2,110,736.00	2,106,665.65	-	4,350.65	-	280.30
Other Expenses	2,623,302.00	2,648,031.00	2,576,860.34	46,914.54	24,454.71	-	198.59

(Continued)

TOWNSHIP OF MANSFIELD
Statement of Expenditures - Regulatory Basis
For the Year Ended December 31, 2018

	<u>Appropriations</u>		<u>Expended</u>			<u>Unexpended</u>	
	<u>Budget</u>	<u>Budget After</u>	<u>Paid or</u>	<u>Encumbered</u>	<u>Reserved</u>	<u>Balance/</u>	<u>Over-expended</u>
		<u>Modification</u>	<u>Charged</u>			<u>Canceled</u>	
<u>DEFERRED CHARGES AND STATUTORY EXPENDITURES --</u>							
<u>MUNICIPAL -- WITHIN "CAPS"</u>							
Deferred Charges:							
Overexpenditure of Appropriations and Appropriation Reserves	\$ 10,850.37	\$ 10,850.37	\$ 10,850.37				
Statutory Expenditures:							
Contribution to							
Public Employee Retirement System	108,000.00	109,325.00	109,323.47		\$ 1.53		
Social Security System (O.A.S.I.)	160,000.00	168,500.00	168,708.85				\$ 208.85
Police and Firemen's Retirement System	221,920.00	231,660.00	231,652.78		7.22		
Define Contribution Retirement System	2,500.00	5,500.00	4,643.52		856.48		
TOTAL DEFERRED CHARGES AND STATUTORY EXPENDITURES - MUNICIPAL WITHIN "CAPS"	503,270.37	525,835.37	525,178.99	-	865.23	-	208.85
TOTAL GENERAL APPROPRIATIONS FOR MUNICIPAL PURPOSES WITHIN "CAPS"	5,286,672.37	5,284,602.37	5,208,704.98	\$ 46,914.54	29,670.59	-	687.74
<u>OPERATIONS - EXCLUDED FROM "CAPS"</u>							
Length of Service Award Program	20,000.00	21,285.00	21,284.46		0.54		
Shared Service Agreements:							
Springfield Township Court							
Salaries and Wages	26,500.00	26,500.00	25,500.02		999.98		
Other Expenses	5,000.00	5,000.00	339.76		4,660.24		
Public and Private Programs Offset by Revenue:							
Safe and Secure Communities	30,000.00	30,000.00	30,000.00				
TOTAL OPERATIONS - EXCLUDED FROM "CAPS"	81,500.00	82,785.00	77,124.24	-	5,660.76	-	-
Detail:							
Salaries and Wages	56,500.00	56,500.00	55,500.02	-	999.98	-	-
Other Expenses	25,000.00	26,285.00	21,624.22	-	4,660.78	-	-
<u>CAPITAL IMPROVEMENTS - EXCLUDED FROM "CAPS"</u>							
Capital Improvement Fund	17,500.00	17,500.00	17,500.00	-	-	-	-
<u>MUNICIPAL DEBT SERVICE - EXCLUDED FROM "CAPS"</u>							
Payment of Bond Principal	850,000.00	850,000.00	850,000.00				
Payment of Bond Anticipation Notes and Capital Notes	140,000.00	140,000.00	140,000.00				
Interest on Bonds	367,770.00	367,770.00	367,770.00				
Interest on Notes	58,850.00	58,850.00	58,850.00				
Burlington County Bridge Commission Leases	370,550.00	371,335.00	371,330.37			\$ 4.63	
TOTAL MUNICIPAL DEBT SERVICE - EXCLUDED FROM "CAPS"	1,787,170.00	1,787,955.00	1,787,950.37	-	-	4.63	-

(Continued)

TOWNSHIP OF MANSFIELD
Statement of Expenditures - Regulatory Basis
For the Year Ended December 31, 2018

	<u>Appropriations</u>		<u>Expended</u>			<u>Unexpended Balance/ Canceled</u>	<u>Over-expended</u>
	<u>Budget</u>	<u>Budget After Modification</u>	<u>Paid or Charged</u>	<u>Encumbered</u>	<u>Reserved</u>		
TOTAL GENERAL APPROPRIATIONS FOR MUNICIPAL PURPOSES EXCLUDED FROM "CAPS"	\$ 1,886,170.00	\$ 1,888,240.00	\$ 1,882,574.61	-	\$ 5,660.76	\$ 4.63	-
SUBTOTAL GENERAL APPROPRIATIONS	7,172,842.37	7,172,842.37	7,091,279.59	\$ 46,914.54	35,331.35	4.63	\$ 687.74
RESERVE FOR UNCOLLECTED TAXES	440,660.12	440,660.12	440,660.12				
TOTAL GENERAL APPROPRIATIONS	<u>\$ 7,613,502.49</u>	<u>\$ 7,613,502.49</u>	<u>\$ 7,531,939.71</u>	<u>\$ 46,914.54</u>	<u>\$ 35,331.35</u>	<u>\$ 4.63</u>	<u>\$ 687.74</u>
Federal, State and Other Grants Appropriated			\$ 30,000.00				
Deferred Charge:							
Overexpenditure of Appropriations and Appropriation Reserves			10,850.37				
Reserve for Uncollected Taxes			440,660.12				
Refunds of Current Year Appropriations			(158,392.12)				
Reimbursed by Trust Other Fund on Behalf of Current Fund			(1,000.00)				
Disbursed by General Capital Fund on Behalf of Current Fund			198,850.00				
Capital Improvement Fund			17,500.00				
Disbursed			6,993,471.34				
			<u>\$ 7,531,939.71</u>				

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

TOWNSHIP OF MANSFIELD
TRUST FUND
 Statements of Assets, Liabilities, and Reserves - Regulatory Basis
 As of December 31, 2018 and 2017

	<u>Ref.</u>	<u>2018</u>	<u>2017</u>
ASSETS:			
Animal Control Fund:			
Cash	SB-1	\$ 11,623.61	\$ 12,526.36
		<u>11,623.61</u>	<u>12,526.36</u>
Other Funds:			
Cash	SB-1	1,489,361.87	1,541,475.98
Investments - Length of Service Awards Program	SB-2	502,651.13	563,658.88
Due from Current Fund:	SB-5		1,450.00
		<u>1,992,013.00</u>	<u>2,106,584.86</u>
		<u>\$ 2,003,636.61</u>	<u>\$ 2,119,111.22</u>
LIABILITIES AND RESERVES			
Animal Control Fund:			
Due to State Department of Health	SB-3		\$ 7.60
Reserve for Animal Control Expenditures	SB-4	\$ 11,623.61	12,518.76
		<u>11,623.61</u>	<u>12,526.36</u>
Other Funds:			
Due to Current Fund - Other Trust Funds	SB-5	20.81	137.27
Due to State of New Jersey - DCA Fees	SB-7	2,801.00	3,585.00
Reserve for Length of Service Awards Program	SB-2	502,651.13	563,658.88
Payroll Deductions Payable	SB-6	7,281.89	27,769.42
Reserve for Unemployment Compensation Insurance	SB-6	29,819.81	30,920.57
Reserve for Recreation Open Space Land Fund	SB-6	3,124.63	9,264.63
Reserve for Fire Safety	SB-6	5,516.62	7,216.62
Reserve for Public Defender	SB-6	2,869.50	8,519.50
Reserve for Developer's Escrow	SB-6	443,694.13	412,812.28
Reserve for Special Events	SB-6	5,602.09	3,614.80
Reserve for Recreation Programs	SB-6	100,300.73	115,709.07
Reserve for COAH	SB-6	585,358.22	574,196.81
Reserve for Special Law Enforcement	SB-6	2,011.36	2,011.36
Reserve for Law Enforcement Trust	SB-6	567.44	431.44
Reserve for Construction Trust	SB-6	27,055.79	75,655.61
Reserve for Police Outside Employment	SB-6	11,756.25	8,500.00
Reserve for Court Ordered Mapleton	SB-6	220,621.60	220,621.60
Reserve for Sidewalk Contributions	SB-6	40,960.00	40,960.00
Reserve for Storm Recovery	SB-6		1,000.00
		<u>1,992,013.00</u>	<u>2,106,584.86</u>
		<u>\$ 2,003,636.61</u>	<u>\$ 2,119,111.22</u>

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

TOWNSHIP OF MANSFIELD
GENERAL CAPITAL FUND
 Statements of Assets, Liabilities, Reserves and Fund Balance - Regulatory Basis
 As of December 31, 2018 and 2017

ASSETS:	Ref.	2018	(As Restated) 2017
Cash	SC-1	\$ 342,405.36	\$ 265,631.45
Due from Sewer Utility Capital Fund	SD-13	110.27	950.00
Due from Sewer Utility Operating Fund	SD-5	1,333.79	485.45
Deferred Charges to Future Taxation:			
Funded	SC-3	9,809,000.00	10,944,000.00
Unfunded	SC-4	5,848,546.00	5,751,046.00
		<u>\$ 16,001,395.42</u>	<u>\$ 16,962,112.90</u>
LIABILITIES, RESERVES AND FUND BALANCE:			
General Serial Bonds	SC-13	\$ 8,206,000.00	\$ 9,056,000.00
Burlington County Bridge Commission Lease Payable	SC-11	1,603,000.00	1,888,000.00
Bond Anticipation Notes	SC-12	5,383,660.00	5,117,110.00
Due to Current Fund	SC-10	485.45	2,718.80
Capital Improvement Fund	SC-9	5,300.00	300.00
Reserve for Encumbrances	SC-5	72,289.11	125,592.18
Improvement Authorizations:			
Funded	SC-8	14.56	14.56
Unfunded	SC-8	467,334.52	544,613.70
Reserve for Petticoat Bridge	C	17,466.00	17,466.00
Reserve for Sewer Plant	SC-7	10,377.19	5,879.78
Reserve for Payment of Debt Service	SC-6	235,170.22	204,119.51
Fund Balance	C	298.37	298.37
		<u>\$ 16,001,395.42</u>	<u>\$ 16,962,112.90</u>

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

TOWNSHIP OF MANSFIELD
SEWER UTILITY FUND
 Statements of Assets, Liabilities, Reserves and Fund Balance - Regulatory Basis
 As of December 31, 2018 and 2017

	<u>Ref.</u>	<u>2018</u>	<u>2017</u>
ASSETS:			
Operating Fund:			
Cash	SD-1	\$ 40,358.38	\$ 32,873.14
Receivables with Full Reserves:			
Sewer Rents Receivable	SD-3	<u>2,660.37</u>	<u>3,298.19</u>
Total Operating Fund		<u>43,018.75</u>	<u>36,171.33</u>
Capital Fund:			
Cash	SD-1	1,153,665.47	1,623,665.47
Due from Federal and State Grant Fund	SD-1	470,000.00	
Fixed Capital Authorized and Uncompleted	SD-8	<u>75,000.00</u>	<u>75,000.00</u>
Total Capital Fund		<u>1,698,665.47</u>	<u>1,698,665.47</u>
Assessment Trust Fund:			
Due from Current Fund	SD-4	116,124.92	107,588.85
Assessments Receivable	SD-7	<u>68,810.93</u>	<u>92,347.00</u>
Total Assessment Trust Fund		<u>184,935.85</u>	<u>199,935.85</u>
		<u>\$ 1,926,620.07</u>	<u>\$ 1,934,772.65</u>

(Continued)

TOWNSHIP OF MANSFIELD
SEWER UTILITY FUND
 Statements of Assets, Liabilities, Reserves and Fund Balance - Regulatory Basis
 As of December 31, 2018 and 2017

	<u>Ref.</u>	<u>2018</u>	<u>2017</u>
LIABILITIES, RESERVES AND FUND BALANCE:			
Operating Fund:			
Liabilities:			
Appropriation Reserves	D-3,SD-9	\$ 4,033.81	\$ 6,236.98
Reserve for Encumbrances	D-3,SD-9	1,271.82	684.67
Due to General Capital Fund	SD-5	1,333.79	485.45
Accrued Interest on Bonds and Notes	SD-10	2,186.89	1,895.05
		<u>8,826.31</u>	<u>9,302.15</u>
Reserve for Receivables	D	2,660.37	3,298.19
Fund Balance	D-1	<u>31,532.07</u>	<u>23,570.99</u>
Total Operating Fund		<u>43,018.75</u>	<u>36,171.33</u>
Capital Fund:			
Improvement Authorizations:			
Funded	SD-11	1,614,602.48	1,614,602.48
Unfunded	SD-11	9,062.99	9,062.99
Bond Anticipation Note	SD-12	74,050.00	74,050.00
Due to General Capital Fund	SD-13	110.27	950.00
Reserve for Payment of Debt Service	SD-14	839.73	
Total Capital Fund		<u>1,698,665.47</u>	<u>1,698,665.47</u>
Assessment Trust Fund:			
Serial Bond Payable	SD-6	150,000.00	165,000.00
Fund Balance	D	<u>34,935.85</u>	<u>34,935.85</u>
Total Assessment Trust Fund		<u>184,935.85</u>	<u>199,935.85</u>
		<u>\$ 1,926,620.07</u>	<u>\$ 1,934,772.65</u>

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

TOWNSHIP OF MANSFIELD
SEWER UTILITY OPERATING FUND
 Statements of Operations and Changes in Operating Fund Balance - Regulatory Basis
 For the Years Ended December 31, 2018 and 2017

	<u>2018</u>	<u>2017</u>
REVENUE AND OTHER INCOME REALIZED:		
Rents	\$ 46,289.68	\$ 43,535.78
Other Credits to Income:		
Interfunds Created		425.75
Unexpended Balance of Appropriation Reserves	<u>5,048.40</u>	<u>6,361.16</u>
Total Income	<u>51,338.08</u>	<u>50,322.69</u>
EXPENDITURES:		
Operating	35,711.82	36,900.00
Debt Service	<u>7,665.18</u>	<u>7,750.00</u>
Total Expenditures	<u>43,377.00</u>	<u>44,650.00</u>
Statutory Excess to Fund Balance	7,961.08	5,672.69
FUND BALANCE:		
Balance January 1	<u>23,570.99</u>	<u>17,898.30</u>
Balance December 31	<u><u>\$ 31,532.07</u></u>	<u><u>\$ 23,570.99</u></u>

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

TOWNSHIP OF MANSFIELD
SEWER UTILITY OPERATING FUND
Statement of Revenues - Regulatory Basis
For the Year Ended December 31, 2018

	Anticipated <u>Budget</u>	<u>Realized</u>	Excess/ <u>(Deficit)</u>
Rents	\$ 43,377.00	\$ 46,289.68	\$ 2,912.68

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

TOWNSHIP OF MANSFIELD
SEWER UTILITY OPERATING FUND
Statement of Expenditures - Regulatory Basis
For the Year Ended December 31, 2018

	<u>Appropriations</u>		<u>Expended</u>			<u>Unexpended Balance Canceled</u>
	<u>Original Budget</u>	<u>Budget After Modification</u>	<u>Paid or Charged</u>	<u>Encumbrances</u>	<u>Reserved</u>	
Operating:						
Salaries and Wages	\$ 8,000.00	\$ 8,000.00	\$ 8,000.00			
Other Expenses	27,976.82	27,711.82	22,406.19	\$ 1,271.82	\$ 4,033.81	
Total Operating	35,976.82	35,711.82	30,406.19	1,271.82	4,033.81	-
Debt Service:						
Interest on Bonds	6,525.00	6,525.00	6,525.00			
Interest on Notes	875.18	1,140.18	1,140.18			
Total Debt Service	7,400.18	7,665.18	7,665.18	-	-	-
	<u>\$ 43,377.00</u>	<u>\$ 43,377.00</u>	<u>\$ 38,071.37</u>	<u>\$ 1,271.82</u>	<u>\$ 4,033.81</u>	<u>\$ -</u>
Accrued Interest on Bonds and Notes Disbursed			\$ 7,665.18 30,406.19			
			<u>\$ 38,071.37</u>			

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

TOWNSHIP OF MANSFIELD
PUBLIC ASSISTANCE TRUST FUND
 Statements of Assets, Liabilities and Reserves - Regulatory Basis
 As of December 31, 2018 and 2017

<u>ASSETS</u>	<u>Ref.</u>	<u>2018</u>	<u>2017</u>
Cash Public Assistance #1	E	\$ 4,177.74	\$ 4,177.74
		<u>\$ 4,177.74</u>	<u>\$ 4,177.74</u>
<u>LIABILITIES AND RESERVES</u>			
Reserve for Public Assistance	E	\$ 4,177.74	\$ 4,177.74

The accompanying Notes to Financial Statement are an integral part of these statements.

TOWNSHIP OF MANSFIELD
GENERAL FIXED ASSET ACCOUNT GROUP
Statement of General Fixed Asset Group of Accounts - Regulatory Basis
For the Year Ended December 31, 2018

	(As Restated) Balance <u>Dec. 31, 2017</u>	<u>Additions</u>	<u>Deletions</u>	Balance <u>Dec. 31, 2018</u>
General Fixed Assets:				
Land	\$ 2,821,212.00			\$ 2,821,212.00
Buildings	10,638,400.00			10,638,400.00
Equipment and Vehicles	<u>4,847,960.00</u>	<u>\$ 383,680.00</u>	<u>\$ 483,771.00</u>	<u>4,747,869.00</u>
	<u>\$ 18,307,572.00</u>	<u>\$ 383,680.00</u>	<u>\$ 483,771.00</u>	<u>\$ 18,207,481.00</u>
Investment in General Fixed Assets	<u>\$ 18,307,572.00</u>	<u>\$ 383,680.00</u>	<u>\$ 483,771.00</u>	<u>\$ 18,207,481.00</u>

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

TOWNSHIP OF MANSFIELD
Notes to Financial Statements
For the Year Ended December 31, 2018

Note 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Description of Financial Reporting Entity - The Township of Mansfield (hereafter referred to as the "Township") was incorporated as a township by an act of the New Jersey legislature in 1798. It is in the northeast part of Burlington County and is bounded north and northeast by Bordentown Township, northeast by Chesterfield Township, south by Springfield Township and southwest by Florence Township. According to the 2010 census, the population is 8,544.

The Township is governed under the Township Committee form of government, with a five-member Committee. The Committee is elected directly by the voters in partisan elections to serve three-year terms of office on a staggered basis, with one or two seats coming up for election each year. At an annual reorganization meeting, the Committee selects one of its members to serve as Mayor and another as Deputy Mayor. Legislative and executive power is vested in the Committee.

Component Units - The Township had no component units as defined by Governmental Accounting Standards Board Statement No. 14, as amended by GASB Statements No. 39, No. 61 and No. 80.

Measurement Focus, Basis of Accounting and Financial Statement Presentation - The financial statements of the Township contain all funds and account groups in accordance with the *Requirements of Audit* (the "*Requirements*") as promulgated by the State of New Jersey, Department of Community Affairs, Division of Local Government Services. The principles and practices established by the *Requirements* 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. Generally, the financial statements are presented using the flow of current financial resources measurement focus and modified accrual basis of accounting with minor exceptions as mandated by these *Requirements*. In addition, the prescribed accounting principles previously referred to differ in certain respects from accounting principles generally accepted in the United States of America applicable to local government units. The more significant differences are explained in this note.

In accordance with the *Requirements*, the Township accounts for its financial transactions through the use of separate funds and an account group which are described as follows:

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

Trust Funds - The various trust funds account for receipts, custodianship, and disbursement of funds in accordance with the purpose for which each reserve was created.

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

Sewer Utility Operating, Capital and Assessment Funds - The sewer utility operating, capital and assessment funds account for the operations and acquisition of capital facilities of the municipally owned sewer operations.

General Fixed Asset Group of Accounts - The general fixed asset group of accounts is utilized to account for property, land, buildings, and equipment that have been acquired by other governmental funds.

Note 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

Budgets and Budgetary Accounting - The Township must adopt an annual budget for its current, sewer assessment and sewer utility funds in accordance with N.J.S.A. 40A:4 et seq. N.J.S.A. 40A:4-5 requires the governing body to introduce and approve the annual municipal budget no later than February 10 of each year. At introduction, the governing body shall fix the time and place for a public hearing on the budget and must advertise the time and place at least ten days prior to the hearing in a newspaper published and circulating in the municipality. The public hearing must not be held less than twenty-eight days after the date the budget was introduced. After the hearing has been held, the governing body may, by majority vote, adopt the budget or may amend the budget in accordance with N.J.S.A. 40A:4-9. Amendments to adopted budgets, if any, are detailed in the statements of revenues and expenditures.

An extension of the statutory dates for introduction, approval, and adoption of the municipal budget may be granted by the Director of the Division of Local Government Services, with the permission of the Local Finance Board.

Budgets are adopted on the same basis of accounting utilized for the preparation of the Township's financial statements.

Cash, Cash Equivalents and Investments - Cash and cash equivalents include petty cash, change funds and cash on deposit with public depositories. All certificates of deposit are recorded as cash regardless of the date of maturity. Investments are stated at cost; therefore, unrealized gains or losses on investments have not been recorded. Investments recorded in the trust fund for the Township's length of service awards program, however, are stated at fair value.

New Jersey municipal units are required by N.J.S.A. 40A:5-14 to deposit public funds in a bank or trust company having its place of business in the State of New Jersey and organized under the laws of the United States or of the State of New Jersey or in the New Jersey Cash Management Fund. N.J.S.A. 40A:5-15.1 provides a list of investments which may be purchased by New Jersey municipal units. In addition, other State statutes permit investments in obligations issued by local authorities and other state agencies.

N.J.S.A. 17:9-41 et seq. establishes the requirements for the security of deposits of governmental units. The statute requires that no governmental unit shall deposit public funds in a public depository unless such funds are secured in accordance with the Governmental Unit Deposit Protection Act ("GUDPA"), a multiple financial institutional collateral pool, which was enacted in 1970 to protect governmental units from a loss of funds on deposit with a failed banking institution in New Jersey. Public depositories include State or federally chartered banks, savings banks or associations located in or having a branch office in the State of New Jersey, the deposits of which are federally insured. All public depositories must pledge collateral, having a market value at least equal to five percent of the average daily balance of collected public funds, to secure the deposits of governmental units. If a public depository fails, the collateral it has pledged, plus the collateral of all other public depositories, is available to pay the amount of their deposits to the governmental units.

The cash management plan adopted by the Township requires it to deposit funds in public depositories protected from loss under the provisions of the Act.

Interfunds - Interfund receivables and payables that arise from transactions between funds are recorded by all funds affected by such transactions in the period in which the transaction is executed. 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.

Note 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

Inventories of Supplies - 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 statements of assets, liabilities, reserves and fund balance.

