

**REPORT OF AUDIT**

**TOWNSHIP OF MANSFIELD**

**COUNTY OF WARREN**

**DECEMBER 31, 2010**



TOWNSHIP OF MANSFIELD, N.J.  
DECEMBER 31, 2010

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**TOWNSHIP OF MANSFIELD**

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**PART I**

**REPORT OF AUDIT ON FINANCIAL STATEMENTS**

**AND SUPPLEMENTARY DATA**

**YEAR ENDED DECEMBER 31, 2010**

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## INDEPENDENT AUDITOR'S REPORT

June 30, 2011

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

We have audited the accompanying balance sheets - regulatory basis of the various funds and account group of the Township of Mansfield in the County of Warren, as of and for the years ended December 31, 2010 and 2009, and the related statements of operations and changes in fund balance - regulatory basis for the years then ended, and the related statement of revenues - regulatory basis and statement of expenditures - regulatory basis of the various funds for the year ended December 31, 2010. These financial statements are the responsibility of the Township's management. Our responsibility is to express an opinion on these financial statements based on our audits.

Except as discussed below, we conducted our audits in accordance with auditing standards generally accepted in the United States of America, the audit requirements prescribed by the Division of Local Government Services, Department of Community Affairs, State of New Jersey, and the standards applicable to financial audits contained in Government Auditing Standards issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes consideration of internal control over financial reporting as a basis for designing audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Township's internal control over financial reporting. Accordingly, we express no such opinion. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and the significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audits provides a reasonable basis for our opinion.

As described in Note 1, these financial statements were prepared in conformity with accounting practices prescribed or permitted by the Division of Local Government Services, Department of Community Affairs, State of New Jersey, that demonstrates compliance with the modified accrual basis, with certain exceptions, and the budget laws of New Jersey, which practices differ from accounting principles generally accepted in the United States of America. The affect on the financial statements of the variances between the prescribed basis of accounting and accounting principles generally accepted in the United States of America, although not reasonably determinable, are presumed to be material.



The Honorable Mayor and  
Members of the Township Committee  
June 30, 2011  
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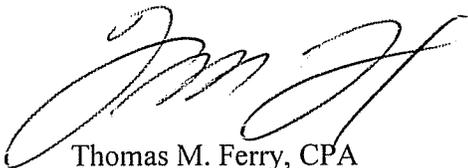
In our opinion, because of the Township of Mansfield's policy to prepare its financial statements on the basis of accounting discussed in the preceding paragraph, the financial statements referred to above do not present fairly, in conformity with accounting principles generally accepted in the United States of America, the financial position of the Township of Mansfield, New Jersey as of December 31, 2010 and 2009 or the results of its operation for the years then ended.

The Township did not implement the requirements of Governmental Accounting Standards Board (GASB), Statement No. 45, *Accounting and Financial Reporting by Employers for Postemployment Benefits Other Than Pensions*. State of New Jersey Local Finance Notice 2007-15 also dictates that municipalities implement this GASB.

However, in our opinion, except for the effects of not implementing GASB 45, the financial statements referred to above present fairly, in all material respects, the financial position - regulatory basis of the various funds and account group of the Township of Mansfield, New Jersey at December 31, 2010 and 2009, and the results of its operations and the changes in fund balance - regulatory basis of such funds for the years then ended and the statement of revenues - regulatory basis, and statement of expenditures - regulatory basis for the year ended December 31, 2010, on the basis of accounting described in Note 1.

In accordance with the Government Auditing Standards, we have also issued a report dated June 30, 2011 on our consideration of the Township of Mansfield, New Jersey internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with Government Auditing Standards and should be considered in assessing the results of our audit.

Our audit was conducted for the purpose of forming an opinion on the financial statements of the Township of Mansfield, State of New Jersey, taken as a whole. The accompanying supplementary information, schedules and exhibits listed in the table of contents are presented for purposes of additional analysis and are not a required part of the financial statements of the Township of Mansfield, State of New Jersey. Such information has been subject to auditing procedures applied in the audit of the financial statements and, in our opinion, is fairly presented in all material respects, in relation to the financial statements taken as a whole, on the basis of accounting described in Note 1.



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

*Ferraioli, Wielkutz, Cerullo, & Cuva, P.A.*

FERRAIOLI, WIELKOTZ, CERULLO & CUVA, P.A.  
Certified Public Accountants



## Township of Mansfield, N.J.

## Comparative Balance Sheet - Regulatory Basis

## Current Fund

December 31, 2010 and 2009

	<u>Ref.</u>	<u>2010</u>	<u>2009</u>
<u>Assets</u>			
Current Fund:			
Cash	A-4	730,308.66	407,498.64
Change Fund	A-5	350.00	350.00
		<u>730,658.66</u>	<u>407,848.64</u>
Receivables and Other Assets with Full Reserves:			
Prepaid School Taxes	A-6		67,268.46
Delinquent Taxes Receivable	A-7	464,077.69	536,076.83
Tax Title Liens Receivable	A-8	445,826.04	380,686.37
Property Acquired for Taxes - Assessed Valuation	A-9	1,447,600.00	1,447,600.00
Revenue Accounts Receivable	A-10	10,141.16	34,205.33
Interfund Receivables:			
Federal and State Grant Fund	A-12	89,563.59	34,386.72
Animal Control Trust Fund	A-12	2,338.19	5,000.00
General Capital Fund	A-12		107,000.00
Other Trust Fund	A-12	36,452.99	7,775.68
		<u>2,495,999.66</u>	<u>2,619,999.39</u>
Deferred Charges:			
Emergency Authorization	A-14		80,500.00
		<u>3,226,658.32</u>	<u>3,108,348.03</u>
Federal and State Grant Fund:			
Grants Receivable	A-23	211,567.60	175,227.10
		<u>3,438,225.92</u>	<u>3,283,575.13</u>

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

## Township of Mansfield, N.J.

## Comparative Balance Sheet - Regulatory Basis

## Current Fund

December 31, 2010 and 2009

	<u>Ref.</u>	<u>2010</u>	<u>2009</u>
<u>Liabilities, Reserves and Fund Balance</u>			
Current Fund:			
Appropriation Reserves	A-3;A-13	71,343.09	37,994.00
Due to State of New Jersey:			
Senior Citizen and Veteran Deductions	A-11	1,489.65	961.57
Interfund Payable:			
General Capital	A-12	95,083.00	
Due to State of New Jersey:			
Marriage Surcharge	A-15		175.00
Reserve for:			
Garden State Preservation Trust Fund	A-15	25,077.00	37,616.10
Encumbrances Payable	A-16	83,163.71	62,032.11
Prepaid Taxes	A-17	104,572.82	77,854.95
County Taxes Payable	A-18	2,659.53	5,426.86
Local District School Taxes Payable	A-20	69,025.08	
		<u>452,413.88</u>	<u>222,060.59</u>
Reserve for Receivables	Contra	<u>2,495,999.66</u>	<u>2,619,999.39</u>
Fund Balance	A-1	<u>278,244.78</u>	<u>266,288.05</u>
		<u>3,226,658.32</u>	<u>3,108,348.03</u>
Federal and State Grant Fund:			
Interfund Payable - Current Fund	A-22	89,563.59	34,386.72
Appropriated Reserve for Grants	A-24	115,327.48	120,810.74
Unappropriated Reserve for Grants	A-25	6,676.53	20,029.64
		<u>211,567.60</u>	<u>175,227.10</u>
		<u>3,438,225.92</u>	<u>3,283,575.13</u>

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

## Township of Mansfield, N.J.

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

## Current Fund

December 31, 2010 and 2009

	<u>Ref.</u>	<u>2010</u>	<u>2009</u>
Revenues and Other Income:			
Fund Balance Utilized	A-2	185,000.00	445,100.00
Miscellaneous Revenue Anticipated	A-2	1,816,078.61	1,881,922.19
Receipts from Delinquent Taxes	A-2	470,636.19	436,920.37
Receipts from Current Taxes	A-2	19,238,201.13	19,164,940.20
Non-Budget Revenue	A-2	120,981.52	50,927.91
Other Credits to Income:			
Interfunds Returned	A-12	9,936.81	
Prepaid School Taxes Returned	A-6	67,268.46	
Encumbrances Cancelled	A-16	18,389.75	11,813.92
Various Reserves Cancelled			43,639.77
Unexpended Balance of Appropriation Reserves	A-13	15,618.80	43,209.26
Total Revenues and Other Income		<u>21,942,111.27</u>	<u>22,078,473.62</u>
Expenditures:			
Budget and Emergency Appropriations:			
Operations - Within "CAPS"			
Salaries and Wages	A-3	1,976,679.64	2,203,996.62
Other Expenses	A-3	1,616,800.03	1,600,091.00
Deferred Charges and Statutory Expenditures -			
Municipal	A-3	346,698.78	400,560.18
Operations - Excluded From CAPS:			
Salaries and Wages	A-3	167,834.50	131,175.00
Other Expenses	A-3	308,165.96	109,836.67
Capital Improvements	A-3	148,187.29	278,421.00
Municipal Debt Service	A-3	278,297.00	281,717.00
Deferred Charges and Statutory Expenditures	A-3	145,000.00	64,500.00
Pre-Paid School Taxes			67,268.46
Interfund Advances	A-12	84,129.18	123,953.43
Cancellation of Grant Receivables	A-12	133.04	
County Taxes including Added Taxes	A-18	5,469,090.24	5,919,139.82
Municipal Open Space Tax	A-19	198,893.92	132,666.81
Local District School Tax	A-20	5,114,832.00	4,839,109.00
Regional High School Tax	A-21	5,890,412.96	5,864,380.24
Total Expenditures		<u>21,745,154.54</u>	<u>22,016,815.23</u>
Excess (Deficit) Revenue Over Expenditures		196,956.73	61,658.39
Adjustment to Income Before Fund Balance			
Expenditures Included above Which are by Statute			
Deferred Charges to Budget of Succeeding Year			<u>80,500.00</u>
Statutory Excess to Fund Balance		196,956.73	142,158.39
Fund Balance, January 1,	A-1	<u>266,288.05</u>	<u>569,229.66</u>
		463,244.78	711,388.05
Fund Balance Utilized as Budget Revenue		<u>185,000.00</u>	<u>445,100.00</u>
Fund Balance, December 31,	A	<u><u>278,244.78</u></u>	<u><u>266,288.05</u></u>

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

**Township of Mansfield, N.J.**  
**Statement of Revenues - Regulatory Basis**  
**Current Fund**

**Year Ended December 31, 2010**

	<u>Ref.</u>	<u>Budget</u>	Special N.J.S. <u>40A:4-87</u>	<u>Realized</u>	<u>Excess or (Deficit)</u>
Fund Balance Anticipated	A-1	185,000.00		185,000.00	
Miscellaneous Revenues:					
Licenses:					
Alcoholic Beverages	A-10	4,877.00		3,793.00	(1,084.00)
Fees and Permits	A-10	10,479.00		7,440.44	(3,038.56)
Fines and Costs:					
Municipal Court	A-10	96,470.00		97,283.95	813.95
Interest and Costs on Taxes	A-10	103,218.00		114,805.64	11,587.64
Interest on Investments	A-10	29,085.00		25,121.53	(3,963.47)
Cellular Tower Rental	A-10	43,030.00		39,915.57	(3,114.43)
Cable T.V. Franchise Fee	A-10	24,227.75		24,227.75	
Consolidated Municipal Property Tax Relief Aid	A-10	27,729.00		26,864.14	(864.86)
Energy Receipts Tax	A-10	837,129.00		837,129.00	
Uniform Construction Code Fees	A-10	37,258.00		176,858.80	139,600.80
Garden State Trust Fund	A-15	37,616.10		37,616.10	
Police Administrative Fees	A-10	1,883.00		1,882.04	(0.96)
Planning Board Fees	A-10	2,500.00		750.00	(1,750.00)
DMV Fines	A-10	4,177.00		3,763.50	(413.50)
Special Items of General Revenue Anticipated With Prior Written Consent of Division of Local Government Services:					
Interlocal Service Agreement					
Municipal Court - Salaries and Wages	A-10	135,766.00	40,728.75	168,159.07	(8,335.68)
Municipal Court - Other Expenses	A-10	9,333.00		9,333.00	
Other Special Items:					
Hotel / Motel Occupancy Fee	A-10	21,996.26		17,064.03	(4,932.23)
Interfund Receivable - General Capital	A-4;A-12	100,000.00		100,000.00	
Employee Contributions for Group Health	A-12	11,956.00		12,096.70	140.70
Public and Private Revenues:					
Recycling Tonnage Reserve	A-23	12,170.47		12,170.47	
Clean Communities Program	A-23	17,421.59		17,421.59	
Municipal Alliance Program	A-23	7,194.00		7,194.00	
Body Armor	A-23	866.27	1,603.86	2,470.13	
Prosecutor's Law Enforcement Trust Grant	A-23	240.00		240.00	
Clean Communities Reserve	A-23	3,616.94		3,616.94	
Drunk Driving Fund	A-23	2,961.22		2,961.22	
SHARE Feasibility Study	A-23	31,900.00		31,900.00	
Click it or Ticket	A-23	4,000.00		4,000.00	
Comcast Grant	A-23	30,000.00		30,000.00	
Total Miscellaneous Revenues	A-1	1,649,100.60	42,332.61	1,816,078.61	124,645.40
Receipts from Delinquent Taxes	A-1;A-2	512,987.00		470,636.19	(42,350.81)
Subtotal General Revenues		2,347,087.60	42,332.61	2,471,714.80	82,294.59
Amount to be Raised by Taxes for Support of Municipal Budget-Local Tax for Municipal Purposes Including Reserve for Uncollected Taxes	A-2	3,182,203.94		3,260,238.62	78,034.68
Budget Totals		5,529,291.54	42,332.61	5,731,953.42	160,329.27
Non-Budget Revenue	A-1;A-2			120,981.52	120,981.52
		<u>5,529,291.54</u>	<u>42,332.61</u>	<u>5,852,934.94</u>	<u>281,310.79</u>
		A-3	A-3		

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

**Township of Mansfield, N.J.**  
**Statement of Revenues - Regulatory Basis**  
**Current Fund**  
**Year Ended December 31, 2010**

Analysis of Realized Revenues

	<u>Ref.</u>	
Revenue from Collections	A-1;A-7	19,238,201.13
Allocated to School and County Taxes	A-7	<u>16,561,923.46</u>
Balance for Support of Municipal Budget Appropriations		2,676,277.67
Add : Appropriation - Reserve for Uncollected Taxes	A-3	<u>583,960.95</u>
Amount for Support of Municipal Budget Appropriations	A-2	<u><u>3,260,238.62</u></u>
Receipts from Delinquent Taxes:		
Delinquent Taxes		
Taxes Receivable	A-7	469,614.13
Tax Title Liens	A-8	<u>1,022.06</u>
	A-2	<u><u>470,636.19</u></u>

Analysis of Non-budget Revenues

Sr. Citizen and Veteran Admin. Fees	1,236.62	
Public Assistance Account Closed	783.52	
Restitution	1,952.00	
Payment in Lieu of Taxes	1,662.93	
Workmans Compensation	51,337.67	
Energy Miscellaneous	6,255.00	
Clerk	9,370.25	
Zoning	3,660.00	
Insurance Surplus	14,561.99	
Verizon Franchise Fee	7,702.19	
Scrap Metal	1,600.18	
Miscellaneous	16,683.76	
Various Reimbursements & Refunds	<u>987.91</u>	
	A-4	<u>117,794.02</u>
Interfund Receivable	A-12	<u>3,187.50</u>
	A-2	<u><u>120,981.52</u></u>

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

**Township of Mansfield, N.J.**  
**Statement of Expenditures - Regulatory Basis**  
**Current Fund**

**Year Ended December 31, 2010**

<u>General Appropriations</u>	<u>Ref.</u>	<u>For 2010</u>	<u>Budget After Modification</u>	<u>Paid or Charged</u>	<u>Reserved</u>
Operations - within "CAPS"					
Administrative and Executive					
Salaries and Wages		23,769.00	23,948.52	23,948.52	
Mayor and Committee Clerk		52,050.00	52,049.92	52,049.92	
Other Expenses - General		19,945.00	18,339.12	17,552.62	786.50
Other Expenses - Clerk		4,070.00	3,703.18	3,703.18	
Other Expenses - Governing Body		1,250.00	690.77	690.77	
Financial Administration					
Salaries and Wages		64,241.00	63,456.64	63,456.64	
Other Expenses		2,853.00	2,840.34	2,840.34	
Audit		18,300.00	18,300.00	18,300.00	
Computerized Data Processing					
Salaries and Wages		1,500.00	1,500.00	1,500.00	
Other Expenses		3,136.00	1,568.00	1,568.00	
Collection of Taxes					
Salaries and Wages		49,147.00	50,480.80	50,480.80	
Other Expenses		11,450.00	7,958.83	7,935.64	23.19
Assessment of Taxes:					
Salaries and Wages		28,809.00	28,782.81	28,782.81	
Other Expenses		6,175.00	1,879.06	1,704.06	175.00
Legal Services & Costs					
Other Expenses		82,000.00	77,700.00	73,314.79	4,385.21

