

TOWNSHIP OF MANTUA

COUNTY OF GLOUCESTER

REPORT OF AUDIT

FOR THE YEAR ENDED DECEMBER 31, 2016

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	18
B-1	Municipal Open Space Fund--Statement of Revenues--Regulatory Basis	20
B-2	Municipal Open Space Fund--Statement of Expenditures--Regulatory Basis	21
<u>GENERAL CAPITAL FUND</u>		
C	Statements of Assets, Liabilities, Reserves and Fund Balances-- Regulatory Basis	22
C-1	Statement of Fund Balance--Regulatory Basis	23
	Notes to Financial Statements	24
<u>SUPPLEMENTAL EXHIBITS</u>		
<u>CURRENT FUND</u>		
SA-1	Statement of Current Cash--Chief Financial Officer	57
SA-2	Statement of Current Cash--Tax Collector	58
SA-3	Statement of Taxes Receivable and Analysis of Property Tax Levy	59
SA-4	Statement of Tax Title Liens	60
SA-5	Statement of Due State of New Jersey--Veterans' and Senior Citizens' Deductions	61
SA-6	Statement of Reserve for State Tax Appeals Pending	62
SA-7	Statement of Revenue Accounts Receivable	63
SA-8	Statement of Appropriation Reserves	64
SA-9	Statement of Accounts Payable	67
SA-10	Statement of Due to Mantua Township Fire District	67
SA-11	Statement of Prepaid Taxes	68
SA-12	Statement of Tax Overpayments	68
SA-13	Statement of County Taxes Payable	69
SA-14	Statement of Amount Due to County for Added and Omitted Taxes	69
SA-15	Statement of Local School District Tax	70

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	71
SA-17	Statement of Municipal Open Space Tax	72
SA-18	Statement of Special District Taxes Payable--Fire Districts	72
SA-19	Federal and State Grant Fund--Statement of Due From Current Fund	73
SA-20	Federal and State Grant Fund--Statement of Reserve for Federal and State Grants--Unappropriated	74
SA-21	Federal and State Grant Fund--Statement of Reserve for Federal and State Grants--Unappropriated	75
SA-22	Federal and State Grant Fund--Statement of Reserve for Federal and State Grants--Appropriated	76
<u>TRUST FUND</u>		
SB-1	Statement of Trust Cash--Chief Financial Officer	79
SB-2	Other Fund--Statement of Investments – Length of Service Awards Program	80
SB-3	Animal Control Fund--Statement of Due State of New Jersey – Department of Health	81
SB-4	Animal Control Fund--Statement of Reserve for Animal Control	81
SB-5	Animal Control Fund--Statement of Due Current Fund	82
SB-6	Municipal Open Space Fund--Statement of Due From Current Fund	83
SB-7	Municipal Open Space Fund--Statement of Reserve for Future Use	83
SB-8	Trust Other Fund--Statement of Due Current Fund	84
SB-9	Trust Other Fund--Statement of Accounts Receivable	84
SB-10	Trust Other Fund--Statement of Miscellaneous Trust Reserves	85
<u>GENERAL CAPITAL FUND</u>		
SC-1	Statement of General Capital Cash--Chief Financial Officer	87
SC-2	Analysis of General Capital Cash	88
SC-3	Statement of Deferred Charges to Future Taxation--Unfunded	89
SC-4	Statement of Deferred Charges to Future Taxation-- Funded	90
SC-5	Statement of Due Current Fund	90
SC-6	Statement of Federal and State Aid Receivable	91
SC-7	Statement of Encumbrances Payable	91
SC-8	Statement of Capital Improvement Fund	92
SC-9	Statement of Improvement Authorizations	93
SC-10	Statement of Bond Anticipation Notes	95
SC-11	Statement of General Serial Bonds	96
SC-12	Statement of Green Acres Trust Loans Payable	97
SC-13	Statement of Bonds and Notes Authorized But Not Issued	98
<u>PART 2</u>		
<u>SCHEDULE OF FINDINGS AND RECOMMENDATIONS</u>		
	Schedule of Financial Statement Findings	100
	Summary Schedule of Prior Year Audit Findings and Recommendations As Prepared by Management	101
	<u>OFFICIALS IN OFFICE AND SURETY BONDS</u>	102
	<u>APPRECIATION</u>	103

TOWNSHIP OF MANTUA
PART 1
REPORT OF AUDIT OF FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2016

INDEPENDENT AUDITOR'S REPORT

The Honorable Mayor and
Members of the Township Committee
Township 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, 2016 and 2015, and the related statements of operations and changes in fund balance - regulatory basis for the years then ended, and the related statement of revenues - regulatory basis and statement of expenditures - regulatory basis for the year ended December 31, 2016, 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 Township'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 Township's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

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

19000

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, 2016 and 2015, 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 financial statements referred to above do not include the general fixed assets group of accounts - regulatory basis for the year ended December 31, 2016, as required by N.J.A.C. 5:30-5.6, because a record of general fixed assets was not maintained by the Township. The amount that should be recorded is not known.

Qualified Opinion on Regulatory Basis of Accounting

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, as of and for the year ended December 31, 2016, 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, 2016 and 2015, 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, 2016, 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.

19000

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 October 19, 2017 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 to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Township of 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

Woodbury, New Jersey
October 19, 2017

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

INDEPENDENT AUDITOR'S REPORT

The Honorable Mayor and
Members of the Township Committee
Township 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, 2016, and the related notes to the financial statements, which collectively comprise the Township's basic financial statements, and have issued our report thereon dated October 19, 2017. 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. In our report, our opinion was qualified because the financial statements did not include the statement of general fixed assets group of accounts – regulatory basis as required by New Jersey Administrative Code.

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 preceding paragraph and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies and therefore, material weaknesses or significant deficiencies may exist that were not identified. We did identify one deficiency in internal control, as described in the accompanying *Schedule of Findings and Recommendations*, that we consider to be a material weakness: *Finding No. 2016-001*.

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. 2016-001.

The Township 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 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 entity'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
October 19, 2017

TOWNSHIP OF MANTUA
CURRENT FUND
 Statements of Assets, Liabilities, Reserves, and Fund Balance - Regulatory Basis
 As of December 31, 2016 and 2015

	<u>Ref.</u>	<u>2016</u>	<u>2015</u>
Assets:			
Regular Fund:			
Cash:			
Treasurer	SA-1	\$ 4,864,190.40	\$ 4,232,264.86
Change Fund	A	<u>770.00</u>	<u>770.00</u>
		<u>4,864,960.40</u>	<u>4,233,034.86</u>
Receivables and Other Assets without Full Reserves:			
Due from State of New Jersey:			
Senior Citizens' and Veterans' Deductions	SA-5	<u>50.68</u>	<u>-</u>
Receivables and Other Assets with Full Reserves:			
Delinquent Property Taxes Receivable	SA-3	752,411.48	719,940.39
Tax Title Liens Receivable	SA-4	275,373.27	283,507.92
Property Acquired for Taxes - Assessed Valuation	A	2,017,400.00	2,017,400.00
Revenue Accounts Receivable	SA-7	12,231.05	8,625.79
Due from Animal Control	SA-1	17.40	-
Due from Trust Other Fund	SB-8	3,277.27	3,873.44
Due from General Capital	SC-5	<u>110,481.12</u>	<u>-</u>
		<u>3,171,191.59</u>	<u>3,033,347.54</u>
		<u>8,036,202.67</u>	<u>7,266,382.40</u>
Federal and State Grant Fund:			
Due from Current Fund	SA-19	284,349.61	311,547.69
Grants Receivable	SA-20	<u>119,304.38</u>	<u>254,605.56</u>
		<u>403,653.99</u>	<u>566,153.25</u>
		<u>\$ 8,439,856.66</u>	<u>\$ 7,832,535.65</u>

(Continued)

TOWNSHIP OF MANTUA
CURRENT FUND
 Statements of Assets, Liabilities, Reserves, and Fund Balance - Regulatory Basis
 As of December 31, 2016 and 2015

	<u>Ref.</u>	<u>2016</u>	<u>2015</u>
Liabilities, Reserves and Fund Balance:			
Regular Fund:			
Appropriation Reserves	A-3, SA-8	\$ 693,710.98	\$ 579,777.16
Reserve for Encumbrances	A-3, SA-8	185,454.46	225,791.53
Accounts Payable	SA-9	14,892.90	-
Due to State of New Jersey:			
Senior Citizen's and Veteran's Deductions	SA-5	-	2,321.92
Marriage License Fees	SA-1	326.00	351.00
Construction DCA Fees	SA-1	7,375.00	5,608.00
Prepaid Taxes	SA-11	541,293.92	525,817.29
Tax Overpayments	SA-12	116,623.56	202,099.32
Due County Taxes Payable	SA-13	-	99.98
Due County for Added and Omitted Taxes	SA-14	67,193.40	24,581.71
Local District School Taxes Payable	SA-15	823,721.47	721,888.47
Regional High School District Taxes Payable	SA-16	643,285.75	523,602.23
Due Municipal Open Space for Added and Omitted Taxes	SA-17	278.36	157.17
Due Mantua Township Fire District	SA-10	-	11,766.77
Due to Wenonah Borough	SA-1	-	6,940.60
Due to Federal and State Grant Fund	SA-19	284,349.61	311,547.69
Due to Animal Control Fund	SB-5	-	146.60
Due to Municipal Open Space Fund	SB-6	-	50,000.00
Due to General Capital Fund	SC-5	-	61.26
Reserve for Refund	SA-1	-	75.00
Reserve for Election Workers	SA-1	3,050.00	1,843.75
Reserve for Tax Appeals	SA-6	2,292.91	-
Reserve for Municipal Building Carpet Replacement	A	4,505.84	4,505.84
		<u>3,388,354.16</u>	<u>3,198,983.29</u>
Reserves for Receivables	A	3,171,191.59	3,033,347.54
Fund Balance	A-1	1,476,656.92	1,034,051.57
		<u>8,036,202.67</u>	<u>7,266,382.40</u>
Federal and State Grant Fund:			
Unappropriated Reserves	SA-21	101,463.26	127,780.32
Appropriated Reserves	SA-22	233,113.23	400,607.17
Reserve for Encumbrances	SA-22	39,720.75	8,409.01
Reserve for Matching Funds for Grants	A	29,356.75	29,356.75
		<u>403,653.99</u>	<u>566,153.25</u>
		<u>\$ 8,439,856.66</u>	<u>\$ 7,832,535.65</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, 2016 and 2015

	2016	2015
Revenue and Other Income Realized:		
Fund Balance Utilized	\$ 950,000.00	\$ 850,000.00
Miscellaneous Revenues Anticipated	3,270,011.36	3,198,147.34
Receipts from Delinquent Taxes	707,555.32	798,760.05
Receipts from Current Taxes	43,094,971.48	42,093,594.12
Nonbudget Revenues	367,534.07	113,222.43
Other Credits to Income:		
Unexpended Balance of Appropriation Reserves	541,602.33	479,969.17
Interfund Receivables Returned	596.17	4,134.43
Cancellation of Accounts Payable	-	2,636.34
	<u>48,932,270.73</u>	<u>47,540,463.88</u>
Expenditures:		
Budget and Emergency Appropriations:		
Appropriations Within "CAPS"		
Operations:		
Salaries and Wages	4,682,301.00	4,571,923.00
Other Expenses	4,687,513.00	4,522,674.00
Deferred Charges and Statutory Expenditures	1,248,228.00	1,144,492.00
Appropriations Excluded from "CAPS"		
Operations:		
Salaries and Wages	118,480.00	100,888.04
Other Expenses	430,163.87	562,181.52
Capital Improvements	31,500.00	46,500.00
Municipal Debt Service	1,284,290.00	1,299,749.22
County Taxes	9,663,536.98	9,623,233.31
Due County for Added and Omitted Taxes	67,193.40	24,581.71
Local District School Tax	13,405,132.00	13,191,608.00
Regional High School Tax	10,491,757.00	10,252,386.00
Special District Taxes	1,046,082.00	950,903.00
Municipal Open Space Tax	264,900.00	266,200.00
Municipal Open Space Added and Omitted Taxes	1,839.61	687.83
Prior Year Senior Citizens' and Veterans' Deductions Disallowed	6,250.00	6,500.00
Refund of Prior Year Revenue - Prior Year Tax Appeals Granted	-	225,237.01
Interfund Receivables Created	110,498.52	-
	<u>47,539,665.38</u>	<u>46,789,744.64</u>
Excess in Revenues	1,392,605.35	750,719.24
Fund Balance January 1	<u>1,034,051.57</u>	<u>1,133,332.33</u>
	2,426,656.92	1,884,051.57
Decreased by:		
Utilization as Anticipated Revenue	<u>950,000.00</u>	<u>850,000.00</u>
Fund Balance December 31	<u>\$ 1,476,656.92</u>	<u>\$ 1,034,051.57</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, 2016

	Anticipated Budget	Special NJSA 40A:4-87	Realized	Excess
Fund Balance Anticipated	\$ 950,000.00		\$ 950,000.00	-
Miscellaneous Revenues:				
Licenses:				
Alcoholic Beverages	16,000.00		14,572.00	\$ (1,428.00)
Other	13,000.00		15,898.00	2,898.00
Fees and Permits	85,000.00		188,646.32	103,646.32
Fines and Costs:				
Municipal Court	180,000.00		186,684.52	6,684.52
Interest and Costs on Taxes	140,000.00		136,358.59	(3,641.41)
Interest on Investments and Deposits	8,000.00		9,573.25	1,573.25
Cable Television Franchise Fees	69,568.00		69,568.77	0.77
Municipal Impact Fee	42,000.00		44,300.00	2,300.00
Energy Receipts Tax (P.L. 1997, Chapters 162 & 167)	1,217,018.00		1,217,018.00	
Uniform Construction Code Fees	260,000.00		310,702.00	50,702.00
Interlocal Municipal Service Agreements:				
Mantua Fire District #1:				
Financial Services	20,000.00		20,000.00	
Insurance:				
General Liability	43,348.00		43,348.00	
Worker Compensation	8,252.00		8,252.00	
Employee Group Health	72,500.00		53,423.83	(19,076.17)
Gasoline & Diesel Fuel	25,000.00		14,417.42	(10,582.58)
Rowan Shared Service	40,000.00		40,000.00	
MUA Surplus as per N.J.S.A. 40A: 5A-12.1	173,224.00		173,224.00	
Fire District Contribution for Debt Service	81,914.00		81,914.00	
Borough of Pitman - Municipal Court	132,000.00		132,000.00	
Borough of Woodbury Heights - Municipal Court	74,250.00		100,485.00	26,235.00
Borough of Wenonah - Municipal Court	29,250.00		38,999.02	9,749.02
Borough of Wenonah - Uniform Construction Code	41,791.00		40,396.65	(1,394.35)
Reserve for Debt Service	110,481.12		110,481.12	
Public and Private Revenues Offset With Appropriations:				
Body Armor Grant	2,689.05		2,689.05	
Bulletproof Vest Partnership		\$ 2,905.80	2,905.80	
Clean Communities Program	32,691.27		32,691.27	
Click it or Ticket		4,000.00	4,000.00	
Holiday Drive Sober or Get Pulled Over	4,400.00	6,160.00	10,560.00	
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	52,100.75		52,100.75	
Safe and Secure Communities	87,500.00		87,500.00	
	<u>3,088,029.19</u>	<u>14,315.80</u>	<u>3,270,011.36</u>	<u>167,666.37</u>
Receipts from Delinquent Taxes	720,000.00	-	707,555.32	(12,444.68)
Subtotal General Revenues	4,758,029.19	14,315.80	4,927,566.68	155,221.69
Amount to be Raised by Taxes for Support to Municipal Budget - Local Tax for Municipal Purposes	8,806,275.31		9,250,672.92	444,397.61
Budget Totals	13,564,304.50	14,315.80	14,178,239.60	599,619.30
Nonbudget Revenues			367,534.07	367,534.07
	<u>\$ 13,564,304.50</u>	<u>\$ 14,315.80</u>	<u>\$ 14,545,773.67</u>	<u>\$ 967,153.37</u>

(Continued)

TOWNSHIP OF MANTUA
CURRENT FUND
Statement of Revenues - Regulatory Basis
For the Year Ended December 31, 2016

Analysis of Realized Revenue:

Allocation of Current Tax Collections:

