

TOWNSHIP OF MANTUA

COUNTY OF GLOUCESTER

REPORT OF AUDIT

FOR THE YEAR ENDED DECEMBER 31, 2018



TOWNSHIP OF MANTUA**TABLE OF CONTENTS**

<u>Exhibit No.</u>		<u>Page No.</u>
<u>PART 1</u>		
	Independent Auditor's Report	2
	Report on Internal Control Over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed In Accordance With Government Auditing Standards – Independent Auditor's Report	5
<u>CURRENT FUND</u>		
A	Statements of Assets, Liabilities, Reserves and Fund Balances-- Regulatory Basis	7
A-1	Statements of Operations and Changes in Fund Balance-- Regulatory Basis	9
A-2	Statement of Revenues--Regulatory Basis	10
A-3	Statement of Expenditures--Regulatory Basis	12
<u>TRUST FUND</u>		
B	Statements of Assets, Liabilities and Reserves--Regulatory Basis	19
B-1	Municipal Open Space Fund--Statement of Revenues--Regulatory Basis	21
B-2	Municipal Open Space Fund--Statement of Expenditures--Regulatory Basis	22
<u>GENERAL CAPITAL FUND</u>		
C	Statements of Assets, Liabilities, Reserves and Fund Balances-- Regulatory Basis	23
C-1	Statement of Fund Balance – Regulatory Basis	24
	Notes to Financial Statements	25
<u>SUPPLEMENTAL EXHIBITS</u>		
<u>CURRENT FUND</u>		
SA-1	Statement of Current Cash--Chief Financial Officer	60
SA-2	Statement of Current Cash--Tax Collector	61
SA-3	Statement of Taxes Receivable and Analysis of Property Tax Levy	62
SA-4	Statement of Tax Title Liens	63
SA-5	Statement of Due State of New Jersey--Veterans' and Senior Citizens' Deductions	64
SA-6	Statement of Revenue Accounts Receivable	65
SA-7	Statement of Reserve for State Tax Appeals Pending	66
SA-8	Statement of Special Emergency Authorizations	67
SA-9	Statement of Appropriation Reserves	68
SA-10	Statement of Accounts Payable	71
SA-11	Statement of Prepaid Taxes	72
SA-12	Statement of Tax Overpayments	72
SA-13	Statement of County Taxes Payable	73
SA-14	Statement of Amount Due to County for Added and Omitted Taxes	73
SA-15	Statement of Local School District Tax	74

TOWNSHIP OF MANTUATABLE OF CONTENTS (CONT'D)

<u>Exhibit No.</u>		<u>Page No.</u>
<u>CURRENT FUND (CONT'D)</u>		
SA-16	Statement of Regional High School District Tax	75
SA-17	Statement of Municipal Open Space Tax	76
SA-18	Statement of Special District Taxes Payable--Fire Districts	76
SA-19	Federal and State Grant Fund--Statement of Due From Current Fund	77
SA-20	Federal and State Grant Fund--Statement of Federal and State Grants Receivable	78
SA-21	Federal and State Grant Fund--Statement of Reserve for Federal and State Grants--Unappropriated	79
SA-22	Federal and State Grant Fund--Statement of Reserve for Federal and State Grants--Appropriated	80
<u>TRUST FUND</u>		
SB-1	Statement of Trust Cash--Chief Financial Officer	83
SB-2	Other Fund--Statement of Investments – Length of Service Awards Program	84
SB-3	Animal Control Fund--Statement of Due State of New Jersey – Department of Health	85
SB-4	Animal Control Fund--Statement of Reserve for Animal Control	85
SB-5	Animal Control Fund--Statement of Due Current Fund	86
SB-6	Municipal Open Space Fund--Statement of Due From Current Fund	87
SB-7	Trust Other Fund--Statement of Due Current Fund	88
SB-8	Trust Other Fund--Statement of Accounts Receivable	88
SB-9	Trust Other Fund--Statement of Miscellaneous Trust Reserves	89
<u>GENERAL CAPITAL FUND</u>		
SC-1	Statement of General Capital Cash--Chief Financial Officer	91
SC-2	Analysis of General Capital Cash	92
SC-3	Statement of Deferred Charges to Future Taxation--Unfunded	93
SC-4	Statement of Deferred Charges to Future Taxation-- Funded	94
SC-5	Statement of Due Current Fund	94
SC-6	Statement of Federal and State Aid Receivable	95
SC-7	Statement of Encumbrances Payable	95
SC-8	Statement of Capital Improvement Fund	96
SC-9	Statement of Improvement Authorizations	97
SC-10	Statement of Bond Anticipation Notes	98
SC-11	Statement of General Serial Bonds	99
SC-12	Statement of Green Acres Trust Loans Payable	100
SC-13	Statement of Bonds and Notes Authorized But Not Issued	101
<u>PART 2</u>		
<u>SCHEDULE OF FINDINGS AND RECOMMENDATIONS</u>		
	Schedule of Financial Statement Findings	103
	Summary Schedule of Prior Year Audit Findings and Recommendations As Prepared by Management	104
	<u>OFFICIALS IN OFFICE AND SURETY BONDS</u>	105
	<u>APPRECIATION</u>	106

TOWNSHIP OF MANTUA
PART 1
REPORT OF AUDIT OF FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2018

INDEPENDENT AUDITOR'S REPORT

The Honorable Mayor and
Members of the Township Committee
Township of Mantua
Mantua, New Jersey 08051

Report on the Financial Statements

We have audited the accompanying statements of assets, liabilities, reserves and fund balance - regulatory basis of the various funds of the Township of Mantua, in the County of Gloucester, State of New Jersey, as of December 31, 2018 and 2017, and the related statements of operations and changes in fund balance - regulatory basis for the years then ended, and the related statement of revenues - regulatory basis, statement of expenditures - regulatory basis for the year ended December 31, 2018, and the related notes to the financial statements, which collectively comprise the Township's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with the financial reporting provisions of the Division of Local Government Services, Department of Community Affairs, State of New Jersey; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

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

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

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

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Opinions

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

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

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

Adverse Opinion on Accounting Principles Generally Accepted in the United States of America

In our opinion, because of the significance of the matter discussed in the “*Basis for Adverse Opinion on Accounting Principles Generally Accepted in the United States of America*” paragraph, the financial statements referred to above do not present fairly, in accordance with accounting principles generally accepted in the United States of America, the financial position of the Township of Mantua, in the County of Gloucester, State of New Jersey, as of December 31, 2018 and 2017, or the results of its operations and changes in fund balance for the years then ended.

Basis for Qualified Opinion on General Fixed Asset Group of Accounts - Regulatory Basis

The general fixed asset group of accounts - regulatory basis, was not maintained for the year ended December 31, 2018 as required by N.J.A.C. 5:30-5.6. The amounts that should be recorded as general fixed assets are not known.

Qualified Opinion on General Fixed Asset Group of Accounts - Regulatory Basis

In our opinion, as a result of the effects of the matter described in the “*Basis for Qualified Opinion on General Fixed Asset Group of Accounts - Regulatory Basis*” paragraph, the general fixed asset group of accounts - regulatory basis is not presented fairly, in all material respects, for the Township of Mantua, in the County of Gloucester, State of New Jersey, for the year ended December 31, 2018, in conformity with accounting principles and practices prescribed by the Division of Local Government Services, Department of Community Affairs, State of New Jersey, as described in note 1.

Unmodified Opinion on Regulatory Basis of Accounting

In our opinion, the financial statements referred to previously, except for the general fixed asset group of accounts - regulatory basis, present fairly, in all material respects, the assets, liabilities, reserves and fund balance - regulatory basis of the various funds of the Township of Mantua, in the County of Gloucester, State of New Jersey, as of December 31, 2018 and 2017, and the results of its operations and changes in fund balance - regulatory basis of such funds for the years then ended, and the revenues - regulatory basis and expenditures - regulatory basis of the various funds, for the year ended December 31, 2018, in conformity with accounting principles and practices prescribed by the Division of Local Government Services, Department of Community Affairs, State of New Jersey, as described in note 1.

Emphasis of Matter

Adoption of New Accounting Principles

As discussed in note 1 to the financial statements, during the year ended December 31, 2018, the Township adopted new accounting guidance, Governmental Accounting Standards Board (GASB) Statement No. 75, *Accounting and Financial Reporting for Postemployment Benefits other than Pensions*. The adoption of this new accounting principle resulted in a material note disclosure (see note 9). As a result of the regulatory basis of accounting, described in the previous paragraph, the implementation of this Statement only required financial statement disclosures. Our opinions are not modified with respect to this matter.

Other Matters

Other Information

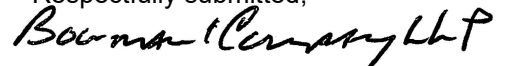
Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Township's basic financial statements. The supplemental statements and schedules presented for the various funds, as listed in the table of contents, are presented for purposes of additional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

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

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated September 23, 2019 on our consideration of the Township of Mantua, in the County of Gloucester, State of New Jersey, internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the Township of Mantua's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Township of Mantua's internal control over financial reporting and compliance.

Respectfully submitted,



BOWMAN & COMPANY LLP
Certified Public Accountants
& Consultants



Michael J. Welding
Certified Public Accountant
Registered Municipal Accountant

**REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING AND ON COMPLIANCE AND
OTHER MATTERS BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED IN
ACCORDANCE WITH GOVERNMENT AUDITING STANDARDS**

INDEPENDENT AUDITOR'S REPORT

The Honorable Mayor and
Members of the Township
Township of Mantua
Mantua, New Jersey 08051

We have audited, in accordance with the auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States; and the audit requirements as prescribed by the Division of Local Government Services, Department of Community Affairs, State of New Jersey, the financial statements prepared on a regulatory basis of accounting prescribed by the Division of Local Government Services, Department of Community Affairs, State of New Jersey, of the Township of Mantua, in the County of Gloucester, State of New Jersey, as of and for the year ended December 31, 2018, and the related notes to the financial statements, which collectively comprise the Township's basic financial statements, and have issued our report thereon dated September 23, 2019. That report indicated that the Township of Mantua's financial statements were not prepared in accordance with accounting principles generally accepted in the United States of America, but were prepared on a regulatory basis of accounting prescribed by the Division of Local Government Services, Department of Community Affairs, State of New Jersey. Our report on the financial statements included an emphasis of matter paragraph describing the adoption of a new accounting pronouncement.

Internal Control over Financial Reporting

In planning and performing our audit of the financial statements, we considered the Township of Mantua's internal control over financial reporting (internal control) to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the Township of Mantua's internal control. Accordingly, we do not express an opinion on the effectiveness of the Township of Mantua'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 a combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected on a timely basis. 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 and therefore, material weaknesses or significant deficiencies may exist that have not been identified. We did identify one deficiency in internal control, as described in the accompanying *Schedule of Findings and Recommendations*, as finding no. 2018-001 that we consider to be a material weakness.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the Township of Mantua's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed one instance of noncompliance or other matter that is required to be reported under *Government Auditing Standards* and audit requirements as prescribed by the Division of Local Government Services, Department of Community Affairs, State of New Jersey, and which is described in the accompanying *Schedule of Findings and Recommendations* as finding no. 2018-001.

The Township of Mantua's Response to Findings

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

Purpose of this Report

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

Respectfully submitted,



BOWMAN & COMPANY LLP
Certified Public Accountants
& Consultants



Michael J. Welding
Certified Public Accountant
Registered Municipal Accountant

Woodbury, New Jersey
September 23, 2019

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

	Ref.	2018	2017
Assets:			
Regular Fund:			
Cash:			
Treasurer	SA-1	\$ 5,442,549.70	\$ 6,365,645.72
Change Fund	A	820.00	820.00
		<u>5,443,369.70</u>	<u>6,366,465.72</u>
Receivables and Other Assets without Full Reserves:			
Due from County of Gloucester - Elections Costs	A-1, SA-1	-	8,843.75
		<u>-</u>	<u>8,843.75</u>
Receivables and Other Assets with Full Reserves:			
Delinquent Property Taxes Receivable	SA-3	713,196.58	644,643.21
Tax Title Liens Receivable	SA-4	414,077.56	341,921.73
Property Acquired for Taxes - Assessed Valuation	A	914,800.00	2,017,400.00
Revenue Accounts Receivable	SA-6	7,519.38	8,763.06
Due from Trust Other Fund	SB-7	5,599.56	21,687.53
		<u>2,055,193.08</u>	<u>3,034,415.53</u>
Deferred Charges:			
Special Emergency Authorizations	SA-8	40,000.00	50,000.00
		<u>7,538,562.78</u>	<u>9,459,725.00</u>
Federal and State Grant Fund:			
Due from Current Fund	SA-19	246,644.41	320,197.60
Grants Receivable	SA-20	84,995.72	91,608.44
		<u>331,640.13</u>	<u>411,806.04</u>
		<u>\$ 7,870,202.91</u>	<u>\$ 9,871,531.04</u>

(Continued)

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

	Ref.	2018	2017
Liabilities, Reserves and Fund Balance:			
Regular Fund:			
Appropriation Reserves	A-3, SA-9	\$ 629,333.79	\$ 753,746.79
Reserve for Encumbrances	A-3, SA-9	344,370.12	425,646.94
Accounts Payable	SA-10	3,292.21	3,426.39
Due to State of New Jersey:			
Senior Citizen's and Veteran's Deductions	SA-5	1,071.92	3,156.17
Marriage License Fees	SA-1	401.00	526.00
Construction DCA Fees	SA-1	5,234.00	11,073.00
Prepaid Taxes	SA-11	424,812.05	1,285,733.98
Tax Overpayments	SA-12	65,871.06	47,214.01
Due County Taxes Payable	SA-13	0.10	-
Due County for Added and Omitted Taxes	SA-14	46,105.54	42,018.53
Local District School Taxes Payable	SA-15	1,023,999.47	919,774.47
Regional High School District Taxes Payable	SA-16	682,305.25	561,962.75
Due Mantua Township Fire District	SA-1	72.53	600.00
Due Mantua Township Municipal Utilities Authority	SA-1	12,433.96	600.00
Due to Federal and State Grant Fund	SA-19	246,644.41	320,197.60
Due to Animal Control Fund	SB-5	163.00	26.00
Due to General Capital Fund	SC-5	-	46,702.15
Reserve for Tax Appeals	SA-7	6,700.03	4,600.99
Reserve for Municipal Building Carpet Replacement	A	4,505.84	4,505.84
Reserve for Tote Bags	SA-1	-	1,200.00
Reserve for Accumulated Absences	SA-3	10,000.00	5,000.00
		<u>3,507,316.28</u>	<u>4,437,711.61</u>
Reserves for Receivables	A	2,055,193.08	3,034,415.53
Fund Balance	A-1	<u>1,976,053.42</u>	<u>1,987,597.86</u>
		<u>7,538,562.78</u>	<u>9,459,725.00</u>
Federal and State Grant Fund:			
Unappropriated Reserves	SA-21	93,882.13	154,561.22
Appropriated Reserves	SA-22	202,897.39	222,184.63
Reserve for Encumbrances	SA-22	5,503.86	5,703.44
Reserve for Matching Funds for Grants	A	29,356.75	29,356.75
		<u>331,640.13</u>	<u>411,806.04</u>
		<u>\$ 7,870,202.91</u>	<u>\$ 9,871,531.04</u>

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

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

	2018	2017
Revenue and Other Income Realized:		
Fund Balance Utilized	\$ 1,250,000.00	\$ 1,025,000.00
Miscellaneous Revenues Anticipated	3,475,704.61	3,223,610.98
Receipts from Delinquent Taxes	642,997.10	761,858.15
Receipts from Current Taxes	44,539,360.51	43,754,699.66
Nonbudget Revenues	126,693.53	230,701.60
Other Credits to Income:		
Unexpended Balance of Appropriation Reserves	597,225.61	613,705.37
Grant Fund Reserves Canceled (Net)		28,383.22
Interfund Receivables Returned	16,087.97	110,498.52
Cancellation of Accounts Payable		5,481.47
	<u>50,648,069.33</u>	<u>49,753,938.97</u>
Expenditures:		
Budget and Emergency Appropriations:		
Appropriations Within "CAPS"		
Operations:		
Salaries and Wages	4,983,154.00	4,799,324.00
Other Expenses	5,008,664.00	4,881,095.00
Deferred Charges and Statutory Expenditures	1,376,445.22	1,296,686.00
Appropriations Excluded from "CAPS"		
Operations:		
Salaries and Wages	78,424.03	114,381.12
Other Expenses	392,424.19	420,094.23
Capital Improvements	47,000.00	46,500.00
Municipal Debt Service	1,328,440.44	1,326,349.92
Deferred Charges	10,000.00	-
County Taxes	10,325,031.59	10,014,887.74
Due County for Added and Omitted Taxes	46,105.54	42,018.53
Local District School Tax	13,841,847.00	13,620,246.00
Regional High School Tax	10,569,790.00	10,329,107.00
Special District Taxes	1,110,122.00	1,088,133.00
Municipal Open Space Tax	266,800.00	265,900.00
Municipal Open Space Added and Omitted Taxes	1,140.27	1,115.23
Prior Year Senior Citizens' and Veterans' Deductions Disallowed	5,250.00	3,750.00
Refund of Prior Year Revenue - Prior Year Tax Appeals Granted	9,550.49	
Cancellation of Receivable Balance	9,425.00	
Interfund Receivables Created		18,410.26
	<u>49,409,613.77</u>	<u>48,267,998.03</u>
Excess in Revenues	1,238,455.56	1,485,940.94
Adjustments to Income Before Fund Balance -		
Expenditures Included Above Which Are by Statute Deferred		
Charges to Budget of Succeeding Year	-	50,000.00
Statutory Excess to Fund Balance	1,238,455.56	1,535,940.94
Fund Balance January 1	<u>1,987,597.86</u>	<u>1,476,656.92</u>
	3,226,053.42	3,012,597.86
Decreased by:		
Utilization as Anticipated Revenue	<u>1,250,000.00</u>	<u>1,025,000.00</u>
Fund Balance December 31	<u>\$ 1,976,053.42</u>	<u>\$ 1,987,597.86</u>

