

**REPORT OF AUDIT**  
**TOWNSHIP OF MANSFIELD**  
**COUNTY OF WARREN**  
**DECEMBER 31, 2013**

**TOWNSHIP OF MANSFIELD, N.J.**  
**DECEMBER 31, 2013**

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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, 2013**

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

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

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

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

## INDEPENDENT AUDITOR'S REPORT

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

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

We have audited the accompanying balance sheets - regulatory basis of the various funds and account group of the Township of Mansfield in the County of Warren, as of December 31, 2013 and 2012, the related statement of operations and changes in fund balance - regulatory basis for the years then ended, and the related statement of revenues - regulatory basis and statement of expenditures - regulatory basis of the various funds for the year ended December 31, 2013, and the related notes to the financial statements, which collectively comprise the Township's basic financial statements as listed in the table of contents.

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

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

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

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America, the audit requirements prescribed by the Division of Local Government Services, Department of Community Affairs, State of New Jersey (the "Division"), and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making



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

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

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

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

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

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

In our opinion, because of the significance of the matter discussed in the "Basis for Adverse Opinion on U.S. Generally Accepted Accounting Principles" paragraph, the financial statements referred to above do not present fairly, in accordance with accounting principles generally accepted in the United States of America, the financial position of each fund of the Township of Mansfield as of December 31, 2013 and 2012, or changes in financial position for the years then ended.

***Basis for Qualified Opinion on Regulatory Basis Accounting Principles***

We are unable to obtain sufficient evidence to support the cost of fixed assets. As more fully describe in Note 1, due to the length of time over which these fixed assets were acquired, it is not practical to determine their actual costs. We are, therefore, unable to express an opinion as to the general fixed assets account group at at December 31, 2013, and 2012, stated as \$7,341,072.51.00 and \$7,264,877.00, respectively.

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

In our opinion, except for the effects of the matter described in “Basis for Qualified Opinion on Regulatory Basis Accounting Principles”, the financial statements referred to above present fairly, in all material respects, the regulatory basis balances sheets as of December 31, 2013 and 2012, the regulatory basis statements of operations for the years then ended and the regulatory basis statements of revenues and expenditures for the year ended December 31, 2013 in accordance with the basis of financial reporting prescribed by the Division of Local Government Services, Department of Community Affairs, State of New Jersey as described in Note 1.

***Other Matters***

***Other Information***

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

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

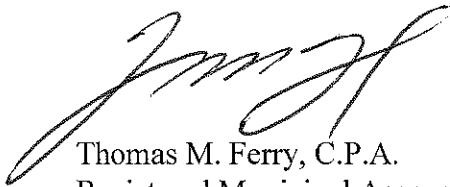
The letter of comments and recommendations section has not been subject to the auditing procedures applied in the audit of the basic financial statements, and accordingly, we do not express an opinion or provide any assurance on it.



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

In accordance with *Government Auditing Standards*, we have also issued our report dated September 11, 2014 on our consideration of the Township of Mansfield's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Township of Mansfield's internal control over financial reporting and compliance.



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

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

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

Newton, New Jersey

September 11, 2014



## Township of Mansfield, N.J.

## Comparative Balance Sheet - Regulatory Basis

## Current Fund

December 31,

	<u>Ref.</u>	<u>2013</u>	<u>2012</u>
<u>Assets</u>			
Current Fund:			
Cash	A-4	2,104,429.63	1,713,251.79
Change Fund	A-5	350.00	350.00
Due From State of New Jersey:			
Senior Citizen and Veteran Deductions	A-10	1,010.35	
Due From Warren County	A-11	9,375.03	
		<u>2,115,165.01</u>	<u>1,713,601.79</u>
Receivables and Other Assets with Full Reserves:			
Delinquent Taxes Receivable	A-6	470,256.86	539,349.37
Tax Title Liens Receivable	A-7	627,577.18	594,948.45
Property Acquired for Taxes -			
Assessed Valuation	A-8	1,447,600.00	1,447,600.00
Revenue Accounts Receivable	A-9	11,034.37	21,326.96
Interfund Receivables:			
Animal Control Trust Fund	A-12	139.59	180.40
		<u>2,556,608.00</u>	<u>2,603,405.18</u>
Deferred Charges:			
Over-expenditure of Appropriation Reserves	A-14	19,984.40	1,053.50
Special Emergency Authorizations (40A: 4-55)	A-15	188,050.00	
		<u>208,034.40</u>	<u>1,053.50</u>
		<u>4,879,807.41</u>	<u>4,318,060.47</u>
Federal and State Grant Fund:			
Interfund - Current Fund	A-24	26,858.21	30,738.78
Grants Receivable	A-25	108,292.01	130,334.81
		<u>135,150.22</u>	<u>161,073.59</u>
		<u>5,014,957.63</u>	<u>4,479,134.06</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

## Current Fund

December 31,

	<u>Ref.</u>	<u>2013</u>	<u>2012</u>
<u>Liabilities, Reserves and Fund Balance</u>			
Current Fund:			
Appropriation Reserves	A-3;A-13	277,993.95	287,874.34
Due to State of New Jersey:			
Senior Citizen and Veteran Deductions	A-10		739.65
Interfund Payable:			
Federal & State Grant Fund	A-12	26,858.21	30,738.78
General Capital	A-12	303,435.99	353,221.21
Other Trust	A-12	31,411.73	137,861.64
Tax Overpayments	A-16	25,372.41	18,498.15
Due to State of New Jersey:			
Marriage Surcharge	A-16	175.00	775.00
Verizon Franchise Fee	A-16		20,931.61
Revaluation of Taxes	A-16	63,845.00	
Garden State Preservation Trust Fund	A-16		25,077.00
Encumbrances Payable	A-17	189,737.68	47,366.44
Prepaid Taxes	A-18	97,004.90	352,593.47
County Taxes Payable	A-19	12,050.47	2,902.08
Local District School Taxes Payable	A-21	156,574.10	124,089.10
Regional High School Taxes Payable	A-22	53,028.75	43,096.78
Special Emergency Note Payable	A-23	188,050.00	
		<u>1,425,538.19</u>	<u>1,445,765.25</u>
Reserve for Receivables	Contra	2,556,608.00	2,603,405.18
Fund Balance	A-1	897,661.22	268,890.04
		<u>4,879,807.41</u>	<u>4,318,060.47</u>
Federal and State Grant Fund:			
Appropriated Reserve for Grants	A-26	135,150.22	161,073.59
		<u>5,014,957.63</u>	<u>4,479,134.06</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

## Years Ended December 31,

	<u>Ref.</u>	<u>2013</u>	<u>2012</u>
Revenues and Other Income:			
Fund Balance Utilized	A-2	70,000.00	212,000.00
Miscellaneous Revenue Anticipated	A-2	1,618,827.09	1,613,385.46
Receipts from Delinquent Taxes	A-2	563,722.07	256,848.28
Receipts from Current Taxes	A-2	19,633,194.32	19,305,229.23
Non-Budget Revenue	A-2	48,658.26	116,988.39
Other Credits to Income:			
Interfunds Returned	A-12	40.81	
Encumbrances Cancelled	A-17	15,091.80	6,150.83
Unexpended Balance of Appropriation Reserves	A-13	256,198.74	321,433.40
Total Revenues and Other Income		<u>22,205,733.09</u>	<u>21,832,035.59</u>
Expenditures:			
Budget and Emergency Appropriations:			
Operations - Within "CAPS"			
Salaries and Wages	A-3	1,653,575.35	1,672,416.00
Other Expenses	A-3	2,012,280.93	1,862,077.93
Deferred Charges and Statutory Expenditures -			
Municipal	A-3	538,857.31	562,984.80
Operations - Excluded From CAPS:			
Salaries and Wages	A-3	301,915.00	291,402.00
Other Expenses	A-3	50,581.66	76,292.42
Capital Improvements	A-3	290,975.00	398,084.50
Municipal Debt Service	A-3	378,509.23	376,024.28
Deferred Charges and Statutory Expenditures	A-3	72.35	35,500.00
Refund of Prior Year Revenue			
County Taxes including Added Taxes	A-19	5,184,477.80	5,186,813.03
Municipal Open Space Tax	A-20	128,672.28	129,863.47
Local District School Tax	A-21	5,269,930.00	5,204,960.00
Regional High School Tax	A-22	5,885,165.00	5,865,300.85
Total Expenditures		<u>21,695,011.91</u>	<u>21,661,719.28</u>
Excess (Deficit) Revenue Over Expenditures		510,721.18	170,316.31
Adjustment to Income Before Fund Balance			
Expenditures Included above Which are by Statute			
Deferred Charges to Budget of Succeeding Year	A-15	188,050.00	
Statutory Excess to Fund Balance		698,771.18	170,316.31
Fund Balance, January 1,	A-1	268,890.04	310,573.73
		967,661.22	480,890.04
Fund Balance Utilized as Budget Revenue		70,000.00	212,000.00
Fund Balance, December 31,	A	<u>897,661.22</u>	<u>268,890.04</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, 2013

	Ref.	Budget	Special N.J.S. 40A:4-87	Realized	Excess or (Deficit)
Fund Balance Anticipated	A-1	70,000.00		70,000.00	
Miscellaneous Revenues:					
Licenses:					
Alcoholic Beverages	A-9	4,800.00		4,877.00	77.00
Fees and Permits	A-9	6,600.00		10,290.00	3,690.00
Fines and Costs:					
Municipal Court	A-9	77,200.00		101,692.06	24,492.06
Interest and Costs on Taxes	A-9	80,000.00		109,342.99	29,342.99
Interest on Investments	A-9	6,600.00		14,077.49	7,477.49
Cellular Tower Rental	A-9	48,000.00		45,307.90	(2,692.10)
Cable T.V. Franchise Fee	A-9	22,000.00		22,766.69	766.69
Energy Receipts Tax	A-9	864,858.00		856,209.42	(8,648.58)
Garden State Trust Fund	A-16	25,077.00		25,077.00	
Police Administrative Fees	A-9	600.00		855.00	255.00
Planning Board Fees	A-9	750.00		4,250.00	3,500.00
DMV Fines	A-9	1,000.00		2,244.00	1,244.00
Uniform Construction Code Fees - Washington Township	A-9	24,500.00		44,628.94	20,128.94
Special Items of General Revenue Anticipated With Prior Written Consent of Division of Local Government Services:					
Shared Service Agreements Municipal Court & Prosecutor	A-9	290,000.00		286,054.75	(3,945.25)
Other Special Items:					
Hotel / Motel Occupancy Fee	A-9	20,000.00		26,810.40	6,810.40
Lease of Township Owned Farmland	A-9	3,200.00		4,000.00	800.00
Reserve for Verizon Franchise Fee	A-16	20,931.61		20,931.61	
Public and Private Revenues:					
Municipal Alcohol Education / Rehabilitation	A-25		263.87	263.87	
Click It or Ticket	A-25	4,000.00		4,000.00	
Drive Sober or Get Pulled Over	A-25		4,400.00	4,400.00	
Clean Communities Grant	A-25		19,346.24	19,346.24	
Drunk Driving Enforcement Fund	A-25		2,129.75	2,129.75	
Municipal Alliance on Alcoholism and Drug Abuse	A-25	7,402.00		7,402.00	
Body Armor	A-25		1,869.98	1,869.98	
Total Miscellaneous Revenues	A-1	1,507,518.61	28,009.84	1,618,827.09	83,298.64
Receipts from Delinquent Taxes	A-1;A-2	369,100.00		563,722.07	194,622.07
Subtotal General Revenues		1,946,618.61	28,009.84	2,252,549.16	277,920.71
Amount to be Raised by Taxes for Support of Municipal Budget-Local Tax for Municipal Purposes Including Reserve for Uncollected Taxes	A-2	3,672,801.80		3,741,796.24	68,994.44
Budget Totals		5,619,420.41	28,009.84	5,994,345.40	346,915.15
Non-Budget Revenue	A-1;A-2			48,658.26	48,658.26
		5,619,420.41	28,009.84	6,043,003.66	395,573.41
		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, 2013

Analysis of Realized Revenues

	<u>Ref.</u>	
Revenue from Collections	A-1;A-6	19,633,194.32
Allocated to School and County Taxes	A-6	<u>16,468,245.08</u>
Balance for Support of Municipal Budget Appropriations		3,164,949.24
Add : Appropriation - Reserve for Uncollected Taxes	A-3	<u>576,847.00</u>
Amount for Support of Municipal Budget Appropriations	A-2	<u><u>3,741,796.24</u></u>
Receipts from Delinquent Taxes:		
Delinquent Taxes		
Taxes Receivable	A-6	522,989.35
Tax Title Liens	A-7	<u>40,732.72</u>
	A-2	<u><u>563,722.07</u></u>

Analysis of Non-budget Revenues

Miscellaneous Revenues Not Anticipated:		
Payment in Lieu of Taxes		1,000.00
Sr. Citizen and Veteran Admin. Fees		1,090.00
Bad Check Fees		6,718.59
Clerk		81.00
Certified Lists		110.00
Miscellaneous		2,753.12
Various Reimbursements & Refunds		<u>36,905.55</u>
	A-2;A-4	<u><u>48,658.26</u></u>