Revenue from Collections	\$	43,094,971.48
Less:		
Allocated to School, County, Special District and Municipal Open Space Taxes		34,940,440.99
Balance for Support of Municipal Budget Revenues		8,154,530.49
Add:		
Reserve for Uncollected Taxes Appropriation		1,096,142.43
Amount for Support of Municipal Budget Appropriations	\$	9,250,672.92

Receipts from Delinquent Taxes:

Delinquent Tax Collections	\$	705,804.15
Tax Title Lien Collections		1,751.17
	\$	707,555.32

Analysis of Non-Budget Revenue

Chief Financial Officer:		
Copy, Map, and Book Fees	\$	270.00
DMV Inspection Fees		6,593.50
FEMA Reimbursement		194,394.14
Homestead Rebate Administration		956.40
Miscellaneous		9,389.45
Off Duty Police Administration Cost		32,231.00
Open Public Records Act		589.38
Payment In Lieu of Taxes		111,144.89
Property Restitution		147.00
Recycling Rebates		1,735.15
Refund of Prior Year Expenditures		6,262.22
Sale of Municipal Property		254.05
Senior Citizen & Veteran Administrative Fee		3,057.26
Tax Collector:		
Miscellaneous		509.63
	\$	367,534.07
Cash - Chief Financial Officer	\$	373,731.48
Cash - Tax Collector		509.63
Interfunds		(6,707.04)
	\$	367,534.07

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, 2016

	Appropriations		Expended			Unexpended Balance Cancelled
	Original Budget	Budget After Modification	Paid or Charged	Encumbered	Reserved	
OPERATIONS WITHIN "CAPS"						
Department of Administration and Finance:						
General Administration						
Salaries and Wages	\$ 112,275.00	\$ 112,275.00	\$ 110,237.46		\$ 2,037.54	
Other Expenses	32,400.00	37,400.00	36,756.56	\$ 621.39	22.05	
Mayor and Committee						
Salaries and Wages	22,000.00	22,200.00	21,372.75		827.25	
Other Expenses	2,500.00	2,500.00	1,806.16	693.84		
Municipal Clerk						
Salaries and Wages	9,384.00	9,384.00	9,102.70		281.30	
Other Expenses	4,000.00	4,000.00	2,568.42	1,406.16	25.42	
Election Expenses	8,500.00	8,500.00	8,104.00		396.00	
Financial Administration						
Salaries and Wages	96,259.00	96,259.00	84,153.06		12,105.94	
Other Expenses	47,460.00	47,460.00	32,337.71	10,813.85	4,308.44	
Audit Services:						
Other Expenses	48,000.00	48,000.00		48,000.00		
Revenue Administration:						
Salaries and Wages	95,068.00	95,068.00	92,093.75		2,974.25	
Other Expenses	15,000.00	15,000.00	14,555.50	100.00	344.50	
Legal Services and Costs:						
Other Expenses	95,000.00	95,000.00	78,878.41	6,586.08	9,535.51	
Rent Leveling Board						
Salaries and Wages	559.00	559.00	558.76		0.24	
Other Expenses	5,450.00	5,450.00			5,450.00	
Veterans Commission						
Other Expenses	2,000.00	2,000.00	235.78	457.82	1,306.40	
Engineering Services and Costs:						
Other Expenses	50,000.00	50,000.00	40,692.25	8,400.00	907.75	
Economic Development						
Other Expenses	1,000.00	1,000.00	1,000.00			
Historical Commission						
Other Expenses	2,000.00	2,000.00	1,979.22	0.01	20.77	

(Continued)

TOWNSHIP OF MANTUA
CURRENT FUND
Statement of Expenditures - Regulatory Basis
For the Year Ended December 31, 2016

	Appropriations		Expended			Unexpended Balance Cancelled
	Original Budget	Budget After Modification	Paid or Charged	Encumbered	Reserved	
OPERATIONS WITHIN "CAPS" (CONT'D)						
Department of Administration and Finance (Cont'd):						
Land Use/Planning Board						
Salaries and Wages	\$ 83,836.00	\$ 85,336.00	\$ 84,677.77		\$ 658.23	
Other Expenses	16,000.00	16,000.00	9,630.84	\$ 997.35	5,371.81	
Department of Public Safety:						
Police						
Salaries and Wages						
Regular	2,550,000.00	2,550,000.00	2,524,761.25		25,238.75	
Crossing Guard	78,540.00	78,540.00	68,827.89		9,712.11	
Other Expenses	153,750.00	156,750.00	103,316.94	24,778.39	28,654.67	
Office of Emergency Management						
Salaries and Wages	2,500.00	2,501.00	2,500.05		0.95	
Other Expenses	2,000.00	2,000.00	1,020.24	676.35	303.41	
Municipal Prosecutor						
Salaries and Wages	24,174.00	24,402.00	24,402.00			
Department of Public Works:						
Streets and Roads Maintenance:						
Salaries and Wages	549,780.00	592,780.00	585,945.13		6,834.87	
Other Expenses	200,000.00	200,000.00	127,868.27	35,703.65	36,428.08	
Sanitation						
Salaries and Wages	558,340.00	510,340.00	452,055.04		58,284.96	
Other Expenses	100,000.00	102,000.00	98,532.57	2,908.42	559.01	
Public Buildings and Grounds						
Salaries and Wages	58,667.00	58,667.00	52,966.44		5,700.56	
Other Expenses	60,000.00	56,000.00	29,518.36	4,348.13	22,133.51	
Park Maintenance	30,000.00	34,000.00	29,468.62	3,045.95	1,485.43	
Insurance						
Other Insurance Premiums	261,486.00	238,957.00	150,107.00		88,850.00	
Workers Compensation Insurance	420,645.00	413,645.00	412,393.00		1,252.00	
Employee Group Health Insurance	1,952,000.00	1,972,000.00	1,925,463.45	0.12	46,536.43	
Health Benefit Waiver	21,000.00	22,000.00	21,249.28		750.72	

(Continued)

TOWNSHIP OF MANTUA
CURRENT FUND
Statement of Expenditures - Regulatory Basis
For the Year Ended December 31, 2016

	Appropriations		Expended			Unexpended Balance Cancelled
	Original Budget	Budget After Modification	Paid or Charged	Encumbered	Reserved	
OPERATIONS WITHIN "CAPS" (CONT'D)						
Health & Human Services Functions:						
Board of Health						
Salaries and Wages	\$ 5,400.00	\$ 5,400.00	\$ 5,298.98		\$ 101.02	
Other Expenses	5,500.00	5,500.00	485.28		5,014.72	
Environmental Committee						
Other Expenses	500.00	500.00	460.00		40.00	
Senior Citizen Public Transportation						
Salaries and Wages	36,000.00	36,800.00	36,729.02		70.98	
Other Expenses	5,000.00	4,200.00	492.01	\$ 59.34	3,648.65	
Park & Recreation Functions:						
Recreation Services and Programs:						
Other Expenses	14,850.00	14,850.00	12,964.46	800.00	1,085.54	
Senior Citizen Trips & Events	12,000.00	13,000.00	11,074.98	1,000.00	925.02	
Celebration of Public Events						
Other Expenses	10,000.00	9,000.00			9,000.00	
Uniform Construction Code Functions:						
Construction Official						
Salaries and Wages	127,634.00	127,634.00	126,873.02		760.98	
Other Expenses	20,000.00	20,000.00	11,590.13	298.94	8,110.93	
Salaries and Wages						
Sub-Code Officials	42,162.00	42,662.00	42,318.12		343.88	
Housing Inspector						
Salaries and Wages	5,880.00	6,480.00	6,382.50		97.50	
Other Functions:						
Municipal Court						
Salaries and Wages	187,402.00	187,402.00	178,952.42	165.00	8,284.58	
Other Expenses	19,300.00	19,300.00	16,327.51	1,518.04	1,454.45	
Public Defender						
Salaries and Wages	9,613.00	10,113.00	9,999.99		113.01	
Accumulated Leave Compensation						
Salaries and Wages	30,000.00	30,000.00	27,005.45		2,994.55	

(Continued)

TOWNSHIP OF MANTUA
CURRENT FUND
Statement of Expenditures - Regulatory Basis
For the Year Ended December 31, 2016

	Appropriations		Expended			Unexpended Balance Cancelled
	Original Budget	Budget After Modification	Paid or Charged	Encumbered	Reserved	
OPERATIONS WITHIN "CAPS" (CONT'D)						
Unclassified:						
Electricity	\$ 150,000.00	\$ 152,000.00	\$ 133,664.61	\$ 6,310.55	\$ 12,024.84	
Street Lighting	100,000.00	120,000.00	109,742.27	637.33	9,620.40	
Telephone	25,000.00	25,000.00	21,289.63	294.50	3,415.87	
Heating Oil	30,000.00	30,000.00	12,959.63	5,645.23	11,395.14	
Gasoline	250,000.00	170,000.00	76,272.11	7,682.67	86,045.22	
Landfill/Solidwaste Disposal Costs	520,000.00	570,000.00	489,762.68	9,955.77	70,281.55	
Total Operations Within "CAPS"	9,377,814.00	9,369,814.00	8,571,781.43	183,904.88	614,127.69	-
Detail:						
Salaries and Wages	4,682,973.00	4,682,301.00	4,544,713.50	165.00	134,427.95	-
Other Expenses	4,694,841.00	4,687,513.00	4,027,067.93	183,739.88	479,699.74	-
DEFERRED CHARGES AND STATUTORY EXPENDITURES - MUNICIPAL WITHIN "CAPS"						
Statutory Expenditures:						
Contribution to:						
Public Employees' Retirement System	245,158.00	245,158.00	245,158.00			
Police & Fire Retirement System of N.J.	562,570.00	562,570.00	562,570.00			
Unemployment Compensation Insurance	45,000.00	45,000.00	36,988.88		8,011.12	
Defined Contribution Retirement Program	2,500.00	2,500.00	609.84	479.57	1,410.59	
Social Security System (O.A.S.I.)	385,000.00	393,000.00	391,175.41		1,824.59	
TOTAL DEFERRED CHARGES AND STATUTORY EXPENDITURES - MUNICIPAL WITHIN "CAPS"	1,240,228.00	1,248,228.00	1,236,502.13	479.57	11,246.30	-
TOTAL GENERAL APPROPRIATIONS FOR MUNICIPAL PURPOSES WITHIN "CAPS"	10,618,042.00	10,618,042.00	9,808,283.56	184,384.45	625,373.99	-
OPERATIONS EXCLUDED FROM "CAPS"						
LOSAP	30,000.00	30,000.00	6,750.00		23,250.00	
Reserve for Tax Appeals	16,000.00	16,000.00	16,000.00			

(Continued)

TOWNSHIP OF MANTUA
CURRENT FUND
Statement of Expenditures - Regulatory Basis
For the Year Ended December 31, 2016

	Appropriations		Paid or Charged	Expended		Unexpended Balance Cancelled
	Original Budget	Budget After Modification		Encumbered	Reserved	
OPERATIONS EXCLUDED FROM "CAPS" (CONT'D)						
Interlocal Service Agreements:						
Mantua Fire District #1						
Financial Services						
Salaries and Wages	\$ 16,420.00	\$ 16,420.00	\$ 16,420.00			
Other Expenses	3,580.00	3,580.00	3,580.00			
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	72,500.00	72,500.00	72,500.00			
Gasoline & Diesel Fuel	25,000.00	25,000.00	25,000.00			
Rowan Shared Service	40,000.00	40,000.00	13,000.00		\$ 27,000.00	
Mantua Township MUA Shared Service	50,000.00	50,000.00	50,000.00			
West Deptford Township Shared Service	20,000.00	20,000.00	3,325.00		16,675.00	
Public and Private Programs Offset by Revenues:						
Body Armor Grant	2,689.05	2,689.05	2,689.05			
Bulletproof Vest Partnership (N.J.S.A. 40A:4-87)		2,905.80	2,905.80			
Clean Communities	32,691.27	32,691.27	32,691.27			
Click It or Ticket (N.J.S.A. 40A:4-87)		4,000.00	4,000.00			
Drive Sober or Get Pulled Over	4,400.00	4,400.00	4,400.00			
Holiday Over the Limit Grant (N.J.S.A. 40A:4-87)		6,160.00	6,160.00			
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 (N.J.S.A. 40A:4-87)		1,250.00	1,250.00			
Municipal Alliance Program for Alcoholism & Drug Abuse						
State Share	18,977.00	18,977.00	18,977.00			
Local Share	3,795.00	3,795.00	3,795.00			
Recycling Tonnage Grant	52,100.75	52,100.75	52,100.75			
Safe and Secure Communities Program	87,500.00	87,500.00	87,500.00			
TOTAL OPERATIONS - EXCLUDED FROM "CAPS"	534,328.07	548,643.87	481,718.87	-	66,925.00	-
Detail:						
Salaries and Wages	108,320.00	118,480.00	118,480.00	-	-	-
Other Expenses	426,008.07	430,163.87	363,238.87	-	66,925.00	-

(Continued)

TOWNSHIP OF MANTUA
CURRENT FUND
Statement of Expenditures - Regulatory Basis
For the Year Ended December 31, 2016

	Appropriations		Paid or Charged	Expended		Unexpended Balance Cancelled
	Original Budget	Budget After Modification		Encumbered	Reserved	
<u>CAPITAL IMPROVEMENTS - EXCLUDED FROM "CAPS"</u>						
Capital Improvement Fund	\$ 15,000.00	\$ 15,000.00	\$ 15,000.00			
Sanitary Landfill Closure (NJSA 40:2-22H)	6,500.00	6,500.00	4,018.00	\$ 1,070.01	\$ 1,411.99	
Acquisition of Trash Containers	10,000.00	10,000.00	10,000.00			
TOTAL CAPITAL IMPROVEMENTS	31,500.00	31,500.00	29,018.00	1,070.01	1,411.99	-
<u>MUNICIPAL DEBT SERVICE - EXCLUDED FROM "CAPS"</u>						
Payment of Bond Principal	973,800.00	973,800.00	973,800.00			
Interest on Bonds	292,085.00	292,085.00	292,083.78			\$ 1.22
Green Trust Loan Program:						
Loan Repayment for Principal	16,914.00	16,914.00	16,913.69			0.31
Loan Repayment for Interest	1,493.00	1,493.00	1,492.53			0.47
TOTAL MUNICIPAL DEBT SERVICE - EXCLUDED FROM "CAPS"	1,284,292.00	1,284,292.00	1,284,290.00	-		2.00
TOTAL GENERAL APPROPRIATIONS FOR MUNICIPAL PURPOSES EXCLUDED FROM "CAPS"	1,850,120.07	1,864,435.87	1,795,026.87	1,070.01	68,336.99	2.00
SUBTOTAL GENERAL APPROPRIATIONS	12,468,162.07	12,482,477.87	11,603,310.43	185,454.46	693,710.98	2.00
Reserve for Uncollected Taxes	1,096,142.43	1,096,142.43	1,096,142.43			
TOTAL GENERAL APPROPRIATIONS	\$ 13,564,304.50	\$ 13,578,620.30	\$ 12,699,452.86	\$ 185,454.46	\$ 693,710.98	\$ 2.00
Adopted Budget		\$ 13,564,304.50				
Appropriation by NJSA 40A:4-87		14,315.80				
Federal and State Grants Appropriated			\$ 223,543.87			
Reserve for Tax Appeals			16,000.00			
Reserve for Uncollected Taxes			1,096,142.43			
Cash Disbursements			11,363,766.56			
		\$ 13,578,620.30	\$ 12,699,452.86			