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

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

	Anticipated Budget	Special NJSA 40A:4-87	Realized	Excess
Fund Balance Anticipated	\$ 1,250,000.00		\$ 1,250,000.00	-
Miscellaneous Revenues:				
Licenses:				
Alcoholic Beverages	15,000.00		15,220.00	\$ 220.00
Other	14,000.00		16,146.00	2,146.00
Fees and Permits	100,000.00		257,312.10	157,312.10
Fines and Costs:				
Municipal Court	156,000.00		130,408.22	(25,591.78)
Interest and Costs on Taxes	134,000.00		128,403.83	(5,596.17)
Interest on Investments and Deposits	10,000.00		32,452.74	22,452.74
Cable Television Franchise Fees	78,683.00		78,683.79	0.79
Municipal Impact Fee	42,000.00			(42,000.00)
Energy Receipts Tax (P.L. 1997, Chapters 162 & 167)	1,217,018.00		1,217,018.00	
Uniform Construction Code Fees	320,000.00		339,893.00	19,893.00
Interlocal Municipal Service Agreements:				
Mantua Fire District #1:				
Financial Services	1,000.00		1,000.00	
Insurance:				
General Liability	43,348.00		86,696.00	43,348.00
Worker Compensation	8,252.00		16,504.00	8,252.00
Employee Group Health	80,165.00		75,098.04	(5,066.96)
Gasoline & Diesel Fuel	25,000.00		17,592.12	(7,407.88)
Rowan Shared Service	31,616.00		32,416.00	800.00
MUA Surplus as per N.J.S.A. 40A: 5A-12.1	184,156.00		184,156.00	
Fire District Contribution for Debt Service	33,344.00		33,344.00	
Borough of Pitman - Municipal Court	132,000.00		132,000.00	
Borough of Woodbury Heights - Municipal Court	104,500.00		104,544.60	44.60
Borough of Wenonah - Municipal Court	29,835.00		37,147.50	7,312.50
Borough of Wenonah - Uniform Construction Code	41,791.00		39,112.12	(2,678.88)
Borough of Wenonah - Police Services	304,833.33		304,833.33	
Public and Private Revenues Offset With Appropriations:				
Body Armor Grant	2,508.63		2,508.63	
Clean Communities Program	31,755.04		31,755.04	
Click it or Ticket		\$ 3,300.00	3,300.00	
Distracted Driving	4,840.00		4,840.00	
Drunk Driving Enforcement Fund	3,564.03		3,564.03	
DUI Checkpoint		5,720.00	5,720.00	
JIF Safety Award	3,575.00		3,575.00	
JIF Wellness	1,250.00		1,250.00	
Municipal Alliance on Alcoholism and Drug Abuse	18,977.00		18,977.00	
Optional JIF Safety Award	3,500.00		3,500.00	
Recycling Tonnage Grant	55,733.52		55,733.52	
Safe and Secure Communities	60,000.00		60,000.00	
Shred Event Sponsorship	1,000.00		1,000.00	
	<u>3,293,244.55</u>	<u>9,020.00</u>	<u>3,475,704.61</u>	<u>173,440.06</u>
Receipts from Delinquent Taxes	<u>645,000.00</u>	<u>-</u>	<u>642,997.10</u>	<u>(2,002.90)</u>
Subtotal General Revenues	5,188,244.55	9,020.00	5,368,701.71	171,437.16
Amount to be Raised by Taxes for Support to Municipal Budget - Local Tax for Municipal Purposes	<u>9,068,799.70</u>		<u>9,420,019.92</u>	<u>351,220.22</u>
Budget Totals	14,257,044.25	9,020.00	14,788,721.63	522,657.38
Nonbudget Revenues			<u>126,693.53</u>	<u>126,693.53</u>
	<u>\$ 14,257,044.25</u>	<u>\$ 9,020.00</u>	<u>\$ 14,915,415.16</u>	<u>\$ 649,350.91</u>

(Continued)

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

Analysis of Realized Revenue:

Allocation of Current Tax Collections:

Revenue from Collections		\$ 44,539,360.51
Less:		
Allocated to School, County, Special District and Municipal Open Space Taxes		36,160,836.40
Balance for Support of Municipal Budget Revenues		8,378,524.11
Add:		
Reserve for Uncollected Taxes Appropriation		1,041,495.81
Amount for Support of Municipal Budget Appropriations		\$ 9,420,019.92

Receipts from Delinquent Taxes:

Delinquent Tax Collections		\$ 634,591.58
Tax Title Lien Collections		8,405.52
		\$ 642,997.10

Analysis of Non-Budget Revenue

Chief Financial Officer:		
DMV Inspection Fees	\$ 1,865.22	
Homestead Rebate Administration	1,534.80	
Miscellaneous	2,402.23	
Off Duty Police Administration Cost	23,476.00	
Payment In Lieu of Taxes	55,054.69	
Public Defender Fees	10,433.00	
Recycling Rebates	3,350.80	
Refund of Prior Year Expenditures	22,873.62	
Senior Citizen & Veteran Administrative Fee	2,673.32	
Tax Collector:		
Tax Searches	20.00	
Tax Collector Miscellaneous	3,009.85	
		\$ 126,693.53
Cash - Chief Financial Officer		\$ 123,663.68
Cash - Tax Collector		3,029.85
		\$ 126,693.53

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

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

	Appropriations		Paid or Charged	Expended		Unexpended Balance Cancelled
	Original Budget	Budget After Modification		Encumbered	Reserved	
OPERATIONS WITHIN "CAPS"						
Department of Administration and Finance:						
General Administration						
Salaries and Wages	\$ 116,812.00	\$ 117,948.00	\$ 117,947.01	\$ 0.99		
Other Expenses	37,000.00	32,000.00	30,040.69	\$ 384.90	1,574.41	
IT Services	25,000.00	25,000.00	24,875.00	125.00		
Mayor and Committee						
Salaries and Wages	22,000.00	22,000.00	21,735.00		265.00	
Other Expenses	2,500.00	2,500.00	2,500.00			
Municipal Clerk						
Salaries and Wages	9,764.00	9,764.00	9,709.13		54.87	
Other Expenses	4,000.00	2,700.00	2,620.83		79.17	
Election Expenses	10,000.00	10,000.00	10,000.00			
Financial Administration						
Salaries and Wages	103,021.00	103,021.00	102,441.10		579.90	
Other Expenses	58,000.00	58,000.00	30,942.31	18,282.31	8,775.38	
Audit Services:						
Other Expenses	51,000.00	51,000.00		51,000.00		
Revenue Administration:						
Salaries and Wages	91,800.00	77,936.00	73,179.94		4,756.06	
Other Expenses	17,000.00	17,000.00	15,959.95	100.00	940.05	
Legal Services and Costs:						
Other Expenses	95,000.00	83,100.00	45,102.33	6,396.36	31,601.31	
Rent Leveling Board						
Salaries and Wages	587.00	587.00	582.63		4.37	
Other Expenses	1,000.00	1,500.00	1,136.53	0.01	363.46	
Veterans Commission						
Other Expenses	2,000.00	2,000.00	1,970.14		29.86	
Engineering Services and Costs:						
Other Expenses	50,000.00	50,000.00	43,404.25	3,690.77	2,904.98	
Economic Development						
Other Expenses	2,000.00	2,000.00	2,000.00			

(Continued)

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

	Appropriations		Paid or Charged	Expended		Unexpended Balance Cancelled
	Original Budget	Budget After Modification		Encumbered	Reserved	
OPERATIONS WITHIN "CAPS" (CONT'D)						
Department of Administration and Finance (Cont'd):						
Historical Commission						
Other Expenses	\$ 2,000.00	\$ 2,000.00	\$ 206.00		\$ 1,794.00	
Land Use/Planning Board						
Salaries and Wages	91,334.00	101,634.00	101,578.06		55.94	
Other Expenses	16,000.00	24,000.00	20,036.24	\$ 2,966.89	996.87	
Department of Public Safety:						
Police						
Salaries and Wages						
Regular	2,883,001.00	2,835,455.00	2,691,309.13		144,145.87	
Crossing Guard	78,540.00	78,540.00	66,026.63		12,513.37	
Other Expenses	153,750.00	178,750.00	125,612.13	30,077.83	23,060.04	
Office of Emergency Management						
Salaries and Wages	2,602.00	3,002.00	2,634.28		367.72	
Other Expenses	2,000.00	2,000.00	257.12		1,742.88	
Municipal Prosecutor						
Salaries and Wages	25,481.00	25,481.00	25,305.16		175.84	
Department of Public Works:						
Streets and Roads Maintenance:						
Salaries and Wages	600,000.00	479,100.00	473,535.36		5,564.64	
Other Expenses	170,000.00	140,000.00	118,951.04	19,414.54	1,634.42	
Sanitation						
Salaries and Wages	550,000.00	635,200.00	624,283.21		10,916.79	
Other Expenses	190,000.00	160,000.00	105,503.98	41,973.79	12,522.23	
Public Buildings and Grounds						
Salaries and Wages	56,000.00	58,000.00	57,776.30		223.70	
Other Expenses	60,700.00	92,700.00	68,442.36	17,919.98	6,337.66	
Park Maintenance						
Salaries and Wages	10,000.00	2,500.00			2,500.00	
Other Expenses	47,800.00	47,800.00	47,337.73	114.03	348.24	

(Continued)

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

	Appropriations		Paid or Charged	Expended		Unexpended Balance Cancelled
	Original Budget	Budget After Modification		Encumbered	Reserved	
OPERATIONS WITHIN "CAPS" (CONT'D)						
Insurance						
Other Insurance Premiums	\$ 255,000.00	\$ 255,000.00	\$ 146,657.00	\$ 64,869.00	\$ 43,474.00	
Workers Compensation Insurance	420,000.00	411,000.00	402,384.00		8,616.00	
Employee Group Health Insurance	1,957,000.00	1,957,000.00	1,868,038.71	2,805.15	86,156.14	
Health Benefit Waiver	45,000.00	45,000.00	34,123.86		10,876.14	
Health & Human Services Functions:						
Board of Health						
Salaries and Wages	5,515.00	5,525.00	5,518.33		6.67	
Other Expenses	1,500.00	1,500.00	102.94		1,397.06	
Environmental Committee						
Other Expenses	500.00	500.00			500.00	
Senior Citizen Public Transportation						
Salaries and Wages	39,000.00	39,000.00	35,335.02		3,664.98	
Other Expenses	5,000.00	1,000.00	171.50		828.50	
Park & Recreation Functions:						
Recreation Services and Programs:						
Other Expenses	17,850.00	17,850.00	10,736.87	6,287.70	825.43	
Senior Citizen Trips & Events	12,000.00	12,000.00	10,626.70	10.95	1,362.35	
Celebration of Public Events						
Other Expenses	10,000.00	10,000.00			10,000.00	
Uniform Construction Code Functions:						
Construction Official						
Salaries and Wages	134,831.00	134,831.00	132,789.26		2,041.74	
Other Expenses	20,000.00	16,000.00	12,156.33	2,095.59	1,748.08	
Salaries and Wages						
Sub-Code Officials						
Salaries and Wages	53,040.00	52,040.00	47,741.61		4,298.39	
Housing Inspector:						
Salaries and Wages	7,500.00	8,500.00	8,452.50		47.50	

(Continued)

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

	Appropriations		Paid or Charged	Expended		Unexpended Balance Cancelled
	Original Budget	Budget After Modification		Encumbered	Reserved	
OPERATIONS WITHIN "CAPS" (CONT'D)						
Other Functions:						
Municipal Court						
Salaries and Wages	\$ 191,150.00	\$ 180,850.00	\$ 171,146.74	\$ 5.00	\$ 9,698.26	
Other Expenses	21,000.00	21,000.00	14,247.26	2,833.11	3,919.63	
Public Defender						
Salaries and Wages	12,240.00	12,240.00	12,190.00		50.00	
Accumulated Leave Compensation						
Other Expenses	5,000.00	5,000.00	5,000.00			
Unclassified:						
Electricity	150,000.00	150,000.00	113,046.49	1,580.64	35,372.87	
Street Lighting	115,000.00	115,000.00	115,000.00			
Telephone	45,000.00	54,000.00	48,156.57	1,654.22	4,189.21	
Natural Gas & Heating Oil	21,000.00	28,200.00	24,661.96	442.72	3,095.32	
Gasoline	200,000.00	200,000.00	170,443.42	6,339.58	23,217.00	
Landfill/Solidwaste Disposal Costs	610,000.00	724,564.00	687,291.78	0.03	37,272.19	
Total Operations Within "CAPS"	9,991,818.00	9,991,818.00	9,140,960.42	281,370.10	569,487.48	-
Detail:						
Salaries and Wages	5,084,218.00	4,983,154.00	4,781,216.40	5.00	201,932.60	-
Other Expenses	4,907,600.00	5,008,664.00	4,359,744.02	281,365.10	367,554.88	-
DEFERRED CHARGES AND STATUTORY EXPENDITURES - MUNICIPAL WITHIN "CAPS"						
Statutory Expenditures:						
Contribution to:						
Public Employees' Retirement System	268,116.22	268,116.22	268,116.00		0.22	
Police & Fire Retirement System of N.J.	645,829.00	645,829.00	645,829.00			
Unemployment Compensation Insurance	45,000.00	45,000.00	38,487.36		6,512.64	
Defined Contribution Retirement Program	2,500.00	2,500.00	589.04		1,910.96	
Social Security System (O.A.S.I.)	415,000.00	415,000.00	412,738.83		2,261.17	

(Continued)

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

	Appropriations		Paid or Charged	Expended		Unexpended Balance Cancelled
	Original Budget	Budget After Modification		Encumbered	Reserved	
<u>OPERATIONS WITHIN "CAPS" (CONT'D)</u>						
TOTAL DEFERRED CHARGES AND STATUTORY EXPENDITURES - MUNICIPAL WITHIN "CAPS" \$	1,376,445.22	1,376,445.22	\$ 1,365,760.23	-	\$ 10,684.99	-
TOTAL GENERAL APPROPRIATIONS FOR MUNICIPAL PURPOSES WITHIN "CAPS"	11,368,263.22	11,368,263.22	10,506,720.65	\$ 281,370.10	580,172.47	-
<u>OPERATIONS EXCLUDED FROM "CAPS"</u>						
LOSAP	15,000.00	15,000.00			15,000.00	
Reserve for Tax Appeals	16,000.00	16,000.00	16,000.00			
Interlocal Service Agreements:						
Mantua Fire District #1						
Financial Services						
Salaries and Wages	1,000.00	1,000.00	1,000.00			
Insurance						
General Liability	43,348.00	43,348.00	43,348.00			
Worker's Compensation	8,252.00	8,252.00	8,252.00			
Employee Group Health Benefits	80,165.00	80,165.00	75,098.04		5,066.96	
Gasoline & Diesel Fuel	25,000.00	25,000.00	17,592.12		7,407.88	
Rowan Shared Service	31,616.00	31,616.00		13,000.00	18,616.00	
Mantua Township MUA Shared Service	50,000.00	50,000.00		50,000.00		
Public and Private Programs Offset by Revenues:						
Body Armor Grant	2,508.63	2,508.63	2,508.63			
Clean Communities	31,755.04	31,755.04	31,755.04			
Click It or Ticket (NJSA 40A:4-87)		3,300.00	3,300.00			
Distracted Driving	4,840.00	4,840.00	4,840.00			
DUI Checkpoint 2014 (NJSA 40A:4-87)		5,720.00	5,720.00			
Drunk Driving Enforcement Fund	3,564.03	3,564.03	3,564.03			
JIF Safety Award	3,575.00	3,575.00	3,575.00			
Optional JIF Safety Award	3,500.00	3,500.00	3,500.00			
JIF Wellness	1,250.00	1,250.00	1,250.00			

(Continued)

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

	Appropriations		Paid or Charged	Expended		Unexpended Balance Cancelled
	Original Budget	Budget After Modification		Encumbered	Reserved	
<u>OPERATIONS EXCLUDED FROM "CAPS" (CONT'D)</u>						
Public and Private Programs Offset by Revenues (Cont'd):						
Municipal Alliance Program for Alcoholism & Drug Abuse:						
State Share	\$ 18,977.00	\$ 18,977.00	\$ 18,977.00			
Share	4,744.00	4,744.00	4,744.00			
Recycling Tonnage Grant	55,733.52	55,733.52	55,733.52			
Shred Event	1,000.00	1,000.00	1,000.00			
Safe and Secure Communities Program	60,000.00	60,000.00	60,000.00			
TOTAL OPERATIONS - EXCLUDED FROM "CAPS"	461,828.22	470,848.22	361,757.38	\$ 63,000.00	\$ 46,090.84	-
Detail:						
Salaries and Wages	69,404.03	78,424.03	78,424.03	-	-	-
Other Expenses	392,424.19	392,424.19	283,333.35	63,000.00	46,090.84	-
<u>CAPITAL IMPROVEMENTS - EXCLUDED FROM "CAPS"</u>						
Capital Improvement Fund	30,000.00	30,000.00	30,000.00			
Sanitary Landfill Closure (NJSA 40:2-22H)	7,000.00	7,000.00	3,929.50	0.02	3,070.48	
Acquisition of Trash Containers	10,000.00	10,000.00	10,000.00			
TOTAL CAPITAL IMPROVEMENTS	47,000.00	47,000.00	43,929.50	0.02	3,070.48	-
<u>MUNICIPAL DEBT SERVICE - EXCLUDED FROM "CAPS"</u>						
Payment of Bond Principal	1,042,100.00	1,042,100.00	1,042,100.00			
Interest on Bonds	224,025.00	224,025.00	224,022.52			\$ 2.48
Interest on Notes	43,925.00	43,925.00	43,911.69			13.31
Green Trust Loan Program:						
Loan Repayment for Principal	17,601.00	17,601.00	17,600.46			0.54
Loan Repayment for Interest	806.00	806.00	805.77			0.23
TOTAL MUNICIPAL DEBT SERVICE - EXCLUDED FROM "CAPS"	1,328,457.00	1,328,457.00	1,328,440.44	-		16.56

(Continued)

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

	Appropriations		Paid or Charged	Expended		Unexpended Balance Cancelled
	Original Budget	Budget After Modification		Encumbered	Reserved	
DEFERRED CHARGES - MUNICIPAL - EXCLUDED FROM "CAPS"						
Special Emerg Auth - 5 Years (NJS 40A:4-55)	\$ 10,000.00	\$ 10,000.00	\$ 10,000.00			
TOTAL DEFERRED CHARGES - MUNICIPAL - EXCLUDED FROM "CAPS"	<u>10,000.00</u>	<u>10,000.00</u>	<u>10,000.00</u>	<u>-</u>	<u>-</u>	<u>-</u>
TOTAL GENERAL APPROPRIATIONS FOR MUNICIPAL PURPOSES EXCLUDED FROM "CAPS"	<u>1,847,285.22</u>	<u>1,856,305.22</u>	<u>1,744,127.32</u>	<u>\$ 63,000.02</u>	<u>\$ 49,161.32</u>	<u>\$ 16.56</u>
SUBTOTAL GENERAL APPROPRIATIONS	<u>13,215,548.44</u>	<u>13,224,568.44</u>	<u>12,250,847.97</u>	<u>344,370.12</u>	<u>629,333.79</u>	<u>16.56</u>
Reserve for Uncollected Taxes	<u>1,041,495.81</u>	<u>1,041,495.81</u>	<u>1,041,495.81</u>			
TOTAL GENERAL APPROPRIATIONS	<u>\$ 14,257,044.25</u>	<u>\$ 14,266,064.25</u>	<u>\$ 13,292,343.78</u>	<u>\$ 344,370.12</u>	<u>\$ 629,333.79</u>	<u>\$ 16.56</u>
Adopted Budget		\$ 14,257,044.25				
Appropriation by NJSA 40A:4-87		9,020.00				
Federal and State Grants Appropriated			\$ 200,467.22			
Deferred Charge - Special Emergency			10,000.00			
Reserve for Tax Appeals			16,000.00			
Reserve for Accumulated Absences			5,000.00			
Reserve for Uncollected Taxes			1,041,495.81			
Cash Disbursements			<u>12,019,380.75</u>			
		<u>\$ 14,266,064.25</u>	<u>\$ 13,292,343.78</u>			