General Fixed Assets - Accounting for governmental fixed assets, as required by N.J.A.C. 5:30-5.6, differs in certain respects from accounting principles generally accepted in the United States of America. In accordance with the regulations, all local units, including municipalities, must maintain a general fixed assets reporting system that establishes and maintains a physical inventory of nonexpendable, tangible property as defined and limited by the U.S. Office of Management and *Budget's Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Part 200, §200.12), except that the useful life of such property is at least five years. The Township has adopted a capitalization threshold of \$1,000.00. Generally, assets are valued at historical cost; however, assets acquired prior to December 31, 1985 are valued at actual historical cost or estimated historical cost. No depreciation of general fixed assets is recorded. Donated general fixed assets are recorded at acquisition value as of the date of the transaction. Interest costs relative to the acquisition of general fixed assets are recorded as expenditures when paid. Public domain ("infrastructure") general fixed assets consisting of certain improvements such as roads, bridges, curbs and gutters, streets and sidewalks and drainage systems are not capitalized. Expenditures for construction in progress are recorded in the capital funds until such time as the construction is completed and put into operation. The Township is required to maintain a subsidiary ledger detailing fixed assets records to control additions, retirements, and transfers of fixed assets. In addition, a statement of general fixed asset group of accounts, reflecting the activity for the year, must be included in the Township's basic financial statements.

The regulations require that general fixed assets, whether constructed or acquired through purchase, grant or gift be included in the aforementioned inventory. In addition, property management standards must be maintained that include accurate records indicating asset description, source, ownership, acquisition cost and date, the percentage of Federal participation (if any), and the location, use, and condition of the asset. Periodically, physical inventories must be taken and reconciled with these records. Lastly, all fixed assets must be adequately controlled to safeguard against loss, damage, or theft.

Utility Fixed Assets - Property and equipment purchased by a utility fund are recorded in the utility capital account at cost and are adjusted for disposition and abandonment. The amounts shown do not represent replacement cost or current value. The reserve for amortization and deferred reserve for amortization accounts in the utility capital fund represent charges to operations for the cost of acquisition of property and equipment, improvements, and contributed capital.

Foreclosed Property - Foreclosed property is recorded in the current fund at the assessed valuation when such property was acquired and is fully reserved. Ordinarily it is the intention of the municipality to resell foreclosed property in order to recover all or a portion of the delinquent taxes or assessments and to return the property to a taxpaying basis. For this reason the value of foreclosed property has not been included in the general fixed asset group of accounts. If such property is converted to a municipal use, it will be recorded in the general fixed asset group of accounts.

Deferred Charges - The recognition of certain expenditures is deferred to future periods. These expenditures, or deferred charges, are generally overexpenditures of legally adopted budget appropriations or emergency appropriations made in accordance with N.J.S.A. 40A:4-46 et seq. Deferred charges are subsequently raised as items of appropriation in budgets of succeeding years.

Note 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

Liens Sold for Other Governmental Units - Liens sold on behalf of other governmental units are not recorded on the records of the tax collector until such liens are collected. Upon their collection, such liens are recorded as a liability due to the governmental unit net of the costs of the initial sale. The related costs of sale are recognized as revenue when received.

Fund Balance - Fund balances included in the current fund and sewer utility operating fund represent amounts available for anticipation as revenue in future years' budgets, with certain restrictions.

Revenues - Revenues are recorded when received in cash except for certain amounts which are due from other governmental units. Revenue from federal and state grants is realized when anticipated as such in the Township's budget. Receivables for property taxes are recorded with offsetting reserves on the statement of assets, liabilities, reserves and fund balance of the Township's current fund; accordingly, such amounts are not recorded as revenue until collected. Other amounts that are due to the Township which are susceptible to accrual are also recorded as receivables with offsetting reserves and recorded as revenue when received.

Property Tax Revenues - Property tax revenues are collected in quarterly installments due February 1, May 1, August 1, and November 1. The amount of tax levied includes not only the amount required in support of the Township's annual budget, but also the amounts required in support of the budgets of the County of Burlington, the Township of Mansfield School District and Northern Burlington Regional High School District. Unpaid property taxes are subject to tax sale in accordance with the statutes.

School Taxes - The Township is responsible for levying, collecting, and remitting school taxes for the Township of Mansfield School District and Northern Burlington Regional High School District. Operations is charged for the Township's share of the amount required to be raised by taxation for the period from July 1 to June 30, increased by the amount deferred at December 31, 2017 and decreased by the amount deferred at December 31, 2018 for both school districts.

County Taxes - The municipality is responsible for levying, collecting, and remitting county taxes for the County of Burlington. County taxes are determined on a calendar year by the County Board of Taxation based upon the ratables required to be certified to them on January 10 of each year. Operations is charged for the amount due to the County for the year, based upon the ratables required to be certified to the County Board of Taxation by January 10 of the current year. In addition, operations is charged for the County share of added and omitted taxes certified to the County Board of Taxation by October 10 of the current year, and due to be paid to the County by February 15 of the following year.

Reserve for Uncollected Taxes - The inclusion of the "reserve for uncollected taxes" appropriation in the Township's annual budget protects the Township from taxes not paid currently. The reserve, the minimum amount of which is determined on the percentage of collections experienced in the immediate preceding year, with certain exceptions, is required to provide assurance that cash collected in the current year will provide sufficient cash flow to meet expected obligations.

Expenditures - Expenditures are recorded on the "budgetary" basis of accounting. Generally, expenditures are recorded when paid. However, for charges to amounts appropriated for "other expenses", an amount is encumbered through the issuance of a numerically controlled purchase order or when a contract is executed in accordance with N.J.A.C. 5:30-5.2. When encumbered charges are paid, the amount encumbered is simultaneously liquidated in its original amount. Encumbrances are offset by an account entitled reserve for encumbrances. The reserve is classified as a cash liability under New Jersey municipal accounting. At December 31, this reserve represents the portion of appropriation reserves that has been encumbered and is subject to the same statutory provisions as appropriation reserves.

Appropriations for principal payments on outstanding general capital and utility bonds and notes are provided on the cash basis; interest on general capital indebtedness is on the cash basis; whereas interest on utility indebtedness is on the accrual basis.

Note 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

Appropriation Reserves - Appropriation reserves covering unexpended appropriation balances are automatically created at year-end and recorded as liabilities, except for amounts which may be canceled by the governing body. Appropriation reserves are available, until lapsed at the close of the succeeding year, to meet specific claims, commitments, or contracts incurred during the preceding year. Lapsed appropriation reserves are recorded as income.

Long-Term Debt - Long-term debt, relative to the acquisition of capital assets, is recorded as a liability in the general capital and utility capital funds. Where an improvement is a "local improvement", i.e. assessable upon completion, long-term debt associated with that portion of the cost of the improvement to be funded by assessments is transferred to the trust fund upon the confirmation of the assessments or when the improvement is fully and permanently funded.

Compensated Absences and Postemployment Benefits - Compensated absences for vacation, sick leave and other compensated absences are recorded and provided for in the annual budget in the year in which they are paid, on a pay-as-you-go basis. Likewise, no accrual is made for postemployment benefits, if any, which are also funded on a pay-as-you-go basis.

Impact of Recently Issued Accounting Principles**Recently Issued and Adopted Accounting Pronouncements**

For the year ended December 31, 2018, the Township adopted GASB Statement No. 75, *Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions*. As a result of adopting Statement No. 75, the Township was required to measure and disclose liabilities, deferred outflows of resources, deferred inflows of resources, and expense/expenditures related to their postemployment benefits plan. As a result of the regulatory basis of accounting previously described in note 1, the implementation of this Statement only required financial statement disclosures. There exists no impact on the financial statements of the Township.

Note 2: CASH AND CASH EQUIVALENTS

Custodial Credit Risk Related to Deposits - Custodial credit risk is the risk that, in the event of a bank failure, the Township's deposits might not be recovered. Although the Township does not have a formal policy regarding custodial credit risk, N.J.S.A. 17:9-41 et seq. requires that governmental units shall deposit public funds in public depositories protected from loss under the provisions of the Governmental Unit Deposit Protection Act (GUDPA). Under the Act, the first \$250,000.00 of governmental deposits in each insured depository is protected by the Federal Deposit Insurance Corporation (FDIC). Public funds owned by the municipality in excess of FDIC insured amounts are protected by GUDPA. However, GUDPA does not protect intermingled agency funds such as salary withholdings, bail funds, or funds that may pass to the municipality relative to the happening of a future condition. Such funds are classified as uninsured and uncollateralized.

As of December 31, 2018, the Township's bank balances of \$10,333,378.17 were exposed to custodial credit risk as follows:

Insured by FDIC and GUDPA	\$ 9,870,688.54
Uninsured and Uncollateralized	<u>462,689.63</u>
Total	<u>\$ 10,333,378.17</u>

Note 3: PROPERTY TAXES

The following is a five-year comparison of certain statistical information relative to property taxes and property tax collections for the current and previous four calendar years:

	<u>Year Ended</u>				
	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>
Tax Rate	<u>\$ 3.118</u>	<u>\$ 3.116</u>	<u>\$ 3.118</u>	<u>\$ 3.086</u>	<u>\$ 2.958</u>
Apportionment of Tax Rate:					
Municipal	\$.481	\$.471	\$.471	\$.465	\$.441
County	.489	.496	.498	.491	.454
Regional High School	1.007	1.025	1.039	1.012	.965
Local School	1.141	1.124	1.110	1.118	1.098

Assessed Valuation

<u>Year</u>	<u>Amount</u>
2018	\$ 988,904,805.00
2017	986,394,154.00
2016	984,624,884.00
2015	953,750,426.00
2014	951,355,510.00

Comparison of Tax Levies and Collections

<u>Year</u>	<u>Tax Levy</u>	<u>Collections</u>	<u>Percentage of Collections</u>
2018	\$ 30,925,184.07	\$ 30,205,822.63	97.67%
2017	30,776,202.67	30,329,601.08	98.55%
2016	30,822,594.44	30,416,080.72	98.68%
2015	29,509,482.02	29,231,246.43	99.06%
2014	28,268,676.52	27,891,380.00	98.67%

Delinquent Taxes and Tax Title Liens

<u>Year</u>	<u>Tax Title Liens</u>	<u>Delinquent Taxes</u>	<u>Total Delinquent</u>	<u>Percentage of Tax Levy</u>
2018	\$ 147,780.90	\$ 681,363.73	\$ 829,144.63	2.68%
2017	125,179.25	379,397.05	504,576.30	1.64%
2016	125,199.00	326,473.00	451,672.00	1.47%
2015	154,491.00	224,553.00	379,044.00	1.28%
2014	119,637.00	286,022.00	405,659.00	1.44%

Note 3: PROPERTY TAXES (CONT'D)

The following comparison is made of the number of tax title liens receivable on December 31 for the current and previous four calendar years:

<u>Year</u>	<u>Number</u>
2018	15
2017	15
2016	15
2015	12
2014	13

Note 4: 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, for the current and previous four years was as follows:

<u>Year</u>	<u>Amount</u>
2018	\$ 401,600.00
2017	401,600.00
2016	157,587.85
2015	94,100.00
2014	94,100.00

Note 5: SEWER UTILITY SERVICE CHARGES

The following is a five-year comparison of sewer utility service charges (rents) for the current and previous four years:

<u>Year</u>	<u>Balance Beginning of Year</u>		<u>Total</u>	<u>Cash</u>	
	<u>Receivable</u>	<u>Levy</u>		<u>Collections</u>	
2018	\$ 3,298.19	\$ 45,651.86	\$ 48,950.05	\$ 46,289.68	
2017	3,287.87	43,113.67	46,401.54	43,103.35	
2016	3,612.09	44,921.58	48,533.67	45,245.80	
2015	2,900.11	42,263.95	45,164.06	41,551.97	
2014	2,019.74	42,348.94	44,368.68	41,468.57	

Note 6: FUND BALANCES APPROPRIATED

The following schedules detail the amount of fund balances available at the end of the current year and four previous years and the amounts utilized in the subsequent year's budgets:

Current Fund

<u>Year</u>	<u>Balance December 31,</u>	<u>Utilized in Budget of Succeeding Year</u>	<u>Percentage of Fund Balance Used</u>
2018	\$ 66,899.45	\$ 30,000.00	44.84%
2017	575,098.51	545,000.00	94.77%
2016	699,760.95	635,000.00	90.75%
2015	791,863.64	650,000.00	82.08%
2014	1,114,993.86	936,000.00	83.95%

Sewer Utility Operating Fund

<u>Year</u>	<u>Balance December 31,</u>	<u>Utilized in Budget of Succeeding Year</u>	<u>Percentage of Fund Balance Used</u>
2018	\$ 31,532.07	\$ -	
2017	23,570.99	-	
2016	17,898.30	-	
2015	4,109.14	-	
2014	9,479.14	6,706.00	70.74%

Note 7: INTERFUND RECEIVABLES AND PAYABLES

The following interfund balances were recorded on the various statements of assets, liabilities, reserves and fund balance as of December 31, 2018:

<u>Fund</u>	<u>Interfunds Receivable</u>	<u>Interfunds Payable</u>
Current	\$ 506.26	\$ 116,124.92
Federal and State Grant		470,000.00
Trust - Other		20.81
General Capital	1,444.06	485.45
Sewer Utility - Operating		1,333.79
Sewer Assessment Trust Fund	116,124.92	
Sewer Utility - Capital	470,000.00	110.27
Totals	<u>\$ 588,075.24</u>	<u>\$ 588,075.24</u>

The interfund receivables and payables above predominately resulted from collections and payments made by certain funds on behalf of other funds. During the year 2019, the Township expects to liquidate such interfunds, depending upon the availability of cash flow.

Note 8: PENSION PLANS

A substantial number of the Township's employees participate in one of the following defined benefit pension plans: the Public Employees' Retirement System ("PERS") and the Police and Firemen's Retirement System ("PFRS"), which are administered by the New Jersey Division of Pensions and Benefits. In addition, several Township employees participate in the Defined Contribution Retirement Program ("DCRP"), which is a defined contribution pension plan. This Plan is administered by Prudential Financial for the New Jersey Division of Pensions and Benefits. Each Plan has a Board of Trustees that is primarily responsible for its administration. The Division issues a publicly available financial report that includes financial statements, required supplementary information and detailed information about the PERS and PFRS plan's fiduciary net position which can be obtained by writing to or at the following website:

State of New Jersey
Division of Pensions and Benefits
P.O. Box 295
Trenton, New Jersey 08625-0295
<https://www.nj.gov/treasury/pensions/financial-reports.shtml>

General Information about the Pension Plans**Plan Descriptions**

Public Employees' Retirement System - The Public Employees' Retirement System is a cost-sharing multiple-employer defined benefit pension plan which was established as of January 1, 1955, under the provisions of N.J.S.A. 43:15A. The PERS' designated purpose is to provide retirement, death, disability and medical benefits to certain qualified members. Membership in the PERS is mandatory for substantially all full-time employees of the Township, provided the employee is not required to be a member of another state-administered retirement system or other state pensions fund or local jurisdiction's pension fund. The PERS' Board of Trustees is primarily responsible for the administration of the PERS.

Police and Firemen's Retirement System - The Police and Firemen's Retirement System is a cost-sharing multiple-employer defined benefit pension plan which was established as of July 1, 1944, under the provisions of N.J.S.A. 43:16A. The PFRS' designated purpose is to provide retirement, death, disability and medical benefits to certain qualified members. Membership in the PFRS is mandatory for substantially all full-time police and firemen of the Township. The PFRS' Board of Trustees is primarily responsible for the administration of the PFRS.

Defined Contribution Retirement Program - The Defined Contribution Retirement Program is a multiple-employer defined contribution pension fund established on July 1, 2007 under the provisions of Chapter 92, P.L. 2007, and Chapter 103, P.L. 2007 (N.J.S.A. 43:15C-1 et. seq.). The DCRP is a tax-qualified defined contribution money purchase pension plan under Internal Revenue Code (IRC) § 401(a) et seq., and is a "governmental plan" within the meaning of IRC § 414(d). The DCRP provides retirement benefits for eligible employees and their beneficiaries. Individuals covered under DCRP are employees enrolled in PERS on or after July 1, 2007, who earn salary in excess of established "maximum compensation" limits; employees enrolled in New Jersey State Police Retirement System (SPRS) or the Police and Firemen's Retirement System (PFRS) after May 21, 2010, who earn salary in excess of established "maximum compensation" limits; employees otherwise eligible to enroll in PERS on or after November 2, 2008, who do not earn the minimum annual salary for tier 3 enrollment but who earn salary of at least \$5,000.00 annually; and employees and employees otherwise eligible to enroll in PERS after May 21, 2010 who do not work the minimum number of hours per week required for tiers 4 or 5 enrollment, but who earn salary of at least \$5,000.00 annually.

Note 8: PENSION PLANS (CONT'D)**General Information about the Pension Plans (Cont'd)****Vesting and Benefit Provisions**

Public Employees' Retirement System - The vesting and benefit provisions are set by N.J.S.A. 43:15A. The PERS provides retirement, death and disability benefits. All benefits vest after 10 years of service, except for medical benefits, which vest after 25 years of service or under the disability provisions of the PERS.

The following represents the membership tiers for PERS:

Tier Definition

- 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 21, 2010
- 4 Members who were eligible to enroll after May 21, 2010 and prior to June 28, 2011
- 5 Members who were eligible to enroll on or after June 28, 2011

Service retirement benefits of 1/55th 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 1/60th of final average salary for each year of service credit is available to tier 4 members upon reaching age 62 and tier 5 members upon reaching age 65. Early retirement benefits are available to tiers 1 and 2 members before reaching age 60, tiers 3 and 4 with 25 years or more of service credit before age 62, 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 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 55 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 Firemen's Retirement System - The vesting and benefit provisions are set by N.J.S.A. 43:16A. The PFRS provides retirement, death and disability benefits. All benefits vest after 10 years of service, except disability benefits, which vest after four years of service.

The following represents the membership tiers for PFRS:

Tier Definition

- 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 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.

Note 8: PENSION PLANS (CONT'D)**General Information about the Pension Plans (Cont'd)****Vesting and Benefit Provisions (Cont'd)**

Defined Contribution Retirement Program - Eligible members are provided with a defined contribution retirement plan intended to qualify for favorable Federal income tax treatment under IRC Section 401(a), a noncontributory group life insurance plan and a noncontributory group disability benefit plan. A participant's interest in that portion of his or her defined contribution retirement plan account attributable to employee contributions shall immediately become and shall at all times remain fully vested and non-forfeitable. A participant's interest in that portion of his or her defined contribution retirement plan account attributable to employer contributions shall be vested and non-forfeitable on the date the participant commences the second year of employment or upon his or her attainment of age 65, while employed by an employer, whichever occurs first.

Contributions

Public Employees' Retirement System - The contribution policy is set by N.J.S.A. 43:15A and requires contributions by active members and contributing employers. Pursuant to the provisions of Chapter 78, P.L. 2011, the active member contribution rate increased from 5.5% of annual compensation to 6.5% plus an additional 1% phased-in over 7 years beginning in July 2012. The member contribution rate was 7.34% in State fiscal year 2018. The phase-in of the additional incremental member contribution rate takes place in July of each subsequent State fiscal year. The rate for members who are eligible for the Prosecutors Part of PERS (P.L. 2001, C. 366) was 10% in State fiscal year 2018. Employers' contribution are based on an actuarially determined amount, which includes the normal cost and unfunded accrued liability.

The Township's contractually required contribution rate for the year ended December 31, 2018 was 14.32% of the Township's covered payroll. This amount was actuarially determined as the amount that, when combined with employee contributions, is expected to finance the costs of benefits earned by employees during the year, including an additional amount to finance any unfunded accrued liability.

Based on the most recent PERS measurement date of June 30, 2018, the Township's contractually required contribution to the pension plan for the year ended December 31, 2018 is \$112,294.00, and was payable by April 1, 2019. Due to the basis of accounting described in note 1, no liability has been recorded in the financial statements for this amount. Based on the PERS measurement date of June 30, 2017, the Township's contractually required contribution to the pension plan for the year ended December 31, 2017 was \$105,752.00, which was paid on April 1, 2018. Employee contributions to the Plan during the year ended December 31, 2018 were \$58,196.23.

Police and Firemen's Retirement System - The contribution policy is set by N.J.S.A. 43:16A and requires contributions by active members and contributing employers. Pursuant to the provisions of P.L. 2011, C. 78, the active member contribution rate was 10% in State fiscal year 2018. Employers' contributions are based on an actuarially determined amount, which includes the normal cost and unfunded accrued liability.

Note 8: PENSION PLANS (CONT'D)**General Information about the Pension Plans (Cont'd)****Contributions (Cont'd)**

Police and Firemen's Retirement System (Cont'd) - *Special Funding Situation Component* - Under N.J.S.A. 43:16A-15, local participating employers are responsible for their own contributions based on actuarially determined amounts, except where legislation was passed which legally obligated the State if certain circumstances occurred. The legislation, which legally obligates the State, is as follows: Chapter 8, P.L. 2000, Chapter 318, P.L. 2001, Chapter 86, P.L. 2001, Chapter 511, P.L. 1991, Chapter 109, P.L. 1979, Chapter 247, P.L. 1993 and Chapter 201, P.L. 2001. The amounts contributed on behalf of the local participating employers under this legislation is considered to be a *special funding situation* as defined by GASB Statement No. 68 and the State is treated as a nonemployer contributing entity. Since the local participating employers do not contribute under this legislation directly to the Plan (except for employer specific financed amounts), there is no net pension liability or deferred outflows or inflows to disclose in the notes to the financial statements of the local participating employers related to this legislation.

The Township's contractually required contribution rate for the year ended December 31, 2018 was 26.80% of the Township's covered payroll. This amount was actuarially determined as the amount that, when combined with employee contributions, is expected to finance the costs of benefits earned by employees during the year, with an additional amount to finance any unfunded accrued liability.

Based on the most recent PFRS measurement date of June 30, 2018, the Township's contractually required contribution to the pension plan for the year ended December 31, 2018 is \$284,948.00, and was payable by April 1, 2019. Due to the basis of accounting described in note 1, no liability has been recorded in the financial statements for this amount. Based on the PFRS measurement date of June 30, 2017, the Township's contractually required contribution to the pension plan for the year ended December 31, 2017 was \$211,919.00, which was paid on April 1, 2018. Employee contributions to the Plan during the year ended December 31, 2018 were \$107,397.10.

The amount of contractually required contribution for the State of New Jersey's proportionate share, associated with the Township, for the year ended December 31, 2018 was 2.98% of the Township's covered payroll.