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, 2016 and 2015

	<u>Ref.</u>	<u>2016</u>	<u>2015 (Restated)</u>
Assets:			
Animal Control Fund:			
Cash - Chief Financial Officer	SB-1	\$ 27,554.74	\$ 29,320.81
Due Current Fund	SB-5	-	146.60
		<u>27,554.74</u>	<u>29,467.41</u>
Municipal Open Space Fund:			
Cash - Chief Financial Officer	SB-1	197,626.93	174,144.56
Due Current Fund	SB-6	278.36	50,157.17
		<u>197,905.29</u>	<u>224,301.73</u>
Other Funds:			
Cash - Chief Financial Officer	SB-1	2,010,170.45	2,504,745.43
Accounts Receivable	SB-9	120,154.79	62,656.88
Investments - Length of Service Awards Program	SB-2	486,766.48	513,360.72
		<u>2,617,091.72</u>	<u>3,080,763.03</u>
		<u>\$ 2,842,551.75</u>	<u>\$ 3,334,532.17</u>
Liabilities and Reserves:			
Animal Control Fund:			
Due to State of New Jersey	SB-3	\$ 538.80	\$ 164.00
Due to Current Fund	SB-5	17.40	-
Reserve for Encumbrances	SB-1	-	1,088.00
Reserve for Animal Control Fund Expenditures	SB-4	26,998.54	28,215.41
		<u>27,554.74</u>	<u>29,467.41</u>
Municipal Open Space Fund:			
Appropriation Reserves	B-2	11,724.59	
Reserve for Future Use	SB-7	186,180.70	224,301.73
		<u>197,905.29</u>	<u>224,301.73</u>
Other Funds:			
Due Current Fund	SB-8	3,277.27	3,873.44
Reserve for Affordable Housing	SB-10	745,422.60	714,671.27
Reserve for Developers' Escrow	SB-10	705,283.53	405,205.22
Reserve for Net Pay	SB-10	1,956.17	74.32
Reserve for Payroll Deductions Payable	SB-10	30,135.08	10,244.61
Reserve for Off Duty Police	SB-10	5,890.70	17,614.28
Reserve for Street Opening Deposits	SB-10	5,325.00	5,565.00
Reserve for Tax Redemption	SB-10	5,730.74	6,937.91

(Continued)

TOWNSHIP OF MANTUA
TRUST FUND
 Statements of Assets, Liabilities and Reserves -- Regulatory Basis
 As of December 31, 2016 and 2015

	<u>Ref.</u>	<u>2016</u>	<u>2015</u> <u>(Restated)</u>
Liabilities and Reserves (Cont'd):			
Other Funds (Cont'd):			
Reserve for Tax Premium	SB-10	\$ 224,300.00	\$ 295,900.00
Reserve for Community Day Donations	SB-10	3,322.38	2,481.96
Reserve for Police Explorer's Donations	SB-10	1,405.00	1,405.00
Reserve for Parking Offense Adjudication Act	SB-10	6,723.63	6,207.63
Reserve for Police Canine Donations	SB-10	6,207.72	9,606.91
Reserve for Recreation	SB-10	9,747.35	18,345.48
Reserve for Public Defender Fees	SB-10	7,895.82	2,260.82
Reserve for Forfeited Funds	SB-10	32,549.63	24,920.59
Reserve for Historical Donations	SB-10	42,680.09	42,180.09
Reserve for Annual Calendar	SB-10	1,399.31	1,399.31
Reserve for Senior Citizen Trips	SB-10	-	104.63
Reserve for Community Development Block Grant	SB-10	51,000.00	51,000.00
Reserve for Fossil Fund	SB-10	2,413.20	500.00
Reserve for Country Gardens	SB-10	128,976.39	423,709.24
Reserve for Length of Service Awards Program	SB-10	486,766.48	513,360.72
Reserve for Encumbrances	SB-10	108,683.63	523,194.60
		<u>2,617,091.72</u>	<u>3,080,763.03</u>
		<u>\$ 2,842,551.75</u>	<u>\$ 3,334,532.17</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, 2016

	<u>Anticipated Budget</u>	<u>Realized</u>	<u>Excess or (Deficit)</u>
Amount to be Raised by Taxation	\$ 264,900.00	\$ 266,739.61	\$ 1,839.61
Interest Income		219.36	219.36
Miscellaneous Revenue Not Anticipated		5,500.00	5,500.00
	<u>264,900.00</u>	<u>272,458.97</u>	<u>7,558.97</u>
Reserve Funds Anticipated	<u>45,680.00</u>	<u>45,680.00</u>	
	<u>\$ 310,580.00</u>	<u>\$ 318,138.97</u>	<u>\$ 7,558.97</u>
 <u>Analysis of Amount to be Raised by Taxation:</u>			
Current Year Levy		\$ 264,900.00	
Added Taxes		<u>1,839.61</u>	
		<u>\$ 266,739.61</u>	
 <u>Analysis of Miscellaneous Revenue Not Anticipated:</u>			
Interest on Investments and Deposits		<u>\$ 219.36</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, 2016

	Original Budget	Budget After Modification	Expended	
			Paid or Charged	Reserved
Maintenance of Lands for Recreation and Conservation:				
Salaries and Wages	\$ 183,000.00	\$ 183,000.00	\$ 171,275.41	\$ 11,724.59
Debt Service				
Payment of Bond Principal	91,200.00	91,200.00	91,200.00	
Interest on Bonds	<u>36,380.00</u>	<u>36,380.00</u>	<u>36,380.00</u>	
	<u>\$ 310,580.00</u>	<u>\$ 310,580.00</u>	<u>\$ 298,855.41</u>	<u>\$ 11,724.59</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, 2016 and 2015

Assets:	Ref.	2016	2015
Cash	SC-1	\$ 1,376,565.92	\$ 829,105.17
Federal and State Aid Receivable	SC-6	178,912.10	173,288.57
Deferred Charges to Future Taxation:			
Funded	SC-4	8,604,920.33	9,686,834.02
Unfunded	SC-3	1,968,400.00	665,000.00
Due from Current Fund	SC-5	-	61.26
		<u>\$ 12,128,798.35</u>	<u>\$ 11,354,289.02</u>
Liabilities, Reserves and Fund Balance:			
Due to Current Fund	SC-5	\$ 110,481.12	-
Encumbrances Payable	SC-7	433,592.52	\$ 42,537.32
Capital Improvement Fund	SC-8	10,032.81	43,949.81
Improvement Authorizations:			
Funded	SC-9	1,208,080.93	1,269,428.24
Unfunded	SC-9	340,136.33	124,239.20
Reserve for Payment of Debt	SC-1; SC-5	59,535.00	110,481.12
Bond Anticipation Notes	SC-10	1,303,400.00	-
General Serial Bonds	SC-11	8,543,000.00	9,608,000.00
Green Trust Loan Payable	SC-12	61,920.33	78,834.02
Fund Balance	C-1	58,619.31	76,819.31
		<u>\$ 12,128,798.35</u>	<u>\$ 11,354,289.02</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, 2016

Balance December 31, 2015	\$ 76,819.31
Decreased by:	
Appropriated to Finance Improvement Authorizations	<u>18,200.00</u>
Balance December 31, 2016	<u><u>\$ 58,619.31</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, 2016

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*, and GASB Statement No. 61, *The Financial Reporting Entity: Omnibus - an amendment of GASB Statements No. 14 and No. 34*. If the provisions of GASBS No. 14, as amended by GASBS No. 39 and GASBS No. 61, 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* ("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 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 trust funds in accordance with N.J.S.A. 40A:4 et seq. N.J.S.A. 40A:4-5 requires the governing body to introduce and approve the annual municipal budget no later than February 10 of each year. At introduction, the governing body shall fix the time and place for a public hearing on the budget and must advertise the time and place at least ten days prior to the hearing in a newspaper published and circulating in the municipality. The public hearing must not be held less than twenty-eight days after the date the budget was introduced. After the hearing has been held, the governing body may, by majority vote, adopt the budget or may amend the budget in accordance with N.J.S.A. 40A:4-9. Amendments to adopted budgets, if any, are detailed in the statements of revenues and expenditures.

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

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

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

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

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

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

Note 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (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, 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, 2015 and decreased by the amount deferred at December 31, 2016.

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 and interest payments on outstanding general capital bonds and notes are provided 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.

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, 2016, the Township's bank balances of \$8,483,792.84 were exposed to custodial credit risk as follows:

Insured by FDIC and GUDPA	\$7,595,610.92
Uninsured and Uncollateralized	<u>888,181.92</u>
Total	<u>\$8,483,792.84</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>2016</u>	<u>2015</u>	<u>2014</u>	<u>2013</u>	<u>2012</u>
Tax Rate	<u>\$ 3.299</u>	<u>\$ 3.218</u>	<u>\$ 3.110</u>	<u>\$ 3.024</u>	<u>\$ 2.950</u>
Apportionment of Tax Rate:					
Municipal	\$.664	\$.640	\$.616	\$.596	\$.571
Municipal Open Space	.020	.020	.020	.020	.020
County	.640	.633	.592	.580	.551
County Library	.050	.048	.047	.045	.046
County Open Space	.042	.043	.042	.043	.044
Local School	1.012	.992	.973	.959	.978
Regional School District	.792	.770	.753	.722	.680
Special District Taxes	.079	.072	.067	.059	.060

Assessed Valuation

<u>Year</u>	<u>Amount</u>
2016	\$ 1,324,373,124.00
2015	1,330,480,059.00
2014	1,334,671,512.00
2013	1,335,094,820.00
2012	1,352,875,940.00

Comparison of Tax Levies and Collections

<u>Year</u>	<u>Tax Levy</u>	<u>Collections</u>	<u>Percentage of Collections</u>
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%
2013	40,470,265.18	39,607,426.81	97.87%
2012	40,022,546.08	38,888,535.11	97.17%

Note 3: PROPERTY TAXES (CONT'D)

Five-year comparison of certain statistical information relative to property taxes and property tax collections for the current and previous four calendar years (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>
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%
2013	326,170.50	806,262.01	1,132,432.51	2.80%
2012	186,992.83	1,084,057.91	1,271,050.74	3.18%

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>
2016	37
2015	40
2014	51
2013	37
2012	33

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>
2016	\$ 2,017,400.00
2015	2,017,400.00
2014	2,017,400.00
2013	2,107,700.00
2012	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>
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%
2013	1,098,144.00	775,000.00	70.57%
2012	938,236.93	850,000.00	90.60%

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, 2016:

<u>Fund</u>	<u>Interfunds Receivable</u>	<u>Interfunds Payable</u>
Current	\$ 113,775.79	\$ 284,627.97
Federal and State Grant	284,349.61	
Trust - Animal Control		17.40
Trust - Municipal Open Space	278.36	
Trust - Other		3,277.27
General Capital		110,481.12
	<u>\$ 398,403.76</u>	<u>\$ 398,403.76</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 2017, 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 and required supplementary information. That report may be obtained by writing to:

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

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's 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's 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's 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's 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 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 and 43:3B. 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

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 1/55th of final average salary for each year of service credit is available to tiers 1 and 2 members upon reaching age 60 and to tier 3 members upon reaching age 62. Service retirement benefits of 1/60th of final average salary for each year of service credit is available to tier 4 members upon reaching age 62 and tier 5 members upon reaching age 65. Early retirement benefits are available to tiers 1 and 2 members before reaching age 60, tiers 3 and 4 before age 62 with 25 or more years of service credit and tier 5 with 30 or more years of service credit before age 65. Benefits are reduced by a fraction of a percent for each month that a member retires prior to the age at 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, as defined, up to 30 years plus 1% for each year of service in excess of 30 years. Members may seek special retirement after achieving 25 years of creditable service, in which benefits would equal 65% (tiers 1 and 2 members) and 60% (tier 3 members) of final compensation plus 1% for each year of creditable service over 25 years but not to exceed 30 years. Members may elect deferred retirement benefits after achieving ten years of service, in which case benefits would begin at age 55 equal to 2% of final compensation for each year of service.

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.

Note 7: PENSION PLANS (CONT'D)**General Information about the Pension Plans (Cont'd)****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. Members contribute at a uniform rate. 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 7.06% in State fiscal year 2016. 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 (Chapter 366, P.L. 2001) increased from 8.5% of base salary to 10%. Employers' contribution amounts are based on an actuarially determined rate. The Township's contribution amounts are based on an actuarially determined rate which included the normal cost and unfunded accrued liability.

The Township's contractually required contribution rate for the year ended December 31, 2016 was 13.53% 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, 2016, the Township's contractually required contribution to the pension plan for the year ended December 31, 2016 is \$250,800.00 and is payable by April 1, 2017. 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, 2015, the Township's contractually required contribution to the pension plan for the year ended December 31, 2015 was \$245,180.00, which was paid on April 1, 2016. Employee contributions to the plan during the year ended December 31, 2016 were \$133,776.75.

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 Chapter 78, P.L. 2011, the active member contribution rate increased from 8.5% to 10.0% in October 2011. 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, 2016 was 24.44% 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.

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, 2016, the Township's contractually required contribution to the pension plan for the year ended December 31, 2016 is \$587,456.00, and is payable by April 1, 2017. 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, 2015, the Township's contractually required contribution to the pension plan for the year ended December 31, 2015 was \$562,570.00, which was paid on April 1, 2016. Employee contributions to the plan during the year ended December 31, 2016 were \$246,108.50.

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, 2016 was 1.84% of the Township's covered payroll.

Based on the most recent PFRS measurement date of June 30, 2016, the State's contractually required contribution, on-behalf of the Township, to the pension plan for the year ended December 31, 2016 is \$44,286.00, and is payable by April 1, 2017. Based on the PFRS measurement date of June 30, 2015, the State's contractually required contribution, on-behalf of the Township, to the pension plan for the year ended December 31, 2015 was \$52,626.00, which was paid on April 1, 2016.

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, 2016, employee contributions totaled \$1,080.58, and the Township's contributions were \$589.41. 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, 2016, the Township's proportionate share of the PERS net pension liability was \$8,361,207.00. The net pension liability was measured as of June 30, 2016, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of July 1, 2015. 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, 2016. 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, 2016 measurement date, the Township's proportion was .0282309807%, which was a decrease of .0002846563% from its proportion measured as of June 30, 2015.

At December 31, 2016, the Township's proportionate share of the PERS pension expense, calculated by the plan as of the June 30, 2016 measurement date is \$842,137.00. 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, 2016, the Township's contribution to PERS was \$245,158.00, and was paid on April 1, 2016.

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 - At December 31, 2016, 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	\$ 13,763,466.00
State of New Jersey's Proportionate Share of Net Pension Liability Associated with the Township	<u>1,155,790.00</u>
	<u>\$ 14,919,256.00</u>

The net pension liability was measured as of June 30, 2016, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of July 1, 2015. 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, 2016. 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, 2016 measurement date, the Township's proportion was .0720503805%, which was an increase of .0028408811% from its proportion measured as of June 30, 2015. Likewise, at June 30, 2016, the State of New Jersey's proportion, on-behalf of the Township, was .0720503805%, which was an increase of .0028408811% from its proportion, on-behalf of the Township, measured as of June 30, 2015.

At December 31, 2016, the Township's proportionate share of the PFRS pension expense, calculated by the plan as of the June 30, 2016 measurement date is \$1,674,099.00. 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, 2016, the Township's contribution to PFRS was \$562,570.00, and was paid on April 1, 2016.

At December 31, 2016, the State's proportionate share of the PFRS pension expense, associated with the Township, calculated by the plan as of the June 30, 2016 measurement date is \$147,622.00. This on-behalf expense is not recognized by the Township because of the regulatory basis of accounting as described in note 1.

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 - At December 31, 2016, 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		
	<u>PERS</u>	<u>PFRS</u>	<u>Total</u>	<u>PERS</u>	<u>PFRS</u>	<u>Total</u>
Differences between Expected and Actual Experience	\$ 155,493.00	\$ -	\$ 155,493.00	\$ -	\$ 90,222.00	\$ 90,222.00
Changes of Assumptions	1,731,995.00	1,906,353.00	3,638,348.00	-	-	-
Net Difference between Projected and Actual Earnings on Pension Plan Investments	318,820.00	964,378.00	1,283,198.00	-	-	-
Changes in Proportion and Differences between Township Contributions and Proportionate Share of Contributions	195,412.00	774,734.00	970,146.00	46,390.00	-	46,390.00
Township Contributions Subsequent to the Measurement Date	125,400.00	293,728.00	419,128.00	-	-	-
	<u>\$ 2,527,120.00</u>	<u>\$ 3,939,193.00</u>	<u>\$ 6,466,313.00</u>	<u>\$ 46,390.00</u>	<u>\$ 90,222.00</u>	<u>\$ 136,612.00</u>

\$125,400.00 and \$293,728.00 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, 2017. These amounts were based on an estimated April 1, 2018 contractually required contribution, prorated from the pension plans measurement date of June 30, 2016 to the Township's year end of December 31, 2016.