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

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

	<u>Ref.</u>	<u>2018</u>	<u>2017</u>
Assets:			
Animal Control Fund:			
Cash - Chief Financial Officer	SB-1	\$ 29,678.04	\$ 29,633.79
Due Current Fund	SB-5	163.00	26.00
		<u>29,841.04</u>	<u>29,659.79</u>
Municipal Open Space Fund:			
Cash - Chief Financial Officer	SB-1	112,103.47	159,469.01
		<u>112,103.47</u>	<u>159,469.01</u>
Other Funds:			
Cash - Chief Financial Officer	SB-1	2,095,942.15	2,133,515.98
Accounts Receivable	SB-8	3,785.37	33,803.01
Investments - Length of Service Awards Program	SB-2	492,916.52	516,679.43
		<u>2,592,644.04</u>	<u>2,683,998.42</u>
		<u>\$ 2,734,588.55</u>	<u>\$ 2,873,127.22</u>
Liabilities and Reserves:			
Animal Control Fund:			
Due to State of New Jersey	SB-3	\$ 650.40	\$ 658.80
Reserve for Encumbrances	SB-1, SB-4	3,541.00	1,510.86
Reserve for Animal Control Fund Expenditures	SB-4	25,649.64	27,490.13
		<u>29,841.04</u>	<u>29,659.79</u>
Municipal Open Space Fund:			
Appropriation Reserves	B-2, SB-6	8,105.94	17,696.62
Reserve for Future Use	SB-6	103,997.53	141,772.39
		<u>112,103.47</u>	<u>159,469.01</u>
Other Funds:			
Due Current Fund	SB-7	5,599.56	21,687.53
Reserve for Affordable Housing	SB-9	1,005,468.41	818,346.42
Reserve for Developers' Escrow	SB-9	593,893.55	619,759.89
Reserve for Net Pay	SB-9	1,881.74	1,956.98

(Continued)

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

	<u>Ref.</u>	<u>2018</u>	<u>2017</u>
Liabilities and Reserves (Cont'd):			
Other Funds (Cont'd):			
Reserve for Payroll Deductions Payable	SB-9	\$ 49,584.97	\$ 42,926.46
Reserve for Off Duty Police	SB-9	16,756.86	20,042.86
Reserve for Street Opening Deposits	SB-9	19,225.00	11,425.00
Reserve for Tax Redemption	SB-9	20.38	20.38
Reserve for Tax Premium	SB-9	176,200.00	285,100.00
Reserve for Community Day Donations	SB-9	2,295.21	4,662.38
Reserve for Police Explorer's Donations	SB-9	1,405.00	1,405.00
Reserve for Parking Offense Adjudication Act	SB-9	8,359.63	7,551.63
Reserve for Police Canine Donations	SB-9	11,005.44	2,862.80
Reserve for Recreation	SB-9	10,124.35	3,364.35
Reserve for Public Defender Fees	SB-9	2,886.32	12,845.82
Reserve for Forfeited Funds	SB-9	39,232.84	35,029.17
Reserve for Historical Donations	SB-9	50,407.23	49,057.23
Reserve for Senior Citizen Trips	SB-9	152.00	143.00
Reserve for Community Development Block Grant	SB-9	51,000.00	51,000.00
Reserve for Fossil Fund	SB-9	5,220.53	4,210.70
Reserve for Veteran's Commission	SB-9	1,862.38	-
Reserve for Country Gardens	SB-9	31,757.07	118,870.61
Reserve for Length of Service Awards Program	SB-9	492,916.52	516,679.43
Reserve for Child Safety Seat	SB-9	695.00	350.00
Reserve for Encumbrances	SB-9	14,694.05	54,700.78
		<u>2,592,644.04</u>	<u>2,683,998.42</u>
		<u>\$ 2,734,588.55</u>	<u>\$ 2,873,127.22</u>

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

TOWNSHIP OF MANTUA
TRUST -- MUNICIPAL OPEN SPACE FUND
Statement of Revenues--Regulatory Basis
For the Year Ended December 31, 2018

	<u>Anticipated Budget</u>	<u>Realized</u>	<u>Excess or (Deficit)</u>
Amount to be Raised by Taxation	\$ 266,800.00	\$ 267,940.27	\$ 1,140.27
Miscellaneous Revenue Not Anticipated	<u> </u>	<u>5,663.25</u>	<u>5,663.25</u>
	266,800.00	273,603.52	6,803.52
Reserve Funds Anticipated	<u>62,275.00</u>	<u>62,275.00</u>	<u> </u>
	<u>\$ 329,075.00</u>	<u>\$ 335,878.52</u>	<u>\$ 6,803.52</u>
 <u>Analysis of Amount to be Raised by Taxation:</u>			
Current Year Levy		\$ 266,800.00	
Added Taxes		<u>1,140.27</u>	
		<u>\$ 267,940.27</u>	
 <u>Analysis of Miscellaneous Revenue Not Anticipated:</u>			
Rent on Open Space / Farmland		\$ 5,524.00	
Interest on Investments and Deposits		<u>139.25</u>	
		<u>\$ 5,663.25</u>	

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

TOWNSHIP OF MANTUA
 TRUST -- MUNICIPAL OPEN SPACE FUND
 Statement of Expenditures--Regulatory Basis
 For the Year Ended December 31, 2018

	Original Budget	Budget After Modification	Expended	
			Paid or Charged	Reserved
Maintenance of Lands for Recreation and Conservation:				
Salaries and Wages	\$ 200,000.00	\$ 200,000.00	\$ 191,894.06	\$ 8,105.94
Debt Service				
Payment of Bond Principal	97,900.00	97,900.00	97,900.00	
Interest on Bonds	30,010.00	30,010.00	30,010.00	
Interest on Notes	1,165.00	1,165.00	1,165.00	
	<u>\$ 329,075.00</u>	<u>\$ 329,075.00</u>	<u>\$ 320,969.06</u>	<u>\$ 8,105.94</u>

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

TOWNSHIP OF MANTUA
GENERAL CAPITAL FUND

Statements of Assets, Liabilities, Reserves and Fund Balance -- Regulatory Basis
As of December 31, 2018 and 2017

Assets:	Ref.	2018	2017
Cash	SC-1	\$ 1,789,444.12	\$ 1,840,629.09
Federal and State Aid Receivable	SC-6	192,921.90	267,083.79
Deferred Charges to Future Taxation:			
Funded	SC-4	6,305,066.21	7,462,666.67
Unfunded	SC-3	3,374,400.00	2,576,400.00
Due from Current Fund	SC-5	-	46,702.15
		<u>\$ 11,661,832.23</u>	<u>\$ 12,193,481.70</u>
Liabilities, Reserves and Fund Balance:			
Encumbrances Payable	SC-7	\$ 1,016,370.60	\$ 745,378.12
Capital Improvement Fund	SC-8	6,585.11	18,585.11
Improvement Authorizations:			
Funded	SC-9	647,551.48	1,023,557.99
Unfunded	SC-9	211,541.48	292,594.46
Bond Anticipation Notes	SC-10	3,374,400.00	2,576,400.00
General Serial Bonds	SC-11	6,278,000.00	7,418,000.00
Green Trust Loan Payable	SC-12	27,066.21	44,666.67
Fund Balance	C-1	100,317.35	74,299.35
		<u>\$ 11,661,832.23</u>	<u>\$ 12,193,481.70</u>

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

TOWNSHIP OF MANTUA
GENERAL CAPITAL FUND
Statement of Fund Balance - Regulatory Basis
For the Year Ended December 31, 2018

Balance December 31, 2017	\$ 74,299.35
Increased by:	
Premium on Bond Anticipation Notes	<u>26,018.00</u>
Balance December 31, 2018	<u><u>\$ 100,317.35</u></u>

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

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

Note 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Description of Financial Reporting Entity - The Township of Mantua was incorporated in February 23, 1853 and is located in southwest New Jersey approximately twenty miles southwest of the City of Philadelphia. The Township borders Wenonah Borough, East Greenwich Township, Harrison Township and Pitman Borough. The population according to the 2010 census is 15,217.

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

Component Units - The financial statements of the component units of the Township are not presented in accordance with Governmental Accounting Standards Board (GASB) Statements No. 14, *The Financial Reporting Entity*, as amended by GASB Statement No. 39, *Determining Whether Certain Organizations are Component Units*, GASB Statement No. 61, *The Financial Reporting Entity: Omnibus - an amendment of GASB Statements No. 14 and No. 34*, and GASB Statement No. 80, *Blending Requirements for Certain Component Units - an amendment of GASB Statement No. 14*. If the provisions of the aforementioned GASB Statements had been complied with, the financial statements of the following component units would have been either blended or discretely presented with the financial statements of the Township, the primary government:

Mantua Municipal Utilities Authority
397 Main Street
Mantua, New Jersey 08051

Annual financial reports may be inspected directly at the offices of these component units during regular business hours.

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

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

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

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

Note 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)**Measurement Focus, Basis of Accounting and Financial Statement Presentation (Cont'd)**

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

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

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

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

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

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

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

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

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

Note 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)**Measurement Focus, Basis of Accounting and Financial Statement Presentation (Cont'd)**

Interfunds - Interfund receivables and payables that arise from transactions between funds are recorded by all funds affected by such transactions in the period in which the transaction is executed. Interfund receivables in the current fund are recorded with offsetting reserves which are created by charges to operations. Income is recognized in the year the receivables are liquidated. Interfund receivables in the other funds are not offset by reserves.

Inventories of Supplies - The costs of inventories of supplies for all funds are recorded as expenditures at the time individual items are purchased. The costs of inventories are not included on the various statements of assets, liabilities, reserves and fund balance.

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

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

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

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

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

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

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

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

Property Tax Revenues - Property tax revenues are collected in quarterly installments due February 1, May 1, August 1, and November 1. The amount of tax levied includes not only the amount required in support of the Township's annual budget, but also the amounts required in support of the budgets of the County of Gloucester, the Township of Mantua School District, the Clearview Regional High School District, and the Township of Mantua Fire District No. 1. Unpaid property taxes are subject to tax sale in accordance with the statutes.

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

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

Fire District Taxes - The municipality is responsible for levying, collecting, and remitting fire district taxes for the Township of Mantua Fire District No. 1. Operations is charged for the full amount required to be raised from taxation to operate the Fire District for the period from January 1 to December 31

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

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

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

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

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

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

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

Impact of Recently Issued Accounting Principles

Recently Issued and Adopted Accounting Pronouncements

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

Note 2: CASH AND CASH EQUIVALENTS

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

As of December 31, 2018, the Township's bank balances of \$11,328,967.29 were exposed to custodial credit risk as follows:

Insured by FDIC and GUDPA	\$ 10,656,925.30
Uninsured and Uncollateralized	<u>672,041.99</u>
Total	<u>\$ 11,328,967.29</u>

Note 3: PROPERTY TAXES

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

Comparative Schedule of Tax Rates

	<u>Year Ended</u>				
	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>
Tax Rate	<u>\$ 3.388</u>	<u>\$ 3.337</u>	<u>\$ 3.299</u>	<u>\$ 3.218</u>	<u>\$ 3.110</u>
Apportionment of Tax Rate:					
Municipal	\$.679	\$.679	\$.664	\$.640	\$.616
Municipal Open Space	.019	.020	.020	.020	.020
County	.682	.662	.640	.633	.592
County Library	.050	.050	.050	.048	.047
County Open Space	.043	.042	.042	.043	.042
Local School	1.038	1.025	1.012	.992	.973
Regional School District	.793	.777	.792	.770	.753
Special District Taxes	.084	.082	.079	.072	.067

Assessed Valuation

<u>Year</u>	<u>Amount</u>
2018	\$ 1,334,185,026.00
2017	1,329,495,507.00
2016	1,324,373,124.00
2015	1,330,480,059.00
2014	1,334,671,512.00

Comparison of Tax Levies and Collections

<u>Year</u>	<u>Tax Levy</u>	<u>Collections</u>	<u>Percentage of Collections</u>
2018	\$ 45,408,659.99	\$ 44,539,360.51	98.09%
2017	44,533,570.16	43,754,699.66	98.25%
2016	43,986,097.46	43,094,971.48	97.97%
2015	42,922,715.25	42,093,594.12	98.07%
2014	41,658,109.24	40,666,398.28	97.62%

Note 3: PROPERTY TAXES (CONT'D)**Delinquent Taxes and Tax Title Liens**

<u>Year</u>	<u>Tax Title Liens</u>	<u>Delinquent Taxes</u>	<u>Total Delinquent</u>	<u>Percentage of Tax Levy</u>
2018	\$ 414,077.56	\$ 713,196.58	\$ 1,127,274.14	2.48%
2017	341,921.73	644,643.21	986,564.94	2.22%
2016	275,373.27	752,411.48	1,027,784.75	2.34%
2015	283,507.92	719,940.39	1,003,448.31	2.34%
2014	228,054.13	803,354.30	1,031,408.43	2.48%

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

<u>Year</u>	<u>Number</u>
2018	46
2017	36
2016	37
2015	40
2014	51

Note 4: PROPERTY ACQUIRED BY TAX TITLE LIEN LIQUIDATION

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

<u>Year</u>	<u>Amount</u>
2018	\$ 914,800.00
2017	2,107,700.00
2016	2,107,700.00
2015	2,107,700.00
2014	2,107,400.00

Note 5: FUND BALANCES APPROPRIATED

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

Current Fund

<u>Year</u>	<u>Balance December 31,</u>	<u>Utilized in Budget of Succeeding Year</u>	<u>Percentage of Fund Balance Used</u>
2018	\$ 1,976,053.42	\$ 1,250,000.00	63.26%
2017	1,987,597.86	1,250,000.00	62.89%
2016	1,476,656.92	1,025,000.00	69.41%
2015	1,034,051.57	950,000.00	91.87%
2014	1,133,332.33	850,000.00	75.00%

Note 6: INTERFUND RECEIVABLES AND PAYABLES

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

<u>Fund</u>	<u>Interfunds Receivable</u>	<u>Interfunds Payable</u>
Current	\$ 5,599.56	\$ 246,807.41
Federal and State Grant	246,644.41	
Trust - Animal Control	163.00	
Trust - Other		5,599.56
	<u>\$ 252,406.97</u>	<u>\$ 252,406.97</u>

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

Note 7: PENSION PLANS

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

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

Note 7: PENSION PLANS (CONT'D)**General Information about the Pension Plans****Plan Descriptions**

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

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

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

Vesting and Benefit Provisions

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

The following represents the membership tiers for PERS:

Tier Definition

- 1 Members who were enrolled prior to July 1, 2007
- 2 Members who were eligible to enroll on or after July 1, 2007 and prior to November 2, 2008
- 3 Members who were eligible to enroll on or after November 2, 2008 and prior to May 21, 2010
- 4 Members who were eligible to enroll after May 21, 2010 and prior to June 28, 2011
- 5 Members who were eligible to enroll on or after June 28, 2011

Service retirement benefits of 1/55th of final average salary for each year of service credit is available to tiers 1 and 2 members upon reaching age 60 and to tier 3 members upon reaching age 62.

Note 7: PENSION PLANS (CONT'D)**General Information about the Pension Plans (Cont'd)****Vesting and Benefit Provisions (Cont'd)**

Public Employees' Retirement System (Cont'd) - Service retirement benefits of 1/60th of final average salary for each year of service credit is available to tier 4 members upon reaching age 62 and tier 5 members upon reaching age 65. Early retirement benefits are available to tiers 1 and 2 members before reaching age 60, tiers 3 and 4 with 25 years or more of service credit before age 62, and tier 5 with 30 or more years of service credit before age 65. Benefits are reduced by a fraction of a percent for each month that a member retires prior to the age at which a member can receive full early retirement benefits in accordance with their respective tier. Tier 1 members can receive an unreduced benefit from age 55 to age 60 if they have at least 25 years of service. Deferred retirement is available to members who have at least 10 years of service credit and have not reached the service retirement age for the respective tier.

Police and Firemen's Retirement System - The vesting and benefit provisions are set by N.J.S.A. 43:16A. The PFRS provides retirement, death and disability benefits. All benefits vest after 10 years of service, except disability benefits, which vest after four years of service.

The following represents the membership tiers for PFRS:

Tier Definition

- 1 Members who were enrolled prior to May 22, 2010
- 2 Members who were eligible to enroll on or after May 22, 2010 and prior to June 28, 2011
- 3 Members who were eligible to enroll on or after June 28, 2011

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

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

Contributions

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

Note 7: PENSION PLANS (CONT'D)**General Information about the Pension Plans (Cont'd)****Contributions (Cont'd)**

Public Employees' Retirement System (Cont'd) – The Township's contractually required contribution rate for the year ended December 31, 2018 was 13.28% of the Township's covered payroll. This amount was actuarially determined as the amount that, when combined with employee contributions, is expected to finance the costs of benefits earned by employees during the year, including an additional amount to finance any unfunded accrued liability.

Based on the most recent PERS measurement date of June 30, 2018, the Township's contractually required contribution to the pension plan for the year ended December 31, 2018 is \$257,105.00, and was payable by April 1, 2019. Due to the basis of accounting described in note 1, no liability has been recorded in the financial statements for this amount. Based on the PERS measurement date of June 30, 2017, the Township's contractually required contribution to the pension plan for the year ended December 31, 2017 was \$265,667.00, which was paid on April 1, 2018. Employee contributions to the Plan during the year ended December 31, 2018 were \$144,504.92.

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

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

The Township's contractually required contribution rate for the year ended December 31, 2018 was 27.72% of the Township's covered payroll. This amount was actuarially determined as the amount that, when combined with employee contributions, is expected to finance the costs of benefits earned by employees during the year, with an additional amount to finance any unfunded accrued liability.