Based on the most recent PFRS measurement date of June 30, 2018, the State's contractually required contribution, on-behalf of the Township, to the pension plan for the year ended December 31, 2018 is \$31,728.00, and was payable by April 1, 2019. Based on the PFRS measurement date of June 30, 2017, the State's contractually required contribution, on-behalf of the Township, to the pension plan for the year ended December 31, 2017 was \$20,705.00, which was paid on April 1, 2018.

Defined Contribution Retirement Program - The contribution policy is set by N.J.S.A. 43:15C-3 and requires contributions by active members and contributing employers. In accordance with Chapter 92, P.L. 2007 and Chapter 103, P.L. 2007, Plan members are required to contribute 5.5% of their annual covered salary. In addition to the employee contributions, the Township contributes 3% of the employees' base salary, for each pay period, to Prudential Financial not later than the fifth business day after the date on which the employee is paid for that pay period.

For the year ended December 31, 2018, employee contributions totaled \$7,668.82, and the Township's contributions were \$4,643.52. There were no forfeitures during the year.

Note 8: PENSION PLANS (CONT'D)**Pension Liabilities, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions**

Public Employees' Retirement System - At December 31, 2018, the Township's proportionate share of the PERS net pension liability was \$2,222,845.00. The net pension liability was measured as of June 30, 2018, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of July 1, 2017. The total pension liability was calculated through the use of updated procedures to roll forward from the actuarial valuation date to the measurement date of June 30, 2018. 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 employers, actuarially determined. For the June 30, 2018 measurement date, the Township's proportion was .0112894949%, which was a decrease of .0001259602% from its proportion measured as of June 30, 2017.

At December 31, 2018, the Township's proportionate share of the PERS pension expense, calculated by the Plan as of the June 30, 2018 measurement date is \$67,693.00. This expense is not recognized by the Township because of the regulatory basis of accounting as described in note 1; however, as previously mentioned, for the year ended December 31, 2018, the Township's contribution to PERS was \$105,752.00, and was paid on April 1, 2018.

Police and Firemen's Retirement System - At December 31, 2018, the Township's and State of New Jersey's proportionate share of the PFRS net pension liability were as follows:

Township's Proportionate Share of Net Pension Liability	\$ 3,943,975.00
State of New Jersey's Proportionate Share of Net Pension Liability Associated with the Township	<u>535,724.00</u>
	<u>\$ 4,479,699.00</u>

The net pension liability was measured as of June 30, 2018, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of July 1, 2017. The total pension liability was calculated through the use of updated procedures to roll forward from the actuarial valuation date to the measurement date of June 30, 2018. 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 employers and the State of New Jersey, actuarially determined. For the June 30, 2018 measurement date, the Township's proportion was .0291462975%, which was an increase of .0052011472% from its proportion measured as of June 30, 2017. Likewise, at June 30, 2018, the State of New Jersey's proportion, on-behalf of the Township, was .0291462975%, which was an increase of .0052011472% from its proportion, on-behalf of the Township, measured as of June 30, 2017.

At December 31, 2018, the Township's proportionate share of the PFRS pension expense, calculated by the Plan as of the June 30, 2018 measurement date is \$308,113.00. This expense is not recognized by the Township because of the regulatory basis of accounting as described in note 1; however, as previously mentioned, for the year ended December 31, 2018, the Township's contribution to PFRS was \$211,919.00, and was paid on April 1, 2018.

At December 31, 2018, the State's proportionate share of the PFRS pension expense, associated with the Township, calculated by the Plan as of the June 30, 2018 measurement date is \$63,456.00. This on-behalf expense is not recognized by the Township because of the regulatory basis of accounting as described in note 1.

Note 8: PENSION PLANS (CONT'D)**Pension Liabilities, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions (Cont'd)**

Deferred Outflows of Resources and Deferred Inflows of Resources - At December 31, 2018, the Township had deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	<u>Deferred Outflows of Resources</u>			<u>Deferred Inflows of Resources</u>		
	<u>PERS</u>	<u>PFRS</u>	<u>Total</u>	<u>PERS</u>	<u>PFRS</u>	<u>Total</u>
Differences between Expected and Actual Experience	\$ 42,390.00	\$ 40,125.00	\$ 82,515.00	\$ 11,462.00	\$ 16,321.00	\$ 27,783.00
Changes of Assumptions	366,288.00	338,537.00	704,825.00	710,748.00	1,010,773.00	1,721,521.00
Net Difference between Projected and Actual Earnings on Pension Plan Investments	-	-	-	20,850.00	21,577.00	42,427.00
Changes in Proportion and Differences between Township Contributions and Proportionate Share of Contributions	85,769.00	732,628.00	818,397.00	213,936.00	598,437.00	812,373.00
Township Contributions Subsequent to the Measurement Date	56,147.00	142,474.00	198,621.00	-	-	-
	<u>\$ 550,594.00</u>	<u>\$ 1,253,764.00</u>	<u>\$ 1,804,358.00</u>	<u>\$ 956,996.00</u>	<u>\$ 1,647,108.00</u>	<u>\$ 2,604,104.00</u>

\$56,147.00 and \$142,474.00 for PERS and PFRS, respectively, included in deferred outflows of resources, will be included as a reduction of the net pension liability in the year ending December 31, 2019. These amounts were based on an estimated April 1, 2020 contractually required contribution, prorated from the pension plans' measurement date of June 30, 2018 to the Township's year end of December 31, 2018.

Note 8: PENSION PLANS (CONT'D)**Pension Liabilities, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions (Cont'd)**

Deferred Outflows of Resources and Deferred Inflows of Resources (Cont'd) - The Township will amortize the above other deferred outflow of resources and deferred inflows of resources related to pensions over the following number of years:

	PERS		PFRS	
	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Differences between Expected and Actual Experience				
Year of Pension Plan Deferral:				
June 30, 2014	-	-	-	-
June 30, 2015	5.72	-	-	5.53
June 30, 2016	5.57	-	-	5.58
June 30, 2017	5.48	-	5.59	-
June 30, 2018	-	5.63	5.73	-
Changes of Assumptions				
Year of Pension Plan Deferral:				
June 30, 2014	6.44	-	6.17	-
June 30, 2015	5.72	-	5.53	-
June 30, 2016	5.57	-	5.58	-
June 30, 2017	-	5.48	-	5.59
June 30, 2018	-	5.63	-	5.73
Net Difference between Projected and Actual Earnings on Pension Plan Investments				
Year of Pension Plan Deferral:				
June 30, 2014	-	5.00	-	5.00
June 30, 2015	5.00	-	5.00	-
June 30, 2016	5.00	-	5.00	-
June 30, 2017	-	5.00	-	5.00
June 30, 2018	-	5.00	-	5.00
Changes in Proportion and Differences between Township Contributions and Proportionate Share of Contributions				
Year of Pension Plan Deferral:				
June 30, 2014	6.44	6.44	6.17	6.17
June 30, 2015	5.72	5.72	5.53	5.53
June 30, 2016	5.57	5.57	5.58	5.58
June 30, 2017	5.48	5.48	5.59	5.59
June 30, 2018	5.63	5.63	5.73	5.73

Note 8: PENSION PLANS (CONT'D)**Pension Liabilities, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions (Cont'd)**

Deferred Outflows of Resources and Deferred Inflows of Resources (Cont'd) - Other amounts included as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in future periods as follows:

<u>Year Ending Dec 31,</u>	<u>PERS</u>	<u>PFRS</u>	<u>Total</u>
2019	\$ (43,099.00)	\$ 36,137.00	\$ (6,962.00)
2020	(72,602.00)	(118,047.00)	(190,649.00)
2021	(158,939.00)	(333,303.00)	(492,242.00)
2022	(142,218.00)	(160,649.00)	(302,867.00)
2023	(45,691.00)	40,044.00	(5,647.00)
	<u>\$ (462,549.00)</u>	<u>\$ (535,818.00)</u>	<u>\$ (998,367.00)</u>

Actuarial Assumptions

The net pension liability was measured as of June 30, 2018, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of July 1, 2017. The total pension liability was calculated through the use of updated procedures to roll forward from the actuarial valuation date to the measurement date of June 30, 2018. This actuarial valuation used the following actuarial assumptions, applied to all periods included in the measurement:

	<u>PERS</u>	<u>PFRS</u>
Inflation Rate	2.25%	2.25%
Salary Increases:		
Through 2026	1.65% - 4.15% Based on Age	2.10% - 8.98% Based on Age
Thereafter	2.65% - 5.15% Based on Age	3.10% - 9.98% Based on Age
Investment Rate of Return	7.00%	7.00%
Period of Actuarial Experience		
Study upon which Actuarial Assumptions were Based	July 1, 2011 - June 30, 2014	July 1, 2010 - June 30, 2013

Note 8: PENSION PLANS (CONT'D)**Actuarial Assumptions (Cont'd)**

For PERS, preretirement mortality rates were based on the RP-2000 Employee Preretirement 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 Conduent modified 2014 projection scale. Postretirement mortality rates were based on the RP-2000 Combined Healthy Male and Female Mortality Tables (set back 1 year for males and females) for service retirements and beneficiaries of former members. In addition, the tables for service retirements and beneficiaries of former members provide for future improvements in mortality from 2012 to 2013 using Projection Scale AA and using a generational approach based on the Conduent modified 2014 projection scale thereafter. 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).

For PFRS, preretirement mortality rates were based on the RP-2000 Combined Healthy Mortality tables projected on a generational basis from the base year of 2000 to 2013 using Projection Scale BB and the Conduent modified 2014 projection scale thereafter. For preretirement accidental mortality, a custom table with representative rates was used and there is no mortality improvements assumed. Post-retirement mortality rates for male service retirements are based the RP-2000 Combined Healthy Mortality Tables projected on a generational basis using Projection Scale AA from the base year of 2012 to 2013 and the Conduent modified 2014 projection scale thereafter. Postretirement mortality rates for female service retirements and beneficiaries were based on the RP-2000 Combined Healthy Mortality Tables projected on a generational basis from the base year 2000 to 2013 using Projection Scale BB and the Conduent modified 2014 projection scale thereafter. Disability mortality rates were based on a custom table with representative rates and no mortality improvements assumed.

For PERS and PFRS, in accordance with State statute, the long-term expected rate of return on Plan investments (7.00% at June 30, 2018) 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 rates of return for each major asset class included in PERS' and PFRS' target asset allocation as of June 30, 2018 are summarized in the following table:

Note 8: **PENSION PLANS (CONT'D)****Actuarial Assumptions (Cont'd)**

<u>Asset Class</u>	<u>Target Allocation</u>	<u>Long-Term Expected Real Rate of Return</u>
Risk Mitigation Strategies	5.00%	5.51%
Cash Equivalents	5.50%	1.00%
U.S. Treasuries	3.00%	1.87%
Investment Grade Credit	10.00%	3.78%
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 Asset	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%
	<u>100.00%</u>	

Discount Rate - The discount rate used to measure the total pension liability at June 30, 2018 was 5.66% for PERS and 6.51% for PFRS. For both PERS and PFRS, the respective single blended discount rates were based on the long-term expected rate of return on pension Plan investments of 7.00%, and a municipal bond rate of 3.87% as of June 30, 2018, 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 rates assumed that contributions from Plan members will be made at the current member contribution rates and that contributions from employers and the nonemployer contributing entity will be made based on the contribution rate in the most recent fiscal year. The State employer contributed 50% 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 2046 for PERS and through 2062 for PFRS; therefore, the long-term expected rate of return on Plan investments was applied to projected benefit payments through 2046 for PERS and through 2062 for PFRS, and the municipal bond rate was applied to projected benefit payments after that date in determining the total pension liabilities.

Note 8: PENSION PLANS (CONT'D)**Sensitivity of Township's Proportionate Share of Net Pension Liability to Changes in the Discount Rate**

Public Employees' Retirement System (PERS) - The following presents the Township's proportionate share of the net pension liability at June 30, 2018, the Plan's measurement date, calculated using a discount rate of 5.66%, as well as what the Township's proportionate share of the net pension liability would be if it were calculated using a discount rate that is 1% lower or 1% higher than the current rates used:

	PERS		
	1% Decrease (4.66%)	Current Discount Rate (5.66%)	1% Increase (6.66%)
Township's Proportionate Share of the Net Pension Liability	\$ 2,794,972.00	\$ 2,222,845.00	\$ 1,742,868.00

Police and Firemen's Retirement System (PFRS) - As previously mentioned, PFRS has a special funding situation, where the State of New Jersey pays a portion of the Township's annual required contribution. As such, the net pension liability as of June 30, 2018, the Plan's measurement date, for the Township and the State of New Jersey, calculated using a discount rate of 6.51%, as well as using a discount rate that is 1% lower or 1% higher than the current rates used is as follows:

	PFRS		
	1% Decrease (5.51%)	Current Discount Rate (6.51%)	1% Increase (7.51%)
Township's Proportionate Share of the Net Pension Liability	\$ 5,278,521.00	\$ 3,943,975.00	\$ 2,843,218.00
State of New Jersey's Proportionate Share of Net Pension Liability associated with the Township	717,000.09	535,724.00	386,204.24
	<u>\$ 5,995,521.09</u>	<u>\$ 4,479,699.00</u>	<u>\$ 3,229,422.24</u>

Pension Plan Fiduciary Net Position

For purposes of measuring the net pension liability, deferred outflows of resources and deferred inflows of resources related to pensions, and pension expense, information about the respective fiduciary net position of the PERS and PFRS and additions to/deductions from PERS and PFRS' respective fiduciary net position have been determined on the same basis as they are reported by PERS and PFRS. Accordingly, benefit payments (including refunds of employee contributions) are recognized when due and payable in accordance with the benefit terms. Investments are reported at fair value. For additional information about PERS and PFRS, please refer to the Plan's Comprehensive Annual Financial Report (CAFR) which can be found at <https://www.nj.gov/treasury/pensions/financial-reports.shtml>.

Note 8: PENSION PLANS (CONT'D)**Supplementary Pension Information**

In accordance with GASBS 68, the following information is also presented for the PERS and PFRS Pension Plans. These schedules are presented to illustrate the requirements to show information for 10 years; however, until a full 10-year trend is compiled, this presentation will only include information for those years for which information is available.

Schedule of the Township's Proportionate Share of the Net Pension Liability - Public Employees' Retirement System (PERS) (Last Six Years)

	Measurement Date Ended June 30,		
	<u>2018</u>	<u>2017</u>	<u>2016</u>
Township's Proportion of the Net Pension Liability	0.0112894949%	0.0114154551%	0.0116460675%
Township's Proportionate Share of the Net Pension Liability	\$ 2,222,845.00	\$ 2,657,335.00	\$ 3,449,231.00
Township's Covered Payroll (Plan Measurement Period)	\$ 792,812.00	\$ 790,184.00	\$ 801,164.00
Township's Proportionate Share of the Net Pension Liability as a Percentage of Covered Payroll	280.37%	336.29%	430.53%
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	53.60%	48.10%	40.14%
	Measurement Date Ended June 30,		
	<u>2015</u>	<u>2014</u>	<u>2013</u>
Township's Proportion of the Net Pension Liability	0.0112303627%	0.0139710110%	0.0128555575%
Township's Proportionate Share of the Net Pension Liability	\$ 2,520,991.00	\$ 2,615,755.00	\$ 2,456,952.00
Township's Covered Payroll (Plan Measurement Period)	\$ 774,672.00	\$ 916,596.00	\$ 931,512.00
Township's Proportionate Share of the Net Pension Liability as a Percentage of Covered Payroll	325.43%	285.38%	263.76%
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	47.93%	52.08%	48.72%

Note 8: PENSION PLANS (CONT'D)**Supplementary Pension Information (Cont'd)*****Schedule of the Township's Contributions - Public Employees' Retirement System (PERS) (Last Six Years)***

	<u>Year Ended December 31,</u>		
	<u>2018</u>	<u>2017</u>	<u>2016</u>
Township's Contractually Required Contribution	\$ 112,294.00	\$ 105,752.00	\$ 103,462.00
Township's Contribution in Relation to the Contractually Required Contribution	(112,294.00)	(105,752.00)	(103,462.00)
Township's Contribution Deficiency (Excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Township's Covered Payroll (Calendar Year)	\$ 784,028.00	\$ 802,234.00	\$ 782,305.00
Township's Contributions as a Percentage of Covered Payroll	14.32%	13.18%	13.23%
	<u>Year Ended December 31,</u>		
	<u>2015</u>	<u>2014</u>	<u>2013</u>
Township's Contractually Required Contribution	\$ 96,551.00	\$ 115,175.00	\$ 96,864.00
Township's Contribution in Relation to the Contractually Required Contribution	(96,551.00)	(115,175.00)	(96,864.00)
Township's Contribution Deficiency (Excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Township's Covered Payroll (Calendar Year)	\$ 764,211.00	\$ 776,668.00	\$ 903,692.00
Township's Contributions as a Percentage of Covered Payroll	12.63%	14.83%	10.72%

Note 8: PENSION PLANS (CONT'D)**Supplementary Pension Information (Cont'd)*****Schedule of the Township's Proportionate Share of the Net Pension Liability - Police and Firemen's Retirement System (PFRS) (Last Six Years)***

	<u>Measurement Date Ended June 30,</u>		
	<u>2018</u>	<u>2017</u>	<u>2016</u>
Township's Proportion of the Net Pension Liability	0.0291462975%	0.0239451503%	0.0300581134%
Township's Proportionate Share of the Net Pension Liability	\$ 3,943,975.00	\$ 3,696,668.00	\$ 5,741,869.00
State's Proportionate Share of the Net Pension Liability associated with the Township	535,724.00	414,058.00	482,175.00
Total	<u>\$ 4,479,699.00</u>	<u>\$ 4,110,726.00</u>	<u>\$ 6,224,044.00</u>
Township's Covered Payroll (Plan Measurement Period)	\$ 939,420.00	\$ 853,584.00	\$ 960,732.00
Township's Proportionate Share of the Net Pension Liability as a Percentage of Covered Payroll	419.83%	433.08%	597.66%
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	62.48%	58.60%	52.01%
	<u>Measurement Date Ended June 30,</u>		
	<u>2015</u>	<u>2014</u>	<u>2013</u>
Township's Proportion of the Net Pension Liability	0.0293560623%	0.0292515360%	0.0289866298%
Township's Proportionate Share of the Net Pension Liability	\$ 4,889,697.00	\$ 3,679,572.00	\$ 3,853,511.00
State's Proportionate Share of the Net Pension Liability associated with the Township	428,810.00	396,228.00	359,194.00
Total	<u>\$ 5,318,507.00</u>	<u>\$ 4,075,800.00</u>	<u>\$ 4,212,705.00</u>
Township's Covered Payroll (Plan Measurement Period)	\$ 929,656.00	\$ 923,904.00	\$ 909,696.00
Township's Proportionate Share of the Net Pension Liability as a Percentage of Covered Payroll	525.97%	398.26%	423.60%
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	56.31%	62.41%	58.70%

Note 8: PENSION PLANS (CONT'D)**Supplementary Pension Information (Cont'd)*****Schedule of the Township's Contributions - Police and Firemen's Retirement System (PFRS)
(Last Six Years)***

	<u>Year Ended December 31,</u>		
	<u>2018</u>	<u>2017</u>	<u>2016</u>
Township's Contractually Required Contribution	\$ 284,948.00	\$ 211,919.00	\$ 245,076.00
Township's Contribution in Relation to the Contractually Required Contribution	(284,948.00)	(211,919.00)	(245,076.00)
Township's Contribution Deficiency (Excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Township's Covered Payroll (Calendar Year)	\$ 1,063,347.00	\$ 944,100.00	\$ 838,993.00
Township's Contributions as a Percentage of Covered Payroll	26.80%	22.45%	29.21%
	<u>Year Ended December 31,</u>		
	<u>2015</u>	<u>2014</u>	<u>2013</u>
Township's Contractually Required Contribution	\$ 238,621.00	\$ 224,672.00	\$ 211,480.00
Township's Contribution in Relation to the Contractually Required Contribution	(238,621.00)	(224,672.00)	(211,480.00)
Township's Contribution Deficiency (Excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Township's Covered Payroll (Calendar Year)	\$ 868,623.00	\$ 903,822.00	\$ 925,213.00
Township's Contributions as a Percentage of Covered Payroll	27.47%	24.86%	22.86%

Note 8: PENSION PLANS (CONT'D)**Other Notes to Supplementary Pension Information*****Public Employees' Retirement System (PERS)***Changes in Benefit Terms

None

Changes in Assumptions

The Discount Rate changed at June 30th over the following years, 5.39% 2014, 4.90% 2015, 3.98% 2016, 5.00% 2017 and 5.66% 2018.

The Long-term Expected Rate of Return changed at June 30th over the following years, 7.90% 2014 and 2015, 7.65% 2016, 7.00% 2017 and 2018.

For 2016, demographic assumptions were revised in accordance with the results of the July 1, 2011 - June 30, 2014 experience study and the mortality improvement scale incorporated the Plan actuary's modified MP-2014 projection scale. Further, salary increases were assumed to increase between 1.65% and 4.15% (based on age) through fiscal year 2026 and 2.65% and 5.15% (based on age) for each fiscal year thereafter.

For 2015, the social security wage base was set at \$118,500.00 for 2015, increasing 4.00% per annum, compounded annually and the 401(a)(17) pay limit was set at \$265,000.00 for 2015, increasing 3.00% per annum, compounded annually.

Police and Firemen's Retirement System (PFRS)Changes in Benefit Terms

In 2017, Chapter 26, P.L. 2016 increased the accidental death benefit payable to children if there is no surviving spouse to 70% of final compensation.

Changes in Assumptions

The Discount Rate changed at June 30th over the following years, 6.32% 2014, 5.79% 2015, 5.55% 2016, 6.14% 2017 and 6.51% 2018.

The Long-term Expected Rate of Return changed at June 30th over the following years, 7.90% 2014 and 2015, 7.65% 2016, 7.00% 2017 and 2018.

For 2016, the mortality improvement scale incorporated the Plan actuary's modified 2014 projection scale. Further, salary increases were assumed to increase between 2.10% and 8.98% (based on age) through fiscal year 2026 and 3.10% and 9.98% (based on age) for each fiscal year thereafter.

For 2015, demographic assumptions were revised in accordance with the results of the July 1, 2010 - June 30, 2013 experience study.

Note 9: LENGTH OF SERVICE AWARDS PROGRAM

Plan Description - The Township's length of service awards program (the "Plan"), which is a defined contribution plan reported in the Township's trust fund, was created by a Township Resolution adopted on September 22, 2002 pursuant to Section 457(e)(11)(B) of the Internal Service Code of 1986, as amended, except for provisions added by reason of the length of service award program as enacted into federal law in 1997. The accumulated assets of the Plan are not administered through a trust that meets the criteria of paragraph 4 of GASB Statement No. 68, *Accounting and Financial Reporting for Pensions - an amendment of GASB Statement No. 27*.