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:

	<u>PERS</u>		<u>PFRS</u>	
	<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
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	
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	-
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

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:

Year Ending Dec 31,	<u>PERS</u>	<u>PFRS</u>	<u>Total</u>
2017	\$ 540,605.00	\$ 867,039.00	\$ 1,407,644.00
2018	540,605.00	867,039.00	1,407,644.00
2019	619,354.00	1,098,258.00	1,717,612.00
2020	506,669.00	659,306.00	1,165,975.00
2021	148,097.00	63,601.00	211,698.00
	<u>\$ 2,355,330.00</u>	<u>\$ 3,555,243.00</u>	<u>\$ 5,910,573.00</u>

Actuarial Assumptions

The net pension liability was measured as of June 30, 2016, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of July 1, 2015. 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, 2016. This actuarial valuation used the following actuarial assumptions, applied to all periods included in the measurement:

	<u>PERS</u>	<u>PFRS</u>
Inflation	3.08%	3.08%
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	7.65%	7.65%
Mortality Rate Table	RP-2000	RP-2000
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, pre-retirement mortality rates were based on the RP-2000 Employee Preretirement Mortality Table for male and female active participants. 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 plan actuary's modified MP-2014 projection scale. Post-retirement 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 and a one-year static projection based on mortality improvement Scale AA. In addition, the tables for service retirements and beneficiaries of former members provide for future improvements in mortality from the base year of 2013 using a generational approach based on the plan actuary's modified MP-2014 projection scale. Disability retirement rates used to value disabled retirees were based on the RP-2000 Disabled Mortality Table (set back 3 years for males and set forward 1 year for females).

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

For PERS and PFRS, in accordance with State statute, the long-term expected rate of return on plan investments (7.65% at June 30, 2016) 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's and PFRS's target asset allocation as of June 30, 2016 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>
Cash	5.00%	0.87%
U.S. Treasuries	1.50%	1.74%
Investment Grade Credit	8.00%	1.79%
Mortgages	2.00%	1.67%
High Yield Bonds	2.00%	4.56%
Inflation-Indexed Bonds	1.50%	3.44%
Broad U.S. Equities	26.00%	8.53%
Developed Foreign Equities	13.25%	6.83%
Emerging Market Equities	6.50%	9.95%
Private Equity	9.00%	12.40%
Hedge Funds / Absolute Return	12.50%	4.68%
Real Estate (Property)	2.00%	6.91%
Commodities	0.50%	5.45%
Global Debt ex U.S.	5.00%	-0.25%
REIT	5.25%	5.63%
	<u>100.00%</u>	

Discount Rate - The discount rate used to measure the total pension liability at June 30, 2016 was 3.98% for PERS and 5.55% 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 7.65%, and a municipal bond rate of 2.85% as of June 30, 2016, 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 30% 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 2034 for PERS and through 2050 for PFRS. Therefore, the long-term expected rate of return on plan investments was applied to projected benefit payments through 2034 for PERS and through 2050 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, 2016, the plans measurement date, calculated using a discount rate of 3.98%, 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 (2.98%)	Current Discount Rate (3.98%)	1% Increase (4.98%)
Township's Proportionate Share of the Net Pension Liability	<u>\$ 10,245,683.00</u>	<u>\$ 8,361,207.00</u>	<u>\$ 6,805,408.00</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, 2016, the plans measurement date, for the Township and the State of New Jersey, calculated using a discount rate of 5.55%, 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 (4.55%)	Current Discount Rate (5.55%)	1% Increase (6.55%)
Township's Proportionate Share of the Net Pension Liability	\$ 17,746,980.00	\$ 13,763,466.00	\$ 10,515,150.00
State of New Jersey's Proportionate Share of Net Pension Liability associated with the Township	<u>1,490,306.46</u>	<u>1,155,790.00</u>	<u>883,011.95</u>
	<u>\$ 19,237,286.46</u>	<u>\$ 14,919,256.00</u>	<u>\$ 11,398,161.95</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 www.nj.gov/treasury/pensions.

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

In accordance with GASB 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 Four Years)

	<u>Measurement Date Ended June 30,</u>			
	<u>2016</u>	<u>2015</u>	<u>2014</u>	<u>2013</u>
Township's Proportion of the Net Pension Liability	0.0282309807%	0.0285156370%	0.0275009663%	0.0268311188%
Township's Proportionate Share of the Net Pension Liability	\$ 8,361,207.00	\$ 6,401,189.00	\$ 5,148,933.00	\$ 5,127,960.00
Township's Covered Payroll (Plan Measurement Period)	\$ 1,943,300.00	\$ 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 its Covered Payroll	430.26%	333.57%	278.51%	276.80%
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	40.14%	47.93%	52.08%	48.72%

Schedule of the Township's Contributions - Public Employees' Retirement System (PERS) (Last Four Years)

	<u>Year Ended December 31,</u>			
	<u>2016</u>	<u>2015</u>	<u>2014</u>	<u>2013</u>
Township's Contractually Required Contribution	\$ 250,800.00	\$ 245,158.00	\$ 226,714.00	\$ 202,167.00
Township's Contribution in Relation to the Contractually Required Contribution	(250,800.00)	(245,158.00)	(226,714.00)	(202,167.00)
Township's Contribution Deficiency (Excess)	\$ -	\$ -	\$ -	\$ -
Township's Covered Payroll (Calendar Year)	\$ 1,853,942.00	\$ 1,921,632.00	\$ 1,868,119.00	\$ 1,829,003.00
Township's Contributions as a Percentage of its Covered Payroll	13.53%	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 Four Years)***

	<u>Measurement Date Ended June 30,</u>			
	<u>2016</u>	<u>2015</u>	<u>2014</u>	<u>2013</u>
Township's Proportion of the Net Pension Liability	0.0720503805%	0.0692094994%	0.0651345070%	0.0636758731%
Township's Proportionate Share of the Net Pension Liability	\$ 13,763,466.00	\$ 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>1,155,790.00</u>	<u>1,010,957.00</u>	<u>882,283.00</u>	<u>789,053.00</u>
Total	<u>\$ 14,919,256.00</u>	<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)	\$ 2,274,236.00	\$ 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 its Covered Payroll	605.19%	518.16%	389.30%	402.82%
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	52.01%	56.31%	62.41%	58.70%

Schedule of the Township's Contributions - Police and Firemen's Retirement System (PFRS) (Last Four Years)

	<u>Year Ended December 31,</u>			
	<u>2016</u>	<u>2015</u>	<u>2014</u>	<u>2013</u>
Township's Contractually Required Contribution	\$ 587,456.00	\$ 562,570.00	\$ 500,278.00	\$ 464,565.00
Township's Contribution in Relation to the Contractually Required Contribution	<u>(587,456.00)</u>	<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>	<u>\$ -</u>
Township's Covered Payroll (Calendar Year)	\$ 2,404,069.00	\$ 2,297,002.00	\$ 2,234,788.00	\$ 2,141,534.00
Township's Contributions as a Percentage of its Covered Payroll	24.44%	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 - For 2016, the discount rate changed to 3.98%, the long-term expected rate of return changed to 7.65%, 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 discount rate changed to 4.90%. In addition, the social security wage base was set at \$118,500 for 2015, increasing 4.00% per annum, compounded annually and the 401(a)(17) pay limit was set at \$265,000 for 2015, increasing 3.00% per annum, compounded annually. For 2014, the discount rate was 5.39%.

Police and Firemen's Retirement System (PFRS)

Changes in Benefit Terms - None

Changes in Assumptions - For 2016, the discount rate changed to 5.55%, the long-term expected rate of return changed to 7.65%, and 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, the discount rate changed to 5.79% and demographic assumptions were revised in accordance with the results of the July 1, 2010 - June 30, 2013 experience study. For 2014, the discount rate was 6.32%.

Note 8: POSTEMPLOYMENT BENEFITS OTHER THAN PENSION BENEFITS

Plan Description - The Township contributes to the State Health Benefits Program ("SHBP"), a cost-sharing, multiple-employer defined benefit post-employment healthcare plan, administered by the State of New Jersey Division of Pensions and Benefits. SHBP was established in 1961 under N.J.S.A. 52:14-17.25 et seq., to provide health benefits to State employees, retirees, and their dependents. Rules governing the operation and administration of the program are found in Title 17, Chapter 9 of the New Jersey Administrative Code. SHBP provides medical, prescription drugs, mental health/substance abuse, and Medicare Part B reimbursement to retirees and their covered dependents.

The SHBP was extended to employees, retirees, and dependents of participating local public employers in 1964. Local employers must adopt a resolution to participate in the SHBP. The Township authorized participation in the SHBP's post-retirement benefit program through adoption of a resolution. The Township provides postemployment health care benefits, at its cost, to all Township retirees who at the date of retirement have not less than twenty-five (25) years of service credit in a State locally administered retirement system. Benefits provided include health insurance, dental coverage, and prescription coverage for retirees and their dependents only during the retired employees' life.

The State Health Benefits Commission is the executive body established by statute to be responsible for the operation of the SHBP. The State of New Jersey Division of Pensions and Benefits issues a publicly available financial report that includes financial statements and required supplementary information for the SHBP. That report may be obtained by writing to: State of New Jersey Division of Pensions and Benefits, P.O. Box 295, Trenton, NJ 08625-0295 or by visiting their website at www.state.nj.us/treasury/pensions/.

Note 8: POSTEMPLOYMENT BENEFITS OTHER THAN PENSION BENEFITS (CONT'D)

Funding Policy - Participating employers are contractually required to contribute based on the amount of premiums attributable to their retirees. Post-retirement medical benefits under the plan have been funded on a pay-as-you-go basis since 1994. Prior to 1994, medical benefits were funded on an actuarial basis.

Contributions to pay for the health premiums of participating retirees in the SHBP are billed to the Township on a monthly basis. The Township funds these benefits on a pay-as-you-go basis and, therefore, does not record accrued expenses related to these benefits. The Township's contributions to SHBP for the years ended December 31, 2016, 2015, and 2014, were \$808,601.80, \$760,998.61, and \$640,898.79, respectively, which equaled the required contributions each year. There were approximately 36 retired participants eligible at December 31, 2016.

Plan Description – In addition to the State Health Benefits plan described above, the Township also provides benefits to employees that have retired from the Township and reached Medicare age through a single employer plan. The Township provides for the reimbursement of the Medicare B premiums for both the employee and the spouse. One hundred percent of all future eligible retirees will be covered by the medical benefits provided through the State Health Benefits Program, and be eligible for reimbursement of Medicare Part B premiums.

Funding Policy – The contribution requirement of the Township is established by policy of the Township Committee and reflected in the various union contracts. The Committee may amend its policy, subject to contract inclusion, as deemed necessary. The required contribution is based on projected pay-as-you-go financing requirements. At this time, employees are not required to contribute to health care premiums.

Retirees - The Township presently funds its current retiree postemployment benefit costs on a "pay-as-you-go" basis. The Township's contributions to the plan for the years ended December 31, 2016, 2015, and 2014 were \$30,694.00, \$22,658.00, and \$22,658.00, respectively.

Future Retirees - In accordance with Statement No. 45 of the Governmental Accounting Standards Board, the Township is required to disclose the *annual required contribution of the employer (ARC)*, an amount actuarially determined in accordance with the parameters of Statement No. 45. The ARC represents a level of funding that, if paid on an ongoing basis, is projected to cover normal cost each year and amortize any unfunded actuarial liabilities (or funding excess) over a period not to exceed thirty (30) years. The ARC includes the costs of both current and future retirees. The current ARC was determined to be \$181,902.00 at an unfunded discount rate of 4.5%. As stated above, the Township has funded the cost of existing retirees in the amount of \$30,694.00, and has incurred the benefit costs for future eligible employees, but has not yet begun funding this outstanding liability.

Note 8: POSTEMPLOYMENT BENEFITS OTHER THAN PENSION BENEFITS (CONT'D)

Annual OPEB Cost - For year ended December 31, 2016, the Township's annual OPEB cost (expense) of \$165,782.73 for the plan was equal to the ARC plus certain adjustments because the Township's actual contributions in prior years differed from the ARC. The Township's annual required contribution (ARC), the interest on the net OPEB obligation, the adjustment to the ARC, the increase or decrease in the net OPEB obligation, the net OPEB obligation, and the percentage of annual OPEB cost contributed to the plan for years 2016, 2015, and 2014 are as follows:

	<u>2016</u>	<u>2015</u>	<u>2014</u>
Annual Required Contribution (ARC)	\$ 181,902.00	\$ 182,366.00	\$ 168,196.00
Interest on the Net OPEB Obligation	67,424.33	14,466.81	7,276.90
Adjustment to the ARC	<u>(83,543.60)</u>	<u>(17,925.50)</u>	<u>(9,016.61)</u>
Annual OPEB Cost	165,782.73	178,907.31	166,456.29
Pay-as-You Go Cost (Existing Retirees)	<u>(30,694.00)</u>	<u>(22,658.00)</u>	<u>(22,658.00)</u>
Increase (Decrease) in the Net OPEB Obligation	135,088.73	156,249.31	143,798.29
Net OPEB Obligation, January 1	<u>1,348,486.60</u>	<u>1,192,237.29</u>	<u>1,048,439.00</u>
Net OPEB Obligation, December 31	<u>\$ 1,483,575.33</u>	<u>\$ 1,348,486.60</u>	<u>\$ 1,192,237.29</u>
Percentage of Annual OPEB Cost Contributed	18.51%	12.66%	13.61%

Funded Status and Funding Progress - The funded status of the plan as of the two past actuarial valuation dates is as follows:

	<u>2016</u>	<u>2013</u>
Actuarial Accrued Liability (AAL)	\$ 2,091,420.00	\$ 1,904,078.00
Actuarial Value of Plan Assets	<u>-</u>	<u>-</u>
Unfunded Actuarial Accrued Liability (UAAL)	<u>\$ 2,091,420.00</u>	<u>\$ 1,904,078.00</u>
Funded Ratio (Actuarial Value of Plan Assets / AAL)	0.0%	0.0%
Covered Payroll (Active Plan Members)	\$ 4,101,635.00	\$ 3,861,435.00
UAAL as a Percentage of Covered Payroll	51.0%	49.3%

Actuarial valuations of an ongoing plan involve estimates of the value of reported amounts and assumptions about the probability of occurrence of events far into the future. Examples include assumptions about future employment, mortality, and the healthcare cost trend. Amounts determined regarding the funded status of the plan and the annual required contributions of the employer are subject to continual revision as actual results are compared with past expectations and new estimates are made about the future. The schedule of funding progress, as shown above, presents multiyear trend information that shows whether the actuarial value of the plan assets is increasing or decreasing over time relative to the actuarial accrued liabilities for benefits.

Note 8: POSTEMPLOYMENT BENEFITS OTHER THAN PENSION BENEFITS (CONT'D)

Actuarial Methods and Assumptions - The projections of benefits for financial reporting purposes are based on the substantive plan (the plan as understood by the employer and plan members) and include the types of benefits provided at the time of each valuation and the historical pattern of sharing benefit costs between the employer and plan members to that point. The actuarial methods and assumptions used include techniques that are designed to reduce short-term volatility in actuarial accrued liabilities and the actuarial value of assets, consistent with the long-term perspective of the calculations.

In the December 31, 2016 actuarial valuation, the projected unit credit actuarial cost method was used. Under this method, an actuarial accrued liability is determined as the actuarial present value of the portion of projected benefits which is allocated to service before the current plan year. In addition, a normal cost is determined as the actuarial present value of the portion of projected benefits which is allocated to service in the current plan year for each active participant under the assumed retirement age. The UAAL is being amortized (straight-line) for thirty (30) years on an open basis. The actuarial assumptions included the following:

- *Mortality.* 1994 sex distinct Group Annuity Mortality Table.
- *Turnover.* In accordance with the U.S. Office of Personnel Management regarding the experience of the Employee group covered by the Federal Employees Retirement System.
- *Assumed Retirement Age.* At first eligibility but not earlier than age 55.
- *Annual Discount Rate.* Future costs have been discounted at the rate of 5.0% compounded annually for GASB 45 purposes.
- *Rates of Retirement, Rates of Withdrawal, and Rates of Disability.* Assumed no terminations of employment due to disability. Retirees resulting from disability are factored into determination of age at retirement.
- *Spousal Coverage.* We have assumed that married employees remain married.
- *Health Care Cost Inflation.* Health care gross costs will increase at an annual rate of 7.0% for Pre-Medicare medical benefits and 5% for Post-Medicare medical benefits.
- *Administration Expenses.* Annual cost to administer the retiree claims, approximately 2%, is included in the annual health care costs.