Statement of Expenditures - Regulatory Basis

Current Fund

Year Ended December 31, 2013

	<u>Ref.</u>	<u>For 2013</u>	<u>Emergency Appropriation</u>	<u>Budget After Modification</u>	<u>Paid or Charged</u>	<u>Reserved</u>	<u>Unexpended Balance Cancelled</u>	<u>Over-Expended</u>
Operations - within "CAPS"								
Administrative and Executive								
Salaries and Wages		99,358.00		93,458.00	93,313.54	144.46		
Other Expenses - General		22,822.00		22,822.00	18,886.49	3,935.51		
Other Expenses - Clerk		3,213.00		3,878.00	3,555.55	322.45		
Other Expenses - Governing Body		664.00		64.00	51.01	12.99		
Financial Administration								
Salaries and Wages		72,885.00		72,850.00	72,845.85	4.15		
Other Expenses		18,475.00		16,875.00	14,704.74	2,170.26		
Audit		24,500.00		26,500.00	13,250.00	13,250.00		
Computerized Data Processing								
Other Expenses		17,180.00		17,180.00	16,049.98	1,130.02		
Collection of Taxes								
Salaries and Wages		55,690.00		53,190.00	52,116.68	1,073.32		
Other Expenses		30,500.00		27,580.00	2,253.86	25,326.14		
Assessment of Taxes:								
Salaries and Wages		24,775.00		24,775.00	24,771.52	3.48		
Other Expenses		5,765.00	188,050.00	5,765.00	4,545.25	1,219.75		
Revaluation				188,050.00	188,050.00			
Legal Services & Costs								
Other Expenses		85,000.00		85,000.00	81,971.79	3,028.21		
Engineering Services and Costs								
Other Expenses		30,200.00		19,200.00	19,200.00			
Economic Development								
Salaries and Wages		271.00		271.00	271.00			
Other Expenses		225.00		225.00		225.00		
Environmental Commission								
Salaries and Wages		977.00		977.00	976.81	0.19		
Other Expenses		650.00		350.00	350.00			

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

Statement of Expenditures - Regulatory Basis

Current Fund

Year Ended December 31, 2013

<u>General Appropriations</u>	<u>Ref.</u>	<u>For 2013</u>	<u>Emergency Appropriation</u>	<u>Budget After Modification</u>	<u>Paid or Charged</u>	<u>Reserved</u>	<u>Unexpended Balance Cancelled</u>	<u>Over-Expended</u>
Municipal Land Use Law (NJS 40:55D-1)								
Planning Board								
Salaries and Wages		16,021.00		16,021.00	16,021.00			
Other Expenses		35,820.00		34,820.00	25,512.18	9,307.82		
Police								
Salaries and Wages		933,685.00		1,049,560.00	1,047,086.18	2,473.82		
Other Expenses		103,150.00		103,150.00	94,758.59	8,391.41		
Emergency Management Services								
Salaries and Wages		3,068.00		3,068.00	3,068.00			
Other Expenses		1,882.00		811.10	811.10			
Emergency Management Offices		332.00		107.90		107.90		
Fire (Mansfield Twp. Fire Co.)								
Other Expenses		31,810.52		31,810.52	31,810.52			
Fire (Tri County Fire Company)								
Other Expenses		38,522.64		38,522.64	38,522.64			
Fire (Mount Bethel Fire Company)								
Other Expenses		24,030.24		24,030.24	24,030.24			
Fire (Butler Park Fire Company)								
Other Expenses		23,220.38		23,220.38	23,220.38			
Fire (General)								
Fire Hydrant Services		11,000.00		11,000.00	9,600.00	1,400.00		
Fire Prevention Bureau								
Salaries and Wages		1,576.00		1,577.00	1,577.00			
Other Expenses		1,000.00		1,000.00	996.02	3.98		
First Aid Organization - Contribution		53,408.15		53,408.15	53,408.15			
Public Works								
Road Repair and Maintenance								
Salaries and Wages		229,436.35		218,736.35	211,531.80	7,204.55		
Other Expenses		139,750.00		116,750.00	98,805.59	17,944.41		

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



Statement of Expenditures - Regulatory Basis

Current Fund

Year Ended December 31, 2013

General Appropriations	Ref.	For 2013	Emergency Appropriation	Budget After Modification	Paid or Charged	Reserved	Unexpended Balance Cancelled	Over-Expended
Snow Removal								
Salaries and Wages		20,000.00		20,000.00	18,600.18	1,399.82		
Other Expenses		115,000.00		115,000.00	65,903.22	49,096.78		
Garbage and Trash Removal								
Other Expenses		1,500.00		1,500.00	1,355.32	144.68		
Public Buildings and Grounds								
Other Expenses		41,000.00		45,600.00	44,835.85	764.15		
Health and Welfare								
Board of Health								
Salaries and Wages		22,116.00		14,777.00	14,776.92	0.08		
Senior Citizen Activities								
Other Expenses		6,000.00		6,000.00	4,650.00	1,350.00		
Recreation and Education								
Recreation								
Salaries and Wages		55,000.00		50,800.00	50,768.74	31.26		
Other Expenses		5,250.00		3,950.00	3,709.11	240.89		
Municipal Court:								
Salaries and Wages		31,050.00		26,500.00	18,995.66	7,504.34		
Other Expenses		4,885.00		4,885.00	156.29	4,728.71		
Prosecutor		3,715.00		3,715.00	3,715.00			
Public Defender		1,800.00		1,800.00	4,063.00			2,263.00
PEOSHA (NJSA 34:6a-25 Et Seq.)								
Hepatitis B Shots		700.00		700.00	525.00	175.00		
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		1,000.00		130.00	130.00			

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

Statement of Expenditures - Regulatory Basis

Current Fund

Year Ended December 31, 2013

General Appropriations	Ref.	For 2013	Emergency Appropriation	Budget After Modification	Paid or Charged	Reserved	Unexpended Balance Cancelled	Over-Expended
Insurance								
General Liability		100,141.00		100,141.00	100,140.00	1.00		
Workers Compensation		98,032.00		98,032.00	98,032.00			
Employee Group Health		522,650.00		518,060.00	511,053.61	7,006.39		
Insurance Fund Commissioner		1,500.00		1,500.00	1,500.00			
Health Benefit Waiver		21,775.00		21,875.00	20,960.77	914.23		
Tax Appeals		75,000.00		50,910.00		50,910.00		
Accrued Sick Leave and Other Compensation		22,200.00		22,200.00				
Utilities								
Fuel Oil		20,000.00		20,000.00	17,638.95	2,361.05		
Electricity		45,850.00		41,623.88	39,978.31	1,645.57		
Telephone		17,500.00		17,040.71	17,040.71			
Gasoline		60,000.00		51,000.00	37,761.33	13,238.67		
Fuel - Diesel		40,000.00		36,713.41	21,111.75	15,601.66		
Water Testing		500.00		500.00	393.50	106.50		
Natural Gas		3,500.00		3,500.00	1,815.79	1,684.21		
Total Operations Within "CAPS"		3,479,326.28	188,050.00	3,665,856.28	3,409,734.47	258,384.81		2,263.00
Total Operations Including Contingent-Within "CAPS"		3,479,326.28	188,050.00	3,665,856.28	3,409,734.47	258,384.81		2,263.00
Detail:								
Salaries and Wages	A-1	1,572,923.35		1,653,575.35	1,635,998.88	19,839.47		2,263.00
Other Expenses (Including Contingent)	A-1	1,906,402.93	188,050.00	2,012,280.93	1,773,735.59	238,545.34		
Deferred Charges and Statutory Expenditures-Municipal Within "CAPS"								
Statutory Expenditures								
Deficit in Animal Control Fund		56.81		56.81	40.81			16.00
Overexpenditure of Appropriation Reserve		1,053.50		1,053.50	1,053.50			
Contribution to:								
Public Employees' Retirement System		101,306.00		101,306.00	101,306.00			
Defined Contribution Retirement Program		525.00		525.00	160.20	364.80		
Unemployment Compensation Insurance		1,200.00		2,720.00	2,688.39	31.61		

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

Statement of Expenditures - Regulatory Basis

Current Fund

Year Ended December 31, 2013

	Ref.	For 2013	Emergency Appropriation	Budget After Modification	Paid or Charged	Reserved	Unexpended Balance Cancelled	Over-Expended
<u>General Appropriations</u>								
Police and Fireman's Retirement System of NJ		276,662.00		276,662.00	276,662.00			
Public Employees' Retirement System Arrears		600.00		600.00		600.00		
Police and Fireman's Retirement System of Arrears		700.00		700.00		700.00		
Social Security System (O.A.S.I.)		155,250.00		155,250.00	153,337.27	1,912.73		
Total Deferred Charged and Statutory Expenditures - Municipal within "CAPS"	A-1	537,353.31		538,873.31	535,248.17	3,609.14	16.00	
Total General Appropriations for Municipal Purposes within "CAPS"		4,016,679.59	188,050.00	4,204,729.59	3,944,982.64	261,993.95	16.00	2,263.00
Operations - Excluded From "CAPS"								
Municipal Court:								
Salaries and Wages		271,465.00		271,465.00	271,465.00			
Other Expenses		11,169.82		11,169.82	11,169.82			
Prosecutor		30,450.00		30,450.00	30,450.00			
Total Other Operations - Excluded From Caps		313,084.82		313,084.82	313,084.82			
Public and Private Programs Offset By Revenues								
Clean Communities Program		19,346.24		19,346.24	19,346.24			
Body Armor - Grant		1,869.98		1,869.98	1,869.98			
Municipal Alliance		7,402.00		7,402.00	7,402.00			
Drive Sober or Get Pulled Over		4,400.00		4,400.00	4,400.00			
Drunk Driving Enforcement Fund		2,129.75		2,129.75	2,129.75			
Alcohol Education / Rehabilitation Program		263.87		263.87	263.87			
Click-it or Ticket		4,000.00		4,000.00	4,000.00			
Total Public and Private Programs Offset By Revenues		39,411.84		39,411.84	39,411.84			
Total Operations - Excluded from "CAPS"		352,496.66		352,496.66	352,496.66			
Detail:								
Salaries and Wages	A-1	301,915.00		301,915.00	301,915.00			
Other Expenses	A-1	50,581.66		50,581.66	50,581.66			
Capital Improvements - Excluded From "CAPS"								
Capital Improvement Fund		70,000.00		70,000.00	70,000.00			
Purchase of Police Computer		21,500.00		21,500.00	21,500.00			

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

## Statement of Expenditures - Regulatory Basis

## Current Fund

Year Ended December 31, 2013

	Ref.	For 2013	Emergency Appropriation	Budget After Modification	Paid or Charged	Reserved	Unexpended Balance Cancelled	Over-Expended
Purchase of Road Equipment		55,000.00		55,000.00	72,062.55			17,062.55
Purchase of Police Equipment		4,700.00		4,700.00	5,358.85			658.85
Improvements to Streets and Roads		23,775.00		23,775.00	23,775.00			
Improvements to Municipal Property		16,000.00		16,000.00		16,000.00		
Construct Salt Shed		100,000.00		100,000.00	100,000.00			
Total Capital Improvements Excluded from "CAPS"	A-1	290,975.00		290,975.00	292,696.40	16,000.00		17,721.40
Municipal Debt Service - Excluded From "CAPS"								
Payment of Bond Principal		142,045.00		142,045.00	142,045.00			
Payment of Bond Anticipation Notes		35,500.00		35,500.00	35,500.00			
Interest on Bonds		66,829.00		66,829.00	66,829.00			
Interest on Notes		2,928.00		2,928.00	2,927.35		0.65	
NJ Economic Resource Loan Interest		338.00		338.00	337.50		0.50	
NJ Economic Resource Loan Principal Repayment		22,500.00		22,500.00	22,500.00			
Capital Lease Obligations		140,219.00		140,219.00	108,370.38		31,848.62	
Total Municipal Debt Service-Excluded from "CAPS"	A-1	410,359.00		410,359.00	378,509.23		31,849.77	
Deferred Charges - Municipal - Excluded From "CAPS"								
Deferred Charges:								
Deferred Charges to Future Taxation Unfunded:								
Ord. 10-09 Various Improvements		73.00		73.00	72.35		0.65	
Total Deferred Charges - Municipal - Excluded From "CAPS"	A-1	73.00		73.00	72.35		0.65	
Total General Appropriations - Excluded From "CAPS"		1,053,903.66		1,053,903.66	1,023,774.64	16,000.00	31,850.42	
Subtotal General Appropriations		5,070,583.25	188,050.00	5,258,633.25	4,968,757.28	277,993.95	31,866.42	19,984.40
Reserve for Uncollected Taxes		576,847.00		576,847.00	576,847.00			
Total General Appropriations		5,647,430.25	188,050.00	5,835,480.25	5,545,604.28	277,993.95	31,866.42	19,984.40
								A