The voters of the Township approved the adoption of the Plan at the general election held on November 5, 2002, and the first year of eligibility for entrance into the length of service awards program by qualified volunteers was calendar year 2003. The Plan provides tax deferred income benefits to active volunteer firefighters and emergency medical personnel, and is administered by Lincoln National Life Insurance Company ("Plan Administrator"), a State of New Jersey approved length of service awards program provider. The Township's practical involvement in administering the Plan is essentially limited to verifying the eligibility of each participant and remitting the funds to the Plan Administrator.

The tax deferred income benefits for emergency service volunteers of the Franklin Fire Company, consisting of the volunteer fire department, come from contributions made solely by the governing body of the Township, on behalf of those volunteers who meet the criteria of the Plan created by that governing body. Participants should refer to the Plan agreement for a more complete description of the Plan's provisions.

Plan Amendments - The Township may make minor amendments to the provisions of the Plan at any time, provided, however, that no amendment affects the rights of participants or their beneficiaries regarding vested accumulated deferrals at the time of the amendment. The Plan can only be amended by resolution of the governing body of the Township, and the following procedures must be followed: (a) any amendment to the Plan shall be submitted for review and approval by the Director of Local Government Services, State of New Jersey (the "Director") prior to implementation by the Township's governing body, provided, however, that any amendment required by the IRS, may be adopted by the Township's governing body without the advance approval of the Director (although such amendment shall be filed with the Director); (b) the documentation submitted to the Director shall identify the regulatory authority for the amendment and the specific language of the change; and (c) the Township shall adopt the amendment by resolution of the governing body, and a certified copy of the resolution shall be forwarded to the Director. The Township may amend the Plan agreement to accommodate changes in the Internal Revenue Code, Federal statutes, state laws or rules or operational experience. In cases of all amendments to the Plan, the Township shall notify all participants in writing prior to making any amendment to the Plan.

Contributions - If an active member meets the year of active service requirement, a length of service awards program must provide a benefit between the minimum contribution of \$100.00 and a maximum contribution of \$1,150.00 per year. While the maximum amount is established by statute, it is subject to periodic increases that are related to the consumer price index (N.J.S.A. 40A:14-185(f)). The Division of Local Government Services of the State of New Jersey will issue the permitted maximum annually.

The Township elected to contribute between \$680.00 and \$1,575.00 for the year ended December 31, 2018 per eligible volunteer, into the Plan, depending on how many years the volunteer has served. Participants direct the investment of the contributions into various investment options offered by the Plan. The Township has no authorization to direct investment contributions on behalf of eligible volunteers nor has the ability to purchase or sell investment options offered by the Plan. The types of investment options, and the administering of such investments, rests solely with the Plan Administrator.

For the year ended December 31, 2018, the Township's total expenditure to the Plan was \$21,284.46.

Note 9: LENGTH OF SERVICE AWARDS PROGRAM (CONT'D)

Participant Accounts - Each participant's account is credited with the Township's contribution and Plan earnings, and charged with administrative expenses. The benefit to which a participant is entitled is the benefit that can be provided from the participant's vested account. The Township has placed the amounts deferred, including earnings, in a trust maintained by a third-party administrator for the exclusive benefit of the Plan participants and their beneficiaries. The contributions from the Township to the Plan, and the related earnings, are not irrevocable, and such funds are not legally protected from the creditors of the Township. These funds, however, are not available for funding the operations of the Township.

Vesting - The Township, in accordance with N.J.S.A. 40A:14-188 and N.J.A.C. 5:30-11.63 may make a yearly contribution to the length of service awards program account in the deferred income program for an active volunteer who has satisfied the requirements for receipt of an award, but the volunteer shall not be able to receive a distribution of the funds until the completion of a five year vesting period or be in accordance with changes to vesting conveyed through the issuance of a Local Finance Notice and/or publication of a public notice in the New Jersey Register, with payment of that benefit only being as otherwise permitted by the Plan.

Payment of Benefits - Upon separation from volunteer service, retirement or disability, termination of the Plan, participants may select various payout options of vested accumulated deferrals, which include lump sum, periodic, or annuity payments. In the case of death, with certain exceptions, any amount invested under the participant's account is paid to the beneficiary or the participant's estate.

In the event of an unforeseeable emergency, as outlined in the Plan document, a participant or a beneficiary entitled to vested accumulated deferrals may request the local plan administrator to payout a portion of vested accumulated deferrals.

Forfeited Accounts - For the year ended December 31, 2018, no accounts were forfeited.

Investments - The investments of the length of service awards program reported in the trust - other funds on the statements of assets, liabilities, reserves, and fund balance - regulatory basis are recorded at fair value.

Plan Information - Additional information about the Township's length of service awards program can be obtained by contacting the Plan Administrator.

Note 10: COMPENSATED ABSENCES

Under the existing policy of the Township, unaffiliated full-time employees are entitled to accumulate annual unused sick leave and vacation days, and police are entitled to accumulate unused sick and vacation days in accordance with their bargaining agreements. Unused sick leave may be accumulated and carried forward to the subsequent year. Vacation days not used during the year may be accumulated and carried forward, but the carry-forward is limited to the equivalent of one year's accrued vacation days.

The Township does not record accrued expenses related to compensated absences. However, it is estimated that, at December 31, 2018, accrued benefits for compensated absences are valued at \$147,760.50.

Note 11: DEFERRED COMPENSATION SALARY ACCOUNT

The Township offers its employees a deferred compensation plan in accordance with Internal Revenue Code Section 457, which has been approved by the Director of the Division of Local Government Services. The Plan, available to all full time employees at their option, permits employees to defer a portion of their salary to future years. The deferred compensation is not available to participants until termination, retirement, death, or unforeseeable emergency.

Amounts deferred under Section 457 plans must be held in trust for the exclusive benefit of participating employees and not be accessible by the Township or its creditors. Since the Township does not have a fiduciary relationship with the Plan, the balances and activities of the Plan are not reported in the Township's financial statements.

Note 12: LEASE OBLIGATIONS

Capital Leases - The Township has authorized participation in the Burlington County Bridge Commission's 2003 Governmental Leasing Program. Under this program, the Commission will acquire or construct certain equipment and improvements and lease these assets to the Township under capital lease agreements.

The Commission will finance this project through the issuance of County-Guaranteed Lease Revenue Bonds, Series 2003. Lease payments by the Township are based upon the principal and interest necessary to amortize debt service on the Series 2003 bonds. Payments by the Township are adjusted to reflect accrued interest earned on the balance of funds unused and held in trust by the Commission. The Township began utilizing the Program's funds during 2003 for various improvements and equipment authorizations. Principal and interest payments began in 2005 and the final maturity is August 2023. The following schedule represents the remaining debt service, through maturity, for the capital lease:

<u>Year</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2019	\$ 296,000.00	\$ 74,150.00	\$ 370,150.00
2020	304,000.00	62,310.00	366,310.00
2021	321,000.00	50,150.00	371,150.00
2022	332,000.00	34,100.00	366,100.00
2023	350,000.00	17,500.00	367,500.00
Total	<u>\$ 1,603,000.00</u>	<u>\$ 238,210.00</u>	<u>\$ 1,841,210.00</u>

Note 13: CAPITAL DEBT**General Improvement Bonds**

General Improvement Bonds, Series 2011 - On March 30, 2011, the Township issued \$5,616,000.00 of general improvement bonds, with interest rates ranging from 2.0 - 4.5%. The bonds were issued for the purpose of funding ordinances 2005-21, 2006-10, 2006-20, 2007-02, 2007-17, 2007-08, 2008-08 and 2009-14. The final maturity of the bonds is April 1, 2028.

Refunding Bonds, Series 2014 - On November 18, 2014, the Township issued \$5,610,000.00 of refunding bonds with interest rates ranging from 3.0 – 5.0%. The final maturity of the bonds is September 1, 2025.

Note 13: CAPITAL DEBT (CONT'D)**General Improvement Bonds (Cont'd)**

The following schedule represents the remaining debt service, through maturity, for the general improvement bonds:

<u>Year</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2019	\$ 865,000.00	\$ 341,457.50	\$ 1,206,457.50
2020	900,000.00	312,895.00	1,212,895.00
2021	925,000.00	282,745.00	1,207,745.00
2022	950,000.00	245,645.00	1,195,645.00
2023	990,000.00	207,245.00	1,197,245.00
2024-2028	<u>3,576,000.00</u>	<u>355,127.50</u>	<u>3,931,127.50</u>
Totals	<u>\$ 8,206,000.00</u>	<u>\$ 1,745,115.00</u>	<u>\$ 9,951,115.00</u>

Sewer Assessment Bonds

Sewer Assessment Bonds, Series 2011 - On March 30, 2011, the Township issued \$270,000.00 of assessment bonds, with interest rates ranging from 2.0 – 4.5% The bonds were issued for the purpose of funding construction of sanitary sewer improvements in the Lynnwood Farms section of the Township. The final maturity of the bonds is April 1, 2028. The following schedule represents the remaining debt service, through maturity, for the sewer improvement bonds:

<u>Year</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2019	\$ 15,000.00	\$ 6,037.50	\$ 21,037.50
2020	15,000.00	5,475.00	20,475.00
2021	15,000.00	4,875.00	19,875.00
2022	15,000.00	4,275.00	19,275.00
2023	15,000.00	3,675.00	18,675.00
2024-2028	<u>75,000.00</u>	<u>8,437.50</u>	<u>83,437.50</u>
Totals	<u>\$ 150,000.00</u>	<u>\$ 32,775.00</u>	<u>\$ 182,775.00</u>

Note 13: CAPITAL DEBT (CONT'D)

The following schedule represents the Township's summary of debt for the current and two previous years:

	<u>2018</u>	<u>2017</u>	<u>2016</u>
<u>Issued</u>			
General:			
Bonds and Notes	\$ 13,589,660.00	\$ 14,173,110.00	\$ 14,955,060.00
Sewer Utility:			
Assessment Bonds and Notes	150,000.00	165,000.00	180,000.00
Bonds and Notes	74,050.00	74,050.00	75,000.00
Total Issued	<u>13,813,710.00</u>	<u>14,412,160.00</u>	<u>15,210,060.00</u>
<u>Authorized but not Issued</u>			
General:			
Bonds, Loans and Notes	464,886.00	633,936.00	627,136.00
Sewer Utility:			
Bonds, Loans and Notes	950.00	950.00	
Total Authorized but not Issued	<u>465,836.00</u>	<u>634,886.00</u>	<u>627,136.00</u>
Total Issued and Authorized but not Issued	<u>14,279,546.00</u>	<u>15,047,046.00</u>	<u>15,837,196.00</u>
<u>Deductions</u>			
General:			
Reserve for Debt Service	235,170.22	204,119.51	238,616.92
Sewer Utility:			
Self-Liquidating	75,000.00	75,000.00	75,000.00
Sewer Assessment:			
Sewer Assessment Cash	81,189.07	72,653.00	78,884.32
Total Deductions	<u>391,359.29</u>	<u>351,772.51</u>	<u>392,501.24</u>
Net Debt	<u>\$ 13,888,186.71</u>	<u>\$ 14,695,273.49</u>	<u>\$ 15,444,694.76</u>

Summary of Statutory Debt Condition - Annual Debt Statement

The summarized statement of debt condition which follows is prepared in accordance with the required method of setting up the annual debt statement and indicated a statutory net debt of 1.155%.

	<u>Gross Debt</u>	<u>Deductions</u>	<u>Net Debt</u>
Local School Purposes	\$ 4,700,000.00	\$ 4,700,000.00	
Regional School Purposes	21,646,451.89	21,646,451.89	
Self-Liquidating	75,000.00	75,000.00	
Sewer Assessment:			
Sewer Assessment Cash	150,000.00	81,189.07	\$ 68,810.93
General	14,054,546.00	235,170.22	13,819,375.78
	<u>\$ 40,625,997.89</u>	<u>\$ 26,737,811.18</u>	<u>\$ 13,888,186.71</u>

Net debt \$13,888,186.71 divided by the equalized valuation basis per N.J.S.A.40A:2-2, as amended, \$1,201,931,235.53, equals 1.155%.

Note 13: CAPITAL DEBT (CONT'D)**Calculation of "Self-Liquidating Purpose,"
Sewer Utility Per N.J.S.A. 40:2-45**

Cash Receipts from Fees, Rents, Fund Balance Anticipated, Interest and Other Investment Income, and Other Charges for the Year		\$	46,289.68
Deductions:			
Operating and Maintenance Costs	\$	35,711.20	
Debt Service		<u>7,665.18</u>	
Total Deductions			<u>43,376.38</u>
Excess in Revenue		\$	<u>2,913.30</u>

A revised Annual Debt Statement should be filed by the Chief Financial Officer.

Note 14: DEFERRED CHARGES TO BE RAISED IN SUCCEEDING BUDGETS

Certain expenditures are required to be deferred to budgets of succeeding years. At December 31, 2018, the following deferred charges are shown on the statement of assets, liabilities, reserves and fund balance of the following funds:

<u>Description</u>	<u>Balance December 31, 2018</u>	<u>2019 Budget Appropriation</u>
Current Fund:		
Overexpenditure of Appropriations	\$ 687.74	\$ 687.74
Overexpenditure of Appropriation Reserves	15,803.00	15,803.00
Federal and State Grant Fund:		
Overexpenditure of Grant	22,798.21	-

The appropriations in the 2019 Budget as adopted are not less than that required by the statutes.

Note 15: SCHOOL TAXES

Township of Mansfield School District and Northern Burlington Regional High School District taxes have been raised and the liability deferred by statutes, resulting in the school tax payable set forth in the current fund liabilities as follows:

	<u>Local School District</u> <u>Balance December 31,</u>		<u>Regional High School District</u> <u>Balance December 31,</u>	
	<u>2018</u>	<u>2017</u>	<u>2018</u>	<u>2017</u>
Balance of Tax	\$ 5,269,341.85	\$ 5,544,335.00	\$ 5,048,974.29	\$ 5,158,820.34
Deferred	<u>2,985,700.00</u>	<u>2,985,700.00</u>	<u>681,483.00</u>	<u>681,483.00</u>
Taxes Payable	<u>\$ 2,283,641.85</u>	<u>\$ 2,558,635.00</u>	<u>\$ 4,367,491.29</u>	<u>\$ 4,477,337.34</u>

Note 16: RISK MANAGEMENT

The Township is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; injuries to employees; and natural disasters.

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, reimbursements to the State for benefits paid and the ending balance of the Township's trust fund for the current and previous two years:

<u>Year</u>	<u>Township Contributions</u>	<u>Employee Contributions</u>	<u>Amount Reimbursed</u>	<u>Ending Balance</u>
2018	\$ -	\$ -	\$ 1,100.76	\$ 29,819.81
2017	15,000.00	-	5,967.27	30,920.57
2016	15,000.00	13,615.00	6,727.16	21,887.84

There are no unreimbursed payments on behalf of the Township at December 31, 2018.

Joint Insurance Pool - The Township is a member of the Burlington County Insurance Pool Joint Insurance Fund and the Municipal Excess Liability Joint Insurance Fund. The Fund provides its members with the following coverage:

Public Officials Bonds in excess of amounts statutorily required
 Public Employees Dishonesty Bonds
 Automobile Liability
 Workers' Compensation and Employer's Liability
 Commercial Property
 General Liability
 Public Officials Liability
 Employment Practices Liability
 Environmental Liability

Contributions to the JIF and MEL, including a reserve for contingencies, are payable in two installments and are based on actuarial assumptions determined by each of the fund's actuaries. The Commissioner of Insurance may order additional assessments to supplement the Fund's claim, loss retention or administrative accounts to assure the payment of the Fund's obligations.

The Funds publish their own financial reports which can be obtained from:

Burlington County Municipal Joint Insurance Fund
 P.O. Box 325
 Hammonton, New Jersey 08037

Municipal Excess Liability Joint Insurance Fund
 Park 80 West Plaza I
 Saddle Brook, New Jersey 07663

Note 17: CONTINGENCIES

Grantor Agencies - Amounts received or receivable from grantor agencies could be subject to audit and adjustment by grantor agencies. Any disallowed claims, including amounts already collected, may constitute a liability of the applicable funds. The amount, if any, of expenditures which may be disallowed by the grantor cannot be determined at this time, although the Township expects such amount, if any, to be immaterial.

Litigation - Correspondence from the Township's Solicitor indicated that there is no pending or threatened litigation claims, contingent liabilities, unasserted claims or assessments or statutory violations involving the Township which might materially affect the Township's financial position or results of operations.

Note 18: CONCENTRATIONS

The Township depends on financial resources flowing from, or associated with, both the federal government and the State of New Jersey. As a result of this dependency, the Township is subject to changes in specific flows of intergovernmental revenues based on modifications to federal and State laws and federal and State appropriations.

Note 19: PRIOR PERIOD ADJUSTMENTS

Current Fund – The following prior period adjustments were made in the current fund:

- a) The Township's December 31, 2017 investments included \$2,640,408.22 in certificates of deposits that were erroneously listed as money market funds. Under the regulatory basis of accounting all certificates of deposits should be classified as cash.
- b) The Township's December 31, 2017 change funds listed incorrect amounts. Adjustments were recorded to properly report the correct amounts.
- c) During 2016, the Township foreclosed on two properties, however, the Township failed to increase the values of the block and lots to their assessed valuations.
- d) Deferred charges as a result of overexpenditures of \$1,996.28 were misclassified as overexpenditures of appropriation reserves.
- e) The amount recorded for the reserve for tax sale premiums did not agree to the subsidiary listing of premiums by \$8,593.99.
- f) The cumulative effect to the December 31, 2017 fund balance was \$8,793.99.

The net effect of the adjustments is the following:

	Balance Dec. 31, 2017 As Previously Reported	Prior Period Adjustment	Balance Dec. 31, 2017 As Restated
<u>Current Fund:</u>			
a) Cash	\$ 6,843,260.74	\$ 2,640,608.22	\$ 9,483,868.96
a) Investments	2,640,608.22	(2,640,608.22)	-
b) Cash - Change Fund	475.00	200.00	675.00
c) Property Acquired for Taxes - Assessed Valuation	157,587.85	244,012.15	401,600.00
Deferred Charges:			
d) Overexpenditure of Appropriation Reserves	10,898.97	(1,996.28)	8,902.69
d) Overexpenditure of Appropriations		1,996.28	1,996.28
e) Reserve for Tax Sale Premiums	(268,593.99)	8,593.99	(260,000.00)
c) Reserves for Receivables and Other Assets	(691,339.01)	(244,012.15)	(935,351.16)
f) Fund Balance	(566,304.52)	(8,793.99)	(575,098.51)

Note 19: PRIOR PERIOD ADJUSTMENTS (CONT'D)

General Capital Fund - The Township's December 31, 2017 General Capital Fund omitted encumbrances that were recorded to the Reserve for Sewer Plant. As a result, encumbrances of \$4,497.41 were understated. An adjustment was recorded to properly show the encumbrances in the prior year. The net effect of the adjustment is the following:

	Balance Dec. 31, 2017 As Previously Reported	Prior Period Adjustment	Balance Dec. 31, 2017 As Restated
General Capital Fund:			
Reserve for Encumbrances	\$ (121,094.77)	\$ (4,497.41)	\$ (125,592.18)
Reserve for Payment of Debt Service	(208,616.92)	4,497.41	(204,119.51)

General Fixed Assets Account Group – The values of the Township's December 31, 2017 fixed assets did not agree to the Township's subsidiary records. As a result, the values were overstated by \$4,727,642.95. An adjustment was recorded to properly reflect fixed assets in the prior year. The net effect of the adjustment is the following:

	Balance Dec. 31, 2017 As Previously Reported	Prior Period Adjustment	Balance Dec. 31, 2017 As Restated
General Fixed Asset Account Group:			
Land and Buildings	\$ 18,053,315.00	\$ (18,053,315.00)	\$ -
Land		2,821,212.00	2,821,212.00
Buildings		10,638,400.00	10,638,400.00
Equipment and Vehicles	4,981,899.95	(133,939.95)	4,847,960.00
Investment in General Fixed Assets	(23,035,214.95)	4,727,642.95	(18,307,572.00)

Note 20: OTHER ADJUSTMENTS AND RECLASSIFICATIONS

In addition to the financial statements, certain prior year supplementary statements have also been corrected for prior period errors.

General Capital Fund – The following other adjustments and reclassifications were noted in the general capital fund:

- a) Various balances on the Statement of General Capital Cash and Investments (Exhibit SC-2) were improperly reported. The beginning balances on the statement were revised to properly reflect the correct balances.
- b) Misclassifications of balances were noted on the Statement of Deferred Charges to Future Taxation – Unfunded (Exhibit SC-4). The beginning balances on the statement were revised to properly reflect the correct balances.
- c) Misclassifications of balances were noted on the Statement of Bonds and Notes Authorized But Not Issued (Exhibit SC-14). The beginning balances on the statement were revised to properly reflect the correct balances.