Based on the most recent PFRS measurement date of June 30, 2018, the Township's contractually required contribution to the pension plan for the year ended December 31, 2018 is \$726,400.00, and was payable by April 1, 2019. Due to the basis of accounting described in note 1, no liability has been recorded in the financial statements for this amount. Based on the PFRS measurement date of June 30, 2017, the Township's contractually required contribution to the pension plan for the year ended December 31, 2017 was \$645,829.00, which was paid on April 1, 2018. Employee contributions to the Plan during the year ended December 31, 2018 were \$265,000.60.

The amount of contractually required contribution for the State of New Jersey's proportionate share, associated with the Township, for the year ended December 31, 2018 was 3.09% of the Township's covered payroll.

Note 7: PENSION PLANS (CONT'D)

General Information about the Pension Plans (Cont'd)

Contributions (Cont'd)

Police and Firemen's Retirement System (Cont'd) - Based on the most recent PFRS measurement date of June 30, 2018, the State's contractually required contribution, on-behalf of the Township, to the pension plan for the year ended December 31, 2018 is \$80,882.00, and was payable by April 1, 2019. Based on the PFRS measurement date of June 30, 2017, the State's contractually required contribution, on-behalf of the Township, to the pension plan for the year ended December 31, 2017 was \$63,098.00, which was paid on April 1, 2018.

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

For the year ended December 31, 2018, employee contributions totaled \$1,079.92, and the Township's contributions were \$589.04. There were no forfeitures during the year.

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

Public Employees' Retirement System - At December 31, 2018, the Township's proportionate share of the PERS net pension liability was \$5,089,360.00. The net pension liability was measured as of June 30, 2018, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of July 1, 2017. The total pension liability was calculated through the use of updated procedures to roll forward from the actuarial valuation date to the measurement date of June 30, 2018. The Township's proportion of the net pension liability was based on a projection of the Township's long-term share of contributions to the pension plan relative to the projected contributions of all participating employers, actuarially determined. For the June 30, 2018 measurement date, the Township's proportion was 0.0258480915%, which was a decrease of 0.0028294722% from its proportion measured as of June 30, 2017.

At December 31, 2018, the Township's proportionate share of the PERS pension expense, calculated by the Plan as of the June 30, 2018 measurement date is \$231,043.00. This expense is not recognized by the Township because of the regulatory basis of accounting as described in note 1; however, as previously mentioned, for the year ended December 31, 2018, the Township's contribution to PERS was \$265,667.00, and was paid on April 1, 2018.

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

Township's Proportionate Share of Net Pension Liability	\$ 10,054,126.00
State of New Jersey's Proportionate Share of Net Pension Liability Associated with the Township	<u>1,365,687.00</u>
	<u>\$ 11,419,813.00</u>

Note 7: PENSION PLANS (CONT'D)**Pension Liabilities, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions (Cont'd)**

Police and Firemen's Retirement System (Cont'd) - The net pension liability was measured as of June 30, 2018, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of July 1, 2017. The total pension liability was calculated through the use of updated procedures to roll forward from the actuarial valuation date to the measurement date of June 30, 2018. The Township's proportion of the net pension liability was based on a projection of the Township's long-term share of contributions to the pension plan relative to the projected contributions of all participating employers and the State of New Jersey, actuarially determined. For the June 30, 2018 measurement date, the Township's proportion was 0.0743008215%, which was an increase of 0.0013273152% from its proportion measured as of June 30, 2017. Likewise, at June 30, 2018, the State of New Jersey's proportion, on-behalf of the Township, was 0.0743008215%, which was an increase of 0.0013273152% from its proportion, on-behalf of the Township, measured as of June 30, 2017.

At December 31, 2018, the Township's proportionate share of the PFRS pension expense, calculated by the Plan as of the June 30, 2018 measurement date is \$1,043,586.00. This expense is not recognized by the Township because of the regulatory basis of accounting as described in note 1; however, as previously mentioned, for the year ended December 31, 2018, the Township's contribution to PFRS was \$645,829.00, and was paid on April 1, 2018.

At December 31, 2018, the State's proportionate share of the PFRS pension expense, associated with the Township, calculated by the Plan as of the June 30, 2018 measurement date is \$161,763.00. This on-behalf expense is not recognized by the Township because of the regulatory basis of accounting as described in note 1.

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

	Deferred Outflows of Resources			Deferred Inflows of Resources		
	PERS	PFRS	Total	PERS	PFRS	Total
Differences between Expected and Actual Experience	\$ 97,055.00	\$ 102,288.00	\$ 199,343.00	\$ 26,242.00	\$ 41,606.00	\$ 67,848.00
Changes of Assumptions	838,642.00	863,011.00	1,701,653.00	1,627,307.00	2,576,699.00	4,204,006.00
Net Difference between Projected and Actual Earnings on Pension Plan Investments	-	-	-	47,738.00	55,005.00	102,743.00
Changes in Proportion and Differences between Township Contributions and Proportionate Share of Contributions	149,189.00	634,859.00	784,048.00	550,910.00	-	550,910.00
Township Contributions Subsequent to the Measurement Date	128,553.00	363,200.00	491,753.00	-	-	-
	<u>\$ 1,213,439.00</u>	<u>\$ 1,963,358.00</u>	<u>\$ 3,176,797.00</u>	<u>\$ 2,252,197.00</u>	<u>\$ 2,673,310.00</u>	<u>\$ 4,925,507.00</u>

\$128,553.00 and \$363,200.00 for PERS and PFRS, respectively, included in deferred outflows of resources, will be included as a reduction of the net pension liability in the year ending December 31, 2019. These amounts were based on an estimated April 1, 2020 contractually required contribution, prorated from the pension plans' measurement date of June 30, 2018 to the Township's year end of December 31, 2018.

Note 7: PENSION PLANS (CONT'D)**Pension Liabilities, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions (Cont'd)**

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

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

Note 7: PENSION PLANS (CONT'D)**Pension Liabilities, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions (Cont'd)**

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

<u>Year Ending Dec 31,</u>	<u>PERS</u>	<u>PFRS</u>	<u>Total</u>
2019	\$ (16,387.00)	\$ 349,594.00	\$ 333,207.00
2020	(121,307.00)	(100,806.00)	(222,113.00)
2021	(452,059.00)	(712,380.00)	(1,164,439.00)
2022	(408,806.00)	(472,100.00)	(880,906.00)
2023	(168,752.00)	(137,460.00)	(306,212.00)
	<u>\$ (1,167,311.00)</u>	<u>\$ (1,073,152.00)</u>	<u>\$ (2,240,463.00)</u>

Actuarial Assumptions

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

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

Note 7: PENSION PLANS (CONT'D)**Actuarial Assumptions (Cont'd)**

For PERS, preretirement mortality rates were based on the RP-2000 Employee Preretirement Mortality Table for male and female active participants. For State employees, mortality tables are set back 4 years for males and females. For local employees, mortality tables are set back 2 years for males and 7 years for females. In addition, the tables provide for future improvements in mortality from the base year of 2013 using a generational approach based on the Conduent modified 2014 projection scale. Postretirement mortality rates were based on the RP-2000 Combined Healthy Male and Female Mortality Tables (set back 1 year for males and females) for service retirements and beneficiaries of former members. In addition, the tables for service retirements and beneficiaries of former members provide for future improvements in mortality from 2012 to 2013 using Projection Scale AA and using a generational approach based on the Conduent modified 2014 projection scale thereafter. Disability retirement rates used to value disabled retirees were based on the RP-2000 Disabled Mortality Table (set back 3 years for males and set forward 1 year for females).

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

For PERS and PFRS, in accordance with State statute, the long-term expected rate of return on Plan investments (7.00% at June 30, 2018) is determined by the State Treasurer, after consultation with the Directors of the Division of Investments and Division of Pensions and Benefits, the board of trustees and the actuaries. The long-term expected rate of return was determined using a building block method in which best-estimate ranges of expected future real rates of return (expected returns, net of pension Plan investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. Best estimates of arithmetic rates of return for each major asset class included in PERS' and PFRS' target asset allocation as of June 30, 2018 are summarized in the following table:

Note 7: PENSION PLANS (CONT'D)Actuarial Assumptions (Cont'd)

<u>Asset Class</u>	<u>Target Allocation</u>	<u>Long-Term Expected Real Rate of Return</u>
Risk Mitigation Strategies	5.00%	5.51%
Cash Equivalents	5.50%	1.00%
U.S. Treasuries	3.00%	1.87%
Investment Grade Credit	10.00%	3.78%
High Yield	2.50%	6.82%
Global Diversified Credit	5.00%	7.10%
Credit Oriented Hedge Funds	1.00%	6.60%
Debt Related Private Equity	2.00%	10.63%
Debt Related Real Estate	1.00%	6.61%
Private Real Asset	2.50%	11.83%
Equity Related Real Estate	6.25%	9.23%
U.S. Equity	30.00%	8.19%
Non-U.S. Developed Markets Equity	11.50%	9.00%
Emerging Markets Equity	6.50%	11.64%
Buyouts/Venture Capital	8.25%	13.08%
	<u>100.00%</u>	

Discount Rate - The discount rate used to measure the total pension liability at June 30, 2018 was 5.66% for PERS and 6.51% for PFRS. For both PERS and PFRS, the respective single blended discount rates were based on the long-term expected rate of return on pension Plan investments of 7.00%, and a municipal bond rate of 3.87% as of June 30, 2018, based on the Bond Buyer Go 20-Bond Municipal Bond Index which includes tax-exempt general obligation municipal bonds with an average rating of AA/Aa or higher. The projection of cash flows used to determine the discount rates assumed that contributions from Plan members will be made at the current member contribution rates and that contributions from employers and the nonemployer contributing entity will be made based on the contribution rate in the most recent fiscal year. The State employer contributed 50% of the actuarially determined contributions and the local employers contributed 100% of their actuarially determined contributions. Based on those assumptions, the Plan's fiduciary net position was projected to be available to make projected future benefit payments of current Plan members through 2046 for PERS and through 2062 for PFRS; therefore, the long-term expected rate of return on Plan investments was applied to projected benefit payments through 2046 for PERS and through 2062 for PFRS, and the municipal bond rate was applied to projected benefit payments after that date in determining the total pension liabilities.

Note 7: PENSION PLANS (CONT'D)**Sensitivity of Township's Proportionate Share of Net Pension Liability to Changes in the Discount Rate**

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

	PERS		
	1% Decrease (4.66%)	Current Discount Rate (5.66%)	1% Increase (6.66%)
Township's Proportionate Share of the Net Pension Liability	<u>\$ 6,399,284.00</u>	<u>\$ 5,089,360.00</u>	<u>\$ 3,990,418.00</u>

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

	PFRS		
	1% Decrease (5.51%)	Current Discount Rate (6.51%)	1% Increase (7.51%)
Township's Proportionate Share of the Net Pension Liability	\$ 13,456,200.00	\$ 10,054,126.00	\$ 7,248,035.00
State of New Jersey's Proportionate Share of Net Pension Liability associated with the Township	<u>1,827,802.58</u>	<u>1,365,687.00</u>	<u>984,525.83</u>
	<u>\$ 15,284,002.58</u>	<u>\$ 11,419,813.00</u>	<u>\$ 8,232,560.83</u>

Pension Plan Fiduciary Net Position

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

Note 7: PENSION PLANS (CONT'D)**Supplementary Pension Information**

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

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

	<u>Measurement Date Ended June 30,</u>		
	<u>2018</u>	<u>2017</u>	<u>2016</u>
Township's Proportion of the Net Pension Liability	0.0258480915%	0.0286775637%	0.0282309807%
Township's Proportionate Share of the Net Pension Liability	\$ 5,089,360.00	\$ 6,675,678.00	\$ 8,361,207.00
Township's Covered Payroll (Plan Measurement Period)	\$ 1,818,336.00	\$ 1,947,728.00	\$ 1,943,300.00
Township's Proportionate Share of the Net Pension Liability as a Percentage of Covered Payroll	279.89%	342.74%	430.26%
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	53.60%	48.10%	40.14%
	<u>Measurement Date Ended June 30,</u>		
	<u>2015</u>	<u>2014</u>	<u>2013</u>
Township's Proportion of the Net Pension Liability	0.0285156370%	0.0275009663%	0.0268311188%
Township's Proportionate Share of the Net Pension Liability	\$ 6,401,189.00	\$ 5,148,933.00	\$ 5,127,960.00
Township's Covered Payroll (Plan Measurement Period)	\$ 1,919,016.00	\$ 1,848,732.00	\$ 1,852,576.00
Township's Proportionate Share of the Net Pension Liability as a Percentage of Covered Payroll	333.57%	278.51%	276.80%
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	47.93%	52.08%	48.72%

Note 7: PENSION PLANS (CONT'D)**Supplementary Pension Information (Cont'd)*****Schedule of the Township's Contributions - Public Employees' Retirement System (PERS) (Last Six Years)***

	<u>Year Ended December 31,</u>		
	<u>2018</u>	<u>2017</u>	<u>2016</u>
Township's Contractually Required Contribution	\$ 257,105.00	\$ 265,667.00	\$ 250,800.00
Township's Contribution in Relation to the Contractually Required Contribution	<u>(257,105.00)</u>	<u>(265,667.00)</u>	<u>(250,800.00)</u>
Township's Contribution Deficiency (Excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Township's Covered Payroll (Calendar Year)	\$ 1,935,485.00	\$ 1,836,637.00	\$ 1,853,942.00
Township's Contributions as a Percentage of Covered Payroll	13.28%	14.46%	13.53%
	<u>Year Ended December 31,</u>		
	<u>2015</u>	<u>2014</u>	<u>2013</u>
Township's Contractually Required Contribution	\$ 245,158.00	\$ 226,714.00	\$ 202,167.00
Township's Contribution in Relation to the Contractually Required Contribution	<u>(245,158.00)</u>	<u>(226,714.00)</u>	<u>(202,167.00)</u>
Township's Contribution Deficiency (Excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Township's Covered Payroll (Calendar Year)	\$ 1,921,632.00	\$ 1,868,119.00	\$ 1,829,003.00
Township's Contributions as a Percentage of Covered Payroll	12.76%	12.14%	11.05%

Note 7: PENSION PLANS (CONT'D)Supplementary Pension Information (Cont'd)*Schedule of the Township's Proportionate Share of the Net Pension Liability - Police and Firemen's Retirement System (PFRS) (Last Six Years)*

	<u>Measurement Date Ended June 30,</u>		
	<u>2018</u>	<u>2017</u>	<u>2016</u>
Township's Proportion of the Net Pension Liability	0.0743008215%	0.0729735063%	0.0720503805%
Township's Proportionate Share of the Net Pension Liability	\$ 10,054,126.00	\$ 11,265,699.00	\$ 13,763,466.00
State's Proportionate Share of the Net Pension Liability associated with the Township	<u>1,365,687.00</u>	<u>1,261,853.00</u>	<u>1,155,790.00</u>
Total	<u>\$ 11,419,813.00</u>	<u>\$ 12,527,552.00</u>	<u>\$ 14,919,256.00</u>
Township's Covered Payroll (Plan Measurement Period)	\$ 2,549,212.00	\$ 2,360,736.00	\$ 2,274,236.00
Township's Proportionate Share of the Net Pension Liability as a Percentage of Covered Payroll	394.40%	477.21%	605.19%
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	62.48%	58.60%	52.01%
	<u>Measurement Date Ended June 30,</u>		
	<u>2015</u>	<u>2014</u>	<u>2013</u>
Township's Proportion of the Net Pension Liability	0.0692094994%	0.0651345070%	0.0636758731%
Township's Proportionate Share of the Net Pension Liability	\$ 11,527,890.00	\$ 8,193,317.00	\$ 8,465,133.00
State's Proportionate Share of the Net Pension Liability associated with the Township	<u>1,010,957.00</u>	<u>882,283.00</u>	<u>789,053.00</u>
Total	<u>\$ 12,538,847.00</u>	<u>\$ 9,075,600.00</u>	<u>\$ 9,254,186.00</u>
Township's Covered Payroll (Plan Measurement Period)	\$ 2,224,756.00	\$ 2,104,652.00	\$ 2,101,456.00
Township's Proportionate Share of the Net Pension Liability as a Percentage of Covered Payroll	518.16%	389.30%	402.82%
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	56.31%	62.41%	58.70%

Note 7: PENSION PLANS (CONT'D)**Supplementary Pension Information (Cont'd)*****Schedule of the Township's Contributions - Police and Firemen's Retirement System (PFRS)
(Last Six Years)***

	<u>Year Ended December 31,</u>		
	<u>2018</u>	<u>2017</u>	<u>2016</u>
Township's Contractually Required Contribution	\$ 726,400.00	\$ 645,829.00	\$ 587,456.00
Township's Contribution in Relation to the Contractually Required Contribution	<u>(726,400.00)</u>	<u>(645,829.00)</u>	<u>(587,456.00)</u>
Township's Contribution Deficiency (Excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Township's Covered Payroll (Calendar Year)	\$ 2,620,090.00	\$ 2,546,796.00	\$ 2,404,069.00
Township's Contributions as a Percentage of Covered Payroll	27.72%	25.36%	24.44%
	<u>Year Ended December 31,</u>		
	<u>2015</u>	<u>2014</u>	<u>2013</u>
Township's Contractually Required Contribution	\$ 562,570.00	\$ 500,278.00	\$ 464,565.00
Township's Contribution in Relation to the Contractually Required Contribution	<u>(562,570.00)</u>	<u>(500,278.00)</u>	<u>(464,565.00)</u>
Township's Contribution Deficiency (Excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Township's Covered Payroll (Calendar Year)	\$ 2,297,002.00	\$ 2,234,788.00	\$ 2,141,534.00
Township's Contributions as a Percentage of Covered Payroll	24.49%	22.39%	21.69%

Note 7: PENSION PLANS (CONT'D)**Other Notes to Supplementary Pension Information*****Public Employees' Retirement System (PERS)***Changes in Benefit Terms

None

Changes in Assumptions

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

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

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

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

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

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

Changes in Assumptions

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

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

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

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

Note 8: LENGTH OF SERVICE AWARDS PROGRAM

Plan Description - The Township's length of service awards program (the "Plan"), which is a defined contribution plan reported in the Township's trust fund, was created by a Township Ordinance adopted on August 14, 2001 pursuant to Section 457(e)(11)(B) of the Internal Service Code of 1986, as amended, except for provisions added by reason of the length of service award program as enacted into federal law in 1997. The accumulated assets of the Plan are not administered through a trust that meets the criteria of paragraph 4 of GASB Statement No. 68, *Accounting and Financial Reporting for Pensions - an amendment of GASB Statement No. 27*.