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

Statement of Expenditures - Regulatory Basis

Current Fund

Year Ended December 31, 2013

	<u>Ref.</u>	<u>For 2013</u>	<u>Emergency</u>	<u>Budget</u>	<u>Paid or</u>	<u>Unexpended</u>	<u>Over-</u>
<u>General Appropriations</u>		<u>Appropriation</u>	<u>Appropriation</u>	<u>After</u>	<u>Charged</u>	<u>Balance</u>	<u>Expended</u>
				<u>Modification</u>		<u>Cancelled</u>	
Adopted Budget	A-2			5,619,420.41			
Special Emergency Authorization (40A:4-55)	A-15			188,050.00			
Appropriated by N.J.S. 40A:4-87	A-2			28,009.84			
				<u>5,835,480.25</u>			
Analysis of Paid or Charged:							
Reserve for Uncollected Taxes	A-2				576,847.00		
Cash Disbursed	A-4				4,616,372.89		
Schedule of Interfunds	A-12				70,376.16		
Deferred Charges	A-14				1,053.50		
Various Reserves	A-16				63,845.00		
Encumbrances Payable	A-17				177,697.89		
Reserve for Federal & State Grants	A-26				39,411.84		
					<u>5,545,604.28</u>		

## Township of Mansfield, N.J.

## Comparative Balance Sheet - Regulatory Basis

## Trust Funds

December 31,

	<u>Ref.</u>	<u>2013</u>	<u>2012</u>
<u>Assets</u>			
Animal Control Trust Fund:			
Cash- Treasurer	B-1	(924.19)	140.79
Deficit in Dog Fund Expenditures	B-5	1,063.78	
		<u>139.59</u>	<u>140.79</u>
Other Trust Funds:			
Cash	B-1	1,465,673.63	1,320,222.61
Interfund Current Fund	B-2	31,411.73	137,861.64
Interfund General Capital	B-3	36,321.57	36,321.57
		<u>1,533,406.93</u>	<u>1,494,405.82</u>
		<u>1,533,546.52</u>	<u>1,494,546.61</u>
<u>Liabilities, Reserves &amp; Fund Balance</u>			
Animal Control Trust Fund:			
Interfund Current Fund	B-4	139.59	180.40
Reserve for Dog Fund Expenditures	B-5		(40.81)
Due to State Department of Health	B-7		1.20
		<u>139.59</u>	<u>140.79</u>
Other Trust Fund:			
Other Trust Funds	B-6	1,533,406.93	1,494,405.82
		<u>1,533,546.52</u>	<u>1,494,546.61</u>

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

**Township of Mansfield, N.J.**  
**Comparative Balance Sheet - Regulatory Basis**

**General Capital Fund**  
**December 31,**

	<u>Ref.</u>	<u>2013</u>	<u>2012</u>
<u>Assets</u>			
Cash	C-2;C-3	389,686.19	226,501.88
Interfund Receivable:			
Current Fund	C-4	303,435.99	353,221.21
Due From Hackettstown	C-6	14,867.54	14,867.54
Due From Hackettstown MUA	C-7	100,000.00	
Due From State of			
N.J. Department of Transportation	C-8	125,000.00	
Deferred Charges to Future Taxation			
Funded	C-9	2,095,000.00	2,313,500.00
Unfunded	C-10	446,150.00	285,072.35
		<u>3,474,139.72</u>	<u>3,193,162.98</u>
<u>Liabilities, Reserves and Fund Balance</u>			
Interfund -Other Trust Fund	C-5	36,321.57	36,321.57
Capital Improvement Fund	C-11	232,676.13	182,292.13
Improvement Authorizations:			
Funded	C-12	323,908.55	138,066.75
Unfunded	C-12	196,650.00	72.35
Bond Anticipation Notes Payable	C-13	249,500.00	285,000.00
Various Reserves	C-14	339,786.48	237,613.19
General Serial Bonds	C-15	2,095,000.00	2,291,000.00
N.J. Economic Resources Loan Payable	C-16		22,500.00
Fund Balance	C-1	296.99	296.99
		<u>3,474,139.72</u>	<u>3,193,162.98</u>

Footnote C: There were Bonds and Notes Authorized But Not Issued in the Amount of \$196,650.00 and \$72.35 on December 31, 2013 and 2012 as per Exhibit C-17.

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

## Township of Mansfield, N.J.

## Comparative Schedule of Fund Balance - Regulatory Basis

## General Capital Fund

## Year Ended December 31,

		<u>2013</u>	<u>2012</u>
	<u>Ref.</u>		
Balance - January 1,	C	<u>296.99</u>	<u>296.99</u>
Balance - December 31,	C	<u>296.99</u>	<u>296.99</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,

(Unaudited)

	<u>2013</u>	<u>2012</u>
<u>General Fixed Assets</u>		
Land / Land Improvements		
Buildings	5,668,100.00	5,668,100.00
Machinery and Equipment (Including Vehicles)	<u>1,672,972.51</u>	<u>1,596,777.00</u>
	<u>7,341,072.51</u>	<u>7,264,877.00</u>
 Investment in General Fixed Assets	 <u>7,341,072.51</u>	 <u>7,264,877.00</u>

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

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

**NOTES TO FINANCIAL STATEMENTS  
YEARS ENDED DECEMBER 31, 2013 AND 2012**

**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, 2013 AND 2012**  
**CONTINUED**

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

B. Basis of Accounting

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

The Township has the following funds and account groups:

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

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

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

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

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

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

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

## TOWNSHIP OF MANSFIELD

### NOTES TO FINANCIAL STATEMENTS YEARS ENDED DECEMBER 31, 2013 AND 2012 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, 2013 AND 2012  
CONTINUED**

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

B. Basis of Accounting (continued)

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

Animal Control Trust Fund	Trust Fund
General Capital Fund	

The governing body shall introduce and approve the annual budget not later than February 10, of the fiscal year. The budget shall be adopted not later than March 20, and prior to adoption must be certified by the Division of Local Government Services, Department of Community Affairs, State of New Jersey. The Director of the Division of Local Government Services, with the approval of the Local Finance Board may extend the introduction and approval and adoption dates of the municipal budget. The budget is prepared by fund, function, activity and line item (salary or other expense) and includes information on the previous year. The legal level of control for appropriations is exercised at the individual line item level for all operating budgets adopted. Emergency appropriations, those made after the adoption of the budget and determination of the tax rate, may be authorized by the governing body of the municipality. During the last two months of the fiscal year, the governing body may, by a 2/3 vote, amend the budget through line item transfers. Management has no authority to amend the budget without the approval of the Governing Body. Expenditures may not legally exceed budgeted appropriations at the line item level. During 2013, the Township Committee increased the original current fund budget by \$28,009.84 for additional special items of revenue and \$188,050.00 for a Special Emergency Authorization. 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, 2013 AND 2012 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, 2013 AND 2012  
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, 2013 AND 2012  
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 2013 statutory budget included a reserve for uncollected taxes in the amount of \$576,847.00. To balance the budget, the municipality is required to show a budgeted fund balance. The amount of fund balance budgeted to balance the 2013 statutory budget was \$70,000.00.

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 2013, funding in the amount of \$28,009.84 was inserted into the budget for Municipal Alcohol Education/Rehabilitation, Drive Sober or Get Pulled Over, Clean Communities Grant, Drunk Driving Enforcement Fund 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 2013, there was a Special Emergency Authorization (N.J.S.A. 40A:4-55) for Revaluation of Real Property in the amount of \$188,050.00.

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

Certain expenditures are required to be deferred to budgets of succeeding years. At December 31, 2013 the following deferred charges are shown on the balance sheets of the various funds:

	<u>Balance Dec. 31, 2013</u>	<u>2014 Budget Appropriation</u>	<u>Balance to Succeeding Budgets</u>
Over-expenditure of Appropriation	\$ 19,984.40	\$19,984.40	\$ -
Deficit Animal Control Fund	1,063.78	1,063.78	-
Revaluation of Taxes	<u>188,050.00</u>	<u>37,610.00</u>	<u>150,440.00</u>
	<u>\$209,098.18</u>	<u>\$58,658.18</u>	<u>\$150,440.00</u>



**TOWNSHIP OF MANSFIELD**

**NOTES TO FINANCIAL STATEMENTS  
YEARS ENDED DECEMBER 31, 2013 AND 2012  
CONTINUED**

**NOTE 4: GENERAL FIXED ASSETS (UNAUDITED)**

The following schedule is a summarization of the changes in general fixed assets for the calendar year ended December 31, 2013.

	Balance as of <u>12/31/12</u>	<u>Increases</u>	<u>Disposals</u>	Balance as of <u>12/31/13</u>
Land/Land Improvements	\$5,668,100.00	\$ -	\$ -	\$5,668,100.00
& Buildings				
Equipment, Furniture	<u>1,596,777.00</u>	<u>76,724.51</u>	<u>529.00</u>	<u>1,672,972.51</u>
& Vehicles				
	<u>\$7,264,877.00</u>	<u>\$76,724.51</u>	<u>\$529.00</u>	<u>\$7,341,072.51</u>

**NOTE 5: MUNICIPAL DEBT**

Long-term debt as of December 31, 2013 consisted of the following:

	Balance <u>Dec. 31, 2012</u>	<u>Additions</u>	<u>Reductions</u>	Balance <u>Dec. 31, 2013</u>	Amount Due Within <u>One Year</u>
Bonds Payable -					
General Obligation Debt	\$2,291,000.00	\$ -	\$196,000.00	\$2,095,000.00	\$241,000.00
New Jersey Economic Resources Loan	22,500.00	-	22,500.00	-	-
Other Liabilities -					
Compensated Absences Payable	<u>284,505.46</u>	<u>40,376.05</u>	<u>-</u>	<u>324,881.51</u>	<u>-</u>
	<u>\$2,598,005.46</u>	<u>\$40,376.05</u>	<u>\$218,500.00</u>	<u>\$2,419,881.51</u>	<u>\$241,000.00</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.

**TOWNSHIP OF MANSFIELD**

**NOTES TO FINANCIAL STATEMENTS  
YEARS ENDED DECEMBER 31, 2013 AND 2012  
CONTINUED**

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

The Township's debt is summarized as follows:

	<u>Year 2013</u>	<u>Year 2012</u>	<u>Year 2011</u>
<u>Issued</u>			
General Capital Fund:			
Bonds, Loans and Notes	<u>\$2,344,500.00</u>	<u>\$2,598,500.00</u>	<u>\$2,896,000.00</u>
<u>Other Loans:</u>			
Special Emergency Note	<u>188,050.00</u>	<u>-</u>	<u>-</u>
<u>Authorized But Not Issued</u>			
General Capital Fund:			
Bonds and Notes	<u>196,650.00</u>	<u>72.35</u>	<u>35,572.35</u>
Net Bonds & Notes Issued & Authorized But Not Issued	<u>\$2,729,200.00</u>	<u>\$2,598,572.35</u>	<u>\$2,931,572.35</u>

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 .377%.

	<u>Gross Debt</u>	<u>Deductions</u>	<u>Net Debt</u>
Local School District Debt	\$ 815,000.00	\$ 815,000.00	\$ -
Regional High School	6,752,700.00	6,752,700.00	-
General Debt	<u>2,729,200.00</u>	<u>-</u>	<u>2,729,200.00</u>
	<u>\$10,296,900.00</u>	<u>\$7,567,700.00</u>	<u>\$2,729,200.00</u>

Net Debt \$2,729,200.00 divided by average equalized valuation basis per N.J.S.A. 40A:2-2 as amended, 723,112,633.00 = .377%.

SUMMARY OF EQUALIZED VALUATIONS

2013	723,112,633.00	
2012		776,657,830.00
2011		834,213,143.00

**TOWNSHIP OF MANSFIELD**

**NOTES TO FINANCIAL STATEMENTS  
YEARS ENDED DECEMBER 31, 2013 AND 2012  
CONTINUED**

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

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

3 ½% of Average Equalized Valuation Basis	25,308,942.15
Net Debt	<u>2,729,200.00</u>
Remaining Borrowing Power	<u>22,579,742.15</u>

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

Analysis of long-term debt as of December 31, 2013 consisted of the following:

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

\$1,481,000.00 General Improvement Bond dated 12/1/2001 payable in annual installments through 9/1/2021. Interest is paid semi-annually at a rate of 5.20% per annum. The balance remaining as of December 31, 2013, was \$835,000.00.

\$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, 2013, was \$1,205,000.00.

\$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, 2013, was \$55,000.00.

Total General Capital Bonds and Loans listed above \$2,095,000.00

**TOWNSHIP OF MANSFIELD**

**NOTES TO FINANCIAL STATEMENTS  
YEARS ENDED DECEMBER 31, 2013 AND 2012  
CONTINUED**

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

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

Calendar Year	General		Total
	Principal	Interest	
2014	241,000.00	98,270.02	339,270.02
2015	186,000.00	87,126.76	273,126.76
2016	191,000.00	78,114.76	269,114.76
2017	191,000.00	68,884.00	259,884.00
2018	196,000.00	59,653.26	255,653.26
2019-2023	795,000.00	160,762.80	955,762.80
2024-2026	<u>295,000.00</u>	<u>25,593.78</u>	<u>320,593.78</u>
Total Debt	<u>2,095,000.00</u>	<u>578,405.38</u>	<u>2,673,405.38</u>

**NOTE 6: BOND ANTICIPATION NOTES**

The following activity related to bond anticipation notes occurred during the calendar year ended December 31, 2013.