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

**Township of Mansfield, N.J.**  
**Statement of Expenditures - Regulatory Basis**  
**Current Fund**

**Year Ended December 31, 2010**

<u>General Appropriations</u>	<u>Ref.</u>	<u>For 2010</u>	<u>Budget After Modification</u>	<u>Paid or Charged</u>	<u>Reserved</u>
Engineering Services and Costs					
Other Expenses		24,000.00	22,692.00	22,692.00	
Economic Development					
Salaries and Wages		259.00	258.00	258.00	
Other Expenses		225.00	220.00	220.00	
Environmental Commission					
Salaries and Wages		929.00	929.00	929.00	
Other Expenses		595.00	340.00	340.00	
Municipal Land Use Law (NJS 40:55D-1)					
Planning Board					
Salaries and Wages		15,245.00	15,245.00	15,245.00	
Other Expenses		9,080.00	8,090.00	8,090.00	
Police					
Salaries and Wages		1,273,314.00	1,281,364.00	1,263,526.83	17,837.17
Other Expenses		80,012.00	80,012.00	73,891.97	6,120.03
Emergency Management Services					
Salaries and Wages		3,112.00	3,097.00	3,097.00	
Other Expenses		1,550.00	495.96	495.96	
Emergency Management Offices		3,000.00	3,000.00	3,000.00	
Fire (Mansfield Twp. Fire Co.)					
Other Expenses		29,608.00	29,608.00	29,608.00	
Fire (Tri County Fire Company)					
Other Expenses		35,157.00	35,157.00	35,157.00	
Fire (Mount Bethel Fire Company)					
Other Expenses		23,231.00	23,231.00	23,231.00	
Fire (Butler Park Fire Company)					
Other Expenses		20,644.00	20,644.00	20,644.00	

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

**Township of Mansfield, N.J.**  
**Statement of Expenditures - Regulatory Basis**

**Current Fund**

**Year Ended December 31, 2010**

<u>General Appropriations</u>	<u>Ref.</u>	<u>For 2010</u>	<u>Budget After Modification</u>	<u>Paid or Charged</u>	<u>Reserved</u>
Fire (General)					
Fire Hydrant Services		10,000.00	10,000.00	10,000.00	
Fire Prevention Bureau					
Salaries and Wages		1,500.00	1,500.00	1,500.00	
Other Expenses		1,000.00	280.18	280.18	
First Aid Organization - Contribution		47,500.00	47,500.00	47,500.00	
Prosecutor					
Salaries and Wages		21,735.00	21,735.00	21,735.00	
Public Works					
Road Repair and Maintenance					
Salaries and Wages		268,029.00	250,829.00	248,956.02	1,872.98
Other Expenses		74,485.00	65,174.01	59,628.82	5,545.19
Snow Removal					
Salaries and Wages		20,930.00	20,930.00	20,930.00	
Other Expenses		83,900.00	83,900.00	71,655.67	12,244.33
Garbage and Trash Removal					
Other Expenses		1,250.00	2,073.24	2,073.24	
Public Buildings and Grounds					
Salaries and Wages		10,400.00	10,800.00	10,800.00	
Other Expenses		35,775.00	24,664.81	23,251.17	1,413.64
Health and Welfare					
Board of Health					
Salaries and Wages		29,200.00	29,199.96	29,199.96	
Senior Citizen Activities					
Other Expenses		5,500.00	5,500.00	5,500.00	
Aid to Wheels On Transit					
Other Expenses		6,000.00	2,500.00	2,500.00	

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

**Township of Mansfield, N.J.**  
**Statement of Expenditures - Regulatory Basis**

**Current Fund**

**Year Ended December 31, 2010**

<u>General Appropriations</u>	<u>Ref.</u>	<u>For 2010</u>	<u>Budget After Modification</u>	<u>Paid or Charged</u>	<u>Reserved</u>
Recreation and Education					
Recreation					
Salaries and Wages		88,974.00	88,970.12	88,970.12	
Other Expenses		4,250.00	3,583.19	3,549.29	33.90
Municipal Court:					
Salaries and Wages		41,775.00	30,103.87	22,851.62	7,252.25
Other Expenses		5,667.00	801.90	654.91	146.99
PEOSHA (N.J.S.A. 34:6a-25 Et Seq.)					
Hepatitis B Shots		480.00	480.00	60.00	420.00
PEOSHA - Requirements					
Other Expenses		800.00	800.00		800.00
Uniform Construction Code - Appropriations Offset by Dedicated Revenues (N.J.A.C. 5:23-4.17)					
Sub-Code Officials					
Construction Official					
Other Expenses		93,325.00	93,325.00	93,325.00	
Insurance					
General Liability		120,508.00	116,706.00	116,706.00	
Workers Compensation		110,574.00	110,574.00	110,574.00	
Employee Group Health		448,928.00	453,024.04	453,022.54	1.50
Insurance Fund Commissioner		1,500.00	1,500.00	1,500.00	
Accrued Sick Leave and Other Compensation		1,361.00	1,360.07	1,360.07	
Unclassified:					
Prior Years Bills: Skylands Ortho.		225.00	225.00	225.00	
Tax Appeals		74,400.00	74,400.00	74,400.00	

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

**Township of Mansfield, N.J.**  
**Statement of Expenditures - Regulatory Basis**

**Current Fund**

**Year Ended December 31, 2010**

<u>General Appropriations</u>	<u>Ref.</u>	<u>For 2010</u>	<u>Budget After Modification</u>	<u>Paid or Charged</u>	<u>Reserved</u>
Utilities					
Utilities Expenses and Bulk Purchases		109,160.00	163,459.33	153,501.10	9,958.23
Total Operations Within "CAPS"		<u>3,607,787.00</u>	<u>3,593,479.67</u>	<u>3,524,463.56</u>	<u>69,016.11</u>
Total Operations Including Contingent- Within "CAPS"		<u>3,607,787.00</u>	<u>3,593,479.67</u>	<u>3,524,463.56</u>	<u>69,016.11</u>
Detail:					
Salaries and Wages	A-1	1,996,418.00	1,976,679.64	1,949,717.24	26,962.40
Other Expenses (Including Contingent)	A-1	<u>1,611,369.00</u>	<u>1,616,800.03</u>	<u>1,574,746.32</u>	<u>42,053.71</u>
Deferred Charges and Statutory Expenditures- Municipal Within "CAPS"					
Statutory Expenditures					
Deficit in Animal Control Fund		2,661.81	2,661.81	2,661.81	
Contribution to:					
Public Employees' Retirement System		40,945.64	40,945.64	40,945.64	
Defined Contribution Retirement Program		330.00	330.00	306.91	23.09
Unemployment Compensation Insurance		1,200.00	1,200.00	1,184.24	15.76
Police and Fireman's Retirement System of NJ		124,024.00	124,685.76	124,685.76	
Public Employees' Retirement System Arrears		609.00	609.00	149.86	459.14
Police and Fireman's Retirement System of Arrears		621.00	621.00	621.00	
Social Security System (O.A.S.I.)		<u>162,000.00</u>	<u>175,645.57</u>	<u>174,437.58</u>	<u>1,207.99</u>
Total Deferred Charged and Statutory Expenditures - Municipal within "CAPS"	A-1	<u>332,391.45</u>	<u>346,698.78</u>	<u>344,371.80</u>	<u>2,326.98</u>
Total General Appropriations for Municipal Purposes within "CAPS"		<u>3,940,178.45</u>	<u>3,940,178.45</u>	<u>3,868,835.36</u>	<u>71,343.09</u>
Operations - Excluded From "CAPS"					
Municipal Court:					
Salaries and Wages		167,834.50	167,834.50	167,834.50	
Other Expenses		10,072.25	10,072.25	10,072.25	

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

**Township of Mansfield, N.J.**  
**Statement of Expenditures - Regulatory Basis**

**Current Fund**

**Year Ended December 31, 2010**

<u>General Appropriations</u>	<u>Ref.</u>	<u>For 2010</u>	<u>Budget After Modification</u>	<u>Paid or Charged</u>	<u>Reserved</u>
Other Expenses - Start Up Costs		7,921.00	7,921.00	7,921.00	
Police and Firemen's Retirement System		133,355.00	133,355.00	133,355.00	
Public Employees' Retirement System		42,445.36	42,445.36	42,445.36	
Total Other Operations - Excluded From Caps		<u>361,628.11</u>	<u>361,628.11</u>	<u>361,628.11</u>	
Public and Private Programs Offset By Revenues					
Matching Funds for Grants					
Recycling Tonnage Grant		12,170.47	12,170.47	12,170.47	
Clean Communities Program - Reserve		3,616.94	3,616.94	3,616.94	
Clean Communities Program		17,421.59	17,421.59	17,421.59	
Body Armor - Grant		1,603.86	1,603.86	1,603.86	
Municipal Alliance					
State Share		7,194.00	7,194.00	7,194.00	
Local Match		2,398.00	2,398.00	2,398.00	
SHARE Feasibility Study		31,900.00	31,900.00	31,900.00	
Reserve for Body Armor		866.27	866.27	866.27	
Drunk Driving Enforcement Fund		2,961.22	2,961.22	2,961.22	
Click-it or Ticket		4,000.00	4,000.00	4,000.00	
Prosecutor's Law Enforcement Trust Grant		240.00	240.00	240.00	
Comcast Grant		30,000.00	30,000.00	30,000.00	
Total Public and Private Programs Offset					
By Revenues		114,372.35	114,372.35	114,372.35	
Total Operations - Excluded from "CAPS"		<u>476,000.46</u>	<u>476,000.46</u>	<u>476,000.46</u>	
Detail:					
Salaries and Wages	A-1	167,834.50	167,834.50	167,834.50	
Other Expenses	A-1	<u>308,165.96</u>	<u>308,165.96</u>	<u>308,165.96</u>	
Capital Improvements - Excluded From "CAPS"					
Capital Improvement Fund		147,273.00	147,273.00	147,273.00	
Total Capital Improvements Excluded from "CAPS"	A-1	<u>148,187.29</u>	<u>148,187.29</u>	<u>148,187.29</u>	

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

**Township of Mansfield, N.J.**  
**Statement of Expenditures - Regulatory Basis**  
**Current Fund**

**Year Ended December 31, 2010**

<u>General Appropriations</u>	<u>Ref.</u>	<u>For 2010</u>	<u>Budget After Modification</u>	<u>Paid or Charged</u>	<u>Reserved</u>
Municipal Debt Service - Excluded From "CAPS"		165,284.00	165,284.00	165,284.00	
Payment of Bond Principal		89,163.00	89,163.00	89,163.00	
Interest on Bonds		22,500.00	22,500.00	22,500.00	
NJ Economic Resource Loan Interest		1,350.00	1,350.00	1,350.00	
NJ Economic Resource Loan Principal Repayment		278,297.00	278,297.00	278,297.00	
Total Municipal Debt Service-Excluded from "CAPS" A-1		<u>278,297.00</u>	<u>278,297.00</u>	<u>278,297.00</u>	
Deferred Charges - Municipal - Excluded From "CAPS"					
Deferred Charges:					
Emergency Authorization		80,500.00	80,500.00	80,500.00	
Ord. 05-10 Road Equipment / Construction		64,500.00	64,500.00	64,500.00	
Total Deferred Charges - Municipal - Excluded From "CAPS"	A-1	<u>145,000.00</u>	<u>145,000.00</u>	<u>145,000.00</u>	
Total General Appropriations for Municipal Purposes Excluded from "CAPS"		1,047,484.75	1,047,484.75	1,047,484.75	
Total General Appropriations - Excluded From "CAPS"		1,047,484.75	1,047,484.75	1,047,484.75	
Subtotal General Appropriations Reserve for Uncollected Taxes		4,987,663.20	4,987,663.20	4,916,320.11	71,343.09
Total General Appropriations		<u>583,960.95</u>	<u>583,960.95</u>	<u>583,960.95</u>	
		<u>5,571,624.15</u>	<u>5,571,624.15</u>	<u>5,500,281.06</u>	<u>71,343.09</u>
					A
Adopted Budget	A-2		5,529,291.54		
Appropriated by N.J.S. 40A:4-87	A-2		42,332.61		
			<u>5,571,624.15</u>		

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

**Township of Mansfield, N.J.**  
**Statement of Expenditures - Regulatory Basis**  
**Current Fund**

**Year Ended December 31, 2010**

<u>General Appropriations</u>	<u>Ref.</u>	<u>For 2010</u>	<u>Budget After Modification</u>	<u>Paid or Charged</u>	<u>Reserved</u>
Analysis of Paid or Charged:					
Reserve for Uncollected Taxes	A-2			583,960.95	
Cash Disbursed	A-4			4,421,537.67	
Schedule of Interfunds	A-12			219,144.38	
Deferred Charges	A-14			80,500.00	
Encumbrances Payable	A-16			83,163.71	
Reserve for Federal & State Grants	A-24			111,974.35	
				<u>5,500,281.06</u>	

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

## Township of Mansfield, N.J.

## Comparative Balance Sheet - Regulatory Basis

## Trust Funds

December 31, 2010 and 2009

	<u>Ref.</u>	<u>2010</u>	<u>2009</u>
<u>Assets</u>			
Animal Control Trust Fund:			
Cash- Treasurer	B-1	184.60	2,345.39
Deficit in Dog Fund Expenditures	B-5	2,157.79	2,654.61
		<u>2,342.39</u>	<u>5,000.00</u>
Other Trust Funds:			
Cash	B-1	1,363,406.17	1,799,835.44
Interfund General Capital	B-3	36,000.00	
Payroll Deductions Receivable	B-8	9,445.54	
		<u>1,408,851.71</u>	<u>1,799,835.44</u>
		<u>1,411,194.10</u>	<u>1,804,835.44</u>
 <u>Liabilities, Reserves &amp; Fund Balance</u>			
Animal Control Trust Fund:			
Interfund Current Fund	B-4	2,338.19	5,000.00
Due to State Department of Health	B-7	4.20	
		<u>2,342.39</u>	<u>5,000.00</u>
Other Trust Fund:			
Interfund Current Fund	B-2	36,452.99	7,775.68
Other Trust Funds	B-6	1,372,398.72	1,790,337.79
Payroll Deductions Payable	B-8		1,721.97
		<u>1,408,851.71</u>	<u>1,799,835.44</u>
		<u>1,411,194.10</u>	<u>1,804,835.44</u>

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

**Township of Mansfield, N.J.**  
**Comparative Balance Sheet - Regulatory Basis**  
**General Capital Fund**  
**December 31, 2010 and 2009**

	<u>Ref.</u>	<u>2010</u>	<u>2009</u>
<u>Assets</u>			
Cash	C-2	139,899.90	766.21
Interfund Receivable:			
Current Fund	C-4	95,083.00	
Due From Hackettstown	C-6	14,867.54	19,443.76
Deferred Charges to Future Taxation			
Funded	C-7	2,904,500.00	3,193,000.00
Unfunded	C-8	378,469.60	157,897.25
		<u>3,532,820.04</u>	<u>3,371,107.22</u>
 <u>Liabilities, Reserves and Fund Balance</u>			
Interfund - Current Fund	C-4		107,000.00
Interfund -Other Trust Fund	C-5	36,000.00	
Capital Improvement Fund	C-9	0.13	
Improvement Authorizations:			
Funded	C-10	32,282.03	48,674.52
Unfunded	C-10	273,326.60	
Bond Anticipation Notes Payable	C-11	285,000.00	
Various Reserves	C-12	1,414.29	22,135.71
General Serial Bonds	C-13	2,837,000.00	3,103,000.00
N.J. Economic Resources Loan Payable	C-14	67,500.00	90,000.00
Fund Balance	C-1	296.99	296.99
		<u>3,532,820.04</u>	<u>3,371,107.22</u>

Footnote C: There were Bonds and Notes Authorized But Not Issued on December 31, 2010 in the amount of \$93,469.60 per Exhibit C-15.