Note 9: 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, 2016 accrued benefits for compensated absences are valued at \$1,000,016.35.

Note 10: 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 11: LENGTH OF SERVICE AWARDS PROGRAM

The Township's length of service awards program ("LOSAP"), which is 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 voters of the Township approved the adoption of the LOSAP at the general election held on November 6, 2001, and the first year of eligibility for entrance into the LOSAP by qualified volunteers was calendar year 2002. The LOSAP provides tax deferred income benefits to active volunteer firefighters and emergency medical personnel.

The first year of eligibility for entrance into the Plan was calendar year 2002. 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 a plan created by that governing body. Participants should refer to the Plan agreement for a more complete description of the Plan's provisions.

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, 2016, and \$750.00 for the year ended December 31, 2015, 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.

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. Such funds, although subject to the claims of the Township's creditors until distributed as benefit payments, are not available for funding the operations of the Township.

Lincoln National Life Insurance Company ("Plan Administrator"), an approved Length of Service Awards Program provider, is the administrator of the Plan. 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.

Note 11: LENGTH OF SERVICE AWARDS PROGRAM (CONT'D)

Vesting - Benefits, plus actual earnings thereon, are one hundred percent (100%) vested after five (5) years of service.

Payment of Benefits - Upon retirement or disability, participants may select various payout options, 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 years ended December 31, 2016 and 2015, 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.

Other - The 2015 Trust Funds Statement of Assets, Liabilities and Reserves - Regulatory Basis has been restated to include the LOSAP.

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.

Note 12: CAPITAL DEBT (CONT'D)**General Improvement Bonds (Cont'd)**

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

<u>Year</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2017	\$ 1,125,000.00	\$ 291,645.01	\$ 1,416,645.01
2018	1,140,000.00	254,032.52	1,394,032.52
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
2022-2026	2,444,000.00	296,580.02	2,740,580.02
2027-2029	825,000.00	50,100.00	875,100.00
	<u>\$ 8,543,000.00</u>	<u>\$ 1,418,147.58</u>	<u>\$ 9,961,147.58</u>

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>
2017	\$ 17,253.66	\$ 1,152.56	\$ 18,406.22
2018	17,600.46	805.77	18,406.23
2019	17,954.22	452.00	18,406.22
2020	9,111.99	91.12	9,203.11
	<u>\$ 61,920.33</u>	<u>\$ 2,501.45</u>	<u>\$ 64,421.78</u>

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

	<u>2016</u>	<u>2015</u>	<u>2014</u>
<u>Issued</u>			
Bonds and Notes	\$ 9,908,320.33	\$ 9,686,834.02	\$ 10,751,278.45
<u>Authorized but not Issued</u>			
Bonds and Notes	665,000.00	665,000.00	-
<u>Deductions</u>			
Funds Temporarily Held to Pay Bonds	-	110,481.12	181,481.12
Net Debt	<u>\$ 10,573,320.33</u>	<u>\$ 10,241,352.90</u>	<u>\$ 10,569,797.33</u>

Note 12: CAPITAL DEBT (CONT'D)

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 .772%.

	<u>Gross Debt</u>	<u>Deductions</u>	<u>Net Debt</u>
Regional School District	\$ 3,575,000.00	\$ 3,575,000.00	-
Local School District	8,749,357.98	8,749,357.98	-
General	<u>10,573,320.33</u>	<u>-</u>	<u>\$ 10,573,320.33</u>
	<u>\$ 22,897,678.31</u>	<u>\$ 12,324,357.98</u>	<u>\$ 10,573,320.33</u>

Net debt \$10,573,320.33 divided by the equalized valuation basis per N.J.S.A.40A:2-2, as amended, \$1,370,461,707.00, equals .772%.

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

3 1/2% of Equalized Valuation Basis (Municipal)	\$ 47,966,159.75
Less: Net Debt	<u>10,573,320.33</u>
Remaining Borrowing Power	<u>\$ 37,392,839.42</u>

Note 13: 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,</u>	
	<u>2016</u>	<u>2015</u>
<u>Township of Mantua School District</u>		
Balance of Tax	\$ 7,155,249.97	\$ 7,053,416.97
Deferred	<u>6,331,528.50</u>	<u>6,331,528.50</u>
	<u>\$ 823,721.47</u>	<u>\$ 721,888.47</u>

	<u>Balance December 31,</u>	
	<u>2016</u>	<u>2015</u>
<u>Clearview Regional School District</u>		
Balance of Tax	\$ 5,107,104.29	\$ 4,987,420.77
Deferred	<u>4,463,818.54</u>	<u>4,463,818.54</u>
	<u>\$ 643,285.75</u>	<u>\$ 523,602.23</u>

Note 14: 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 is a member of the Gloucester, Salem, Cumberland Counties Municipal 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 for the year ended December 31, 2016, which can be obtained from:

Gloucester, Salem, Cumberland Counties
 Municipal Joint Insurance Fund
 P.O. Box 442
 Hammonton, New Jersey 08037

Note 15: DEBT SERVICE AGREEMENT

The Township entered into a debt service agreement with the Mantua Municipal Utilities Authority on December 23, 1977. 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, 2016, the Authority had \$2,913,394.33 in outstanding debt covered by this agreement.

Note 16: 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 17: CONTINGENCIES

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

Litigation - 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 18: CONCENTRATIONS

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

Note 19: 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:		
10-2017 Acquisition of Various Pieces of Capital Equipment and the Completion of Various Capital Improvements	7/17/17	<u>\$ 608,000.00</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, 2016

Balance December 31, 2015		\$	4,232,264.86
Increased by Receipts:			
Tax Collector	\$	43,718,247.64	
Revenue Accounts Receivable		2,803,387.29	
Miscellaneous Revenue Not Anticipated		373,731.48	
Due from State of New Jersey		152,863.01	
Federal and State Grants Receivable		328,732.99	
Due Animal Control Fund		19,553.80	
Due Trust Other Fund		355,478.82	
Due General Capital Fund		41,059.47	
Due to State - Licensing and Registration Fees		1,800.00	
Due to State - DCA Fees		26,215.00	
Reserve for Election Workers		10,900.00	
Reserve for Refund Due		122.00	
		47,832,091.50	
			47,832,091.50
Decreased by Disbursements:			
2015 Appropriation Reserves		249,073.46	
2016 Appropriations		11,363,766.56	
County Taxes		9,663,636.96	
Due County for Added and Omitted Taxes		24,581.71	
Local District School Tax		13,303,299.00	
Regional School District Tax		10,372,073.48	
Municipal Open Space Tax		266,618.42	
Special District Taxes		1,046,082.00	
Refund Tax Overpayments		24,044.45	
Federal and State Grant Expenditures		359,726.07	
Due Trust Other Fund		361,554.20	
Due General Capital Fund		41,120.73	
Due Animal Control Fund		19,717.80	
Due Municipal Open Space Trust		50,000.00	
Due Mantua Township Fire District		11,766.77	
Due to Wenonah Borough		6,940.60	
Due to State - Licensing and Registration Fees		1,825.00	
Due to State - DCA Fees		24,448.00	
Reserve for Refund Due		197.00	
Reserve for Election Workers		9,693.75	
		47,200,165.96	
			47,200,165.96
Balance December 31, 2016		\$	4,864,190.40

TOWNSHIP OF MANTUA
CURRENT FUND
Statement of Current Cash --Tax Collector
For the Year Ended December 31, 2016

Increased by:

Taxes Receivable	\$ 43,035,756.92	
Tax Title Liens Receivable	1,751.17	
Prepaid Taxes	541,293.92	
Tax Overpayments	2,577.41	
Revenue Accounts Receivable	136,358.59	
Miscellaneous Revenue Not Anticipated	<u>509.63</u>	
		\$ 43,718,247.64

Decreased by:

Payments to Treasurer		\$ <u>43,718,247.64</u>
-----------------------	--	-------------------------

TOWNSHIP OF MANTUA
CURRENT FUND
 Statement of Taxes Receivable and Analysis of Property Tax Levy
 For the Year Ended December 31, 2016

Year	Balance	2016 Levy	Added Taxes	Collections		Over Payments Applied	Cancelled	Transferred to Tax Title Liens	Balance
	Dec. 31, 2015			2015	2016				Dec. 31, 2016
2010	\$ 8,465.02								\$ 8,465.02
2011	263.85						\$ 263.85		
2014	9,668.06				\$ 3,217.80		4,778.75		1,671.51
2015	701,543.46		\$ 6,275.00		701,054.71	\$ 1,531.64	6.60	\$ 1,859.48	3,366.03
	719,940.39	-	6,275.00	-	704,272.51	1,531.64	5,049.20	1,859.48	13,502.56
2016		\$ 43,986,097.46		\$ 525,817.29	42,506,677.11	62,477.08	112,808.14	39,408.92	738,908.92
	\$ 719,940.39	\$ 43,986,097.46	\$ 6,275.00	\$ 525,817.29	\$ 43,210,949.62	\$ 64,008.72	\$ 117,857.34	\$ 41,268.40	\$ 752,411.48

Taxes Receivable	\$ 43,035,756.92
Senior Citizen and Veteran Deductions	161,485.61
Reserve for Tax Appeals	13,707.09
	<u>\$ 43,210,949.62</u>

Analysis of 2016 Property Tax Levy

Tax Yield:

General Property Tax	\$ 43,691,162.21
Added Taxes (54:4-63.1 et. seq.)	294,935.25
	<u>\$ 43,986,097.46</u>

Tax Levy:

Local School District Tax	\$ 13,405,132.00
Regional High School Tax	10,491,757.00
County Taxes:	
County Tax	\$ 9,663,536.98
Due County for Added Taxes	67,193.40
	9,730,730.38
Special District Taxes:	
Fire District No.1	1,046,082.00
Municipal Open Space Tax:	
Municipal Open Space Tax	264,900.00
Municipal Open Space for Added Taxes	1,839.61
	266,739.61
Local Tax for Municipal Purposes	8,806,275.31
Add: Additional Tax Levied	239,381.16
	<u>9,045,656.47</u>
	<u>\$ 43,986,097.46</u>

TOWNSHIP OF MANTUA
CURRENT FUND
Statement of Tax Title Liens
For the Year Ended December 31, 2016

Balance December 31, 2015		\$ 283,507.92
Increased by:		
Transfers from Taxes Receivable	\$ 41,268.40	
Interest & Costs	<u>329.72</u>	
		<u>41,598.12</u>
		325,106.04
Decreased by:		
Collections	1,751.17	
Cancelled	<u>47,981.60</u>	
		<u>49,732.77</u>
Balance December 31, 2016		\$ <u><u>275,373.27</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, 2016

Balance December 31, 2015 (Due to)		\$	2,321.92
Increased by:			
Deductions per Tax Billing:			
Senior Citizens	\$	34,000.00	
Veterans		126,250.00	
Deductions Allowed by Collector - 2016 Taxes		4,000.00	
			164,250.00
			161,928.08
Decreased by:			
Deductions Disallowed by Collector - 2016 Taxes		2,764.39	
Deductions Disallowed by Collector - 2015 Taxes		6,250.00	
Received from State of New Jersey		152,863.01	
			161,877.40
Balance December 31, 2016 (Due from)		\$	50.68
 <u>Analysis of Amount Realized:</u>			
Senior Citizens' and Veterans' Deductions Per Tax Billings	\$	160,250.00	
Senior Citizens' and Veterans'			
Deductions Allowed by Tax Collector - 2016		4,000.00	
			\$ 164,250.00
Less:			
Senior Citizens' and Veterans'			
Deductions Disallowed by Tax Collector - 2016			2,764.39
			\$ 161,485.61

TOWNSHIP OF MANTUA
CURRENT FUND
Statement of Reserve for State Tax Appeals Pending
For the Year Ended December 31, 2016

Increased by:		
Budget Appropriation	\$	16,000.00
Decreased by:		
Applied to Taxes		<u>13,707.09</u>
Balance December 31, 2016	\$	<u><u>2,292.91</u></u>

TOWNSHIP OF MANTUA
CURRENT FUND
Statement of Revenue Accounts Receivable
For the Year Ended December 31, 2016

	Balance Dec. 31, 2015	Accrued in 2016	Collected	Balance Dec. 31, 2016
Miscellaneous Revenue Anticipated:				
Licenses:				
Alcoholic Beverages		\$ 14,572.00	\$ 14,572.00	
Other		15,898.00	15,898.00	
Fees and Permits		188,646.32	188,646.32	
Fines and Costs:				
Municipal Court	\$ 8,625.79	190,289.78	186,684.52	\$ 12,231.05
Interest and Costs on Taxes		136,358.59	136,358.59	
Interest on Investments and Deposits		9,573.25	9,573.25	
Cable Television Franchise Fees		69,568.77	69,568.77	
Municipal Impact Fee		44,300.00	44,300.00	
Energy Receipts Tax (P.L. 1997, Chapters 162 & 167)		1,217,018.00	1,217,018.00	
Uniform Construction Code Fees		310,702.00	310,702.00	
MUA Surplus as per N.J.S.A. 40A: 5A-21.1		173,224.00	173,224.00	
Interlocal Municipal Service Agreements:				
Mantua Fire District #1				
Financial Services		20,000.00	20,000.00	
Insurance:				
General Liability		43,348.00	43,348.00	
Worker Compensation		8,252.00	8,252.00	
Employee Group Health		72,500.00	53,423.83	
Gasoline & Diesel Fuel		25,000.00	14,417.42	
Fire District Contribution for Debt Service		81,914.00	81,914.00	
Borough of Pitman - Municipal Court		132,000.00	132,000.00	
Borough of Woodbury Heights - Municipal Court		100,485.00	100,485.00	
Borough of Wenonah - Municipal Court		38,999.02	38,999.02	
Borough of Wenonah - Uniform Construction Code		40,396.65	40,396.65	
Rowan Shared Service		40,000.00	40,000.00	
	<u>\$ 8,625.79</u>	<u>\$ 2,973,045.38</u>	<u>\$ 2,939,781.37</u>	<u>\$ 12,231.05</u>
		Treasurer	\$ 2,803,387.29	
		Tax Collector	136,358.59	
		Interfunds	35.49	
			<u>\$ 2,939,781.37</u>	

TOWNSHIP OF MANTUA
CURRENT FUND
Statement of Appropriation Reserves
For the Year Ended December 31, 2016

	Balance December 31, 2015		Balance After Modification	Paid or Charged	Balance Lapsed
	Encumbered	Reserved			
OPERATIONS -- WITHIN "CAPS"					
General Administration					
Salaries and Wages		\$ 7,673.05	\$ 7,673.05		\$ 7,673.05
Other Expenses	\$ 2,486.84	2,371.75	4,858.59	\$ 4,704.36	154.23
Miscellaneous		64.66	64.66		64.66
Mayor and Committee:					
Salaries and Wages		265.00	265.00		265.00
Other Expenses		70.00	70.00		70.00
Municipal Clerk:					
Salaries and Wages		386.92	386.92		386.92
Other Expenses		58.82	58.82		58.82
Election Expense		1,404.00	1,404.00		1,404.00
Financial Administration:					
Salaries and Wages		4,928.03	4,928.03		4,928.03
Other Expenses	10,929.46	586.92	11,516.38	11,507.89	8.49
Audit Services					
Other Expenses	48,000.00		48,000.00	48,000.00	-
Revenue Administration:					
Salaries and Wages		2,375.43	2,375.43		2,375.43
Other Expenses	105.60	2,447.75	2,553.35	105.60	2,447.75
Legal Services and Costs:					
Other Expenses	15,569.85	17,040.40	32,610.25	8,549.28	24,060.97
Rent Leveling Board					
Salaries and Wages		5.00	5.00		5.00
Other Expenses		5,450.00	5,450.00		5,450.00
Veterans Commission:					
Other Expenses		1,078.46	1,078.46		1,078.46
Engineering Services and Costs:					
Other Expenses	94.25	11.00	105.25	105.25	-
Historical Commission:					
Other Expenses	1,105.15	224.07	1,329.22	1,105.15	224.07
Planning Board:					
Other Expenses	4,673.67	3,915.50	8,589.17	5,236.42	3,352.75
Insurance:					
Other Insurance Premiums		40,912.86	40,912.86		40,912.86
Workers Compensation Insurance		17,267.00	17,267.00	809.13	16,457.87
Employee Group Health Insurance	5,613.68	126,953.16	132,566.84	4,159.76	128,407.08
Department of Public Safety:					
Police:					
Salaries and Wages		25,250.58	25,250.58	1,000.00	24,250.58
Crossing Guard		3,237.41	3,237.41		3,237.41
Other Expenses	8,257.87	21,716.33	29,974.20	26,774.09	3,200.11
Office of Emergency Management:					
Other Expenses	843.49	1,081.51	1,925.00	843.49	1,081.51
Municipal Prosecutor:					
Salaries and Wages		498.15	498.15		498.15
Department of Public Works:					
Streets and Road Maintenance:					
Other Expenses	8,981.27	41,454.32	50,435.59	14,595.49	35,840.10
Sanitation					
Salaries and Wages		713.23	713.23		713.23
Other Expenses	4,507.47	13,479.05	17,986.52	6,348.37	11,638.15