	Balance <u>12/31/12</u>	Additions	Reductions	Balance <u>12/31/13</u>
General Capital Fund:				
TBGC Investment Group	<u>285,000.00</u>	<u>249,500.00</u>	<u>285,000.00</u>	<u>249,500.00</u>

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

**TOWNSHIP OF MANSFIELD**

**NOTES TO FINANCIAL STATEMENTS  
YEARS ENDED DECEMBER 31, 2013 AND 2012  
CONTINUED**

**NOTE 6: BOND ANTICIPATION NOTES (CONTINUED)**

The Township has outstanding at December 31, 2013, a bond anticipation note in the amount of \$249,500.00 payable to TBGC Investment Group. This note matured on 5/22/14 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 .99%. The Township renewed this note on May 23, 2014 payable to Roosevelt and Cross with an interest rate of .89%. Principal and interest on this note is paid from the Current Fund budget of the Township.

The original amount of \$249,500.00 was decreased by a principal payment of \$24,950.00. Added was the Special Emergency Note, in the amount of \$150,440.00, and Authorized But Not Issued, in the amount of \$196,650.00. The total BAN was issued for \$571,640.00.

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

Balances due to/from other funds at December 31, 2013 consist of the following:

\$26,858.21	Due to Federal and State Grant Fund from Current Fund for Federal and State Grants received and disbursed by the Current Fund.
139.59	Due to Current Fund from Animal Control Trust Fund for various receipts and disbursements made in Current Fund for Animal Control Trust Fund.
303,435.99	Due to General Capital Fund from Current Fund for various receipts and disbursements made in General Capital Fund for Current Fund
31,411.73	Due to Other Trust Fund from Current Fund for various receipts and disbursements made in Current Fund for Other Trust Fund.
<u>36,321.57</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>\$398,167.09</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, 2013 AND 2012  
CONTINUED**

**NOTE 8: FUND BALANCES APPROPRIATED**

Fund balances at December 31, 2013 and 2012 which were appropriated and included as anticipated revenue in their own respective funds for the years ending December 31, 2014 and 2013 were as follows:

	<u>2013</u>	<u>2012</u>
Current Fund	<u>\$70,000.00</u>	<u>\$70,000.00</u>

**NOTE 9: 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 Firemens' 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 Firemens' 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 certain qualified members. Membership is mandatory for 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. 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, 2013 AND 2012**  
**CONTINUED**

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

Description of Systems, (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.

Chapter 78, P.L. 2011, provides that new members of PERS hired on or after June 28, 2011 (Tier 5 members) will need 30 years of creditable service and age 65 for receipt of the early retirement benefit without a reduction of  $\frac{1}{4}$  of 1% for each month that the member is under age 65. Tier 5 members will be eligible for a service retirement benefit at age 65.

*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.

**TOWNSHIP OF MANSFIELD**  
**NOTES TO FINANCIAL STATEMENTS**  
**YEARS ENDED DECEMBER 31, 2013 AND 2012**  
**CONTINUED**

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

Description of Systems, (continued)

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

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. 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, (Tier 2 employees) 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.

Contribution Requirements

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



**TOWNSHIP OF MANSFIELD**

**NOTES TO FINANCIAL STATEMENTS  
YEARS ENDED DECEMBER 31, 2013 AND 2012  
CONTINUED**

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

Contribution Requirements (continued)

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>
2013	\$101,306.00	\$276,662.00
2012	102,464.00	253,733.00
2011	99,008.00	315,754.00

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 \$1,500.00 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 \$5,000.00 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.

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.

**TOWNSHIP OF MANSFIELD**

**NOTES TO FINANCIAL STATEMENTS  
YEARS ENDED DECEMBER 31, 2013 AND 2012  
CONTINUED**

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

Defined Contribution Retirement Program (continued)

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

Contributions made by employees for DCRP are currently at 5.5% of the base wages. Member contributions are matched by a 3.0% employer contribution.

The Township of Mansfield's contributions for DCRP for the years ended December 31, 2013, 2012 and 2011 were \$160.20, \$175.00 and \$176.64, respectively, which equals the required contribution for each year. There was 1 employee eligible to be enrolled in the DCRP as of December 31, 2013, 2012 and 2011.

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

The Township has permitted employees to accrue unused sick pay, which may be taken as time off or paid upon retirement or separation at the employee's current rate at such termination. It is estimated that current cost of such unpaid compensation would approximate \$324,881.51.

This amount is not reported either as an expenditure or a liability. The Township has reserved \$21,034.55 from previous budgets to be used to offset this liability and is reflected on the Trust Fund balance sheet. See Exhibit B-6 for an analysis. It is expected that any remaining cost of such unpaid compensation would be included in the Township's budget operating expenditures in the year in which it is used.

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

Cash

Custodial Credit Risk - Deposits

Custodial credit risk is the risk that in the event of a bank failure, the government's deposits may not be returned to it. The Township's policy is based on New Jersey Statutes requiring cash be deposited only in New Jersey based banking institutions that participate in New Jersey Governmental Depository Protection Act (GUDPA) or in qualified investments established in New Jersey Statutes 40A:5-15.1(a) that are treated as cash equivalents. As of December 31, 2013, \$-0- of the Township's bank balance of \$4,012,819.07 was exposed to custodial credit risk.

## TOWNSHIP OF MANSFIELD

### NOTES TO FINANCIAL STATEMENTS YEARS ENDED DECEMBER 31, 2013 AND 2012 CONTINUED

#### NOTE 11: 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 12: RISK MANAGEMENT

The Township is exposed to various risks of loss related to general liability, automobile coverage, damage and destruction of assets; errors and omissions; injuries to employees; and natural disasters. The Township has obtained insurance coverage to guard against these events which will provide minimum exposure to the Township should they occur. During the 2013 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.

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.

**TOWNSHIP OF MANSFIELD**

**NOTES TO FINANCIAL STATEMENTS  
YEARS ENDED DECEMBER 31, 2013 AND 2012  
CONTINUED**

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

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 13: LEASES**

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

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

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

On April 26, 2007, the Township entered into a long-term lease for the purchase of a Pierce Mini-Pumper. The lease is for a ten (10) year term expiring on 4/26/2016. The interest rate is unavailable.

On December 25, 2009, the Township entered into a long-term lease for the purchase of an ambulance. The lease is for a nine (9) year term expiring on 12/25/2017. The interest rate is 5.81%.

On December 16, 2009, the Township entered into a long-term lease for the purchase of an ambulance. The lease is for a seven (7) year term expiring on 12/16/2015. The interest rate is 5.59%.

On October 23, 2013, the Township entered into a long-term lease for the purchase of a 2014 Dodge Charger Police vehicle, totaling \$32,453.00. The lease is for a three (3) year term expiring on 10/23/2016. The interest rate is 6.50%. A payment of \$11,505.59 was made on the date of inception of the lease.

The following is a schedule of future minimum lease payments as of December 31, 2013:

Total minimum lease payment	\$630,679.10
Less: amount representing interest	<u>119,581.92</u>
Present Value of net minimum lease payments	<u>\$511,097.18</u>

**TOWNSHIP OF MANSFIELD**

**NOTES TO FINANCIAL STATEMENTS  
YEARS ENDED DECEMBER 31, 2013 AND 2012  
CONTINUED**

**NOTE 13: LEASES (CONTINUED)**

Calendar <u>Year</u>	<u>Principal</u>	<u>Interest</u>	Total Lease <u>Payments</u>
2014	\$110,490.18	\$ 31,855.87	\$142,346.05
2015	105,532.72	25,211.15	130,743.87
2016	75,135.01	18,235.37	93,370.38
2017	59,720.38	26,637.81	86,358.19
2018	60,865.19	8,493.00	69,358.19
2019	49,287.46	5,239.98	54,527.44
2020	24,902.93	2,584.56	27,487.49
2021	<u>25,163.31</u>	<u>1,324.18</u>	<u>26,487.49</u>
	<u>\$511,097.18</u>	<u>\$119,581.92</u>	<u>\$630,679.10</u>

**NOTE 14: PUBLIC ASSISTANCE**

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

**NOTE 15: HEALTH INSPECTIONS**

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

**NOTE 16: TAXES COLLECTED IN ADVANCE**

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

	<u>Balance Dec 31, 2013</u>	<u>Balance Dec 31, 2012</u>
Prepaid Taxes	<u>\$97,004.90</u>	<u>\$352,593.47</u>
Cash Liability for Taxes Collected in Advance	<u>\$97,004.90</u>	<u>\$352,593.47</u>

**TOWNSHIP OF MANSFIELD**

**NOTES TO FINANCIAL STATEMENTS  
YEARS ENDED DECEMBER 31, 2013 AND 2012  
CONTINUED**

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

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

The Township has elected to defer school taxes as follows:

	Local School District Tax Balance <u>Dec. 31, 2013</u>	Regional School District Tax Balance <u>Dec. 31, 2013</u>
Balance of Tax	2,548,983.14	2,668,152.60
Deferred	<u>2,392,409.04</u>	<u>2,615,123.85</u>
Tax Payable	<u>156,574.10</u>	<u>53,028.75</u>

**NOTE 18: OTHER POST EMPLOYMENT BENEFITS**

**A. PLAN OVERVIEW**

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

The Township of Mansfield contributes to Horizon Blue Cross Blue Shield Direct Access plan. This plan is a stand alone Health Benefit plan.

The Township provides full-time post-employment benefits (i.e., health care and prescription plan) to one retired employee, other than the Police, based on the retirement agreement.

The Police bargaining unit has negotiated the following benefits:

Police

Upon retirement, full time employees with twenty (20) years in the State Pension Plan will receive full benefits (i.e., health care and prescription plan) which will cover the retiring employee.

Full time employees with twenty-five (25) years in the State Pension Plan will receive full benefits, (i.e., health care and prescription plan) which will cover the retiring employee, their spouse and/or dependents.

## TOWNSHIP OF MANSFIELD

### NOTES TO FINANCIAL STATEMENTS YEARS ENDED DECEMBER 31, 2013 AND 2012 CONTINUED

#### NOTE 18: OTHER POST EMPLOYMENT BENEFITS (CONTINUED)

##### **B. FUNDING POLICY**

The Township is not required to nor does it contribute the annual required contribution (ARC) per N.J.S.A. 40A:4-1 et seq. There is currently no provision under State statute for the Township to accrue funds, create a trust or issue debt to finance their other post employment benefit (“OPEB”) liability.

The Township’s portion of post-employment benefits is funded as a pay-as-you-go basis from the Current Fund operating budget. During 2013, the Township had 11 employees who met eligibility requirements and recognized expenses of approximately \$217,169.92.

##### **C. ACCOUNTING AND ACTUARIAL INFORMATION**

The process of determining the liability for retiree medical benefits is based on many assumptions about future events.

The key assumptions are:

- **Turnover and retirement rates:** How likely is it that an employee will qualify for post-employment benefits and when will the benefits start?
- **Medical inflation and claims costs assumptions:** When an employee starts receiving post employment benefits, possibly many years from now, how much will those benefits cost each year and how rapidly will the costs grow?
- **Mortality assumption:** How long is a retiree likely to receive benefits?
- **Discount rate assumption:** What is the present value of those future benefit payments in terms of today’s dollar?

Since the liability is being recognized over the employee’s whole career, the present value is divided in three pieces: the part that is attributed to past years of service ( the “Actuarial Accrued Liability”), the part that is being earned this year (the “Normal Cost”), and the part that will be earned in future years (the “Future Service Liability”). The actuarial accrued liability may be reduced from any assets set aside to pre-fund OPEB obligations to derive *Unfunded Actuarial Accrued Liability* or *UAAL*; i.e., the OPEB liabilities attributable to prior years that have not yet been funded by designated assets.

Once the Unfunded Actuarial Accrued Liability and the Normal Cost have been calculated, the next step is to determine an *Annual Required Contribution* of ARC.

**TOWNSHIP OF MANSFIELD**

**NOTES TO FINANCIAL STATEMENTS  
YEARS ENDED DECEMBER 31, 2013 AND 2012  
CONTINUED**

**NOTE 18: OTHER POST EMPLOYMENT BENEFITS (CONTINUED)**

The ARC consists of two pieces:

- **Normal Cost:** cost for OPEB benefits attributable to the current year of service
- **Amortization Payment:** a catch-up payment for past service costs to amortize the Unfunded Actuarial Accrued Liability over the next 30 years.

**Key Results**

**Valuation Date: 12/31/2011**

<u>Annual Required Contribution (ARC)</u>	<u>Normal Cost(NC)</u>	<u>Amortization Payment</u>	<u>Actuarial Value of Assets</u>	<u>Actuarial Accrued Liability (AAL)</u>	<u>Unfunded Actuarial Accrued Liability (UAAL)</u>
\$1,490,064	\$957,741	\$532,323	\$-0-	\$20,531,480	\$20,531,480

**NOTE 19: COMMITMENTS AND CONTINGENT LIABILITIES**

We are advised by the Township's Counsel of the following matters which are being handled by two other attorneys:

- One matter is being handled by the Insurance Company, however, the complainant is asking for punitive damages which are not covered by the Insurance Company. Based upon their review, at this early stage, the risk of punitive damages appears low.
- One case is being handled by the Insurance Company and does not appear to be material to the audit.
- One matter where the Township has agreed to settle the litigation with the plaintiff.