The voters of the Township approved the adoption of the Plan at the general election held on November 6, 2001, and the first year of eligibility for entrance into the length of service awards program by qualified volunteers was calendar year 2002. The Plan provides tax deferred income benefits to active volunteer firefighters, and is administered by Lincoln National Life Insurance Company ("Plan Administrator"), a State of New Jersey approved length of service awards program provider. The Township's practical involvement in administering the Plan is essentially limited to verifying the eligibility of each participant and remitting the funds to the Plan Administrator.

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

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

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

The Township elected to contribute between \$750.00 for the year ended December 31, 2018 per eligible volunteer, into the Plan, depending on how many years the volunteer has served. Participants direct the investment of the contributions into various investment options offered by the Plan. The Township has no authorization to direct investment contributions on behalf of eligible volunteers nor has the ability to purchase or sell investment options offered by the Plan. The types of investment options, and the administering of such investments, rests solely with the Plan Administrator.

For the year ended December 31, 2018, the Township had no expenditures and no forfeitures.

Note 8: LENGTH OF SERVICE AWARDS PROGRAM (CONT'D)

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

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

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

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

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

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

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

Note 9: POSTEMPLOYMENT BENEFITS OTHER THAN PENSION BENEFITS

Plan Description and Benefits Provided - The Township provides postretirement health care benefits through a health plan for retirees, which includes a medical and prescription plan. The Township's provides a single employer post-employment healthcare plan, which is not administered through a trust that meets the criteria in paragraph 4 of the GASB Statement No. 75, *Accounting and Financial Reporting for Postemployment Benefits other than Pensions*, and covers the following retiree population: eligible retirees who retire from active employment with the Township who have at least twenty-five (25) years of service. Coverage is provided for the retirees and their spouse up to age sixty-five, providing the retirees annually certify that they have no other medical coverage. The Plan is administered by the Township; therefore, premium payments are made directly to the insurance carriers. Reimbursements by the retirees will be paid after the Township provides the retirees with a detailed accounting of the costs.

Employees Covered by Benefit Terms - As of December 31, 2018, the most recent actuarial valuation date, the following employees were covered by the benefit terms:

Inactive Employees or Beneficiaries Currently Receiving Benefit Payments	58
Inactive Employees Entitled to but Not Yet Receiving Benefit Payments	-
Active Employees	57
	115

Total OPEB Liability

The Township's total OPEB liability of \$41,312,552.17 was measured as of December 31, 2018 and was determined by an actuarial valuation as of this same date.

Actuarial Assumptions and Other Inputs - The following actuarial assumptions and other inputs, applied to all periods included in the measurement, unless otherwise specified:

Inflation	2.50%
Salary Increases	2.50%
Discount Rate	4.10%
Healthcare Cost Trend Rates	5.8% for Medical in 2018, reducing by 0.1% per annum, leveling at 5% per annum in 2026. 10.0% for drug in 2018, reducing by 0.5% per annum to 2022 and 1.0% per annum thereafter, leveling at 5% per annum in 2026.
Retirees' Share of Benefit-Related Costs	None

- The discount rate was based on the Bond Buyer 20 Index December 31, 2018.
- Mortality rates were based on the RP 2000 Combined Healthy Male Mortality Rates Set Forward Three Years.
- Turnover was based on the NJ State Ultimate Withdrawal Rates – prior to benefits eligibility.
- Assumed Retirement Age was based at first eligibility after the completion of 25years of service.
- Full Attribution Period was based on service to assumed retirement age.
- Medical Cost Aging Factor was based on NJ SHBP Medical Morbidity Rates

An experience study was not performed on the actuarial assumptions used in the December 31, 2018 valuation since the Plan had insufficient data to produce a study with credible results. The actuary has used their professional judgement in applying these assumptions to this Plan.

Note 9: POSTEMPLOYMENT BENEFITS OTHER THAN PENSION BENEFITS (CONT'D)**Changes in Total OPEB Liability**

Balance at December 31, 2017		\$ 39,893,506.48
Changes for the Year:		
Service Cost	\$ 585,399.32	
Interest Cost	1,643,042.18	
Benefit Payments	<u>(809,395.81)</u>	
Net Changes		<u>1,419,045.69</u>
Balance at December 31, 2018		<u>\$ 41,312,552.17</u>

Changes of benefit terms reflect no increase in the retirees' share of health insurance premiums.

Sensitivity of Total OPEB Liability to Changes in Discount Rate - The following presents the total OPEB liability of the Township, as well as what the Township's total OPEB liability would be if it were calculated for using a discount rate that is 1-percentage -point lower or 1-percentage-point higher than the current discount rate:

	1.00% Decrease (3.10%)	Current Discount Rate (4.10%)	1.00% Increase (5.10%)
Total OPEB Liability	<u>\$ 49,410,791.00</u>	<u>\$ 41,312,552.17</u>	<u>\$ 37,879,507.00</u>

Sensitivity of Total OPEB Liability to Changes in Healthcare Cost Trend Rates - The following presents the total OPEB liability of the Township, as well as what the Township's total OPEB liability would be if it were calculated using healthcare cost trend rates that are 1-percentage-point lower or 1-percentage-point higher than the current healthcare cost trend rates:

	1.00% Decrease	Healthcare Cost Trend Rate	1.00% Increase
Total OPEB Liability	<u>\$ 38,384,781.00</u>	<u>\$ 41,312,552.17</u>	<u>\$ 48,751,724.00</u>

OPEB Expense and Deferred Outflows of Resources and Deferred Inflows of Resources Related to OPEB - For the year ended December 31, 2018, the Township recognized OPEB expense of \$2,228,441.00. As of December 31, 2018, the Township did not reported any deferred outflows of resources and/or deferred inflows of resources related to the OPEB.

Note 9: POSTEMPLOYMENT BENEFITS OTHER THAN PENSION BENEFITS (CONT'D)**Supplementary OPEB Information**

In accordance with GASBS No. 75, the following information is also presented for the Township's OPEB Plan. These schedules are presented to illustrate the requirements to show information for 10 years; however, until a full 10-year trend is compiled, this presentation will only include information for those years for which information is available.

Schedule of Changes in the Township's Total OPEB Liability and Related Ratios

Service Cost	\$ 585,399.320
Interest Cost	1,643,042.18
Benefit Payments	<u>(809,395.81)</u>
Net Change in Total OPEB Liability	1,419,045.69
Total OPEB Liability - Beginning of Year	<u>39,893,506.48</u>
Total OPEB Liability - End of Year	<u>\$ 41,312,552.17</u>
Covered-Employee Payroll	\$ 4,283,611.00
Total OPEB Liability as a Percentage of Covered-Employee Payroll	964.43%

Other Notes to Supplementary OPEB Information**Changes in Benefit Terms**

None

Changes in Assumptions

None

Note 10: COMPENSATED ABSENCES

Full-time employees are entitled to fifteen paid sick leave days each year. Unused sick leave may be accumulated and carried forward to the subsequent year. Vacation days not used during the year may not be accumulated and carried forward.

The Township of Mantua compensates employees for unused sick leave upon retirement divided equally over a four year period. The Township of Mantua compensates employees for unused sick leave under the following criteria. For non-police employees, sick leave may be accumulated to a maximum of 365 days and will be paid at 75% of accrued time. For police employees hired before January 1, 2002, sick leave may accumulate a maximum of 365 days and will be paid for 75% of accrued time. For police employees hired after January 1, 2002, sick leave may be accumulated to a maximum of 365 days will be paid for 100 days at 75% of accrued time. For all employees, unused vacation days shall be paid 100%.

The Township does not record accrued expenses related to compensated absences. However, it is estimated that, at December 31, 2018, accrued benefits for compensated absences are valued at \$1,057,165.26.

Note 11: DEFERRED COMPENSATION SALARY ACCOUNT

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

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

Note 12: CAPITAL DEBT**General Improvement Bonds**

General Improvement Bonds, Series 2004 - On August 1, 2004, the Township issued \$3,589,000.00 of general improvement bonds, with interest rates ranging from 3.5% to 4.0%. The bonds were issued for the purpose of funding various capital projects in the Township. The final maturity of the bonds is August 1, 2019.

General Improvement Bonds, Series 2008 - On September 24, 2008, the Township issued \$5,504,000.00 of general improvement bonds, with interest rates ranging from 4.0% to 4.25%. The purpose of the bonds is to fund various capital projects in the Township. The final maturity of the bonds is September 1, 2023.

General Improvement Refunding Bonds, Series 2011 - On January 27, 2011, the Township issued \$2,850,000.00 in general improvement refunding bonds, with interest rates ranging from 2.0% to 4.75%, net interest cost of 3.35%, to advance refund \$2,771,000.00 of outstanding 2002 general improvement bonds with an interest rate of 4.25% to 4.75%. The final maturity of the bonds is May 15, 2022.

General Improvement Bonds, Series 2014 - On November 13, 2014, the Township issued \$3,500,000.00 of general improvement bonds, with interest rates ranging from 2.0% to 3.0%. The purpose of the bonds is to fund various capital projects in the Township. The final maturity of the bonds is December 1, 2029.

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

<u>Year</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2019	\$ 1,164,000.00	\$ 215,095.01	\$ 1,379,095.01
2020	910,000.00	172,428.76	1,082,428.76
2021	935,000.00	138,266.26	1,073,266.26
2022	960,000.00	103,828.76	1,063,828.76
2023	729,000.00	73,363.76	802,363.76
2024-2028	1,295,000.00	160,937.50	1,455,937.50
2029	<u>285,000.00</u>	<u>8,550.00</u>	<u>293,550.00</u>
	<u>\$ 6,278,000.00</u>	<u>\$ 872,470.05</u>	<u>\$ 7,150,470.05</u>

Note 12: CAPITAL DEBT (CONT'D)

General Debt - New Jersey Green Acres Loans

On August 1, 2000, the Township entered into a loan agreement with the New Jersey Department of Environmental Protection to provide \$296,000.00, at an interest rate of 2.0%. The proceeds were used to fund improvements to the Township's Chestnut Branch Park. Semiannual debt payments are due February 1st and August 1st through 2020.

The following schedule represents the remaining debt service, through maturity, for the New Jersey Green Acres loans:

<u>Year</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2019	\$ 17,954.22	\$ 452.00	\$ 18,406.22
2020	<u>9,111.99</u>	<u>91.12</u>	<u>9,203.11</u>
	<u>\$ 27,066.21</u>	<u>\$ 543.12</u>	<u>\$ 27,609.33</u>

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

	<u>2018</u>	<u>2017</u>	<u>2016</u>
<u>Issued</u>			
Bonds and Notes	\$ 9,679,466.21	\$ 10,039,066.67	\$ 9,908,320.33
<u>Authorized but not Issued</u>			
Bonds and Notes	<u>-</u>	<u>-</u>	<u>665,000.00</u>
Net Debt	<u>\$ 9,679,466.21</u>	<u>\$ 10,039,066.67</u>	<u>\$ 10,573,320.33</u>

Summary of Statutory Debt Condition - Annual Debt Statement

The summarized statement of debt condition which follows is prepared in accordance with the required method of setting up the annual debt statement and indicated a statutory net debt of .688%.

	<u>Gross Debt</u>	<u>Deductions</u>	<u>Net Debt</u>
Regional School District	\$ 1,710,000.00	\$ 1,710,000.00	-
Local School District	6,575,994.16	6,575,994.16	-
General	<u>9,679,466.21</u>	<u>-</u>	<u>\$ 9,679,466.21</u>
	<u>\$ 17,965,460.37</u>	<u>\$ 8,285,994.16</u>	<u>\$ 9,679,466.21</u>

Net debt \$9,679,466.21 divided by the equalized valuation basis per N.J.S.A.40A:2-2, as amended, \$1,406,007,439.00, equals .688%.

Borrowing Power Under N.J.S.A. 40A:2-6 as Amended

3 1/2% of Equalized Valuation Basis (Municipal)	\$ 49,210,260.37
Less: Net Debt	<u>9,679,466.21</u>
Remaining Borrowing Power	<u>\$ 39,530,794.16</u>

Note 13: DEFERRED CHARGES TO BE RAISED IN SUCCEEDING BUDGETS

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

<u>Description</u>	<u>Balance December 31, 2018</u>	<u>Budget Appropriation</u>
Current Fund:		
Special Emergency Authorization	<u>\$ 40,000.00</u>	<u>\$ 10,000.00</u>

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

Note 14: SCHOOL TAXES

The Township of Mantua School District tax and the Clearview Regional High School tax has been raised and the liability deferred by statutes, resulting in the school tax payable set forth in the current fund liabilities as follows:

	<u>Balance December 31, 2018</u>	<u>2017</u>
<u>Township of Mantua School District</u>		
Balance of Tax	\$ 7,355,527.97	\$ 7,251,302.97
Deferred	<u>6,331,528.50</u>	<u>6,331,528.50</u>
	<u>\$ 1,023,999.47</u>	<u>\$ 919,774.47</u>
	<u>Balance December 31, 2018</u>	<u>2017</u>
<u>Clearview Regional School District</u>		
Balance of Tax	\$ 5,146,123.79	\$ 5,025,781.29
Deferred	<u>4,463,818.54</u>	<u>4,463,818.54</u>
	<u>\$ 682,305.25</u>	<u>\$ 561,962.75</u>

Note 15: RISK MANAGEMENT

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

Joint Insurance Pool - The Township of Mantua is a member of the Gloucester, Salem, Cumberland Counties Municipal Insurance Joint Insurance Fund. The Fund provides its members with the following coverage:

Workers' Compensation including Employer's Liability
 General Liability including Police Professional and Employee Benefit Liability
 Automobile Liability
 Blanket Crime including Public Employee Dishonesty
 Property Including Boiler and Machinery
 Public Officials and Employment Practices Liability
 Volunteer Directors and Officers Liability
 Cyber Liability

The following coverages are provided to the Fund's member local units by their membership in the Municipal Excess Liability Joint Insurance Fund (MEL):

Excess Workers' Compensation
 Excess General Liability
 Non-Owned Aircraft Liability
 Excess Auto Liability
 Fidelity and Performance (Blanket)
 Excess Property including Boiler and Machinery
 Crime including Excess Public Employee and Public Official Coverage

Environmental Impairment Liability coverage is provided to the Fund's member local units by the Fund's membership in the New Jersey Municipal Environmental Risk Management Fund.

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

The Township's agreement with the Pool provides that the Pool will be self-sustaining through member premiums and will reinsure through the Municipal Excess Liability Joint Insurance Fund, which is an insurance pool formed by all the other joint insurance funds.

For more information regarding claims, coverages and deductibles, the Fund publishes its own financial report which can be obtained from:

Gloucester, Salem Cumberland Counties
 Municipal Joint Insurance Fund
 P.O. Box 490
 Marlton, New Jersey 08053

Note 16: DEBT SERVICE AGREEMENT (FINANCIAL GUARANTEE)

On December 23, 1977, the Township entered into a debt service agreement with the Mantua Municipal Utilities Authority, a component unit of the Township. This agreement obligates the Township to advance payment for any debt service deficiency of the Authority. The Authority is obligated, by the agreement, to repay to the Township all advances paid on their behalf, upon the financial ability to do so. At December 31, 2018, the Authority had \$5,013,181.25 in outstanding debt covered by this agreement.

Note 17: OPEN SPACE, RECREATION AND FARMLAND PRESERVATION TRUST

On July 13, 2001 pursuant to P.L. 1997, c. 24 (N.J.S.A. 40:12-15.1 et seq.), the voters of the Township of Mantua authorized the establishment of the Township of Mantua Open Space, Recreation and Farmland Preservation Trust Fund effective January 1, 2002, for the purpose of raising revenue for the acquisition of lands and interests in lands for the conservation of farmland and open space. Overall, as a result of the two referendums, the Township levies a tax not to exceed three cents per one hundred dollars of equalized valuation. Amounts raised by taxation are assessed, levied and collected in the same manner and at the same time as other taxes. Future increases in the tax rate or to extend the authorization must be authorized by referendum. All revenue received is accounted for in a trust fund dedicated by rider (N.J.S.A. 40A:4-39) for the purposed stated. Interest earned on the investment of these funds is credited to the Township of Mantua Open Space, Recreation and Farmland Preservation Trust Funds.

Note 18: CONTINGENCIES

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

Litigation - The Township is a defendant in several legal proceedings that are in various stages of litigation. It is believed that the outcome, or exposure to the Township, from such litigation is either unknown or potential losses, if any, would not be material to the financial statements.