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

**Township of Mansfield, N.J.**  
**Schedule of Fund Balance - Regulatory Basis**  
**General Capital Fund**  
**Year Ended December 31, 2010**

	<u>Ref.</u>	
Balance - December 31, 2009	C	<u><u>296.99</u></u>
Balance - December 31, 2010	C	<u><u>296.99</u></u>

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

**Township of Mansfield, N.J.**  
**Comparative Balance Sheet - Regulatory Basis**  
**Public Assistance Fund**  
**December 31, 2010 and 2009**

	<u>Ref.</u>	<u>2010</u>	<u>2009</u>
<u>Assets</u>			
Cash	D-1	<u>                    </u>	<u>783.52</u>
 <u>Liabilities and Reserves</u>			
Reserve for Public Assistance	D-6	<u>                    </u>	<u>783.52</u>

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

**Township of Mansfield, NJ**  
**Comparative Statement of General Fixed Assets - Regulatory Basis**  
**December 31, 2010 and 2009**

	Balance Dec 31, <u>2010</u>	Balance Dec 31, <u>2009</u>
<u>General Fixed Assets</u>		
Land	3,134,180.00	3,134,180.00
Buildings	424,100.00	424,100.00
Machinery and Equipment (Including Vehicles)	<u>2,246,612.17</u>	<u>2,246,612.17</u>
	<u>5,804,892.17</u>	<u>5,804,892.17</u>
 Investment in General Fixed Assets	 <u>5,804,892.17</u>	 <u>5,804,892.17</u>

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

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

**NOTES TO FINANCIAL STATEMENTS  
YEARS ENDED DECEMBER 31, 2010 AND 2009**

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

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

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

**A. Reporting Entity**

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

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

However, the municipalities in the State of New Jersey do not prepare financial statements in accordance with GAAP and thus do not comply with all of the GASB pronouncements. The financial statements contained herein include only those boards, bodies, officers or commissions as required by NJS 40A:5-5. Accordingly, the financial statements of the Township do not include the Volunteer Fire Department and the First Aid Squad which are considered component units under GAAP. Complete financial statements of the above components can be obtained by contacting the Treasurer of the respective entity.

**TOWNSHIP OF MANSFIELD**

**NOTES TO FINANCIAL STATEMENTS  
YEARS ENDED DECEMBER 31, 2010 AND 2009  
CONTINUED**

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

**B. Basis of Accounting**

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

The Township has the following funds and account groups:

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

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

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

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

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

Public Assistance Fund - This fund is used to account for the receipt and disbursement of funds that provide assistance to certain residents of the Township pursuant to Title 44 of New Jersey Statutes.

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

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

## TOWNSHIP OF MANSFIELD

### NOTES TO FINANCIAL STATEMENTS YEARS ENDED DECEMBER 31, 2010 AND 2009 CONTINUED

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

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

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

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

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

##### Budgets and Budgetary Accounting

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

**TOWNSHIP OF MANSFIELD**

**NOTES TO FINANCIAL STATEMENTS  
YEARS ENDED DECEMBER 31, 2010 AND 2009  
CONTINUED**

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

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

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

Animal Control Trust Fund	Public Assistance Fund
General Capital Fund	Trust Fund

The governing body shall introduce and approve the annual budget not later than February 10, of the fiscal year. The budget shall be adopted not later than March 20, and prior to adoption must be certified by the Division of Local Government Services, Department of Community Affairs, State of New Jersey. The Director of the Division of Local Government Services, with the approval of the Local Finance Board may extend the introduction and approval and adoption dates of the municipal budget. The budget is prepared by fund, function, activity and line item (salary or other expense) and includes information on the previous year. The legal level of control for appropriations is exercised at the individual line item level for all operating budgets adopted. Emergency appropriations, those made after the adoption of the budget and determination of the tax rate, may be authorized by the governing body of the municipality. During the last two months of the fiscal year, the governing body may, by a 2/3 vote, amend the budget through line item transfers. Management has no authority to amend the budget without the approval of the Governing Body. Expenditures may not legally exceed budgeted appropriations at the line item level. During 2010, the Township Committee increased the original current fund budget by \$42,332.61 for additional special items of revenue. In addition, several budget transfers were approved by the governing body.

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

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

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

**TOWNSHIP OF MANSFIELD**

**NOTES TO FINANCIAL STATEMENTS  
YEARS ENDED DECEMBER 31, 2010 AND 2009  
CONTINUED**

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

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

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

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

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

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

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

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

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

Fixed assets used in Governmental operations (general fixed assets) are accounted for in the General Fixed Assets Account Group. Public domain (infrastructure) general fixed assets consisting of certain improvements other than buildings, such as road, bridges, curbs and gutters, streets, sidewalks and drainage systems are not capitalized.

**TOWNSHIP OF MANSFIELD**

**NOTES TO FINANCIAL STATEMENTS  
YEARS ENDED DECEMBER 31, 2010 AND 2009  
CONTINUED**

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

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

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

No depreciation has been provided for in the financial statements.

Expenditures for construction in progress are recorded in the Capital funds until such time as the construction is completed and put into operation.

Fixed assets acquired through grants in aid or contributed capital have not been accounted for separately.

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

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

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

**C. Basic Financial Statements**

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

**TOWNSHIP OF MANSFIELD**

**NOTES TO FINANCIAL STATEMENTS  
YEARS ENDED DECEMBER 31, 2010 AND 2009  
CONTINUED**

**NOTE 2: BUDGETARY INFORMATION**

Under New Jersey State Statues, the annual budget is required to be a balanced cash basis document. To accomplish this, the municipality is required to establish a reserve for uncollected taxes. The 2010 statutory budget included a reserve for uncollected taxes in the amount of \$583,960.95. To balance the budget, the municipality is required to show a budgeted fund balance. The amount of fund balance budgeted to balance the 2010 statutory budget was \$185,000.00.

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

N.J.S.A. 40A:4-87 permits special items of revenue and appropriations to be inserted into the annual budget when the item has been made available by any public or private funding source and the item was not determined at the time of budget adoption. During 2010, funding in the amount of \$42,332.61 was inserted into the budget for Interlocal Service Agreement - Municipal Court, Salaries & Wages and Body Armor.

The municipality may make emergency appropriations, after the adoption of the budget, for a purpose which was not foreseen at the time the budget was adopted or for which adequate provision was not made therein. This type of appropriation shall be made to meet a pressing need for public expenditure to protect or promote the public health, safety, morals or welfare or to provide temporary housing or public assistance prior to the next succeeding fiscal year. Emergency appropriations, except those classified as a special emergency, must be raised in the budgets of the succeeding year. Special emergency appropriations are permitted to be raised in the budgets of the succeeding three or five years. During 2010, there were no emergency authorizations.

**NOTE 3: GENERAL FIXED ASSETS**

The following schedule is a summarization of the changes in general fixed assets for the calendar year ended December 31, 2010.

	Balance as of <u>12/31/09</u>	<u>Additions</u>	<u>Disposed</u>	Balance as of <u>12/31/10</u>
Land	\$3,134,180.00	\$ -	\$ -	\$3,134,180.00
Buildings	424,100.00	-	-	424,100.00
Equipment, Furniture & Vehicles	<u>2,246,612.17</u>	<u>-</u>	<u>-</u>	<u>2,246,612.17</u>
	<u>\$5,804,892.17</u>	<u>-</u>	<u>-</u>	<u>\$5,804,892.17</u>

**TOWNSHIP OF MANSFIELD**

**NOTES TO FINANCIAL STATEMENTS  
YEARS ENDED DECEMBER 31, 2010 AND 2009  
CONTINUED**

**NOTE 4: MUNICIPAL DEBT**

Long-term debt as of December 31, 2010 consisted of the following:

	<u>Balance</u> <u>Dec. 31, 2009</u>	<u>Additions</u>	<u>Reductions</u>	<u>Balance</u> <u>Dec. 31, 2010</u>	<u>Amounts</u> <u>Due</u> <u>Within</u> <u>One Year</u>
Bonds Payable -					
General Obligation Debt	\$3,103,000.00	\$ -	\$266,000.00	\$2,837,000.00	\$293,500.00
New Jersey Economic Resources Loan	90,000.00	-	22,500.00	67,500.00	22,500.00
Other Liabilities -					
Compensated Absences Payable	<u>411,338.59</u>	<u>-</u>	<u>538.67</u>	<u>410,799.92</u>	<u>-</u>
	<u>\$3,604,338.59</u>	<u>-</u>	<u>\$289,038.67</u>	<u>\$3,315,299.92</u>	<u>\$316,000.00</u>

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

The Township's debt is summarized as follows:

<u>Issued</u>	<u>Year 2010</u>	<u>Year 2009</u>	<u>Year 2008</u>
General Capital Fund:			
Bonds, Loans and Notes	<u>\$3,189,500.00</u>	<u>\$3,193,000.00</u>	<u>\$3,466,500.00</u>
Total Issued	<u>3,189,500.00</u>	<u>3,193,000.00</u>	<u>3,466,500.00</u>
<u>Authorized But Not Issued</u>			
General Capital Fund:			
Bonds and Notes	<u>93,469.60</u>	<u>157,897.25</u>	<u>222,397.25</u>
Total Authorized But Not Issued	<u>93,469.60</u>	<u>157,897.25</u>	<u>222,397.25</u>
Net Bonds & Notes Issued & Authorized But Not Issued	<u>\$3,282,969.60</u>	<u>\$3,350,897.25</u>	<u>\$3,688,897.25</u>

**TOWNSHIP OF MANSFIELD**

**NOTES TO FINANCIAL STATEMENTS  
YEARS ENDED DECEMBER 31, 2010 AND 2009  
CONTINUED**

**NOTE 4: MUNICIPAL DEBT (CONTINUED)**

SUMMARY OF STATUTORY DEBT CONDITION - ANNUAL DEBT STATEMENTS

The summarized statement of debt condition which follows is prepared in accordance with the required method of setting up the Annual Debt Statement and indicates a statutory net debt of .36%.

	<u>Gross Debt</u>	<u>Deductions</u>	<u>Net Debt</u>
Local School District Debt	\$ 1,930,000.00	\$ 1,930,000.00	\$ -
Regional High School	8,894,481.00	8,894,481.00	-
General Debt	<u>3,282,969.60</u>	<u>-</u>	<u>3,282,969.60</u>
	<u>\$14,107,450.60</u>	<u>\$10,824,481.00</u>	<u>\$3,282,969.60</u>

Net Debt \$3,282,969.60 divided by average equalized valuation basis per N.J.S.A. 40A:2-2 as amended, \$902,727,191.00 = .36%.

Analysis of long-term debt as of December 31, 2010 consisted of the following:

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

\$450,000.00 General Improvement Loan, State of New Jersey, Economic Development Authority, dated 8/15/1994 payable in annual installments through 8/15/2013. Interest is paid semi-annually at a rate of 1.50% per annum. The balance remaining as of December 31, 2010 was \$67,500.00.

\$1,481,000.00 General Improvement Bond dated 12/1/2001 payable in annual installments through 9/1/2021. Interest is paid semi-annually at a rate of 5.20% per annum. The balance remaining as of December 31, 2010, was \$1,033,000.00.

\$2,284,000.00 General Improvement Bond dated 9/1/2003 payable in annual installments through 9/1/2026. Interest is paid semi-annually at a rate of 4.375% per annum. The balance remaining as of December 31, 2010, was \$1,584,000.00.

\$610,000.00 General Obligation Refunding Bond dated 9/1/2003 payable in annual installments through 9/1/2014. Interest is paid semi-annually at a rate of 3.875% per annum. The balance remaining as of December 31, 2010, was \$220,000.00.

Total General Capital Bonds and Loans listed above	<u>\$2,904,500.00</u>
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**TOWNSHIP OF MANSFIELD**

**NOTES TO FINANCIAL STATEMENTS  
YEARS ENDED DECEMBER 31, 2010 AND 2009  
CONTINUED**

**NOTE 4: MUNICIPAL DEBT (CONTINUED)**

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

3 ½% of Average Equalized Valuation Basis	31,595,451.68
Net Debt	<u>3,282,969.60</u>
Remaining Borrowing Power	<u><u>28,312,482.08</u></u>

AVERAGE EQUALIZED VALUATION PER N.J.S.A. 40A:2-2 - SUMMARY

2010	902,727,191.00		
2009		934,976.822.00	
2008			920,959,542.00

The foregoing debt information is in agreement with the Annual Debt Statement filed by the Chief Financial Officer.

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

Calendar Year	General		
	Principal	Interest	Total
2011	\$ 293,500.00	\$132,553.50	\$ 426,053.50
2012	297,500.00	120,090.26	417,590.26
2013	218,500.00	107,452.00	325,952.00
2014	241,000.00	98,270.02	339,270.02
2015	186,000.00	87,126.76	273,126.76
2016-2020	980,000.00	297,610.04	1,277,610.04
2021-2025	593,000.00	91,242.30	684,242.30
2026	<u>95,000.00</u>	<u>4,156.26</u>	<u>99,156.26</u>
 Total Debt	 <u>\$2,904,500.00</u>	 <u>\$938,501.14</u>	 <u>\$3,843,001.14</u>

**NOTE 5: BOND ANTICIPATION NOTES**

The following activity related to bond anticipation notes occurred during the calendar year ended December 31, 2010.

	Balance <u>12/31/09</u>	Additions	Reductions	Balance <u>12/31/10</u>
General Capital Fund:				
Skylands Management Co. Inc.	<u>-</u>	<u>285,000.00</u>	<u>-</u>	<u>285,000.00</u>

**TOWNSHIP OF MANSFIELD**

**NOTES TO FINANCIAL STATEMENTS  
YEARS ENDED DECEMBER 31, 2010 AND 2009  
CONTINUED**

**NOTE 5: BOND ANTICIPATION NOTES (CONTINUED)**

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

The Township has outstanding at December 31, 2010, a bond anticipation note in the amount of \$285,000.00 payable to Skylands Management Co. Inc. This note matured on 5/25/11 and it is the intent of the Township Committee to renew this note for another one year period. The current interest rate on this note is 1.95%. The Township renewed this note on 5/25/11, payable to Skylands Management Co. Inc., with an interest rate of 2.10%.

**NOTE 6: DUE TO/FROM OTHER FUNDS**

Balances due to/from other funds at December 31, 2010 consist of the following:

\$89,563.59	Due to Current Fund from Federal and State Grant Fund for Federal and State Grants received and disbursed by the Current Fund.
2,338.19	Due to Current Fund from Animal Control Trust Fund for various receipts and disbursements made in Current Fund for Animal Control Trust Fund.
95,083.00	Due to General Capital Fund from Current Fund for various receipts and disbursements made in General Capital Fund for Current Fund
36,452.99	Due to Current Fund from Other Trust Fund for various receipts and disbursements made in Current Fund for Other Trust Fund.
<u>36,000.00</u>	Due to Other Trust Fund from General Capital Fund for various receipts and disbursements made from Other Trust Fund for General Capital Fund.
<u>\$259,437.77</u>	

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

**TOWNSHIP OF MANSFIELD**

**NOTES TO FINANCIAL STATEMENTS  
YEARS ENDED DECEMBER 31, 2010 AND 2009  
CONTINUED**

**NOTE 7: FUND BALANCES APPROPRIATED**

Fund balances at December 31, 2010, which were appropriated and included as anticipated revenue in their own respective funds for the year ending December 31, 2011, are per the adopted budget as follows:

Current Fund	<u>\$187,000.00</u>
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**NOTE 8: PENSION PLANS**

Description of Systems:

Substantially all of the Township's employees participate in one of the following contributory defined benefit public employee retirement systems which have been established by State statute: the Police and Firemen's Retirement System (PFRS) or the Public Employees' Retirement System (PERS). These systems are sponsored and administered by the State of New Jersey. The Public Employees' Retirement System and the Police and Firemen's Retirement System (PFRS) are considered a cost sharing multiple-employer plans. According to the State of New Jersey Administrative Code, all obligations of the systems will be assumed by the State of New Jersey should the systems terminate.