**NOTE 20: SUBSEQUENT EVENT**

The Township has evaluated subsequent events through September 11, 2014, the date which the financial statements were available to be issued and no other items were noted for disclosure.



**SUPPLEMENTARY DATA**

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

**OFFICIALS IN OFFICE AND SURETY BONDS**

YEAR ENDED DECEMBER 31, 2013

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

<u>Name</u>	<u>Title</u>
Ted Tomaszewski	Mayor
Joseph Watters	Deputy Mayor
Michael Clancy	Committeeperson
Shirley Kocher	Committeeperson
Brad Smith	Committeeperson
Dena Hrebenak	Municipal Clerk; Registrar
Joel Kobert, Esq.	Attorney
Drew DiSessa	Engineer; Zoning Officer
William Pandos	Chief Finance Officer
Steven Davis	Tax Collector; Tax Search Officer to June 26, 2013
Karen Lance	Tax Collector; Tax Search Officer from June 26, 2013
Bernard Murdock	Tax Assessor
J. Edward Palmer	Court Judge
Jerilynn Harris	Court Administrator
Thomas M. Ferry, CPA, RMA	Auditor

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

All of the bonds were examined and properly executed.

Township of Mansfield  
 Schedule of Expenditures of Federal Awards  
 For the Year Ended December 31, 2013

Federal Department	Federal Program	Federal C.F.D.A. Number	State Award Number	Program or Award Amount	Grant Period From To	12/31/2012		12/31/2013		MEMO Cumulative Total Expenditures	
						(Receivable)	Reserve Balance	(Receivable)	Reserve Balance		
United States Department of Homeland Security (Passed through State of NJ Office of Emergency Management)	Disaster Grants - Public Assistance	97.036	066-1200-100-A92	18,974.28	1/1/13-12/31/13					18,974.28	
<b>CURRENT FUNDS:</b>											
<b>TOTAL FEDERAL AWARDS</b>											18,974.28

Note: This schedule was not subject to an audit in accordance with Federal OMB Circular A-133.



Township of Mansfield  
Schedule of Expenditures of State Financial Assistance  
For the Year Ended December 31, 2013

State Grants/Program Title	Grant or State Project Number	Program or Award Amount	Grant Period From/To	12/31/2012		12/31/2013		MEMO Cumulative Total Expenditures
				(Receivable)	Reserve Balance	(Receivable)	Reserve Balance	
NJ Department of Community Affairs:								
SHARIS Police Feasibility Study	2009-04665-1741-01	31,900.00	06/01/09-11/30/10	(19,140.00)	19,140.00	(19,140.00)	19,140.00	12,760.00
Municipal Court Alcohol Education	9735-760-098-Y900-001-X100-6020	377.54	1/1/11-12/31/11		67.37		67.37	310.17
Municipal Court Alcohol Education	9735-760-098-Y900-001-X100-6020	263.87	1/1/13-12/31/13	(19,140.00)	19,207.37	(19,140.00)	263.87	13,070.17
<b>Total NJ Department of Community Affairs:</b>								
NJ Department of Human Services:								
Municipal Alliance	N/A	7,402.00	1/1/12-12/31/12	(7,023.00)	2,567.97	(7,023.00)	2,567.97	7,402.00
Municipal Alliance	N/A	7,402.00	1/1/13-12/31/13		4,734.03	(3,321.00)	2,667.97	4,734.03
<b>Total NJ Department of Human Services:</b>								
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)	21,633.75	(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
<b>Total NJ Highlands Water Protection and Planning Council:</b>								
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-ARK-TCAP-6010	150,000.00	1/1/09-12/31/09	(946.41)	8,708.91	(946.41)	8,708.91	141,291.09
<b>Total NJ Department of Transportation:</b>								
<b>TOTAL STATE AID</b>								



COMPARATIVE SCHEDULE OF TAX RATE INFORMATION

	<u>2013</u>	<u>2012</u>	<u>2011</u>
<u>Tax Rate</u>	<u>3.136</u>	<u>3.081</u>	<u>3.074</u>
<u>Apportionment of Tax Rate</u>			
Municipal	.572	.556	.530
County	.807	.799	.817
Local School	.821	.802	.802
Regional High School	.917	.904	.895
Municipal Open Space	.019	.020	.030

Assessed Valuation:

2013	641,910,926.00		
2012		648,892,423.00	
2011			650,551,704.00

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>
2013	20,176,996.12	19,633,194.32	97.30%
2012	20,010,650.79	19,305,229.23	96.47%
2011	20,004,295.87	19,516,406.41	97.56%
2010	19,759,480.22	19,238,201.13	97.36%
2009	19,752,368.88	19,164,940.20	97.02%

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>
2013	470,256.86	627,577.18	1,097,834.04	5.44%
2012	539,349.37	594,948.45	1,134,297.82	5.66%
2011	393,544.09	506,123.27	899,667.36	4.49%

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>
2013	1,447,600.00
2012	1,447,600.00
2011	1,447,600.00

COMPARATIVE SCHEDULE OF FUND BALANCES

	<u>Year</u>	<u>Balance Dec. 31,</u>	<u>Utilized In Budget of Succeeding Year</u>
Current Fund:	2013	897,661.22	70,000.00
	2012	268,890.04	70,000.00
	2011	310,573.73	212,000.00
	2010	278,244.78	187,000.00
	2009	266,288.05	185,000.00



## Township of Mansfield, N.J.

## Schedule of Cash

## Current Fund

## Federal and State Grant Fund

## Year Ended December 31, 2013

	<u>Ref.</u>		
Balance - December 31, 2012	A		1,713,251.79
Increased by Receipts:			
Miscellaneous Revenue Not Anticipated	A-2	48,658.26	
Taxes Receivable	A-6	19,746,340.20	
Tax Title Liens Receivable	A-7	40,732.72	
Revenue Accounts Receivable	A-9	1,524,031.61	
Due From State - Senior Citizen and Veteran Deductions	A-10	55,500.00	
Interfunds	A-12	43,113.84	
Various Cash Liabilities and Reserves	A-16	172,268.55	
Prepaid Taxes	A-18	97,004.90	
Special Emergency Note Payable	A-23	188,050.00	
		<u>21,915,700.08</u>	<u>23,628,951.87</u>
Decreased by Disbursements:			
Current Year Budget Appropriations	A-3	4,616,372.89	
Interfunds	A-12	402,237.17	
Appropriation Reserves	A-13	19,635.81	
Various Cash Liabilities and Reserves	A-16	165,994.29	
Encumbrances Payable	A-17	32,274.64	
County Taxes Payable	A-19	5,175,329.41	
District School Taxes Payable	A-21	5,237,445.00	
High School Taxes Payable	A-22	5,875,233.03	
		<u>21,524,522.24</u>	<u>21,524,522.24</u>
Balance - December 31, 2013	A		<u><u>2,104,429.63</u></u>

**Township of Mansfield, N.J.**  
**Schedule of Cash - Change Fund - Collector**  
**Current Fund**  
**Year Ended December 31, 2013**

	<u>Ref.</u>	
Balance - December 31, 2012	A	<u>350.00</u>
Balance - December 31, 2013	A	<u>350.00</u>
<u>Analysis of Balance:</u>		
Tax Office		50.00
Clerk's Office		50.00
Court		200.00
Police Department		<u>50.00</u>
		<u>350.00</u>

Township of Mansfield, N.J.

Schedule of Taxes Receivable and Analysis of Property Tax Levy

Current Fund

Year Ended December 31, 2013

Year	Balance, Dec. 31, 2012	Levy	Added Taxes	Collected 2012	Collected 2013	Senior Citizen and Veteran Deductions	Transferred to Tax Title Liens	Canceled	Balance, Dec. 31, 2013
2011	5,626.37				322.59		72.41	(0.14)	5,231.51
2012	533,723.00			523,166.76	523,166.76	(500.00)	4,089.51		6,966.73
	539,349.37			523,489.35	523,489.35	(500.00)	4,161.92	(0.14)	12,198.24
2013		20,130,326.67	46,669.45	352,593.47	19,222,850.85	57,750.00	67,555.85	18,187.33	458,058.62
	539,349.37	20,130,326.67	46,669.45	352,593.47	19,746,340.20	57,250.00	71,717.77	18,187.19	470,256.86
A				A-2;A-18	A-2;A-4	A-2;A-10	A-7		A

Analysis of Tax Levy

	Ref.
Tax yield:	
General Purpose Tax	20,130,326.67
Added Tax (R.S. 54:4-63.1 et seq.)	46,669.45
	<u>20,176,996.12</u>
Tax Levy:	
County Tax	A-19
Added County Taxes	12,050.47
	<u>5,172,427.33</u>
Municipal Open Space Tax	A-20
Local District School Tax	A-21
Regional High School Tax	A-22
	<u>16,468,245.08</u>
Local Tax for Municipal Purposes	A-2
Additional Taxes	3,672,801.80
	<u>35,949.24</u>
	<u>3,708,751.04</u>
	<u>20,176,996.12</u>

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

**Schedule of Tax Title Liens Receivable**

**Current Fund**

**Year Ended December 31, 2013**

	<u>Ref.</u>	
Balance - December 31, 2012	A	594,948.45
Increased by:		
Transferred from Taxes Receivable	A-6	71,717.77
Interest and Costs on Tax Sale		<u>1,643.68</u>
		<u>73,361.45</u>
		668,309.90
Decreased by:		
Collections	A-2;A-4	<u>40,732.72</u>
Balance - December 31, 2013	A	<u><u>627,577.18</u></u>

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

**Current Fund**

**Year Ended December 31, 2013**

	<u>Ref.</u>	
Balance - December 31, 2012	A	<u><u>1,447,600.00</u></u>
Balance - December 31, 2013	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, 2013

	<u>Ref.</u>	<u>Balance Dec. 31, 2012</u>	<u>Accrued</u>	<u>Collected</u>	<u>Balance Dec. 31, 2013</u>
Clerk:					
Licenses:					
Alcoholic Beverages	A-2		4,877.00	4,877.00	
Fees and Permits	A-2		10,290.00	10,290.00	
Municipal Court :					
Fines and Costs	A-2	6,782.23	98,683.45	101,692.06	3,773.62
Tax Collector					
Interest and Costs on Taxes	A-2		109,342.99	109,342.99	
Interest on Investments and Deposits	A-2		14,077.49	14,077.49	
Energy Receipts Tax	A-2		856,209.42	856,209.42	
Police Administrative Fees	A-2		855.00	855.00	
Planning Board Fees	A-2		4,250.00	4,250.00	
DMV Fees	A-2		2,244.00	2,244.00	
Uniform Construction Code:					
Washington Township	A-2	14,544.73	37,344.96	44,628.94	7,260.75
Cellular Tower Rental	A-2		45,307.90	45,307.90	
Shared Service Agreements:					
Municipal Court & Prosecutor	A-2		286,054.75	286,054.75	
Hotel / Motel Occupancy Fee	A-2		26,810.40	26,810.40	
Lease of Township Owned Farmland	A-2		4,000.00	4,000.00	
Cable T.V. Franchise Fee	A-2		22,766.69	22,766.69	
		<u>21,326.96</u>	<u>1,523,114.05</u>	<u>1,533,406.64</u>	<u>11,034.37</u>
		A			A
Cash Receipts	A-4			1,524,031.61	
Due From Warren County	A-11			9,375.03	
				<u>1,533,406.64</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, 2013**

	<u>Ref.</u>	
Balance - December 31, 2012	A	(739.65)
Increased by:		
State Share of Senior Citizens' and Veterans' Deductions Received in Cash	A-4	<u>55,500.00</u> (56,239.65)
Decreased by:		
Senior Citizens' Deductions Per Tax Billing		
Veterans' Deductions Per Tax Billing		56,750.00
Add:		
Senior Citizens' & Veterans Deductions Allowed by Tax Collector - 2013 Taxes		1,000.00
Less:		
Senior Citizens' & Veterans Deductions Disallowed by Tax Collector - 2012 Taxes	A-6	<u>(500.00)</u>
		<u>57,250.00</u>
Balance - December 31, 2013	A	<u><u>1,010.35</u></u>

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

**Schedule of Amount Due From Warren County**

**Current Fund**

**Year Ended December 31, 2013**

	<u>Ref.</u>	
Increased by:		
Municipal Court Monies sent to County in Error	A-9	<u>9,375.03</u>
Balance - December 31, 2013	A	<u><u>9,375.03</u></u>

Township of Mansfield, N.J.