Note 20: OTHER ADJUSTMENTS AND RECLASSIFICATIONS (CONT'D)**General Capital Fund (Cont'd)** - The net effect of the adjustments is the following:

	Balance (Deficit) Dec. 31, 2017 As Previously Reported	Adjustment/ Reclassification	Balance (Deficit) Dec. 31, 2017 As Restated
<u>General Capital Fund:</u>			
a) <u>(Exhibit SC-2) - Statement of General Capital Cash:</u>			
Reserve for Payment of Debt Services	\$ 208,616.92	\$ (4,497.71)	\$ 204,119.21
Reserve for Encumbrances	121,094.77	4,497.71	125,592.48
Ord. 20015-04 Municipal Building Improvements	(199,550.00)	132,000.00	(67,550.00)
Ord. 2017-07 Various Capital Improvements	132,415.00	(132,000.00)	415.00
b) <u>(Exhibit SC-4) - Statement of Deferred Charges to Future Taxation - Unfunded:</u>			
Ord. 2007-02 Acquisition of Farmland	33,993.00	8,333.00	42,326.00
Ord. 2012-06 Refurbish EMS Vehicle	64,084.00	(8,333.00)	55,751.00
c) <u>(Exhibit SC-14) - Statement of Bonds and Notes Authorized But Not Issued:</u>			
Ord. 2015-04 Municipal Building Improvements	199,550.00	(132,000.00)	67,550.00
Ord. 2017-17 Various Capital Improvements	6,800.00	132,000.00	138,800.00

Sewer Utility Capital Fund – Balances on the Statement of Sewer Capital Cash and Investments (Exhibit SD-2) were improperly reported. The beginning balances on the statement were revised to properly reflect the correct balances. In addition, in the prior year the Township did not report a balance of Bonds and Notes Authorized But Not Issued. The correct amount is \$950.00. The following was restated:

	Balance (Deficit) Dec. 31, 2017 As Previously Reported	Adjustment/ Reclassification	Balance (Deficit) Dec. 31, 2017 As Restated
<u>Sewer Utility Capital Fund:</u>			
<u>(Exhibit SD-2) - Statement of General Capital Cash:</u>			
Due General Capital Fund	\$ -	\$ 950.00	\$ 950.00
Ord. 2014-10 Improvements to Lynwood Farm	9,062.99	(950.00)	8,112.99
<u>(Exhibit SD-15) - Statement of Bonds and Notes Authorized But Not Issued:</u>			
Ord. 2014-10 Improvements to Lynwood Farm	-	950.00	950.00

Note 21: POSTEMPLOYMENT BENEFITS OTHER THAN PENSIONS (OPEB)**General Information about the OPEB Plan**

Plan Description and Benefits Provided - The Township contributes to the State Health Benefits Local Government Retired Employees Plan (the "Plan"), which is a cost-sharing multiple-employer defined benefit other postemployment benefit (OPEB) plan with a special funding situation. It covers employees of local government employers that have adopted a resolution to participate in the Plan. The Plan meets the definition of an equivalent arrangement as defined in paragraph 4 of GASB Statement No. 75, *Accounting and Financial Reporting for the Postemployment Benefits Other Than Pensions* (GASB Statement No. 75); therefore, assets are accumulated to pay associated benefits. For additional information about the Plan, please refer to the State of New Jersey (the State), Division of Pensions and Benefits' (the Division) Comprehensive Annual Financial Report (CAFR), which can be found at <https://www.state.nj.us/treasury/pensions/financial-reports.shtml>.

The Plan provides medical and prescription drug benefit coverage to retirees and their covered dependents of the employers. Under the provisions of Chapter 88, P.L. 1974 and Chapter 48, P.L. 1999, local government employers electing to provide postretirement medical coverage to their employees must file a resolution with the Division. Under Chapter 88, local employers elect to provide benefit coverage based on the eligibility rules and regulations promulgated by the State Health Benefits Commission. Chapter 48 allows local employers to establish their own age and service eligibility for employer paid health benefits coverage for retired employees. Under Chapter 48, the employer may assume the cost of postretirement medical coverage for employees and their dependents who: 1) retired on a disability pension; or 2) retired with 25 or more years of service credit in a State or locally administered retirement system and a period of service of up to 25 years with the employer at the time of retirement as established by the employer; or 3) retired and reached the age of 65 with 25 or more years of service credit in a State or locally administered retirement system and a period of service of up to 25 years with the employer at the time of retirement as established by the employer; or 4) retired and reached age 62 with at least 15 years of service with the employer. Further, the law provides that the employer paid obligations for retiree coverage may be determined by means of a collective negotiations agreement.

In accordance with Chapter 330, P.L. 1997, which is codified in N.J.S.A 52:14-17.32i, the State provides medical and prescription coverage to local police officers and firefighters, who retire with 25 years of service or on a disability from an employer who does not provide postretirement medical coverage. Local employers were required to file a resolution with the Division in order for their employees to qualify for State-paid retiree health benefits coverage under Chapter 330. The State also provides funding for retiree health benefits to survivors of local police officers and firefighters who die in the line of duty under Chapter 271, P.L. 1989.

Pursuant to Chapter 78, P.L. 2011, future retirees eligible for postretirement medical coverage who have less than 20 years of creditable service on June 28, 2011 will be required to pay a percentage of the cost of their health care coverage in retirement provided they retire with 25 or more years of pension service credit. The percentage of the premium for which the retiree will be responsible will be determined based on the retiree's annual retirement benefit and level of coverage.

Note 21: POSTEMPLOYMENT BENEFITS OTHER THAN PENSIONS (OPEB) (CONT'D)**General Information about the OPEB Plan (Cont'd)**

Contributions - The funding policy for the OPEB plan is pay-as-you-go; therefore, there is no prefunding of the liability. However, due to premium rates being set prior to each calendar year, there is a minimal amount of net position available to cover benefits in future years. Contributions to pay for the health benefit premiums of participating employees in the OPEB plan are collected from the State of New Jersey, participating local employers, and retired members.

The Township was billed monthly by the Plan and paid \$30,692.72 for the year ended December 31, 2018, representing 1.66% of the Township's covered payroll. During the year ended December 31, 2018, retirees were required to contribute \$1,652.32.

Special Funding Situation Component - The State of New Jersey makes contributions to cover those employees eligible under Chapter 330, P.L. 1997, as disclosed below. Local employers remit employer contributions on a monthly basis. Retired member contributions are generally received on a monthly basis. Partially funded benefits are also available to local police officers and firefighters who retire with 25 years of service or on disability from an employer who does not provide coverage under the provisions of Chapter 330, P.L. 1997. Upon retirement, these individuals must enroll in the OPEB plan.

Under Chapter 330, P.L. 1997, the State shall pay the premium or periodic charges for the qualified local police and firefighter retirees and dependents equal to 80% of the premium or periodic charge for the category of coverage elected by the qualified retiree under the State managed care plan or a health maintenance organization participating in the program providing the lowest premium or periodic charge. The State also provides funding for retiree health benefits to survivors of local police officers and firefighters who die in the line of duty under Chapter 271, P.L. 1989.

Therefore, these employers are considered to be in a special funding situation as defined by GASB Statement No. 75 and the State is treated as a nonemployer contributing entity. Since the local participating employers do not contribute under this legislation directly to the Plan, there is no net OPEB liability, deferred outflows of resources or deferred inflows of resources to report in the financial statements of the local participating employers related to this legislation. However, the notes to the financial statements of the local participating employers must disclose the portion of the nonemployer contributing entities' total proportionate share of the collective net OPEB liability that is associated with the local participating employer.

The amount of actual contributions to the OPEB Plan made by the State, on-behalf of the Township, is not known, however, under the Special Funding Situation, the State's OPEB expense, on-behalf of the Township, is \$99,293.00 for the year ended December 31, 2018 representing 5.37% of the Township's covered payroll.

Note 21: POSTEMPLOYMENT BENEFITS OTHER THAN PENSIONS (OPEB) (CONT'D)**OPEB Liability, OPEB Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources**

OPEB Liability - At December 31, 2018 the Township's and State's proportionate share of the net OPEB liability were as follows:

Township's Proportionate Share of Net OPEB Liability	\$ 2,723,015.00
State of New Jersey's Proportionate Share of Net OPEB Liability Associated with the Township	<u>3,280,102.00</u>
	<u>\$ 6,003,117.00</u>

The net OPEB liability was measured as of June 30, 2018, and the total OPEB liability used to calculate the net OPEB liability was determined by an actuarial valuation as of June 30, 2017, which was rolled forward to June 30, 2018.

The Township's proportion of the net OPEB liability was based on the ratio of the plan members of an individual employer to the total members of the Plan's nonspecial funding situation during the measurement period July 1, 2017 through June 30, 2018. For the June 30, 2018 measurement date, the Township's proportion was .017381% which was a decrease of .000729% from its proportion measured as of the June 30, 2017 measurement date.

The State's proportion of the net OPEB liability, on-behalf of the Township was based on the ratio of the plan members of an individual employer to the total members of the Plan's special funding situation during the measurement period July 1, 2017 through June 30, 2018. For the June 30, 2018 measurement date, the State's proportion on-behalf of the Township was .052787% which was an increase of .002491% from its proportion measured as of the June 30, 2017 measurement date.

OPEB Expense - At December 31, 2018, the Township's proportionate share of the OPEB expense, calculated by the Plan as of the June 30, 2018 measurement date is \$34,266.00. This expense is not recognized by the Township because of the regulatory basis of accounting as described in note 1; however, as previously mentioned, for the year ended December 31, 2018, the Township made contributions to the Plan totaling \$30,692.72.

At December 31, 2018, the State's proportionate share of the OPEB expense, associated with the Township, calculated by the Plan as of the June 30, 2018 measurement date is \$99,293.00. This on-behalf expense is not recognized by the Township because of the regulatory basis of accounting as described in note 1.

Note 21: POSTEMPLOYMENT BENEFITS OTHER THAN PENSIONS (OPEB) (CONT'D)**OPEB Liability, OPEB Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources (Cont'd)**

Deferred Outflows of Resources and Deferred Inflows of Resources - At December 31, 2018, the Township had deferred outflows of resources and deferred inflows of resources related to the OPEB liability from the following sources:

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Differences between Expected and Actual Experience	\$ -	\$ 552,869.00
Changes of Assumptions	-	690,728.00
Net Difference between Projected and Actual Earnings on OPEB Plan Investments	1,439.00	-
Changes in Proportion and Differences between Township Contributions and Proportionate Share of Contributions	-	455,492.00
Township Contributions Subsequent to the Measurement Date	-	-
	<u>\$ 1,439.00</u>	<u>\$ 1,699,089.00</u>

Note 21: POSTEMPLOYMENT BENEFITS OTHER THAN PENSIONS (OPEB) (CONT'D)**OPEB Liability, OPEB Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources (Cont'd)**

Deferred Outflows of Resources and Deferred Inflows of Resources (Cont'd) - The Township will amortize the above other deferred outflow of resources and deferred inflows of resources related to the OPEB liability over the following number of years:

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Changes of Assumptions		
Year of OPEB Plan Deferral:		
June 30, 2017	-	8.04
June 30, 2018	-	8.14
Net Difference between Projected and Actual Earnings on OPEB Plan Investments		
Year of OPEB Plan Deferral:		
June 30, 2017	5.00	-
June 30, 2018	5.00	-
Changes in Proportion and Differences between Township Contributions and Proportionate Share of Contributions		
Year of OPEB Plan Deferral:		
June 30, 2017	8.04	8.04
June 30, 2018	8.14	8.14

Other amounts included as deferred outflows of resources and deferred inflows of resources related to the OPEB liability will be recognized in future periods as follows:

<u>Year Ending Dec. 31,</u>	
2019	\$ (254,107.00)
2020	(254,107.00)
2021	(254,107.00)
2022	(254,260.00)
2023	(254,505.00)
Thereafter	(426,564.00)
	<u><u>\$ (1,697,650.00)</u></u>

Note 21: POSTEMPLOYMENT BENEFITS OTHER THAN PENSIONS (OPEB) (CONT'D)**Actuarial Assumptions**

The actuarial assumptions vary for each plan member depending on the pension plan in which the member is enrolled. The actuarial valuation at June 30, 2018 used the following actuarial assumptions, applied to all periods in the measurement:

Inflation Rate	2.50%
Salary Increases *	
Through 2026	1.65% - 8.98%
Thereafter	2.65% - 9.98%

* Salary Increases are Based on the Defined Benefit Plan that the Member is Enrolled in and his or her Age.

Preretirement mortality rates were based on the RP-2006 Headcount-Weighted Healthy Employee Male/Female mortality table with fully generational mortality improvement projections from the central year using the MP-2017 scale. Postretirement mortality rates were based on the RP-2006 Headcount-Weighted Healthy Annuitant Male/Female mortality table with fully generational improvement projections from the central year using the MP-2017 scale. Disability mortality was based on the RP-2006 Headcount-Weighted Disabled Male/Female mortality table with fully generational improvement projections from the central year using the MP-2017 scale.

Certain actuarial assumptions used in the July 1, 2017 valuation were based on the results of the pension plans' experience studies for which the members are eligible for coverage under this Plan – the Police and Firemen Retirement System (PFRS) and the Public Employees' Retirement System (PERS). The PFRS and PERS experience studies were prepared for the periods July 1, 2010 to June 30, 2013 and July 1, 2011 to June 30, 2014, respectively.

100% of active members are considered to participate in the Plan upon retirement.

All of the Plan's investments are in the State of New Jersey Cash Management Fund ("CMF"). The New Jersey Division of Investments manages the CMF, which is available on a voluntary basis for investment by State and certain non-State participants. The CMF is considered to be an investment trust fund as defined in GASB Statement No. 31, *Certain Investments and External Investment Pools*. The CMF invests in U.S. Government and Agency Obligations, Commercial Paper, Corporate Obligations and Certificates of Deposit. Units of ownership in the CMF may be purchased or redeemed on any given business day (excluding State holidays) are the unit cost of value of \$1.00. Participant shares are valued on a fair value basis. The CMF pay interest to participants on a monthly basis.

Discount Rate - The discount rate used to measure the OPEB Liability at June 30, 2018 was 3.87%. This represents the municipal bond return rate as chosen by the State. The source is 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. As the long-term rate of return is less than the municipal bond rate, it is not considered in the calculation of the discount rate, rather the discount rate is set at the municipal bond rate.

Health Care Trend Assumptions - For pre-Medicare preferred provider organization (PPO) and health maintenance organization (HMO) medical benefits, the trend rate is initially 5.8% and decreases to a 5.0% long-term trend rate after eight years. For self-insured post-65 PPO and HMO medical benefits, the trend rate is 4.5%. For prescription drug benefits, the initial trend rate is 8.0% decreasing to a 5.0% long-term trend rate after seven years. The Medicare Advantage trend rate is 4.5% and will continue in all future years.

Note 21: POSTEMPLOYMENT BENEFITS OTHER THAN PENSIONS (OPEB) (CONT'D)**Sensitivity of the net OPEB Liability to Changes in the Discount Rate**

As previously mentioned, the OPEB Plan has a special funding situation where the State of New Jersey pays a portion of the Township's contributions for certain eligible employees. As such, the proportionate share of the net OPEB liability as of June 30, 2018, the Plan's measurement date, for the Township and the State of New Jersey, calculated using a discount rate of 3.87%, as well as using a discount rate that is 1% lower or 1% higher than the current rates used, is as follows:

	1% Decrease (2.87%)	Current Discount Rate (3.87%)	1% Increase (4.87%)
Township's Proportionate Share of the Net OPEB Liability	\$ 3,194,817.00	\$ 2,723,015.00	\$ 2,346,152.00
State of New Jersey's Proportionate Share of the Net OPEB Liability Associated with the Township	3,848,427.00	3,280,102.00	2,826,139.00
	<u>\$ 7,043,244.00</u>	<u>\$ 6,003,117.00</u>	<u>\$ 5,172,291.00</u>

Sensitivity of the net OPEB Liability to Changes in the Healthcare Cost Trend Rates

The Township's and State's proportionate share of the net OPEB Liability as of June 30, 2018, the Plan's measurement date, using a healthcare cost trend rates that are 1% lower or 1% higher than the current healthcare cost trend rate used, is as follows:

	1% Decrease	Healthcare Cost Trend Rates	1% Increase
Township's Proportionate Share of the Net OPEB Liability	\$ 2,271,431.00	\$ 2,723,015.00	\$ 3,307,432.00
State of New Jersey's Proportionate Share of the Net OPEB Liability Associated with the Township	2,736,131.00	3,280,102.00	3,984,081.00
	<u>\$ 5,007,562.00</u>	<u>\$ 6,003,117.00</u>	<u>\$ 7,291,513.00</u>

OPEB Plan Fiduciary Net Position

For purposes of measuring the net OPEB liability, deferred outflows of resources and deferred inflows of resources related to OPEB, and OPEB expense, information about the respective fiduciary net position of the State Health Benefits Local Government Retired Employees Plan and additions to/deductions from the Plan's respective fiduciary net position have been determined on the same basis as they are reported by the Plan. Accordingly, contributions (including refunds of employee contributions) are recognized when due and payable in accordance with the benefit terms. Investments are reported at fair value. For additional information about the Plan, please refer to the Plan's Comprehensive Annual Financial Report (CAFR) which can be found at <https://www.state.nj.us/treasury/pensions/financial-reports.shtml>.

Note 21: POSTEMPLOYMENT BENEFITS OTHER THAN PENSIONS (OPEB) (CONT'D)**Supplementary OPEB Information**

In accordance with GASB 75, the following information is also presented for the State Health Benefits Local Government Retired Employees Plan. These schedules are presented to illustrate the requirements to show information for 10 years; however, until a full 10-year trend is compiled, this presentation will only include information for those years for which information is available.

Schedule of the Township's Proportionate Share of the net OPEB Liability (Last 2 Years) –

	<u>Measurement Date Ended June 30,</u>	
	<u>2018</u>	<u>2017</u>
Township's Proportion of the Net OPEB Liability	0.017381%	0.018110%
Township's Proportionate Share of the Net OPEB Liability	\$ 2,723,015.00	\$ 3,697,299.00
State's Proportionate Share of the Net OPEB Liability Associated with the Township	<u>3,280,102.00</u>	<u>4,373,445.00</u>
Total	<u>\$ 6,003,117.00</u>	<u>\$ 8,070,744.00</u>
Township's Covered Payroll (Plan Measurement Period)	\$ 1,805,273.00	\$ 1,680,242.00
Township's Proportionate Share of the Net OPEB Liability as a Percentage of Covered Payroll	150.84%	220.05%
Plan Fiduciary Net Position as a Percentage of the Total OPEB Liability	1.97%	1.03%

Schedule of the Township's Contributions (Last 2 Years) –

	<u>Year Ended December 31,</u>	
	<u>2018</u>	<u>2017</u>
Township's Required Contributions	\$ 30,692.72	\$ 10,410.24
Township's Contributions in Relation to the Required Contribution	<u>(30,692.72)</u>	<u>(10,410.24)</u>
Township's Contribution Deficiency (Excess)	<u>\$ -</u>	<u>\$ -</u>
Township's Covered Payroll (Calendar Year)	\$ 1,847,375.00	\$ 1,746,334.00
Township's Contributions as a Percentage of Covered Payroll	1.66%	0.60%

Note 21: POSTEMPLOYMENT BENEFITS OTHER THAN PENSIONS (OPEB) (CONT'D)**Supplementary OPEB Information (Cont'd)****Other Notes to Supplementary OPEB Information**

Changes in Benefit Terms - None

Changes in Assumptions – In 2017, the discount rate changed to 3.58% from 2.85%. In 2018, the discount rate changed to 3.87% from 3.58%, there were changes in the census, claims and premiums experience and a decrease in the assumed health care cost trend and excise tax assumptions.

Note 22: SUBSEQUENT EVENTS

Authorization of Debt - Subsequent to December 31, the Township authorized additional bonds and notes as follows:

<u>Purpose</u>	<u>Adoption</u>	<u>Authorization</u>
General Improvements		
Acquisition of Various Pieces of Equipment and Completion of Various Capital Improvements	7/29/2019	\$ 237,500.00

SUPPLEMENTAL EXHIBITS

SUPPLEMENTAL EXHIBITS

CURRENT FUND

TOWNSHIP OF MANSFIELD
CURRENT FUND
Statement of Current Cash - Treasurer
For the Year Ended December 31, 2018

	<u>Current Fund</u>	<u>Federal and State Grant Fund</u>
Balance December 31, 2017	\$ 9,483,668.96	\$ 5,729.16
Increased by Receipts:		
Taxes Receivable	\$ 29,167,403.13	
Tax Overpayments	43,802.65	
Prepaid Taxes	246,613.62	
Revenue Accounts Receivable	1,793,392.28	
Miscellaneous Revenue Not Anticipated	145,664.29	
Refunds of Current Year Appropriations	158,392.12	
Due State of New Jersey - Veterans' and Senior Citizens' Deductions	156,319.21	
Due State of New Jersey - Marriage Licenses	675.00	
Due Trust Other Fund:		
Construction Trust	232,822.96	
Police Outside Employment Trust	188,358.75	
Due General Capital Fund	43,681.35	
Due Federal and State Grant Fund	468,111.13	
Collected by Current Fund for:		
Federal and State Grant Fund	213,956.08	
Sewer Utility Assessment Fund	23,536.07	
Police Officers Adjudication Receipts	16.00	
Reserve for Tax Premiums	17,200.00	
Reserve for Tax Title Liens	270,304.00	
Contra	643,983.02	
Due Sewer Utility Capital Fund		\$ 470,000.00
Due Current Fund		634,947.12
Federal, State and Other Grants Receivable		18,683.74
	<u>33,814,231.66</u>	<u>1,123,630.86</u>
	43,297,900.6	1,129,360.02
Decreased by Disbursements:		
2018 Appropriations	6,993,471.34	
2017 Appropriation Reserves	170,662.50	
County Taxes Payable	4,822,675.90	
Due County for Added and Omitted Taxes	4,943.61	
Local School Taxes Payable	11,566,567.15	
Regional High School Taxes Payable	10,070,880.05	
Tax Overpayments	11,958.93	
Accounts Payable	936.00	
Due State of New Jersey - Marriage Licenses	750.00	
Reserve for Tax Appeals	931.91	
Refund of Prior Year Revenue	48.60	
Reserve for Tax Premiums	211,000.00	
Reserve for Tax Title Liens	270,304.00	
Disbursed by Current Fund For:		
Construction Trust	207,822.96	
Police Outside Employment Trust	111,358.75	
Federal and State Grant Fund	35,386.00	
Sewer Utility Assessment Fund	15,000.00	
Due Federal and State Grant Fund	634,947.12	
Contra	643,983.02	
Due General Capital Fund	227,798.00	
Due Current Fund		468,111.13
Federal, State and Other Grants - Appropriated		649,967.21
	<u>36,001,425.84</u>	<u>1,118,078.34</u>
Balance December 31, 2018	<u>\$ 7,296,474.78</u>	<u>\$ 11,281.68</u>

TOWNSHIP OF MANSFIELD
CURRENT FUND
Schedule of Change Funds
As of December 31, 2018

<u>Office</u>	<u>Amount</u>
Tax Office	\$ 200.00
Clerk's Office	100.00
Municipal Court	<u>375.00</u>
	<u><u>\$ 675.00</u></u>

TOWNSHIP OF MANSFIELD
CURRENT FUND
Statement of Due to State of New Jersey
Veterans' and Senior Citizens' Deductions
For the Year Ended December 31, 2018

Balance December 31, 2017		\$ 8,722.67
Increased by:		
Prior Year Deductions Disallowed by Collector	\$ 1,280.81	
Reimbursement due to Taxation Audit	1,750.00	
Receipts	<u>156,319.21</u>	
		<u>159,350.02</u>
		168,072.69
Decreased by:		
Prior Year Deductions Allowed by Collector	500.00	
Deductions per Tax Billing	158,000.00	
2018 Deductions Allowed by Collector	<u>2,000.00</u>	
	160,500.00	
Less:		
2018 Deductions Disallowed by Collector	<u>900.68</u>	
		<u>159,599.32</u>
Balance December 31, 2018		<u><u>\$ 8,473.37</u></u>