*Public Employees' Retirement System (PERS)*

The Public Employees' Retirement System was established in January, 1955 under the provisions of N.J.S.A. 43:15A to provide coverage including post-retirement health care to substantially all full time employees of the State or any county, municipality, school district or public agency provided the employee is not required to be a member of another State-administered retirement system. Membership is mandatory for such employees and vesting occurs after 8-10 years of service and 25 years for health care coverage. Members are eligible for retirement at age 60 with an annual benefit generally determined to be 1/55th of the average annual compensation for the highest three fiscal years' compensation for each year of membership during years of creditable service. Early retirement is available to those under age 60 with 25 or more years of credited service. Members are always fully vested for their own contributions and, after three years of service credit, become vested for 2% of related interest earned on contributions. In case of death before retirement, members' beneficiaries are entitled to full interest credited to the members' accounts.

Chapter 103, P.L. 2007 amended the early retirement reduction formula for members hired on or after July 1, 2007 and retiring with 25 years of service to be reduced by 1% for every year between age 55 and 60, plus 3% for every year under age 55.

**TOWNSHIP OF MANSFIELD**

**NOTES TO FINANCIAL STATEMENTS  
YEARS ENDED DECEMBER 31, 2010 AND 2009  
CONTINUED**

**NOTE 8: PENSION PLANS (CONTINUED)**

Description of Systems, (continued)

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

Chapter 89, P.L. 2008 increased the PERS eligibility age for unreduced benefits from age 60 to age 62 for members hired on or after November 1, 2008; increased the minimum annual compensation required for membership eligibility for new members. Also, it amended the early retirement reduction formula for members hired on or after November 1, 2008 and retiring with 25 years of service to be reduced by 1% for every year between age 55 and 62, plus 3% for every year under age 55.

Chapter 1, P.L. 2010, effective May 21, 2010, changed the membership eligibility criteria for new members of PERS from the amount of compensation to the number of hours worked weekly. Also, it returned the benefit multiplier for new members of PERS to 1/60 from 1/55, and it provided that new members of PERS have the retirement allowance calculated using the average annual compensation for the last five years of service instead of the last three years of service. New members of PERS will no longer receive pension service credit from more than one employer. Pension service credit will be earned for the highest paid position only. This law also closed the Prosecutors Part of the PERS to new members and repealed the law for new members that provided a non-forfeitable right to receive a pension based on the laws of the retirement system in place at the time 5 years of pension service credit is attained. The law also requires the State to make its full pension contribution, defined as 1/7th of the required amount, beginning in fiscal year 2012.

Chapter 3, P.L. 2010, effective May 21, 2010, replaced the accidental and ordinary disability retirement for new members of PERS with disability insurance coverage similar to that provided by the State to individuals enrolled in the State's Defined Contribution Retirement Program.

*Police and Firemens' Retirement System (PFRS)*

The Police and Firemens' Retirement System was established in July 1944 under the provisions of N.J.S.A. 43:16A to provide retirement, death and disability benefits to its members. Membership is mandatory for all full time county and municipal police and firemen, and state firemen or officer employees with police powers appointed after June 30, 1944.

Enrolled members of the Police and Firemens' Retirement System may retire at age 55 with no minimum service requirement. The annual allowance is equal to 2% of the members' final compensation for each year of service up to 30 years, plus 1% of each year of creditable service over 30 years. Final compensation equals the compensation for the final year of service prior to retirement. Special retirement is permitted to members who have 25 or more years of creditable service in the system.

**TOWNSHIP OF MANSFIELD**

**NOTES TO FINANCIAL STATEMENTS  
YEARS ENDED DECEMBER 31, 2010 AND 2009  
CONTINUED**

**NOTE 8: PENSION PLANS (CONTINUED)**

Description of Systems, (continued)

*Police and Firemens' Retirement System (PFRS), (continued)*

Benefits fully vest on reaching 10 years of service. Members are always fully vested for their own contributions. In the case of death before retirement, members' beneficiaries are entitled to full payment of members' contributions.

Chapter 1, P.L. 2010, effective May 21, 2010, eliminated the provision in PFRS that would permit a member to retire, at any age after 25 years of service credit, on a special retirement allowance of 70% of final compensation after the retirement system reaches a funded level of 104%. Also, for new members of PFRS, the law capped the maximum compensation that can be used to calculate a pension from the plan at the annual wage contribution base for Social Security, and requires the pension to be calculated using a three year average annual compensation instead of the last year's salary.

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

Significant Legislation

On March 17, 2009, the legislative of the State of New Jersey enacted Public Laws 2009, c.19(S-21) the "Pension Deferral Program". This law allows the Division of Pensions and Benefits to provide non-state government pension system employers the option of paying their full amount, or an amount that reflects a 50 percent reduction of the normal and accrued liability component of the Public Employees' Retirement System and/or the Police and Firemen's Retirement System obligation for payment due to the State Fiscal Year ending June 30, 2009. The amount deferred will be repaid starting in April 2012 over a 15-year period at 8¼ percent. The amount will fluctuate based on pension system investment earnings on the deferred amount. The local employer is allowed to payoff the obligation at any time prior to April 2012.

The Township of Mansfield opted not to defer.

Contribution Requirements

The contribution policy is set by laws of the State of New Jersey and, in most retirement systems, contributions are required by active members and contributing employers. Plan member and employer contributions may be amended by State of New Jersey legislation. The pension funds provide for employee

**TOWNSHIP OF MANSFIELD**

**NOTES TO FINANCIAL STATEMENTS  
YEARS ENDED DECEMBER 31, 2010 AND 2009  
CONTINUED**

**NOTE 8: PENSION PLANS (CONTINUED)**

Contribution Requirements (continued)

contributions based on 5.0% for PERS and 8.5% for PFRS of the employee's annual compensation, as defined through June 30, 2007. Under Chapter 92, P.L. 2007 and Chapter 103, P.L. 2007, the PERS and employee contribution rate will increase to 5.5 percent effective July 1, 2007. Employers are required to contribute at an actuarially determined rate in all Funds except the SACT. The actuarially determined employer contribution includes funding for cost-of-living adjustments and noncontributory death benefits in the PERS and PFRS. In the PERS and PFRS, the employer contribution includes funding for post-retirement medical premiums.

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

<u>Year Ended December 31,</u>	<u>PERS</u>	<u>PFRS</u>
2010	\$83,391.00	\$257,379.00
2009	39,561.00	119,830.00
2008	56,680.80	193,510.00

Defined Contribution Retirement Program

The Defined Contribution Retirement Program (DCRP) was established on July 1, 2007 for certain public employees under the provisions of Chapter 92, P.L. 2007 and Chapter 103, P.L. 2007. The program provides eligible members, with a minimum base salary of \$1,500 or more, with a tax-sheltered, defined contribution retirement benefit, in addition to life insurance and disability coverage. The DCRP is jointly administered by the Division of Pensions and Benefits and Prudential Financial.

If the eligible elected or appointed official will earn less than \$5,000 annually, the official may choose to waiver participation in the DCRP for that office or position. The waiver is irrevocable.

This retirement program is a new pension system where the value of the pension is based on the amount of the contribution made by the employee, employer and through investment earnings. It is similar to a Deferred Compensation Program where the employee has a portion of tax deferred salary placed into an account that the employee manages through investment option provided by the employer.

**TOWNSHIP OF MANSFIELD**

**NOTES TO FINANCIAL STATEMENTS  
YEARS ENDED DECEMBER 31, 2010 AND 2009  
CONTINUED**

**NOTE 8: PENSION PLANS (CONTINUED)**

Defined Contribution Retirement Program, (continued)

The law requires that three classes of employees enroll in the DCRP detailed as follows:

All elected officials taking office on or after July 1, 2007, except that a person who is reelected to an elected office held prior to that date without a break in service may retain in the PERS. A Governor appointee with advice and consent of the Legislature or who serves at the pleasure of the Governor only during that Governor's term of office.

Other employees commencing service after July 1, 2007, pursuant to an appointment by an elected official or elected governing body which include the statutory untenured Chief Administrative Officer such as the Business Administrator, County Administrator, or Municipal or County Manager, Department Heads, Legal Counsel, Municipal or County Engineer, Municipal Prosecutor and the Municipal Court Judge.

Notwithstanding the foregoing requirements, other employees who hold a professional license or certificate or meet other exceptions are permitted to join or remain in PERS.

**NOTE 9: ACCRUED SICK AND VACATION BENEFITS**

The Township has permitted employees to accrue a limited amount of unused vacation and sick pay, which may be taken as time off or paid upon retirement or separation at the employee's current rate at such termination. It is expected that the cost of such unpaid compensation would be included in the Townships budget operating expenditures in the year in which it is used. It is estimated that current cost of such unpaid compensation would approximate \$410,799.92.

**NOTE 10: CASH, CASH EQUIVALENTS AND INVESTMENTS**

Cash

Custodial Credit Risk - Deposits

Custodial credit risk is the risk that in the event of a bank failure, the government's deposits may not be returned to it. The Township's policy is based on New Jersey Statutes requiring cash be deposited only in New Jersey based banking institutions that participate in New Jersey Governmental Depository Protection Act (GUDPA) or in qualified investments established in New Jersey Statutes 40A:5-15.1(a) that are treated as cash equivalents. As of December 31, 2010, \$-0- of the Township's bank balance of \$2,381,541.94 was exposed to custodial credit risk.

## TOWNSHIP OF MANSFIELD

### NOTES TO FINANCIAL STATEMENTS YEARS ENDED DECEMBER 31, 2010 AND 2009 CONTINUED

#### NOTE 10: CASH, CASH EQUIVALENTS AND INVESTMENTS (CONTINUED)

##### Investments

##### Investment Rate Risk

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

##### Credit Risk

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

##### Concentration of Credit Risk

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

#### NOTE 11: RISK MANAGEMENT

The Township is exposed to various risks of loss related to general liability, automobile coverage, damage and destruction of assets; errors and omissions; injuries to employees; and natural disasters. The Township has obtained insurance coverage to guard against these events which will provide minimum exposure to the Township should they occur. During the 2010 calendar year, the Township did not incur claims in excess of their coverage and the amount of coverage did not significantly decrease.

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

**TOWNSHIP OF MANSFIELD**

**NOTES TO FINANCIAL STATEMENTS  
YEARS ENDED DECEMBER 31, 2010 AND 2009  
CONTINUED**

**NOTE 11: RISK MANAGEMENT (CONTINUED)**

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

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

Financial statements for P.A.I.C. are available at the office of the P.A.I.C's Administrator, Brown, & Brown.

**NOTE 12: LEASES**

On January 30, 2008, the Township entered into a long-term lease for a phone system totaling \$18,729.54. The lease is for a four (4) year term expiring on 11/5/2011. The interest rate is 4.77%. A payment of \$125.00 was made on the date of inception of the lease.

On November 15, 2010, the Township entered into a long-term lease for the purchase of a Ford Crown Victoria, totaling \$24,169.70. The Lease is for a three (3) year term expiring on 11/15/2012. The interest rate is 5.50%. A payment of \$8,491.56 was made on the date of inception of the lease.

The following is a schedule of future minimum lease payments as of December 31, 2010:

Total minimum lease payment	\$22,098.12
Less: amount representing interest	<u>1,377.94</u>
Present Value of net minimum lease payments	<u>\$20,720.18</u>

Calendar <u>Year</u>	<u>Principal</u>	<u>Interest</u>	<u>Total Lease Payments</u>
2011	\$12,671.30	\$ 935.26	\$13,606.56
2012	<u>8,048.88</u>	<u>442.68</u>	<u>8,491.56</u>
	<u>\$20,720.18</u>	<u>\$1,377.94</u>	<u>\$22,098.12</u>

**TOWNSHIP OF MANSFIELD**

**NOTES TO FINANCIAL STATEMENTS  
YEARS ENDED DECEMBER 31, 2010 AND 2009  
CONTINUED**

**NOTE 13: PUBLIC ASSISTANCE**

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

**NOTE 14: HEALTH INSPECTIONS**

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

**NOTE 15: TAXES COLLECTED IN ADVANCE**

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

	<u>Balance Dec 31, 2010</u>	<u>Balance Dec 31, 2009</u>
Prepaid Taxes	<u>\$104,572.82</u>	<u>\$77,854.95</u>
Cash Liability for Taxes Collected in Advance	<u>\$104,572.82</u>	<u>\$77,854.95</u>

**NOTE 16: LOCAL AND REGIONAL SCHOOL TAXES**

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

The Township has elected to defer school taxes as follows:

	Local School District Tax Balance <u>Dec. 31, 2010</u>	Regional School District Tax Balance <u>Dec. 31, 2010</u>
Balance of Tax	2,461,434.12	2,615,123.85
Deferred	<u>2,392,409.04</u>	<u>2,615,123.85</u>
Tax Payable	<u>69,025.08</u>	<u>-</u>

**TOWNSHIP OF MANSFIELD**

**NOTES TO FINANCIAL STATEMENTS  
YEARS ENDED DECEMBER 31, 2010 AND 2009  
CONTINUED**

**NOTE 17: OTHER POST EMPLOYMENT BENEFITS**

In addition to the pension benefits described in Note 8, the Township provides post employment health care benefits in accordance with the provisions of Ch. 88, P.L. 1974 as amended by Chapter 436, P.L. 1981, at its cost, to all Township retirees who (1) have retired on disability pension, and (2) employees who have retired after twenty-five (25) years or more of service in a State or locally administered retirement system.

Health Insurance, dental coverage, prescription coverage and reimbursement of Federal Part B medicare premiums are provided for retirees and their dependents.

The Township funds these benefits on a pay-as-you-go basis and therefore does not record accrued expenses to these benefits. During 2010, there were seven (7) retired employees who received this benefit at a cost of \$122,658.03.

The above post employment benefits required the Township to implement the requirements of Governmental Accounting Standards Board (GASB), Statement No. 45, *Accounting and Financial Reporting by Employers for Postemployment Benefits Other Than Pensions*; however, the Township did not implement this standard for 2010.

**NOTE 18: COMMITMENTS AND CONTINGENT LIABILITIES**

We are advised by the Township's Counsel, that there are no matters that would have a material effect on the Township's financial position.

**SUPPLEMENTARY DATA**

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

**OFFICIALS IN OFFICE AND SURETY BONDS**

YEAR ENDED DECEMBER 31, 2010

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

<u>Name</u>	<u>Title</u>
Ted Tomaszewski	Mayor
Robert Jewell	Deputy Mayor
George Baldwin	Committeeperson
Ellen Nerbak	Committeeperson
Joseph Watters	Committeeperson
Dena Hrebenak	Municipal Clerk, Registrar
Joel Kobert, Esq.	Attorney
Drew DiSessa	Engineer; Zoning Officer
Andrew Coppola	Finance Officer; Deputy Tax Collector to 10/1/10
Rebecca Harm	Acting Chief Finance Officer from 10/1/10
Rebecca Harm	Tax Collector, Tax Search Officer
Bernard Murdock	Tax Assessor
J. Edward Palmer	Court Judge
Jerilynn Harris	Court Administrator
Thomas M. Ferry, CPA, RMA	Auditor

There is in effect a Public Employee Blanket Bond in the amount of \$950,000 per person issued by Municipal Excess Liability Joint Insurance Fund.

All of the bonds were examined and properly executed.