Schedule of Interfunds Receivables/(Payables)

Current Fund

Year Ended December 31, 2013

<u>Fund</u>	<u>Ref.</u>	Due From/(To) Balance		<u>Increased</u>	<u>Decreased</u>	Due From/(To) Balance	
		<u>Dec. 31, 2012</u>				<u>Dec. 31, 2013</u>	
Federal and State Grants	A	(30,738.78)		43,113.84	46,994.41	(26,858.21)	
Animal Control Trust	A	180.40			40.81	139.59	
Other Trust	A	(137,861.64)		128,935.28	235,385.19	(31,411.73)	
General Capital Fund	A	(353,221.21)		70,072.35	119,857.57	(303,435.99)	
		<u>(521,641.23)</u>		<u>242,121.47</u>	<u>402,277.98</u>	<u>(361,566.34)</u>	
<u>Analysis</u>							
Due To Other Funds		(521,821.63)				(361,705.93)	
Due From Other Funds	A-1	180.40				139.59	
		<u>(521,641.23)</u>				<u>(361,566.34)</u>	
Appropriation Payable	A-3			70,335.35	40.81		
Received	A-4			43,113.84			
Disbursed	A-4				402,237.17		
Open Space Due Current	A-20			128,672.28			
				<u>242,121.47</u>	<u>402,277.98</u>		



**Township of Mansfield, N.J.**  
**Schedule of Appropriation Reserves**  
**Current Fund**  
**Year Ended December 31, 2013**

	Balance, Dec. 31, <u>2012</u>	Balance after <u>Transfers</u>	Paid or <u>Charged</u>	Balance <u>Lapsed</u>
Salaries and Wages Within "CAPS":				
Financial Administration	15,864.82	15,864.82	205.04	15,659.78
Collection of Taxes	0.75	0.75		0.75
Public Building and Grounds	0.80	0.80		0.80
Board of Health	5,431.64	5,431.64		5,431.64
Streets and Roads:				
Road Repair and Maintenance	1,135.34	1,135.34		1,135.34
Snow Removal	15,522.98	15,522.98		15,522.98
Insurance Fund Commissioner	0.06	0.06		0.06
Recreation and Education	1,042.00	1,042.00		1,042.00
Municipal Court	26,291.37	26,291.37		26,291.37
Public Defender	669.50	669.50		669.50
Police	7,516.29	7,516.29		7,516.29
Total Salaries and Wages Within "CAPS"	<u>73,475.55</u>	<u>73,475.55</u>	<u>205.04</u>	<u>73,270.51</u>
Other Expenses Within "CAPS":				
Administrative and Executive:				
General	14,042.44	14,042.44	17.34	14,025.10
Clerk	133.99	133.99		133.99
Governing Body	372.85	372.85		372.85
Audit	9,565.00	9,565.00	9,565.00	-
Financial Administration	3,627.59	3,627.59		3,627.59
Computerized Data Processing	5,251.27	5,251.27	1,575.00	3,676.27
Assessment of Taxes	256.15	256.15	245.00	11.15
Collection of Taxes	22,152.73	22,152.73	16,014.79	6,137.94
Legal Services and Costs	5,334.75	5,334.75		5,334.75
Engineering Services and Costs	4,578.10	4,578.10		4,578.10
Public Buildings and Grounds	3,203.83	3,203.83	422.80	2,781.03
Municipal Land Use Law (N.J.S. 40:55 D-1):				
Planning Board	2,549.97	2,549.97	390.00	2,159.97
Open Space	192.05	192.05		192.05
Environmental Commission	284.66	284.66		284.66
Economic Development	5.00	5.00		5.00
Insurance:				
General Liability Insurance	1.00	1.00		1.00
Employee Group Health	2,535.57	2,535.57		2,535.57
Public Safety:				
Fire Hydrant Service	1,400.00	1,400.00		1,400.00
Fire Prevention Bureau	83.84	83.84		83.84
Police	14,784.74	14,784.74		14,784.74
PEOSHA Hepatitis B Shots	325.00	325.00		325.00
PEOSHA - Requirements	800.00	800.00		800.00
Garbage and Trash Removal	54.06	54.06		54.06
Emergency Management	458.11	458.11	27.05	431.06

**Township of Mansfield, N.J.**  
**Schedule of Appropriation Reserves**  
**Current Fund**  
**Year Ended December 31, 2013**

	Balance, Dec. 31, <u>2012</u>	Balance after <u>Transfers</u>	Paid or <u>Charged</u>	Balance <u>Lapsed</u>
Streets and Roads:				
Road Repair and Maintenance	19,811.41	19,811.41	46.40	19,765.01
Municipal Court	5,051.65	5,051.65		5,051.65
Utilities:				
Fuel Oil	8,415.98	8,415.98		8,415.98
Electricity	20,221.09	20,221.09	2,383.10	17,837.99
Gasoline	16,363.59	16,363.59		16,363.59
Telephone	5,030.42	5,030.42	312.38	4,718.04
Fuel- Diesel	19,180.74	19,180.74		19,180.74
Natural Gas	2,050.32	2,050.32	471.70	1,578.62
Recreation and Education	12,400.00	12,400.00		12,400.00
State Uniform Construction Code:				
Sub - Code Officials				
Construction Official	125.00	125.00		125.00
Total Other Expenses Within "CAPS"	<u>200,642.90</u>	<u>200,642.90</u>	<u>31,470.56</u>	<u>169,172.34</u>
Total Operations Within "CAPS"				
Including Contingent	<u>274,118.45</u>	<u>274,118.45</u>	<u>31,675.60</u>	<u>242,442.85</u>
Deferred Charges and Statutory Expenditures - Municipal Within "CAPS":				
Statutory Expenditures:				
Contribution To:				
Police and Fire Retirement System Arrears	700.00	700.00		700.00
Public Employees Retirement System Arrears	600.00	600.00		600.00
Defined Contribution Retirement Plan	525.00	525.00		525.00
Unemployment Compensation Insurance	121.87	121.87		121.87
Social Security ( O.A.S.I. )	11,809.02	11,809.02		11,809.02
Total Deferred Charges and Statutory Expenditures - Municipal Within "CAPS"	<u>13,755.89</u>	<u>13,755.89</u>		<u>13,755.89</u>
Total General Appropriation Reserves	<u>287,874.34</u>	<u>287,874.34</u>	<u>31,675.60</u>	<u>256,198.74</u>
	A			A-1
	<u>Ref.</u>			
Cash Disbursed	A-4		19,635.81	
Reserve for Encumbrances	A-17		12,039.79	
			<u>31,675.60</u>	

Township of Mansfield, N.J.

Schedule of Deferred Charges

Current Fund

Year Ended December 31, 2013

<u>Purpose</u>	Balance, Dec. 31, 2012	Added 2013	Reduced 2013	Balance, Dec. 31, 2013
Over-expenditure of Appropriation	1,053.50	19,984.40	1,053.50	19,984.40
Over-expenditure of Appropriation Reserves	<u>1,053.50</u>	<u>19,984.40</u>	<u>1,053.50</u>	<u>19,984.40</u>
	A	A-3	A-3	A

Township of Mansfield, N.J.

Schedule of Deferred Charges

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

Current Fund

Year Ended December 31, 2013

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

Township of Mansfield, N.J.

Schedule of Various Cash Liabilities and Reserves

Current Fund

Year Ended December 31, 2013

	<u>Balance</u> <u>Dec. 31, 2012</u>	<u>Increased</u>	<u>Decreased</u>	<u>Balance</u> <u>Dec. 31, 2013</u>
<u>Liabilities and Reserves</u>				
<u>Liabilities:</u>				
Due State of NJ Marriage License Fees	775.00	675.00	1,275.00	175.00
Tax Overpayments	18,498.15	171,593.55	164,719.29	25,372.41
<u>Reserve for:</u>				
Verizon Franchise Fee	20,931.61		20,931.61	
Revaluation of Taxes		63,845.00		63,845.00
Garden State Preservation Trust Fund	<u>25,077.00</u>		<u>25,077.00</u>	
	<u>65,281.76</u>	<u>236,113.55</u>	<u>212,002.90</u>	<u>89,392.41</u>
	A			A
Realized as Anticipated Revenue			46,008.61	
2013 Appropriations Payable		63,845.00		
Cash Receipts		172,268.55		
Cash Disbursements			<u>165,994.29</u>	
		<u>236,113.55</u>	<u>212,002.90</u>	

Ref.  
A-2  
A-3  
A-4  
A-4

**Township of Mansfield, N.J.**  
**Schedule of Encumbrances Payable**

**Current Fund**

**Year Ended December 31, 2013**

	<u>Ref.</u>		
Balance - December 31, 2012	A		47,366.44
Increased by:			
Transfer from Current Appropriations	A-3	177,697.89	
Transfer from Appropriation Reserves	A-13	<u>12,039.79</u>	
			<u>189,737.68</u>
			237,104.12
Decreased by:			
Cancelled	A-1	15,091.80	
Cash Disbursed	A-4	<u>32,274.64</u>	
			<u>47,366.44</u>
Balance - December 31, 2013	A		<u><u>189,737.68</u></u>

**Schedule of Prepaid Taxes**

**Current Fund**

**Year Ended December 31, 2013**

	<u>Ref.</u>		
Balance - December 31, 2012	A		352,593.47
Increased by:			
Receipts - Prepaid 2014 Taxes	A-4	<u>97,004.90</u>	
			449,598.37
Decreased by:			
Applied to 2013 Taxes	A-6	<u>352,593.47</u>	
Balance - December 31, 2013	A		<u><u>97,004.90</u></u>

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

**Current Fund**

**Year Ended December 31, 2013**

	<u>Ref.</u>	
Balance - December 31, 2012	A	2,902.08
Increased by:		
Levy		5,172,427.33
Added and Omitted Taxes		<u>12,050.47</u>
	A-1;A-6	<u>5,184,477.80</u>
		5,187,379.88
Decreased by:		
Payments	A-4	<u>5,175,329.41</u>
Balance - December 31, 2013	A	<u><u>12,050.47</u></u>

A-20

**Schedule of Municipal Open Space Tax**

**Current Fund**

**Year Ended December 31, 2013**

	<u>Ref.</u>	
Increased by:		
Levy		128,381.91
Added and Omitted		<u>290.37</u>
	A-1;A-6	<u>128,672.28</u>
Decreased by:		
Interfund - Other Trust Fund	A-12	<u><u>128,672.28</u></u>

## Township of Mansfield, N.J.

## Schedule of Local District School Taxes Payable

## Current Fund

## Year Ended December 31, 2013

	<u>Ref.</u>		
Balance - December 31, 2012			
School Tax Payable	A	124,089.10	
School Tax Deferred		<u>2,392,409.04</u>	
			2,516,498.14
Increased by:			
Levy School Year July 1 to June 30	A-6		<u>5,269,930.00</u>
			7,786,428.14
Decreased by:			
Payments	A-4		<u>5,237,445.00</u>
Balance - December 31, 2013			
School Taxes Payable	A	156,574.10	
School Tax Deferred		<u>2,392,409.04</u>	
			<u>2,548,983.14</u>
2013 Liability for Local District School			
Tax Paid			5,237,445.00
Taxes Payable - Dec.31, 2013			<u>156,574.10</u>
			5,394,019.10
Less: Taxes Payable - Dec. 31, 2012			<u>124,089.10</u>
Amount Charged to 2013 Operations	A-1		<u>5,269,930.00</u>



## Township of Mansfield, N.J.

## Schedule of Regional High School Taxes Payable

## Current Fund

## Year Ended December 31, 2013

	<u>Ref.</u>		
Balance - December 31, 2012			
School Tax Payable	A	43,096.78	
School Tax Deferred		<u>2,615,123.85</u>	
			2,658,220.63
Increased by:			
Levy School Year July 1 to June 30	A-6		<u>5,885,165.00</u>
			8,543,385.63
Decreased by:			
Payments	A-4		<u>5,875,233.03</u>
Balance - December 31, 2013			
School Taxes Payable	A	53,028.75	
School Tax Deferred		<u>2,615,123.85</u>	
			<u>2,668,152.60</u>
2013 Liability for Regional High School			
Tax Paid			5,875,233.03
Taxes Payable - Dec. 31, 2013			<u>53,028.75</u>
			5,928,261.78
Less: Taxes Payable - Dec. 31, 2012			<u>43,096.78</u>
Amount Charged to 2013 Operations	A-1		<u><u>5,885,165.00</u></u>

## Township of Mansfield, N.J.

## Schedule of Special Emergency Notes Payable

## Current Fund

Year Ended December 31, 2013

<u>Date of Issue</u>	<u>Date of Maturity</u>	<u>Interest Rate</u>	<u>Increased</u>	<u>Balance Dec. 31, 2013</u>
09/12/13	05/22/14	1.05%	<u>188,050.00</u>	<u>188,050.00</u>
			A-4	A

Township of Mansfield, N.J.

Schedule of Interfunds

Federal and State Grant Fund

Year Ended December 31, 2013

Fund	Ref.	Due From/(To) Balance		Decreased	Due From/(To) Balance Dec. 31, 2013
		Dec. 31, 2012	Increased		
Current Fund	A	30,738.78	61,454.64	65,335.21	26,858.21
Grants Receivable	A-25		43,113.84		
Grants Receivable Canceled	A-25			18,340.80	
Appropriated Grants	A-26			46,994.41	
Appropriated Grants Canceled	A-26		18,340.80		
			<u>61,454.64</u>	<u>65,335.21</u>	

Township of Mansfield, N.J.