TOWNSHIP OF MANSFIELD
CURRENT FUND
Statement of Taxes Receivable and Analysis of Property Tax Levy
For the Year Ended December 31, 2018

	Balance Dec. 31, 2017	2018 Levy	Added Taxes	2017	<u>Collected</u> 2018	Due from State of New Jersey	Canceled	Transferred to Tax Title Liens	Overpayment Applied	Balance Dec. 31, 2018
2015	\$ 3,857.58									\$ 3,857.58
2016	4,103.29									4,103.29
2017	371,436.18		\$ 9,444.92		\$ 368,357.31	\$ 500.00	\$ 951.10	\$ 25.04	\$ 6,946.99	4,100.66
	379,397.05	-	9,444.92	-	368,357.31	500.00	951.10	25.04	6,946.99	12,061.53
2018		\$ 30,925,184.07		\$ 1,247,677.49	28,799,045.82	159,099.32	33,185.87	16,873.37		669,302.20
	<u>\$ 379,397.05</u>	<u>\$ 30,925,184.07</u>	<u>\$ 9,444.92</u>	<u>\$ 1,247,677.49</u>	<u>\$ 29,167,403.13</u>	<u>\$ 159,599.32</u>	<u>\$ 34,136.97</u>	<u>\$ 16,898.41</u>	<u>\$ 6,946.99</u>	<u>\$ 681,363.73</u>

Analysis of 2018 Property Tax Levy

Tax Yield:

General Purpose	\$ 30,832,176.39
Added / Omitted Taxes	73,066.66
Miscellaneous Added Taxes	19,941.02
	<u>\$ 30,925,184.07</u>

Tax Levy:

Local District School Tax	\$ 11,291,574.00
Regional High School District School Tax	9,961,034.00
County Taxes:	
County Tax	\$ 4,154,596.21
County Library Tax	366,590.51
County Open Space Preservation	301,489.18
Due County for Added and Omitted Taxes	<u>11,468.72</u>
	4,834,144.62
Local Tax for Municipal Purposes	4,756,892.49
Add: Additional Tax Levied	<u>81,538.96</u>
	4,838,431.45
	<u>\$ 30,925,184.07</u>

TOWNSHIP OF MANSFIELD
CURRENT FUND
Statement of Tax Title Liens
For the Year Ended December 31, 2018

Balance December 31, 2017		\$	125,179.25
Increased by:			
Transfers from Taxes Receivable	\$	16,898.41	
Interest and Costs on Tax Sale		<u>5,703.25</u>	
			<u>22,601.66</u>
Balance December 31, 2018		\$	<u><u>147,780.91</u></u>

TOWNSHIP OF MANSFIELD
CURRENT FUND
Statement of Revenue Accounts Receivable
For the Year Ended December 31, 2018

	<u>Balance</u> <u>Dec. 31, 2017</u>	<u>Accrued in</u> <u>2018</u>	<u>Realized</u>	<u>Balance</u> <u>Dec. 31, 2018</u>
Miscellaneous Revenues:				
Licenses:				
Alcoholic Beverages		\$ 4,453.00	\$ 4,453.00	
Fines and Costs:				
Municipal Court	\$ 14,584.70	241,422.38	235,095.26	\$ 20,911.82
Interest and Costs on Taxes		66,792.36	66,792.36	
Interest on Investments and Deposits		43,493.52	43,493.52	
Energy Receipts Tax		512,185.00	512,185.00	
Shared Services:				
Springfield Court		115,000.00	115,000.00	
Other Special Items:				
Uniform Fire Safety Act		13,785.55	13,785.55	
COPS in Schools		168,094.00	168,094.00	
Host Community Benefit Fees		505,140.96	505,140.96	
Cable TV Franchise Fees		56,595.53	56,595.53	
Admin Fee Construction Trust		25,000.00	25,000.00	
Admin Fee for Police Outside Employment		77,000.00	77,000.00	
JIF Safety Reimbursement		53,026.00	53,026.00	
Hotel Tax		14,967.42	14,967.42	
Sewer Utility Reimbursement		4,063.68	4,063.68	
Reserve for Payment of Debt Service		30,000.00	30,000.00	
Rental of Municipal Space		700.00	700.00	
	<u>\$ 14,584.70</u>	<u>\$ 1,931,719.40</u>	<u>\$ 1,925,392.28</u>	<u>\$ 20,911.82</u>
Cash Receipts			\$ 1,793,392.28	
Due from Trust Other Fund:				
Admin Fee Construction Trust			25,000.00	
Admin Fee Police Outside Employment			77,000.00	
Due from General Capital Fund:				
Reserve for Payment of Debt Service			<u>30,000.00</u>	
			<u>\$ 1,925,392.28</u>	

TOWNSHIP OF MANSFIELD
CURRENT FUND
Statement of Reserve for Encumbrances
For the Year Ended December 31, 2018

Balance December 31, 2017		
Current Fund	\$ 85,950.42	
Federal and State Grant Fund	<u>16,228.07</u>	
		\$ 102,178.49
Increased by:		
Current Year Encumbrances:		
Current Fund Appropriations	46,914.54	
Federal and State Grant Fund	<u>109,096.18</u>	
		<u>156,010.72</u>
		258,189.21
Decreased by:		
Prior Year Encumbrances Reclassified:		
Current Fund Appropriations	85,950.42	
Federal and State Grant Fund	<u>16,228.07</u>	
		<u>102,178.49</u>
Balance December 31, 2018		<u><u>\$ 156,010.72</u></u>

TOWNSHIP OF MANSFIELD
CURRENT FUND
Statement of Appropriation Reserves
For the Year Ended December 31, 2018

	Balance December 31, 2017						
	<u>Encumbered</u>	<u>Reserved</u>	<u>Balance After Modification</u>	<u>Paid or Charged</u>	<u>Transferred to Accounts Payable</u>	<u>Lapsed to Fund Balance</u>	<u>Over-expended</u>
<u>OPERATIONS WITHIN "CAPS"</u>							
<u>GENERAL GOVERNMENT:</u>							
General Administration							
Salaries and Wages		\$ 0.96	\$ 0.96			\$ 0.96	
Other Expenses	\$ 50.00	6,825.01	275.01	\$ 255.61		19.40	
Mayor and Council							
Salaries and Wages		1,073.10	1,073.10			1,073.10	
Borough Clerk							
Salaries and Wages		0.39	0.39			0.39	
Other Expenses	1,729.21	133.76	1,862.97	1,821.77		41.20	
Financial Administration							
Salaries and Wages		7.34	7.34			7.34	
Other Expenses	863.86		1,263.86	1,129.31		134.55	
Audit Services							
Other Expenses		54.00	54.00			54.00	
Collection of Taxes							
Salaries and Wages		481.04	481.04			481.04	
Other Expenses		1,272.84	1,272.84	121.17		1,151.67	
Assessment of Taxes							
Salaries and Wages		13.80	13.80			13.80	
Other Expenses	3,048.30	1,884.78	4,933.08	3,027.24		1,905.84	
Legal Services and Costs							
Other Expenses		1,207.05	1,207.05	1,761.63			\$ (554.58)
Engineering Services							
Other Expenses	20,279.20	86.64	26,365.84	28,907.78			(2,541.94)
Land Use Administrative Planning Board							
Other Expenses	900.26	14,619.25	9,119.51	1,110.26		8,009.25	
Zoning Board of Adjustment							
Other Expenses	20.24	2,664.90	2,685.14	20.24		2,664.90	
Zoning Enforcement							
Salaries and Wages		10.39	10.39			10.39	
Other Expenses		474.40	474.40			474.40	
Land Use							
Salaries and Wages		6.50	6.50			6.50	
Other Expenses		534.30	534.30	165.64		368.66	
Municipal Court							
Salaries and Wages		980.82	980.82			980.82	
Other Expenses	891.90	2,796.16	3,688.06	3,267.45		420.61	
Public Defender		10,000.00	10,000.00			10,000.00	
Affordable Housing Agency							
Other Expenses		1,285.00	1,285.00			1,285.00	
Other Code Enforcement-Fire Inspectors							
Salaries and Wages		1,263.93	1,263.93	675.00		588.93	
Other Expenses	935.00	3,585.82	4,520.82	935.00		3,585.82	
Insurance:							
Liability Insurance		976.08	976.08			976.08	
Worker's Compensation		209.92	209.92			209.92	
<u>PUBLIC SAFETY:</u>							
Police							
Salaries and Wages		341.79	341.79			341.79	
Other Expenses	19,248.91	7,571.19	22,820.10	18,783.10	\$ 591.45	3,445.55	
Office of Emergency Management							
Salaries and Wages		17.49	17.49			17.49	
Other Expenses	1,414.27	142.13	1,556.40	344.27	1,070.00	142.13	
Municipal Prosecutor							
Other Expenses	1,350.00	2,850.00	4,200.00	3,150.00		1,050.00	

(Continued)

TOWNSHIP OF MANSFIELD
CURRENT FUND
Statement of Appropriation Reserves
For the Year Ended December 31, 2018

	<u>Balance December 31, 2017</u>						
	<u>Encumbered</u>	<u>Reserved</u>	<u>Balance After Modification</u>	<u>Paid or Charged</u>	<u>Transferred to Accounts Payable</u>	<u>Lapsed to Fund Balance</u>	<u>Over-expended</u>
PUBLIC WORKS FUNCTIONS:							
Streets and Roads Maintenance							
Salaries and Wages		\$ 340.85	\$ 340.85			\$ 340.85	
Other Expenses	\$ 9,452.86	11,432.07	25,334.93	\$ 25,326.46		8.47	
Solid Waste Collection							
Other Expenses	33.30	1,783.10	1,816.40	306.55		1,509.85	
Recycling							
Salaries and Wages		0.89	0.89			0.89	
Other Expenses	163.95	760.80	924.75	163.95		760.80	
Public Buildings and Grounds							
Other Expenses	3,351.09	20,194.65	12,745.74	3,507.21	\$ 376.20	8,862.33	
Vehicle Maintenance							
Other Expenses	3,478.49	140.06	7,118.55	9,114.28			\$ (1,995.73)
Condominium Services Law							
Other Expenses		643.94	643.94			643.94	
HEALTH AND HUMAN SERVICES:							
Board of Health							
Salaries and Wages		2.99	2.99			2.99	
Other Expenses		4,875.35	875.35			875.35	
Environmental Health Services							
Salaries and Wages		514.52	514.52			514.52	
Other Expenses		677.97	677.97	350.00		327.97	
Animal Control Services							
Other Expenses		65.36	65.36			65.36	
Contributions to Social Service Agencies-Statutory							
Other Expenses		300.00	300.00			300.00	
PARKS AND RECREATION FUNCTIONS:							
Parks and Playgrounds							
Salaries and Wages		7.97	7.97			7.97	
Other Expenses	1,560.34	3,922.62	5,482.96	5,235.52		247.44	
Maintenance of Parks							
Other Expenses	1,107.04	40.89	1,147.93	1,107.04		40.89	
DEFERRED CHARGES AND STATUTORY EXPENDITURES - MUNICIPAL WITHIN "CAPS":							
UNCLASSIFIED:							
Utilities:							
Electricity		952.43	4,952.43	7,690.54			(2,738.11)
Street Lighting		15,132.86	15,132.86	23,105.50			(7,972.64)
Telephone	546.34	24.19	1,570.53	1,550.80		19.73	
Water/Sewer		24.67	6,224.67	6,122.15		102.52	
Gasoline		52.26	2,252.26	2,213.86		38.40	
Landfill and Solid Waste Disposal Costs:							
Landfill Fees	15,525.86		19,525.86	19,393.17		132.69	
DEFERRED CHARGES:							
Tax Appeal Settlements		2.10	2.10			2.10	
Statutory Expenditures:							
Contribution to:							
Public Employee Retirement System		1.02	1.02			1.02	
Police & Firemen's Retirement System of NJ		3.33	3.33			3.33	
Defined Contribution Retirement System		473.69	473.69			473.69	
Length of Service Awards		17.37	17.37			17.37	
Shared Services - Springfield Township Court							
Salaries and Wages		999.98	999.98			999.98	
Other Expenses		4,536.77	4,586.77			4,586.77	
Total	\$ 85,950.42	\$ 131,295.48	\$ 217,245.90	\$ 170,662.50	\$ 2,037.65	\$ 60,348.75	\$ (15,803.00)
Disbursed				\$ 170,662.50			

TOWNSHIP OF MANSFIELD
CURRENT FUND
Statement of Prepaid Taxes
For the Year Ended December 31, 2018

Balance December 31, 2017		\$ 1,247,677.49
Increased by:		
Receipts	\$ 246,613.62	
Overpayments Applied	<u>21,692.18</u>	
		<u>268,305.80</u>
		1,515,983.29
Decreased by:		
Application to 2018 Taxes		<u>1,247,677.49</u>
Balance December 31, 2018		<u><u>\$ 268,305.80</u></u>

Exhibit SA-10

CURRENT FUND
Statement of Tax Overpayments
For the Year Ended December 31, 2018

Balance December 31, 2017		\$ 6,947.59
Increased by:		
Miscellaneous Added Overpayments	\$ 1,798.47	
Receipts	<u>43,802.65</u>	
		<u>45,601.12</u>
		52,548.71
Decreased by:		
Overpayments Applied:		
2017 Taxes	6,946.99	
Prepaid Taxes	21,692.18	
Refunds	<u>11,958.93</u>	
		<u>40,598.10</u>
Balance December 31, 2018		<u><u>\$ 11,950.61</u></u>

TOWNSHIP OF MANSFIELD
CURRENT FUND
Statement of County Taxes Payable
For the Year Ended December 31, 2018

Increased by:		
2018 Levy:		
General County	\$ 4,154,596.21	
County Library Tax	366,590.51	
County Open Space Tax	<u>301,489.18</u>	
		\$ 4,822,675.90
Decreased by:		
Disbursements		<u><u>\$ 4,822,675.90</u></u>

Exhibit SA-12

CURRENT FUND
Statement of Amount Due to County for Added Taxes
For the Year Ended December 31, 2018

Balance December 31, 2017		\$ 4,943.61
Increased by:		
2017 Added Assessments	\$ 165.26	
2017 Omitted Assessments	484.10	
2018 Added Assessments	<u>10,819.36</u>	
		<u>11,468.72</u>
		16,412.33
Decreased by:		
Disbursements		<u>4,943.61</u>
Balance December 31, 2018		<u><u>\$ 11,468.72</u></u>

TOWNSHIP OF MANSFIELD
CURRENT FUND
Statement of Local District School Tax
For the Year Ended December 31, 2018

Balance December 31, 2017:		
School Tax Payable	\$ 2,558,635.00	
School Tax Deferred	<u>2,985,700.00</u>	
		\$ 5,544,335.00
Increased by:		
Levy - School Year July 1, 2018 to June 30, 2019		<u>11,291,574.00</u>
		16,835,909.00
Decreased by:		
Disbursements		<u>11,566,567.15</u>
Balance December 31, 2018:		
School Tax Payable	2,283,641.85	
School Tax Deferred	<u>2,985,700.00</u>	
		<u>\$ 5,269,341.85</u>
2018 Liability for Local District School Tax:		
Tax Paid		\$ 11,566,567.15
Add: Tax Payable December 31, 2018		<u>2,283,641.85</u>
		13,850,209.00
Less: Tax Payable December 31, 2017		<u>2,558,635.00</u>
Amount Charged to 2018 Operations		<u>\$ 11,291,574.00</u>

TOWNSHIP OF MANSFIELD
CURRENT FUND
Statement of Regional High School Tax
For the Year Ended December 31, 2018

Balance December 31, 2017:		
School Tax Payable	\$ 4,477,337.34	
School Tax Deferred	<u>681,483.00</u>	
		\$ 5,158,820.34
Increased by:		
Levy - School Year July 1, 2018 to June 30, 2019		<u>9,961,034.00</u>
		15,119,854.34
Decreased by:		
Disbursements		<u>10,070,880.05</u>
Balance December 31, 2018:		
School Tax Payable	4,367,491.29	
School Tax Deferred	<u>681,483.00</u>	
		<u>\$ 5,048,974.29</u>
2018 Liability for Regional District School Tax:		
Tax Paid		\$ 10,070,880.05
Add: Tax Payable December 31, 2018		<u>4,367,491.29</u>
		14,438,371.34
Less: Tax Payable December 31, 2017		<u>4,477,337.34</u>
Amount Charged to 2018 Operations		<u>\$ 9,961,034.00</u>

TOWNSHIP OF MANSFIELD
CURRENT FUND
Statement of Due to State of New Jersey
Marriage License Fees
For the Year Ended December 31, 2018

Balance December 31, 2017	\$ 100.00
Increased by:	
Receipts	<u>675.00</u>
	775.00
Decreased by:	
Disbursements	<u>750.00</u>
Balance December 31, 2018	<u><u>\$ 25.00</u></u>

Exhibit SA-16

CURRENT FUND
Statement of Tax Premiums
For the Year Ended December 31, 2018

Balance December 31, 2017 (as Restated)	\$ 260,000.00
Increased by:	
Receipts	<u>17,200.00</u>
	277,200.00
Decreased by:	
Disbursements	<u>211,000.00</u>
Balance December 31, 2018	<u><u>\$ 66,200.00</u></u>

TOWNSHIP OF MANSFIELD
FEDERAL AND STATE GRANT FUND
Statement of Federal and State Grants Receivable
For the Year Ended December 31, 2018

<u>Program</u>	<u>Balance Dec. 31, 2017</u>	<u>Anticipated Revenue</u>	<u>Received</u>	<u>Balance Dec. 31, 2018</u>
Federal Grants:				
Community Development Block Grant	\$ 15,091.34			\$ 15,091.34
State Grants:				
NJ Trust Fund Authority Act:				
Trust Fund Grant	349.79			349.79
Trust Fund Grant - Georgetown	13,266.09			13,266.09
Trust Fund Grant - White Pine Road	146,114.26			146,114.26
Trust Fund Grant - Axe Factory Road	196,000.00		\$ 81,009.85	114,990.15
Trust Fund Grant - Mansfield Road East	220,000.00		102,946.23	117,053.77
Recycling Tonnage Grant	7,217.55			7,217.55
New Jersey Department of Environmental Protection:				
Community Stewardship Incentive Program	2,700.00			2,700.00
Safe and Secure Communities Grant		\$ 30,000.00	30,000.00	
Total State Grants	585,647.69	30,000.00	213,956.08	401,691.61
Local Grants:				
County Circulation	35,665.93			35,665.93
Burlington County Park Improvement	727,884.27			727,884.27
Total Local Grants	763,550.20	-	-	763,550.20
Total Federal State and Local Grants	\$ 1,364,289.23	\$ 30,000.00	\$ 213,956.08	\$ 1,180,333.15
Original Budget		\$ 30,000.00		
Receipts:				
Current Fund			213,956.08	
		\$ 30,000.00	\$ 213,956.08	

TOWNSHIP OF MANSFIELD
FEDERAL AND STATE GRANT FUND
Statement of Reserve for Federal and State Grants - Appropriated
For the Year Ended December 31, 2018

<u>Program</u>	<u>Balance Dec. 31, 2017</u>	<u>Transferred from 2018 Budget Appropriation</u>	<u>Prior Year Encumbrances Reclassified</u>	<u>Paid or Charged</u>	<u>Balance Dec. 31, 2018</u>
Federal Grants:					
Community Development Block Grant	\$ 65,000.00				\$ 65,000.00
State Grants:					
NJ Transportation Trust Fund Authority Act:					
Trust Fund Grant - Georgetown	18,223.84				18,223.84
Trust Fund Grant - White Pine Road	160,056.57				160,056.57
Trust Fund Grant - Axe Factory Road	196,000.00			\$ 109,138.13	86,861.87
Trust Fund Grant - Mansfield Rd East	220,000.00			223,898.25	(3,898.25)
Body Armor Replacement Program	3,167.41			2,666.80	500.61
Bulletproof Vest Partnership Program	7,146.64				7,146.64
Click it or Tick It	8,000.00				8,000.00
Drive Sober or Get Pulled Over	4,400.00				4,400.00
Environmental Services	5,000.00				5,000.00
NJ Tree Reforestation	144,592.68				144,592.68
Recycling Tonnage Grant	17,423.58			6,811.60	10,611.98
Department of Environmental Protection:					
Community Stewardship Incentive Program	520.00				520.00
Clean Communities Grant	4,324.20		\$ 976.45	24,200.61	(18,899.96)
Planning Acceptance	11,575.58				11,575.58
Safety Belt	3,469.59				3,469.59
Safe and Secure Communities Grant	39,630.00	\$ 30,000.00		30,000.00	39,630.00
Over the Limit Under Arrest	1,335.82				1,335.82
Drunk Driving Enforcement Fund	25,788.90		315.62	299.00	25,805.52
Alcohol Education and Rehabilitation Fund	47.00				47.00
Domestic Violence Training Program	2,727.44		60.00		2,787.44
Total State Grants	873,429.25	30,000.00	1,352.07	397,014.39	507,766.93
Local Grants:					
County Circulation	10,090.36				10,090.36
County Park Development	393,536.62		14,876.00	397,435.00	10,977.62
Total Local Grants	403,626.98	-	14,876.00	397,435.00	21,067.98
Total Federal State and Local Grants	\$ 1,342,056.23	\$ 30,000.00	\$ 16,228.07	\$ 794,449.39	\$ 593,834.91
Original Budget		\$ 30,000.00			
Deferred Charge - Overexpended Grants					\$ (22,798.21)
Appropriated Reserves					616,633.12
Disbursed:					
Federal and State Grant Fund				\$ 649,967.21	
Current Fund				35,386.00	
Encumbered				109,096.18	
		\$ 30,000.00		\$ 794,449.39	\$ 593,834.91

TOWNSHIP OF MANSFIELD
FEDERAL AND STATE GRANT FUND
Statement of Due to Current Fund
For the Year Ended December 31, 2018

Balance December 31, 2017		\$	11,734.09
Increased by:			
Receipts	\$	634,947.12	
Disbursements Made by Current Fund on Behalf of Federal and State Grant Fund:			
Appropriated Grants		<u>35,386.00</u>	
			<u>670,333.12</u>
			682,067.21
Decreased by:			
Disbursements		468,111.13	
Collections Made by Current Fund on Behalf of Federal and State Grant Fund:			
Grants Receivable		<u>213,956.08</u>	
			<u>682,067.21</u>
Balance December 31, 2018		\$	<u><u>-</u></u>