(Continued)

TOWNSHIP OF MANTUA
CURRENT FUND
Statement of Appropriation Reserves
For the Year Ended December 31, 2016

	Balance December 31, 2015		Balance After Modification	Paid or Charged	Balance Lapsed
	Encumbered	Reserved			
OPERATIONS -- WITHIN "CAPS" (CONT'D)					
Department of Public Works (Cont'd):					
Public Buildings & Grounds					
Salaries and Wages		\$ 6,014.39	\$ 6,014.39		\$ 6,014.39
Other Expenses	\$ 10,040.84	6,234.34	16,275.18	\$ 10,227.93	6,047.25
Park Maintenance	584.47	8.56	593.03	584.47	8.56
Health & Human Services Functions:					
Board of Health					
Salaries and Wages		1,607.28	1,607.28		1,607.28
Other Expenses		2,700.50	2,700.50		2,700.50
Environmental Committee					
Other Expenses		100.00	100.00		100.00
Senior Citizen Public Transportation					
Other Expenses	634.28	592.91	1,227.19	634.28	592.91
Park & Recreation Functions:					
Recreation Services & Programs					
Other Expenses	769.17	150.22	919.39	135.23	784.16
Senior Citizen Trips & Events					
Other Expenses		3,091.23	3,091.23	717.56	2,373.67
Celebration of Public Events					
Other Expenses		7,084.05	7,084.05	122.59	6,961.46
Uniform Construction Code Functions:					
Construction Official					
Salaries and Wages		1,498.91	1,498.91		1,498.91
Other Expenses	856.48	5,301.46	6,157.94	974.84	5,183.10
Sub-Code Officials					
Salaries and Wages		1.00	1.00		1.00
Municipal Court:					
Salaries and Wages	220.00	20,099.79	20,319.79	220.00	20,099.79
Other Expenses	2,171.83		2,171.83	2,171.83	-
Public Defender					
Salaries and Wages		30.50	30.50		30.50
Unclassified:					
Gasoline	3,637.21	87,601.49	85,638.70	3,716.88	81,921.82
Electricity	5,639.02	198.27	5,837.29	4,696.37	1,140.92
Telephone and Telegraph	1,800.00	4,124.15	5,924.15		5,924.15
Heating Oil	565.13	7,670.24	8,235.37	840.49	7,394.88
Street Lighting	8,481.11	1,546.82	10,327.93	10,313.05	14.88
Landfill/Solidwaste Disposal Costs	78,191.39	9,573.82	93,065.21	93,018.74	46.47
Total Operations Within "CAPS"	224,759.53	508,772.79	733,532.32	262,218.54	471,313.78
DEFERRED CHARGES AND STATUTORY EXPENDITURES-WITHIN CAPS					
Statutory Expenditures:					
Contribution to:					
Unemployment Compensation Insurance		4,820.82	4,820.82		4,820.82
Defined Contribution Retirement Program		1,523.25	1,523.25		1,523.25
Social Security System (O.A.S.I.)		2,184.14	2,184.14	715.82	1,468.32
Expenditures - Within "CAPS"	-	8,528.21	8,528.21	715.82	7,812.39
Total General Appropriations for Municipal Purposes within "CAPS"	224,759.53	517,301.00	742,060.53	262,934.36	479,126.17

(Continued)

TOWNSHIP OF MANTUA
CURRENT FUND
Statement of Appropriation Reserves
For the Year Ended December 31, 2016

	<u>Balance December 31, 2015</u>		Balance After Modification	Paid or Charged	Balance Lapsed
	<u>Encumbered</u>	<u>Reserved</u>			
OPERATIONS EXCLUDED FROM "CAPS"					
LOSAP		\$ 30,000.00	\$ 30,000.00		\$ 30,000.00
Interlocal Service Agreements					
Mantua Fire District #1					
Gasoline & Diesel Fuel		25,000.00	25,000.00		25,000.00
Financial Services					
Salaries and Wages		2,460.16	2,460.16		2,460.16
Other Expenses		3,580.00	3,580.00		3,580.00
		<u> </u>	<u> </u>		<u> </u>
TOTAL OPERATIONS EXCLUDED FROM "CAPS"	<u>-</u>	<u>61,040.16</u>	<u>61,040.16</u>	<u>-</u>	<u>61,040.16</u>
CAPITAL IMPROVEMENTS - EXCLUDED FROM "CAPS"					
Capital Improvement Fund Projects:					
Sanitary Landfill Closure (NJSA 40:2-22H)	\$ 1,032.00	1,436.00	2,468.00	\$ 1,032.00	1,436.00
	<u>1,032.00</u>	<u>1,436.00</u>	<u>2,468.00</u>	<u>1,032.00</u>	<u>1,436.00</u>
TOTAL CAPITAL IMPROVEMENTS	<u>1,032.00</u>	<u>1,436.00</u>	<u>2,468.00</u>	<u>1,032.00</u>	<u>1,436.00</u>
TOTAL OPERATIONS EXCLUDED FROM "CAPS"	<u>1,032.00</u>	<u>62,476.16</u>	<u>63,508.16</u>	<u>1,032.00</u>	<u>62,476.16</u>
All Other Accounts -- No Change					
Grand Total	<u>\$ 225,791.53</u>	<u>\$ 579,777.16</u>	<u>\$ 805,568.69</u>	<u>\$ 263,966.36</u>	<u>\$ 541,602.33</u>
				\$ 249,073.46	
				14,892.90	
				<u>\$ 263,966.36</u>	

TOWNSHIP OF MANTUA
CURRENT FUND
Statement of Accounts Payable
For the Year Ended December 31, 2016

Increased by:		
Transfer from Appropriation Reserves	\$	<u>14,892.90</u>
Balance December 31, 2016	\$	<u><u>14,892.90</u></u>

TOWNSHIP OF MANTUA
CURRENT FUND
Statement of Due Mantua Township Fire District
For the Year Ended December 31, 2016

Balance December 31, 2015	\$	11,766.77
Decreased by:		
Disbursements	\$	<u><u>11,766.77</u></u>

TOWNSHIP OF MANTUA
CURRENT FUND
Statement of Prepaid Taxes
For the Year Ended December 31, 2016

Balance December 31, 2015 (2016 Taxes)		\$ 525,817.29
Increased by:		
Collection (2017 Taxes)		<u>541,293.92</u>
		1,067,111.21
Decreased by:		
Application to 2016 Taxes		<u>525,817.29</u>
Balance December 31, 2016 (2017 Taxes)		<u><u>\$ 541,293.92</u></u>

Exhibit SA-12

TOWNSHIP OF MANTUA
CURRENT FUND
Statement of Tax Overpayments
For the Year Ended December 31, 2016

Balance December 31, 2015		\$ 202,099.32
Increased by:		
Overpayments Received		<u>2,577.41</u>
		204,676.73
Decreased by:		
Refunded	\$ 24,044.45	
Overpayments Applied	<u>64,008.72</u>	
		<u>88,053.17</u>
Balance December 31, 2016		<u><u>\$ 116,623.56</u></u>

TOWNSHIP OF MANTUA
CURRENT FUND
Statement of County Taxes Payable
For the Year Ended December 31, 2016

Balance December 31, 2015		\$	99.98
Increased by:			
2016 Levy:			
County General	\$	8,464,564.04	
County Library		650,518.47	
County Open Space		<u>548,454.47</u>	
			9,663,536.98
Decreased by:			
Disbursements			<u>\$ 9,663,636.96</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, 2016

Balance December 31, 2015		\$	24,581.71
Increased by:			
Added Taxes -- 2016 (R.S. 54:4-63.1 et seq.)			<u>67,193.40</u>
			91,775.11
Decreased by:			
Disbursements			<u>24,581.71</u>
Balance December 31, 2016		\$	<u><u>67,193.40</u></u>

TOWNSHIP OF MANTUA
CURRENT FUND
Statement of Local School District Tax
For the Year Ended December 31, 2016

<hr/>		
Balance December 31, 2015		
School Tax Payable	\$ 721,888.47	
Deferred School Tax Payable	<u>6,331,528.50</u>	
		\$ 7,053,416.97
Increased by:		
Levy-School Year July 1, 2016 to June 30, 2017		<u>13,405,132.00</u>
		20,458,548.97
Decreased by:		
Disbursements		<u>13,303,299.00</u>
Balance December 31, 2016		
School Tax Payable	823,721.47	
Deferred School Tax Payable	<u>6,331,528.50</u>	
		<u>\$ 7,155,249.97</u>
<u>2016 Liability for Local School Tax:</u>		
Tax Paid		\$ 13,303,299.00
Tax Payable December 31, 2016		<u>823,721.47</u>
		14,127,020.47
Less:		
Tax Payable December 31, 2015		<u>721,888.47</u>
Amount Charged to 2016 Operations		<u>\$ 13,405,132.00</u>

TOWNSHIP OF MANTUA
CURRENT FUND
Statement of Regional High School District Tax
For the Year Ended December 31, 2016

<hr/>		
Balance December 31, 2015		
School Tax Payable	\$ 523,602.23	
Deferred School Tax Payable	<u>4,463,818.54</u>	
		\$ 4,987,420.77
Increased by:		
Levy-School Year July 1, 2016 to June 30, 2017		<u>10,491,757.00</u>
		15,479,177.77
Decreased by:		
Disbursements		<u>10,372,073.48</u>
Balance December 31, 2016		
School Tax Payable	643,285.75	
Deferred School Tax Payable	<u>4,463,818.54</u>	
		<u>\$ 5,107,104.29</u>
<u>2016 Liability for Local School Tax:</u>		
Tax Paid		\$ 10,372,073.48
Tax Payable December 31, 2016		<u>643,285.75</u>
		11,015,359.23
Less:		
Tax Payable December 31, 2015		<u>523,602.23</u>
Amount Charged to 2016 Operations		<u>\$ 10,491,757.00</u>

TOWNSHIP OF MANTUA
CURRENT FUND
Statement of Municipal Open Space Tax
For the Year Ended December 31, 2016

Balance December 31, 2015		\$ 157.17
Increased by:		
Levy	\$ 264,900.00	
Added Taxes -- 2016 (R.S. 54:4-63.1 et seq.)	1,839.61	
		266,739.61
		266,896.78
Decreased by:		
Disbursements		266,618.42
Balance December 31, 2016		\$ 278.36

Exhibit SA-18

TOWNSHIP OF MANTUA
CURRENT FUND
Statement of Special District Taxes Payable -- Fire Districts
For the Year Ended December 31, 2016

Increased by:		
2016 Levy		\$ 1,046,082.00
Decreased by:		
Disbursements		\$ 1,046,082.00

TOWNSHIP OF MANTUA
FEDERAL AND STATE GRANT FUND
Statement of Due From Current Fund
For the Year Ended December 31, 2016

Balance December 31, 2015		\$ 311,547.69
Increased by:		
Grant Revenues deposited in Current Fund	\$ 328,732.99	
Local Match due from Current Fund	<u>3,795.00</u>	
		<u>332,527.99</u>
		644,075.68
Decreased by:		
Grant Expenditures paid by Current Fund		<u>359,726.07</u>
Balance December 31, 2016		<u><u>\$ 284,349.61</u></u>

TOWNSHIP OF MANTUA
FEDERAL AND STATE GRANT FUND
Statement of Federal and State Grants Receivable
For the Year Ended December 31, 2016

<u>Program</u>	<u>Balance Dec. 31, 2015</u>	<u>Accrued</u>	<u>Received</u>	<u>Balance Dec. 31, 2016</u>
Federal Grants:				
U.S. Department of Justice:				
Bulletproof Vest Partnership	\$ 4,142.08	\$ 2,905.80		\$ 7,047.88
Occupant Protection Program	4,000.00			4,000.00
Click it or Ticket	3,000.00	4,000.00	\$ 4,000.00	3,000.00
Drive Sober or Get Pulled Over	2,000.00	6,160.00	6,160.00	2,000.00
Holiday Drive Sober or Get Pulled Over	7,500.00		7,480.00	20.00
Transportation Trust Fund:				
Evergreen Avenue	39,631.94			39,631.94
Heritage Road	170,000.00		127,500.00	42,500.00
US EPA - Brownfields Cleanup Program	0.30			0.30
Total Federal Grants	<u>230,274.32</u>	<u>13,065.80</u>	<u>145,140.00</u>	<u>98,200.12</u>
State Grants:				
Body Armor Grant		2,585.16	2,585.16	
Clean Communities		37,378.10	37,378.10	
Municipal Alliance	18,068.60	18,977.00	23,453.98	13,591.62
Recycling Tonnage Grant		52,100.75	52,100.75	
Safe and Secure Communities		60,000.00	60,000.00	
Total State Grants	<u>18,068.60</u>	<u>171,041.01</u>	<u>175,517.99</u>	<u>13,591.62</u>
Private Grants:				
JIF Safety Award	2,762.64	3,575.00	3,575.00	2,762.64
JIF Safety Award - Optional	3,500.00	3,500.00	3,500.00	3,500.00
JIF Wellness		1,250.00		1,250.00
Shred Event		1,000.00	1,000.00	
Total Private Grants	<u>6,262.64</u>	<u>9,325.00</u>	<u>8,075.00</u>	<u>7,512.64</u>
	<u>\$ 254,605.56</u>	<u>\$ 193,431.81</u>	<u>\$ 328,732.99</u>	<u>\$ 119,304.38</u>

TOWNSHIP OF MANTUA
FEDERAL AND STATE GRANT FUND
Statement of Reserve for Federal and State Grants -- Unappropriated
For the Year Ended December 31, 2016

<u>Program</u>	<u>Balance Dec. 31, 2015</u>	<u>Federal and State Grants Receivable</u>	<u>Realized as Revenue in 2016 Budget</u>	<u>Balance Dec. 31, 2016</u>
Federal Grants				
U.S. Department of Justice:				
Bulletproof Vest Partnership		\$ 2,905.80	\$ 2,905.80	
Click it or Ticket		4,000.00	4,000.00	
Drive Sober or Get Pulled Over	\$ 4,400.00	6,160.00	10,560.00	
Total Federal Grants	<u>4,400.00</u>	<u>13,065.80</u>	<u>17,465.80</u>	
State Grants:				
Body Armor Grant	2,689.05	2,585.16	2,689.05	\$ 2,585.16
Clean Communities	32,691.27	37,378.10	32,691.27	37,378.10
Municipal Alliance		18,977.00	18,977.00	
Recycling Tonnage Grant		52,100.75	52,100.75	
Safe and Secure Communities	87,500.00	60,000.00	87,500.00	60,000.00
Total State Grants	<u>122,880.32</u>	<u>171,041.01</u>	<u>193,958.07</u>	<u>99,963.26</u>
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		1,000.00
Municipal Alliance Donations	500.00			500.00
Total Private Grants	<u>500.00</u>	<u>9,325.00</u>	<u>8,325.00</u>	<u>1,500.00</u>
	<u>\$ 127,780.32</u>	<u>\$ 193,431.81</u>	<u>\$ 219,748.87</u>	<u>\$ 101,463.26</u>

TOWNSHIP OF MANTUA
FEDERAL AND STATE GRANT FUND
Statement of Reserve for Federal and State Grants -- Appropriated
For the Year Ended December 31, 2016