Schedule of Grants Receivable

State Grant Fund

Year Ended December 31, 2013

<u>Grant</u>	<u>Balance</u> <u>Dec. 31, 2012</u>	<u>Budget</u> <u>Revenue</u>	<u>Received</u>	<u>Canceled</u>	<u>Balance</u> <u>Dec. 31, 2013</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	946.41				946.41
Recycling Tonnage Grant	2,819.00				2,819.00
Clean Communities	343.80	19,346.24	19,346.24	343.80	
SHARE Police Feasibility Study	19,140.00				19,140.00
Highlands Plan Conf.	50,000.00				50,000.00
Highlands Assessment	15,000.00				15,000.00
Drunk Driving Enforcement Fund		2,129.75	2,129.75		
Click It or Ticket		4,000.00	4,000.00		
Drive Sober or Get Pulled Over		4,400.00	4,400.00		
Alcohol Education and Rehabilitation		263.87	263.87		
Body Armor Fund		1,869.98	1,869.98		
Safe and Secure	17,997.00			17,997.00	
Municipal Alliance	7,023.00	7,402.00	11,104.00		3,321.00
	<u>130,334.81</u>	<u>39,411.84</u>	<u>43,113.84</u>	<u>18,340.80</u>	<u>108,292.01</u>
A	A	A-2	A-24	A-24	A

Township of Mansfield, N.J.  
Schedule of Appropriated Reserves for Grants

State Grant Fund

Year Ended December 31, 2013

<u>Grant</u>	<u>Balance</u> Dec. 31, 2012	<u>Transfer</u> From 2013 <u>Budget</u>	<u>Expended</u>	<u>Canceled</u>	<u>Balance</u> Dec. 31, 2013
Clean Communities	10,439.20	19,346.24	19,313.68	343.80	10,127.96
Municipal Court Alcohol Rehab. Program	67.37	263.87			331.24
Recycling Tonnage	40,166.72		8,833.84		31,332.88
Wal-Mart Environmental Grant - Local Share	500.00				500.00
Drive Sober or Get Pulled Over		4,400.00	4,400.00		
Safe and Secure	17,997.00			17,997.00	
New Jersey Trust Fund Authority Act:					
Guide Rail	3,740.00				3,740.00
Washburn Road	8,708.91				8,708.91
Drunk Driving Enforcement Fund	3,798.61	2,129.75	3,104.94		2,823.42
SHARE Police Feasibility Study	19,140.00				19,140.00
SHARE Police Feasibility Study - Local	6,380.00				6,380.00
Highlands Plan Conf.	21,633.75				21,633.75
Highlands Assessment	4,048.75				4,048.75
Click-it or Ticket	8,000.00	4,000.00	4,000.00		8,000.00
Warren County - Prosecutor's Law Enforcement	240.00				240.00
Comcast Grant	1,745.55		39.95		1,705.60
Municipal Stormwater Regulation	6,183.40				6,183.40
Municipal Alliance - State Share	2,567.97	7,402.00	7,302.00		2,667.97
Municipal Alliance - Matching Fund	3,116.00				3,116.00
County of Warren - DARE	242.08				242.08
Body Armor Fund	2,358.28	1,869.98			4,228.26
	<u>161,073.59</u>	<u>39,411.84</u>	<u>46,994.41</u>	<u>18,340.80</u>	<u>135,150.22</u>
	A	A-3	A-24	A-24	A

## Township of Mansfield, N.J.

## Schedule of Cash

## Trust Funds

Year Ended December 31, 2013

	<u>Ref.</u>	<u>Animal Control Trust Fund</u>	<u>Other Trust Funds</u>
Balance - December 31, 2012	B	<u>140.79</u>	<u>1,320,222.61</u>
Increased by Receipts:			
Interfund - Current Fund	B-2		126,830.51
Dog License Fees - Township	B-5	5,285.20	
Dog Late Fees	B-5	355.00	
Cat Late Fees	B-5	15.00	
Cat License Fees	B-5	894.50	
Miscellaneous	B-5	3,025.00	
Other Trust Funds	B-6		3,339,911.63
Dog License Fees - State Share	B-7	<u>1,240.80</u>	
Total Receipts		<u>10,815.50</u>	<u>3,466,742.14</u>
		<u>10,956.29</u>	<u>4,786,964.75</u>
Decreased by Disbursements:			
Reserve for Dog Expenditures	B-5	10,638.48	
Other Trust Funds	B-6		3,321,291.12
State Share - Dog Licenses	B-7	<u>1,242.00</u>	
Total Disbursements		<u>11,880.48</u>	<u>3,321,291.12</u>
Balance - December 31, 2013	B	<u>(924.19)</u>	<u>1,465,673.63</u>

**Township of Mansfield, N.J.**  
**Schedule of Due From / (to) Current Fund**  
**Trust Fund**  
**Year Ended December 31, 2013**

	<u>Ref.</u>	
Balance - December 31, 2012	B	137,861.64
Increased by:		
Other Trust Funds	B-6	128,935.28
		266,796.92
Decreased by:		
Cash Receipts	B-1	126,830.51
Other Trust Funds	B-6	108,554.68
		235,385.19
Balance - December 31, 2013	B	31,411.73

**Schedule of Due From General Capital**  
**Trust Fund**  
**Year Ended December 31, 2013**

Balance - December 31, 2012	<u>Ref.</u> B	36,321.57
Balance - December 31, 2013	B	36,321.57

**Township of Mansfield, N.J.**  
**Schedule of Due (To) Current Fund**  
**Animal Control Trust Fund**  
**Year Ended December 31, 2013**

Balance - December 31, 2012	<u>Ref.</u> B	(180.40)
Decreased by:		
Reserve for Animal Control Fund	B-5	<u>40.81</u>
Balance - December 31, 2013	B	<u><u>(139.59)</u></u>



## Township of Mansfield, N.J.

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

## Trust Funds

## Year Ended December 31, 2013

	<u>Ref.</u>	
Balance (Deficit) - December 31, 2012	B	(40.81)
Increased by:		
Cat Late Fees		15.00
Dog Late Fees		355.00
Cat License Fees		894.50
Dog License Fees		5,285.20
Miscellaneous		3,025.00
	B-1	<u>9,574.70</u>
Raised in Budget	B-4	<u>40.81</u>
		<u>9,615.51</u>
		<u>9,574.70</u>
Decreased by:		
Expenditures R.S. 4:19-1511	B-1	<u>10,638.48</u>
Balance (Deficit) - December 31, 2013	B	<u><u>(1,063.78)</u></u>

Year	
2012	6,573.50
2011	6,794.00
	<u><u>13,367.50</u></u>

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

**Schedule of Other Trust Funds**

**Trust Funds**

**Year Ended December 31, 2013**

	<u>Balance</u> <u>Dec. 31, 2012</u>	<u>Increased</u>	<u>Decreased</u>	<u>Balance</u> <u>Dec. 31, 2013</u>
Escrow Deposits	227,660.91	25,061.64	96,515.49	156,207.06
Unemployment	117,633.25	163.20	18,679.44	99,117.01
Municipal Alliance	8,172.39		1,171.50	7,000.89
Recreation	30,126.91	54,779.00	53,839.22	31,066.69
Tax Sale Premium	91,300.00	151,000.00	56,500.00	185,800.00
C.O.A.H. Mandatory Development	326,926.72	496.69	2,084.10	325,339.31
Open Space	241,636.17	132,998.12	94,270.50	280,363.79
Public Defender		301.90	301.90	
COAH	256,929.71	213,000.00	200,000.00	269,929.71
Snow Removal	131,861.75		11,057.79	120,803.96
Outside Employment	10,091.41	34,296.75	26,298.43	18,089.73
Fire Prevention	6,432.67	1,455.00	351.37	7,536.30
POAA	649.58	24.00		673.58
Payroll	19,704.41	2,838,383.82	2,864,530.68	(6,442.45)
Accumulated Absences	21,034.55			21,034.55
Outside Liens	4,245.37		4,245.37	
Recycling	0.01	16,886.79		16,886.80
Joint Insurance	0.01		0.01	
	<u>1,494,405.82</u>	<u>3,468,846.91</u>	<u>3,429,845.80</u>	<u>1,533,406.93</u>
	B			B

Ref.

Interfund Current	B-2	128,935.28	108,554.68
Cash Receipts	B-1	3,339,911.63	
Cash Disbursements	B-1		<u>3,321,291.12</u>
		<u>3,468,846.91</u>	<u>3,429,845.80</u>

## Township of Mansfield, N.J.

## Schedule of Due to State Department of Health

## Trust Funds

## Year Ended December 31, 2013

	<u>Ref.</u>	
Balance - December 31, 2012	B	1.20
Increased by:		
State Fees Collected	B-1	<u>1,240.80</u>
Decreased by:		
Paid to State	B-1	<u>1,242.00</u>

## Township of Mansfield, N.J.

## Schedule of Cash

## General Capital Fund

Year Ended December 31, 2013

	<u>Ref.</u>		
Balance - December 31, 2012	C; C-3		226,501.88
Increased by Receipts:			
Interfund - Current Fund	C-4	119,857.57	
Capital Reserves	C-14	<u>102,173.29</u>	
	C-3		<u>222,030.86</u>
			448,532.74
Decreased by Disbursements:			
Improvement Authorizations	C-12		<u>58,846.55</u>
Balance - December 31, 2013	C;C-3		<u><u>389,686.19</u></u>

Township of Mansfield, N.J.

Analysis of Cash

General Capital Fund

Year Ended December 31, 2013

	Balance Dec. 31, 2012	Receipts		Disbursements		Transfers		Balance Dec. 31, 2013
		Miscellaneous		Improvement Authorizations		To	From	
Fund Balance	296.99							296.99
Capital Improvement Fund	182,292.13							232,676.13
Due From Hackettstown	(14,867.54)						(19,616.00)	(14,867.54)
Due From Hackettstown MUA							(100,000.00)	(100,000.00)
Due From State of N.J. Department of Transportation	(353,221.21)	119,857.57					(125,000.00)	(125,000.00)
Due (From) / To Current Fund	36,321.57						(70,072.35)	(303,435.99)
Due (From) / To Other Trust Fund	237,613.19	102,173.29						36,321.57
Various Reserves								339,786.48
<u>Ordinance #</u>								
09-02	1.91							1.91
09-03	16,550.00							16,550.00
09-04	130.01							130.01
10-02	2,629.62							2,629.62
11-11	53,881.83					72.35		53,954.18
12-01	64,873.38			54,532.55				10,340.83
13-01				4,314.00				2,452.00
13-12								2,500.00
13-14								235,350.00
Improvements to Diamond Hills Road	226,501.88	222,030.86		58,846.55			(314,688.35)	389,686.19
	C	C-2		C-2			C	

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

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

**General Capital Fund**

**Year Ended December 31, 2013**

	<u>Ref.</u>	
Balance - December 31, 2012	C	353,221.21
Increased by:		
Deferred Charges to Future Taxation - Unfunded	C-10	72.35
Capital Improvement Fund	C-11	<u>70,000.00</u>
		<u>70,072.35</u>
		423,293.56
Decreased by:		
Cash Receipts	C-2	<u>119,857.57</u>
Balance - December 31, 2013	C	<u><u>303,435.99</u></u>

C-5

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

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

**General Capital Fund**

**Year Ended December 31, 2013**

	<u>Ref.</u>	
Balance - December 31, 2012	C	<u><u>(36,321.57)</u></u>
Balance - December 31, 2013	C	<u><u>(36,321.57)</u></u>

Analysis

Other Trust - Small Cities		(25,000.00)
Other Trust - Open Space		<u>(11,321.57)</u>
		<u><u>(36,321.57)</u></u>

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

**Due From Hackettstown**

**General Capital Fund**

**Year Ended December 31, 2013**

	<u>Ref.</u>	
Balance - December 31, 2012	C	<u>14,867.54</u>
Balance - December 31, 2013	C	<u>14,867.54</u>

**Due From Hackettstown Municipal Utilities Authority**

**General Capital Fund**

**Year Ended December 31, 2013**

	<u>Ref.</u>	
Increased by:		
Improvement Authorizations	C-12	<u>100,000.00</u>
Balance - December 31, 2013	C	<u>100,000.00</u>

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

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

**General Capital Fund**

**Year Ended December 31, 2013**

	<u>Ref.</u>	
Increased by:		
Improvement Authorizations	C-12	<u>125,000.00</u>
Balance - December 31, 2013	C	<u><u>125,000.00</u></u>

C-9

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

**General Capital Fund**

**Year Ended December 31, 2013**

	<u>Ref.</u>		
Balance - December 31, 2012	C		2,313,500.00
Funded by Budget Appropriation			
General Serial Bonds	C-15	196,000.00	
N.J. Economic Resources			
Loan Payable	C-16	<u>22,500.00</u>	
			<u>218,500.00</u>
Balance - December 31, 2013	C		<u><u>2,095,000.00</u></u>



Township of Mansfield, N.J.