Note 19: CONCENTRATIONS

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

Note 20: SUBSEQUENT EVENTS

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

<u>Purpose</u>	<u>Adoption</u>	<u>Authorization</u>
General Capital:		
Bonds and Notes:		
Ordinance 8-2019 Authorizing Acquisition of Automated Trash Trucks and Related Replacement Equipment.	5/20/19	\$ 1,042,500.00
Ordinance 8-2019 Authorizing Acquisition of Various Pieces of Capital Equipment and Completion of Various Capital Improvements	8/19/19	<u>764,750.00</u>
		<u>\$ 1,042,500.00</u>

SUPPLEMENTAL EXHIBITS

SUPPLEMENTAL EXHIBITS

CURRENT FUND

TOWNSHIP OF MANTUA
CURRENT FUND
Statement of Current Cash -- Chief Financial Officer
For the Year Ended December 31, 2018

Balance December 31, 2017		\$	6,365,645.72
Increased by Receipts:			
Tax Collector	\$	44,326,061.65	
Revenue Accounts Receivable		3,151,577.56	
Miscellaneous Revenue Not Anticipated		123,663.68	
Due from State of New Jersey		133,165.75	
Federal and State Grants Receivable		141,656.85	
Due Animal Control Fund		193.00	
Due Trust Other Fund		16,087.97	
Due General Capital Fund		107,911.89	
Due Mantua Township Fire District		13,619.70	
Due to State - Licensing and Registration Fees		1,925.00	
Due to State - DCA Fees		23,995.00	
Reserve for Election Workers		21,000.00	
Due to Mantua Municipal Utilities Authority		11,833.96	
		48,072,692.01	
			54,438,337.73
Decreased by Disbursements:			
2017 Appropriation Reserves		582,168.12	
2018 Appropriations		12,019,380.75	
Accounts Payable		134.18	
County Taxes		10,325,031.49	
Due County for Added and Omitted Taxes		42,018.53	
Local District School Tax		13,737,622.00	
Regional School District Tax		10,449,447.50	
Municipal Open Space Tax		267,940.27	
Special District Taxes		1,110,122.00	
Refund Tax Overpayments		18,486.69	
Federal and State Grant Expenditures		219,954.04	
Due Animal Control Fund		56.00	
Due General Capital Fund		154,614.04	
Due Mantua Township Fire District		14,147.17	
Due to State - Licensing and Registration Fees		2,050.00	
Due to State - DCA Fees		29,834.00	
Reserve for Election Workers		21,581.25	
Reserve for Tote Bags		1,200.00	
		48,995,788.03	
Balance December 31, 2018		\$	5,442,549.70

TOWNSHIP OF MANTUA
CURRENT FUND
Statement of Current Cash --Tax Collector
For the Year Ended December 31, 2018

Increased by:

Taxes Receivable	\$ 43,677,052.65	
Tax Title Liens Receivable	8,405.52	
Prepaid Taxes	424,812.05	
Tax Overpayments	84,357.75	
Revenue Accounts Receivable	128,403.83	
Miscellaneous Revenue Not Anticipated	<u>3,029.85</u>	
		\$ 44,326,061.65

Decreased by:

Payments to Treasurer		\$ <u><u>44,326,061.65</u></u>
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TOWNSHIP OF MANTUA
CURRENT FUND
 Statement of Taxes Receivable and Analysis of Property Tax Levy
 For the Year Ended December 31, 2018

Year	Balance	2018 Levy	Added Taxes	Collections		Over Payments Applied	Canceled	Transferred to Tax Title Liens	Balance
	Dec. 31, 2017			2017	2018				Dec. 31, 2018
2016	\$ 256.07				\$ 256.07				
2017	644,387.14		\$ 5,250.00		634,335.51		\$ 1,769.88	\$ 13,531.75	
	644,643.21	-	5,250.00	-	634,591.58	-	1,769.88	13,531.75	-
2018		\$ 45,408,659.99		\$ 1,285,733.98	43,196,862.03	\$ 56,764.50	86,534.02	69,568.88	\$ 713,196.58
	<u>\$ 644,643.21</u>	<u>\$ 45,408,659.99</u>	<u>\$ 5,250.00</u>	<u>\$ 1,285,733.98</u>	<u>\$ 43,831,453.61</u>	<u>\$ 56,764.50</u>	<u>\$ 88,303.90</u>	<u>\$ 83,100.63</u>	<u>\$ 713,196.58</u>
			Taxes Receivable		\$ 43,677,052.65				
			Senior Citizen and Veteran Deductions		140,500.00				
			Reserve for Tax Appeals		13,900.96				
					<u>\$ 43,831,453.61</u>				

Analysis of 2018 Property Tax Levy

<u>Tax Yield:</u>	
General Property Tax	\$ 45,211,800.44
Added Taxes (54:4-63.1 et. seq.)	196,859.55
	<u>\$ 45,408,659.99</u>
<u>Tax Levy:</u>	
Local School District Tax	\$ 13,841,847.00
Regional High School Tax	10,569,790.00
County Taxes:	
County Tax	\$ 10,325,031.59
Due County for Added Taxes	46,105.54
	10,371,137.13
Special District Taxes:	
Fire District No.1	1,110,122.00
Municipal Open Space Tax:	
Municipal Open Space Tax	266,800.00
Municipal Open Space for Added Taxes	1,140.27
	267,940.27
Local Tax for Municipal Purposes	9,068,799.70
Add: Additional Tax Levied	179,023.89
	<u>9,247,823.59</u>
	<u>\$ 45,408,659.99</u>

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

Balance December 31, 2017		\$ 341,921.73
Increased by:		
Transfers from Taxes Receivable	\$ 83,100.63	
Interest & Costs	<u>1,099.79</u>	
		<u>84,200.42</u>
		426,122.15
Decreased by:		
Collections	8,405.52	
Cancelled	<u>3,639.07</u>	
		<u>12,044.59</u>
Balance December 31, 2018		<u><u>\$ 414,077.56</u></u>

TOWNSHIP OF MANTUA
CURRENT FUND
Statement of Due State of New Jersey - Veterans' And Senior Citizens' Deductions
For the Year Ended December 31, 2018

Balance December 31, 2017		\$	3,156.17
Increased by:			
Deductions per Tax Billing:			
Senior Citizens	\$	29,750.00	
Veterans		111,000.00	
Deductions Allowed by Collector - 2018 Taxes		2,500.00	
			143,250.00
			140,093.83
Decreased by:			
Deductions Disallowed by Collector - 2018 Taxes		2,750.00	
Deductions Disallowed by Collector - 2017 Taxes		5,250.00	
Received from State of New Jersey		133,165.75	
			141,165.75
Balance December 31, 2018		\$	1,071.92
 <u>Analysis of Amount Realized:</u>			
Senior Citizens' and Veterans' Deductions:			
Sen Deductions Per Tax Billings	\$	140,750.00	
Deductions Allowed by Tax Collector - 2018		2,500.00	
			\$ 143,250.00
Less:			
Senior Citizens' and Veterans' Deductions:			
Deductions Disallowed by Tax Collector - 2018			2,750.00
			\$ 140,500.00

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

	Balance Dec. 31, 2017	Accrued in 2018	Collected	Balance Dec. 31, 2018
Miscellaneous Revenue Anticipated:				
Licenses:				
Alcoholic Beverages		\$ 15,220.00	\$ 15,220.00	
Other		16,146.00	16,146.00	
Fees and Permits		257,312.10	257,312.10	
Fines and Costs:				
Municipal Court	\$ 8,763.06	129,164.54	130,408.22	\$ 7,519.38
Interest and Costs on Taxes		128,403.83	128,403.83	
Interest on Investments and Deposits		32,452.74	32,452.74	
Cable Television Franchise Fees		78,683.79	78,683.79	
Energy Receipts Tax (P.L. 1997, Chapters 162 & 167)		1,217,018.00	1,217,018.00	
Uniform Construction Code Fees		339,893.00	339,893.00	
MUA Surplus as per N.J.S.A. 40A: 5A-21.1		184,156.00	184,156.00	
Interlocal Municipal Service Agreements:				
Mantua Fire District #1				
Financial Services		1,000.00	1,000.00	
Insurance:				
Employee Group Health		75,098.04	75,098.04	
Gasoline & Diesel Fuel		17,592.12	17,592.12	
Fire District Contribution for Debt Service		33,344.00	33,344.00	
Borough of Pitman - Municipal Court		132,000.00	132,000.00	
Borough of Woodbury Heights - Municipal Court		104,544.60	104,544.60	
Borough of Wenonah - Municipal Court		37,147.50	37,147.50	
Borough of Wenonah - Uniform Construction Code		39,112.12	39,112.12	
Borough of Wenonah - Police Services		304,833.33	304,833.33	
Rowan Shared Service		32,416.00	32,416.00	
	<u>\$ 8,763.06</u>	<u>\$ 3,175,537.71</u>	<u>\$ 3,279,981.39</u>	<u>\$ 7,519.38</u>
		Treasurer	\$ 3,151,577.56	
		Tax Collector	128,403.83	
			<u>\$ 3,279,981.39</u>	

TOWNSHIP OF MANTUA
CURRENT FUND
Statement of Reserve for State Tax Appeals Pending
For the Year Ended December 31, 2018

Balance December 31, 2017	\$ 4,600.99
Increased by:	
Budget Appropriation	<u>16,000.00</u>
	20,600.99
Decreased by:	
Applied to Taxes	<u>13,900.96</u>
Balance December 31, 2018	<u>\$ 6,700.03</u>

TOWNSHIP OF MANTUA
CURRENT FUND
 Statement of Special Emergency Authorizations
 For the Year Ended December 31, 2018

<u>Date Authorized</u>	<u>Purpose</u>	<u>Amount Authorized</u>	<u>1/5 of Amount Authorized</u>	<u>Balance Dec. 31, 2017</u>	<u>Raised in 2018 Budget</u>	<u>Balance Dec. 31, 2018</u>
7/17/17	Master Plan Revisions	\$ 50,000.00	\$ 10,000.00	\$ <u>50,000.00</u>	\$ <u>10,000.00</u>	\$ <u>40,000.00</u>

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

	Balance December 31, 2017		Balance After Modification	Paid or Charged	Balance Lapsed
	Encumbered	Reserved			
OPERATIONS -- WITHIN "CAPS"					
General Administration					
Other Expenses	\$ 11,497.00	\$ 2,299.35	\$ 13,796.35	\$ 13,796.35	
IT Services	1,258.00		1,258.00	1,258.00	
Mayor and Committee:					
Salaries and Wages		2.75	2.75		\$ 2.75
Other Expenses	60.00	415.00	475.00	60.00	415.00
Municipal Clerk:					
Salaries and Wages		10.07	10.07		10.07
Financial Administration:					
Salaries and Wages		606.28	606.28		606.28
Other Expenses	12,483.28	3,275.19	15,758.47	14,108.47	1,650.00
Audit Services					
Other Expenses		50,000.00	50,000.00	50,000.00	
Revenue Administration:					
Salaries and Wages		13,475.89	13,475.89		13,475.89
Other Expenses	78.08		78.08	78.08	
Legal Services and Costs:					
Other Expenses	3,397.77	39,192.31	42,590.08	8,191.42	34,398.66
Rent Leveling Board					
Salaries and Wages		2.40	2.40		2.40
Other Expenses		89.51	89.51		89.51
Veterans Commission:					
Other Expenses	431.48	1,163.47	1,594.95	431.48	1,163.47
Engineering Services and Costs:					
Other Expenses	36.25	19,849.75	19,886.00	4,551.25	15,334.75
Economic Development:					
Other Expenses	0.46	22.74	23.20	0.46	22.74
Historical Commission:					
Other Expenses	612.00	642.21	1,254.21	612.00	642.21
Land Use/Planning Board:					
Salaries and Wages		87.04	87.04		87.04
Other Expenses	39,152.10	2,256.12	41,408.22	38,099.49	3,308.73
Department of Public Safety:					
Police:					
Salaries and Wages		102,978.42	102,978.42	8,088.33	94,890.09
Crossing Guard		11,646.52	11,646.52		11,646.52
Other Expenses	81,648.92	823.80	82,472.72	76,502.54	5,970.18
Office of Emergency Management:					
Other Expenses	78.00	1,692.05	1,770.05	78.00	1,692.05
Department of Public Works:					
Streets and Road Maintenance:					
Salaries and Wages		33,537.70	33,537.70	651.86	32,885.84
Other Expenses	23,314.97	26,394.70	49,709.67	49,101.55	608.12
Sanitation					
Salaries and Wages		10,731.43	10,731.43		10,731.43
Other Expenses	22,253.21	13,885.08	36,138.29	36,138.29	
Public Buildings & Grounds					
Salaries and Wages		70.31	70.31		70.31
Other Expenses	3,821.69	8,204.45	12,026.14	9,972.46	2,053.68
Park Maintenance	3,983.16	13,945.57	17,928.73	3,578.08	14,350.65
Insurance:					
Other Insurance Premiums		2,051.00	2,051.00		2,051.00
Workers Compensation Insurance		3,132.00	3,132.00		3,132.00
Employee Group Health Insurance	177,296.00	84,569.91	261,865.91	165,154.00	96,711.91

(Continued)

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

	Balance December 31, 2017		Balance After Modification	Paid or Charged	Balance Lapsed
	Encumbered	Reserved			
OPERATIONS -- WITHIN "CAPS" (CONT'D)					
Insurance (Cont'd):					
Health Benefit Waiver		\$ 6,501.42	\$ 6,501.42		\$ 6,501.42
Health & Human Services Functions:					
Board of Health					
Salaries and Wages		0.58	0.58		0.58
Other Expenses	\$ 441.00	314.75	755.75	\$ 649.00	106.75
Environmental Committee					
Other Expenses		140.00	140.00		140.00
Senior Citizen Public Transportation					
Salaries and Wages		11.92	11.92		11.92
Other Expenses	22.02	4,211.82	4,233.84	22.02	4,211.82
Park & Recreation Functions:					
Recreation Services & Programs					
Other Expenses	264.96	3,966.46	4,231.42	264.96	3,966.46
Senior Citizen Trips & Events					
Other Expenses		190.90	190.90		190.90
Celebration of Public Events					
Other Expenses		7,500.00	7,500.00		7,500.00
Uniform Construction Code Functions:					
Construction Official					
Salaries and Wages		2,002.12	2,002.12		2,002.12
Other Expenses	22,496.23	6,510.63	29,006.86	28,612.53	394.33
Sub-Code Officials					
Salaries and Wages		4,510.32	4,510.32		4,510.32
Housing Inspector					
Salaries and Wages		17.50	17.50		17.50
Municipal Court:					
Salaries and Wages		12,652.05	12,652.05		12,652.05
Other Expenses	1,655.62	4,737.01	6,392.63	1,655.62	4,737.01
Unclassified:					
Electricity	1,079.73	14,476.30	15,556.03	6,313.21	9,242.82
Street Lighting	668.73	8,984.64	9,653.37	7,556.51	2,096.86
Telephone	585.58	207.79	793.37	585.57	207.80
Natural Gas	410.21	7,126.95	7,537.16	410.21	7,126.95
Gasoline		90,726.41	90,726.41		90,726.41
Landfill/Solidwaste Disposal Costs	4,321.50	78,509.25	82,830.75	44,114.99	38,715.76
Total Operations Within "CAPS"	413,347.95	700,351.84	1,113,699.79	570,636.73	543,063.06
DEFERRED CHARGES AND STATUTORY EXPENDITURES-WITHIN CAPS					
Statutory Expenditures:					
Contribution to:					
Unemployment Compensation Insurance		9,857.28	9,857.28	732.40	9,124.88
Defined Contribution Retirement Program		2,008.88	2,008.88		2,008.88
Social Security System (O.A.S.I.)		4,835.04	4,835.04		4,835.04
Expenditures - Within "CAPS"	-	16,701.20	16,701.20	732.40	15,968.80
Total General Appropriations for Municipal Purposes within "CAPS"	413,347.95	717,053.04	1,130,400.99	571,369.13	559,031.86

(Continued)

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

	Balance December 31, 2017		Balance After Modification	Paid or Charged	Balance Lapsed
	Encumbered	Reserved			
OPERATIONS EXCLUDED FROM "CAPS"					
LOSAP		\$ 5,250.00	\$ 5,250.00		\$ 5,250.00
Interlocal Service Agreements					
Mantua Fire District #1					
Financial Services					
Salaries and Wages		3,642.74	3,642.74		3,642.74
Rowan Shared Services		27,800.00	27,800.00		27,800.00
TOTAL OPERATIONS EXCLUDED FROM "CAPS"	-	36,692.74	36,692.74	-	36,692.74
CAPITAL IMPROVEMENTS - EXCLUDED FROM "CAPS"					
Capital Improvement Fund Projects:					
Sanitary Landfill Closure (NJSA 40:2-22H)	\$ 2,298.99	1.01	2,300.00	\$ 2,298.99	1.01
Public Works Trash Containers	10,000.00		10,000.00	8,500.00	1,500.00
TOTAL CAPITAL IMPROVEMENTS	12,298.99	1.01	12,300.00	10,798.99	1,501.01
TOTAL OPERATIONS EXCLUDED FROM "CAPS"	12,298.99	36,693.75	48,992.74	10,798.99	38,193.75
Grand Total	\$ 425,646.94	\$ 753,746.79	\$ 1,179,393.73	\$ 582,168.12	\$ 597,225.61

TOWNSHIP OF MANTUA
CURRENT FUND
Statement of Accounts Payable
For the Year Ended December 31, 2018

Balance December 31, 2017	\$ 3,426.39
Decreased by:	
Disbursements	<u>134.18</u>
Balance December 31, 2018	<u>\$ 3,292.21</u>

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

Balance December 31, 2017 (2018 Taxes)		\$ 1,285,733.98
Increased by:		
Collection (2019 Taxes)		<u>424,812.05</u>
		1,710,546.03
Decreased by:		
Application to 2018 Taxes		<u>1,285,733.98</u>
Balance December 31, 2018 (2019 Taxes)		<u><u>\$ 424,812.05</u></u>

Exhibit SA-12

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

Balance December 31, 2017		\$ 47,214.01
Increased by:		
Overpayments Received	\$ 84,357.75	
Overpayments Created from Prior Year Tax Appeals Granted	<u>9,550.49</u>	
		<u>93,908.24</u>
		141,122.25
Decreased by:		
Refunded	18,486.69	
Overpayments Applied	<u>56,764.50</u>	
		<u>75,251.19</u>
Balance December 31, 2018		<u><u>\$ 65,871.06</u></u>

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

Increased by:		
2018 Levy:		
County General	\$ 9,089,784.48	
County Library	666,858.50	
County Open Space	<u>568,388.61</u>	
		\$ 10,325,031.59
Decreased by:		
Disbursements		<u>10,325,031.49</u>
Balance December 31, 2018		<u><u>\$ 0.10</u></u>

Exhibit SA-14

TOWNSHIP OF MANTUA
CURRENT FUND
Statement of Amount Due to County for Added and Omitted Taxes
For the Year Ended December 31, 2018

Balance December 31, 2017	\$ 42,018.53
Increased by:	
Added Taxes -- 2018 (R.S. 54:4-63.1 et seq.)	<u>46,105.54</u>
	88,124.07
Decreased by:	
Disbursements	<u>42,018.53</u>
Balance December 31, 2018	<u><u>\$ 46,105.54</u></u>

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

<hr/>			
Balance December 31, 2017			
School Tax Payable	\$	919,774.47	
Deferred School Tax Payable		<u>6,331,528.50</u>	
	\$		7,251,302.97
Increased by:			
Levy-School Year July 1, 2018 to June 30, 2019			<u>13,841,847.00</u>
			21,093,149.97
Decreased by:			
Disbursements			<u>13,737,622.00</u>
Balance December 31, 2018			
School Tax Payable		1,023,999.47	
Deferred School Tax Payable		<u>6,331,528.50</u>	
	\$		<u><u>7,355,527.97</u></u>
<u>2018 Liability for Local School Tax:</u>			
Tax Paid			\$ 13,737,622.00
Tax Payable December 31, 2018			<u>1,023,999.47</u>
			14,761,621.47
Less:			
Tax Payable December 31, 2017			<u>919,774.47</u>
Amount Charged to 2018 Operations	\$		<u><u>13,841,847.00</u></u>

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

<hr/>			
Balance December 31, 2017			
School Tax Payable	\$	561,962.75	
Deferred School Tax Payable		<u>4,463,818.54</u>	\$ 5,025,781.29
Increased by:			
Levy-School Year July 1, 2018 to June 30, 2019			<u>10,569,790.00</u>
			15,595,571.29
Decreased by:			
Disbursements			<u>10,449,447.50</u>
Balance December 31, 2018			
School Tax Payable		682,305.25	
Deferred School Tax Payable		<u>4,463,818.54</u>	\$ <u>5,146,123.79</u>
<u>2018 Liability for Local School Tax:</u>			
Tax Paid			\$ 10,449,447.50
Tax Payable December 31, 2018			<u>682,305.25</u>
			11,131,752.75
Less:			
Tax Payable December 31, 2017			<u>561,962.75</u>
Amount Charged to 2018 Operations			<u>\$ 10,569,790.00</u>