TOWNSHIP OF MANSFIELD
FEDERAL AND STATE GRANT FUND
Statement of Reserve for Federal and State Grants -- Unappropriated
For the Year Ended December 31, 2018

	Cash <u>Received</u>	Balance <u>Dec. 31, 2018</u>
State Grants:		
Clean Communities Grant	\$ 18,683.74	\$ 18,683.74

SUPPLEMENTAL EXHIBITS

TRUST FUND

TOWNSHIP OF MANSFIELD
TRUST FUND
Statement of Trust Cash - Treasurer
For the Year Ended December 31, 2018

	<u>Animal Control</u>	<u>Other</u>
Balance December 31, 2017	\$ 12,526.36	\$ 1,541,475.98
Increased by Receipts:		
Reserve for Animal Control Fund	\$ 7,241.00	
Due State - Registration Fees	980.40	\$ 11,747.00
Due Current Fund:		
Current Year Interest Earnings		333.54
Interest Earnings		9,426.41
Reserve for Payroll Deductions Payable		1,038,380.74
Reserve for Net Payroll		1,635,852.49
Reserve for Public Defender		1,475.00
Reserve for Developer's Escrow		230,862.20
Reserve for Special Events		10,130.00
Reserve for Recreation Programs		31,098.86
Reserve for COAH		7,585.00
Reserve for Special Law Enforcement		136.00
Reserve for Construction Trust		194,706.00
Reserve for Police Outside Employment		204,885.00
	<u>8,221.40</u>	<u>3,376,618.24</u>
	20,747.76	4,918,094.22
Decreased by Disbursements:		
Reserve for Animal Control Fund	8,136.15	
Due State - Registration Fees	988.00	12,531.00
Due Current Fund		421,181.71
Reserve for Payroll Deductions Payable		1,058,868.27
Reserve for Net Payroll		1,635,852.49
Reserve for Unemployment Compensation Insurance		1,100.76
Reserve for Recreation Open Space Land Fund		6,140.00
Reserve for Fire Safety		1,700.00
Reserve for Public Defender		7,125.00
Reserve for Developer's Escrow		199,980.35
Reserve for Special Events		8,142.71
Reserve for Recreation Programs		46,507.20
Reserve for COAH		5,850.00
Reserve for Construction Trust		10,482.86
Reserve for Police Outside Employment		13,270.00
	<u>9,124.15</u>	<u>3,428,732.35</u>
Balance December 31, 2018	<u>\$ 11,623.61</u>	<u>\$ 1,489,361.87</u>

TOWNSHIP OF MANSFIELD
TRUST OTHER FUND
Statement of Investments - Length of Service Awards Program
For the Year Ended December 31, 2018

Balance December 31, 2017		\$ 563,658.88
Increased by:		
Township Contributions		<u>21,284.46</u>
		584,943.34
Decreased by:		
Benefits Paid to Participants	\$ 44,997.31	
Unrealized Loss on Investments	34,401.94	
Administration Expenses	<u>2,892.96</u>	
		<u>82,292.21</u>
Balance December 31, 2018		<u><u>\$ 502,651.13</u></u>

Schedule of Investments, December 31, 2018

<u>Description</u>	<u>Amount</u>
Fixed Annuity Contract	\$ 66,587.27
Mutual Funds:	
Large Cap Value Funds	20,668.81
Large Cap Blended Funds	124,822.91
Large Cap Growth Funds	142,771.09
Mid Cap Value Funds	48,652.14
Mid Cap Growth Funds	30,122.23
Small Cap Value Funds	46,910.15
Small Cap Growth Funds	13,725.93
Bonds	<u>8,390.60</u>
	<u><u>\$ 502,651.13</u></u>

TOWNSHIP OF MANSFIELD
ANIMAL CONTROL FUND
Statement of Due to State of New Jersey
For the Year Ended December 31, 2018

Balance December 31, 2017	\$ 7.60
Increased by:	
Receipts	<u>980.40</u>
	988.00
Decreased by:	
Disbursements	<u>988.00</u>
Balance December 31, 2018	<u><u>\$ -</u></u>

TOWNSHIP OF MANSFIELD
ANIMAL CONTROL FUND
Statement of Reserve for Animal Control Fund Expenditures
For the Year Ended December 31, 2018

Balance December 31, 2017	\$	12,518.76
Increased by:		
Receipts - Animal License Fees		<u>7,241.00</u>
		19,759.76
Decreased by:		
Expenditures Under R.S.4:19.11		<u>8,136.15</u>
Balance December 31, 2018	\$	<u><u>11,623.61</u></u>

<u>License Fees Collected</u>		<u>Amount</u>
<u>Year</u>		
2016	\$	6,921.30
2017		<u>9,043.90</u>
	\$	<u><u>15,965.20</u></u>

TOWNSHIP OF MANSFIELD
TRUST OTHER FUND
Statement of (Due from) Due to Current Fund
For the Year Ended December 31, 2018

Balance December 31, 2017 - (Due From)		\$ (1,312.73)
Increased by:		
Receipts:		
Budget Appropriation - Construction Admin Fees	\$ 25,000.00	
Budget Appropriation - Police Outside Employment Admin Fees	77,000.00	
Reimbursed to Current Fund Budget Appropriation - Storm Recovery	1,000.00	
Disbursements made by Current Fund on Behalf of Trust Fund:		
Construction Trust	207,822.96	
Police Outside Employment	111,358.75	
Interest Earnings	333.54	
	<u> </u>	<u>422,515.25</u>
		421,202.52
Decreased by:		
Disbursements:		
Construction Trust	232,822.96	
Police Outside Employment	188,358.75	
	<u> </u>	<u>421,181.71</u>
Balance December 31, 2018 - Due To		<u><u>\$ 20.81</u></u>
 <u>Analysis of Balance December 31, 2018:</u>		
Unemployment		\$ (450.00)
Developers Escrow		<u>470.81</u>
		<u><u>\$ 20.81</u></u>

TOWNSHIP OF MANSFIELD
TRUST OTHER FUND
Statement of Miscellaneous Trust Reserves
For the Year Ended December 31, 2018

	Increased by			Decreased by			
	Balance Dec. 31, 2017	Interest Earnings	Other Receipts	Disbursements	Disbursed By Current Fund for Trust Fund	Due Current Fund	Balance Dec. 31, 2018
Reserve for:							
Payroll Deductions Payable	\$ 27,769.42		\$ 1,038,380.74	\$ 1,058,868.27			\$ 7,281.89
Net Payroll			1,635,852.49	1,635,852.49			
Unemployment Compensation Insurance	30,920.57			1,100.76			29,819.81
Recreation Open Space Land Fund	9,264.63			6,140.00			3,124.63
Fire Safety	7,216.62			1,700.00			5,516.62
Public Defender	8,519.50		1,475.00	7,125.00			2,869.50
Developer's Escrow	412,812.28		230,862.20	199,980.35			443,694.13
Special Events	3,614.80		10,130.00	8,142.71			5,602.09
Recreation Programs	115,709.07		31,098.86	46,507.20			100,300.73
COAH	574,196.81	\$ 9,426.41	7,585.00	5,850.00			585,358.22
Special Law Enforcement	2,011.36						2,011.36
Law Enforcement Trust	431.44		136.00				567.44
Construction Trust	75,655.61		194,706.00	10,482.86	\$ 207,822.96	\$ 25,000.00	27,055.79
Police Outside Employment	8,500.00		204,885.00	13,270.00	111,358.75	77,000.00	11,756.25
Court Ordered Mapleton	220,621.60						220,621.60
Sidewalk Contributions	40,960.00						40,960.00
Storm Recovery	1,000.00					1,000.00	
	<u>\$ 1,539,203.71</u>	<u>\$ 9,426.41</u>	<u>\$ 3,355,111.29</u>	<u>\$ 2,995,019.64</u>	<u>\$ 319,181.71</u>	<u>\$ 103,000.00</u>	<u>\$ 1,486,540.06</u>

TOWNSHIP OF MANSFIELD
TRUST OTHER FUND
Statement of Due to State of New Jersey - DCA Training Fees
For the Year Ended December 31, 2018

Balance December 31, 2017	\$ 3,585.00
Increased by:	
DCA Fees Received	<u>11,747.00</u>
	15,332.00
Decreased by:	
Quarterly DCA Fees	<u>12,531.00</u>
Balance December 31, 2018	<u><u>\$ 2,801.00</u></u>

SUPPLEMENTAL EXHIBITS

GENERAL CAPITAL FUND

TOWNSHIP OF MANSFIELD
GENERAL CAPITAL FUND
Statement of General Capital Cash - Treasurer
For the Year Ended December 31, 2018

Balance December 31, 2017		\$ 265,631.45
Increased by Receipts:		
Bond Anticipation Notes Issued	\$ 406,550.00	
Due Current Fund	227,798.00	
Premiums Received on Sale of Notes	61,050.71	
Due Sewer Utility Capital Fund - Note Premium Collected on Behalf of	<u>839.73</u>	
		<u>696,238.44</u>
		961,869.89
Decreased by Disbursements:		
Disbursements Made on Behalf of:		
Current Fund	198,850.00	
Sewer Utility Operating Fund	848.34	
Due Current Fund	43,681.35	
Improvement Authorizations	<u>376,084.84</u>	
		<u>619,464.53</u>
Balance December 31, 2018		<u><u>\$ 342,405.36</u></u>

TOWNSHIP OF MANSFIELD
GENERAL CAPITAL FUND
Statement of General Capital Cash
For the Year Ended December 31, 2018

	(As Restated) Balance (Deficit) Dec. 31, 2017	Receipts		Disbursements		Transfers		Balance (Deficit) Dec. 31, 2018
		Miscellaneous	BAN Issue	Improvement Authorizations	Miscellaneous	From	To	
Fund Balance	\$ 298.37							\$ 298.37
Capital Improvement Fund	300.00					\$ 12,500.00	\$ 17,500.00	5,300.00
Due Current Fund	2,718.80	\$ 227,798.00			\$ 242,531.35	17,500.00	30,000.00	485.45
Due from Sewer Utility Operating Fund	(485.45)				848.34			(1,333.79)
Due from Sewer Utility Capital Fund	(950.00)	839.73						(110.27)
Reserve for Payment of Debt Service	204,119.51	61,050.71				30,000.00		235,170.22
Reserve for Petticoat Bridge	17,466.00							17,466.00
Reserve for Sewer Plant - Centex	5,879.78						4,497.41	10,377.19
Reserve for Encumbrances	125,592.18					125,592.18	72,289.11	72,289.11
Contra								
Improvement Authorizations:								
Ordinance								
<u>Number</u>								
1999-12 Purchase of Fire Truck	(86.00)							(86.00)
2000-06 Acquisition of Real Property Farmland Preservation	14.56							14.56
2008-08 Various Capital Improvements	(30,964.11)			\$ 3,000.00		5,257.73		(39,221.84)
2012-06 Refurbish EMS Vehicle	40.56							40.56
2012-11 Supplemental Municipal Building	2,435.54			4,860.00		8,357.27	10,781.73	
2013-07 Acquisition of Fire Apparatus	4,386.71							4,386.71
2013-10 Acquisition of Police SUV's	2,000.00							2,000.00
2014-11 Various Capital Improvements				14,227.34			14,227.34	
2015-04 Municipal Building Improvements	(67,550.00)		\$ 67,550.00	51,195.50			51,215.70	20.20
2016-10 Acquisition of Police SUV's						5,000.00		(5,000.00)
2017-07 Various Capital Improvements	415.00		113,000.00	75,976.00		67,289.11	58,485.00	28,634.89
2018-03 Acquisition of EMT Vehicles			226,000.00	226,826.00			12,500.00	11,674.00
	<u>\$ 265,631.45</u>	<u>\$ 289,688.44</u>	<u>\$ 406,550.00</u>	<u>\$ 376,084.84</u>	<u>\$ 243,379.69</u>	<u>\$ 271,496.29</u>	<u>\$ 271,496.29</u>	<u>\$ 342,405.36</u>

TOWNSHIP OF MANSFIELD
GENERAL CAPITAL FUND
Statement of Deferred Charges to Future Taxation - Funded
For the Year Ended December 31, 2018

Balance December 31, 2017			\$ 10,944,000.00
Decreased by:			
2018 Budget Appropriations:			
Capital Leases	\$ 285,000.00		
Serial Bonds	850,000.00		
			<u>1,135,000.00</u>
Balance December 31, 2018			<u><u>\$ 9,809,000.00</u></u>

TOWNSHIP OF MANSFIELD
GENERAL CAPITAL FUND
Statement of Deferred Charges to Future Taxation - Unfunded
For the Year Ended December 31, 2018

Ordinance Number	Improvement Description	(As Restated) Balance Dec. 31, 2017	Increased by	Decreased by	Balance Dec. 31, 2018	Analysis of Balance Dec. 31, 2018		Unexpended Improvement Authorizations
			2018 Authorizations	Notes Paid by Budget Appropriation		Financed by Bond Anticipation Notes	Expended	
1999-12	Purchase of Fire Truck	\$ 86.00			\$ 86.00		\$ 86.00	
2007-02	Acquisition of Farmland	42,326.00		\$ 560.00	41,766.00	\$ 41,766.00		
2008-08	Various Capital Improvements	1,616,300.00		16,877.00	1,599,423.00	1,189,423.00	39,221.84	\$ 370,778.16
2011-06	Acquisition of Emergency Generator for MT FAS	46,583.00		1,805.00	44,778.00	44,778.00		
2012-06	Refurbish EMS Vehicle	55,751.00		8,806.00	46,945.00	46,945.00		
2012-11	Supplemental for Improvements to Municipal Building	1,633,076.00		40,327.00	1,592,749.00	1,592,749.00		
2013-07	Acquisition of Fire Apparatus	638,813.00		36,845.00	601,968.00	589,468.00		12,500.00
2013-10	Acquisition of Police SUV's	66,500.00		9,500.00	57,000.00	57,000.00		
2014-11	Various Capital Improvements	412,811.00		12,560.00	400,251.00	400,251.00		
2015-04	Municipal Building Improvements	950,000.00		12,720.00	937,280.00	937,280.00		
2016-10	Acquisition of Police SUV's	95,000.00			95,000.00	90,000.00	5,000.00	
2017-07	Various Capital Improvements	193,800.00			193,800.00	168,000.00		25,800.00
2018-03	Acquisition of EMT Vehicles		\$ 237,500.00		237,500.00	226,000.00		11,500.00
		<u>\$ 5,751,046.00</u>	<u>\$ 237,500.00</u>	<u>\$ 140,000.00</u>	<u>\$ 5,848,546.00</u>	<u>\$ 5,383,660.00</u>	<u>\$ 44,307.84</u>	<u>\$ 420,578.16</u>
Improvement Authorizations - Unfunded								\$ 467,334.52
Less: Unexpended Proceeds of Bond Anticipation Notes Issued								
	<u>Ordinance Number</u>							
	2012-06						\$ 40.56	
	2013-07						4,386.71	
	2013-10						2,000.00	
	2015-04						20.20	
	2017-07						28,634.89	
	2018-03						<u>11,674.00</u>	
								<u>46,756.36</u>
								<u>\$ 420,578.16</u>

TOWNSHIP OF MANSFIELD
GENERAL CAPITAL FUND
Statement of Reserve for Encumbrances
For the Year Ended December 31, 2018

Balance December 31, 2017 (As Restated)		\$ 125,592.18
Increased by:		
Charges to Improvement Authorizations		<u>72,289.11</u>
		197,881.29
Decreased by:		
Prior Year Encumbrances Reclassified:		
Improvement Authorizations	\$ 121,094.77	
Reserve for Sewer Plant	<u>4,497.41</u>	
		<u>125,592.18</u>
Balance December 31, 2018		<u><u>\$ 72,289.11</u></u>

Exhibit SC-6

GENERAL CAPITAL FUND
Statement of Reserve for Payment of Debt Service
For the Year Ended December 31, 2018

Balance December 31, 2017 (As Restated)		\$ 204,119.51
Increased by:		
Premium on Sale of Notes		<u>61,050.71</u>
		265,170.22
Decreased by:		
Anticipated as Revenue in Current Fund		<u>30,000.00</u>
Balance December 31, 2018		<u><u>\$ 235,170.22</u></u>

Exhibit SC-7

GENERAL CAPITAL FUND
Statement of Reserve for Sewer Plant
For the Year Ended December 31, 2018

Balance December 31, 2017		\$ 5,879.78
Increased by:		
Prior Year Encumbrances Reclassified		<u>4,497.41</u>
Balance December 31, 2018		<u><u>\$ 10,377.19</u></u>

TOWNSHIP OF MANSFIELD
GENERAL CAPITAL FUND
Statement of Improvement Authorizations
For the Year Ended December 31, 2018

Ordinance Number	Improvement Description	Ordinance		Balance Dec. 31, 2017		2018 Authorizations	Prior Year	Paid or Charged	Re-Appropriated	Balance	
		Date	Amount	Funded	Unfunded		Encumbrances/ Contracts Payable Reclassified			Dec. 31, 2018	Funded
General Improvements:											
2000-06	Acquisition of Real Property- Farmland Preservation	04/12/00	\$ 48,714.00	\$ 14.56						\$ 14.56	
2008-08	Various Capital Improvements	02/27/08	3,500,000.00		\$ 379,035.89			\$ 3,000.00	\$ (5,257.73)		\$ 370,778.16
2012-06	Refurbish EMS Vehicle	06/28/12	85,000.00		40.56						40.56
2012-11	Supplemental for Improvements to Municipal Building	11/27/12	1,800,000.00		2,435.54		\$ 10,781.73	4,860.00	(8,357.27)		
2013-07	Acquisition of Fire Apparatus	08/28/13	750,000.00		16,886.71						16,886.71
2013-10	Acquisition of Police SUV's	10/23/13	90,000.00		2,000.00						2,000.00
2014-11	Various Capital Improvements	06/11/14	450,000.00				612.34	14,227.34	13,615.00		
2015-04	Municipal Building Improvement	04/08/15	1,000,000.00				51,215.70	51,195.50			20.20
2016-10	Acquisition of Police SUV's	06/08/16	100,000.00		5,000.00			5,000.00			
2017-07	Various Capital Improvements	07/12/17	204,000.00		139,215.00		58,485.00	143,265.11			54,434.89
2018-03	Acquisition of EMT Vehicles	02/21/18	250,000.00			\$ 250,000.00		226,826.00			23,174.00
				\$ 14.56	\$ 544,613.70	\$ 250,000.00	\$ 121,094.77	\$ 448,373.95	\$ -	\$ 14.56	\$ 467,334.52
Deferred Charges to Future Taxation Unfunded						\$ 237,500.00					
Capital Improvement Fund						12,500.00					
Disbursed								\$ 376,084.84			
Encumbered								72,289.11			
						\$ 250,000.00		\$ 448,373.95			

TOWNSHIP OF MANSFIELD
GENERAL CAPITAL FUND
Statement of Capital Improvement Fund
For the Year Ended December 31, 2018

Balance December 31, 2017	\$ 300.00
Increased by:	
Current Fund Budget Appropriation	<u>17,500.00</u>
	17,800.00
Decreased by:	
Appropriated to Finance Improvement Authorizations	<u>12,500.00</u>
Balance December 31, 2018	<u><u>\$ 5,300.00</u></u>

Exhibit SC-10

GENERAL CAPITAL FUND
Statement of Due to Current Fund
For the Year Ended December 31, 2018

Balance December 31, 2017		\$ 2,718.80
Increased by:		
Budget Appropriation - Reserve for Payment of Debt Service	\$ 30,000.00	
Receipts - Interfunds Advanced	<u>227,798.00</u>	
		<u>257,798.00</u>
		260,516.80
Decreased by:		
Budget Appropriation - Capital Improvement Fund	17,500.00	
Disbursed by General Capital Fund on Behalf of Current Fund	198,850.00	
Disbursements - Interfunds Liquidated	<u>43,681.35</u>	
		<u>260,031.35</u>
Balance December 31, 2018		<u><u>\$ 485.45</u></u>

TOWNSHIP OF MANSFIELD
GENERAL CAPITAL FUND
Statement of Burlington County Bridge Commission Lease Payable
For the Year Ended December 31, 2018

<u>Purpose</u>	<u>Date of Original Issue</u>	<u>Amount of Original Issue</u>	<u>Maturities of Bonds Outstanding Dec. 31, 2018</u>		<u>Interest Rate</u>	<u>Balance Dec. 31, 2017</u>	<u>Paid by Budget Appropriation</u>	<u>Balance Dec. 31, 2018</u>
			<u>Date</u>	<u>Amount</u>				
Burlington County Bridge Commission County Guaranteed Pooled Governmental Loan Refunding Bonds, Series 2003	6/25/05	\$ 2,682,000.00	07/15/19	\$ 296,000.00	5.000%			
			07/15/20	304,000.00	5.000%			
			07/15/21	321,000.00	5.000%			
			07/15/22	332,000.00	5.000%			
			07/15/23	350,000.00	5.000%	\$ 1,888,000.00	\$ 285,000.00	\$ 1,603,000.00

TOWNSHIP OF MANSFIELD
GENERAL CAPITAL FUND
Statement of Bond Anticipation Notes
For the Year Ended December 31, 2018