**Township of Mansfield**  
**Schedule of Expenditures of State Financial Assistance**  
**For the Year Ended December 31, 2010**

State Grant/Program Title	Grant or State Project Number	Program or Award Amount	Grant Period From/To	12/31/2009		12/31/2010		MEMO Cumulative Total Expenditures
				(Receivable)	Reserve Balance	(Receivable)	Reserve Balance	
<b>FEDERAL AND STATE GRANT FUND</b>								
NJ Department of Solid Waste Administration:								
Clean Communities	4900-765-042-1900-004-V42Y-6020	16,730.63	1/1/09-12/31/09		5,392.44			16,730.63
Clean Communities	4900-765-042-1900-004-V42Y-6020	17,421.59	1/1/10-12/31/10	17,421.59	9,576.16		7,845.43	9,576.16
Recycling Tonnage	4900-752-042-1900-001-V42Y-6020	2,802.04	1/1/05-12/31/05					2,802.04
Recycling Tonnage	4900-752-042-1900-001-V42Y-6020	5,148.68	1/1/06-12/31/06		4,034.26			5,148.68
Recycling Tonnage	4900-752-042-1900-001-V42Y-6020	2,722.99	1/1/07-12/31/07		2,722.99			2,722.99
Recycling Tonnage	4900-752-042-1900-001-V42Y-6020	5,636.03	1/1/08-12/31/08		2,415.35			2,415.35
Recycling Tonnage	4900-752-042-1900-001-V42Y-6020	12,170.47	1/1/09-12/31/09	17,421.59	24,141.20		23,236.58	
<b>Total NJ Department of Solid Waste Administration:</b>								
		4,000.00	1/1/09-12/31/09	4,000.00	4,000.00		4,000.00	4,000.00
		4,000.00	1/1/10-12/31/10	4,000.00	4,000.00		4,000.00	
<b>Total NJ Department of Highway Traffic Safety:</b>								
NJ Division of Law & Public Safety:								
Body Armor	1160-100-066-1160-113-YHTS-6020	4,000.00	1/1/09-12/31/09					
Body Armor	1160-100-066-1160-113-YHTS-6020	4,000.00	1/1/10-12/31/10	4,000.00	4,000.00		4,000.00	
<b>Total NJ Division of Law &amp; Public Safety:</b>								
		1,465.81	1/1/08-12/31/08	777.27	777.27		621.40	1,465.81
		2,470.13	1/1/10-12/31/10	2,470.13	1,848.73		621.40	1,848.73
<b>Total NJ Division of Motor Vehicles:</b>								
Drunk Driving Enforcement Fund	6400-100-078-6400-YYYY	2,526.38	1/1/07-12/31/07					2,526.38
Drunk Driving Enforcement Fund	6400-100-078-6400-YYYY	1,714.34	1/1/09-12/31/09		482.52			1,714.34
Drunk Driving Enforcement Fund	6400-100-078-6400-YYYY	5,635.52	1/1/10-12/31/10	5,635.52	1,469.44		4,166.08	1,469.44
<b>Total NJ Department of Environmental Protection:</b>								
Environmental Grant	N/A	1,000.00	1/1/05-12/31/05			133.04		1,000.00
Stormwater Regulation	WQ04-581	6,351.00	1/1/04-12/31/04	(1,000.00)	866.96	60.00		6,351.00
Stormwater Regulation	N/A	2,117.00	1/1/05-12/31/05	(60.00)	117.40	(60.00)		2,059.60
Stormwater Regulation	N/A	6,351.00	1/1/06-12/31/06	(1,060.00)	7,335.36	133.04		6,351.00
<b>Total NJ Department of Community Affairs:</b>								
SHARE Feasibility Study	2008-04665-2953-00	3,691.00	8/1/08-1/31/10	(733.50)	425.92			3,691.00
SHARE Police Feasibility Study	2009-04665-1741-01	31,900.00	06/01/09-11/30/10		12,760.00			12,760.00
Municipal Court Alcohol Education	9735-760-098-Y900-001-X100-6020	803.41	1/1/02-12/31/02		0.41			803.00
Municipal Court Alcohol Education	9735-760-098-Y900-001-X100-6020	107.09	1/1/08-12/31/08	(733.30)	465.91			67.51
<b>Total NJ Department of Human Services:</b>								
Municipal Alliance	N/A	12,994.00	1/1/07-12/31/07	(3,196.00)				12,994.00
Municipal Alliance	N/A	7,194.00	1/1/08-12/31/08	(4,995.00)				7,194.00
Municipal Alliance	N/A	7,194.00	1/1/09-12/31/09		6,150.78			7,194.00
Municipal Alliance	N/A	7,194.00	1/1/10-12/31/10	(8,191.00)	6,150.78			11,222.00
<b>Total NJ Department of Human Services:</b>								
		12,994.00	1/1/07-12/31/07	(3,196.00)				12,994.00
		7,194.00	1/1/08-12/31/08	(4,995.00)				7,194.00
		7,194.00	1/1/09-12/31/09		6,150.78			7,194.00
		7,194.00	1/1/10-12/31/10	(8,191.00)	6,150.78			11,222.00

Note: This schedule was not subject to an audit in accordance with N.J.OMB Circular 04-04.

Township of Mansfield  
 Schedule of Expenditures of State Financial Assistance  
 For the Year Ended December 31, 2010

State Grantor/Program Title	Grant or State Project Number	Program or Award Amount	Grant Period From/To	12/31/2009		12/31/2010		MEMO Cumulative Total Expenditures
				(Receivable)	Reserve Balance	(Receivable)	Reserve Balance	
NJ Highlands Water Protection and Planning Council:								
Highlands Plan Conference	09-033-011-2116	50,000.00	1/1/09-12/31/09	(50,000.00)	30,481.25	(50,000.00)	21,633.75	28,366.25
Highlands Assessment	09-033-010-2116	15,000.00	1/1/09-12/31/09	(15,000.00)	4,048.75	(15,000.00)	4,048.75	10,951.25
				(65,000.00)	34,530.00	(65,000.00)	25,682.50	
NJ Department of Transportation:								
Guide Rail	6320-480-078-6320-AJQ-TCAP-6010	100,000.00	1/1/06-12/31/06	(2,856.00)	3,740.00	(2,856.00)	3,740.00	96,260.00
Bikeway Path	6320-480-078-6320-AJQ-TCAP-6010	150,000.00	1/1/02-12/31/02	(14,209.60)		(14,209.60)		150,000.00
Washburn Road	6320-480-078-6320-AKC-TCAP-6010	150,000.00	1/1/09-12/31/09	(83,177.00)	50,086.35	(83,177.00)	8,708.91	141,291.09
				(100,242.60)	53,826.35	(100,242.60)	12,448.91	
<b>Total NJ Department of Transportation:</b>				(175,227.10)	137,524.38	(175,227.10)	102,926.64	
<b>TOTAL STATE AID</b>								

Note: This schedule was not subject to an audit in accordance with N.J.OMB Circular 04-04.

**TOWNSHIP OF MANSFIELD**

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

**CURRENT FUND**

	<u>Year 2010</u>		<u>Year 2009</u>	
	<u>Amount</u>	<u>%</u>	<u>Amount</u>	<u>%</u>
<b><u>Revenue and Other Income Realized</u></b>				
Fund Balance Utilized	185,000.00	0.84%	445,100.00	2.02%
Miscellaneous - From Other Than Local Property Tax Levies	1,816,078.61	8.28%	1,881,922.19	8.52%
Collection of Delinquent Taxes and Tax Title Liens	470,636.19	2.14%	436,920.37	1.98%
Collection of Current Tax Levy	19,238,201.13	87.68%	19,164,940.20	86.80%
Other Credits to Income	<u>232,195.34</u>	<u>1.06%</u>	<u>149,590.86</u>	<u>0.68%</u>
<b><u>Total Revenue and Other Income Realized</u></b>	<b><u>21,942,111.27</u></b>	<b><u>100.00%</u></b>	<b><u>22,078,473.62</u></b>	<b><u>100.00%</u></b>
 <b><u>Expenditures</u></b>				
Budget Expenditures:				
Municipal Purposes	4,987,663.20	22.94%	5,070,297.47	23.03%
Local and Regional School Taxes	11,005,244.96	50.61%	10,703,489.24	48.62%
County Taxes	5,469,090.24	25.15%	5,919,139.82	26.88%
Municipal Open Space	198,893.92	0.91%	132,666.81	0.60%
Other Expenditures	<u>84,262.22</u>	<u>0.39%</u>	<u>191,221.89</u>	<u>0.87%</u>
<b><u>Total Expenditures</u></b>	<b><u>21,745,154.54</u></b>	<b><u>100.00%</u></b>	<b><u>22,016,815.23</u></b>	<b><u>100.00%</u></b>
 <b>Excess (Deficit) in Revenue</b>	 196,956.73		 61,658.39	
 <b>Adjustments to Income Before Fund Balance:</b>				
 <b>Expenditures Included Above Which are by Statute Deferred Charges to Budget of Succeeding Year</b>	   <u>80,500.00</u>		   <u>80,500.00</u>	
 <b>Statutory Excess to Fund Balance</b>	 196,956.73		 142,158.39	
 <b>Fund Balance, January 1,</b>	 <u>266,288.05</u>		 <u>569,229.66</u>	
	463,244.78		711,388.05	
 <b>Less:</b>				
<b>Utilized as Anticipated Revenue</b>	<u>185,000.00</u>		<u>445,100.00</u>	
 <b>Fund Balance, December 31,</b>	 <u>278,244.78</u>		 <u>266,288.05</u>	

COMPARATIVE SCHEDULE OF TAX RATE INFORMATION

	<u>2010</u>	<u>2009</u>	<u>2008</u>
<u>Tax Rate</u>	<u>3.031</u>	<u>2.976</u>	<u>2.875</u>
<u>Apportionment of Tax Rate</u>			
Municipal	.488	.428	.359
County	.841	.892	.872
Local School	.785	.730	.751
Regional High School	.887	.906	.864
Municipal Open Space	.030	.020	.029

Assessed Valuation:

2010	651,440,597.00		
2009		662,719,410.00	
2008			662,811,775.00

COMPARISON OF TAX LEVIES AND COLLECTIONS CURRENTLY

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

<u>Year</u>	<u>Dec. 31 Tax Levy</u>	<u>Currently</u>	
		<u>Cash Collections</u>	<u>Percentage of Collections</u>
2010	19,759,480.22	19,238,201.13	97.36%
2009	19,752,368.88	19,164,940.20	97.02%
2008	19,109,031.09	18,564,828.06	97.15%
2007	18,365,546.01	17,972,662.01	97.86%
2006	17,954,282.48	17,544,316.95	97.71%

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

DELINQUENT TAXES AND TAX TITLE LIENS

<u>Year</u>	<u>Amount of Delinquent Taxes</u>	<u>Amount of Tax Title Liens</u>	<u>Total Delinquent</u>	<u>Percentage of Tax Levy</u>
2010	464,077.69	445,826.04	909,903.73	4.60%
2009	536,076.83	380,686.37	916,763.20	4.64%
2008	517,923.88	310,184.94	828,108.82	4.33%

PROPERTY ACQUIRED BY TAX TITLE LIEN LIQUIDATION

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

<u>Year</u>	<u>Amount</u>
2010	1,447,600.00
2009	1,447,600.00
2008	1,298,700.00

COMPARATIVE SCHEDULE OF FUND BALANCES

	<u>Year</u>	<u>Balance Dec. 31.</u>	<u>Utilized In Budget of Succeeding Year</u>
Current Fund:	2010	278,244.78	187,000.00
	2009	266,288.05	185,000.00
	2008	569,229.66	445,100.00
	2007	1,181,972.50	946,000.00
	2006	1,163,083.23	991,188.02

## Township of Mansfield, N.J.

## Schedule of Cash

## Current Fund

## Federal and State Grant Fund

Year Ended December 31, 2010

	<u>Ref.</u>		
Balance - December 31, 2009	A		407,498.64
Increased by Receipts:			
Miscellaneous Revenue Not Anticipated	A-2	117,794.02	
Interfund Receivable - General Capital	A-2	100,000.00	
Taxes Receivable	A-7	19,568,657.58	
Tax Title Liens Receivable	A-8	1,022.06	
Revenue Accounts Receivable	A-10	1,553,121.29	
Due From State - Senior Citizen and Veteran Deductions	A-11	61,830.81	
Interfunds	A-12	1,190,901.09	
Various Cash Liabilities and Reserves	A-15	25,952.00	
Prepaid Taxes	A-17	<u>104,572.82</u>	
			<u>22,723,851.67</u>
			23,131,350.31
Decreased by Disbursements:			
Current Year Budget Appropriations	A-3	4,421,537.67	
Interfunds	A-12	1,571,627.43	
Appropriation Reserves	A-13	23,509.20	
Various Cash Liabilities and Reserves	A-15	1,050.00	
Encumbrances Payable	A-16	42,508.36	
County Taxes Payable	A-18	5,471,857.57	
District School Taxes Payable	A-20	4,978,538.46	
High School Taxes Payable	A-21	<u>5,890,412.96</u>	
			<u>22,401,041.65</u>
Balance - December 31, 2010	A		<u><u>730,308.66</u></u>

**Township of Mansfield, N.J.**  
**Schedule of Cash - Change Fund - Collector**

**Current Fund**

**Year Ended December 31, 2010**

	<u>Ref.</u>	
Balance - December 31, 2009	A	350.00
Balance - December 31, 2010	A	350.00
<u>Analysis of Balance:</u>		
Tax Office		50.00
Clerk's Office		50.00
Court		200.00
Police Department		50.00
		350.00

A-6

**Schedule of Prepaid School Debt**

**Current Fund**

**Year Ended December 31, 2010**

	<u>Ref.</u>	
Balance - December 31, 2009	A	67,268.46
Decreased by:		
Applied to Local School Taxes	A-20	67,268.46

Township of Mansfield, N.J.

Schedule of Taxes Receivable and Analysis of Property Tax Levy

Current Fund

Year Ended December 31, 2010

Year	Balance, Dec. 31, 2009	Levy	Added Taxes	Collected 2009	2010	Senior Citizen and Veteran Deductions (Disallowed)	Transferred to Tax Title Liens	Canceled	Balance, Dec. 31, 2010
2004	4,222.26								4,222.26
2005	4,316.72				77.34				4,239.38
2006	6,240.36				737.05				5,503.31
2007	7,213.48				927.90				6,285.58
2008	13,870.12				3,295.71				10,574.41
2009	500,213.89				465,023.40	(447.27)	3,099.65	25,809.37	6,728.74
	536,076.83				470,061.40	(447.27)	3,099.65	25,809.37	37,553.68
2010		19,745,166.09	14,314.13	77,854.95	19,098,596.18	61,750.00	61,396.02	33,359.06	426,524.01
	536,076.83	19,745,166.09	14,314.13	77,854.95	19,568,657.58	61,302.73	64,495.67	59,168.43	464,077.69
	A			A-2;A-17	A-2;A-4	A-2;A-11	A-8		A

Analysis of Tax Levy

Tax yield:	Ref.
General Purpose Tax	
Added Tax (R.S. 54:4-63.1 et seq.)	19,745,166.09
	14,314.13
	<u>19,759,480.22</u>
Tax Levy:	
County Tax	A-18
Added County Taxes	A-18
	5,466,430.71
	<u>2,659.53</u>
Municipal Open Space Tax	A-19
Local District School Tax	A-20
Regional High School Tax	A-21
	A-2
	3,182,203.94
Local Tax for Municipal Purposes	
Additional Taxes	15,352.82
	<u>3,197,556.76</u>
	<u>19,759,480.22</u>

**Township of Mansfield, N.J.**  
**Schedule of Tax Title Liens Receivable**

**Current Fund**

**Year Ended December 31, 2010**

	<u>Ref.</u>		
Balance - December 31, 2009	A		380,686.37
Increased by:			
Transferred from Taxes Receivable	A-7	64,495.67	
Interest and Costs on Tax Sale		<u>644.00</u>	
			<u>65,139.67</u>
			445,826.04
Decreased by:			
Collections	A-2;A-4		<u>1,022.06</u>
Balance - December 31, 2010	A		<u><u>445,826.04</u></u>

**Schedule of Foreclosed Property**  
**At Assessed Value**

**Current Fund**

**Year Ended December 31, 2010**

	<u>Ref.</u>	
Balance - December 31, 2009	A	<u><u>1,447,600.00</u></u>
Balance - December 31, 2010	A	<u><u>1,447,600.00</u></u>

**Township of Mansfield, N.J.**  
**Schedule of Revenue Accounts Receivable**  
**Current Fund**  
**Year Ended December 31, 2010**

	<u>Ref.</u>	<u>Balance Dec. 31, 2009</u>	<u>Accrued</u>	<u>Collected</u>	<u>Balance Dec. 31, 2010</u>
Clerk:					
Licenses:					
Alcoholic Beverages	A-2		3,793.00	3,793.00	
Fees and Permits	A-2		7,440.44	7,440.44	
Municipal Court :					
Fines and Costs	A-2	6,026.53	96,403.58	97,283.95	5,146.16
Tax Collector					
Interest and Costs on Taxes	A-2		114,805.64	114,805.64	
Interest on Investments and Deposits	A-2		25,121.53	25,121.53	
Uniform Construction Code:					
Fees and Permits - Building	A-2	28,178.80	153,675.00	176,858.80	4,995.00
Consolidated Municipal Property Tax					
Relief Aid	A-2		26,864.14	26,864.14	
Energy Receipts Tax	A-2		837,129.00	837,129.00	
Police Administrative Fees	A-2		1,882.04	1,882.04	
Planning Board Fees	A-2		750.00	750.00	
DMV Fees	A-2		3,763.50	3,763.50	
Cellular Tower Rental	A-2		39,915.57	39,915.57	
Interlocal Service Agreements:					
Municipal Court - Salaries and Wages	A-2		168,159.07	168,159.07	
Municipal Court - Other Expenses	A-2		9,333.00	9,333.00	
Hotel / Motel Occupancy Fee	A-2		17,064.03	17,064.03	
Cable T.V. Franchise Fee	A-2		24,227.75	24,227.75	
		<u>34,205.33</u>	<u>1,530,327.29</u>	<u>1,554,391.46</u>	<u>10,141.16</u>
		A			A
Cash Receipts	A-4			1,553,121.29	
Interfunds	A-12			1,270.17	
				<u>1,554,391.46</u>	

## Township of Mansfield, N.J.

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

## Current Fund

## Year Ended December 31, 2010

	<u>Ref.</u>	
Balance - December 31, 2009	A	(961.57)
Increased by:		
Senior Citizens' Deductions Per Tax Billing		12,750.00
Veterans' Deductions Per Tax Billing		48,250.00
Add:		
Senior Citizens' & Veterans Deductions Allowed by Tax Collector - 2010 Taxes		750.00
Senior Citizens' & Veterans Deductions Allowed by Tax Collector - 2009 Taxes		250.00
Less:		
Senior Citizens' & Veterans Deductions Disallowed by Tax Collector - 2009 Taxes	A-7	<u>(697.27)</u>
		<u>61,302.73</u>
		60,341.16
Decreased by:		
State Share of Senior Citizens' and Veterans' Deductions Received in Cash	A-4	<u>61,830.81</u>
Balance - December 31, 2010	A	<u><u>(1,489.65)</u></u>

Township of Mansfield, N.J.