Program	Balance Dec. 31, 2015		Transferred from 2016 Budget Appropriation	Paid or Charged	Encumbered	Balance Dec. 31, 2016
	Appropriated	Encumbered				
Federal Grants						
U.S. Department of Justice:						
Bulletproof Vest Partnership	\$ 892.08		\$ 2,905.80	\$ 892.08		\$ 2,905.80
Click it or Ticket			4,000.00			4,000.00
Drive Sober or Get Pulled Over			10,560.00	7,900.00		2,660.00
Holiday Drive Sober or Get Pulled Over	5,300.00			3,728.14		1,571.86
Emergency Management	1,269.96			500.00		769.96
Municipal Stormwater Regulation	20,414.00					20,414.00
NJDOT Heritage Rd.	170,000.00			143,444.13	\$ 26,555.87	
US EPA - Brownfields Assessment	0.12					0.12
US EPA - Brownfields Cleanup Program	0.18	\$ 1,831.26			1,831.26	0.18
Total Federal Grants	197,876.34	1,831.26	17,465.80	156,464.35	28,387.13	32,321.92
State Grants:						
Alcohol, Education, Rehabilitation	1,198.98					1,198.98
Body Armor Grant	4,325.70		2,689.05	2,295.00	2,295.00	2,424.75
Ceres Park Improvements	5,761.00					5,761.00
Clean Communities Program	20,491.30	1,885.00	32,691.27	28,039.48	3,385.00	23,643.09
Drunk Driving Enforcement Fund	2,993.59			525.00		2,468.59
Municipal Alliance on Alcohol and Drug Abuse	26,855.74	4,692.75	22,772.00	25,697.12	4,000.00	24,623.37
Frank H. Stewart Trust - Maple Ridge Golf Course	12,500.00					12,500.00
Recycling Tonnage Grant	15,363.83		52,100.75	48,766.12		18,698.46
Redevelopment Grant	100,000.00			9,682.00	634.02	89,683.98
Safe and Secure Communities			87,500.00	87,500.00		
Smart Growth	5,000.00					5,000.00
Struthers Dunn	359.00					359.00
Total State Grants	194,849.14	6,577.75	197,753.07	202,504.72	10,314.02	186,361.22

(Continued)

TOWNSHIP OF MANTUA
FEDERAL AND STATE GRANT FUND
 Statement of Reserve for Federal and State Grants -- Appropriated
 For the Year Ended December 31, 2016

Program	Balance Dec. 31, 2015		Transferred from 2016 Budget Appropriation	Paid or Charged	Encumbered	Balance Dec. 31, 2016
	Appropriated	Encumbered				
Private Grants:						
DARE Program	\$ 1.50					\$ 1.50
JIF Safety Award	552.36		\$ 3,575.00	\$ 268.35	\$ 1,019.60	2,839.41
JIF Safety Award - Optional	348.65		3,500.00	348.65		3,500.00
JIF Wellness			1,250.00	140.00		1,110.00
Comcast Technology Grant	5,313.18					5,313.18
Town Watch Crime Prevention Program	1,666.00					1,666.00
Total Private Grants	7,881.69	-	8,325.00	757.00	1,019.60	14,430.09
	<u>\$ 400,607.17</u>	<u>\$ 8,409.01</u>	<u>\$ 223,543.87</u>	<u>\$ 359,726.07</u>	<u>\$ 39,720.75</u>	<u>\$ 233,113.23</u>
Realized as Revenue in 2016 Budget			\$ 219,748.87			
Local Match Due From Current Fund			3,795.00			
Cash Disbursements				\$ 359,726.07		
			<u>\$ 223,543.87</u>	<u>\$ 359,726.07</u>		

SUPPLEMENTAL EXHIBITS

TRUST FUND

TOWNSHIP OF MANTUA
TRUST FUND
Statement of Trust Cash - Chief Financial Officer
For the Year Ended December 31, 2016

	<u>Animal Control</u>	<u>Other Trust</u>	<u>Municipal Open Space</u>
Balance December 31, 2015	\$ 29,320.81	\$ 2,504,745.43	\$ 174,144.56
Increased by Receipts:			
Animal Control Fees	\$ 17,416.00		
State Dog License Fees	548.40		
Due Current Fund		\$ 688.75	\$ 51,718.42
Due from Developers		10,902.09	
Miscellaneous Trust Reserves		8,178,812.09	
Reserve for Open Space			270,619.36
	<u>17,964.40</u>	<u>8,190,402.93</u>	<u>322,337.78</u>
	47,285.21	10,695,148.36	496,482.34
Decreased by Disbursements:			
Animal Control Expenses	18,632.87		
Encumbrances	1,088.00		
Due to State	9.60		
Due Current Fund		716.71	
Miscellaneous Trust Reserves		8,684,261.20	
Reserve for Open Space			298,855.41
	<u>19,730.47</u>	<u>8,684,977.91</u>	<u>298,855.41</u>
Balance December 31, 2016	<u>\$ 27,554.74</u>	<u>\$ 2,010,170.45</u>	<u>\$ 197,626.93</u>

TOWNSHIP OF MANTUA
TRUST -- OTHER FUND
Statement of Investments - Length of Service Awards Program
For the Year Ended December 31, 2016

Balance December 31, 2015		\$ 513,360.72
Increased by:		
Township Contributions	\$ 6,750.00	
Unrealized Gain on Investments	34,257.02	
		41,007.02
		554,367.74
Decreased by:		
Benefits Paid to Participants	65,847.34	
Administration Expenses	1,753.92	
		67,601.26
Balance December 31, 2016		\$ 486,766.48

Schedule of Investments, December 31, 2016

Fixed Annuity Contract		\$ 105,912.91
Bonds		16,224.38
Mutual Funds		364,629.19
		\$ 486,766.48

TOWNSHIP OF MANTUA
TRUST -- ANIMAL CONTROL FUND
 Statement of Due State of New Jersey - Department of Health
 For the Year Ended December 31, 2016

Balance December 31, 2015		\$	164.00
Increased by:			
2016 State License Fees			
Deposited to Current Fund	\$	1,536.60	
Deposited to Animal Control Fund		548.40	
Prior Period Adjustment		25.20	
			2,110.20
			2,274.20
Decreased by:			
Due to State of New Jersey			
Disbursed by Current Fund		1,725.80	
Disbursed by Animal Control Fund		9.60	
			1,735.40
Balance December 31, 2016		\$	538.80

Exhibit SB-4

TOWNSHIP OF MANTUA
TRUST -- ANIMAL CONTROL FUND
 Statement of Reserve for Animal Control Fund
 For the Year Ended December 31, 2016

Balance December 31, 2015		\$	28,215.41
Increased by:			
Dog License Fees	\$	13,156.00	
Cat License Fees		3,320.00	
Late Fees		940.00	
			17,416.00
			45,631.41
Decreased by:			
Cash Disbursements			18,632.87
Balance December 31, 2016		\$	26,998.54

License Fees Collected

<u>Year</u>	<u>Amount</u>
2014	\$ 20,422.20
2015	21,226.10
	\$ 41,648.30

TOWNSHIP OF MANTUA
TRUST -- ANIMAL CONTROL FUND
Statement of Due Current Fund
For the Year Ended December 31, 2016

Balance December 31, 2015 (Due from)		\$	146.60
Increased by:			
State Dog License Fees	\$	1,536.60	
Prior Year Interfund Adjustment		25.20	
			1,561.80
			1,708.40
Decreased by:			
Due to State of New Jersey			1,725.80
Balance December 31, 2016 (Due to)		\$	17.40

TOWNSHIP OF MANTUA
 TRUST -- MUNICIPAL OPEN SPACE FUND
 Statement of Due From Current Fund
 For the Year Ended December 31, 2016

Balance December 31, 2015		\$	50,157.17
Increased by:			
Added Taxes per Duplicate			1,839.61
			51,996.78
Decreased by:			
Prior Year Interfund Received	\$	50,157.17	
Added Taxes Received		1,561.25	
			51,718.42
Balance December 31, 2016		\$	278.36

TOWNSHIP OF MANTUA
 TRUST -- MUNICIPAL OPEN SPACE FUND
 Statement of Reserve for Future Use
 For the Year Ended December 31, 2016

Balance December 31, 2015		\$	224,301.73
Increased by:			
2016 Revenue Realized			
Cash Receipts	\$	270,619.36	
Due from Current Fund		1,839.61	
			272,458.97
			496,760.70
Decreased by:			
2016 Budget Appropriations			310,580.00
Balance December 31, 2016		\$	186,180.70

TOWNSHIP OF MANTUA
TRUST -- OTHER FUND
Statement of Due Current Fund
For the Year Ended December 31, 2016

Balance December 31, 2015		\$ 3,873.44
Increased by:		
Interest on Deposits not Turned Over to Current Fund		688.75
		4,562.19
Decreased by:		
Disbursed to Current Fund	\$ 716.71	
Receipts Deposited in Current Fund	568.21	
		1,284.92
Balance December 31, 2016		\$ 3,277.27

Exhibit SB-9

TOWNSHIP OF MANTUA
TRUST -- OTHER FUND
Statement of Accounts Receivable
For the Year Ended December 31, 2016

Balance December 31, 2015		\$ 62,656.88
Increased by:		
Tax Premium Receivable Accrued		68,400.00
		131,056.88
Decreased by:		
Cash Receipts		10,902.09
Balance December 31, 2016		\$ 120,154.79
<u>Analysis of Balance:</u>		
Reserve for Developers' Escrow	\$ 51,754.79	
Reserve for Tax Premium		68,400.00
Reserve for Developers' Escrow	\$ 120,154.79	

TOWNSHIP OF MANTUA
TRUST -- OTHER FUND
Statement of Miscellaneous Trust Reserves
For the Year Ended December 31, 2016

Reserve	Balance Dec. 31, 2015	Increased		Unrealized Gain on Investments	Decreased		Balance Dec. 31, 2016
		Receipts	Accounts Receivable		Disbursements	Reserve for Encumbrances	
Affordable Housing	\$ 714,671.27	\$ 41,138.56			\$ 7,512.14	\$ 2,875.09	\$ 745,422.60
Developers' Escrow	405,205.22	443,810.53			145,811.01	(2,078.79)	705,283.53
Country Gardens	423,709.24	1,329.82			715,074.53	(419,011.86)	128,976.39
Net Pay	74.32	3,301,245.09			3,299,363.24		1,956.17
Off Duty Police	17,614.28	246,749.00			245,231.54	13,241.04	5,890.70
Payroll Deductions Payable	10,244.61	3,390,021.35			3,370,130.88		30,135.08
Street Opening Deposits	5,565.00	960.00			1,200.00		5,325.00
Tax Premium	295,900.00	245,900.00	\$ 68,400.00		385,900.00		224,300.00
Tax Redemption	6,937.91	467,034.01			468,241.18		5,730.74
Federal Forfeited Funds	18,745.09	23.65					18,768.74
Local Forfeited Funds	6,175.50	10,730.39			3,125.00		13,780.89
Trust Other:							
Community Day Donations	2,481.96	1,690.00			709.58	140.00	3,322.38
Recreation	18,345.48				18,090.13	(9,492.00)	9,747.35
Police Explorer's Donations	1,405.00						1,405.00
Public Defender Fees	2,260.82	7,785.00			3,150.00	(1,000.00)	7,895.82
Police Canine Donations	9,606.91	10,429.90			12,879.09	950.00	6,207.72
Annual Calendar	1,399.31						1,399.31
Senior Citizen Trips	104.63	4,937.00			5,041.63		-
Fossil Fund	500.00	4,580.00			2,801.25	(134.45)	2,413.20
Historical Donations	42,180.09	500.00					42,680.09
Parking Offense Adjudication Act	6,207.63	516.00					6,723.63
Community Development Block Grant	51,000.00						51,000.00
Length of Service Awards Program	513,360.72	6,750.00		\$ 34,257.02	67,601.26		486,766.48
Encumbrances	523,194.60					414,510.97	108,683.63
	<u>\$ 3,076,889.59</u>	<u>\$ 8,186,130.30</u>	<u>\$ 68,400.00</u>	<u>\$ 34,257.02</u>	<u>\$ 8,751,862.46</u>	<u>\$ -</u>	<u>\$ 2,613,814.45</u>
Cash		\$ 8,178,812.09			\$ 8,684,261.20		
LOSAP		6,750.00			67,601.26		
Due Current Fund		568.21					
		<u>\$ 8,186,130.30</u>			<u>\$ 8,751,862.46</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, 2016

Balance December 31, 2015		\$ 829,105.17
Increased by Receipts:		
Due Current Fund	\$ 61.26	
State Aid Receivable	41,059.47	
Proceeds on Bond Anticipation Notes	1,303,400.00	
Reserve for Debt Service	59,535.00	
Capital Improvement Fund	<u>15,000.00</u>	
		<u>1,419,055.73</u>
		2,248,160.90
Decreased by Disbursements:		
Encumbrances	21,723.97	
Improvement Authorizations	<u>849,871.01</u>	
		<u>871,594.98</u>
Balance December 31, 2016		<u><u>\$ 1,376,565.92</u></u>

TOWNSHIP OF MANTUA
GENERAL CAPITAL FUND
 Analysis of General Capital Cash
 For the Year Ended December 31, 2016

	Balance Dec. 31, 2015	Bond Anticipation Notes	Disbursements				Balance Dec. 31, 2016	
			Receipts Miscellaneous	Improvement Authorizations	Miscellaneous	Transfers		
						From		To
Fund Balance	\$ 76,819.31					\$ 18,200.00	\$ 58,619.31	
Capital Improvement Fund	43,949.81		\$ 15,000.00			48,917.00	10,032.81	
Contracts Payable	42,537.32				\$ 21,723.97	14,564.90	\$ 427,344.07	
Due Current Fund	(61.26)						110,481.12	
Reserves for:								
Payment of Debt	110,481.12		59,535.00			110,481.12	59,535.00	
Improvement Authorizations:								
<u>Ordinance</u>								
<u>Number</u>								
02-7.3	Purchase of Pole Barn	38,480.71					38,480.71	
04-21.8	CBP Improvement	3,113.19		\$ 2,857.20		255.99	0.00	
04-21.9	Improvement to Sewell Boys Club	1,052.84					1,052.84	
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	584,500.00					584,500.00	
09-11(e)	Acquisition of Speed Sign Systems	8,580.00					8,580.00	
09-11(f)	Demolition of Various Buildings	474.20					474.20	
09-11(g)	Various Park Improvements	12,290.14		10,935.14		1,355.00		
09-12	Purchase of Network Server	899.80					899.80	
11-13(b)	Acquisition & Installation of Elevator at Muni. Building	13,841.26					13,841.26	
12-02	Acquisition and Installation of a Telephone System	8,256.00					8,256.00	
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	(50,000.00)					(43,179.70)	
13-08	Building Improvements	6,929.00					6,929.00	
14-07(a)	Reconstruction/Repaving of Various Roads	42,470.65		22,116.21		20,253.45	100.99	
14-07(b)	Refurbishment of Trash Trucks	86,204.77				1,834.00	84,370.77	
14-07(c)	Municipal Building Improvements	30,322.08					30,322.08	
14-07(d)	Acquisition of Police Vehicles	1,545.00		1,545.00				
14-07(e)	Acquisition of Computer Equipment	493.72		121.98			371.74	
15-06(a)	Resurfacing Tylers Mill Road	(33,759.52)		41,059.47		151.25	7,148.70	
15-06(b)	Resurfacing Golf Club Road	6,407.80					14,152.40	
15-07(a)	Acquisition of Two (2) Trash Trucks	(540,760.80)		2,000.00			(542,760.80)	
15-07(b)	Acquisition of Various Public Works Equipment	5,000.00				8,112.00	(3,112.00)	
15-10	Acquisition of Senior Citizen Bus	40,000.00					1,396.50	
16-06(a)	2016 Road Program	\$ 469,300.00		174,496.32		285,631.87	24,700.00	
16-06(b)	Drainage Improvements	66,500.00					3,500.00	
16-06(c)	Acquisition of a Generator			29,683.49		11,000.00	5,317.00	
16-06(d)	Acquisition of a Recycling Truck	57,000.00		58,696.00			3,000.00	
16-06(e)	Acquisition of Recreation Equipment	20,900.00				16,425.41	1,100.00	
16-06(f)	Irrigation Well at Chestnut Branch Park	47,500.00				50,000.00	2,500.00	
16-06(g)	Repairs to Pavilion and Buildings	24,700.00					1,300.00	
16-06(h)	Acquisition of Public Safety Equipment	47,500.00		50,000.00			2,500.00	
16-06(i)	Acquisition of Phone and Security System	28,500.00				13,301.35	1,500.00	
16-07	Improvements to Chestnut Branch Park Recreation Fields	66,500.00		1,464.92		19,175.00	3,500.00	
16-12(a)	Improvements to the Community Center						5,000.00	
16-12(b)	Acquisition of Dump Truck						8,000.00	
16-12(c)	Acquisition of Computer Equipment			5,200.00			5,200.00	
16-14	Acquisition of Property							
		475,000.00		452,000.00			23,000.00	
		\$ 829,105.17	\$ 1,303,400.00	\$ 226,136.85	\$ 849,871.01	\$ 21,723.97	\$ 619,507.09	\$ 619,507.09
							\$ 1,487,047.04	