<u>Number</u>	<u>Improvement Description</u>	<u>Date of Original Issue</u>	<u>Date of Issue</u>	<u>Maturity Date</u>	<u>Interest Rate</u>	<u>Balance Dec. 31, 2017</u>	<u>Increased</u>	<u>Decreased</u>	<u>Balance Dec. 31, 2018</u>
2007-02	Acquisition of Farmland	11/20/12	10/24/17	10/30/18	1.15%	\$ 42,326.00		\$ 42,326.00	
2007-02	Acquisition of Farmland	11/20/12	10/29/18	10/28/19	3.50%		\$ 41,766.00		\$ 41,766.00
2008-08	Various Capital Improvements	11/20/12	10/24/17	10/30/18	1.15%	1,206,300.00		1,206,300.00	
2008-08	Various Capital Improvements	11/20/12	10/29/18	10/28/19	3.50%		1,189,423.00		1,189,423.00
2011-06	Generator for MTFAS	11/20/12	10/24/17	10/30/18	1.15%	46,583.00		46,583.00	
2011-06	Generator for MTFAS	11/20/12	10/29/18	10/28/19	3.50%		44,778.00		44,778.00
2012-06	Refurbish EMS Vehicle	11/20/12	10/24/17	10/30/18	1.15%	55,751.00		55,751.00	
2012-06	Refurbish EMS Vehicle	11/20/12	10/29/18	10/28/19	3.50%		46,945.00		46,945.00
2012-11	Supplemental for Municipal Building	11/06/14	10/24/17	10/30/18	1.15%	1,633,076.00		1,633,076.00	
2012-11	Supplemental for Municipal Building	11/06/14	10/29/18	10/28/19	3.50%		1,592,749.00		1,592,749.00
2013-10	Acquisition of Police SUV's	11/07/13	10/24/17	10/30/18	1.15%	66,500.00		66,500.00	
2013-10	Acquisition of Police SUV's	11/07/13	10/29/18	10/28/19	3.50%		57,000.00		57,000.00
2013-07	Acquisition of Fire Apparatus	11/06/14	10/24/17	10/30/18	1.15%	626,313.00		626,313.00	
2013-07	Acquisition of Fire Apparatus	11/06/14	10/29/18	10/28/19	3.50%		589,468.00		589,468.00
2014-11	Various Capital Improvements	11/06/14	10/24/17	10/30/18	1.15%	412,811.00		412,811.00	
2014-11	Various Capital Improvements	11/06/14	10/29/18	10/28/19	3.50%		400,251.00		400,251.00
2015-04	Additional Municipal Building Improvements	11/04/15	10/24/17	10/30/18	1.15%	882,450.00		882,450.00	
2015-04	Additional Municipal Building Improvements	11/04/15	10/29/18	10/28/19	3.50%		937,280.00		937,280.00
2016-10	Acquisition of Police SUV's	11/02/16	10/24/17	10/30/18	1.15%	90,000.00		90,000.00	
2016-10	Acquisition of Police SUV's	11/02/16	10/29/18	10/28/19	3.50%		90,000.00		90,000.00
2017-07	Various Capital Improvements	10/24/17	10/24/17	10/30/18	1.15%	55,000.00		55,000.00	
2017-07	Various Capital Improvements	10/24/17	10/29/18	10/28/19	3.50%		168,000.00		168,000.00
2018-03	Acquisition of EMT Vehicles	10/29/18	10/29/18	10/28/19	3.50%		226,000.00		226,000.00
						<u>\$ 5,117,110.00</u>	<u>\$ 5,383,660.00</u>	<u>\$ 5,117,110.00</u>	<u>\$ 5,383,660.00</u>
						Renewed	\$ 4,977,110.00	\$ 4,977,110.00	
						Paid by Budget Appropriation		140,000.00	
						Issued for Cash	406,550.00		
							<u>\$ 5,383,660.00</u>	<u>\$ 5,117,110.00</u>	

TOWNSHIP OF MANSFIELD
GENERAL CAPITAL FUND
Statement of General Serial Bonds
For the Year Ended December 31, 2018

<u>Purpose</u>	<u>Date of Original Issue</u>	<u>Amount of Original Issue</u>	<u>Maturities of Bonds Outstanding Dec. 31, 2018</u>		<u>Interest Rate</u>	<u>Balance Dec. 31, 2017</u>	<u>Paid by Budget Appropriation</u>	<u>Balance Dec. 31, 2018</u>
			<u>Date</u>	<u>Amount</u>				
General Improvement Bonds, Series 2011	03/30/11	\$ 5,616,000.00	04/01/19	\$ 295,000.00	3.50%			
			04/01/20	315,000.00	4.00%			
			04/01/21	315,000.00	4.00%			
			04/01/22	320,000.00	4.00%			
			04/01/23	340,000.00	4.00%			
			04/01/24	425,000.00	4.50%			
			04/01/25	400,000.00	4.50%			
			04/01/26	450,000.00	4.50%			
			04/01/27	450,000.00	4.50%			
			04/01/28	446,000.00	4.50%	\$ 4,046,000.00	\$ 290,000.00	\$ 3,756,000.00
Refunding Bonds, Series 2014	11/18/14	5,610,000.00	09/01/19	570,000.00	3.00%			
			09/01/20	585,000.00	3.00%			
			09/01/21	610,000.00	4.00%			
			09/01/22	630,000.00	4.00%			
			09/01/23	650,000.00	5.00%			
			09/01/24	675,000.00	5.00%			
			09/01/25	730,000.00	5.00%	5,010,000.00	560,000.00	\$ 4,450,000.00
						<u>\$ 9,056,000.00</u>	<u>\$ 850,000.00</u>	<u>\$ 8,206,000.00</u>

TOWNSHIP OF MANSFIELD
GENERAL CAPITAL FUND
Statement of Bonds and Notes Authorized But Not Issued
For the Year Ended December 31, 2018

Ordinance Number	Improvement Description	(As Restated) Balance Dec. 31, 2017	Increased by	Decreased by	Balance Dec. 31, 2018
			2018 Authorizations	Notes Issued	
1999-12	Purchase of Fire Truck	\$ 86.00			\$ 86.00
2008-08	Various Capital Improvements	410,000.00			410,000.00
2013-07	Acquisition of Fire Apparatus	12,500.00			12,500.00
2015-04	Municipal Building Improvements	67,550.00		\$ 67,550.00	
2016-10	Acquisition of Police SUV's	5,000.00			5,000.00
2017-07	Various Capital Improvements	138,800.00		113,000.00	25,800.00
2018-03	Acquisition of EMT Vehicles		\$ 237,500.00	226,000.00	11,500.00
		<u>\$ 633,936.00</u>	<u>\$ 237,500.00</u>	<u>\$ 406,550.00</u>	<u>\$ 464,886.00</u>

SUPPLEMENTAL EXHIBITS

SEWER UTILITY FUND

TOWNSHIP OF MANSFIELD
SEWER UTILITY FUND
Statement of Sewer Utility Cash -- Treasurer
For the Year Ended December 31, 2018

	<u>Operating</u>	<u>Capital</u>
Balance December 31, 2017	\$ 32,873.14	\$ 1,623,665.47
Increased by Receipts:		
Rents Receivable	<u>\$ 46,289.68</u>	
	46,289.68	<u>-</u>
	79,162.82	1,623,665.47
Decreased by Disbursements:		
2018 Budget Appropriations	30,406.19	
2017 Appropriation Reserves	1,873.25	
Accrued Interest on Bonds	6,525.00	
Due Federal and State Grant Fund	<u> </u>	<u>\$ 470,000.00</u>
	38,804.44	470,000.00
Balance December 31, 2018	<u><u>\$ 40,358.38</u></u>	<u><u>\$ 1,153,665.47</u></u>

TOWNSHIP OF MANSFIELD
SEWER UTILITY CAPITAL FUND
 Analysis of Sewer Capital Cash
 For the Year Ended December 31, 2018

		(As Restated) Balance (Deficit) <u>Dec. 31, 2017</u>	<u>Decreased By:</u> Disbursed - <u>Miscellaneous</u>	<u>Transfers</u>		Balance (Deficit) <u>Dec. 31, 2018</u>
				<u>From</u>	<u>To</u>	
Due Federal and State Grant Fund			\$ 470,000.00			\$ (470,000.00)
Due General Capital Fund		\$ 950.00		\$ 839.73		110.27
Reserve for Payment of Debt Service					\$ 839.73	839.73
Improvement Authorizations:						
Ordinance						
<u>Number</u>						
2014-10	Improvements to Lynnwood Farm	8,112.99				8,112.99
2015-10	Improvements to Sewer Plant	<u>1,614,602.48</u>				<u>1,614,602.48</u>
		<u>\$ 1,623,665.47</u>	<u>\$ 470,000.00</u>	<u>\$ 839.73</u>	<u>\$ 839.73</u>	<u>\$ 1,153,665.47</u>

TOWNSHIP OF MANSFIELD
SEWER UTILITY OPERATING FUND
Statement of Sewer Service Charges Receivable
For the Year Ended December 31, 2018

Balance December 31, 2017	\$ 3,298.19
Increased by:	
2018 Sewer Charges	<u>45,651.86</u>
	48,950.05
Decreased by:	
Receipts	<u>46,289.68</u>
Balance December 31, 2018	<u><u>\$ 2,660.37</u></u>

Exhibit SD-4

SEWER ASSESSMENT TRUST FUND
Statement of Due from Current Fund
For the Year Ended December 31, 2018

Balance December 31, 2017	\$ 107,588.85
Increased by:	
Receipts Collected by Current Fund on Behalf of Sewer Assessment Fund: Assessments Receivable	<u>23,536.07</u>
	131,124.92
Decreased by:	
Disbursements Made by Current Fund on Behalf of Sewer Assessment Fund: Assessment Serial Bonds	<u>15,000.00</u>
Balance December 31, 2018	<u><u>\$ 116,124.92</u></u>

TOWNSHIP OF MANSFIELD
SEWER UTILITY OPERATING FUND
Statement of Due to General Capital Fund
For the Year Ended December 31, 2018

Balance December 31, 2017	\$ 485.45
Increased by:	
Disbursements Made by General Capital Fund on Behalf of Sewer Operating Fund:	
Accrued Interest on Notes	<u>848.34</u>
Balance December 31, 2018	<u><u>\$ 1,333.79</u></u>

TOWNSHIP OF MANSFIELD
SEWER ASSESSMENT TRUST FUND
Statement of Trust Assessment Bonds
For the Year Ended December 31, 2018

<u>Purpose</u>	<u>Date of Original Issue</u>	<u>Amount of Original Issue</u>	<u>Maturities of Bonds</u>		<u>Interest Rate</u>	<u>Balance Dec. 31, 2017</u>	<u>Paid by Budget Appropriation</u>	<u>Balance Dec. 31, 2018</u>
			<u>Date</u>	<u>Amount</u>				
Sewer Assessment Bonds - 2011 Lynnwood Farms	03/30/11	\$ 270,000.00	04/01/19	\$ 15,000.00	3.50%			
			04/01/20	15,000.00	4.00%			
			04/01/21	15,000.00	4.00%			
			04/01/22	15,000.00	4.00%			
			04/01/23	15,000.00	3.00%			
			04/01/24	15,000.00	4.50%			
			04/01/25	15,000.00	4.50%			
			04/01/26	15,000.00	4.50%			
			04/01/27	15,000.00	4.50%			
			04/01/28	15,000.00	4.50%			
						<u>\$ 165,000.00</u>	<u>\$ 15,000.00</u>	<u>\$ 150,000.00</u>

TOWNSHIP OF MANSFIELD
SEWER ASSESSMENT TRUST FUND
Statement of Assessments Receivable
For the Year Ended December 31, 2018

<u>Ordinance Number</u>	<u>Improvement Description</u>	<u>Date of Confirmation</u>	<u>Annual Installments</u>	<u>Due Dates</u>	<u>Balance Dec. 31, 2017</u>	<u>Collected by Current Fund on Behalf of Sewer Assessment Fund</u>	<u>Balance Dec. 31, 2018</u>	<u>Balance Pledged to</u>	
								<u>Assessment Loans</u>	<u>Reserve</u>
2003-2 2007-8	Construction of Sanitary Sewer; Improvements - Lynnwood Farms	9/12/2007	20	9/12/10- 9/12/26	\$ 92,347.00	\$ 23,536.07	\$ 68,810.93	\$ 68,810.93	\$ -

TOWNSHIP OF MANSFIELD
SEWER UTILITY CAPITAL FUND
Statement of Fixed Capital Authorized and Uncompleted
For the Year Ended December 31, 2018

<u>Ordinance Number</u>	<u>Improvement Description</u>	<u>Date</u>	<u>Ordinance Amount</u>	<u>Balance Dec. 31, 2017 & 2018</u>
2014-10	Improvements to Lynwood Farms	06/11/14	\$ 75,000.00	<u>\$ 75,000.00</u>

TOWNSHIP OF MANSFIELD
SEWER UTILITY OPERATING FUND
Statement of Appropriation Reserves
For the Year Ended December 31, 2018

	<u>Balance Dec. 31, 2017</u>		<u>Balance</u>		<u>Lapsed</u>
	<u>Encumbered</u>	<u>Reserved</u>	<u>After</u>	<u>Disbursed</u>	<u>to Fund</u>
			<u>Transfers</u>		<u>Balance</u>
Operations:					
Other Expenses	<u>\$ 684.67</u>	<u>\$ 6,236.98</u>	<u>\$ 6,921.65</u>	<u>\$ 1,873.25</u>	<u>\$ 5,048.40</u>

TOWNSHIP OF MANSFIELD
SEWER UTILITY OPERATING FUND
Statement of Accrued Interest on Loans and Notes
For the Year Ended December 31, 2018

Balance December 31, 2017				\$	1,895.05
Increased by:					
Charged to Budget Appropriation:					
Interest on Bonds	\$	6,525.00			
Interest on Notes		<u>1,140.18</u>			
					<u>7,665.18</u>
					9,560.23
Decreased by:					
Interest Paid:					
Interest on Bonds		6,525.00			
Due General Capital Fund:					
Interest on Bonds - Disbursed On-Behalf of		<u>848.34</u>			
					<u>7,373.34</u>
Balance December 31, 2018				\$	<u><u>2,186.89</u></u>

Analysis of Accrued Interest December 31, 2018

	Principal Outstanding <u>Dec. 31, 2018</u>	Interest Rate	<u>From</u>	<u>To</u>	<u>Period</u>	<u>Amount</u>
Serial Bonds:						
\$ 150,000.00		Various	10/01/18	12/31/18	3 months	\$ 1,753.12
Notes:						
74,050.00		3.50%	10/29/18	12/31/18	63 days	<u>433.77</u>
						<u><u>\$ 2,186.89</u></u>

TOWNSHIP OF MANSFIELD
SEWER UTILITY CAPITAL FUND
Schedule of Improvement Authorizations
For the Year Ended December 31, 2018

<u>Ordinance Number</u>	<u>Improvement Description</u>	<u>Date</u>	<u>Ordinance Amount</u>	<u>Balance Dec. 31, 2017 & 2018</u>	
				<u>Funded</u>	<u>Unfunded</u>
2014-10	Improvements to Lynwood Farm	06/11/14	\$ 75,000.00		\$ 9,062.99
2015-10	Improvements to Sewer Plant	08/12/15	1,614,602.48	\$ 1,614,602.48	
				<u>\$ 1,614,602.48</u>	<u>\$ 9,062.99</u>

TOWNSHIP OF MANSFIELD
SEWER UTILITY CAPITAL FUND
Statement of Bond Anticipation Notes
For the Year Ended December 31, 2018

<u>Number</u>	<u>Improvement Description</u>	<u>Date of Original Issue</u>	<u>Date of Issue</u>	<u>Maturity Date</u>	<u>Interest Rate</u>	<u>Balance Dec. 31, 2017</u>	<u>Increased</u>	<u>Decreased</u>	<u>Balance Dec. 31, 2018</u>
2014-10	Improvements to Lynwood Farms	11/07/14	10/24/17	10/30/18	1.15%	\$ 74,050.00		\$ 74,050.00	
2014-10	Improvements to Lynwood Farms	11/07/14	10/29/18	10/28/19	3.50%		\$ 74,050.00		\$ 74,050.00
						<u>\$ 74,050.00</u>	<u>\$ 74,050.00</u>	<u>\$ 74,050.00</u>	<u>\$ 74,050.00</u>
					Renewed		<u>\$ 74,050.00</u>	<u>\$ 74,050.00</u>	

TOWNSHIP OF MANSFIELD
SEWER UTILITY CAPITAL FUND
Statement of Due General Capital Fund
For the Year Ended December 31, 2018

Balance December 31, 2017	\$ 950.00
Decreased by:	
Collections by General Capital Fund on Behalf of Sewer Utility Capital Fund:	
Premium on Sale of Notes	<u>839.73</u>
Balance December 31, 2018	<u><u>\$ 110.27</u></u>

Exhibit SD-14

SEWER UTILITY CAPITAL FUND
Statement of Reserve for Payment of Debt Service
For the Year Ended December 31, 2018

Balance December 31, 2017	\$ -
Increased by:	
Premium on Sale of Notes	<u>839.73</u>
Balance December 31, 2018	<u><u>\$ 839.73</u></u>

TOWNSHIP OF MANSFIELD
SEWER ASSESSMENT TRUST FUND
 Analysis of Assessment Cash
 For the Year Ended December 31, 2018

	Balance <u>Dec. 31, 2017</u>	<u>Receipts</u> <u>Assessments</u>	<u>Disbursements</u> <u>Miscellaneous</u>	Balance <u>Dec. 31, 2018</u>
Fund Balance	\$ 34,935.85			\$ 34,935.85
<u>Ordinance Number</u> 2003-2 / 2007-8 Construction of Sanitary Sewer	72,653.00	\$ 23,536.07	\$ 15,000.00	81,189.07
Due Current Fund	<u>(107,588.85)</u>	<u>15,000.00</u>	<u>23,536.07</u>	<u>(116,124.92)</u>
	<u>\$ -</u>	<u>\$ 38,536.07</u>	<u>\$ 38,536.07</u>	<u>\$ -</u>

TOWNSHIP OF MANSFIELD
SEWER UTILITY CAPITAL FUND
Schedule of Bonds and Notes Authorized But Not Issued
For the Year Ended December 31, 2018

Ordinance Number	Improvement Description	(As Restated) Balance Dec. 31, 2017 & 2018
2014-10	Improvements to Lynwood Farms	\$ 950.00

PART II

SCHEDULE OF FINDINGS AND RECOMMENDATIONS

FOR THE YEAR ENDED DECEMBER 31, 2018

TOWNSHIP OF MANSFIELD
Schedule of Findings and Recommendations
For the Year Ended December 31, 2018

Schedule of Financial Statement Findings

This section identifies the significant deficiencies, material weaknesses, and instances of noncompliance related to the financial statements that are required to be reported in accordance with *Government Auditing Standards* and with audit requirements as prescribed by the Division of Local Government Services, Department of Community Affairs, State of New Jersey.

Finding No. 2018-001

Criteria or Specific Requirement

Pursuant to N.J.A.C. 5:30-5.6, all local units shall have and maintain a fixed asset accounting and reporting system that has a subsidiary ledger, consisting of detailed property records for controlling additions, deletions and transfers of fixed assets.

Condition

The Township did not properly maintain a fixed asset accounting system in accordance with N.J.A.C. 5:30-5.6.

Context

The Township was not able to initially produce a detailed listing for its land and buildings, which at December 31, 2017, totaled \$18,053,315.00. In addition, prior year additions for equipment and vehicles did not agree to subsidiary records. A revised listing was created resulted in a prior period restatement of \$4,727,642.95.

Effect

Errors or irregularities could develop and not be detected in a timely manner. Additionally, the Township was not in noncompliance with N.J.A.C. 5:30-5.6.

Cause

The Township did not properly maintain its fixed assets accounting records.

Recommendation

The Township properly maintain fixed asset accounting records in accordance with N.J.A.C. 5:30-5.6.

View of Responsible Officials and Planned Corrective Action

The responsible officials agree with the finding and will address the matter as part of their corrective action plan.

TOWNSHIP OF MANSFIELD
Schedule of Findings and Recommendations
For the Year Ended December 31, 2018

Schedule of Financial Statement Findings (Cont'd)

Finding No. 2018-002

Criteria or Specific Requirement

N.J.S.A. 40A:4-57 states that no officer, board, body or commission shall, during any fiscal year, expend any money, incur any liability, or enter into any contract which by its terms involves the expenditure of money for any purpose for which no appropriation is provided, or in excess of the amount appropriated for such service.

Condition

The Township had overexpenditures of current fund budget appropriations and appropriation reserves at year end. In addition, the Township had overexpenditures of appropriated grant reserves in the federal and state grant fund at year end.

Context

The Township had overexpenditures at year end for the following items:

- a) Four (4) current fund budget appropriation line items totaling \$687.74
- b) Five (5) current fund appropriation reserve line items totaling \$15,803.00
- c) Two (2) federal and state grant fund appropriated grant reserves totaling \$22,798.21

Effect

Errors or irregularities could develop and not be detected in a timely manner. Additionally, the Township is not in noncompliance with N.J.S.A. 40A:4-57.

Cause

There was an oversight by the responsible official.

Recommendation

It is recommended that proper internal controls be put in place to ensure appropriations are not over expended.

View of Responsible Officials and Planned Corrective Action

The responsible officials agree with the finding and will address the matter as part of their corrective action plan.

TOWNSHIP OF MANSFIELD
Summary Schedule of Prior Year Audit Findings
and Recommendations as Prepared by Management

This section identifies the status of prior year findings related to the financial statements that are required to be reported in accordance with *Government Auditing Standards*.

FINANCIAL STATEMENT FINDINGS

Finding No. 2017-001

Condition

The Township's Current Fund Statement of Expenditures and Appropriation Reserves reflects overexpenditures in the amount of \$10,898.97.

Current Status

This finding still exists. See finding 2018-002

Planned Corrective Action

The responsible officials agree with the finding and will address the matter as part of their corrective action plan.

FEDERAL AWARDS

This section is not applicable. There was no federal single audit in the prior year.

STATE FINANCIAL ASSISTANCE PROGRAMS

This section is not applicable. There was no state single audit in the prior year.

TOWNSHIP OF MANSFIELD
 Officials in Office and Surety Bonds

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

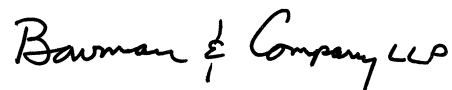
<u>Name</u>	<u>Title</u>	<u>Amount of Surety Bond</u>
Sean Gable	Mayor	
Michael H. Magee	Deputy Mayor	
Robert J. Higgins	Committeeman	
Janice DiGiuseppe	Committeewoman	
Frederick Cain	Committeeman	
Michael Fitzpatrick	Township Administrator	(A)
Joseph P. Monzo	Chief Financial Officer / Treasurer	(A)
Linda Semus	Township Clerk	(A)
Elaine Fortin (1/1/18-6/30/18)	Tax Collector/Tax Search Officer	(A)
Dana L. Elliott (7/1/18 – 12/31/18)	Tax Collector/Tax Search Officer	(A)
Jeffrey Burd	Tax Assessor	
Bonnie Grouser	Deputy Treasurer	
Lori Hall-David	Court Administrator	(A)
Dennis McInerney	Magistrate	(A)
Jeffrey Jones	Construction Code Official	
Remington & Vernick	Engineer	

(A) Covered under the Burlington County Municipal Joint Insurance Fund, Municipal Excess Liability Joint Insurance Fund and the N.J. Municipal Environmental Risk Management Joint Insurance Fund for \$1,000,000.00

APPRECIATION

I express my appreciation for the assistance and courtesies rendered by the Township officials during the course of the audit.

Respectfully submitted,



BOWMAN & COMPANY LLP
Certified Public Accountants
& Consultants



Robert P. Nehila, Jr.
Certified Public Accountant
Registered Municipal Accountant

Voorhees, New Jersey
August 22, 2019