Schedule of Interfunds Receivables/(Payables)

Current Fund

Year Ended December 31, 2010

Fund	Ref.	Due From/(To) Balance		Increased	Decreased	Due From/(To) Balance
		Dec. 31, 2009	Dec. 31, 2010			
Federal and State Grants	A	34,386.72	63,751.78	118,928.65	89,563.59	
Animal Control Trust	A	5,000.00		2,661.81	2,338.19	
Other Trust	A	7,775.68	979,211.55	1,007,888.86	36,452.99	
General Capital Fund	A	107,000.00	663,447.29	461,364.29	(95,083.00)	
		<u>154,162.40</u>	<u>1,706,410.62</u>	<u>1,590,843.61</u>	<u>33,271.77</u>	
Analysis						
Due To Other Funds	A-1	154,162.40			(95,083.00)	
Due From Other Funds		<u>154,162.40</u>			<u>128,354.77</u>	
					<u>33,271.77</u>	
Grants Cancelled	A-1		133.04			
Anticipated Revenue	A-2		100,000.00	12,096.70		
Miscellaneous Revenue Not Anticipated	A-2			3,187.50		
Appropriation Payable	A-3		216,482.57	2,661.81		
Received	A-4		1,190,901.09			
Disbursed	A-4			1,571,627.43		
Interest on Investments	A-10			1,270.17		
Open Space Due Current	A-19		198,893.92			
			<u>1,706,410.62</u>	<u>1,590,843.61</u>		

**Township of Mansfield, N.J.**  
**Schedule of Appropriation Reserves**  
**Current Fund**  
**Year Ended December 31, 2010**

	Balance, Dec. 31, <u>2009</u>	Encumbrances <u>Cancelled</u>	Balance after <u>Transfers</u>	Paid or <u>Charged</u>	Balance <u>Lapsed</u>
<b>Salaries and Wages Within "CAPS":</b>					
Financial Administration	0.93		0.93		0.93
Computerized Data Processing	0.06		0.06		0.06
Assessment of Taxes	25.98		25.98		25.98
Collection of Taxes	500.26		0.26		0.26
Prosecutor	0.03		0.03		0.03
Emergency Management Services	15.00				
Streets and Roads:					
Road Repair and Maintenance	1,003.96		3.96		3.96
Recreation and Education	3.94		3.94		3.94
Municipal Court			300.00		300.00
Police	5,879.08		6,287.08	6,286.56	0.52
<b>Total Salaries and Wages Within "CAPS"</b>	<u>7,429.24</u>		<u>6,622.24</u>	<u>6,286.56</u>	<u>335.68</u>
<b>Other Expenses Within "CAPS":</b>					
Administrative and Executive	1,439.47		2,144.47	2,144.47	-
Assessment of Taxes	2,004.54		3,050.54	3,050.00	0.54
Collection of Taxes	458.22		193.22		193.22
Legal Services and Costs	4,886.04		7,876.04	2,990.00	4,886.04
Municipal Land Use Law (N.J.S. 40:55 D-1):					
Planning Board	722.33		282.33	282.33	
Economic Development	0.96		0.96		0.96
Insurance:					
Employee Group Health	35.69		0.69		0.69
Insurance Fund Commissioner	0.06		0.06		0.06
Police	5,878.57		5,878.57	4,359.99	1,518.58
Garbage and Trash Removal	531.56		531.56		531.56
Public Buildings and Grounds	94.62		94.62		94.62
Streets and Roads:					
Road Repair and Maintenance	8,312.47		8,312.47	3,166.35	5,146.12
Utilities:					
Fuel Oil		1,134.00			
Electricity	1,088.15		1,088.15	796.84	291.31
Natural Gas	142.76		142.76	142.76	
Recreation and Education	2,522.35		1,768.35	203.90	1,564.45
State Uniform Construction Code:					
Sub - Code Officials					
Construction Official	0.26		0.26		0.26
<b>Total Other Expenses Within "CAPS"</b>	<u>28,118.05</u>	<u>1,134.00</u>	<u>31,365.05</u>	<u>17,136.64</u>	<u>14,228.41</u>
<b>Total Operations Within "CAPS"</b>					
Including Contingent	<u>35,547.29</u>	<u>1,134.00</u>	<u>37,987.29</u>	<u>23,423.20</u>	<u>14,564.09</u>

**Township of Mansfield, N.J.**  
**Schedule of Appropriation Reserves**  
**Current Fund**  
**Year Ended December 31, 2010**

	Balance, Dec. 31, <u>2009</u>	Encumbrances Cancelled	Balance after Transfers	Paid or Charged	Balance Lapsed
Deferred Charges and Statutory Expenditures - Municipal Within "CAPS":					
Statutory Expenditures:					
Contribution To:					
Defined Contribution Retirement Plan	8.54		8.54		8.54
Unemployment Compensation Insurance	112.02		2.02		2.02
Social Security ( O.A.S.I. )	<u>1,196.41</u>		<u>0.41</u>		<u>0.41</u>
Total Deferred Charges and Statutory Expenditures - Municipal Within "CAPS"	<u>1,316.97</u>		<u>10.97</u>		<u>10.97</u>
 Total General Appropriation Reserves - Municipal Within "CAPS"	<u>36,864.26</u>	<u>1,134.00</u>	<u>37,998.26</u>	<u>23,423.20</u>	<u>14,575.06</u>
 Other Expenses Excluded From "CAPS":					
Municipal Court	<u>1,129.74</u>		<u>1,129.74</u>	<u>86.00</u>	<u>1,043.74</u>
Total Other Expenses Excluded from "CAPS"	<u>1,129.74</u>		<u>1,129.74</u>	<u>86.00</u>	<u>1,043.74</u>
 Total General Appropriation Reserves - Municipal Excluded from "CAPS"	<u>1,129.74</u>		<u>1,129.74</u>	<u>86.00</u>	<u>1,043.74</u>
 Total General Appropriation Reserves	<u>37,994.00</u>	<u>1,134.00</u>	<u>39,128.00</u>	<u>23,509.20</u>	<u>15,618.80</u>
	A	A-16		A-4	A-1

**Township of Mansfield, N.J.**  
**Schedule of Deferred Charges**  
**Current Fund**  
**Year Ended December 31, 2010**

<u>Purpose</u>	<u>Balance, Dec. 31, 2009</u>	<u>Reduced 2010</u>
Emergency Authorizations 40A:4-47		
Legal Services & Costs	32,000.00	32,000.00
Employer Taxes	48,500.00	48,500.00
	<u>80,500.00</u>	<u>80,500.00</u>
	A	A-3

Township of Mansfield, N.J.

Schedule of Various Cash Liabilities and Reserves

Current Fund

Year Ended December 31, 2010

	<u>Balance</u> <u>Dec. 31, 2009</u>	<u>Increased</u>	<u>Decreased</u>	<u>Balance</u> <u>Dec. 31, 2010</u>
<u>Liabilities and Reserves</u>				
<u>Liabilities:</u>				
Due State of NJ Marriage License Fees	175.00	875.00	1,050.00	
<u>Reserve for:</u>				
Garden State Preservation Trust Fund	<u>37,616.10</u>	<u>25,077.00</u>	<u>37,616.10</u>	<u>25,077.00</u>
	<u>37,791.10</u>	<u>25,952.00</u>	<u>38,666.10</u>	<u>25,077.00</u>
	A			A
Realized as Anticipated Revenue			37,616.10	
Cash Receipts		25,952.00		
Cash Disbursements		<u>1,050.00</u>		
		<u>25,952.00</u>	<u>38,666.10</u>	

Ref.  
A-2  
A-4  
A-4

**Township of Mansfield, N.J.**  
**Schedule of Encumbrances Payable**  
**Current Fund**  
**Year Ended December 31, 2010**

	<u>Ref.</u>		
Balance - December 31, 2009	A		62,032.11
Increased by:			
Transfer from Current Appropriations	A-3		<u>83,163.71</u>
			145,195.82
Decreased by:			
Cancelled	A-1	18,389.75	
Cash Disbursed	A-4	42,508.36	
Cancelled to Appropriation Reserves	A-13	<u>1,134.00</u>	
			<u>62,032.11</u>
Balance - December 31, 2010	A		<u><u>83,163.71</u></u>

A-17

**Schedule of Prepaid Taxes**  
**Current Fund**  
**Year Ended December 31, 2010**

	<u>Ref.</u>		
Balance - December 31, 2009	A		77,854.95
Increased by:			
Receipts - Prepaid 2011 Taxes	A-4		<u>104,572.82</u>
			182,427.77
Decreased by:			
Applied to 2010 Taxes	A-7		<u>77,854.95</u>
Balance - December 31, 2010	A		<u><u>104,572.82</u></u>

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

**Year Ended December 31, 2010**

	<u>Ref.</u>		
Balance - December 31, 2009	A		5,426.86
Increased by:			
Levy	A-7	5,466,430.71	
Added and Omitted Taxes	A-7	2,659.53	
	A-1		5,469,090.24
			5,474,517.10
Decreased by:			
Payments	A-4		5,471,857.57
Balance - December 31, 2010	A		2,659.53

A-19

**Schedule of Municipal Open Space Tax**  
**Current Fund**

**Year Ended December 31, 2010**

	<u>Ref.</u>		
Increased by:			
Levy	A-7	198,801.00	
Added and Omitted	A-7	92.92	
	A-1		198,893.92
Decreased by:			
Interfund - Other Trust Fund	A-12		198,893.92

## Township of Mansfield, N.J.

## Schedule of Local District School Taxes Payable

## Current Fund

## Year Ended December 31, 2010

	<u>Ref.</u>		
Balance - December 31, 2009			
School Tax Deferred		<u>2,392,409.04</u>	2,392,409.04
Increased by:			
Levy School Year July 1 to June 30	A-7		<u>5,114,832.00</u>
			7,507,241.04
Decreased by:			
Payments	A-4	4,978,538.46	
Prepaid School Taxes	A-6	<u>67,268.46</u>	
			5,045,806.92
Balance - December 31, 2010			
School Taxes Payable	A	69,025.08	
School Tax Deferred		<u>2,392,409.04</u>	
			<u><u>2,461,434.12</u></u>
2010 Liability for Local District School			
Tax Paid			5,045,806.92
Taxes Payable - Dec.31, 2010			<u>69,025.08</u>
Amount Charged to 2010 Operations	A-1		<u><u>5,114,832.00</u></u>

## Township of Mansfield, N.J.

## Schedule of Regional High School Taxes Payable

## Current Fund

## Year Ended December 31, 2010

	<u>Ref.</u>		
Balance - December 31, 2009			
School Tax Deferred		<u>2,726,429.51</u>	2,726,429.51
Increased by:			
Levy School Year July 1 to June 30	A-7		<u>5,779,107.30</u>
			<u>8,505,536.81</u>
Decreased by:			
Payments	A-4		<u>5,890,412.96</u>
Balance - December 31, 2010			
School Tax Deferred		<u>2,615,123.85</u>	<u>2,615,123.85</u>
2010 Liability for Regional High School			
Tax Paid			<u>5,890,412.96</u>
Amount Charged to 2010 Operations	A-1		<u>5,890,412.96</u>

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

**Schedule of Interfunds**

**Federal and State Grant Fund**

**Year Ended December 31, 2010**

<u>Fund</u>	<u>Ref.</u>	Due From/(To)		<u>Decreased</u>	Due From/(To)
		<u>Balance</u>	<u>Increased</u>		<u>Balance</u>
		<u>Dec. 31, 2009</u>			<u>Dec. 31, 2010</u>
Current Fund	A	<u>(34,386.72)</u>	<u>64,678.74</u>	<u>119,855.61</u>	<u>(89,563.59)</u>
Grants Receivable	A-23		54,546.44		
Grants Receivable Canceled	A-23		1,060.00		
Appropriated Grants	A-24			118,928.65	
Matching Funds for Grants	A-24		2,398.00		
Appropriated Grants Canceled	A-24			926.96	
Unappropriated Grants	A-25		<u>6,674.30</u>		
			<u>64,678.74</u>	<u>119,855.61</u>	

Township of Mansfield, N.J.

Schedule of Grants Receivable

State Grant Fund

Year Ended December 31, 2010

<u>Grant</u>	<u>Balance Dec. 31, 2009</u>	<u>Budget Revenue</u>	<u>Received</u>	<u>Transfer from Unappropriated Reserves</u>	<u>Canceled</u>	<u>Balance Dec. 31, 2010</u>
N.J. D.O.T. Bikeway	14,209.60					14,209.60
N.J.D.O.T. Guide Rail	2,856.00					2,856.00
N.J.D.O.T. Washburn Road	83,177.00					83,177.00
Environmental Grant	1,000.00				1,000.00	
Recycling Tonnage Grant		12,170.47		12,170.47		
Clean Communities		21,038.53	17,421.59	3,616.94		
SHARE Feasibility Study	733.50		733.50			
SHARE Police Feasibility Study		31,900.00				31,900.00
Highlands Plan Conf.	50,000.00					50,000.00
Highlands Assessment	15,000.00					15,000.00
Prosecutor's Law Enforcement		240.00		240.00		
Body Armor Fund		2,470.13	2,470.13			
Drunk Driving Enforcement Fund		2,961.22	2,961.22			
Click-it or Ticket		4,000.00		4,000.00		
Comcast Grant	60.00	30,000.00	30,000.00		60.00	
Municipal Stormwater Regulation	8,191.00	7,194.00	960.00			14,425.00
Municipal Alliance						
	<u>175,227.10</u>	<u>111,974.35</u>	<u>54,546.44</u>	<u>20,027.41</u>	<u>1,060.00</u>	<u>211,567.60</u>
	A	A-2	A-22	A-25	A-22	A

Township of Mansfield, N.J.