TOWNSHIP OF MANTUA
CURRENT FUND
Statement of Municipal Open Space Tax
For the Year Ended December 31, 2018

Increased by:			
Levy	\$	266,800.00	
Added Taxes -- 2018 (R.S. 54:4-63.1 et seq.)		<u>1,140.27</u>	
			\$ 267,940.27
Decreased by:			
Disbursements			<u>\$ 267,940.27</u>

Exhibit SA-18

TOWNSHIP OF MANTUA
CURRENT FUND
Statement of Special District Taxes Payable -- Fire Districts
For the Year Ended December 31, 2018

Increased by:			
2018 Levy			\$ 1,110,122.00
Decreased by:			
Disbursements			<u>\$ 1,110,122.00</u>

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

Balance December 31, 2017		\$ 320,197.60
Increased by:		
Grant Revenues deposited in Current Fund	\$ 141,656.85	
Local Match due from Current Fund	<u>4,744.00</u>	
		<u>146,400.85</u>
		466,598.45
Decreased by:		
Grant Expenditures paid by Current Fund		<u>219,954.04</u>
Balance December 31, 2018		<u><u>\$ 246,644.41</u></u>

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

<u>Program</u>	<u>Balance Dec. 31, 2017</u>	<u>Accrued</u>	<u>Received</u>	<u>Balance Dec. 31, 2018</u>
Federal Grants:				
U.S. Department of Justice:				
Bulletproof Vest Partnership	\$ 7,047.88			\$ 7,047.88
Click it or Ticket		\$ 3,300.00	\$ 3,300.00	
Distracted Driving		4,840.00	4,840.00	
Drive Sober or Get Pulled Over	4,840.00		4,840.00	
Edward Byrne Memorial Justice Grant	12,500.00			12,500.00
Holiday Drive Sober or Get Pulled Over	20.00			20.00
Transportation Trust Fund:				
Evergreen Avenue	39,631.94			39,631.94
Total Federal Grants	64,039.82	8,140.00	12,980.00	59,199.82
State Grants:				
Clean Communities		30,382.13	30,382.13	
Drunk Driving Enforcement Fund		2,000.00	2,000.00	
DUI Checkpoint		5,720.00	5,720.00	
Municipal Alliance	18,068.62	18,977.00	20,749.72	16,295.90
Safe and Secure Communities		60,000.00	60,000.00	
Total State Grants	18,068.62	117,079.13	118,851.85	16,295.90
Private Grants:				
JIF Safety Award		3,575.00	3,575.00	
JIF Safety Award - Optional	7,000.00	3,500.00	3,500.00	7,000.00
JIF Wellness	2,500.00	1,250.00	1,250.00	2,500.00
Shred Event		1,500.00	1,500.00	
Total Private Grants	9,500.00	9,825.00	9,825.00	9,500.00
	\$ 91,608.44	\$ 135,044.13	\$ 141,656.85	\$ 84,995.72

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

<u>Program</u>	<u>Balance Dec. 31, 2017</u>	<u>Federal and State Grants Receivable</u>	<u>Realized as Revenue in 2018 Budget</u>	<u>Balance Dec. 31, 2018</u>
Federal Grants				
Click it or Ticket		\$ 3,300.00	\$ 3,300.00	
Distracted Driving		4,840.00	4,840.00	
Total Federal Grants		8,140.00	8,140.00	
State Grants:				
Body Armor Grant	\$ 2,508.63		2,508.63	
Clean Communities	31,755.04	30,382.13	31,755.04	\$ 30,382.13
Drunk Driving Enforcement Fund	3,564.03	2,000.00	3,564.03	2,000.00
DUI Checkpoint		5,720.00	5,720.00	
Municipal Alliance		18,977.00	18,977.00	
Recycling Tonnage Grant	55,733.52		55,733.52	
Safe and Secure Communities	60,000.00	60,000.00	60,000.00	60,000.00
Total State Grants	153,561.22	117,079.13	178,258.22	92,382.13
Private Grants:				
JIF Safety Award		3,575.00	3,575.00	
JIF Safety Award - Optional		3,500.00	3,500.00	
JIF Wellness		1,250.00	1,250.00	
Shred Event	1,000.00	1,500.00	1,000.00	1,500.00
Total Private Grants	1,000.00	9,825.00	9,325.00	1,500.00
	\$ 154,561.22	\$ 135,044.13	\$ 195,723.22	\$ 93,882.13

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

Program	Balance Dec. 31, 2017		Transferred from 2018 Budget Appropriation	Paid or Charged	Encumbered	Balance Dec. 31, 2018
	Appropriated	Encumbered				
Federal Grants						
U.S. Department of Justice:						
Bulletproof Vest Partnership	\$ 975.80			\$ 975.80		
Click it or Ticket			\$ 3,300.00	3,300.00		
Distracted Driving			4,840.00	4,840.00		
Drive Sober or Get Pulled Over	4,020.00			3,300.00		\$ 720.00
Edward Byrne Memorial Justice Grant	12,500.00			12,500.00		
Emergency Management	769.96					769.96
US EPA - Brownfields Cleanup Program		\$ 1,831.26			\$ 1,831.26	
Total Federal Grants	18,265.76	1,831.26	8,140.00	24,915.80	1,831.26	1,489.96
State Grants:						
Alcohol, Education, Rehabilitation	5,784.94			1,250.00		4,534.94
Body Armor Grant	5,374.91		2,508.63	975.80		6,907.74
Clean Communities Program	29,379.39		31,755.04	20,253.38		40,881.05
Drunk Driving Enforcement Fund	17,429.71		3,564.03	1,825.95	179.00	18,988.79
DUI Checkpoint			5,720.00	5,720.00		
Municipal Alliance on Alcohol and Drug Abuse	28,083.13	1,214.00	23,721.00	22,749.12	3,199.00	27,070.01
Frank H. Stewart Trust - Maple Ridge Golf Course	12,500.00					12,500.00
Recycling Tonnage Grant	3,834.55		55,733.52	54,899.66		4,668.41
Redevelopment Grant	90,318.00			21,789.62		68,528.38
Safe and Secure Communities			60,000.00	60,000.00		
Total State Grants	192,704.63	1,214.00	183,002.22	189,463.53	3,378.00	184,079.32
Private Grants:						
DARE Program	1.50					1.50
JIF Safety Award	1,374.11		3,575.00	730.79	294.60	3,923.72
JIF Safety Award - Optional	7,000.00		3,500.00			10,500.00
JIF Wellness	172.63		1,250.00	685.74		736.89

(Continued)

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

Program	Balance Dec. 31, 2017		Transferred from 2018 Budget Appropriation	Paid or Charged	Encumbered	Balance Dec. 31, 2018
	Appropriated	Encumbered				
Private Grants (Cont'd):						
Comcast Technology Grant		\$ 2,658.18		\$ 2,658.18		
Shred Event Sponsorship	\$ 1,000.00		\$ 1,000.00	1,500.00		\$ 500.00
Town Watch Crime Prevention Program	1,666.00					1,666.00
Total Private Grants	11,214.24	2,658.18	9,325.00	5,574.71	\$ 294.60	17,328.11
	\$ 222,184.63	\$ 5,703.44	\$ 200,467.22	\$ 219,954.04	\$ 5,503.86	\$ 202,897.39
Realized as Revenue in 2018 Budget			\$ 195,723.22			
Local Match Due From Current Fund			4,744.00			
Cash Disbursements				\$ 219,954.04		
			\$ 200,467.22	\$ 219,954.04		

SUPPLEMENTAL EXHIBITS

TRUST FUNDS

TOWNSHIP OF MANTUA
TRUST FUND
Statement of Trust Cash - Chief Financial Officer
For the Year Ended December 31, 2018

	<u>Animal Control</u>	<u>Other Trust</u>	<u>Municipal Open Space</u>
Balance December 31, 2017	\$ 29,633.79	\$ 2,133,515.98	\$ 159,469.01
Increased by Receipts:			
Animal Control Fees	\$ 18,987.70		
State Dog License Fees	2,181.00		
Due Current Fund	26.00	\$ 6,700.47	
Due from Developers		30,017.64	
Due to General Capital			
Miscellaneous Trust Reserves		8,100,252.68	
Reserve for Open Space			\$ 273,603.52
	<u>21,194.70</u>	<u>8,136,970.79</u>	<u>273,603.52</u>
	50,828.49	10,270,486.77	433,072.53
Decreased by Disbursements:			
Animal Control Expenses	17,287.19		
Encumbrances	1,510.86		
Due to State	2,189.40		
Due Current Fund	163.00	22,788.44	
Miscellaneous Trust Reserves		8,151,756.18	
Reserve for Open Space			320,969.06
	<u>21,150.45</u>	<u>8,174,544.62</u>	<u>320,969.06</u>
Balance December 31, 2018	<u>\$ 29,678.04</u>	<u>\$ 2,095,942.15</u>	<u>\$ 112,103.47</u>

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

Balance December 31, 2017		\$ 516,679.43
Decreased by:		
Net Unrealized Loss on Investments	\$ 22,312.91	
Administration Expenses	1,450.00	
		23,762.91
Balance December 31, 2018		\$ 492,916.52
 <u>Schedule of Investments, December 31, 2018</u>		
Fixed Annuity Contract		\$ 102,501.37
Bonds		14,253.90
Mutual Funds		376,161.25
		\$ 492,916.52

TOWNSHIP OF MANTUA
TRUST -- ANIMAL CONTROL FUND
Statement of Due State of New Jersey - Department of Health
For the Year Ended December 31, 2018

Balance December 31, 2017		\$	658.80
Increased by:			
2018 State License Fees			2,181.00
			2,839.80
Decreased by:			
Disbursed to State of New Jersey			2,189.40
Balance December 31, 2018		\$	650.40

Exhibit SB-4

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

Balance December 31, 2017		\$	27,490.13
Increased by:			
Dog License Fees	\$	13,587.70	
Cat License Fees		3,370.00	
Late Fees		2,030.00	
			18,987.70
			46,477.83
Decreased by:			
Cash Disbursements		17,287.19	
Reserve for Encumbrances		3,541.00	
			20,828.19
Balance December 31, 2018		\$	25,649.64

License Fees Collected

<u>Year</u>	<u>Amount</u>
2016	\$ 17,416.00
2017	17,920.00
	\$ 35,336.00

TOWNSHIP OF MANTUA
TRUST -- ANIMAL CONTROL FUND
Statement of Due Current Fund
For the Year Ended December 31, 2018

Balance December 31, 2017	\$ 26.00
Increased by:	
Disbursed to Current Fund	<u>163.00</u>
	189.00
Decreased by:	
Received from Current Fund	<u>26.00</u>
Balance December 31, 2018	<u><u>\$ 163.00</u></u>

TOWNSHIP OF MANTUA
TRUST -- MUNICIPAL OPEN SPACE FUND
 Statement of Reserve for Future Use
 For the Year Ended December 31, 2018

Balance December 31, 2017		\$ 141,772.39
Increased by:		
2018 Revenue Realized		
Cash Receipts	\$ 273,603.52	
Unexpended Balance of Appropriation Reserves	<u>17,696.62</u>	
		<u>291,300.14</u>
		433,072.53
Decreased by:		
2018 Budget Appropriations		<u>329,075.00</u>
Balance December 31, 2018		<u><u>\$ 103,997.53</u></u>

TOWNSHIP OF MANTUA
TRUST -- OTHER FUND
 Statement of Due Current Fund
 For the Year Ended December 31, 2018

Balance December 31, 2017		\$ 21,687.53
Increased by:		
Receipts Deposited due Current Fund	\$ 6,184.46	
Interest on Deposits due Current Fund	516.01	
		6,700.47
		28,388.00
Decreased by:		
Disbursed to Current Fund		22,788.44
Balance December 31, 2018		\$ 5,599.56

Exhibit SB-8

TOWNSHIP OF MANTUA
TRUST -- OTHER FUND
 Statement of Accounts Receivable
 For the Year Ended December 31, 2018

Balance December 31, 2017		\$ 33,803.01
Decreased by:		
Cash Receipts		30,017.64
Balance December 31, 2018		\$ 3,785.37
<u>Analysis of Balance:</u>		
Reserve for Developers' Escrow		\$ 3,785.37

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

Reserve	Balance December 31, 2017		Receipts	Unrealized Gain (Loss) on Investments	Decreased		Balance Dec. 31, 2018
	Reserve	Encumbered			Disbursements	Encumbered	
Affordable Housing	\$ 818,346.42	\$ 4,966.85	\$ 197,079.38		\$ 13,823.99	\$ 1,100.25	\$ 1,005,468.41
Developers' Escrow	619,759.89	45,534.03	127,624.71		186,486.03	12,539.05	593,893.55
Country Gardens	118,870.61	4,199.90	180.15		91,038.84	454.75	31,757.07
Net Pay	1,956.98		3,358,029.19		3,358,104.43		1,881.74
Off Duty Police	20,042.86		236,757.25		240,043.25		16,756.86
Payroll Deductions Payable	42,926.46		3,436,826.05		3,430,167.54		49,584.97
Street Opening Deposits	11,425.00		24,600.00		16,800.00		19,225.00
Tax Premium	285,100.00		168,900.00		277,800.00		176,200.00
Tax Redemption	20.38		493,433.45		493,433.45		20.38
Federal Forfeited Funds	18,794.58		28.22				18,822.80
Local Forfeited Funds	16,234.59		4,175.45				20,410.04
Trust Other:							
Community Day Donations	4,662.38		4,000.00		6,367.17		2,295.21
Recreation	3,364.35		6,760.00				10,124.35
Police Explorer's Donations	1,405.00						1,405.00
Public Defender Fees	12,845.82		8,790.50		18,150.00	600.00	2,886.32
Police Canine Donations	2,862.80		19,994.95		11,852.31		11,005.44
Senior Citizen Trips	143.00		6,515.00		6,506.00		152.00
Fossil Fund	4,210.70		2,193.00		1,183.17		5,220.53
Veterans Commission			1,862.38				1,862.38
Historical Donations	49,057.23		1,350.00				50,407.23
Parking Offense Adjudication Act	7,551.63		808.00				8,359.63
Community Development Block Grant	51,000.00						51,000.00
Child Safety Seat Donation	350.00		345.00				695.00
Length of Service Awards Program	516,679.43			\$ (22,312.91)	1,450.00		492,916.52
	<u>\$ 2,607,610.11</u>	<u>\$ 54,700.78</u>	<u>\$ 8,100,252.68</u>	<u>\$ (22,312.91)</u>	<u>\$ 8,153,206.18</u>	<u>\$ 14,694.05</u>	<u>\$ 2,572,350.43</u>
Cash			\$ 8,100,252.68		\$ 8,151,756.18		
LOSAP			<u>-</u>		<u>1,450.00</u>		
			<u>\$ 8,100,252.68</u>		<u>\$ 8,153,206.18</u>		

SUPPLEMENTAL EXHIBITS

GENERAL CAPITAL FUND

TOWNSHIP OF MANTUA
GENERAL CAPITAL FUND
Statement of General Capital Cash - Chief Financial Officer
For the Year Ended December 31, 2018

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Balance December 31, 2017	\$ 1,840,629.09
Increased by Receipts:	
Due Current Fund	\$ 46,702.15
State Aid Receivable	209,161.89
Proceeds on Bond Anticipation Notes	798,000.00
Premium on Bonds	26,018.00
Capital Improvement Fund	30,000.00
	1,109,882.04
	2,950,511.13
Decreased by Disbursements:	
Encumbrances Payable	751,881.12
Improvement Authorizations	409,185.89
	1,161,067.01
Balance December 31, 2018	\$ 1,789,444.12

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

	Balance Dec. 31, 2017	Bond Anticipation Notes	Disbursements				Balance Dec. 31, 2018		
			Receipts Miscellaneous	Improvement Authorizations	Miscellaneous	Transfers			
						From		To	
Fund Balance	\$ 74,299.35		\$ 26,018.00				\$ 100,317.35		
Capital Improvement Fund	18,585.11		30,000.00			\$ 42,000.00	6,585.11		
Contracts Payable	745,378.12				\$ 751,881.12	1,423.10	\$ 1,024,296.70	1,016,370.60	
Due Current Fund	(46,702.15)		46,702.15						
<u>Improvement Authorizations:</u>									
<u>Ordinance</u>									
<u>Number</u>									
07-13	Acquisition of Property		190,512.98					190,512.98	
08-15 (g)	Acquisition of Real Property		77,150.00					77,150.00	
09-11 (d)	Construction of Public Works Building		516,207.46	\$ 3,629.80		466,370.20		46,207.46	
09-11 (f)	Demolition of Various Buildings		60.00					60.00	
12-06 (a)	Resurfacing of Jessup Mill Road		50,000.00					50,000.00	
12-06 (b)	Resurfacing and Safety Improvements to E Atlantic Ave.		(28,624.95)					(28,624.95)	
13-05a	Resurfacing of Boody Mill Road		6,820.30					6,820.30	
13-08	Building Improvements		6,929.00			6,929.00			
14-07(a)	Reconstruction/Repaving of Various Roads		13,324.19					13,324.19	
14-07(b)	Refurbishment of Trash Trucks		40,609.97	22,246.84				18,363.13	
14-07(c)	Municipal Building Improvements		30,322.08			6571.00		23,751.08	
15-06(a)	Resurfacing Tylers Mill Road		7,148.70					7,148.70	
15-06(b)	Resurfacing Golf Club Road		10,275.80					10,275.80	
16-06(b)	Drainage Improvements		21,516.00					21,516.00	
16-06(c)	Acquisition of a Generator		3,809.67	3,809.67					
16-06(d)	Acquisition of a Recycling Truck		1,065.00					1,065.00	
16-06(e)	Acquisition of Recreation Equipment		2,782.20	2,782.20					
16-06(g)	Repairs to Pavilion and Buildings		2,319.00					2,319.00	
16-06(i)	Acquisition of Phone and Security System		16,698.65			16,698.65			
16-07	Improvements to Chestnut Branch Park Recreation Fields		46,421.33	46,421.33					
16-12(b)	Acquisition of Dump Truck		5,479.00					5,479.00	
16-14	Acquisition of Property		23,013.46					23,013.46	
17-10(a)	Reconstruction and Repaving of Various Roads		(47,447.18)	107,911.89	75,459.11	12,450.00		(27,444.40)	
17-10(b)	Various Improvements to Public Works Complex		29,000.00			29,000.00			
17-10(c)	Acquisition of Various Public Works Equipment		23,676.00		23,676.00				
17-10(d)	Acquisition of Various Police Equipment						1,423.10	1,423.10	
18-04a	Reconstruction / Repaving of Various Roads	\$ 475,000.00		166,671.47		308,717.50	25,000.00	24,611.03	
18-04b	Reconstruction / Repaving of Tylers Mill Road	33,250.00	101,250.00	24,000.00		1,250.00	1,750.00	111,000.00	
18-04c	Various Improvements to Township Buildings	80,750.00		528.00		25,000.00	4,250.00	59,472.00	
18-04d	Various Security Improvements to the Public Safety Building	23,750.00		155.50		20,078.35	1,250.00	4,766.15	
18-04e	Acquisition of Various Public Works Equipment	133,000.00		870.00		131,232.00	7,000.00	7,898.00	
18-04f	Various Improvements to Township Parks	52,250.00		38,935.97			2,750.00	16,064.03	
		\$ 1,840,629.09	\$ 798,000.00	\$ 311,882.04	\$ 409,185.89	\$ 751,881.12	\$ 1,067,719.80	\$ 1,067,719.80	\$ 1,789,444.12