TOWNSHIP OF MANTUA
GENERAL CAPITAL FUND
Statement of Deferred Charges to Future Taxation -- Unfunded
For the Year Ended December 31, 2016

Ordinance Number	Improvement Description	Balance Dec. 31, 2015	2016 Authorizations	Balance Dec. 31, 2016	Analysis of Balance December 31, 2016		Improvement Authorization
					Financed by Notes	Expended	
15-07(a)	Acquisition of Two (2) Trash Trucks	\$ 570,000.00		\$ 570,000.00		\$ 542,760.80	\$ 27,239.20
15-07(b)	Acquisition of Various Public Works Equipment	95,000.00		95,000.00		3,112.00	91,888.00
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		
		<u>\$ 665,000.00</u>	<u>\$ 1,303,400.00</u>	<u>\$ 1,968,400.00</u>	<u>\$ 1,303,400.00</u>	<u>\$ 545,872.80</u>	<u>\$ 119,127.20</u>

TOWNSHIP OF MANTUA
GENERAL CAPITAL FUND
Statement of Deferred Charges to Future Taxation -- Funded
For the Year Ended December 31, 2016

Balance December 31, 2015		\$ 9,686,834.02
Decreased by:		
2016 Budget Appropriation to Pay:		
Serial Bonds	\$ 1,065,000.00	
Green Trust Loan Payable	<u>16,913.69</u>	
		<u>1,081,913.69</u>
Balance December 31, 2016		<u>\$ 8,604,920.33</u>

Exhibit SC-5

TOWNSHIP OF MANTUA
GENERAL CAPITAL FUND
Statement of Due Current Fund
For the Year Ended December 31, 2016

Balance December 31, 2015 (Due From)		\$ 61.26
Decreased by:		
Cash Receipts:		
Prior Year Interfund	\$ 61.26	
Reserve for Payment of Debt Appropriated in Current Fund Budget	<u>110,481.12</u>	
		<u>110,542.38</u>
Balance December 31, 2016 (Due To)		<u>\$ 110,481.12</u>

TOWNSHIP OF MANTUA
GENERAL CAPITAL FUND
Statement of Federal and State Aid Receivable
For the Year Ended December 31, 2016

Balance December 31, 2015		\$	173,288.57
Increased by:			
State of New Jersey Office of Emergency Management			46,683.00
			219,971.57
Decreased by:			
Cash Receipts			41,059.47
Balance December 31, 2016		\$	178,912.10
Analysis:			
New Jersey Department of Transportation - E Atlantic Ave.		\$	28,624.95
Community Development Block Grant - Jessup Mill Road			50,000.00
New Jersey Department of Transportation - Tylers Mill Road			35,279.15
New Jersey Department of Transportation - Golf Club Road			18,325.00
State of New Jersey Office of Emergency Management			46,683.00
		\$	178,912.10

Exhibit SC-7

TOWNSHIP OF MANTUA
GENERAL CAPITAL FUND
Statement of Encumbrances Payable
For the Year Ended December 31, 2016

Balance December 31, 2015		\$	42,537.32
Increased by:			
Improvement Authorizations			427,344.07
			469,881.39
Decreased by:			
Disbursements	\$	21,723.97	
Encumbrances Canceled		14,564.90	
			36,288.87
Balance December 31, 2016		\$	433,592.52

TOWNSHIP OF MANTUA
GENERAL CAPITAL FUND
Statement of Capital Improvement Fund
For the Year Ended December 31, 2016

Balance December 31, 2015	\$ 43,949.81
Increased by:	
Budget Appropriation	<u>15,000.00</u>
	58,949.81
Decreased by:	
Appropriated to Finance Improvement Authorizations	<u>48,917.00</u>
Balance December 31, 2016	<u><u>\$ 10,032.81</u></u>

TOWNSHIP OF MANTUA
GENERAL CAPITAL FUND
 Statement of Improvement Authorizations
 For the Year Ended December 31, 2016

Ordinance Number	Improvement Description	Ordinance		Balance Dec. 31, 2015		2016 Authorizations	Paid or Charged	Payable Canceled	Balance December 31, 2016	
		Date	Amount	Funded	Unfunded				Funded	Unfunded
02-7.3	Purchase of Pole Barn	05/14/02	\$ 150,000.00	\$ 38,480.71					\$ 38,480.71	
04-21.8	CBP Improvement	07/27/04	100,000.00	3,113.19			\$ 3,113.19			
04-21.9	Improvement to Sewell Boys Club	07/27/04	75,000.00	1,052.84					1,052.84	
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	584,500.00					584,500.00	
09-11(e)	Acquisition of Speed Sign Systems	08/17/09	25,000.00	8,580.00					8,580.00	
09-11(f)	Demolition of Various Buildings	08/17/09	90,000.00	474.20					474.20	
09-11(g)	Various Park Improvements	08/17/09	100,000.00	12,290.14			12,290.14			
09-12	Purchase of Network Server	08/17/09	15,000.00	899.80					899.80	
11-13(b)	Acquisition & Installation of Elevator at Muni. Building	10/17/11	18,050.00	13,841.26					13,841.26	
12-02	Acquisition and Installation of a Telephone System	04/16/12	25,000.00	8,256.00					8,256.00	
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	42,470.65			42,369.66		100.99	
14-07(b)	Refurbishment of Trash Trucks	05/19/14	200,000.00	86,204.77			1,834.00		84,370.77	
14-07(c)	Municipal Building Improvements	05/19/14	36,000.00	30,322.08					30,322.08	
14-07(d)	Acquisition of Police Vehicles	05/19/14	125,000.00	1,545.00			1,545.00			
14-07(e)	Acquisition of Computer Equipment	05/19/14	139,000.00	493.72			121.98		371.74	
15-06(a)	Resurfacing Tylers Mill Road	07/20/15	205,000.00	42,579.10			151.25		42,427.85	
15-06(b)	Resurfacing Golf Club Road	07/20/15	205,000.00	24,732.80				7,744.60	32,477.40	
15-07(a)	Acquisition of Two (2) Trash Trucks	09/21/15	600,000.00		\$ 29,239.20		2,000.00			\$ 27,239.20
15-07(b)	Acquisition of Various Public Works Equipment	09/21/15	100,000.00	5,000.00	95,000.00		8,112.00			91,888.00
15-10	Acquisition of Senior Citizen Bus	10/19/15	40,000.00	40,000.00			38,603.50		1,396.50	
16-06(a)	2016 Road Program	07/18/16	494,000.00			\$ 494,000.00	460,128.19			33,871.81
16-06(b)	Drainage Improvements	07/18/16	70,000.00			70,000.00			3,500.00	66,500.00
16-06(c)	Acquisition of a Generator	07/18/16	52,000.00			52,000.00	40,683.49		11,316.51	
16-06(d)	Acquisition of a Recycling Truck	07/18/16	60,000.00			60,000.00	58,696.00			1,304.00
16-06(e)	Acquisition of Recreation Equipment	07/18/16	22,000.00			22,000.00	16,425.41			5,574.59
16-06(f)	Irrigation Well at Chestnut Branch Park	07/18/16	50,000.00			50,000.00	50,000.00			
16-06(g)	Repairs to Pavilion and Buildings	07/18/16	26,000.00			26,000.00			1,300.00	24,700.00
16-06(h)	Acquisition of Public Safety Equipment	07/18/16	50,000.00			50,000.00	50,000.00			
16-06(i)	Acquisition of Phone and Security System	07/18/16	30,000.00			30,000.00	13,301.35			16,698.65
16-07	Improvements to Chestnut Branch Park Recreation Fields	07/18/16	70,000.00			70,000.00	20,639.92			49,360.08

(Continued)

TOWNSHIP OF MANTUA
GENERAL CAPITAL FUND
 Statement of Improvement Authorizations
 For the Year Ended December 31, 2016

Ordinance Number	Improvement Description	Ordinance		Balance Dec. 31, 2015		2016 Authorizations	Paid or Charged	Payable Canceled	Balance December 31, 2016	
		Date	Amount	Funded	Unfunded				Funded	Unfunded
16-12(a)	Improvements to the Community Center	07/18/16	\$ 5,000.00			\$ 5,000.00			\$ 5,000.00	
16-12(b)	Acquisition of Dump Truck	07/18/16	8,000.00			8,000.00			8,000.00	
16-12(c)	Acquisition of Computer Equipment	07/18/16	5,200.00			5,200.00	\$ 5,200.00			
16-14	Acquisition of Property	10/03/16	475,000.00			475,000.00	452,000.00			\$ 23,000.00
				<u>\$ 1,269,428.24</u>	<u>\$ 124,239.20</u>	<u>\$ 1,417,200.00</u>	<u>\$ 1,277,215.08</u>	<u>\$ 14,564.90</u>	<u>\$ 1,208,080.93</u>	<u>\$ 340,136.33</u>
	Deferred Charges to Future Taxation - Unfunded					\$ 1,303,400.00				
	Capital Improvement Fund					48,917.00				
	Federal and State Grants Receivable					46,683.00				
	Fund Balance					18,200.00				
	Cash Disbursements						\$ 849,871.01			
	Encumbrances Payable						427,344.07			
						<u>\$ 1,417,200.00</u>	<u>\$ 1,277,215.08</u>			

TOWNSHIP OF MANTUA
GENERAL CAPITAL FUND
Statement of Bond Anticipation Notes
For the Year Ended December 31, 2016

Ordinance Number	Improvement Description	Date of Original Issue	Date of Issue	Maturity Date	Interest Rate	Increased	Balance Dec. 31, 2016
16-06(a)	2016 Road Program	12/29/16	12/29/16	12/15/17	1.61%	\$ 469,300.00	\$ 469,300.00
16-06(b)	Drainage Improvements	12/29/16	12/29/16	12/15/17	1.61%	66,500.00	66,500.00
16-06(d)	Acquisition of a Recycling Truck	12/29/16	12/29/16	12/15/17	1.61%	57,000.00	57,000.00
16-06(e)	Acquisition of Recreation Equipment	12/29/16	12/29/16	12/15/17	1.61%	20,900.00	20,900.00
16-06(f)	Irrigation Well at Chestnut Branch Park	12/29/16	12/29/16	12/15/17	1.61%	47,500.00	47,500.00
16-06(g)	Repairs to Pavilion and Buildings	12/29/16	12/29/16	12/15/17	1.61%	24,700.00	24,700.00
16-06(h)	Acquisition of Public Safety Equipment	12/29/16	12/29/16	12/15/17	1.61%	47,500.00	47,500.00
16-06(i)	Acquisition of Phone and Security System	12/29/16	12/29/16	12/15/17	1.61%	28,500.00	28,500.00
16-07	Improvements to Chestnut Branch Park Recreation Fields	12/29/16	12/29/16	12/15/17	1.61%	66,500.00	66,500.00
16-14	Acquisition of Property	12/29/16	12/29/16	12/15/17	1.61%	475,000.00	475,000.00
						\$ 1,303,400.00	\$ 1,303,400.00
						\$ 1,303,400.00	\$ 1,303,400.00

TOWNSHIP OF MANTUA
GENERAL CAPITAL FUND
Statement of General Serial Bonds
For the Year Ended December 31, 2016

Purpose	Date of Issue	Amount of Original Issue	Maturities of Bonds Outstanding December 31, 2016		Interest Rate	Balance Dec. 31, 2015	Increased	Decreased	Balance Dec. 31, 2016
			Date	Amount					
General Improvements Series of 2004	8/1/04	\$ 3,589,000.00	8/1/17	\$ 280,000.00	3.750%	\$ 1,109,000.00		\$ 260,000.00	\$ 849,000.00
			8/1/18	280,000.00	3.750%				
			8/1/19	289,000.00	4.000%				
General Improvements Series of 2008	9/24/08	5,504,000.00	9/1/17	375,000.00	4.125%	3,384,000.00		360,000.00	3,024,000.00
			9/1/18	395,000.00	4.125%				
			9/1/19	410,000.00	4.125%				
			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	5/15/17	265,000.00	2.750%	1,805,000.00		245,000.00	1,560,000.00
			5/15/18	260,000.00	3.000%				
			5/15/19	255,000.00	3.250%				
			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	12/1/17	205,000.00	2.000%	3,310,000.00		200,000.00	3,110,000.00
			12/1/18	205,000.00	2.000%				
			12/1/19	210,000.00	2.000%				
			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>3,310,000.00</u>		<u>200,000.00</u>	<u>3,110,000.00</u>
						<u>\$ 9,608,000.00</u>	<u>\$ -</u>	<u>\$ 1,065,000.00</u>	<u>\$ 8,543,000.00</u>
								\$ 973,800.00	
Paid by Open Space Trust Fund								<u>91,200.00</u>	
								<u>\$ 1,065,000.00</u>	

TOWNSHIP OF MANTUA
GENERAL CAPITAL FUND
Statement of Green Acres Trust Loan Payable
For the Year Ended December 31, 2016

Purpose	Date of Issue	Amount of Original Issue	Maturities of Bonds Outstanding December 31, 2016		Interest Rate	Balance Dec. 31, 2015	Decreased	Balance Dec. 31, 2016
			Date	Amount				
Chestnut Branch Park	8/1/00	\$ 296,000.00	2017	\$ 17,253.66	2.00%	\$ <u>78,834.02</u>	\$ <u>16,913.69</u>	\$ <u>61,920.33</u>
			2018	17,600.46				
			2019	17,954.22				
			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, 2016

Ordinance Number	Improvement Description	Balance Dec. 31, 2015	2016 Authorizations	Issued	Balance Dec. 31, 2016
15-07(a)	Acquisition of two (2) Trash Trucks	\$ 570,000.00			\$ 570,000.00
15-07(b)	Acquisition of Various Public Works Equipment	95,000.00			95,000.00
16-06(a)	2016 Road Program		\$ 469,300.00	\$ 469,300.00	
16-06(b)	Drainage Improvements		66,500.00	66,500.00	
16-06(d)	Acquisition of a Recycling Truck		57,000.00	57,000.00	
16-06(e)	Acquisition of Recreation Equipment		20,900.00	20,900.00	
16-06(f)	Irrigation Well at Chestnut Branch Park		47,500.00	47,500.00	
16-06(g)	Repairs to Pavilion and Buildings		24,700.00	24,700.00	
16-06(h)	Acquisition of Public Safety Equipment		47,500.00	47,500.00	
16-06(i)	Acquisition of Phone and Security System		28,500.00	28,500.00	
16-07	Improvements to Chestnut Branch Park Recreation Fields		66,500.00	66,500.00	
16-14	Acquisition of Property		475,000.00	475,000.00	
		<u>\$ 665,000.00</u>	<u>\$ 1,303,400.00</u>	<u>\$ 1,303,400.00</u>	<u>\$ 665,000.00</u>

PART 2
SCHEDULE OF FINDINGS AND RECOMMENDATIONS
FOR THE YEAR ENDED DECEMBER 31, 2016

TOWNSHIP OF MANTUA
Schedule of Findings and Recommendations
For the Year Ended December 31, 2016

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. 2016-001

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

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. 2015-001

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. 2016-001.

Planned Corrective Action

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

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	
Michael Silvanio	Committeeman	
Michael A. Angelini	Solicitor	
Jennica Bileci	Administrator, Township Clerk	
Pamela Levine	Deputy Registrar of Vital Statistics	
	Animal Registrar	
Gayle Tschopp	Chief Financial Officer	(A)
Denise Demers	Construction Code Clerk	
Susan Baldwin	Construction Code Clerk	
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