Schedule of Appropriated Reserves for Grants

State Grant Fund

Year Ended December 31, 2010

Grant	Balance	Transfer	Expended	Canceled	Balance
	<u>Dec. 31, 2009</u>	From 2010 Budget			<u>Dec. 31, 2010</u>
Clean Communities	1,775.50	21,038.53	14,968.60		7,845.43
Municipal Court Alcohol Rehab. Program	39.58				39.58
Recycling Tonnage	12,393.28	12,170.47	9,172.60		15,391.15
Wal-Mart Environmental Grant - Local Share	500.00				500.00
Wal-Mart Police Grant	1.00				1.00
Wal-Mart for Mansfield Fire Department	650.00		650.00		
Environmental Grant - State	866.96			866.96	
New Jersey Trust Fund Authority Act:					
Guide Rail	3,740.00				3,740.00
Washburn Road	50,086.35		41,377.44		8,708.91
Drunk Driving Enforcement Fund	480.70	2,961.22	1,951.96		1,489.96
SHARE Feasibility Study	425.92		425.92		
SHARE Police Feasibility Study		31,900.00	12,760.00		19,140.00
Highlands Plan Conf.	30,481.25		8,847.50		21,633.75
Highlands Assessment	4,048.75				4,048.75
Click-it or Ticket		4,000.00	4,000.00		
Prosecutor's Law Enforcement		240.00			240.00
Comcast Grant		30,000.00	14,317.63		15,682.37
Municipal Stormwater Regulation	6,468.40			60.00	6,408.40
Municipal Alliance - State Share	6,150.78	7,194.00	6,162.00		7,182.78
Municipal Alliance - Matching Fund	1,925.00	2,398.00	1,669.00		2,654.00
Body Armor Fund	777.27	2,470.13	2,626.00		621.40
	<u>120,810.74</u>	<u>114,372.35</u>	<u>118,928.65</u>	<u>926.96</u>	<u>115,327.48</u>
	A	A	A	A-22	A
Budget Appropriations	Ref.	111,974.35			
Matching Funds for Grants	A-3	2,398.00			
Cash Disbursed	A-22		118,928.65		
	A-22		<u>118,928.65</u>		

**Township of Mansfield, N.J.**  
**Schedule of Unappropriated Reserves for Grants**  
**Federal and State Grant Fund**  
**Year Ended December 31, 2010**

<u>Grant</u>	<u>Balance</u> <u>Dec. 31, 2009</u>	<u>Transfer To</u> <u>Appropriated</u> <u>Reserves</u>	<u>Received</u>	<u>Balance</u> <u>Dec. 31, 2010</u>
Drunk Driving Enforcement Fund	1.82		2,674.30	2,676.12
Municipal Court Alcohol Rehabilitation	0.41			0.41
Recycling Tonnage Grant	12,170.47	12,170.47		
Clean Communities	3,616.94	3,616.94		
Click-it or Ticket	4,000.00	4,000.00	4,000.00	4,000.00
Prosecutor's Law Enforcement Trust Grant	240.00	240.00		
	<u>20,029.64</u>	<u>20,027.41</u>	<u>6,674.30</u>	<u>6,676.53</u>
	A	A-23	A-22	A

## Township of Mansfield, N.J.

## Schedule of Cash

## Trust Funds

Year Ended December 31, 2010

	<u>Ref.</u>	<u>Animal Control Trust Fund</u>	<u>Other Trust Funds</u>
Balance - December 31, 2009	B	<u>2,345.39</u>	<u>1,799,835.44</u>
Increased by Receipts:			
Interfund - Current Fund	B-2		631,148.48
Dog License Fees - Township	B-5	5,621.00	
Dog Late Fees	B-5	650.00	
Cat Late Fees	B-5	177.00	
Cat License Fees	B-5	1,584.50	
Miscellaneous	B-5	5,990.51	
Other Trust Funds	B-6		486,976.73
Dog License Fees - State Share	B-7	1,380.00	
Net Payroll and Payroll Deductions	B-8		<u>3,791,080.88</u>
Total Receipts		<u>15,403.01</u>	<u>4,909,206.09</u>
		<u>17,748.40</u>	<u>6,709,041.53</u>
Decreased by Disbursements:			
Interfund - Current Fund	B-2		675,253.31
Interfund - General Capital	B-3		36,000.00
Reserve for Dog Expenditures	B-5	16,188.00	
Other Trust Funds	B-6		864,241.40
State Share - Dog Licenses	B-7	1,375.80	
Net Payroll and Payroll Deductions	B-8		<u>3,770,140.65</u>
Total Disbursements		<u>17,563.80</u>	<u>5,345,635.36</u>
Balance - December 31, 2010	B	<u><u>184.60</u></u>	<u><u>1,363,406.17</u></u>

**Township of Mansfield, N.J.**  
**Schedule of Due to Current Fund**  
**Trust Fund**  
**Year Ended December 31, 2010**

	<u>Ref.</u>	
Balance - December 31, 2009	B	(7,775.68)
Increased by:		
Cash Disbursements	B-1	675,253.31
Other Trust Funds	B-6	208,320.74
		883,574.05
		875,798.37
Decreased by:		
Cash Receipts	B-1	631,148.48
Other Trust Funds	B-6	248,995.14
Payroll	B-8	32,107.74
		912,251.36
Balance - December 31, 2010	B	(36,452.99)

**Township of Mansfield, N.J.**  
**Schedule of Due From General Capital**  
**Animal Control Trust Fund**  
**Year Ended December 31, 2010**

	<u>Ref.</u>	<u>General Capital Fund</u>
Increased by:		
Cash Disbursements	B-1	36,000.00
		36,000.00
Balance - December 31, 2010	B	36,000.00

**Township of Mansfield, N.J.**  
**Schedule of Due From Current Fund**  
**Animal Control Trust Fund**  
**Year Ended December 31, 2010**

Balance - December 31, 2009	<u>Ref.</u> B	(5,000.00)
Decreased by: Reserve for Animal Control Fund	B-5	<u>2,661.81</u>
Balance - December 31, 2010	B	<u><u>(2,338.19)</u></u>

## Township of Mansfield, N.J.

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

## Trust Funds

Year Ended December 31, 2010

	<u>Ref.</u>	
Balance - December 31, 2009	B	(2,654.61)
Increased by:		
Cat Late Fees	B-1	177.00
Dog Late Fees	B-1	650.00
Cat License Fees	B-1	1,584.50
Dog License Fees	B-1	5,621.00
Miscellaneous	B-1	5,990.51
Raised in Budget	B-4	<u>2,661.81</u>
		<u>16,684.82</u>
		14,030.21
Decreased by:		
Expenditures R.S. 4:19-1511	B-1	<u>16,188.00</u>
Balance - December 31, 2010	B	<u><u>(2,157.79)</u></u>

Year	
2009	7,883.70
2008	<u>8,340.80</u>
	<u><u>16,224.50</u></u>

**Township of Mansfield, N.J.**  
**Schedule of Other Trust Funds**  
**Trust Funds**  
**Year Ended December 31, 2010**

	<u>Balance</u> <u>Dec. 31, 2009</u>	<u>Increased</u>	<u>Decreased</u>	<u>Balance</u> <u>Dec. 31, 2010</u>
Reserve for:				
Small Cities Loan Repayment	123,887.15	573.92	124,461.07	
Escrow Deposits	327,041.40	14,467.28	44,456.71	297,051.97
Unemployment	133,006.53	636.82	7,892.33	125,751.02
Municipal Alliance	8,172.39			8,172.39
Recreation	31,267.97	50,479.89	42,070.21	39,677.65
Tax Sale Premium	52,800.00	64,700.00	79,400.00	38,100.00
C.O.A.H. Mandatory Development	348,680.11	4,705.01		353,385.12
Open Space	615,120.96	279,795.49	651,497.65	243,418.80
Public Defender	315.72	547.00	862.72	
COAH	137,053.13	259,045.56	139,168.98	256,929.71
Snow Removal	181.77			181.77
Outside Employment	750.00	18,277.50	12,462.50	6,565.00
Fire Prevention	4,661.35	2,005.00	4,096.64	2,569.71
POAA	531.58	64.00		595.58
Accumulated Absences	6,867.73		6,867.73	
	<u>1,790,337.79</u>	<u>695,297.47</u>	<u>1,113,236.54</u>	<u>1,372,398.72</u>
	B			B

	<u>Ref.</u>		
Interfund Current	B-2	208,320.74	248,995.14
Cash Receipts	B-1	486,976.73	
Cash Disbursements	B-1		864,241.40
		<u>695,297.47</u>	<u>1,113,236.54</u>

**Township of Mansfield, N.J.**  
**Schedule of Due to State Department of Health**  
**Trust Funds**  
**Year Ended December 31, 2010**

	<u>Ref.</u>	
Increased by:		
State Fees Collected	B-1	<u>1,380.00</u>
Decreased by:		
Paid to State	B-1	<u>1,375.80</u>
Balance - December 31, 2010	B	<u><u>4.20</u></u>

**Township of Mansfield, N.J.**  
**Schedule of Net Payroll and Payroll Deductions**  
**Trust Fund**  
**Year Ended December 31, 2010**

	<u>Balance</u> <u>Dec. 31, 2009</u>	<u>Receipts</u>	<u>Disbursed</u>	<u>Balance</u> <u>Dec. 31, 2010</u>
Payroll Agency		1,353,243.40	1,333,494.57	19,748.83
Net Payroll	<u>1,721.97</u>	<u>2,437,837.48</u>	<u>2,468,753.82</u>	<u>(29,194.37)</u>
	<u>1,721.97</u>	<u>3,791,080.88</u>	<u>3,802,248.39</u>	<u>(9,445.54)</u>
	B			B
	<u>Ref.</u>			
Cash Receipts	B-1	3,791,080.88		
Cash Disbursements	B-1		3,770,140.65	
Interfund Current	B-2		<u>32,107.74</u>	
		<u>3,791,080.88</u>	<u>3,802,248.39</u>	

**Township of Mansfield, N.J.**  
**Schedule of Cash**  
**General Capital Fund**  
**Year Ended December 31, 2010**

	<u>Ref.</u>		
Balance - December 31, 2009	C; C-3		766.21
Increased by Receipts:			
Interfund - Current Fund	C-4	350,851.83	
Interfund - Other Trust Fund	C-5	36,000.00	
Due from Hackettstown	C-6	4,576.22	
Capital Improvement Fund	C-9	111,364.29	
Bond Anticipation Notes	C-11	<u>285,000.00</u>	
	C-3		<u>787,792.34</u>
			<u>788,558.55</u>
Decreased by Disbursements:			
Interfund - Current Fund	C-4	451,611.83	
Improvement Authorizations	C-10	190,046.82	
Various Reserves	C-12	<u>7,000.00</u>	
	C-3		<u>648,658.65</u>
Balance - December 31, 2010	C;C-3		<u><u>139,899.90</u></u>

**Township of Mansfield, N.J.**  
**Analysis of Cash**  
**General Capital Fund**  
**Year Ended December 31, 2010**

	Balance Dec. 31, 2009	Receipts		Disbursements		Transfers		Balance Dec. 31, 2010
		Budget Appropriations	Miscellaneous	Bond Anticipation Notes Issued	Improvement Authorizations	Miscellaneous	To	
Fund Balance	296.99							296.99
Capital Improvement Fund		111,364.29						
Due From (To) Current Fund	107,000.00		350,851.83			451,611.83	35,908.71	(147,272.87)
Due From (To) Other Trust Fund			36,000.00					(101,323.00)
Various Reserves	22,135.71					7,000.00	914.29	(14,635.71)
<u>Ordinance #</u>								
03-10 Refunding Bond Ordinance	(35,500.00)							(35,500.00)
05-10 Road Equipment/Construction	(122,397.25)				14,630.11		64,500.00	(57,897.25)
09-01 Purchase of Emergency Vehicles	14,630.11							
09-02 Purchase of Road Equipment	1.91							1.91
09-03 Improvement to Public Buildings	16,550.00							
09-04 Purchase of Office Equipment	700.00							
09-05 Purchase of Police Equipment	3,008.95							
09-06 Road Construction / Reconstruction	13,783.55							
09-08 Construction of a Wash Bay	(19,443.76)		4,576.22					(13,783.55)
10-01 Road Construction / Reconstruction					4,392.00		13,783.55	(14,867.54)
10-02 Emergency Vehicles					123,370.38		126,000.00	9,391.55
10-03 Public Works Vehicle					15,133.88		15,133.88	
10-04 Police Vehicle					6,521.05		6,521.05	
10-09 Various Improvements					25,999.40		14,253.65	2,629.62
	766.21	111,364.29	391,428.05	285,000.00	190,046.82	458,611.83	277,015.13	273,254.25
	C	C-2	C-2	C-2	C-2	C-2	(277,015.13)	139,899.90
								C

## Township of Mansfield, N.J.

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

## General Capital Fund

Year Ended December 31, 2010

	<u>Ref.</u>	
Balance - December 31, 2009	C	(107,000.00)
Increased by:		
Cash Disbursements	C-2	451,611.83
Deferred Charges to Future		
Taxation - Unfunded	C-8	64,500.00
Capital Improvement Fund	C-9	35,908.71
Various Reserves	C-12	914.29
		<u>552,934.83</u>
		445,934.83
Decreased by:		
Cash Receipts	C-2	<u>350,851.83</u>
Balance - December 31, 2010	C	<u><u>95,083.00</u></u>

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

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

**General Capital Fund**

**Year Ended December 31, 2010**

Increased by:		
Cash Receipts	C-2	<u>36,000.00</u>
Balance - December 31, 2010	C	<u><u>36,000.00</u></u>

**Due From Hackettstown**

**General Capital Fund**

**Year Ended December 31, 2010**

	<u>Ref.</u>	
Balance - December 31, 2009	C	19,443.76
Decreased by:		
Cash Receipts	C-2	<u>4,576.22</u>
Balance - December 31, 2010	C	<u><u>14,867.54</u></u>

**Township of Mansfield, N.J.**  
**Schedule of Deferred Charges to Future**  
**Taxation - Funded**

**General Capital Fund**

**Year Ended December 31, 2010**

	<u>Ref.</u>		
Balance - December 31, 2009	C		3,193,000.00
Funded by Budget Appropriation			
General Serial Bonds	C-13	266,000.00	
N.J. Economic Resources Loan Payable	C-14	<u>22,500.00</u>	
			<u>288,500.00</u>
Balance - December 31, 2010	C		<u><u>2,904,500.00</u></u>

Township of Mansfield, N.J.

Schedule of Deferred Charges to Future Taxation - Unfunded

General Capital Fund

December 31, 2010

Ord. Number	Improvement Description	Balance Dec. 31, 2009	2010 Authorizations	Paid By 2009 Budget Appropriation	Balance Dec. 31, 2010	Financed by Bond Anticipation Notes	Analysis of Balance		Unexpended Improvement Authorization
							Expended	Unexpended	
03-10	Refunding Bond Ordinance	35,500.00			35,500.00		35,500.00		
05-10	Road Equipment/Construction	122,397.25		64,500.00	57,897.25		122,397.25		
10-09	Various Capital Improvements		285,072.35		285,072.35	285,000.00			72.35
		157,897.25	285,072.35	64,500.00	378,469.60	285,000.00	157,897.25		72.35
		C	C-10	C-15	C				

Ord. No \_\_\_\_\_ Ref. C-10  
 Improvement Authorizations - Unfunded 273,326.60

Less: Unexpended Proceeds of Bond Anticipation Notes Issued 10-09 273,254.25

72.35

**Township of Mansfield, N.J.**  
**Schedule of Capital Improvement Fund**  
**General Capital Fund**  
**Year Ended December 31, 2010**

	<u>Ref.</u>		
Increased by:			
Budget Appropriation	C-2	111,364.29	
Interfund Current	C-4	<u>35,908.71</u>	
			147,273.00
Decreased by:			
Appropriated to Finance			
Improvement Authorizations	C-10		<u>147,272.87</u>
Balance - December 31, 2010	C		<u><u>0.13</u></u>

**Township of Mansfield, N.J.**  
**Schedule of Improvement Authorizations**  
**General Capital Fund**

**Year Ended December 31, 2010**

Ord. No.	Improvement Description	Ordinance Date	Amount	Balance Dec. 31, 2009		2010 Authorizations	Re-Authorized	Expended	Balance Dec. 31, 2010	
				Funded	Unfunded				Funded	Unfunded
09-01	Purchase of Emergency Vehicles	06/10/09	65,513.00	14,630.11				14,630.11		
09-02	Purchase of Road Equipment	06/10/09	16,376.00	1.91					1.91	
09-03	Improvement to Public Buildings	06/24/09	16,550.00	16,550.00					16,550.00	
09-04	Purchase of Office Equipment	06/24/09	700.00	700.00					700.00	
09-05	Purchase of Police Equipment	06/24/09	9,530.00	3,008.95					3,008.95	
09-06	Road Construction / Reconstruction	06/24/09	100,000.00	13,783.55			(13,783.55)		9,391.55	
10-01	Road Construction / Reconstruction	03/10/10	100,000.00				13,783.55	4,392.00	9,391.55	
10-02	Emergency Vehicles	03/10/10	126,000.00		126,000.00			123,370.38	2,629.62	
10-03	Public Works Vehicle	04/28/10	15,133.88		15,133.88			15,133.88		
10-04	Police Vehicle	04/28/10	6,521.05		6,521.05			6,521.05		
10-09	Various Capital Improvements	04/28/10	299,326.00		299,326.00			25,999.40		273,326.60
				48,674.52	446,980.93			190,046.82	32,282.03	273,326.60
				C				C		C
	Cash Disbursements							190,046.82		
	Deferred Charges to Future Taxation-Unfunded				285,072.35					
	Capital Improvement Fund				147,272.87					
	Capital Reserves				14,635.71					
					446,980.93			190,046.82		
					C			C		C

Ref.