Schedule of Deferred Charges to Future Taxation - Unfunded

General Capital Fund

December 31, 2013

Ord. Number	Improvement Description	Balance Dec. 31, 2012	2013 Authorizations	Paid By 2013 Budget Appropriation	Balance Dec. 31, 2013	Analysis of Balance	
						Financed by Bond Anticipation Notes	Unexpended Improvement Authorization
10-09	Various Capital Improvements	285,072.35		35,572.35	249,500.00	249,500.00	
13-14	Improvements to Diamond Hills Road	196,650.00			196,650.00		196,650.00
		<u>285,072.35</u>		<u>35,572.35</u>	<u>446,150.00</u>	<u>249,500.00</u>	<u>196,650.00</u>
		C	C-12		C	C-13	C-12
			Ref.				
	Bonds and Notes Authorized but Not Issued		C-4;C-17	72.35			
	Bond Anticipation Notes		C-13	35,500.00			
				<u>35,572.35</u>			

**Township of Mansfield, N.J.**  
**Schedule of Capital Improvement Fund**  
**General Capital Fund**  
**Year Ended December 31, 2013**

	<u>Ref.</u>	
Balance - December 31, 2012	C	182,292.13
Increased by:		
Budget Appropriation	C-4	<u>70,000.00</u>
		252,292.13
Decreased by:		
Appropriated to Finance		
Improvement Authorizations	C-12	<u>19,616.00</u>
Balance - December 31, 2013	C	<u><u>232,676.13</u></u>

Township of Mansfield, N.J.  
 Schedule of Improvement Authorizations  
 General Capital Fund  
 Year Ended December 31, 2013

Ord. No.	Improvement Description	Ordinance Date	Amount	Balance Dec. 31, 2012		2013 Authorizations	Expended	Balance Dec. 31, 2013	
				Funded	Unfunded			Funded	Unfunded
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	130.01				130.01	
10-02	Emergency Vehicles	03/10/10	126,000.00	2,629.62				2,629.62	
11-11	Various Capital Improvements	05/25/11	273,326.60	53,881.83	72.35			53,954.18	
12-01	Purchase of Generator	10/10/12	68,000.00	64,873.38			54,532.55	10,340.83	
13-01	Purchase of Server	10/09/13	6,766.00			6,766.00	4,314.00	2,452.00	
13-12	Mig Welder	12/23/13	2,500.00			2,500.00		2,500.00	
13-14	Improvements to Diamond Hills Road	09/25/13	432,000.00			432,000.00		235,350.00	196,650.00
				<u>138,066.75</u>	<u>72.35</u>	<u>441,266.00</u>	<u>58,846.55</u>	<u>323,908.55</u>	<u>196,650.00</u>
				C	C			C	C
	Cash Disbursements						58,846.55		
	Deferred Charges to Future Taxation-Unfunded					196,650.00			
	Due From Hackettstown MUA					100,000.00			
	Due From State of N.J. Department of Transportation					125,000.00			
	Capital Improvement Fund					19,616.00			
						<u>441,266.00</u>	<u>58,846.55</u>		



Township of Mansfield, N.J.  
 Schedule of Various Reserves

General Capital Fund

Year Ended December 31, 2013

Description	Balance	Increased	Balance
	Dec. 31, 2012		Dec. 31, 2013
Renovation to Municipal Property	15,000.00		15,000.00
Recreation Equipment	23,000.00		23,000.00
Road Equipment	40,504.00		40,504.00
Streets and Roads	49,202.34		49,202.34
Office Equipment	914.29		914.29
Police Recorders	5,000.00		5,000.00
Police Computer	1,372.00	1,641.49	3,013.49
Computers	2,000.00		2,000.00
Police Vehicle	120.56		120.56
Road Construction	100,000.00	531.80	100,531.80
Construction of Salt Shed		100,000.00	100,000.00
Preliminary Exp. For Washburn Rd.	500.00		500.00
	<u>237,613.19</u>	<u>102,173.29</u>	<u>339,786.48</u>
	C	C-2	C

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

General Capital Fund

Year Ended December 31, 2013

Purpose	Date of Issue	Original Issue	Maturities of Bonds Outstanding, December 31, 2013	Interest Rate	Balance			
					Dec. 31, 2012	Dec. 31, 2013		
			Date	Amount	Decreased			
General Improvements	12/01/01	1,481,000.00	09/01/14-20	106,000.00	5.20%	901,000.00	835,000.00	
			09/01/21	93,000.00	5.20%			66,000.00
General Improvements	09/01/03	2,284,000.00	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%			
			09/01/22	100,000.00	4.375%			
			09/01/23	100,000.00	4.375%			
			09/01/24	100,000.00	4.375%	1,280,000.00	1,205,000.00	
			09/01/25	100,000.00	4.375%			
			09/01/26	95,000.00	4.375%	75,000.00		
General Obligation Refunding Bonds	09/01/03	610,000.00	9/1/14	55,000.00	3.875%	110,000.00	55,000.00	
							196,000.00	2,095,000.00
								C
							C-9	

## Township of Mansfield, N.J.

## Schedule of N. J. Economic Resources Loan Payable

## General Capital Fund

Year Ended December 31, 2013

<u>Purpose</u>	<u>Date of Issue</u>	<u>Original Issue</u>	<u>Balance Dec. 31, 2012</u>	<u>Decreased</u>
Construction of Municipal Building	08/15/94	450,000.00	<u>22,500.00</u> C	<u>22,500.00</u> C-9

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

General Capital Fund

Year Ended December 31, 2013

Ord. No.	<u>Date</u>	<u>Improvement Description</u>	Balance <u>Dec. 31, 2012</u>	2013 <u>Authorizations</u>	Funded By Budget <u>Appropriation</u>	Balance <u>Dec. 31, 2013</u>
10-09	04/28/10	Various Improvements	72.35		72.35	196,650.00
13-14	09/25/13	Improvements to Diamond Hills Road	<u>72.35</u>	<u>196,650.00</u>	<u>72.35</u>	<u>196,650.00</u>
			Footnote C	C-12	C-10	Footnote C



**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, 2013**

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

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

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

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

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

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

We have audited, in accordance with auditing standards generally accepted in the United States of America; audit requirements as prescribed by the Division of Local Government Services, Department of Community Affairs, State of New Jersey; and the standards applicable to financial audits contained in Government Auditing Standards, issued by the Comptroller General of the United States, the financial statements-regulatory basis of the Township of Mansfield in the County of Warren as of and for the year ended December 31, 2013 and the related notes to the financial statements, and have issued our report thereon dated September 11, 2014, which was adverse due to being presented in accordance with New Jersey regulatory basis of accounting. The regulatory basis opinion was qualified for the Fixed Asset account group not being audited.

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

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

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



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

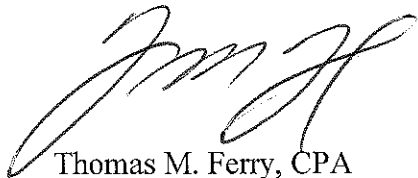
### **Compliance and Other Matters**

As part of obtaining reasonable assurance about whether the Township of Mansfield's financial statements-regulatory basis are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit and, accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

In addition, we noted certain immaterial instances of noncompliance that we have reported to the management of the Township of Mansfield in the accompanying comments and recommendations section of this report.

### **Purpose of this Report**

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



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

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

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

Newton, New Jersey

September 11, 2014

## GENERAL COMMENTS

### Cash Balances

Cash balances in all funds were verified by independent certificates obtained from the depositories as of December 31, 2013, and at September 11, 2014, 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 (l) 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 January 1, 2011, the bid threshold in accordance with N.J.S. 40A:11-3 and 40A:11-4 (as amended) is \$17,500.00 and with a qualified purchasing agent the threshold may be up to \$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, 2013 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, 2013 there will be a ten (10) day grace period of quarterly tax payments made by cash, check or money order.
- 3) Any payments not made in accordance with paragraph two of this resolution shall be charged interest from the due date as set forth in paragraph one of this resolution. It appears from an examination of the Tax Collector's records that interest was collected in accordance with the forgoing resolutions.

Delinquent Taxes and Tax Title Liens

The last tax sale was held on November 13, 2013 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>
2013	153
2012	142
2011	123

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, 2013 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.

### Finance

1. The general ledger was not properly maintained.

#### Management Response:

The general ledger will be properly maintained in 2014.

2. There is a accounts receivable from Hackettstown in general capital that needs to be reviewed and possibly cancelled.

#### Management Response:

The accounts receivable from Hackettstown will be reviewed for possible cancellation.

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

#### Management Response:

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

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

#### Management Response:

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

5. The local share for Municipal Alliance Grant was not budgeted.

#### Management Response:

The Township will budget the local share in the next budget.

## GENERAL COMMENTS (CONTINUED)

### Finance (Continued)

6. The appropriation subsidiary ledger disbursements are not being tied into the cash disbursement ledger on a monthly basis, therefore causing an over-expenditure in the 2013 current fund budget.

#### Management Response:

The appropriation subsidiary ledger disbursements will be tied to the cash disbursement ledger on a monthly basis in 2014. The current software has to be manually posted to the budget and a missing posting caused the over-expenditure that was discovered during the audit.

7. The Animal Control Impound Service disbursements went over the quote threshold and no quotes were obtained.

#### Management Response:

Quotes will be obtained when disbursements shall exceed threshold in 2014.

8. There are negative balances in Police Outside Services that need to be collected.

#### Management Response:

Balances owed in Police Outside Services will be collected.

### Payroll

1. Payroll disbursements are not being included on the bill list.

#### Management Response:

Payroll disbursements will be included on the bill list in the future.

2. The incorrect amount is being deducted from employees for health benefit deductions.

#### Management Response:

The audit sample inferred Health Care benefit deductions were being calculated correctly, though based on 26 annual deduction, not 24. Already corrected in 2014.

3. There is no analysis of Payroll Agency account.

#### Management Response:

A payroll agency analysis will be completed in 2014.



## GENERAL COMMENTS (CONTINUED)

### Tax Department

1. Prepaid taxes per First Byte do not tie into the cash receipts collected.

#### Management Response:

At present, our software is matched monthly with our bank reconciliation. The process is a manual one as there is no direct computer link available. Our cashbook was rolled from 2013 to 2014 on January 8<sup>th</sup>, 2014. There was one deposit-in-transit made on January 3<sup>rd</sup>, 2014 which treated the 2014 taxes in it as pre-pay in the amount of \$5,823.51. The cashbook will in the future be reconciled to both the computer and the CFO's records on a monthly basis.

2. 2013 Taxes receivable cash receipts, per the cash book, do not tie into First Byte reports.

#### Management Response:

The amount which was indefinable was \$310.04. As a percentage of the total levy, \$20,120,246.34, that comes to .0000155.

3. 2012 Taxes receivable do not prove into First Byte subsidiary reports.

#### Management Response:

The value which remained uncollected per the audit came to \$5,041.40. That amount includes items postponed from tax sale for reasons of estate or being under \$100, per NJSA 54:5-20.1. Also included are amounts which are uncollectable due to active bankruptcy.

### 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.

**GENERAL COMMENTS (CONTINUED)**

Outside Offices

1. Construction Code revenue is not being turned over to the Township within a reasonable period of time.

Management Response:

The Construction Code revenue will be turned over to the Township in a timely manner.

## **RECOMMENDATIONS**

1. That a general ledger be properly maintained.
2. That the accounts receivable, from Hackettstown, in general capital be reviewed for possible cancellation.
3. That Tax Title Liens are investigated for possible foreclosure.
4. That grant receivable and reserve balances in federal and state grant fund be reviewed for possible cancellation.
5. That the local share for Municipal Alliance Grant be budgeted.
6. That the appropriation subsidiary ledger disbursement be tied into the cash disbursement ledger on a monthly basis.
7. That the Animal Control Impound Service obtain at least 3 quotes.
8. That the negative balances in Police Outside Services be collected.
9. That Payroll disbursements be included in the bill list.
10. That the correct amount be deducted from employees for health benefits.
11. That there be an analysis of the payroll agency account.
12. That prepaid tax cash receipts, per the cash ledger, agree with the First Byte reports.
13. That 2013 taxes receivable cash receipt ledger agree with the First Byte reports.
14. That 2012 taxes receivable balance tie into First Byte subsidiary ledger reports.
15. That interfunds be liquidated by year end.
16. That the Construction Code revenues be turned over to the Township in a timely manner.

### **Status of Prior Years Audit Findings/Recommendations**

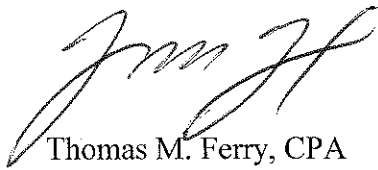
A review was performed on all prior years' recommendations and corrective action was taken on all findings, except for the following:

1. That a general ledger be properly maintained.
2. That the accounts receivable, from Hackettstown, in general capital be reviewed for possible cancellation.
3. That Tax Title Liens are investigated for possible foreclosure.
4. That grant receivable and reserve balances in federal and state grant fund be reviewed for possible cancellation.
5. That the negative balances in Police Outside Services be collected.
6. That interfunds be liquidated prior to end of year.
7. That the Construction Code revenues be turned over to the Township in a timely manner.

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

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

Very truly yours,



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

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

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