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

Ordinance Number	Improvement Description	Balance Dec. 31, 2017	2018 Authorizations	Balance Dec. 31, 2018	Analysis of Balance
					Dec. 31, 2018
					Financed by
					Notes
15-07(a)	Acquisition of Two (2) Trash Trucks	\$ 570,000.00		\$ 570,000.00	\$ 570,000.00
15-07(b)	Acquisition of Various Public Works Equipment	95,000.00		95,000.00	95,000.00
16-06(a)	2016 Road Program	469,300.00		469,300.00	469,300.00
16-06(b)	Drainage Improvements	66,500.00		66,500.00	66,500.00
16-06(d)	Acquisition of a Recycling Truck	57,000.00		57,000.00	57,000.00
16-06(e)	Acquisition of Recreation Equipment	20,900.00		20,900.00	20,900.00
16-06(f)	Irrigation Well at Chestnut Branch Park	47,500.00		47,500.00	47,500.00
16-06(g)	Repairs to Pavilion and Buildings	24,700.00		24,700.00	24,700.00
16-06(h)	Acquisition of Public Safety Equipment	47,500.00		47,500.00	47,500.00
16-06(i)	Acquisition of Phone and Security System	28,500.00		28,500.00	28,500.00
16-07	Improvements to Chestnut Branch Park Recreation Fields	66,500.00		66,500.00	66,500.00
16-14	Acquisition of Property	475,000.00		475,000.00	475,000.00
17-10(a)	Reconstruction and Repaving of Various Roads	435,100.00		435,100.00	435,100.00
17-10(b)	Various Improvements to Public Works Complex	27,550.00		27,550.00	27,550.00
17-10(c)	Acquisition of Various Public Works Equipment	71,250.00		71,250.00	71,250.00
17-10(d)	Acquisition of Various Police Equipment	74,100.00		74,100.00	74,100.00
18-04a	Reconstruction / Repaving of Various Roads		\$ 475,000.00	475,000.00	475,000.00
18-04b	Reconstruction / Repaving of Tylers Mill Road		33,250.00	33,250.00	33,250.00
18-04c	Various Improvements to Township Buildings		80,750.00	80,750.00	80,750.00
18-04d	Various Security Improvements to the Public Safety Building		23,750.00	23,750.00	23,750.00
18-04e	Acquisition of Various Public Works Equipment		133,000.00	133,000.00	133,000.00
18-04f	Various Improvements to Township Parks		52,250.00	52,250.00	52,250.00
		<u>\$ 2,576,400.00</u>	<u>\$ 798,000.00</u>	<u>\$ 3,374,400.00</u>	<u>\$ 3,374,400.00</u>

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

Balance December 31, 2017		\$	7,462,666.67
Decreased by:			
2018 Budget Appropriation to Pay:			
Serial Bonds	\$	1,140,000.00	
Green Trust Loan Payable		<u>17,600.46</u>	
			<u>1,157,600.46</u>
Balance December 31, 2018		\$	<u><u>6,305,066.21</u></u>

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

Balance December 31, 2017		\$	46,702.15
Decreased by:			
Disbursed			<u>46,702.15</u>
Balance December 31, 2018		\$	<u><u>-</u></u>

TOWNSHIP OF MANTUA
GENERAL CAPITAL FUND
Statement of Federal and State Aid Receivable
For the Year Ended December 31, 2018

Balance December 31, 2017	\$	267,083.79
Increased by:		
New Jersey Department of Transportation		<u>135,000.00</u>
		402,083.79
Decreased by:		
Cash Receipts		<u>209,161.89</u>
Balance December 31, 2018	\$	<u><u>192,921.90</u></u>
Analysis:		
New Jersey Department of Transportation:		
East Atlantic Avenue (Ord. No. 12-06)	\$	28,624.95
Tylers Mill Road - Phase I (Ord. No. 15-06)		35,279.15
Golf Club Road (Ord. No. 16-06)		21,622.85
Tylers Mill Road - Phase II (Ord. No. 17-10)		67,088.11
Tylers Mill Road - Phase III (Ord. No. 18-04)		33,750.00
State of New Jersey Office of Emergency Management		<u>6,556.84</u>
	\$	<u><u>192,921.90</u></u>

Exhibit SC-7

TOWNSHIP OF MANTUA
GENERAL CAPITAL FUND
Statement of Encumbrances Payable
For the Year Ended December 31, 2018

Balance December 31, 2017	\$	745,378.12
Increased by:		
Improvement Authorizations		<u>1,024,296.70</u>
		1,769,674.82
Decreased by:		
Disbursements	\$	751,881.12
Encumbrances Canceled		<u>1,423.10</u>
		<u>753,304.22</u>
Balance December 31, 2018	\$	<u><u>1,016,370.60</u></u>

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

Balance December 31, 2017	\$ 18,585.11
Increased by:	
Budget Appropriation	<u>30,000.00</u>
	48,585.11
Decreased by:	
Appropriated to Finance Improvement Authorizations	<u>42,000.00</u>
Balance December 31, 2018	<u><u>\$ 6,585.11</u></u>

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

Ordinance Number	Improvement Description	Ordinance Date	Balance Dec. 31, 2017		2018 Authorizations	Paid or Charged	Payable Canceled	Balance December 31, 2018	
			Ordinance Amount	Funded				Unfunded	Funded
07-13	Acquisition of Property	07/10/07	\$ 980,000.00	\$ 190,512.98				\$ 190,512.98	
08-15 (g)	Acquisition of Real Property	09/22/08	700,000.00	77,150.00				77,150.00	
09-11(d)	Construction of Public Works Building	08/17/09	605,000.00	516,207.46		\$ 470,000.00		46,207.46	
09-11(f)	Demolition of Various Buildings	08/17/09	90,000.00	60.00				60.00	
12-06 (a)	Resurfacing of Jessup Mill Road	09/17/12	50,000.00	50,000.00				50,000.00	
13-05a	Resurfacing of Boody Mill Road	08/19/13	80,000.00	6,820.30				6,820.30	
13-08	Building Improvements	10/21/13	10,000.00	6,929.00		6,929.00			
14-07(a)	Reconstruction/Repaving of Various Roads	05/19/14	500,000.00	13,324.19				13,324.19	
14-07(b)	Refurbishment of Trash Trucks	05/19/14	200,000.00	40,609.97		22,246.84		18,363.13	
14-07(c)	Municipal Building Improvements	05/19/14	36,000.00	30,322.08		6,571.00		23,751.08	
15-06(a)	Resurfacing Tylers Mill Road	07/20/15	205,000.00	42,427.85				42,427.85	
15-06(b)	Resurfacing Golf Club Road	07/20/15	205,000.00	31,898.65				31,898.65	
16-06(b)	Drainage Improvements	07/18/16	70,000.00		\$ 21,516.00				\$ 21,516.00
16-06(c)	Acquisition of a Generator	07/18/16	52,000.00	10,366.51		3,809.67		6,556.84	
16-06(d)	Acquisition of a Recycling Truck	07/18/16	60,000.00		1,065.00				1,065.00
16-06(e)	Acquisition of Recreation Equipment	07/18/16	22,000.00		2,782.20		2,782.20		
16-06(g)	Repairs to Pavilion and Buildings	07/18/16	26,000.00		2,319.00				2,319.00
16-06(i)	Acquisition of Phone and Security System	07/18/16	30,000.00		16,698.65		16,698.65		
16-07	Improvements to Chestnut Branch Park Recreation Fields	07/18/16	70,000.00		46,421.33		46,421.33		
16-12(b)	Acquisition of Dump Truck	07/18/16	8,000.00	5,479.00				5,479.00	
16-14	Acquisition of Property	10/03/16	475,000.00		23,013.46				23,013.46
17-10(a)	Reconstruction and Repaving of Various Roads	07/17/17	633,000.00		127,552.82		87,909.11		39,643.71
17-10(b)	Various Improvements to Public Works Complex	07/17/17	29,000.00	1,450.00	27,550.00		29,000.00		
17-10(c)	Acquisition of Various Public Works Equipment	07/17/17	75,000.00		23,676.00		23,676.00		
17-10(d)	Acquisition of Various Police Equipment	07/17/17	78,000.00				\$ 1,423.10		1,423.10
18-04a	Reconstruction / Repaving of Various Roads	07/16/18	500,000.00		\$ 500,000.00		475,388.97		24,611.03
18-04b	Reconstruction / Repaving of Tylers Mill Road	07/16/18	170,000.00		170,000.00		25,250.00	135,000.00	9,750.00
18-04c	Various Improvements to Township Buildings	07/16/18	85,000.00		85,000.00		25,528.00		59,472.00
18-04d	Various Security Improvements to the Public Safety Building	07/16/18	25,000.00		25,000.00		20,233.85		4,766.15
18-04e	Acquisition of Various Public Works Equipment	07/16/18	140,000.00		140,000.00		132,102.00		7,898.00
18-04f	Various Improvements to Township Parks	07/16/18	55,000.00		55,000.00		38,935.97		16,064.03
			\$ 1,023,557.99	\$ 292,594.46	\$ 975,000.00	\$ 1,433,482.59	\$ 1,423.10	\$ 647,551.48	\$ 211,541.48
	Deferred Charges to Future Taxation - Unfunded				\$ 798,000.00				
	Capital Improvement Fund				42,000.00				
	Federal and State Grants Receivable				135,000.00				
	Cash Disbursements					\$ 409,185.89			
	Encumbrances Payable					1,024,296.70			
					\$ 975,000.00	\$ 1,433,482.59			

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

Ordinance Number	Improvement Description	Date of Original Issue	Date of Issue	Maturity Date	Interest Rate	Balance Dec. 31, 2017	Increased	Decreased	Balance Dec. 31, 2018
15-07	Acquisition of Various Pieces of Capital Equipment	12/14/17	12/14/17 12/12/18	12/13/18 12/11/19	1.75% 3.25%	\$ 665,000.00		\$ 665,000.00	\$ 665,000.00
16-06	Acquisition of Various Pieces of Capital Equipment and the Completion of Various Capital Improvements	12/29/16	12/14/17 12/12/18	12/13/18 12/11/19	1.75% 3.25%	761,900.00	761,900.00	761,900.00	761,900.00
16-07	Improvements to Chestnut Branch Park Recreation Fields	12/29/16	12/14/17 12/12/18	12/13/18 12/11/19	1.75% 3.25%	66,500.00	66,500.00	66,500.00	66,500.00
16-14	Acquisition of Property	12/29/16	12/14/17 12/12/18	12/13/18 12/11/19	1.75% 3.25%	475,000.00	475,000.00	475,000.00	475,000.00
17-10	Acquisition of Various Pieces of Capital Equipment and the Completion of Various Capital Improvements	12/14/17	12/14/17 12/12/18	12/13/18 12/11/19	1.75% 3.25%	608,000.00	608,000.00	608,000.00	608,000.00
18-04	Acquisition of Various Pieces of Capital Equipment and the Completion of Various Capital Improvements	12/12/18	12/12/18	12/11/19	3.25%		798,000.00		798,000.00
						<u>\$ 2,576,400.00</u>	<u>\$ 3,374,400.00</u>	<u>\$ 2,576,400.00</u>	<u>\$ 3,374,400.00</u>
							\$ 2,576,400.00	\$ 2,576,400.00	
							<u>798,000.00</u>		
							<u>\$ 3,374,400.00</u>	<u>\$ 2,576,400.00</u>	

Rollover
Cash

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

Purpose	Date of Issue	Amount of Original Issue	Maturities of Bonds Outstanding December 31, 2018		Interest Rate	Balance Dec. 31, 2017	Decreased	Balance Dec. 31, 2018
			Date	Amount				
General Improvements Series of 2004	8/1/04	\$ 3,589,000.00	8/1/19	\$ 289,000.00	4.000%	\$ 569,000.00	\$ 280,000.00	\$ 289,000.00
General Improvements Series of 2008	9/24/08	5,504,000.00	9/1/19	410,000.00	4.125%	2,649,000.00	395,000.00	2,254,000.00
			9/1/20	430,000.00	4.125%			
			9/1/21	450,000.00	4.125%			
			9/1/22	470,000.00	4.250%			
			9/1/23	494,000.00	4.250%			
Refunding Bonds Series of 2011	1/27/11	2,850,000.00	5/15/19	255,000.00	3.250%	1,295,000.00	260,000.00	1,035,000.00
			5/15/20	260,000.00	4.500%			
			5/15/21	260,000.00	4.750%			
			5/15/22	260,000.00	4.000%			
General Improvements Series of 2014	11/13/14	3,500,000.00	12/1/19	210,000.00	2.000%	2,905,000.00	205,000.00	2,700,000.00
			12/1/20	220,000.00	2.000%			
			12/1/21	225,000.00	2.000%			
			12/1/22	230,000.00	2.300%			
			12/1/23	235,000.00	2.375%			
			12/1/24	245,000.00	2.750%			
			12/1/25	250,000.00	3.000%			
			12/1/26	260,000.00	3.000%			
			12/1/27	265,000.00	3.000%			
			12/1/28	275,000.00	3.000%			
			12/1/29	285,000.00	3.000%			
						<u>\$ 7,418,000.00</u>	<u>\$ 1,140,000.00</u>	<u>\$ 6,278,000.00</u>
Paid by Current Fund Budget Appropriation							\$ 1,042,100.00	
Paid by Open Space Trust Fund							<u>97,900.00</u>	
							<u>\$ 1,140,000.00</u>	

TOWNSHIP OF MANTUA
GENERAL CAPITAL FUND
Statement of Green Acres Trust Loan Payable
For the Year Ended December 31, 2018

Purpose	Date of Issue	Amount of Original Issue	Maturities of Bonds Outstanding December 31, 2018		Interest Rate	Balance Dec. 31, 2017	Decreased	Balance Dec. 31, 2018
			Date	Amount				
Chestnut Branch Park	8/1/2000	\$ 296,000.00	2019	\$ 17,954.22	2.00%	\$ 44,666.67	\$ 17,600.46	\$ 27,066.21
			2020	9,111.99				

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

Ordinance Number	Improvement Description	2018 Authorizations	Issued
18-04a	Reconstruction / Repaving of Various Roads	\$ 475,000.00	\$ 475,000.00
18-04b	Reconstruction / Repaving of Tylers Mill Road	33,250.00	33,250.00
18-04c	Various Improvements to Township Buildings	80,750.00	80,750.00
18-04d	Various Security Improvements to the Public Safety Building	23,750.00	23,750.00
18-04e	Acquisition of Various Public Works Equipment	133,000.00	133,000.00
18-04f	Various Improvements to Township Parks	52,250.00	52,250.00
		<u>\$ 798,000.00</u>	<u>\$ 798,000.00</u>

PART 2
SCHEDULE OF FINDINGS AND RECOMMENDATIONS
FOR THE YEAR ENDED DECEMBER 31, 2018

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

Schedule of Financial Statement Findings

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

Finding No. 2018-001

Criteria or Specific Requirement

N.J.A.C. 5:30-5.6 requires that municipalities maintain a fixed asset accounting system that shall include asset descriptions, estimated or historical costs and other such information as shall be required by the governing body and updated each year with any additions or deletions. Proper internal control practices also dictate that complete and accurate records should be maintained to ensure adequate control over the preparation of the financial statements including the related footnotes.

Condition

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

Context

The Township does not maintain a fixed asset accounting system as required by State Administrative Code.

Effect

As a result of the non-existence of controls over the Township's fixed asset records, the Statement of General Fixed Assets Group of Accounts – Regulatory Basis could not be prepared and audited, resulting in a qualified opinion being issued.

Cause

Internal control policies and procedures are not in place to properly maintain the fixed asset accounting system.

Recommendation

That internal control policies and procedures should be developed to properly maintain the general fixed asset accounting system in accordance with N.J.A.C. 5:30-5.6.

View of Responsible Officials and Planned Corrective Action

The Township obtained an appraisal report from Industrial Appraisal Company dated December 31, 2018. However, that report was not complete thorough December 31, 2018. The Township will update the December 31, 2018 report for the missing vehicle information and will prepare a report dated as of December 31, 2019 and have that report available for the December 31, 2019 audit.

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

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

FINANCIAL STATEMENT FINDINGS

Finding No. 2017-001

Condition

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

Current Status

The condition remains as Finding No. 2018-001.

Planned Corrective Action

See the corrective action plan detailed in Finding No. 2018-001.

TOWNSHIP OF MANTUA
 Officials in Office and Surety Bonds

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

<u>Name</u>	<u>Title</u>	<u>Amount of Surety Bond</u>
Peter Scirrotto	Mayor	
Robert Zimmerman	Deputy Mayor	
Eileen Lukens	Committeewoman	
John Legge	Committeeman	
Shawn K. Layton	Committeeman	
Angelini, Viniar & Freedman	Solicitor	
Jennica Bileci	Administrator, Township Clerk	
Pamela Levine	Deputy Registrar of Vital Statistics	
	Animal Registrar	
Gayle Tschopp	Chief Financial Officer	(A)
Alice Kellmyer	Tax Collector, Tax Search Officer	(A)
William Golden	Municipal Court Judge	(A)
Thomas Heim	Municipal Court Judge	(A)
Marie Kennedy	Court Administrator	(A)

(A) Public Employees' Dishonesty Blanket Position Bond, Aggregate Coverage, with a \$1,000,000.00 per loss deductible through the Gloucester, Salem, Cumberland Counties Municipal Joint Insurance Fund and the Municipal Excess Liability Joint Insurance Fund.

All of the bonds were examined and were properly executed.

19000

APPRECIATION

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

Respectfully submitted,

BOWMAN & COMPANY LLP
Certified Public Accountants
& Consultants



Michael J. Welding
Certified Public Accountant
Registered Municipal Accountant