- C-2
- C-8;C-15
- C-9
- C-12

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

**Schedule of Bond Anticipation Notes Payable**

**General Capital Fund**

**Year Ended December 31, 2010**

<u>Ord No./ Date</u>	<u>Improvement Description</u>	<u>Date of Original Issue</u>	<u>Date of Issue</u>	<u>Date of Maturity</u>	<u>Interest Rate</u>	<u>Increased</u>	<u>Balance Dec. 31, 2010</u>
10-09	Various Improvements	05/26/10	05/26/10	05/25/11	1.95%	285,000.00	285,000.00
						285,000.00	285,000.00
						<u>C-2</u>	<u>C</u>

Township of Mansfield, N.J.

Schedule of Various Reserves

General Capital Fund

Year Ended December 31, 2010

<u>Description</u>	Balance		Increased	Decreased	Balance Dec. 31, 2010
	Dec. 31, 2009	Dec. 31, 2009			
Emergency Vehicle	14,635.71		914.29	14,635.71	914.29
Office Equipment		7,500.00		7,000.00	500.00
Preliminary Exp. For Washburn Rd.					
	<u>22,135.71</u>	<u>7,500.00</u>	<u>914.29</u>	<u>21,635.71</u>	<u>1,414.29</u>
	<u>C</u>				<u>C</u>

Ref.

C-2 7,000.00

C-4 914.29

C-10 14,635.71

Cash Disbursements  
Interfund-Current Fund  
Improvement Authorizations

914.29

21,635.71

**Township of Mansfield, N.J.**  
**Schedule of General Serial Bonds Payable**

**General Capital Fund**

**Year Ended December 31, 2010**

Purpose	Date of Issue	Original Issue	Maturities of Bonds Outstanding, December 31, 2010	Interest Rate	Balance Dec. 31, 2009	Decreased	Balance Dec. 31, 2010			
								Date	Amount	
General Improvements	12/01/01	1,481,000.00	09/01/11-13 09/01/14-20 09/01/21	5.20% 5.20% 5.20%	1,099,000.00	66,000.00	1,033,000.00			
	General Improvements	2,284,000.00	09/01/11	150,000.00	4.375%					
			09/01/12	154,000.00	4.375%					
09/01/13			75,000.00	4.375%						
09/01/14			80,000.00	4.375%						
09/01/15			80,000.00	4.375%						
09/01/16			85,000.00	4.375%						
09/01/17			85,000.00	4.375%						
09/01/18			90,000.00	4.375%						
09/01/19			90,000.00	4.375%						
09/01/20			100,000.00	4.375%						
09/01/21			100,000.00	4.375%						
09/01/22	100,000.00	4.375%								
09/01/23	100,000.00	4.375%								
09/01/24	100,000.00	4.375%								
09/01/25	100,000.00	4.375%								
09/01/26	95,000.00	4.375%								
					1,724,000.00	140,000.00	1,584,000.00			
General Obligation Refunding Bonds	09/01/03	610,000.00	9/1/11-14	3.875%	280,000.00	60,000.00	220,000.00			
								3,103,000.00	266,000.00	2,837,000.00
								C	C-7	C

**Township of Mansfield, N.J.**  
**Schedule of N. J. Economic Resources Loan Payable**

**General Capital Fund**

**Year Ended December 31, 2010**

<u>Purpose</u>	<u>Date of Issue</u>	<u>Original Issue</u>	<u>Date</u>	<u>Amount</u>	<u>Interest Rate</u>	<u>Balance Dec. 31, 2009</u>	<u>Decreased</u>	<u>Balance Dec. 31, 2010</u>
Construction of Municipal Building	08/15/94	450,000.00	8/15/11-13	22,500.00	1.50%	90,000.00	22,500.00	67,500.00
				C		C	C-7	C

**Township of Mansfield, N.J.**  
**Schedule of Bonds and Notes Authorized But Not Issued**

**General Capital Fund**

**Year Ended December 31, 2010**

<u>Ord. No.</u>	<u>Date</u>	<u>Improvement Description</u>	<u>Balance Dec. 31, 2009</u>	<u>2010 Authorizations</u>	<u>Funded By Budget Appropriation</u>	<u>Bond Anticipation Notes Issued</u>	<u>Balance Dec. 31, 2010</u>
<u>General Improvements:</u>							
03-10	07/09/03	Refunding Bond Ordinance	35,500.00				35,500.00
05-10	06/08/05	Road Equipment/Construction	122,397.25		64,500.00		57,897.25
10-09	04/28/10	Various Improvements		285,072.35		285,000.00	72.35
			<u>157,897.25</u>	<u>285,072.35</u>	<u>64,500.00</u>	<u>285,000.00</u>	<u>93,469.60</u>
				C-10	C-8	C-11	Footnote C

**Township of Mansfield, N.J.**  
**Schedule of Cash-Treasurer**  
**Public Assistance Fund**  
**Year Ended December 31, 2010**

	<u>Ref.</u>	<u>P.A.T.F.</u> <u>Account #1</u>
Balance - December 31, 2009	D;D-3	<u>783.52</u>
Increased by Receipts:		
Interest	D-4	<u>10.78</u>
		<u><u>794.30</u></u>
Decreased by Disbursements:		
Cash Disbursements Record	D-5	<u><u>794.30</u></u>

**Township of Mansfield, N.J.**  
**Schedule of Cash and Reconciliation**  
**Public Assistance Fund**  
**Year Ended December 31, 2010**

	<u>Ref.</u>	
Balance - December 31, 2009	D-1	783.52
Increased by Receipts:		
Cash Receipts Record	D-3	10.78
		<u>794.30</u>
Decreased by Disbursements:		
Cash Disbursements Record	D-4	794.30
		<u>794.30</u>

**Township of Mansfield, N.J.**  
**Schedule of Revenues - Cash Basis**  
**Public Assistance Fund**  
**Year Ended December 31, 2010**

	<u>Ref.</u>	<u>P.A.T.F. Account #1</u>
Interest Earned	D-5	<u>10.78</u>
Total Revenues (P.A.T.F.)		<u>10.78</u>
Total Receipts		<u>10.78</u> D-1

**Township of Mansfield, N.J.**  
**Schedule of Expenditures - Cash Basis**  
**Public Assistance Fund**  
**Year Ended December 31, 2010**

	<u>Ref.</u>	<u>P.A.T.F. Account #1</u>
Cash Disbursements	D-5	<u>794.30</u> D-1

**Township of Mansfield, N.J.**  
**Schedule of Reserve for Public Assistance**  
**Public Assistance Fund**  
**Year Ended December 31, 2010**

	<u>Ref.</u>	
Balance - December 31, 2009	D	783.52
Increased by		
Cash Receipts	D-3	<u>10.78</u>
		<u>794.30</u>
Decreased by		
Cash Disbursements	D-4	<u>794.30</u>

**TOWNSHIP OF MANSFIELD**

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**PART II**

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

**COMMENTS AND RECOMMENDATIONS**

**YEAR ENDED DECEMBER 31, 2010**

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

Charles J. Ferraioli, Jr., MBA, CPA, RMA  
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## 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

June 30, 2011

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

We have audited the financial statements - regulatory basis of the Township of Mansfield, in the County of Warren, State of New Jersey as of and for the year ended December 31, 2010, and have issued our report thereon dated June 30, 2011. Our report disclosed that, as described in Note 1 to the financial statements - regulatory basis, the Township of Mansfield prepares its financial statements on a basis of accounting prescribed by the Division of Local Government Services, Department of Community Affairs, State of New Jersey, that demonstrates compliance with a modified accrual basis of accounting and the budget laws of the State of New Jersey, which is a comprehensive basis of accounting other than accounting principles generally accepted in the United States of America. The Township did not implement the requirements of Governmental Accounting Standards Board (GASB) Statement No. 45, Accounting and Financial Reporting by Employers for Post-Employment Benefits Other Than Pensions. State of New Jersey Local Finance Notice, 2007-15, also dictates that Municipalities implement this GASB. We conducted our audit in accordance with auditing standards generally accepted in the United States of America; audit requirements as prescribed by the Division of Local Government Services, Department of Community Affairs, State of New Jersey; and the standards applicable to financial audits contained in Government Auditing Standards, issued by the Comptroller General of the United States.

### Internal Control Over Financial Reporting

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

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



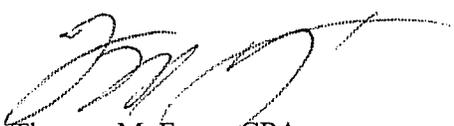
Honorable Mayor and  
Members of the Township Committee  
Township of Mansfield  
June 30, 2011  
Page 2

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

Compliance and Other Matters

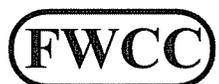
As part of obtaining reasonable assurance about whether the Township of Mansfield's financial statements-regulatory basis are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit and, accordingly, we do not express such an opinion. We noted certain immaterial instances of noncompliance that we have reported to the management of the Township of Mansfield in the accompanying comments and recommendations section of this report.

This report is intended solely for the information and use of management, The Division of Local Government Services, Department of Community Affairs, State of New Jersey, Federal Awarding Agencies and Pass Through Entities and is not intended to be and should not be used by anyone other than these specified parties.



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

*Ferraioli, Wielkottz, Cerullo, + Cova, P.A.*  
FERRAIOLI, WIELKOTZ, CERULLO & CUVA, P.A.  
Certified Public Accountants



## GENERAL COMMENTS

### Cash Balances

Cash balances in all funds were verified by independent certificates obtained from the depositories as of December 31, 2010, and at June 30, 2011, in connection with the supplemental reconciliations made for all officials. Cash on hand was counted on that date.

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

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

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

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

## GENERAL COMMENTS (CONTINUED)

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

Effective July 1, 2010, the bid threshold in accordance with N.J.S.A. 40A:11-3 and 40A:11-4 (as amended) is \$26,000.00 and with a qualified purchasing agent the threshold may be up to \$36,000.00.

The Governing Body of the Township of Mansfield have the responsibility of determining whether the expenditures in any category will exceed the bid threshold within the fiscal year and where question arises as to whether any contract or agreement might result in violation of the statute, the Township Attorney's opinion should be sought before a commitment is made.

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

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

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

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

### Collection of Interest on Delinquent Taxes

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

The governing body adopted the following resolutions on January 1, 2010 authorizing interest to be charged on delinquent taxes.

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

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

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

GENERAL COMMENTS (CONTINUED)

Collection of Interest on Delinquent Taxes (continued)

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

- 1) The Tax Collector is hereby authorized and directed to charge an 8% rate of interest per annum on the first \$1,500.00 of taxes becoming delinquent after due date, and 18% per annum on any amount of taxes in excess of \$1,500.00 becoming delinquent after due date and if a delinquency is in excess of \$10,000.00 and remains in arrears beyond December 31<sup>st</sup>, an additional penalty of 6% shall be charged against the delinquency.
- 2) Effective January 1, 2010 there will be a ten (10) day grace period of quarterly tax payments made by cash, check or money order.
- 3) Any payments not made in accordance with paragraph two of this resolution shall be charged interest from the due date as set forth in paragraph one of this resolution. It appears from an examination of the Tax Collector's records and of the Utility Collector's records that interest was collected in accordance with the forgoing resolutions.

Delinquent Taxes and Tax Title Liens

The last tax sale was held on September 29, 2010 and was complete, except for properties in Bankruptcy Court.

Inspection of tax sale certificates on file revealed that all tax sale certificates were available for audit.

The following comparison is made of the number of tax title liens receivable on December 31 of the last three years:

<u>Year</u>	<u>Number of Liens</u>
2010	114
2009	105
2008	99

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

Verification of Delinquent Taxes and Other Charges

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

The result of the test which was made as of December 31, 2010 is not yet known, but a separate report will be rendered if any irregularities are developed.

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

## GENERAL COMMENTS (CONTINUED)

### Municipal Court

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

There are 28 tickets assigned but not issued over 181 days.

#### Management Response:

The Court Administrator is going to recall and reissue the tickets.

### Technical Accounting Directives

Beginning January 1, 1986, the Township of Mansfield is required to have installed Fixed Assets General Ledger Accounting system and Encumbrance system.

Technical Accounting Directives were issued and forwarded to the Township of Mansfield from the Division of Local Government Services and the Local Finance Board pursuant to N.J.S.A. 52:27BB through 32. As to the filing date of this report of audit, the Township has not instituted the following systems:

1. The Township does not properly maintain a general ledger for all funds as promulgated by the Division of Local Government Services.

#### Management Response:

The General Ledger will be properly maintained in 2011.

2. Fixed Assets Accounting System was not maintained in accordance with Technical Accounting Directive 85-2.

#### Management Response:

Fixed assets will be updated and maintained in accordance with Technical Accounting Directive 85-2.

GENERAL COMMENTS (CONTINUED)

Finance

1. Various lease payments were made out of General Capital, which is not in accordance with State Bond Law.

Management Response:

Various lease payments will be paid out of the current fund budget.

2. There was no analysis of payroll maintained in 2010.

Management Response:

An analysis of payroll agency will be maintained in 2011.

3. One employee was not paid in accordance with the salary ordinance.

Management Response:

All employees will be paid in accordance with the salary ordinance in 2011.

4. There was one ordinance in which projects were completed and are on the schedule of deferred charges to future taxation - unfunded over 5 years since ordinance was adopted.

Management Response:

The deferred charges to future unfunded will be raised in the budget in future years.

5. Tax Title Liens should be investigated for possible foreclosure.

Management Response:

Tax title liens will be investigated and foreclosed on, if possible.

6. There are various federal and state grant receivables that need to be investigated for possible cancellation.

Management Response:

Federal and state grant receivables will be reviewed for possible cancellation.

7. There was insufficient payroll records to support salaries charged to Open Space.

Management Response:

All salaries charged to funds other than current fund will have sufficient documentation to support the charge.

## GENERAL COMMENTS (CONTINUED)

### Interfunds

1. Reference to various balance sheets show interfund balances remaining at year end. Transactions invariably occur in one fund which require a corresponding entry to be made in another fund, thus creating interfund balances. As a general rule, all interfund balances should be closed out as of the end of year.

#### Management Response:

It is the Township's policy to review and liquidate all interfund balances on a periodic basis.

### Outside Offices

1. There was an underage in the Police Department change fund.

#### Management Response:

Change fund accounts will be periodically reviewed to ensure proper amounts are maintained.

### Other

1. The Township did not implement the requirement of Governmental Accounting Standards Board (GASB), statement No. 45, *Accounting and Financial Reporting by Employers for Postemployment Benefits Other Than Pensions*.

#### Management Response:

The Township will implement, in 2011, the requirement of Governmental Accounting Standards Board (GASB), statement No. 45, *Accounting and Financial Reporting by Employers for Postemployment Benefits Other Than Pensions*.

RECOMMENDATIONS

1. That tickets over 181 days that are assigned but not issued be recalled and reassigned.
2. That a general ledger be properly maintained for all funds.
3. That fixed assets be updated.
4. That various lease payments be made in accordance with State Bond Law.
5. That an analysis of payroll be maintained.
6. That all employees be paid in accordance with the salary ordinance.
7. That deferred charges to future taxation - unfunded over five years old be funded.
8. That Tax Title Liens are investigated for possible foreclosure.
9. That interfunds be liquidated prior to end of year.
10. That the Police Department change fund prove out on a monthly basis.
11. That the Township implement Governmental Accounting Standards Board (GASB) Statement No. 45.
12. That grant receivable balances in federal and state grant fund be reviewed for possible cancellation.
13. That all salaries charged to funds other than current fund have sufficient documentation to support the charge.

Status of Prior Years Audit Findings/Recommendations

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

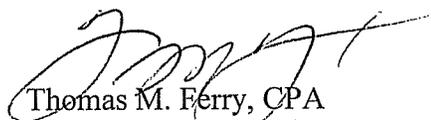
1. That tickets over 181 days that are assigned but not issued be recalled and reassigned.
2. That all change funds prove out, on a monthly basis.
3. That the Township implement Governmental Accounting Standards Board (GASB) Statement No. 45.
4. That ordinances with a cash deficit over 5 years be funded.
5. That Tax Title Liens are investigated for possible foreclosure.

\* \* \* \* \*

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

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

Very truly yours,

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

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